DELIVERING AN INNOVATIVE FUTURE

Annual Report 2024

HANSEN

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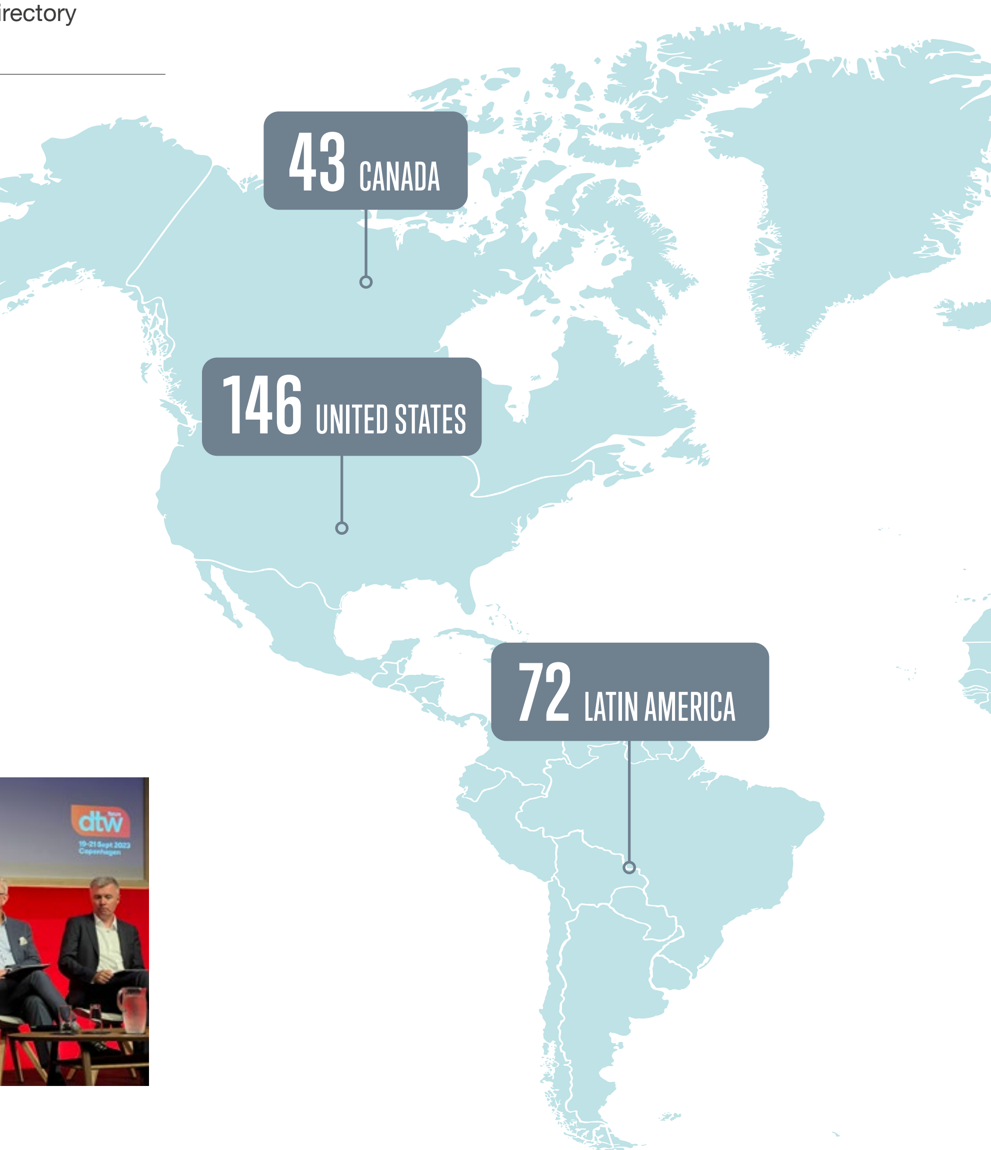
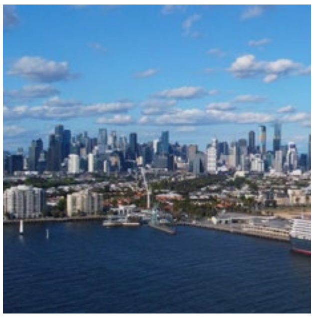
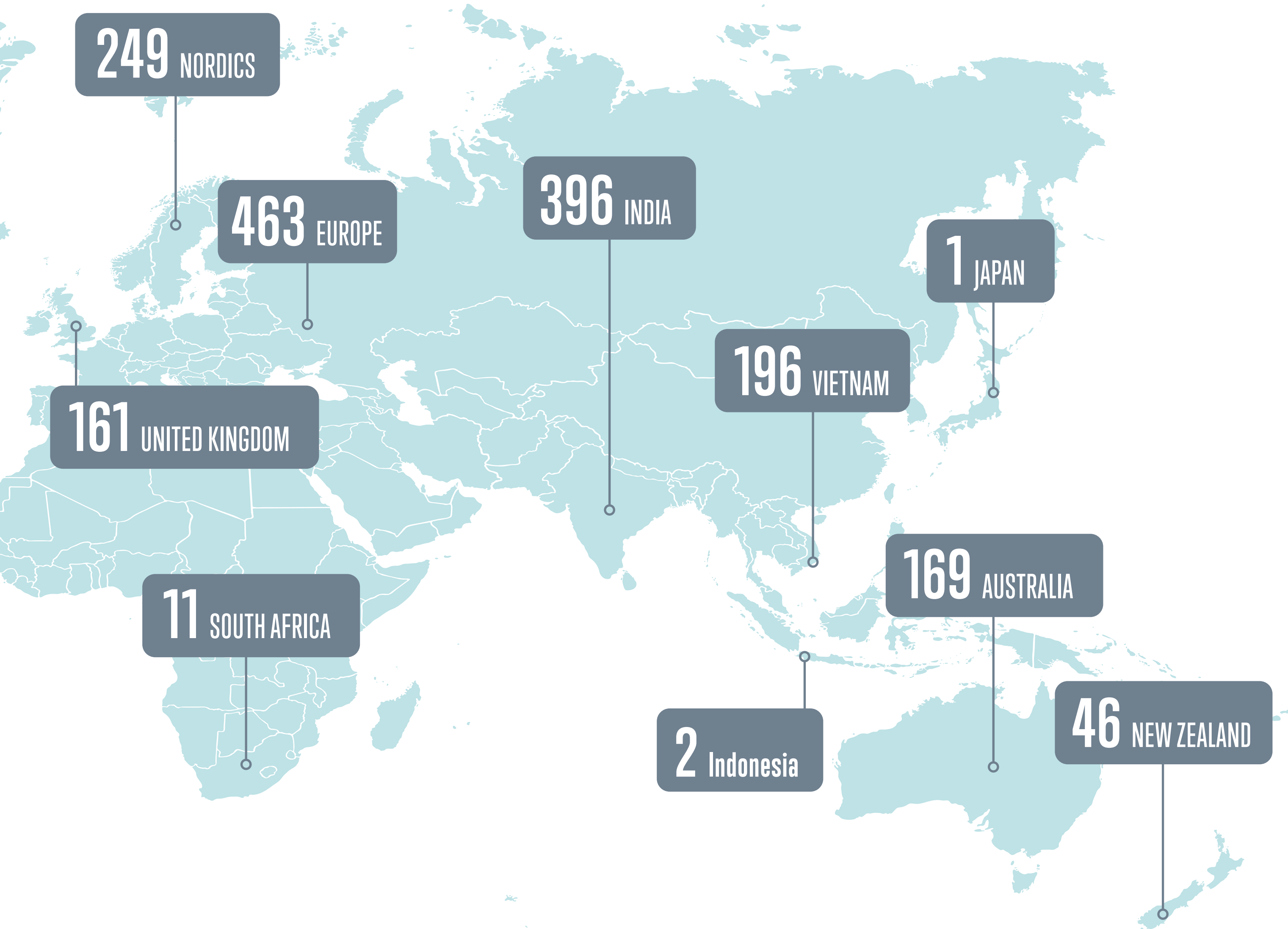
REGIONS AND NUMBER OF STAFF





Alin Mihaita Tanasa, Denmark
Software Developer

At Hansen, we relentlessly push boundaries, keeping our products and offerings agile, innovative, and laser-focused on our customers' needs and the ever-evolving sectors they thrive in.



OUR HIGHLIGHTS

ENERGY & UTILITIES REVENUE

$201.6m

Up 26.2%

Up 14.7% excluding powercloud

COMMUNICATIONS & MEDIA REVENUE

$148.9m

Up 1.2%

APAC Up 16.5%

OPERATING REVENUE

$353.1m

Up 13.2%

Up 8.2% excluding Data Centre & powercloud

UNDERLYING CASH EBITDA (EXCLUDING POWERCLOUD)

$87.1m

Up 11.1%

Underlying Cash EBITDA is Underlying EBITDA less capitalised development costs

'Major Player' in IDC MarketScape

Named in the 'Major Players' category in IDC MarketScape — Worldwide CIS and Billing Solutions for Utilities 2024 Vendor Assessment.

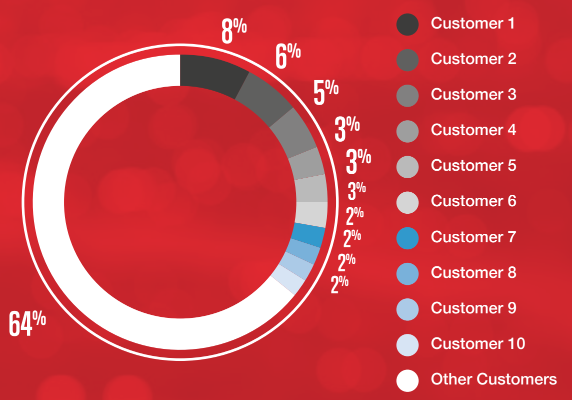
~400,000 hours of innovation annually

We are continually evolving our products to exceed our customers expectations.
We capitalise only a small portion of our overall R&D. In addition to these hours, we deliver significant billed innovation activities across many of our products.

Sustainably-focused operations

Implemented global Sustainability Strategy – a blueprint for sustainable value creation that connects the business strategy to sustainability issues.

CUSTOMER DIVERSITY



LEVERAGE RATIO

0.3x

Sufficient capital for further acquisition opportunities

WHAT WE DO

About Hansen

Hansen (ASX:HSN) is a global provider of software and services for the energy and utilities, and communications and media sectors.

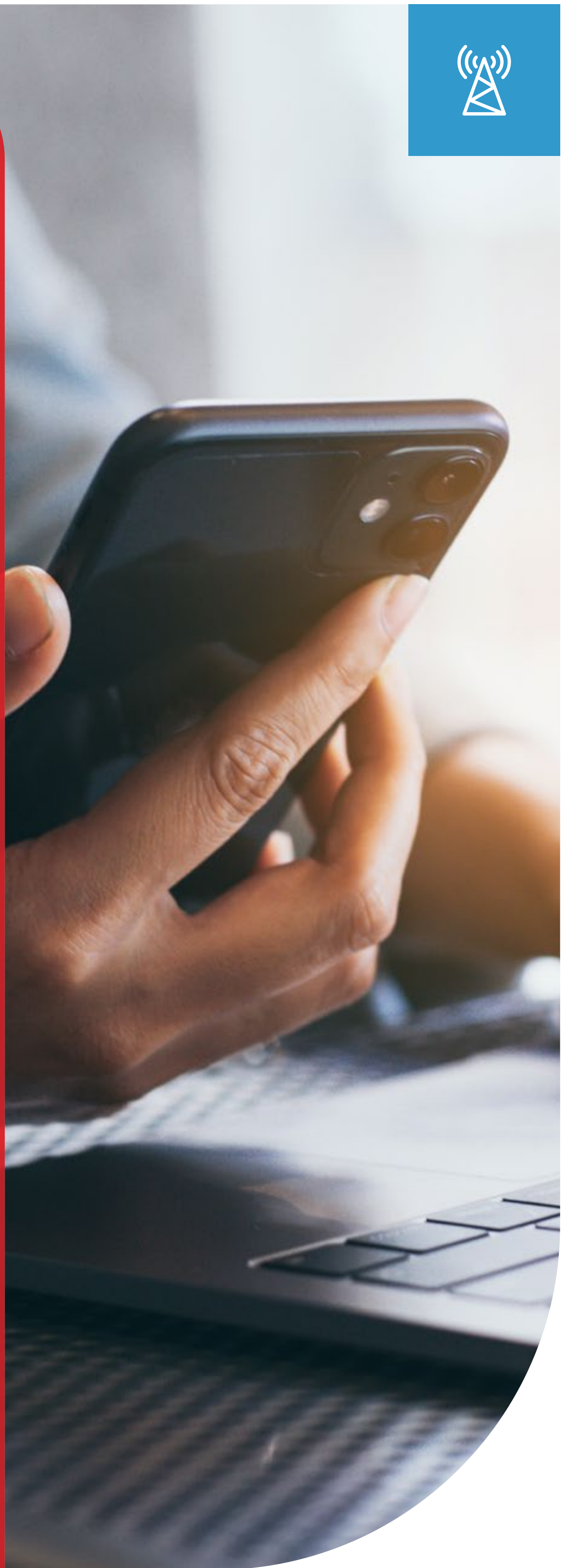
Our Hansen Suite is made up of industry-specific modular solutions delivered as SaaS, on-premise or in the cloud. These software products are underpinned by the deep knowledge of our industry experts located across every continent except Antarctica.

Our focus is on enabling our customers to more easily innovate and sell new services and market offerings, comply with changing market regulation, and power new business models in areas such as emerging sustainable energy supply, IoT, and new next-generation connected services.

While we provide a critical bridge to the future, a considerable part of the Hansen value is to provide the rock-solid foundation that our customers rely on every day. For example, providing current services, charging and billing for them, and engaging in the necessary customer interactions required to maintain their business and critical services they deliver – all supported through the Hansen Suite of software and services, and the just under 2,000 Hansen community.

OUR MARKETS: THE INDUSTRIES WE SERVE

At Hansen we play a pivotal role for our customers. We are an essential ingredient in their commercial business models, providing the ability to create and deliver essential services.



THE COMMUNICATIONS & MEDIA SECTOR

A$148.9m

REVENUE

The Communications & Media sector is a dynamic sector and one that continues to undergo unprecedented digital, business and technology transformation. As the world embraces 5G, IoT, and AI, consumers, both individual and corporate, increasingly rely on communications and media companies for a diverse array of products and services that extend far beyond basic connectivity.

As a leader in the Opportunity-to-Cashflow landscape, we are engaging in numerous dynamic and diverse projects, collaborating with many of the industry's leading communications and media companies. Our focus is helping them quickly launch new digital services and establish new lines of business, including marketplace solutions.

Notably we are working with one of the largest communications companies in Europe to develop a comprehensive wholesale solution.

In North America, we successfully deployed our products to support DISH's 5G market strategy, based on one of the industry's first Open RAN 5G Networks. Alongside this core 5G program, we are also working on a number of other transformation programs for different parts of DISH's retail consumer and business wholesale markets.

Our extensive multi-year transformation initiative with Telefónica Germany has achieved significant milestones over the past 12 months.

Additionally, numerous clients have transitioned or are in the process of transitioning to our cloud-native SaaS products, highlighting their trust in our technological expertise. Others have turned to us for our ability to deliver converged billing across different business entities.

Furthermore, our team continues to pioneer the next phase of industry evolution by collaborating with organisations like TM Forum to lead and shape new standards in telecommunications, particularly around Open Digital Architecture.

THE ENERGY & UTILITIES SECTOR

A$201.6m

REVENUE

Hansen's strategic focus for players in the Energy & Utilities sector is to help them transition from commodity-based services to value-added solutions, ultimately delivering an exceptional customer experience. Our purpose-built software empowers clients by managing critical data essential for their commercial operations, aligning with our vision to enhance customer interactions.

The Energy & Utilities sector is undergoing a significant transformation, driven by innovations behind the meter, complex networks, increased distributed generation, and diverse storage assets. Utility companies are leveraging automation, analytics, and AI to optimise energy generation, storage, and trading, all while striving to deliver superior customer experiences amidst global cost-of-living challenges.

In FY24, Hansen advanced its energy and utility modules, facilitating rapid transitions for our customers. We expanded our market presence with the acquisition of powercloud in Europe, targeting the German and DACH (Germany, Austria and Switzerland) regions. Our global products meet regional and local regulations out-of-the-box, ensuring compliance and reliability.

A few notable highlights from FY24 in Asia Pacific include nearing completion of a major transformation project for Energy Queensland and launching a significant Commercial and Industrial project for Aurora Energy. In the Nordic region, we migrated Fortum companies to a unified Hansen platform and delivered multiple projects for Hansen Trade, Energy Data Management, and Storage Optimisation, including collaborations with Stockholm Exergi, Skellefteå Kraft, and Vattenfall. In North America, we supported community solar advancements, adding Cenergy Power to our portfolio. We fully implemented Hansen EDI for North America across Exelon, processing up to 90 million EDI transactions annually and managing $80 billion in financial transactions.

Hansen's evolution and transition to SaaS applications for utilities addresses customers' needs for better availability, dependability, robustness, and security, along with the latest features and functionality. Our expertise in ecosystem integration is helping customers accelerate productisation and time-to-market, streamline processes and enhance customer engagement.

CHAIRPERSON AND MANAGING DIRECTOR JOINT REPORT

David Trude
Chairperson

Andrew Hansen
Global CEO and
Managing Director

At Hansen, we constantly assess and embrace emerging technologies. Equally, we focus on forging deep relationships with our customers and partners to ensure we understand their dynamic worlds and the challenges they navigate.

This, in turn, enables our team to agilely direct their innovative efforts to ensure our products help our customers power through their transitions and transformations. And we are always assessing how acquisitions might support us to deliver to our customers and keep propelling our business forward to achieve our growth aspirations.

It's an exciting time to be a part of Hansen. The challenges for our customers and the sectors they operate in are real. And we are proud that technology, specifically Hansen software and services, is playing a vital role to advance our customers' businesses.

Dear Shareholders and Stakeholders,

We are pleased to present the Annual Report for Hansen Technologies Limited, for the fiscal year ended 30 June 2024 (FY24).

Across FY24, the base Hansen business (excluding the recent powercloud acquisition) delivered strong revenue growth, stable Underlying EBITDA margins and continued to generate solid operating and free cash flows.

The powercloud acquisition requires further investment and whilst there remain challenges to its transition into a profitable business within the Energy & Utilities vertical, integration efforts are underway.

Our focus on innovation and growth is helping ensure Hansen continues to deliver the best possible value for all our stakeholders. The industry sectors we support are both in exciting digital transition phases, and as a group we are uniquely positioned to help accelerate our customers' transition and transformation.

Our people are critical to Hansen delivering on our mission. Their hard work and dedication is reflected in what has been another successful year of product development and innovation for our customers.

Delivering Innovative Solutions to Sectors in Transition

At Hansen, we support two industry sectors – Energy & Utilities and Communications & Media. Both these sectors are incredibly dynamic, navigating a myriad of change from societal expectations to regulatory compliance demands.

To ensure our software products and service offerings remain what will be best to support our customers into the future, we are laser focused on doing our part to anticipate future needs. Over the past year, we have invested across the board in our products, embracing both emerging and tried and tested tools and technologies.

Agility is the key. We are proud that some of our technology leads are not just working with our people to advance our products but are also working at an industry level to help establish new industry standards. For example, with TM Forum as Open Digital Architecture becomes an industry standard, our people are leading several workstreams and are actively involved in working groups.

At Hansen, innovation is at the core of what we do. We dedicate more than 400,000 hours annually to innovation (or R&D). Within FY24, the areas of investment have spanned community solar, customer experience, enabling for renewable future with behind the meter innovation, innovation around virtual power plants, AI optimised trading of energy, cyber security and helping our communications customers establish marketplace solutions and full turnkey digital services.

7.3%

Operating Revenue Growth excluding powercloud

A$59.1m

FY24 Operating Cash Flow

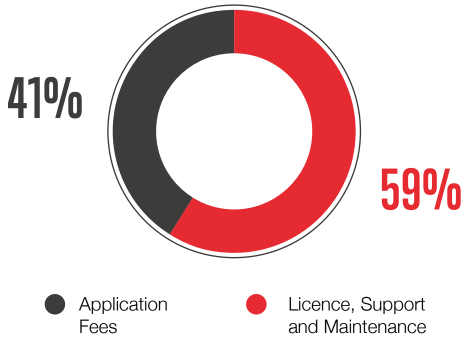
30%

Underlying EBITDA Margin excluding powercloud

11.1%

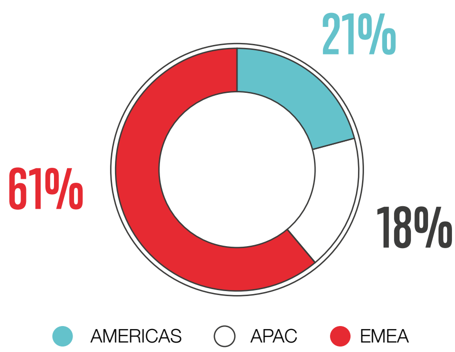
Underlying Cash EBTDA Growth excluding powercloud

Recurring and Predictable Revenue



Excluding Data Centre

FY24 Revenue by Region



Trusted Partner, Expanded Relationships

At Hansen, forging meaningful and long-lasting relationships with our customers is very much in our DNA. In fact, we still work with customers that first came to us close to 40 years ago!

Why? We aim to partner – that is, we work alongside our customers to genuinely understand their businesses, help bring new thinking into understanding and navigating the challenges they face or will face, and together we innovate for the future.

FY24 has been another positive year where new customers have started on a journey benefiting from Hansen products and many current customers have progressed and completed projects. Equally, a number of customers have renewed their contracts, and, in many cases, in renewing have expanded their partnership with us. Numerous clients are transitioning to our cloud-native SaaS products, demonstrating their trust in our technological expertise and converged billing solutions.

In the Communication & Media sector, our extensive transformation with Telefónica Germany has achieved significant milestones over the past year. In North America, our products support DISH's Open RAN 5G network and other transformation programs. Additionally, we are helping shape new telecommunications standards with TM Forum, particularly around Open Digital Architecture.

In the Energy & Utilities sector, we are nearing completion of a major project for Energy Queensland and are launching a Commercial and Industrial project for Aurora Energy in Asia Pacific. In the Nordic region, we migrated Fortum companies to a unified Hansen platform and delivered projects for Hansen Trade, Energy Data Management, and Storage Optimisation with partners like Stockholm Exergi, Skellefteå Kraft, and Vattenfall. In North America, we supported community solar advancements, adding Cenergy Power to our portfolio. Our team supporting Exelon, North America's largest energy company, is now processing up to 90 million EDI and $80 billion financial transactions each year.

We are proud to report a seven-year renewal with a leading provider of electricity and gas to the United Kingdom and the Republic of Ireland. This longstanding customer of Hansen since 2005 is upgrading to Hansen's cloud-enabled, event-driven CIS platform. This renewal represents a significant milestone, highlighting the strategic investments we have made in our products and underscores our commitment to supporting a valued customer through their digital transformation journey.

Expanded Geography, New Offering

Our acquisition of powercloud, which focuses on serving Energy & Utilities customers with a billing and customer management solution across the DACH region (Germany, Austria and Switzerland), has opened up new potential for Hansen in this strategically important part of the world.

We are excited by the prospects for growth in the German energy sector. We expect market dynamics to encourage many energy retailers in Germany to make an investment decision on their billing systems in the coming years. With over 1,200 retailers and the push towards Distributer Energy Resources, Renewables and Smart Meters, the market needs new, modern, highly flexible providers.

The German Energy market provides significant opportunities for growth. Our acquisition of powercloud provides a platform for Hansen to expand further into this attractive market. We acquired the business as a turnaround story, and we are continuing to invest as we integrate the business and implement Hansen's software development and project management disciplines.

As a business, we are very well positioned to aggregate more and larger businesses. As we explore acquisition opportunities, we are predominantly targeting businesses within the verticals we operate in, with a focus on companies that are driving profitable innovation and growth. Hansen is also considering a third vertical that complements or leverages our existing capabilities. Our investment strategy for a potential third vertical is to identify companies that are driving profitable innovation and growth, are mission critical to the companies they serve and are not easily replicated or replaced.

Investing in the Future: Our People

As a global business, we are positively astounded at how many milestone anniversaries we celebrate. There would not be many months when we don't have people marking five, 10, 15, or 20 years and regularly we are speaking to people who have made their life's career with us as they reach 25, 30 and beyond years.

This is testament to the rewarding work that we do and the investments we make to fuel their passions. We are committed to providing opportunities for our people to grow, develop and move into new areas and bring together our diverse and rich tapestry of cultures, backgrounds and beliefs into a safe, respectful and inspiring environment.

Through FY24, our global business connected around initiatives from improving physical and mental health, to appreciating each other, sharing our talents from photography to elite sports and giving back to our communities – locally and globally through our Acts of Impact initiative.

Embedding Sustainability into our Core

At Hansen, we're not just about building innovative software and services; we're also about creating a positive impact within the Energy & Utilities and Communications & Media sectors and beyond. In line with our commitments made during FY23, we have brought this together in our global Sustainability Strategy.

Preparations are underway for mandatory sustainability reporting and we are proud to highlight that we have exceeded our roadmap expectations with the development of our initial Climate Report. We have developed a report which provides information about Hansen's approach to assessing and managing its climate-related risks and opportunities.

We are also delighted to share that for the third year running, our Australian operation has been certified as Carbon Neutral by Climate Active and that since FY21 our emissions for this part of Hansen has reduced by 17%.

More details can be found in our Sustainability Report on page 12.

A Word on the Financials

The Group has delivered strong revenue growth and Underlying EBITDA margins that were in line with guidance.

Reflecting the Group's strong cash generation, Underlying Cash EBITDA excluding powercloud increased 11.1% from FY23 to $87.1m. The organic revenue growth of the underlying Hansen business excluding powercloud has increased by 7.3% and our latest acquisition powercloud has delivered an additional $18.4m in operating revenue.

A$ Million	FY24	FY23	Variance (%)
Including powercloud			
Operating revenue	353.1	311.8	13.2%
Underlying EBITDA(1), (2), (3)	92.4	99.5	(7.1%)
Underlying Cash EBITDA(1), (2), (3), (4)	76.9	78.4	(1.9%)
Excluding powercloud			
Operating revenue	334.7	311.8	7.3%
Underlying EBITDA(1), (2), (3)	99.7	99.5	0.2%
Underlying Cash EBITDA(1), (2), (3), (4)	87.1	78.4	11.1%

(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.

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

(3) Underlying EBITDA, excludes separately disclosed items, which represent the one-off costs during the period. Further details of the separately disclosed items are outlined in Note 4 to the Financial Report.

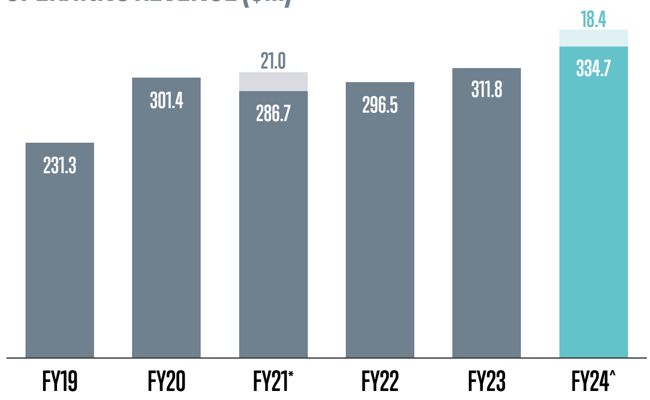
(4) Underlying Cash EBITDA is Underlying EBITDA less capitalised development costs.

Our revenue is up 13.2% since FY23. Excluding licences, our recurring and predictable revenue is up 6.9% from FY23 and up 7.7% since FY19 (CAGR) excluding powercloud and Data Centre. Our business remains very well diversified across verticals, geographies and our customer base with no one customer making up more than 8% of our total global FY24 revenue. This diversity, and the industries we serve, ensure that we remain resilient and create opportunities to leverage our global footprint for further growth.

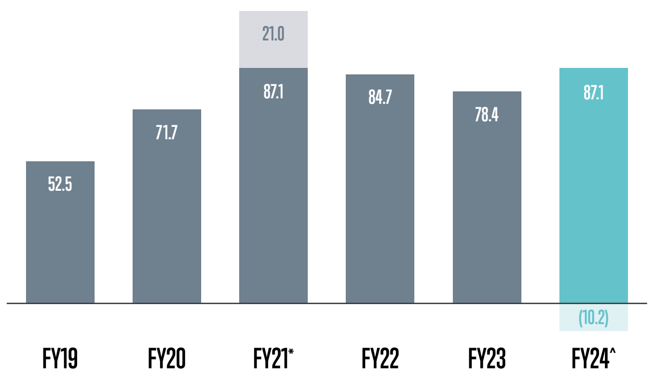
At a Group level $59.1m of Operating Cash flows was generated and reflecting the investment required to acquire and fund powercloud, the Free Cash Flow was a negative $5.7m.

Hansen borrowed an additional $55.3m to fund the acquisition of powercloud and has already paid down $12.0m of this borrowing. At 30 June 2024, the Group's total borrowings were $70.2m and its net debt position was $24.5m. Hansen's overall leverage ratio remains very low at 0.3x.

OPERATING REVENUE ($m)



UNDERLYING CASH EBITDA ($m)



* Includes Telefónica

^ Includes powercloud

Looking Ahead: Leadership and Structural Changes

With the dynamic markets we operate in, the Board and senior leadership are always looking at how Hansen can perform better for our customers, our people and our shareholders. The growth we have experienced over the past five years has paved the way for a structure that delivers an integrated model for each of our two verticals.

From July 1, 2024, Hansen will operate with two divisions, each focusing on an industry vertical. Scott Weir will lead our Communications & Media focus, and David Castree will lead Energy & Utilities. Both these senior executives are long-time Hansen leaders.

Rejoining the business as Chief Strategy Officer is Niv Fernando. He will be responsible for managing the company's growth strategy including our mergers and acquisitions.

Andrew Hansen will resume the position of Global CEO alongside the role of Managing Director.

We thank Graeme Taylor for his leadership not just over the past 12 months as CEO, but for his strategic leadership throughout the past 11 years in various executive roles.

The Board and leadership team are invigorated by the road ahead and look forward to sharing updates as we celebrate key milestones and achievements.

David Trude
Chairperson

Andrew Hansen
Global CEO and Managing Director

SUSTAINABILITY REPORT

Peter Beamsley | Head of Investor Relations and Sustainability

At Hansen, we're not just about building market leading innovative software and services; we're about creating a positive impact within the Energy & Utilities and Communications & Media sectors and beyond. Yet we know that no one individual or organisation can impact our planet in the way it needs – it is a collaborative approach that businesses must make to facilitate the transformative change necessary to limit the global temperature rise to 1.5°C.

Global CEO and Managing Director's Message

I am pleased to present Hansen's Sustainability Report for FY24, highlighting our key achievements and commitments to sustainability, environmental responsibility, diversity, and governance.

In FY24, we developed and began implementing a global Sustainability Strategy based on the 20 material sustainability topics we identified during FY23. Our Sustainability Strategy is aligned with the ten principles of the UN Global Compact and key UN Sustainable Development Goals. It aims to effectively manage our sustainability-related risks and create social, environmental, and economic value through our products, services, and operations.

I'm proud to state that we have exceeded the expectations of our sustainability roadmap and delivered our inaugural Climate Report during FY24. The report is structured in line with the Task Force on Climate-Related Financial Disclosures (TCFD) framework and sets the foundation for Hansen in its preparation for Australia's forthcoming mandatory climate-related financial disclosure standards.

ACTING ON CLIMATE CHANGE AND THE ENVIRONMENT

As a global company, operating in many diverse markets, we are taking a phased approach on our journey to become net-zero. Our initial focus has been understanding the impacts of our Australian operations and ensuring we have a robust program to reduce our emissions, before expanding globally.

I am delighted to share that for the third year in a row our Australian operations have been certified as carbon neutral by Climate Active. More importantly, our Australian emissions are declining even as our business is growing.

As part of our Sustainability Roadmap, we will be setting environmental targets and adopting responsible practices for a transition to a net-zero, resilient economy.

With our focus on two sectors that are in essence the lifeblood of society, we are proud of our small role in helping support our customers in their transition to net-zero through innovative solutions while seeking ways to reducing our own environmental impacts and working towards becoming a carbon neutral company.

UPLIFTING OUR PEOPLE, FUTURE WORKFORCE & COMMUNITIES

Hansen is incredibly fortunate to have such a diverse workforce – from the cultures and languages of our people to their ages and genders and everything in between. This is something that we have long valued and that we recognise as an asset in how we work and how we responsibly model to the wider business community.

Yet it is a responsibility that we don't take lightly. We are always looking at what we can do to further prioritise our people and their physical and mental well-being, to ensure they feel included, respected and above all safe.

We are committed to treating every individual with dignity and respect, ensuring human rights are central to the workplace culture. Aligning with our efforts to create a sustainable and diverse talent pipeline, we commit to trying to maintain above-industry levels of female representation. Our recent recruitment of a new female board member also increases female representation on the Board.

Since our inception, we have always sought to develop strong relationships with the communities in which we operate. Over the past few years, our people have embraced our Acts of Impact initiative among others to impact in small and not so small ways. Our future actions are focused on strengthening these values within every layer of our operations and supply chains, helping ensure that our dealings are not just fair, but exemplary.

OPERATING OUR BUSINESS ETHICALLY & RESPONSIBLY

In a world where trust is currency, we always seek to operate with the highest levels of integrity and transparency. We are passionate about upholding the highest standards of data privacy and are continuously innovating and investing in robust cyber security measures.

We adhere to stringent anti-corruption policies and emphasise comprehensive training programs across all these fundamental business areas. Our recently enhanced Supplier Code of Conduct and Code of Conduct help to ensure sustainable ethical operations. This goes beyond just compliance; it's about fostering a culture where human rights are front and centre. Looking ahead, we're exploring new ways to empower the communities we operate in and make sure our operations leave a positive mark on everyone involved.

I hope you enjoy reviewing our FY24 Sustainability Report. You have my, the leadership team, and our Board's commitment that we will continue to evolve our strategies and practices to address emerging challenges and opportunities. This report lays the framework for our ongoing efforts and establishes our pathway for upcoming mandatory sustainability reporting including the Australian Sustainability Standards and Corporate Sustainability Reporting Directive (Europe).

This report provides an overview of Hansen's global sustainability performance during FY24. Our reporting considers and promotes the ten principles of the United Nations Global Compact, the United Nations Sustainable Development Goals (SDGs) and the Task Force on Climate-Related Financial Disclosures (TCFD). It has been prepared considering the emerging standards and guidelines issued by the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), the Corporate Sustainability Reporting Directive (CSRD) and the Australian Sustainability Reporting Standards (ASRS).

This report contains information for Hansen and its controlled entities as at 30 June 2024 and, for businesses that were part of Hansen during only part of the reporting period unless otherwise stated.

Our Sustainability Report is broadly structured around our Sustainability Strategy, the 20 material sustainability topics identified during FY23 and our Sustainability Roadmap which supports and guides Hansen to achieve greater value for our stakeholders and the communities we operate in.

Andrew Hansen
Global CEO and Managing Director

Hansen's Sustainability Roadmap

FY24 COMPLETED

- Develop a whole-of-business **Sustainability Strategy**
- Develop **ESG metrics** and identify relevant ESG data points to begin tracking
- Begin development of a **Diversity, Equity & Inclusion Strategy**
- Formalise a **waste management plan** that builds on current waste management efforts
- Review and update selected **policies** in line with the Sustainability Strategy
- Launch **Supplier Code of Conduct**
- Calculate detailed **scope 3 emissions** for Hansen's Australian operations
- Recertify for **Climate Active**
- Conduct **global sustainability risk and opportunity assessment** to refine the Sustainability Strategy
- Publish Hansen's first **Climate Report aligned with TCFD**, with a view to further evolve this in future years to align with ASRS

FY25

- **Supplier Sustainability Assessment** of a select group of suppliers
- Set Sustainability **Targets and KPIs** for select metrics, and track and report on completion rates
- **Introduce and embed** the Sustainability Strategy across the organisation
- Begin **calculation of scope 1, 2 and 3 emissions** for Hansen's **global operations**
- Recertify for **Climate Active**
- Conduct **climate scenario analysis** on highest priority risks and opportunities
- **IFRS/ASRS readiness assessment**

FY26 AND BEYOND

- Conduct a **progress assessment** to track the extent to which the **Sustainability Strategy** is integrated across the organisation
- Finalise and **launch Diversity, Equity & Inclusion Strategy**
- Continue **Supplier Sustainability assessment**
- **Define scope 1, 2 and 3 emissions baseline** for Hansen's **global** operations
- Begin forecast of future emissions trajectory that incorporates **scope 3 emissions of the full value chain**
- Develop an **emissions reduction strategy** and submit targets to **SBTi**
- Expand Sustainability **Metrics Targets and KPIs** for select metrics, and continue to track and report on completion rates
- **Materiality assessment refresh** with global stakeholder engagement

ACROSS FY24 HANSEN HAS MADE SIGNIFICANT PROGRESS ON ITS SUSTAINABILITY ROADMAP

FY24 Roadmap Key Progress

SUSTAINABILITY STRATEGY

We have developed our global Sustainability Strategy, informed by our material ESG topics. This connects our business strategy to sustainability issues and articulates our commitment to generating value through our products, services, and operations, and seeks to demonstrate our alignment with the UN SDGs and Global Compact principles.

DISCLOSURE READINESS

Hansen has made progress to prepare for upcoming sustainability reporting by developing our inaugural Climate Report, the first output of these activities. Understanding our climate impacts and our resilience to them helps inform our long-term corporate strategy and risk management.

DIVERSITY, EQUITY & INCLUSION

At Hansen a diverse, equitable and inclusive workforce is at the heart of our corporate values.

In FY24, we took the significant step of benchmarking our unadjusted average and median gender pay gap.

GLOBAL WASTE AND E-WASTE MANAGEMENT POLICY

As a leading global technology company, we recognise the impact waste and electronic waste (e-waste) can have on the environment and human health. Our policy outlines Hansen's commitment to minimising waste generation, promoting responsible disposal, and contributing to a circular economy.

GLOBAL ENVIRONMENTAL & CLIMATE CHANGE POLICY

Implementation of our Environmental and Climate Change Policy highlights our commitment to managing our operations and activities in a manner that complies with minimum environmental standards and describes how we will continue to improve our environmental performance and mitigate the effects of climate change.

SUPPLIER CODE OF CONDUCT

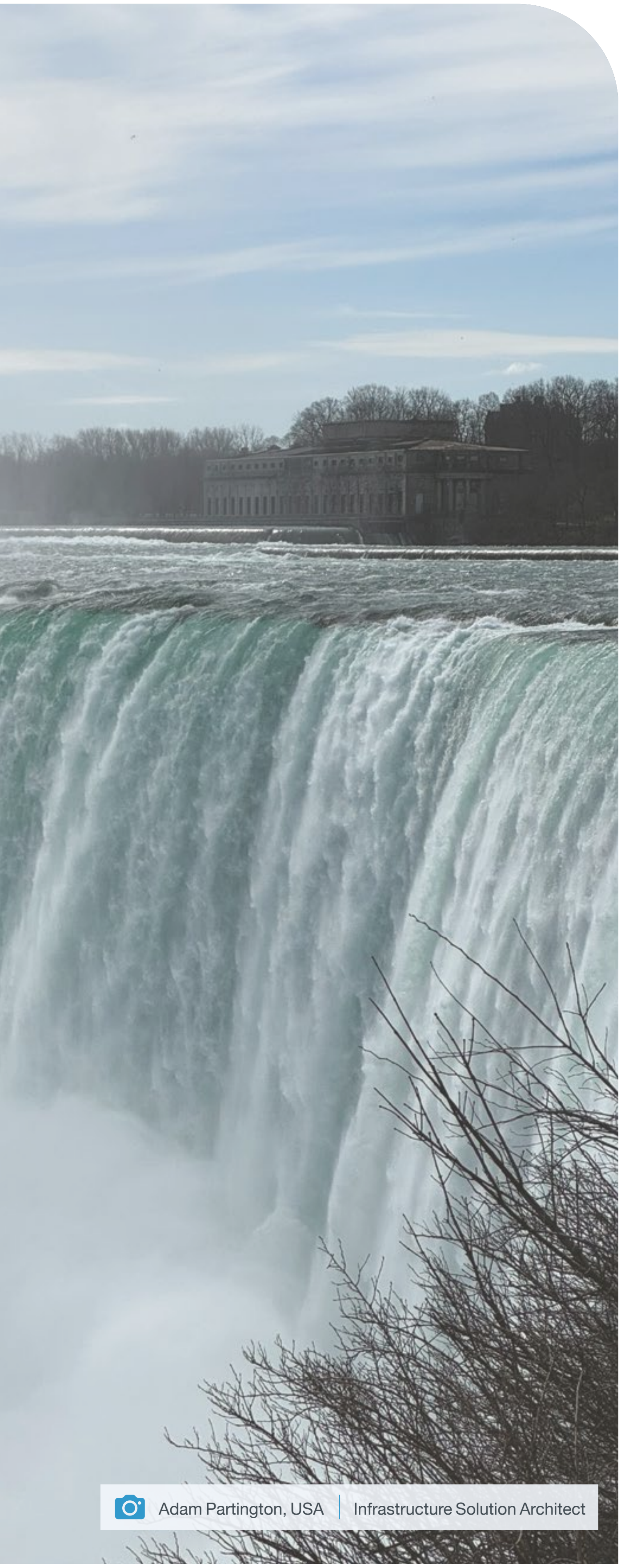
In FY24 we formally launched our Supplier Code of Conduct which sets out the minimum standards that Hansen requires our suppliers to meet in relation to labour and human rights — including modern slavery laws, business integrity, health and safety, environment, data privacy, and cyber security.

HUMAN RIGHTS POLICY AND CODE OF CONDUCT

In FY24 we significantly enhanced our Human Rights Policy which sets the minimum standards for all Hansen employees, contractors, suppliers, and business partners, emphasising our collective responsibility. Our Code of Conduct serves as the cornerstone of our commitment to ethical conduct.

CARBON NEUTRAL

Our Australian operations were certified as carbon neutral by Climate Active for the third year in a row and delivered a 17% Green House Gas Emissions (GHG) reduction since FY21. In line with our roadmap, we have begun to assess the base line of several other regions alongside calculating detailed scope 3 emissions for our Australian operations.


Adam Partington, USA | Infrastructure Solution Architect

Sustainability Strategy

In line with our roadmap and commitments made in FY23, during FY24 Hansen developed and began implementing our Sustainability Strategy. This has been informed by our 20 material sustainability topics established during FY23 and brings together existing Hansen initiatives, while also incorporating the strategic objectives of our business model and products.

It seeks to articulate how we manage climate risk and create social, environmental and economic (ESG) value for our stakeholders through our products, services and operations. The strategy connects the business strategy to sustainability issues. It is our way of communicating our commitment across all three pillars of ESG to our stakeholders and seeks to align our efforts with the ten principles of the UN Global Compact and several UN Sustainable Development Goals (SDGs).

Why Sustainability Matters to Hansen

Our commitment to sustainability is grounded in the understanding that today's business landscape goes beyond profitability. It's about helping Hansen effectively manage our sustainability risks and creating a positive impact on the world around us, fostering a resilient and inclusive community, and nurturing our most valuable asset: our people.

It is through our Sustainability Strategy that we strive to make a positive difference, not only within our organisation but also in the broader communities we operate in.

OUR COMMITMENT TO SUSTAINABILITY IS GROUNDED IN THE UNDERSTANDING THAT TODAY'S BUSINESS LANDSCAPE GOES BEYOND PROFITABILITY. IT'S ABOUT HELPING HANSEN EFFECTIVELY MANAGE OUR SUSTAINABILITY RISKS AND CREATING A POSITIVE IMPACT ON THE WORLD AROUND US, FOSTERING A RESILIENT AND INCLUSIVE COMMUNITY, AND NURTURING OUR MOST VALUABLE ASSET: OUR PEOPLE.

Our Sustainability Strategy consists of three pillars

ENVIRONMENT: ACTING ON CLIMATE CHANGE AND THE ENVIRONMENT

Strategies

- Supporting our customers in their transition to net-zero through innovative renewable energy solutions
- Reducing our own environmental impacts and working towards becoming a carbon neutral company

SOCIAL: UPLIFTING OUR PEOPLE, FUTURE WORKFORCE & COMMUNITIES

Strategies

- Creating a diverse, equitable and inclusive workforce and prioritising employee wellbeing
- Cultivating a sustainable talent pipeline by fostering diversity in STEM
- Developing strong relationships with the communities in which we operate to support social, economic and environmental opportunities

GOVERNANCE: OPERATING OUR BUSINESS ETHICALLY & RESPONSIBLY

Strategies

- Upholding the highest standards of data privacy and ensuring continuous investment in robust cyber security measures
- Conducting business ethically and with integrity, including anti-corruption and bribery
- Promoting responsible practices across the supply chain, including the prohibition of modern slavery

Sustainability Enablers

- Maintaining strong governance and security practices to ensure transparency, accountability and ethical conduct
- Ongoing regulatory compliance, including transparency in reporting
- Active risk management

Our Sustainability Strategy aligns with and guides our actions around our material topics and key UN SDG's

Material Topics	Material Topics	Material Topics
Renewable energy development & transition	Diversity, equity & inclusion	Data privacy & cyber security
Service adaptability & reliability	Employee experience & wellbeing	Business ethics
GHG emissions	Future career pathways	Anti-competitive behaviour
Innovative and sustainable solutions (incl. digital accessibility)	Community development	Responsible & ethical procurement
Climate risk & resilience	Health & safety	Modern slavery
Circularity & E-Waste	Financial wellbeing	
	Human rights	

Sustainability Enablers

- Leadership, governance & transparency
- Regulatory compliance

UN SDG Alignment	UN SDG Alignment	UN SDG Alignment
7 Affordable and clean energy	3 Good health and well-being	12 Responsible consumption and production
9 Industry, innovation and infrastructure	4 Quality education	16 Peace, justice and strong institutions
12 Responsible consumption and production	5 Gender equality	17 Partnerships for the goals
13 Climate action	8 Decent work and economic growth	
	10 Reduced inequalities	

Dark material topics have been identified as strategically important.

Climate Report

The assessment of our environmental risks and opportunities improves our ability to adapt to climate-related hazards and natural disasters in all the countries we operate in.

Climate Report

We are proud to highlight that during FY24 we have exceeded our roadmap expectations and developed our inaugural Climate Report. We undertook a program of work to develop the report which provides information about Hansen's approach to assessing and managing its climate-related risks and opportunities and is structured in line with the TCFD framework. It sets the foundation for Hansen in its preparation for Australia's forthcoming mandatory climate-related financial disclosure standards. Below is a summary of this report.

Climate Risk Governance

Hansen acknowledges that strong governance foundations are essential to mitigate environmental and climate-related risks.

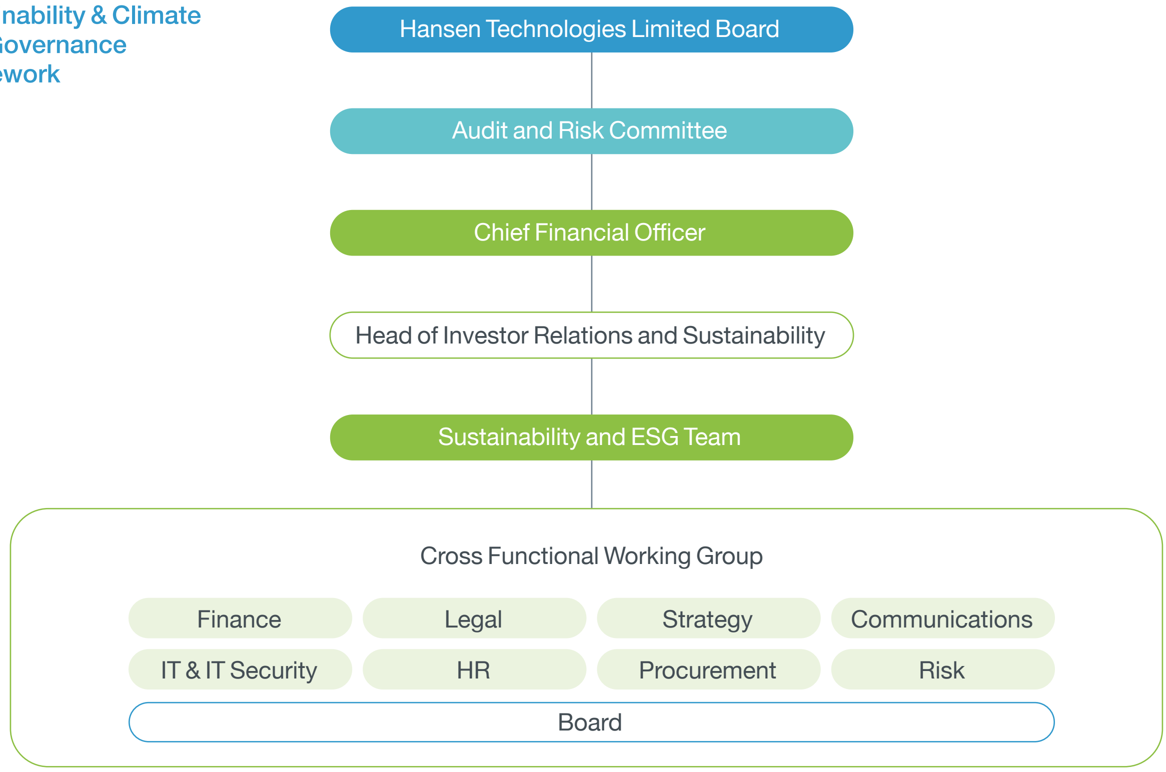
During FY24 we developed and implemented our inaugural global Environmental and Climate Change Policy and our Waste and E-Waste Management Policy. With these policies Hansen aims to minimise its impact on the environment.

These policies are managed by the sustainability cross-functional working group and broadly cover the following key objectives in line with Hansen's Sustainability Strategy:

- Renewable Energy Development & Transition
- Greenhouse Gas Emissions
- Climate Risk & Resilience
- Nature Resource Management
- Waste and E-waste Reduction
- Promotion of Responsible Disposal
- Contribution to the Circular Economy

Our approach to climate risk management is also supported by other policies and charters available on our website, including our Code of Conduct, Corporate Governance Statement, Enterprise Risk Management Framework, The Board Charter, Audit & Risk Charter, Human Rights Policy, and Supplier Code of Conduct.

Sustainability & Climate Risk Governance Framework



Kevin Tolman, USA | Service Delivery Manager

Led by the Head of Investor Relations and Sustainability, Hansen's Sustainability and ESG team reports to the Chief Financial Officer. Day-to-day management of sustainability-related risks and opportunities is coordinated by the Sustainability and ESG Team. The Sustainability and ESG team coordinates the Cross Functional Working Group and its sub working groups. The team regularly presents to the Board and the Audit and Risk Committee (ARC) on sustainability and climate-related financial disclosures and the impact of our climate and sustainability-related strategy. Our Head of Investor Relations and Sustainability acts as the climate sponsor and the key communicator to the ARC on climate-related issues supported by the wider Sustainability Cross Functional Working Group.

Hansen's ARC, a subcommittee of Hansen's Board, is responsible for overseeing Hansen's Sustainability responsibilities. The ARC agenda includes bi-annual reviews on all sustainability matters and climate-related risks included in Hansen's Enterprise Risk Register. Climate change will receive continued assessment by the ARC.

All members of our Board Directors must collectively possess the appropriate skills, experience and independence to effectively discharge the Board's responsibilities. In FY24, our Board Skills Matrix was updated to include sustainability and climate risk-related knowledge. Key members of our Board are required to have knowledge of climate-related risks and opportunities and sustainability regulations and principles to help ensure responsible and sustainable operations. Half of our board were assessed as having strong or very strong skills in Corporate Governance and ESG. Our newest Director Rebecca Wilson, is now also a member of our sustainability Cross Functional Working Group, helping to add an additional layer of governance and oversight over our activities.

Climate Risk Strategy

At Hansen, we recognise the interconnectedness of climate and sustainability issues within our broader operations and take a holistic and precautionary approach to the management of risks and opportunities.

Hansen is committed to reducing emissions and responding to stakeholder concerns when considering the risks of climate change. In FY24, Hansen explored the possible impacts of climate change in its global operations, which resulted in the identification of potential risks and opportunities that may impact Hansen over the short, medium and long-term. A summary of these is shown in the table below:

Transition Risks				Physical Risks	
Transition Risks are driven by policy, regulation, technology development, reputation, and market shift from goals to decarbonise				Physical Risks are driven by extreme weather and long-term shifts in climate patterns that have direct impacts	
Policy & Legal	**Markets**	**Technology**	**Reputation**	**Acute**	**Chronic**
Risk from existing and emerging regulations to address climate change adaptation creating challenges for business wins and retention and increased costs and complexity of compliance	Risk from changing supply and demand as economies react to climate change driving increased barriers to and costs of capital	Risk from emerging technologies to support the global transition to low carbon creating stability risks due to the implementation of lower emission technology across Hansen's assets and sites, while servicing an increased demand for solutions from new and existing customers	Risks of damage to brand value and loss of consumer base from failing to meet stakeholder expectations and shifting public sentiment about climate change	Risk of increasing severity of weather events, sea level rises and increases in global temperatures causing: • Productivity losses • Service and disruptions • Higher energy costs	Risk of longer-term changes in weather patterns creating increased frequency of supply chain disruption and damage to data centre infrastructure from increases in sea levels

Key Mitigating Activities	
• Implementation of global Sustainability Strategy • Long-term planning and preparation for upcoming mandatory disclosures • Develop global carbon emissions baseline while undertaking emissions reduction activities • Robust business continuity planning processes • Promoting and innovating renewable energy software development and ensuring the adaptability and reliability of services	• Ongoing monitoring of market conditions • Shift to cloud-based data management • Robust business continuity planning processes • Lead time planning for equipment procurement

Transition and Physical Opportunities		
Resource Efficiency, Energy Source and Resilience	**Reputation and Markets**	**Workforce**
Centralise the procurement of energy across the company and take advantage of market mechanisms to mitigate against energy cost and reliability risks. Hansen is already making this shift globally. As a result, Hansen's emissions footprint will likely see a shift in makeup (from scope 2 to scope 3) and a reduction as outsourced data centres are more efficient and powered with renewable energy. This supports customers expecting cloud-native services, and limits extreme weather event risk.	Customers are increasingly seeking support for services to facilitate and bill for their own supporting zero-emission energy solutions driving increased demand for Hansens products and services. Leverage and market existing green solutions offerings to enhance reputation and reach new customers.	Strengthen the employee value proposition by acting on sustainability.

Hansen's current climate change strategy is to address Hansen's climate-related risks, capitalise on the opportunities identified and support the transition to a low carbon economy through:

- Measurement and management of Hansen's carbon footprint.
  - Benchmarking its global GHG emissions and measure its whole of business emissions intensity
  - Establishing an emissions reduction pathway with targets aligned to the Science Based Targets initiative (SBTi)
  - Offsetting hard to abate emissions across global operations
- Assessing and managing the risks arising from climate change and future carbon constraints relevant to the business
- Collaborating with customers, and other stakeholders through meetings, feedback, surveys, conferences and showcases and our sustainability (ESG) reporting.

Our goal is to innovate our products and build capability to help facilitate the global transition to low carbon energy production, such as our products that support Virtual Power Plants (VPP), Community Solar and other services that our customers are increasingly providing as they embrace a renewable future.

Beginning in FY25, Hansen will engage with experts and perform climate scenario analysis to better understand how exposures to climate change impacts will evolve over time under different climate scenarios. We expect Hansen's climate change strategy to evolve in response to emerging potential impacts of climate change on business operations and the outcomes of this scenario analysis.

In FY25, Hansen's focus will be on beginning to embed climate considerate decision making across the business and addressing the specific key risks and opportunities that Hansen has identified.

This will be achieved through:

- Encouraging employees to engage with emissions reduction activities and build further capability to understand and manage climate-related risks and exposures
- Review of relevant policies and procedures
- Active assessment of suppliers
- Further exploration of the short, medium and long-term impacts of climate change on the business.

Climate Risk Management

In preparation for expected mandatory climate reporting requirements, this report is structured in line with the TCFD framework and sets the foundation for Hansen in its preparation for Australia's forthcoming mandatory climate-related financial disclosure standards. In early 2024 we ran a series of workshops, supported by independent experts, on climate-related content involving executives and senior leaders across Finance, Legal, Product, Technology and Risk with representatives from our operations in APAC, EMEA and the Americas.

Climate change and other ESG related risks are embedded in Hansen's risk management process and risk register. Hansen identifies, assesses, and manages climate change risks alongside all other risks as an integral part of its Enterprise Risk Management (ERM) framework, and this Climate Report is seen as a subset of the ERM framework. As with other risks Hansen's climate risks are managed across the Group according to Hansen's risk governance structure and risk management process, with oversight and assurance provided to the ARC and Board.

ENVIRONMENT:
ACTING ON CLIMATE CHANGE AND THE ENVIRONMENT

Australian Operations Since FY21
Certified Carbon Neutral

Climate Active Carbon Neutral ORGANISATION

17% ↓ **GHG reduction** from 5,564 tCO_2-e to 4,638 tCO_2-e

28% ↓ **Electricity emissions reduction** from 5,042 tCO_2-e to 3,606 tCO_2-e

GHG 100% OFFSET

Delivered

- **Developed Global Sustainability Strategy**
- **Waste and E-Waste Management Policy**
- **Environmental and Climate Change Policy**

At Hansen, we support and adopt a precautionary approach to environmental challenges; and are actively seeking to undertake initiatives that promote greater environmental responsibility that in turn drives economic value for our stakeholders.

As a software company, especially one operating within the energy and communications sectors, Hansen has a unique opportunity to blend technological innovation with environmentally-focused solutions. By developing and refining our software solutions. We seek to help our customers optimise end user energy consumption, improve grid efficiency, and facilitate the integration of renewable energy sources and innovative energy friendly products, Hansen can play a pivotal role in reducing the carbon footprint of the sectors we support. This approach is at the heart of our Sustainability Strategy.

Our Hansen Suite for Communications, Technology & Media helps our customers bring novel product offerings more quickly to market helping deliver greater access to digital information and communications for their end customers. The utilisation of communications products is key to supporting new and efficient energy products, including smart meters, demand energy response and many other emerging solutions.

Using data analytics and artificial intelligence, our software can enhance the forecasting of energy demand, secure transactions in energy trading platforms, and ensure more efficient use of resources, helping drive down costs and boost the economic performance of our stakeholders in this space. We are also continually seeking ways to deliver more efficient ways of working and that includes the environmental impact of the data centres we utilise.

Innovative and sustainable solutions (including digital accessibility)

Our innovative and market-leading products are actively supporting zero-emission energy solutions and helping to improve access to affordable, reliable, and modern energy services.

Our customers' end users across both our verticals demand personalised, proactive service. To meet this need, a robust technology infrastructure is essential, fostering innovation, guiding customer journeys, ensuring regulatory compliance and enhancing Net Promoter Score (NPS).

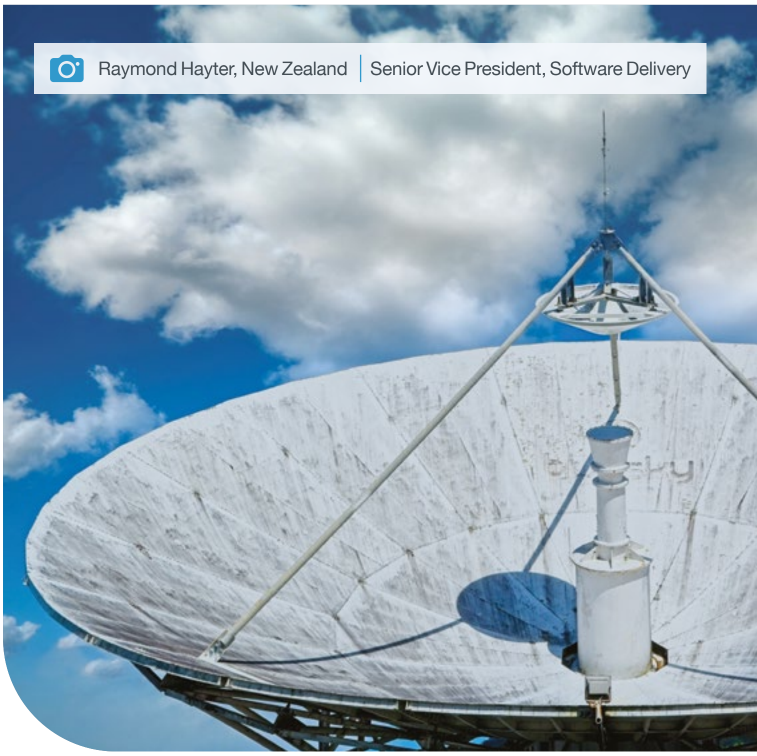
With respect to the energy sector, our innovative and market-leading products actively support zero-emission energy solutions and improve access to affordable, reliable, and modern energy services. In the face of rising energy costs, we help energy companies embrace modern technology, enabling equitable and inclusive energy solutions. Through our efficient software, we enhance customer experience and loyalty, driving industry innovation and regulatory compliance.

As a leader in supporting the intricate needs of the industries we serve, we are proud of several notable achievements in FY24 including being amongst the very first cohort of technology companies to be assessed as 'Ready for Open Digital Architecture (ODA)' by industry group TM Forum; and in spearheading the digital transformation for a major Nordic energy retailer.

Our pioneering district-heating project in Finland is a prime example of how we leverage technology, such as artificial intelligence, to boost efficiency and accelerate the shift towards zero-emission energy solutions. This effort illustrates our belief in the symbiotic relationship between technological advancement and sustainable practices, aimed at future-proofing our offerings in a changing world.

DIGITAL INNOVATION

Vattenfall, one of Europe's largest energy producers and retailers, has successfully gone live with Hansen EDM helping them streamline operations across Sweden, Denmark, and Norway, automating balance, settlement, and billing processes in their move towards renewable energy and digital transformation. We are delighted that Hansen can play a critical role as a valued partner in supporting their transition to fully renewable energy.



These are just a few of the many examples of our dedication to cutting-edge technology and environmental responsibility.

Recognising the link between accessibility and sustainability, we also prioritise efficient coding and comprehensive accessibility measures. This approach not only supports energy efficiency but also underscores our commitment to inclusivity, aligning with the UN SDGs. We are working towards meeting global standards such as Web Content Accessibility Guidelines compliance to assist enhancing our accessibility offerings such as in-screen reader compatibility, keyboard navigation, adjustable font sizes and contrast ratios and multi-lingual interfaces.

Artificial intelligence enhances our operations and assists in our goal to make our products more accessible by streamlining service delivery and helping to ensure our solutions are robust, secure, and unbiased. Through our purpose-built technology and a focus on incremental innovation, we consistently deliver value. Central to our strategy is managing crucial data securely to support our customers' business comprehensively.

Renewable energy development & transition/service adaptability & reliability

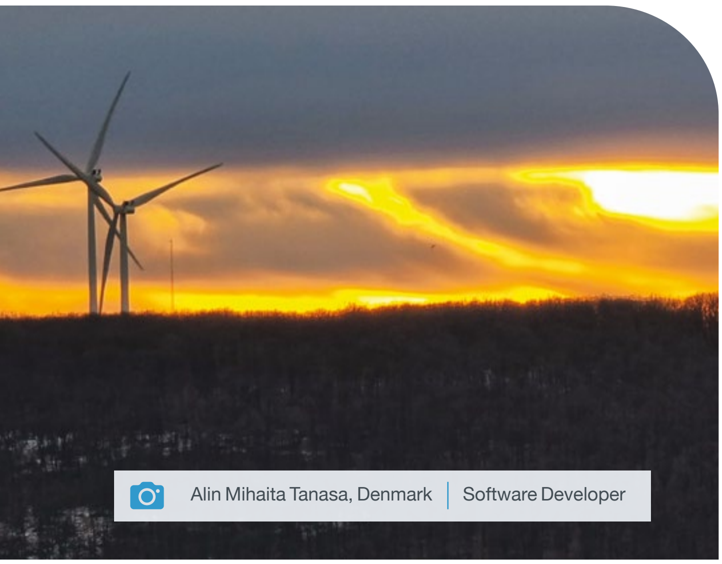
Our focus on innovative technology to boost efficiency reflects our efforts towards upgrading infrastructure to be more sustainable.

With the rapid changes in the energy sector, Hansen is committed to promoting renewable energy development and ensuring the adaptability and reliability of services. We see our role as one of helping guide our customers through the transition from traditional energy systems to advanced, sustainable grids with two-way energy flows that are crucial for efficiency and environmental sustainability.

The transition to renewable electricity and the rise of Distributed Energy Resource Management (DERM) products drive a need for continued innovation. These innovations are not only responsive to shifts in customer demand but are also pivotal in the journey towards net-zero carbon emissions. The Hansen Suite for Energy and Utilities is designed to help the growth of new business models in the energy and utilities sector, and we aim to offer more than traditional Customer Information Systems (CIS).

Driven by the diversity and challenges of the energy and utilities landscape, Hansen prioritises agility and innovation. We support novel applications like Virtual Power Plants (VPP) and Electric Vehicle (EV) integration, demonstrating our software's versatility and our commitment to renewable energy.

The integration of our Configure, Price, Quote (CPQ), and Catalog solutions into large-scale energy retailers highlights our ability to enhance product configurations and customer experiences. With energy price volatility on the rise, digital transformation is no longer optional but essential for survival and competitiveness.



Alin Mihaita Tanasa, Denmark | Software Developer

RENEWABLE ENERGY INNOVATION

Advancing renewable energy solutions – Virtual Power Plants

Underlining our commitment to advancing renewable energy solutions, Hansen played a pivotal role in a groundbreaking initiative supported by the Finnish Government. This leveraged Hansen's innovative software solutions including Hansen Trade and Hansen MDM/EDM, in the rollout of a VPP aimed at enhancing energy management and grid balancing services.

The project focuses on optimising energy procurement for a network of base stations while simultaneously providing crucial electricity grid balancing services to the local Transmission Service Operator (TSO). By leveraging the smart management of backup power from batteries, the VPP offers unparalleled flexibility in electricity supply across thousands of base stations in the radio access network, adjusting seamlessly to the varying energy demands throughout the day.

A key objective of the solution is to facilitate the integration and deployment of renewable energy sources, like wind power, into the grid. By efficiently managing when to store and utilise wind energy, the VPP plays a critical role in the transition towards a zero-carbon future. It ensures that renewable energy is available more consistently, even in periods when wind generation is low, by intelligently storing energy and releasing it to meet demand.

Scaling Community Solar Projects Across the United States

As we move towards a decarbonised future, Hansen is working with companies like Gridwealth (formerly Hampshire Power) to provide the mission-critical software required to scale adoption of Community Solar. Through our back-end systems and operational expertise Hansen enables these companies to bring forth the next era of renewable energy.

Making Solar Power Accessible

While it may not be feasible or practical for every person to install and maintain their own solar panels, Community Solar provides local solar facilities that can be shared by everyone. A single community solar project can often power hundreds of homes. Subscribers benefit by knowing that more of their energy usage comes from a renewable source, and they also see reduced energy costs. All residential customers can enjoy the benefits, and businesses can subscribe to the solar farms as well.

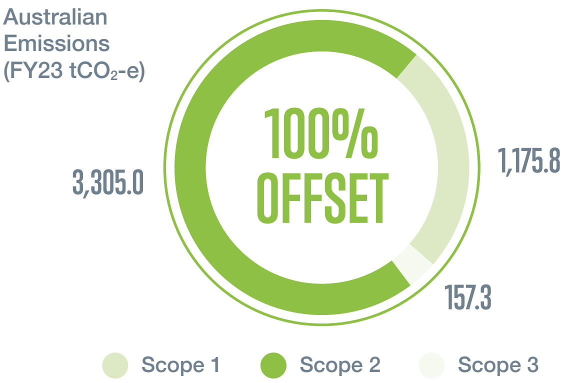
GHG emissions

We offset 100% of our Australian Scope 1-3 GHG emissions and are committed to undertaking a phased approach to becoming a carbon neutral company globally.

Our Australian Operations

Commencing in FY22, our FY21 Australian operations were certified as carbon neutral by Climate Active and we are very proud to report that our Australian Operations have been certified as carbon neutral for three years in a row. During FY24 we assessed more deeply our supply chain and surveyed our Australian staff to assess how their Working from Home and commuting habits impact our GHG emissions.

Australian Operations Certified Carbon Neutral



Scope 1 emissions

Scope 1 emissions include the refrigerants and fuels used in our Data Centres. Our scope 1 emissions for our Australian Operations will become zero once we have completed the closure of our Data Centres.

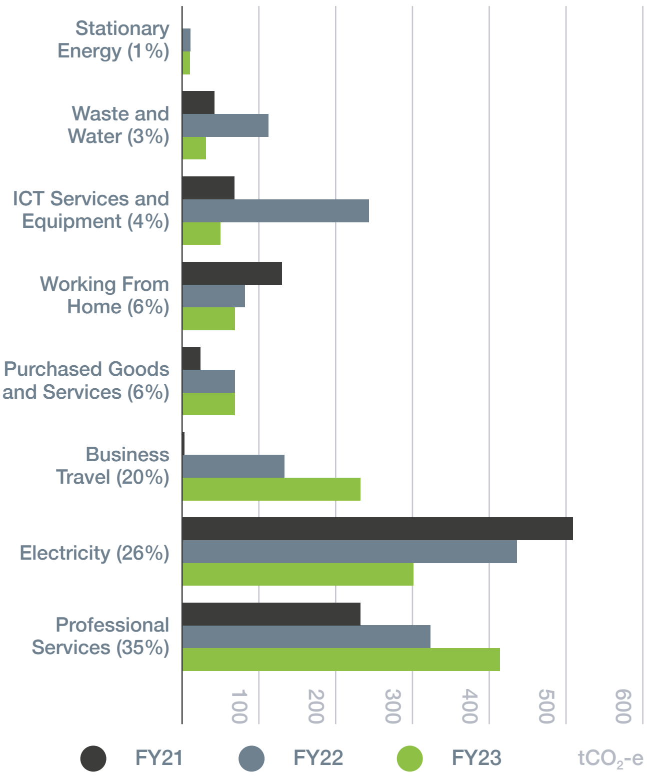
Scope 2 emissions

Scope 2 emissions relate specifically to electricity purchased for our new Office and our Data Centres. Our primary office in Melbourne is in a NABERS 4 rated building. For the purposes of our Carbon Neutral status our Electricity emissions are calculated using a location-based approach.

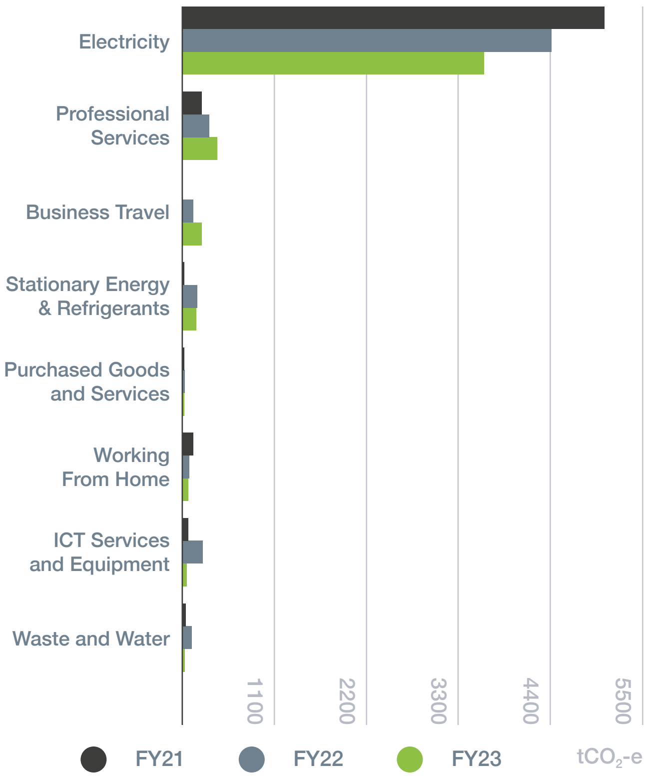
Scope 3 Emissions

Hansen's Scope 3 emissions encompasses emissions that are not produced by Hansen itself but by those that Hansen is indirectly responsible for in its value chain. Scope 3 emissions include all sources not within the scope 1 and 2 boundaries. Our growing business creates a challenge in maintaining our Scope 3 emissions and future reductions rely on continued engagement with our suppliers and ongoing education for our people.

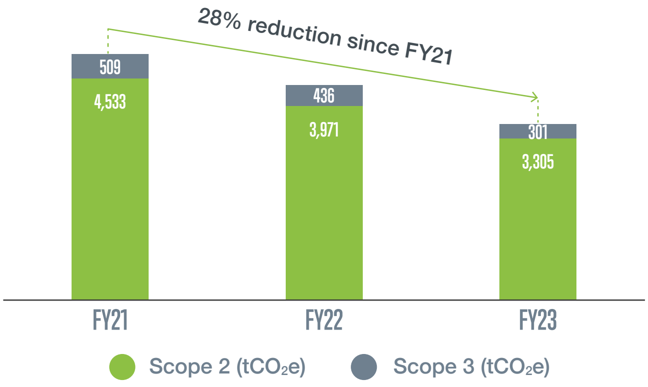
Australian Scope 3 GHG Emissions by Type



Australian GHG Emissions by Type



Australian Electricity Emissions – Location Based Approach



Much of the reduction in electricity emissions from FY21 relates to the progressive shut down of our previously owned and operated data centres. We are close to the completion of a migration project of our data centres to new outsourced and energy efficient centres. Our provider invests heavily in energy efficiency schemes and sources 96% renewable energy globally across all their sites through direct Power Purchase Agreements and other initiatives, with several of the sites housing our data sourcing 100% renewable energy. They also have a range of other energy saving initiatives including heat export.

Australian Emissions Reduction Strategy

Our emissions reduction activities have already delivered significant benefits. During FY23 our Australian Operation's emissions intensity has reduced by 16.3% from FY22, to 90.28 tCO_2-e per million dollars of revenue.

We are on track to achieve our overarching target to reduce the emissions intensity of our existing FY22 business operations in Australia by 50% from our FY22 intensity of 107.88 tCO_2-e per million dollars of revenue, by the end of FY26, and to ensure a reduction in the absolute emissions of our existing FY22 business operations in Australia by no less than 40% by the end of FY26.

Details of our Carbon Neutral status and emissions reduction strategy can be found on our website in the Sustainability section.

Australian GHG Emissions Offsets

While we continue to work on reducing our emissions, we have been offsetting 100% of our Australian Operation emissions. This year we invested more than A$43k into a renewable wind power project at Chitradurga, Karnataka India. Chitradurga is approximately 200 KM from Bangalore the capital of Karnataka state. The project is one of the biggest in this area and proves the capability of tapping into the wind energy available in the existing barren land in the state of Karnataka, which is deficit in power and peak energy requirements. The project will be commissioned in various phases and the lifetime of the project activity will be for 20 years. The power generated will be exported to the regional electricity grid currently dominated by fossil fuel-based power helping to reduce overall greenhouse gas emissions. The project will deliver 51 MW of wind power through 28 1.5 MW wind turbine generators.

Our Global GHG Emissions

We recognise the collaborative approach that business must make and the transformative change necessary to limit the global temperature rise to 1.5°C. We have begun to assess other locations to determine our global GHG emissions baseline. We have also delivered a Supplier Code of Conduct to all key suppliers which establishes expectations for our supplier network to manage and mitigate their GHG emissions. We have also migrated many of our offices around the world to more centrally located sites close to public transport with high quality end of trip facilities to encourage our people to use more public transport or to walk or cycle to the office where possible.

As part of our Sustainability Roadmap, we will be setting environmental targets and adopting responsible practices for a transition to a net-zero, resilient economy. Hansen's climate strategy for our global emissions will be driven by establishing an emissions reduction pathway with targets aligned to the SBTi, with offsets being used for hard to abate emissions only. To achieve this, Hansen is in the process of measuring and benchmarking its global GHG emissions and the whole of business emissions intensity. Once that is completed, Hansen aims to initiate a program that encourages employees to engage with emissions reduction activities and build further capability to understand and manage climate-related risks and exposures. We will also begin actively assessing our suppliers' GHG emissions.

Circularity and E-Waste

We have practices to reduce waste generation through prevention, reduction, recycling, and reuse.

At Hansen, we recognise the impact waste and electronic waste (e-waste) can have on the environment and human health. During FY24, reflecting Hansen's commitment to minimising waste generation, promoting responsible disposal, and contributing to a circular economy we developed a global Waste and E-Waste Management Policy, which formalises and builds upon our activities, recycling and waste management practices globally.

The purpose of Hansen's Waste and E-Waste Management Policy is to guide waste reduction, e-waste management, compliance, and continuous improvement across the organisation and our supply chain. The policy aims to minimise the environmental and human health impact of waste and electronic waste, foster transparency, accountability and promote a circular economy mindset.

Our policy is designed to achieve the following objectives:

- **Waste Reduction:** Minimise waste generation across our sites by implementing measures that encourage waste reduction, reuse and recycling.
- **E-Waste Management:** Ensure proper handling and disposal of electronic waste to prevent environmental pollution and promote the reuse and recycling of electronic equipment.
- **Compliance:** Adhere to all relevant local, national, and international laws and regulations related to waste management and e-waste disposal.
- **Employee Engagement:** Educate and engage employees to foster a culture of responsible waste management and sustainability throughout the organisation.
- **Continuous Improvement:** Regularly review and update our waste and e-waste management practices to align with good industry practices and emerging technologies.

As part of our Acts of Impact initiative, we continue to repurpose, sell, and donate data-cleansed laptops, cables, and other infrastructure to give back to our people and communities and reduce our e-waste.

Data Centre Closure – E-Waste

Demonstrating our commitment to our Waste & E-Waste Management Policy we are very proud to report that we have recycled over 1,200 kgs of e-waste during the closure of our Data Centre. With further re-purposing of equipment via donations, virtually none of the equipment has gone to landfill.

ACT OF IMPACT

Hansen Electronics for Non-Profit Organisations (Surrey, United Kingdom)

The provision of electronic and modern technology is something that many organisations in need, crave and require to power their social missions. At Hansen, we strongly believe in the transformative power of repurposed technology.

During FY24, the IT team in our UK operations showcased their commitment to sustainability by repurposing computer monitors for charitable causes. These monitors were donated to three non-profit organisations in Surrey.

The first donation benefited the Ashtead Youth Club, where the monitors played a vital role in establishing a film and music production suite. Despite their modest size, the club has been making significant strides in providing opportunities for young people to socialise, learn new skills, and prepare for the future.

The second beneficiary was Aspire Schools, an organisation dedicated to providing exceptional education to children facing challenges in mainstream schools. Hansen computer monitors are supporting this group in furthering their vision of creating positive educational experiences.

The final batch of electronics from Hansen found a home with Beyond Words, a non-profit organisation supporting individuals with communication difficulties.

Supporting Not-for-Profit – Mocha Celis Argentina

Our team in Argentina seized an opportunity during their office relocation to support a meaningful cause. They decided to donate surplus furniture, such as desks and tables, to Mocha Celis, a non-profit organisation dedicated to providing education and support to marginalised communities, especially transvestite, trans, and non-binary individuals.

Inspired by the organisation's inclusive mission and the story behind its founding, the team not only contributed to the organisation's practical needs but also symbolically supported its efforts to empower and create opportunities for vulnerable communities.

A visit to the school in late January allowed our team to witness firsthand the positive impact of their contribution, reinforcing the significance of their efforts.

SOCIAL:
UPLIFTING OUR PEOPLE, FUTURE WORKFORCE & COMMUNITIES

1,955+
People globally (1,911.5 FTE)

31%
Women in workforce

2,600+
Our people have engaged in over 2,600 separate LinkedIn learning courses.

27
Corporate offices across
22
Countries

74%
of our people **indicated positive engagement**

A$50,000
donated to Médecins Sans Frontières

Benchmarked our global gender pay gap

Implemented a new approach for managing performance, Hansen Success Enablement.

Our global team is our biggest asset, and we're passionate about creating an environment that is safe, inclusive, and stimulating. We're setting our sights on not just maintaining, but elevating these standards, ensuring that as we grow, our workplace remains true to our company values.

We seek to ensure that every individual we impact through our work is treated with dignity and respect. This goes beyond just compliance; it's about fostering a culture where human rights are front and centre.

Looking ahead, we're exploring new ways to empower the communities we operate in and make sure our operations leave a positive mark on everyone involved. We know our commitment in these areas not only adds value to our local communities but helps us attract and retain our pool of highly talented people.

At Hansen, what sets us apart is our people. We have a diverse, global and passionate team that works hard to deliver value to our customers. Our people are experts in their fields, whether they are creating new product features, serving our customers' needs, or navigating the complex regulation of the sectors in which we operate in. Our people take great pride in their work and the direct impact they make.

Many of our people have stayed with us for long and fulfilling careers, where they have had various opportunities and roles within the company, in some cases welcoming back Hansen alumni. Some started their journeys with us as interns while still studying and remain with us in senior leadership or management roles today.

We are committed to providing our people with a supportive and challenging journey that enables them to perform and thrive.

Diversity, equity & inclusion

Hansen supports all forms of diversity – including gender, neurodiversity, alternative belief systems and ethnicity. Diversity is embedded within the strategies, culture, policies, and structures of Hansen's workplaces.

We are committed to creating an inclusive workplace that values diversity, supports equity, and fosters innovation. We see this as a strategic investment that boosts our financial performance, our employee engagement, and our alignment with global sustainability standards. Our goal is to set an example for others, encouraging positive change in our organisations, and showing that diversity, equity & inclusion are core to who we are.

We actively seek to create a working environment where everyone feels heard, respected, and empowered. Our commitment to diversity, inclusion and equality extends beyond demographic differences; it encompasses the diverse thinking, backgrounds, and experiences that fuel our innovation and drive our collective success.

We recently recruited a new board member increasing female representation on the Board to 25% and we have 22% of women in senior leadership roles and an above industry average of 31% women in the workforce.

We recognise that the information technology sector, globally, has a relatively low representation of women and Hansen has identified this as a focus area for improvement. Hansen is committed to further improving our gender diversity and we will be developing long-term targets as part of our Diversity, Equity & Inclusion (D,E&I) strategy refresh.

Our short-term objective is to maintain above industry levels of female representation in our business at the following levels:

Target	30 June 2024
30%+ on the Board	25%
30%+ in the workforce	31%

At Hansen, our comprehensive leave policy helps to ensure that all employees have the chance to rejuvenate, care for personal matters, and find balance, irrespective of their backgrounds or circumstances. Our offerings include parental leave, personal/carers leave, compassionate leave, annual leave, flexible working arrangements, and dedicated support through domestic violence leave.

DURING FY24, WE HAD 18 EMPLOYEES TAKING ADVANTAGE OF OUR PARENTAL LEAVE GLOBALLY.

DURING FY24, 95% OF OUR PEOPLE CONTINUE TO EMBRACE OUR FLEXIBLE WORKING ARRANGEMENTS

During FY24, we began development of a D,E&I strategy. At Hansen, we recognise the cultural and positive impact that a robust D,E&I strategy can deliver. We know that fostering an inclusive culture can drive innovation, enhance our competitive edge, and enrich the lives of our employees. It is essential for fulfilling our commitment to align with international sustainability standards such as the GRI, and the United Nations Sustainable Development Goals (SDGs).

By advancing our D,E&I strategy, we align ourselves with these global standards and principles and seek to find and support more women entering the Group through STEM pathways. This alignment helps find ways our organisation can continue to contribute to broader societal progress while fulfilling our obligations as a responsible corporate entity.

Hansen has a zero-tolerance policy towards discrimination, harassment and bullying. We have a dedicated Complaint & Grievance Policy and a Whistleblower Policy that sets out processes for lodging complaints or grievances. We monitor all complaints and grievances via a complaints register. We are proud to report that in FY24 across our global operations we have no incidence of reported discrimination or harassment.

Our median unadjusted gender pay gap across all our employees globally excluding senior leaders is 14% (11% on an average basis), this means that for every $1 earned by a male our female workers earn ~$0.86. The median unadjusted gender paygap for our senior leader group is 6%. While this is better than industry averages, having now assessed our unadjusted pay gap, we are starting to identify areas to focus on and consider the analysis required to assess the adjusted pay gap and decide on suitable actions to reduce any inequities across our global workforce.

Median Unadjusted Pay Gap*

* Unadjusted pay gap ratio based on average salary excluding senior leaders.

Diversity Metrics – Excluding powercloud

		REGION			AGE GROUP				
	HANSEN	EMEA	APAC	AMERICAS	<25	25-34	35-44	45-59	>60
Headcount									
FY22	1,543	527	724	292	56	507	443	445	92
FY23	1,631	521	813	297	103	589	443	408	88
FY24	**1,615**	**537**	**809**	**269**	**81**	**590**	**430**	**428**	**86**
Gender Diversity									
FY22									
Male	69%	72%	66%	73%	57%	64%	71%	74%	73%
Female	31%	28%	34%	27%	43%	36%	29%	26%	27%
FY23									
Male	69%	71%	68%	68%	57%	68%	69%	71%	75%
Female	31%	29%	32%	32%	43%	32%	31%	29%	25%
FY24									
Male	**69%**	**72%**	**67%**	**68%**	**59%**	**67%**	**67%**	**74%**	**76%**
Female	**31%**	**28%**	**33%**	**32%**	**41%**	**33%**	**33%**	**26%**	**24%**
Employee Type FY24									
Full Time									
Male	**1,099**	**380**	**538**	**181**	**46**	**392**	**290**	**309**	**62**
Female	**485**	**137**	**264**	**84**	**33**	**195**	**130**	**108**	**19**
Part Time									
Male	**14**	**9**	**3**	**2**	**2**	**1**	**–**	**8**	**3**
Female	**17**	**11**	**4**	**2**	**–**	**2**	**10**	**3**	**2**

Median Unadjusted Pay Gap Age Group*

19:1

is the ratio of CEO to median employee compensation

GIRLS IN IT

April 25th is International Girls in ICT Day. Each year we mark this by spotlighting internally and externally some of our remarkable women driving innovation and progress within Hansen.

Claire Robinson highlights the pivotal role of showcasing female leaders in ICT to inspire young girls and foster gender diversity. "I have seen a significant change over the years with social media and STEM education in kindergarten and school programs, the exposure of technology and seeing females in key powerful roles for young girls."

"It's an exciting time for women and girls in ICT, with companies like Hansen showcasing female leaders driving inclusion, diversity, and flexibility. Supporting, uplifting, and acknowledging females in these roles is crucial for gender diversity, bringing fresh perspectives and ideas to the organisation."

Thu Tran reflects on overcoming obstacles as a woman in the male-dominated IT, underscoring Hansen's commitment to diversity and career advancement for women.

She shares – "As a woman working in the IT industry, which is predominantly male, there are often obstacles that need to be overcome."

"I am constantly learning from the other women at Hansen, who I look up to as role models. With more and more women joining this field, Hansen provides an excellent working environment with a focus on diversity, both in terms of culture and gender. This has allowed not only me, but also many other women, to advance their careers in the IT industry."

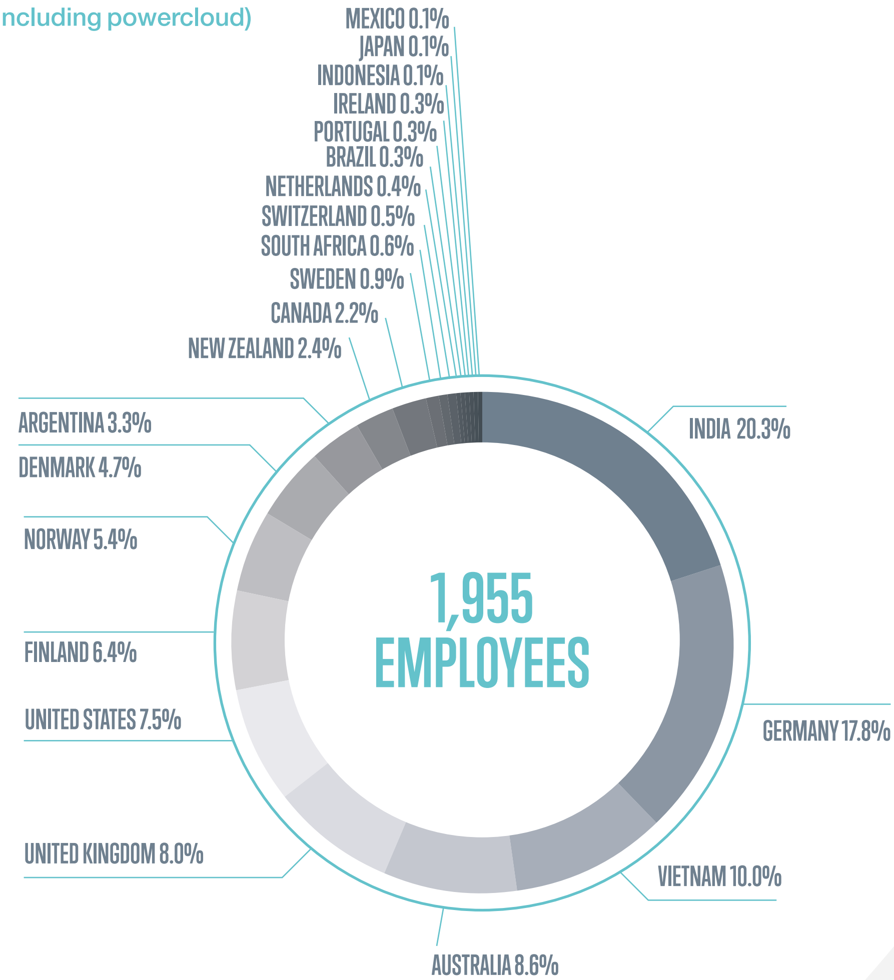
Ethnicity

Following our recent integration of powercloud, our expanding team now comprises more than 1,955 individuals spanning multiple countries and boasting fluency in more than 60 languages. We view this rich tapestry of diversity not just as a hallmark of our organisation but as a potent competitive edge and invaluable asset for our customers. We know that local support fosters stronger relationships with our customers.

We're dedicated to fostering unity among our diverse workforce. Central to this is the art of storytelling, both internally through our engagement platforms and externally via social media channels. Our team members candidly share their career trajectories, triumphs over adversity, and embracement of opportunities. We celebrate personal interests, hobbies, and family bonds, fostering deeper understanding and inclusion through the sharing of cultural experiences.

We are a truly global and growing business.

2024 Employees (including powercloud)



Future career pathways

Our commitment to rewarding career paths, and ongoing development opportunities helps to build a skilled and knowledgeable workforce and a culture of ongoing improvement.

During FY24, we welcomed more than 18 graduates globally and have been expanding our graduate program to include our centres of excellence in Vietnam and Argentina, internships and embracing new pathways programs to the IT sector.

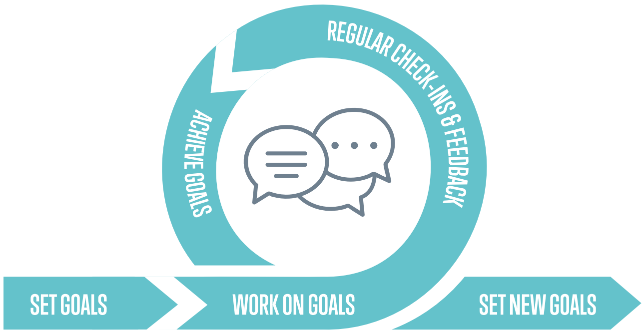
Providing our people not only with career paths, but also ongoing development, is critical to ensuring that they are aligned with the business and remain motivated and driven towards innovation. This starts with our comprehensive onboarding program, where we allow all our new team members time to immerse into our business, meet our key leaders and get to know the Company and its vision and values along with our products and solutions.

Upward mobility is a key aspect of Hansen's commitment to providing rewarding career pathways and development opportunities to our employees. At Hansen, we internally advertise our job openings and roles within the organisation to support employees looking to advance their career pathways.

We are striving for a culture of high performance. We are an equal opportunity employer and we want all our employees to understand how their work contributes to Hansen's business strategy while helping them achieve their goals. To support this, during FY24 we implemented a new approach for enabling performance, Hansen Success Enablement program.

Key elements of our approach include:

- **Goal setting** – employees and managers mutually set and agree on individual S.M.A.R.T. goals that are short and longer-term.
- **Development-focused** – employees and managers identify development goals that support achieving business and career goals.
- **Check-in meetings** are regularly scheduled between an employee and their manager to support ongoing coaching and improvement.
- **Continuous feedback** – we encourage real-time, multi-directional feedback. Employees receive insights from their manager, peers, colleagues and other stakeholders, supporting them to make immediate improvements and recognise achievements.
- **Hansen Values** guide our behaviours on how we work and achieve our goals.
- **Being accountable** – we document our goals to remind ourselves of our commitments.



Performance management outcomes from our Success Enablement program support our decision-making for employee compensation, promotions, training, job assignments, retention, and operational planning. We are actively working to provide growth opportunities in a fair and equal manner and, as a result, we are developing a highly engaged workforce proficient in delivering and adapting to market changes. We aim to create and maximise efficiencies by providing clear direction and promoting a continuous improvement mindset.

Meaningful conversations are key to ongoing development. They motivate and drive accountability as well as aligning employees with Hansen's objectives. We aim to set individualised goals that foster ownership, empowering employees to take responsibility for their own success and we provide ongoing training and support to our managers to ensure we have effective and proactive conversations.

100% of our people receive regular performance reviews

82% of our people already have individualised goals set

Future career pathways (continued)

Hansen is committed to creating a culture of high performance and providing opportunities for career development and ongoing training for our employees.

At Hansen, we value training and professional development as a way to grow professionally. We recognise that most career learning takes place on the job. We also offer comprehensive online training via our Hansen Learning platform with mandatory, role specific and more general training courses available. In addition to our custom-developed trainings, which are often product or technology-specific, such as our digital certifications and badges, all our employees have access to the LinkedIn Learning portal with more than 21,000 expert led courses ranging from IT and technology courses to professional skills and other interest topics such as inspiring positive mental health.

The training we offer internally can be as simple as learning to use an application and as complex as learning how to be a software architect.

Development is often informal and has a wider application, giving our people the tools to do a range of things relating to uplifting capability and competency. It involves progression from basic know-how to more advanced, mature or complex understanding. It's about developing transferable skills like leadership, managing projects or organising information.

In the last 12 months our people engaged in over 2,600 separate LinkedIn learning courses.

Across FY24, our people have engaged in an average of approximately 51 hours per FTE of up-skilling training, development, mentoring and knowledge sharing. Approximately 54 hours on average for women and approximately 49 hours on average for men.

Recognising the importance of some of our key compliance training programs we are proud to report that globally our people are 96.3% up to date with our General Data Protection Regulation (GDPR) training and 100% up to date with our Security Essentials and Human Rights training.

MENTORING AND DEVELOPMENT

Across Hansen, we have a range of programs designed to welcome new and not so new people to the world of technology and software development.

One such program that spans two continents is an initiative which supports graduates in India and interns in Denmark – creating a unique learning experience where students become the teachers. One cohort of young professionals joined our program in mid-2022.

Fast forward just 10 months, and these interns have transitioned into the role of mentors, guiding, and shaping this year's new batch of enthusiastic interns and inspiring future interns and graduates.

Intern Crew to Tech Lead – Shweta Manerikar

Shweta has progressed from intern to PL SQL specialist and now tech lead over the last eight years. She aims to further enhance her leadership skills through external courses and LinkedIn learning for future development.

"The opportunities I have received in Hansen have allowed me to learn and grow practically. I never imagined being a tech lead so soon, but I was focused, worked hard, and gave my all. I am keen to keep focusing on furthering my growth and development."

Employee experience and wellbeing

We are committed to ensuring that all our employees and any staff in our supply chain are paid a living wage and provided with adequate working conditions. We are committed to creating a culture where everyone feels heard, respected, and empowered, regardless of their background or circumstances.

At Hansen, we strive to optimise the employee experience at all stages of the employment lifecycle by fostering a strong culture, through organisational values, and supporting employees with benefits, such as equitable remuneration, opportunities for development and mental health initiatives.

We have a diverse and global workforce, and we ensure that all our employees and any staff in our supply chain across all our locations are paid a living wage, provided with adequate working conditions, respect their right to disconnect, and can raise any concerns, anonymously if they wish.

We embrace a range of tools to listen and seek input, including our annual engagement survey and various pulse-check surveys, which we run throughout the year.

We are pleased to report that our last survey represented a very strong employee voice, with an 85% completion rate.

89% of our people stated they can be themselves at work, with 86% stating that everyone can succeed at Hansen no matter who they are (e.g. all ages, cultural backgrounds, gender, races, religions etc.) and 89% stating that they have trusting relationships.

74% of our people indicated positive engagement, 84% indicated positive inclusivity sentiment and 84% indicated positive sentiment around wellbeing.

At Hansen we have several ways that we recognise and reward our colleagues and teammates. All of these are powerful in their own way.

Salute Success is one specific initiative at Hansen that allows our people to recognise their teammates who have brought to life our Hansen Values as they have gone about their day, on specific work tasks, to build our culture and community spirit, or to contribute to customer or project results and impact.

For some years now all our eligible Hansen employees have been able to participate in our profit share plan. The plan is designed to share the company's profit with those who have been part of the success. The plan allows for the distribution of a percentage of Net Profit after Tax.

Evolving our Office Offerings

As we expand our business across the globe, we have also been reviewing and renewing our office locations. As we assess our offices, we look at the lighting, the heating and cooling options and what we can do to reduce our overall impacts with recycling and energy choices of building providers. We look to ensure there are good end of trip facilities, good access for public transport; and aim to align with local and international certifications for environmental and healthy buildings.

In June 2023, we moved into our new home in the west of Pune at the brand-new Amar Tech Park in a Building certified with IGBC (Indian Green Building Council). This state-of-the-art workspace which includes breakout hubs, and recreational areas is behind a significant uplift in our team coming together to collaborate and have fun. It also boasts several green initiatives such as rooftop solar and wastewater recycling.

In September 2023, the Hansen Norway (Oslo) office relocated to a new space. Our new Oslo office offers an impressive range of amenities including a fully equipped gym and convenient bike parking facilities, encouraging environmentally friendly commuting options. The design of the new space is thoughtfully planned to cultivate a social and collaborative atmosphere.

Late in 2023, we opened the doors to our new office in Argentina overlooking downtown Buenos Aires. Our new flexible working environment has space for everyone who wants to work in the office plus plenty of room for meetings and social connections.

In January 2024, we officially moved into our new home in Hammersmith, London. Our new office space, in the recently refurbished Metro Building, offers great facilities and is located close to vibrant and eclectic cafes, pubs, restaurants, shops, markets and fitness and entertainment opportunities. The office is located close to multiple tube lines and buses with great end of trip facilities including secure spaces for bikes. The building boasts a BREEAM Three-star rating and is part of the Better Buildings Partnership – a collaboration of leading property owners who are working together to improve the sustainability of commercial buildings.

Across all our offices globally we have implemented energy saving and waste management features such as:

- The use of glasses, ceramic mugs, crockery and cutlery. We don't use disposable ones.
- Monitors use screen savers
- Motion sensor office lighting
- Separated recycling including, printer ink, batteries and e-waste where we can.

We are also proud to report that our office in Sønderborg, Denmark boasts a DGNB Gold rating which includes great features such as roof top solar.

GOOD HEALTH AND WELL-BEING

Health and safety

At Hansen, we take safety in the workplace seriously and work to ensure the health, safety and wellbeing of all our people. We strive for a work culture where safety is considered everybody's responsibility.

Consideration of the physical health of employees which includes embedding safety policies and procedures to minimise accidents, maintain lower absence/sick leave rates and optimise productivity is of paramount importance to Hansen. Our goal is to work in partnership with our people to reduce the impact of workplace injury and illness. During FY24, we implemented a new global Health & Safety Policy. The policy applies to all business operations, workers, contractors, and functions, including those situations where our people and contractors are required to work off-site.

All our people are encouraged to raise incidents or hazards they may identify within the workplace, including both our offices, and remote working locations. Where incidents or hazards are identified, investigations are conducted, and preventative and corrective actions are identified and managed through to completion.

During FY24, we are very proud to report our Lost Time Injury Frequency Rate (LTIFR) across our global operations is 0.

Aligned with our values at Hansen we seek to provide an environment of innovation, openness and transparency and encourage all our people to care about each other, to be respectful, treating others like you want to be treated and genuinely embracing our differences, like family.

ONE UNITED TEAM

Sharing knowledge and leveraging our global experience. An environment that encourages innovation and facilitates openness and transparency.

TREAT IT LIKE ITS YOUR OWN

Make business decisions with the same level of consideration you would if you were making them for yourself.

PEOPLE AND FAMILY

Caring about others, being respectful, treating others like you want to be treated. Genuinely embracing our differences, like family.

FOCUSED AND COMMITTED

Focused on understanding the customer's needs & being passionate about delivering an exceptional customer experience.

PROMOTING HEALTH AND WELLBEING

As a global business, our global team takes part in R U OK? Day. It's more than just a day, it's a movement that aims to empower all our workers to identify the signs that someone might not be OK and offer guidance on how to listen and how to help. To support our efforts in the space we have also encouraged our people to engage in short videos and courses on supporting positive mental health and well-being. We also provide our team members with tips and tools to have meaningful conversations about mental health.

Hansen offices worldwide participated in World Mental Health Month. In line with this initiative, several offices across Hansen established partnerships with local charities to make a significant impact through our Acts of Impact. Teaming up with the renowned Black Dog Institute, Hansen in Australia participated in the 'One Foot Forward'. This challenge encouraged participants to walk or run from 40 to 150km throughout October. The aim was to raise funds to support ongoing mental health research and crucial support services provided by the Black Dog Institute and symbolise the collective progress towards improved mental and physical well-being.

In Argentina, we held meetings dedicated to coaching, mindfulness and yoga. Our people were able to enjoy a moment to connect with themselves and disconnect a little from day-to-day problems. Across our other offices we participated in activities, such as shared morning tea and encouraged meaningful conversations about mental health and well-being.

Community development

Developing strong relationships with local stakeholders and minimising negative impacts from Hansen's operations and solutions is not just rhetoric at Hansen. We embed this thinking into our day-to-day operations.

Our Acts of Impact initiative was purposefully designed to encourage our people to make a meaningful, long-lasting, and purposeful impact in our local communities and, where practical, to the global society. Initially this initiative was targeted to run during our 50th year of sustainable operations. The success of this initiative was so great, we have made it an annual program with many worthy activities taking place across FY24.

By donating time through volunteer programs, Hansen employees directly engage with the communities we operate in, offering our skills and expertise to support local initiatives such as education, mentorship, or environmental conservation. This provides tangible benefits to the community and fosters employee engagement and a sense of purpose within the company.

Through the donation of computer equipment, Hansen helps bridge the digital divide and empower communities by providing access to technology and educational resources. This can help enhance digital literacy, facilitate online learning opportunities, and support local businesses through improved connectivity and access to information.

Hansen also actively supports key charities such as Médecins Sans Frontières and has been contributing to them for several years. At Hansen our global team also regularly raises funds for key local charities and services.

SUPPORTING MÉDECINS SANS FRONTIÈRES

Médecins Sans Frontières, also known as Doctors Without Borders, is an international humanitarian organisation that provides medical assistance to people affected by conflict, epidemics, disasters, or exclusion from healthcare.

Médecins Sans Frontières delivers emergency medical care to those in need, often in remote or dangerous areas where access to healthcare is limited or non-existent. Their teams of doctors, nurses, and other medical professionals work to save lives and alleviate suffering by providing medical treatment, performing surgeries, and addressing public health issues. Médecins Sans Frontières also advocates for improved access to healthcare and raises awareness about humanitarian crises around the world. Through their work, Médecins Sans Frontières seeks to uphold the principles of impartiality, neutrality, and independence in providing medical aid to those most in need.

ACT OF IMPACT – EMPOWERING RURAL CHILDREN: A BEACON OF HOPE

Vision, technology, and access to the right resources are crucial to achieving success in life. However, in some areas, people lack basic amenities that hinder their progress and development. This is particularly true in large and bustling countries like India, where government support may sometimes fall short. Nevertheless, some businesses and individuals step up to offer their time and support whenever possible.

During FY24, our Global Hansen IT team members based in India partnered with the National Institute for Sustainable Development.

The National Institute for Sustainable Development is a non-profit organisation that focuses on various aspects of societal upliftment, including education, health, employment, minority rights, gender equality, housing, child and youth development, food security, nutrition, tribal welfare, and livelihood enhancement. With their guidance, the team identified a primary school in the village of Jewale Baleshwar, near Pune, where around 30 children lacked basic school supplies.

The Hansen team came together and generously contributed towards procuring essential supplies such as backpacks, water bottles, colouring books, crayons, pencils, and other necessities for the children.

On 26th April 2024, the team visited Jewale Baleshwar in India to deliver the donations and spend time interacting with the students, creating a meaningful experience for both our team and the children.

GOVERNANCE:
OPERATING OUR BUSINESS ETHICALLY & RESPONSIBLY

DELIVERED NEW SECURITY REPORTING FEATURE

Maintaining the highest vigilance around privacy and security is vital as a company that manages our own sensitive data and our customers.

DEVELOPED OUR INAUGURAL CLIMATE REPORT APPROVED BY THE BOARD

UPDATED OUR CHARTERS TO INCLUDE CLIMATE CONSIDERATIONS

Maintained our **ISO 27001** and **ISO9001** certification

Commenced **a global policy** and **procedure review**

Implemented enhanced **Code of Conduct**

Hansen is committed to maintaining the highest standards of ethics and integrity across all levels of its operations. As part of this commitment, Hansen adheres to stringent anti-corruption policies which are communicated and reinforced through comprehensive training programs. Hansen takes a proactive and transparent approach to combating corruption to foster a culture of integrity that supports our long-term business success.

OUR FOCUS ON MAINTAINING STRONG GOVERNANCE AND SECURITY PRACTICES TO ENSURE TRANSPARENCY, ACCOUNTABILITY AND ETHICAL CONDUCT, AS WELL AS OUR FOCUS ON REGULATORY COMPLIANCE, AND A PROACTIVE APPROACH TO RISK MANAGEMENT ARE KEY ENABLERS FOR OUR OVERALL SUSTAINABILITY STRATEGY.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Data privacy and cyber security

All team members are required to undertake mandatory annual privacy and security training, which includes assessment modules to test an individual's understanding of our key privacy and security obligations.

Hansen implements appropriate security measures across all information security areas and IT processes to preserve the confidentiality, integrity and availability of information that is processed, transmitted and stored by Hansen IT systems and services, and to comply with applicable laws, regulations and contractual commitments.

We apply General Data Protection Regulation (GDPR) equivalent data privacy requirements to all activities which involve the collection, processing, and management of personal data, unless a local jurisdiction requires otherwise.

During FY24 there were no notifiable data breaches or security incidents reportable to global regulators.

We continue to heavily invest in our cyber security programs and systems to provide the highest levels of security aiming to proactively predict, prevent, and respond to cyber risks and to further enhance our cyber security risk management practices to keep pace with the evolving threat landscape and to continue to support our customers.

IT Security Governance

Hansen's security governance structure is illustrated below:

Hansen's Board retains ultimate responsibility for Hansen risk management activities including information security. The Board will ensure that the information security program is operating effectively within the context of cyber threats to Hansen.

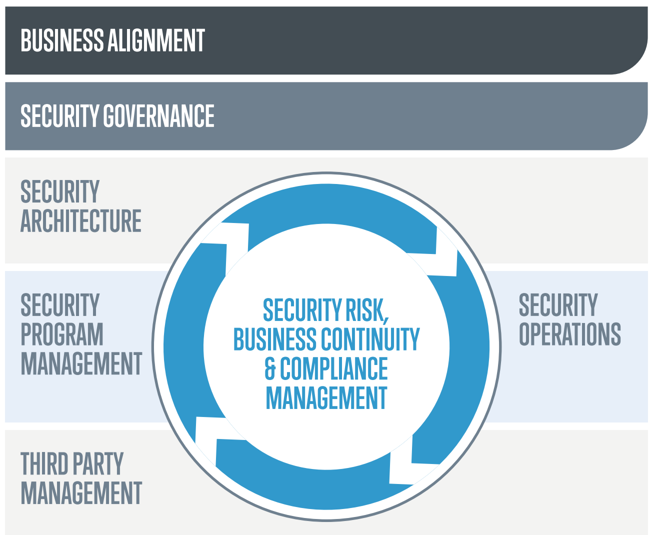
IT Security Framework

Our Information Security Framework takes a risk-based approach to cyber security. Hansen acknowledges that it is not possible to defend against all cyber attacks but that measures can be taken to reduce the impact to Hansen and its customers by building a cyber resilient organisation. Our Framework components are based on, and informed by the NIST CSF, ISO27001/2 and other global standards.

Our Information Security Objectives are to:

- Build a security-aware organisation.
- Prioritise protection based on the value of Hansen information assets.
- Enable secure product development outcomes.
- Improve cyber security maturity of IT Security controls and processes.
- Increase Hansen cyber hygiene and resilience.
- Enable effective Incident Response.

Information Security Framework



Hansen's Information Security Management System (ISMS) is comprised of security policies, standards, governance mechanisms, and risk management activities.

The ISMS is based on the best practices and approach described in the ISO 27001:2022 and supports Hansen's Information Security Objectives by defining and regularly assessing our risk-based approach to information security management.

Hansen has adopted the US National Institute of Standards and Technology (NIST) Cyber Security Framework (CSF) to measure its current and target state cyber maturity, in addition to prioritising initiatives to treat security risks.

17 PARTNERSHIPS FOR THE GOALS

Responsible and ethical procurement/Human rights/Modern slavery

Hansen encourages our people and our suppliers to not only comply with laws and regulations but also to go beyond and improve their environmental, social, and ethical performance.

Hansen is dedicated to recognising and upholding the human rights of everyone connected to our operations, supply chains, and the communities where we are active. We strive to adhere to the highest ethical standards and integrity, affirming our commitment to the Universal Declaration of Human Rights, the International Covenants on Civil and Political Rights, and on Economic, Social, and Cultural Rights, along with the Core Conventions of the International Labour Organization (ILO) and its Declaration on Fundamental Principles and Rights at Work.

Additionally, we endeavor to align our practices with the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises, seeking compliance across all areas of our business.

At Hansen, we maintain rigorous employment practices, prohibiting forced, bonded, or indentured labour and supporting the principle of freely chosen employment. We conduct thorough checks to prevent child labour and implement necessary remediation measures. We comply with local regulations on wages, benefits, and working hours, including overtime, and go beyond compliance ensuring all our employees, across all our locations receive a living wage. Our commitment extends to striving to provide a workplace environment that prioritises dignity and respect, free from discrimination, harassment, or any abuse, and where workers' rights to voice grievances and form unions are fully supported without interference. Our Whistleblower Policy and Complaint & Grievance Policy provide avenues to employees, contractors and related parties across our operations and supply chain, to raise concerns and voice grievances.

We enforce effective systems and controls to prevent modern slavery and comply with applicable laws. Our Human Rights Policy available on our website sets the minimum standards for all Hansen employees, contractors, suppliers, and business partners, emphasising our collective responsibility to report any human rights concerns, including potential modern slavery issues.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Supplier Code of Conduct

Hansen is committed to sustainable and ethical procurement.

We recognise that when making purchasing decisions, Hansen has an opportunity to make a positive environmental and social impact. Hansen's approach to sustainable and responsible procurement is aligned to the principles of the UN SDGs. In addition, we are committed to complying with all relevant laws and regulations.

We expect the same standards from our suppliers and encourage them to go beyond compliance to applicable laws and take responsibility to continually improve their environmental and social performance and ethical behaviour. During FY24, we officially launched our Supplier Code of Conduct available on our website.

This Code applies to all suppliers with a business relationship with Hansen, including vendors, contractors, and consultants.

Suppliers must read, understand and ensure that their business and supply chains meet, or exceed, the standards set out in this Code. Suppliers must communicate this Code to related entities, their own suppliers, and subcontractors who may support them in supplying to Hansen, so that they are made aware of, understand, and comply with this Code.

Suppliers' ability to meet or exceed the standards set out in this Code is a key consideration when Hansen makes procurement decisions, and it is an ongoing condition for doing business with Hansen regardless of whether this Code is formally incorporated into an agreement. Failure to comply may result in Hansen seeking alternative suppliers.

Business ethics/anti-competitive behaviour/regulator compliance

Hansen adheres to stringent anti-corruption policies, conducting regular risk assessments, and provides comprehensive training programs.

Hansen has a zero-tolerance policy towards corruption and anti-competitive behaviour in all its forms, including bribery, extortion, fraud, money laundering and other corrupt practices. Workers are prohibited from engaging in any activity that constitutes corruption or that may give rise to a conflict between their personal vested interests and the interests of the organisation or its shareholders. Hansen also has a policy, available on our website, which details specific procedures for reporting suspected corruption or bribery incidents and is in place across our global operations. We are proud to report there have been no reported incidents of corruption, fraud or legal actions related to anti-competitive behaviour during FY24, and we have had no incidences raised through the whistle blower procedure.

The effectiveness of our communication and training initiatives is regularly re-assessed. Employees have access to report any concerns or violations anonymously. Hansen also conducts regular risk assessments to identify and mitigate corruption risks across our global operations. Findings from these assessments can highlight potential vulnerabilities related to procurement processes and international business transactions, which can be more susceptible to corruption risks due to varying local regulations and practices. To address these risks, Hansen has several targeted measures, including internal controls, enhanced due diligence procedures for partners and vendors, and increased transparency in transactions. These actions are complemented by our robust training programs.

HANSEN HAS A ZERO-TOLERANCE POLICY TOWARDS CORRUPTION AND ANTI-COMPETITIVE BEHAVIOUR IN ALL ITS FORMS, INCLUDING BRIBERY, EXTORTION, FRAUD, MONEY LAUNDERING AND OTHER CORRUPT PRACTICES.

Code of Conduct

We recognise that our company is made up of the individual employees representing our organisation globally. Each person has an individual responsibility for their own behaviour and should take accountability for their actions and choices. The success of our organisation is intricately tied to the principles that guide our actions and decisions.

Our Code of Conduct, available on our website, serves as the cornerstone of our commitment to ethical conduct and creates a framework that defines our commitment to operate with the highest standards of trust, fairness and responsibility.

We encourage all our workers to exhibit the highest levels of personal integrity, teamwork, and appreciation for our diverse individual and company cultures. We believe in always treating people fairly, whether worker, supplier, service provider, or customer, while always looking for ways to improve our service and contribution to the communities in which we live and work.

Leadership, governance and transparency

Key sustainability enablers

Hansen is focused on maintaining strong governance and security practices to ensure transparency, accountability, and ethical conduct. We maintain regular reviews of our regulatory compliance, including ensuring transparency in our reporting, and participating in active risk management.

Aligned with the recommendations of the Australian Stock Exchange, Hansen is governed according to 8 key principles which can be found in our Corporate Governance Statement. This and other governance policies can be found on our website.

Approach to tax

Hansen is committed to paying the correct amount of tax and adhering to the rules set by relevant authorities in all regions of our global operations. The company ensures that all transactions and tax strategies are fully justifiable. Hansen aims to pay taxes promptly, comply with all applicable laws, and utilise available incentives and reliefs while maintaining transparent and constructive relationships with tax authorities.

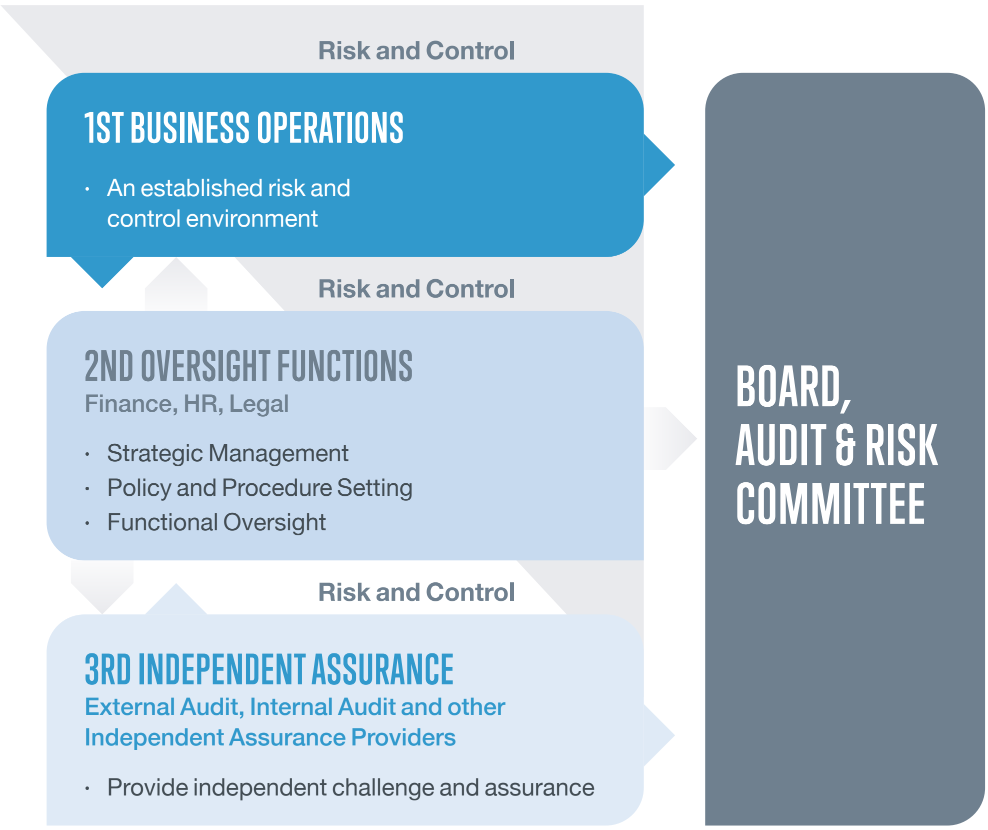
The Hansen Global Tax Governance Framework, approved by the Board and regularly reviewed, outlines the company's tax management strategies and policies. This framework includes identifying and managing tax risks, ensuring professional care and diligence in all tax matters, and maintaining consistency with overall strategy and risk management. Hansen ensures that internal documents and/or external advice supports decision-making in uncertain tax situations.

Hansen employs a three-lines-of-defence model for tax risk management, involving in-house specialist tax professionals, regional finance teams, and external advisors. Tax risks are managed under both the Enterprise Risk Management Framework and the Hansen Global Tax Governance Framework. The Tax Risk Register is reviewed at least annually, and significant or complex transactions are externally reviewed and presented to the Audit and Risk Committee.

Hansen provides regular tax training to the finance team and from FY24 will disclose the country of tax residence in its financial statements. The Global Head of Tax ensures that tax matters are regularly reported to the Board.

Risk assessment and assurance process

At Hansen, we adopt a comprehensive approach to risk assurance, combining self-evaluation with independent external assurance activities. Our Enterprise Risk Management Framework which incorporates our approach to effectively managing climate and other sustainability risks is reviewed annually by the Audit and Risk Committee (ARC) a subcommittee of our Board. The Framework is both linked to, and used to define, our assurance and governance processes through the 'Three Lines of Defence' model (as depicted in the diagram below).



Definitions for Line of Defence

First Line

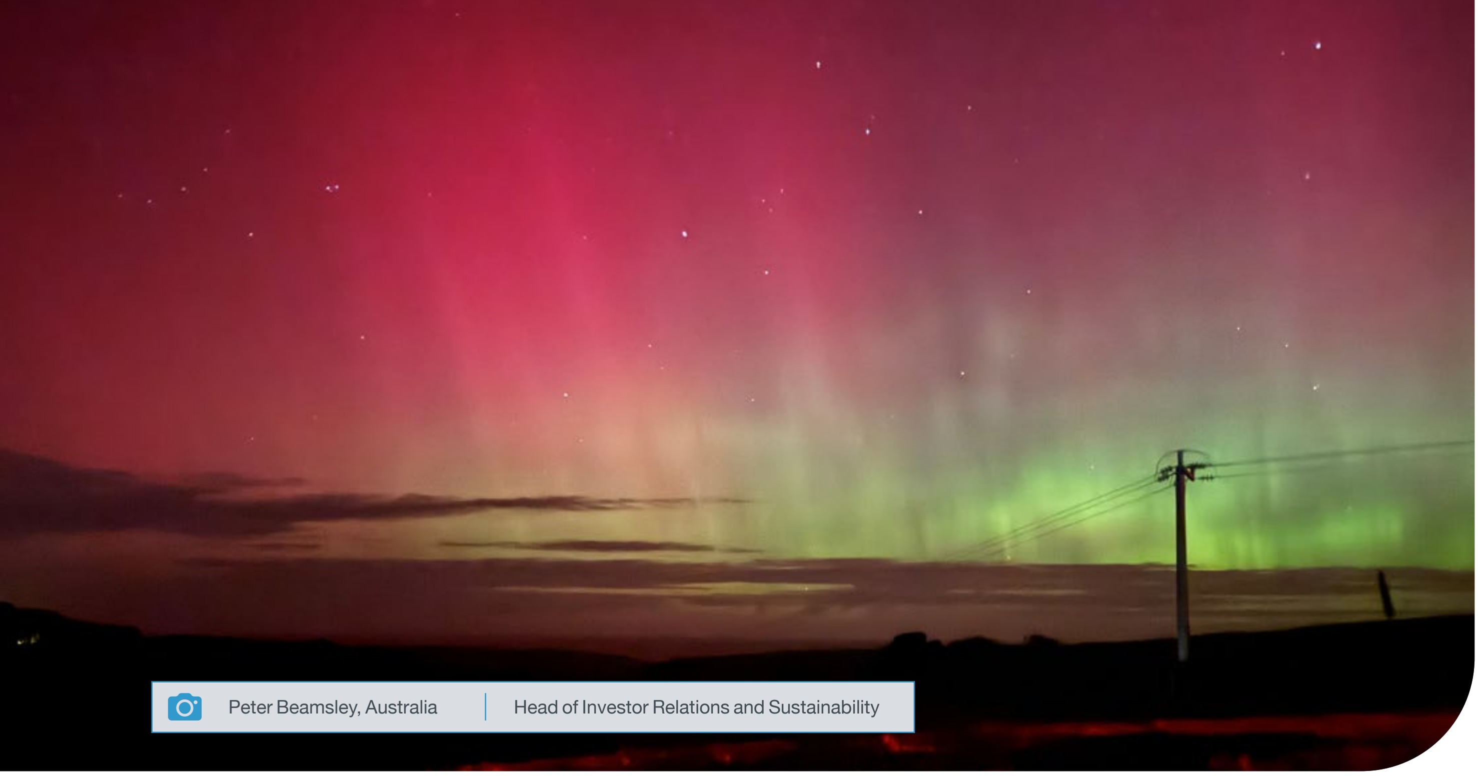
The first level of control environment is the business operations which include Regional Risk Champions.

Second Line

Oversight functions in the company such as Finance, HR, Legal set directions, define policy and provide assurance. This includes Executive team members and Corporate Risk Management.

Third Line

External audit and internal audit reviews are the third line of defence, offering independent challenge to the levels of assurance provided by business operations and oversight functions.



Peter Beamsley, Australia | Head of Investor Relations and Sustainability

The outputs from the risk process are used to identify the nature of risks faced by the business and then to ensure an effective control environment is established for our operational activities (first line). The operational application of policies and procedures to manage areas of risk is monitored by the related functional teams (second line).

Our goal is to ensure that material risks are accurately measured and effectively managed. Our strong risk management culture is critical for achieving strategic, operational, and commercial objectives. It also serves as a competitive advantage.

Key Aspects of our Enterprise Risk Management Framework:

Embedded Practices:

- We integrate risk management practices into all business processes and operations. This approach ensures consistent, effective, and accountable actions across the organisation.

Dynamic Approach:

- Our risk management approach is dynamic. We proactively anticipate, detect, acknowledge, and respond to changes in both internal and external environments.
- We follow the principles outlined in ISO 31000: 2018 Risk Management – Guidelines.

Risk Register:

- We maintain a risk register that covers our global operations. This register helps us communicate and manage risk effectively across the organisation.

Employee Responsibility:

- All Hansen employees play an active role in risk management. They proactively identify and communicate potential risks within their individual business units and regions.

Executive Involvement:

- The leadership team identifies and assesses significant risks facing the company. They participate formally in the annual risk review and informally in their daily roles.
- Depending on their roles, individual employees may also contribute to the annual risk assessment.

CFO Ownership:

- The Chief Financial Officer (CFO) owns the risk process. Their responsibilities include updating the Risk Register annually and maintaining the Risk Management Framework.
- The CFO also educates the Executive team and regional management on the risk management program.

Audit and Risk Committee (ARC):

- The ARC oversees the Risk Management Framework. They ensure that risk management processes are effective and well-maintained.
- The ARC receives regular reports on risk management, including updates to the Risk Register and the Risk Framework.

Board Oversight:

- Ultimately, the Board is responsible for establishing and ensuring effective risk management processes.
- The Board receives periodic reporting through the Audit and Risk Committee.

BOARD OF DIRECTORS AND COMPANY SECRETARY

The qualifications, experience and special responsibilities of each person who has been a Director of Hansen Technologies Limited at any time during or since the end of the financial year are provided below, together with details of the Company Secretary as at the year end.

Mr David Trude
Non-Executive Director

Chairperson since 2011
Director since 2011
Age 76

David has extensive experience in a variety of financial services roles within the banking and securities industries. He holds a degree in commerce from the University of Queensland and is a member of many professional associations including the Stockbrokers and Financial Advisers Association of Australia and the Australian Institute of Company Directors.

David is also a Non-Executive Director of Cboe Australia Pty Ltd and Non-Executive Director of ASX listed Acorn Capital Investment Fund Limited and MSL Solutions Ltd.

Mr David Howell
Non-Executive Director

Director since 2018
Chair of the Remuneration Committee
Member of the Audit and Risk Committee
Age 66

David is a highly accomplished executive having worked across a number of industries including financial services, retail, technology and social media. David has had roles as Chairperson, Managing Director, Non-Executive Director and Board Advisor across large corporates, SMEs and early-stage businesses, including private equity.

David is also a Non-Executive Director of The Pistol (a digital marketing agency).

Mr Andrew Hansen
Global CEO and Managing Director

Managing Director
Managing Director since 2000
Age 64

Andrew has over 40 years' experience in the IT industry, joining Hansen in 1990. Prior to Hansen, he held senior management positions with Amfac-Chemdata, a software provider in the health industry.

Andrew led Hansen from its listing on the ASX in 2000 to today being a global business with a strong history of decades of strong profitability and growth.

Andrew is responsible for implementing the Group's strategic direction and overseeing the everyday affairs of the Hansen Group.

Mr Don Rankin
Non-Executive Director

Director since 2019
Chair of the Audit and Risk Committee
Member of the Remuneration Committee
Age 72

Don Rankin joined the Hansen Technologies Board in 2019. He was one of the founding partners of Pitcher Partners and National Chairperson of the Pitcher Partners Association for 11 years.

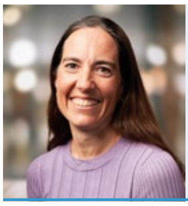
With over 30 years' experience advising private and family businesses across a broad range of industries, he specialises particularly in assisting clients in the management, growth and evolution of their business. Don sits on a number of Family Board Advisory Committees. For many years Don was on the board of the Victorian Chamber of Commerce and Industry and was its President for three years.

Don has a long involvement with Cottage by the Sea in Queenscliff, a charity for disadvantaged children and is its current Treasurer.

Ms Julia Chand
General Counsel and Company Secretary

Company Secretary since 2014
Age 54

Julia joined Hansen Technologies in 2007 and plays a strategic role as General Counsel as well as Company Secretary. Julia has significant legal experience in IT, financial services and retail organisations. As Company Secretary she is responsible for the Company's corporate and ASX obligations.



Ms Lisa Pendlebury
Non-Executive Director

Director since 2022
Member of the Audit and Risk Committee
Member of the Remuneration Committee
Age 49

Lisa has more than 20 years of experience in the healthcare, consumer products and finance industries. She is currently General Manager, Corporate Development at Regis Healthcare and has previously worked at Mayne Pharma, Pacific Brands, JPMorgan and CVC Capital Partners.

Lisa has extensive experience in business development, mergers and acquisitions, corporate strategy, investor relations, financial reporting, corporate governance, remuneration and sustainability. She is a CPA and holds a Bachelor of Commerce and Bachelor of Science degree from the University of Melbourne.

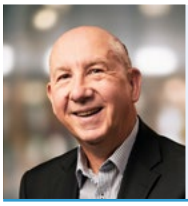
Mr David Osborne
Non-Executive Director

Director since 2006
Member of the Audit and Risk Committee
Age 75

David is a Fellow of the Institute of Chartered Accountants, and a Fellow of the Australian Institute of Company Directors, with over 50 years of financial management, taxation and accounting experience in public practice.

David's experience includes having been the Audit Partner of his accounting practice and a Registered Company Auditor for over 25 years.

He also has experience in the various aspects of risk management. David has a long-standing association with Hansen, having been a Board member for some years prior to the Company's listing on the ASX in June 2000.



Mr Bruce Adams
Non-Executive Director

Director since 2000
Member of the Remuneration Committee
Age 64

Bruce has over 30 years' experience as a commercial and corporate lawyer. He has practised extensively in the areas of information technology law, contract law and mergers and acquisitions and has considerable experience advising listed public companies.

Bruce has held positions as partner of two Australian law firms and general counsel of an Australian owned international group of companies. He holds degrees in Law and Economics from Monash University and is a graduate of Australian Institute of Company Directors.

Ms Rebecca Wilson
Non-Executive Director

Director since March 2024
Age 51

Rebecca Wilson is an experienced company director within private, ASX listed and not-for-profit organisations. She is currently the Non-Executive Chair of healthcare technology company Alcidion Limited (ASX ALC), and AI-enabled medical instrumentation business LBT Innovations (ASX LBT), and the Independent Director of the Tomisich Foundation.

In her executive career, Rebecca held global leadership roles in corporate affairs and investor relations. She has extensive experience in ESG, stakeholder engagement, issues and crisis management, M&A, and investor relations.

She holds a BA Arts and Grad Cert in Applied Finance & Investment. She is a Graduate of AICD with AICD course certificates in Climate Governance, Cyber Security and Ethics in the Boardroom.

The Directors present their report together with the Financial Report of the consolidated entity ('the Group'), being Hansen Technologies Limited ('the Company') and the entities it controlled for the financial year ended 30 June 2024, and Auditor's Report thereon. This Financial Report has been prepared in accordance with Australian Accounting Standards.

Principal activities

The principal activities of the Group during the financial year 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.

OPERATING AND FINANCIAL REVIEW

Review of operations

The Group's operating performance for the fiscal year compared to last year is as follows:

	2024 A$ Million	2023 A$ Million	Variance %
Operating revenue	**353.1**	311.8	13%
Underlying EBITDA[1]	**92.4**	99.5	(7%)
Underlying Cash EBITDA[1]	**76.9**	78.4	(2%)
NPAT	**21.1**	42.8	(51%)
Underlying NPAT[2]	**26.0**	41.5	(37%)
Underlying NPATA[1,3]	**39.7**	55.6	(29%)
Basic Earnings per Share (EPS) (cents)	**10.4**	21.1	(51%)
Basic EPS based on Underlying NPATA (EPSa) (cents)[1]	**19.5**	27.5	(29%)

(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. These measures have been defined in the Chairperson and Managing Director's Joint Report on page 8.

(2) Underlying net profit after tax attributable to members excludes separately disclosed items (net of tax). Further details of the separately disclosed items are outlined in Note 4 to the Financial Report.

(3) Underlying net profit after tax (adjusted) attributable to members excludes separately disclosed items and acquired amortisation (net of tax). Further details of the separately disclosed items are outlined in Note 4 to the Financial Report.

The Group demonstrated robust growth at the top line, however, the net profit after tax (NPAT) was affected by the recent acquisition of powercloud, a turnaround business within the German energy and utility market. Additionally, there was a reduction in the quantum of research and development capitalised, as this investment was redirected towards our lower cost talent centres. Further details on the Group's results are outlined in the Chairperson and Managing Director's Joint Report on page 8.

In February 2024, Hansen acquired a German-based energy billing software provider, powercloud, expanding the Group's presence into a key target market of the DACH[a] region. The purchase price of €17.7 million was 100% debt funded through an existing debt facility. powercloud was acquired as a turnaround project, and while it is still early in our integration process, and there remain some anticipated risks to mitigate, Hansen has made progress towards improving the profitability of the asset.

As part of Hansen's ongoing efforts to improve efficiency and operate more sustainably, at the end of the year Hansen's owned and operated Data Centre in Melbourne, Australia was closed[b]. This was a well-planned exit as the Data Centre is no longer core to the strategic direction of the Company.

The Group's operating revenue for FY24 was $353.1 million, an increase of 13.2% on FY23. Excluding the $18.4 million contribution from powercloud, Hansen's core business revenue for FY24 was $334.7 million, an increase of 7.3% (or an 8.2% increase excluding revenue from the closed Data Centre) from FY23.

(a) DACH Region refers to the three central European countries of Germany (D), Austria (A) and Switzerland (CH).

(b) Data Centre effectively completed decommissioning in June 2024. Revenue for Data Centre has been reported in the Asia Pacific Region (FY23 $5.0m & FY24 $2.6m).

Reflecting the significant Operating revenue growth of Hansen over the last 10 years (15% CAGR since FY14), in June 2024 a restructure was announced. To best support Hansen's global reach, increased size and anticipated continued growth, the Company will have two operational verticals effective from 1 July 2024. This restructure helps position Hansen for further growth both organically and inorganically and creates careful succession planning at all levels.

Niv Fernando, the Group's new Chief Strategy Officer, has re-joined Hansen to focus on Mergers and Acquisitions and other strategic projects, while David Castree, Global President – Energy & Utilities, and Scott Weir Global President – Communications & Media, will independently manage their respective verticals. As a result of these changes Graeme Taylor's role as our former CEO concluded as of 30th June 2024. Andrew Hansen resumes the broader role of Global CEO & Managing Director and Andrew will continue to focus on strategic initiatives and provide overall guidance at the senior leadership level.

Excluding the contribution from powercloud, Hansen's Energy & Utilities vertical achieved organic revenue growth of 14.7% to $183.2 million from FY23, with strong performances across all the key regions.

Communications & Media revenue of $148.9 million increased 1.2% from FY23. While there was a 10.3% decline in the Americas region, revenue generated for this vertical from the Asia Pacific region increased by 12.6% from FY24. There is an expectation of more robust growth in FY25 due to a burgeoning pipeline of opportunities.

Demonstrating the flexibility of Hansen's operations, the Group does not have a dedicated pool of people devoted to innovation, enabling the Group to direct efforts where it is most needed. Across FY24, a large implementation project was underway for a major client in Australia with significant resources devoted to this billable work. The Group's operating centres in India, Vietnam and Argentina are also beginning to deliver more innovation activities which is changing the cost profile over time. These two factors have resulted in a lower than anticipated amount of capitalised development costs (R&D) during FY24. Despite this lower level of capitalisation, the Group excluding powercloud maintained Underlying EBITDA margins of 30%.

Excluding powercloud, Hansen's Underlying Cash EBITDA of $87.1 million increased by an impressive 11.1%. Hansen has a 50-year track record of consistent cash generation. Demonstrating this steady, consistent growth, Hansen's Underlying Cash EBITDA has grown 10.8% CAGR since FY19 (excluding powercloud).

The Group generated $59.1 million of operating cash flows, which has been used to retire net external debt of $37.3 million, pay dividends of $18.4 million (net of dividend reinvestments), and fund $15.5 million of capitalised development costs. Hansen borrowed an additional $55.3 million to fund the acquisition of powercloud and has already paid down $12.0 million of this borrowing. At 30 June 2024, the Group's total borrowings were $70.2m and its net debt position was $24.5 million. Hansen's overall leverage ratio remains very low at 0.3x.

At Hansen, only a portion of the overall R&D investment is capitalised. The business is continually evolving its products to exceed customers' expectations. Hansen averages approximately 400,000 hours of expensed or capitalised innovation activities annually. This is in addition to the significant volume of activities that are customer funded. Both these segments of innovation contribute to the development of the Group' leading edge technologies.

This innovation is being recognised by industry bodies. In the past 12 months, Hansen featured in nine technology analyst reports including the IDC MarketScape, in which Hansen was named in the 'Major Players' category. Hansen's placement within the Major Players category attests to the strength of the value proposition for the energy and utilities sectors, against the backdrop of the energy transition.

Hansen's Senior Vice President, Research and Development, Brian Cappellani was Honoured as Outstanding Contributor at TM Forum Accelerate 2024 in Portugal. The Outstanding Contributor Award is a testament to Brian's significant contributions in driving the Communications industry to new heights. His invaluable role and direction in TM Forum's ODA (Open Digital Architecture) Components and Canvas project have been truly exceptional.

Billing segment

The Billing segment represents a major part of the Group's business operations, delivering $347.6 million of revenue in 2024 (excluding powercloud $329.2 million) (2023: $305.0 million), which translates into a 14.0% increase (excluding powercloud 7.9% increase). Segment profit before tax was $30.3 million in 2024 (excluding powercloud $44.8 million) (2023: $58.7 million), representing a 48.4% decrease (excluding powercloud 23.7% decrease).

Other activities

Segment revenues from other activities was $5.5 million in 2024 (2023: $6.8 million), representing a 19.1% decrease for the year. This 19.1% decrease in revenues resulted from an expected reduction in business activity associated with the planned closure of the Australian Data Centre completed in July 2024. Segment profit before tax was $1.0 million for 2024 (2023: $1.4 million), representing a 28.6% decrease for the year.

Significant changes in the state of affairs

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

Subsequent events

No matters have arisen between the end of the financial year and the date of this report that have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future years.

Opportunities and Business Risks

The business remains committed to increasing shareholder value while managing the risk profile of the Group.

The Energy and Communications markets continue to evolve and with this change comes complexity and opportunity. The Communications vertical is experiencing rapid progress in the roll-out and adoption of 5G technology. Energy continues to develop new offerings and the continued roll-out of green energy initiatives. Both verticals continue to develop enhanced digital platforms to deliver a satisfactory customer experience.

To ensure we deliver on our strategic objectives, the Group continues to operate an Enterprise Risk Management Framework that actively identifies, controls, plans and mitigates a wide array of risks across functions and geographies and seeks to unlock opportunities to gain a competitive advantage.

The material business risks that have the potential to impact Hansen's financial prospects and future performance are outlined below, together with mitigating actions undertaken to minimise these risks.

Risk	Nature of Risk	Mitigating actions
Information security, including cyber attacks	Hansen may be exposed to an event or events which may result in Hansen or Hansen's client's information being unavailable, lost, stolen, copied, or otherwise compromised with adverse consequences for the business. Our information security risks remain heightened due to the growing sophistication and increased frequency of cyber attacks within all industries.	As the nature of cyber crime is constantly evolving, Hansen continues to invest in a wide range of information security protection and preventative measures in response to the increasing threats presented by cyber attacks and cyber terrorists. Hansen's current Security Framework is based on inputs from leading industry standards such as ISO27001/2, National Institute of Standard and Technology (NIST) and Payment Card Industry Digital Security Standard. The overarching framework Hansen follows is the NIST Cyber Security Framework. An approach to improvement initiatives is currently being developed based on the Australian Cyber Security Centre's Information Security Manual. Critical to the success of our program are the following key success factors: • continuous, visible support and commitment of Hansen's executive management • central management, with a robust and common strategy and policy across Hansen • continuous training and awareness of all employees • based on threat intelligence led thinking, adapting to the adversaries Tactics, Techniques and Procedures • continual improvement

Risk	Nature of Risk	Mitigating actions
Technology change or failure of critical systems	Significant shifts in technology, including Artificial Intelligence, may adversely impact our business or the demands of the industries Hansen serves. A critical technology system or process failure, whether by environmental disruption, error, or attack, may cause significant adverse impact to Hansen and Hansen's clients.	Hansen maintains a highly-skilled team of technology professionals, who constantly test the potential utilisation and/or impact of emerging technologies. Mitigation of technology risk and optimal utilisation of new technology lies at the heart of Hansen's software development practices. Hansen seeks to manage market change by maintaining its customer first approach. Hansen's Business Continuity and Disaster Recovery Plans are tested, updated, and reviewed on an annual basis. The testing ensures that access to critical systems, including backup environments, are restored and any potential disruption minimised.
Delivery Execution Risk	The timely and effective delivery of software solutions is critical to client satisfaction and retention. Delivery execution risk arises from potential delays, cost overruns, and quality issues in delivering our solutions and services. Factors contributing to this risk include the increasing complexity of client projects, which can lead to longer development cycles and resource constraints; misallocation or shortage of skilled personnel, which can impede project timelines and quality; rapid changes in technology and integration with legacy systems, which can complicate project execution; reliance on third-party suppliers and partners, which can impact delivery if they fail to meet their commitments; and the risk of failing to adhere to evolving regulatory requirements, which can lead to project delays and additional costs.	To mitigate delivery execution risk, Hansen employs several strategies. We implement rigorous project management methodologies to ensure clear timelines, resource planning, and risk assessment for each project. Adopting agile development practices enhances flexibility and responsiveness to change, enabling quicker delivery cycles. Hansen continuously evaluates and optimises its resource allocation to ensure skilled personnel are available for critical projects. By maintaining strong relationships with key technology partners and suppliers, the Group secures reliable and timely inputs. Additionally, Hansen establishes a robust compliance monitoring framework to stay ahead of regulatory changes and integrate compliance checks into the project lifecycle.
Foreign exchange	Due to its international operations, Hansen may be exposed to foreign exchange movements, which may impact the value of profits repatriated to Australia.	Hansen mitigates foreign exchange risk associated with its international operations by, where possible, funding its investments and operations in the local currency. Foreign currency transaction risks can be hedged, where appropriate. Hansen does not hedge translation risk on foreign currency earnings.
External operating environment	Changes to the external operating environment, including macroeconomic factors such as inflation and interest rates as well as geopolitical factors, may negatively impact client demand and the cost of providing Hansen's products.	Hansen has a diversified geographic presence and varied product and customer portfolio, which has a high portion of recurring revenues. Hansen actively monitors the impact of changes in the external operating environment on the business, including people, customers, financial performance, and financial position.
Investment opportunities	The Group has an active M&A program. Key risks of this strategy include financial challenges due to the substantial nature of the investment and the possibility of diluted shareholder value if anticipated synergies do not materialise. Integration difficulties, including cultural clashes and loss of key talent, may disrupt operations. Potential risks relating to unsatisfactory vendor disclosure of known risks. Regulatory and legal risks, such as delays in obtaining approvals, could hinder the success of the acquisition. Overestimating synergies and underestimating integration complexity pose additional risks. Reputational damage may occur if the acquisition is not executed effectively.	Hansen's approach to M&A involves careful planning and execution, with thorough due diligence to identify potential challenges and synergies conducted. Where an acquisition is made, a comprehensive integration strategy with clear timelines and responsibilities is developed. Cultural alignment and actions to retain key talent are priorities. Hansen ensures financial projections are thoroughly analysed and reviewed to avoid overpaying for the target company. During and post integration robust financial reporting and control systems are embedded. Hansen regularly assesses and adjusts the integration process as needed.

Risk	Nature of Risk	Mitigating actions
Employee recruitment and retention	Hansen's people are critical to the Group's ongoing success. Loss of key people may lead to a loss of critical skills, knowledge, and experience, which may disrupt workflow, or impact key relationships with stakeholders and impact Hansen's competitive advantages.	Hansen manages risks to the employee base by focusing on the employee value proposition. Hansen strives to create a positive work environment that fosters employee engagement and satisfaction. Hansen offers competitive remuneration and benefits packages tailored to the market in which personnel are based. Hansen conducts regular performance reviews to support its people and identify any potential issues early on. Succession planning and knowledge sharing help mitigate any potential loss of knowledge from employee movements.
Loss of customers	Hansen maintains a diverse portfolio of Tier 1 and 2 customers. A loss of a key customer due to market risk may negatively impact the financial success of the business.	Hansen has a diverse range of customers across geography and vertical with no one customer delivering more than 7% of Hansen's total revenue. Despite the relatively low risk of significant financial impact from the loss of one customer, Hansen is focused on meeting and exceeding customers' expectations for system performance and service delivery.
Climate Change	Transition Risks – driven by policy, regulation, technology development, reputation, and market shift from goals to decarbonise. Physical Risks – driven by extreme weather and long-term shifts in climate patterns that have direct impacts.	Hansen recognises the interconnectedness of climate and sustainability issues within its broader operations and takes a holistic and precautionary approach to the management of risks and opportunities. • Implementation of a global Sustainability Strategy. • Long-term planning and preparation for upcoming mandatory disclosures. • Developing a global carbon emissions baseline while undertaking emissions reduction activities. • Robust business continuity planning processes. • Promoting and innovating renewable energy software development and ensuring the adaptability and reliability of services. • Ongoing monitoring of market conditions. • Shift to cloud-based data management. • Robust business continuity planning processes. • Lead time planning for equipment procurement.

Outlook

At Hansen, the sectors we operate in, Energy & Utilities and Communications & Media, are dynamic and undergoing significant digital transformations.

In the Energy & Utilities space the global addressable market for Customer Information Systems (CIS) is expected to grow at a CAGR of ~13% over FY24-29[(1)].

The rapid roll out of renewable energy technologies, including smart grids, Virtual Power Plants and EV's is driving the need for more informed and sophisticated billing and support solutions. The rollout is also driving significant changes in the regulatory environment as governing bodies race to develop policies to keep up with the technological changes while also controlling the shifting demand curve that these technologies bring.

Ultimately the race towards the electrification of the home and transport is pushing all energy companies to upgrade and enhance their solutions to stay relevant.

With regards to the powercloud acquisition, the integration work and investment to turnaround the business is underway. Our new vertical structure provides additional management capacity to support the integration efforts and manage the anticipated risks involved with transitioning the business to EBITDA profitability, which we expect to occur in late FY25.

In the Communications & Media sector at the end of 2023, there were 16.1 billion active IoT devices, a figure which is expected to grow to 39.9 billion in 2033[(2)].

(1) mordorintelligence.com

(2) transformainsights.com

While the rollout of 5G networks has been slower to monetise than expected, the rapid proliferation of the IoT continues to drive demand for Hansen's products and services. As thought leaders in this space, Hansen has joined forces with Dutch CSP Odido Nederland and Gomibo Platforms for a pioneering project aimed at monetising 6G technology funded by the National Growth Fund of the Netherlands. As a Company that sits across the Energy & Utilities and Communications & Media, Hansen is well positioned to support the transition of both industries.

Hansen remains committed to not just growing organically, but via a disciplined and focused aggregation approach. Hansen is predominantly targeting businesses within the Energy & Utilities and Communications & Media industries, with a focus on companies that are driving profitable innovation and growth.

Environmental regulations and climate change

The Group's operations are not subject to any significant environmental Commonwealth or state regulations or laws.

Recognising the importance of sustainability for the future of the Groups operations and in preparation for mandatory sustainability reporting – Australian Sustainability Standards and Corporate Sustainability Reporting Directive (Europe), Hansen has taken significant steps on its Sustainability journey during FY24.

In FY24, Hansen developed and began implementing a global Sustainability Strategy based on 20 material sustainability topics identified during FY23. The Sustainability Strategy is aligned with the ten principles of the UN Global Compact and key UN Sustainable Development Goals. It aims to effectively manage the Group's sustainability-related risks and create social, environmental, and economic value through its products, services, and operations.

In this report Hansen has delivered its inaugural Climate Report. The report is structured in line with the Task Force on Climate-Related Financial Disclosures (TCFD) framework and sets the foundation for Hansen in its preparation for Australia's forthcoming mandatory climate-related financial disclosure standards.

Commencing in FY22, Hansen's FY21 Australian operations were certified as carbon neutral by Climate Active and we are very proud to report that Hansen's Australian operations have been certified as carbon neutral for three years in a row.

Hansen has set an FY26 emissions reduction target for its Australian operations. Its goal is to achieve an overarching target to reduce the emissions intensity of the existing business operations in Australia by 50% from its FY22 intensity of 107.88 tCO_2-e per million dollars of revenue. The group also seeks to ensure a reduction in the absolute emissions of its existing FY22 business operations of 5,543.4 tCO_2-e in Australia by no less than 40%.

Hansen's emissions reduction activities have already delivered significant benefits. During FY23, the Group's Australian operations' emissions intensity has reduced by 16.3% from FY22, to 90.28 tCO_2e per million dollars of revenue and is on track to deliver on its reduction targets for FY26.

As part of Hansen's Sustainability Roadmap, the Group will be setting environmental targets and adopting responsible practices for a transition to the net-zero, resilient economy. Hansen's climate strategy for its global emissions will be driven by establishing an emissions reduction pathway with targets aligned to the SBTi, with offsets being used for hard to abate emissions only. To achieve this, Hansen is in the process of measuring and benchmarking its global GHG emissions and the whole of business emissions intensity.

Corporate Governance Statement

Hansen and the Board are committed to achieving and demonstrating the highest standards of corporate governance.

A description of the Group's current corporate governance practices is set out in the Group's corporate governance statement, which can be viewed at https://hansencx.com/about/investor relations.

Dividends paid and declared

A final dividend of 5 cents per share has been declared, partially franked to 2.1 cents per share, comprising of a regular dividend of 5 cents per share. The final dividend was announced to the market on 21 August 2024, with payment to be made on 20 September 2024. The amount declared has not been recognised as a liability in the accounts of the Company as at 30 June 2024.

Dividends paid during the year, excluding dividends reinvested as part of the Company's Dividend Reinvestment Plan (DRP):

- 5 cents per share partially franked to 2.3 cents dividend paid on 21 March 2024, totalling $9,065,525; and
- 5 cents per share partially franked to 1.5 cents final dividend paid on 20 September 2023, totalling $9,337,053.

This is consistent with the Board's capital management policy that balances growth through acquisitions against the payment of dividends.

Performance rights

Performance rights over shares may be issued to Key Management Personnel (KMP) as an incentive for motivating and rewarding performance as well as encouraging longevity of employment. The issuing of performance rights is intended to enhance the alignment of KMP with the primary shareholder objective of increasing shareholder value.

Performance rights over unissued ordinary shares granted by the Company during the financial year to the KMP as part of their remuneration for the year ended 30 June 2024 are as follows:

Grant Date	Number of Rights Granted on 1 Jul 2023(1)
Executives	
A Hansen(2)	–
D Meade	24,485
G Taylor	70,631
R English	22,862
Total	**117,978**

(1) The number of rights granted that will vest is conditional on achievement of financial and non-financial hurdles under the LTI plan. The above KMP will be awarded a combined total of additional 58,989 rights if they overachieve the performance measures. Refer to the Remuneration Report for further details.

(2) The resolution to grant Andrew Hansen's FY24 LTI performance rights did not pass during the Company's Annual General Meeting on 23 November 2023. The Board intends to grant Andrew Hansen additional cash remuneration in lieu of the performance rights, subject to the same vesting conditions being achieved.

There were no rights granted to the KMP over unissued ordinary shares since the end of the financial year as part of their remuneration.

All grants of rights are subject to the achievement of performance measurements.

Further details regarding rights granted as remuneration are provided in the Remuneration Report.

Shares and performance rights

Unissued ordinary shares of the Company under performance rights at the date of this report are as follows:

Instrument	Plan	Grant Date	Vesting Date	Number of Rights at 30 June 2024
Rights	LTI	15 Sep 2021	30 Jun 2024(1)	263,172
Rights	LTI	15 Sep 2022	30 Sep 2025(2),(3)	405,495
Rights	LTI	1 Jul 2023	30 Sep 2026(2),(4)	480,236

(1) Performance rights for the FY22 LTI plan of 241,576 have not exceeded the required specific annual KPIs and did not vest on 30 June 2024 and will be cancelled in due course. Remaining rights of 21,596 vested on 30 June 2024.

(2) All performance rights will vest on the vesting date as indicated in the above table, subject to achievement of specific measurement criteria.

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

(4) Expected vesting date is advised in writing by the Board following consideration of performance during the measurement period, but no later than 30 September 2026.

Performance rights holders do not have any right, by virtue of the performance right held, to participate in any share issue of the Company. Performance rights will not give any right to participate in dividends or any voting rights until shares are issued upon the exercise of vested performance rights.

Shares issued on exercise of performance rights

The following ordinary shares of the Company were issued during or since the end of the financial year as a result of the exercise of performance rights:

Issued	Number of Ordinary Shares Issued on Exercise of Performance Rights
August 2023	722,550
October 2023	20,144
September 2024	21,596
Total	**764,290**

Indemnification and insurance of Directors, officers and auditors

Indemnification

The Company has agreed to indemnify all of the current and former Directors and officers of the Company and its controlled entities against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors and officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Group has not entered into any agreement to indemnify its auditors against any claims that might be made by third parties arising from their report on the annual Financial Report.

Insurance

Since the end of the previous financial year, the Company has paid insurance premiums in respect of Directors' and Officers' liability and legal expenses for insurance policies for current and former Directors and Officers, including executive officers of the Company and Directors, executive officers and secretaries of its controlled entities. The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and Officers' liability and legal expenses insurance contracts as such disclosures are prohibited under the terms of the contract.

No insurance premium is paid in relation to the auditors.

Rounding of amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the Financial Report have been rounded to the nearest one thousand dollars, or in certain cases, to the nearest dollar (where indicated).

Directors' meetings

The number of meetings of the Board of Directors and of each Board Committee held during the financial year and the numbers of meetings attended by each Director were:

	Board Meetings		Audit and Risk Committee Meetings		Remuneration Committee Meetings	
Director	Eligible	Attended	Eligible	Attended	Eligible	Attended
Mr David Trude	14	13	–	–	–	–
Mr Bruce Adams	14	14	–	–	6	6
Mr Andrew Hansen	14	13	–	–	–	–
Mr Don Rankin	14	13	7	7	6	5
Mr David Osborne	14	14	7	7	–	–
Ms Lisa Pendlebury	14	14	7	7	6	6
Mr David Howell	14	12	7	5	6	5
Ms Rebecca Wilson	4	4	–	–	1	1

Directors' interests in shares

Directors' relevant interests in shares of the Company or options/rights over shares in the Company as at the date of this report are detailed below:

Directors' Relevant Interests in:	Ordinary Shares of the Company	Rights over Shares in the Company
Mr David Trude	103,801	–
Mr Bruce Adams(1)	27,891,417	–
Mr Andrew Hansen(1)	28,663,262	168,998
Mr Don Rankin	25,000	–
Mr David Osborne(1)	28,125,448	–
Ms Lisa Pendlebury	13,869	–
Mr David Howell	43,805	–
Ms Rebecca Wilson(2)	–	–

(1) Each of Mr Bruce Adams, Mr Andrew Hansen and Mr David Osborne has a joint interest in a single parcel of 27,739,113 shares as at the date of this report.

(2) Rebecca Wilson was appointed as a Non-Executive Director on 28 March 2024.

Proceedings on behalf of the company

No person applied for leave of Court to bring proceedings on behalf of the Company or any of its subsidiaries.

Directors' interests in contracts

Directors' interests in contracts with the Company are limited to the provision of leased premises on arm's length terms and are disclosed in Note 25 to the financial statements.

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 audit for the financial year is provided with this report.

Non-audit services

Non-audit services were provided by the auditors of the Group during the year, namely RSM Australia Partners, network firms of RSM and other non-related audit firms as detailed below. The Directors are satisfied that the provision of the non-audit services during the year by the auditors is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

	2024 $	2023 $
Amounts paid and payable to RSM Australia for non-audit services:		
– compliance services	3,515	13,715
Sub-total	3,515	**13,715**
Amounts paid and payable to network firms of RSM Australia for non-audit services:		
– taxation services	50,279	39,636
– compliance services	56,548	48,149
Sub-total	106,827	**87,785**
Amounts paid and payable to non-related auditors of Group entities for non-audit services:		
– taxation services	70,666	61,546
– compliance services	28,228	51,690
– ESG framework and policy review	56,000	–
Sub-total	154,894	**113,236**
Total auditor's remuneration for non-audit services	265,236	**214,736**

Auditor's remuneration is disclosed in Note 27 of the Financial Report.

REMUNERATION REPORT

Dear Shareholder,

On behalf of the Board of Directors, I am pleased to present the Remuneration Report of the Group, consisting of Hansen Technologies Limited ("the Company") and its controlled entities for the 2024 financial year.

Across the 2024 financial year, the base Hansen business (excluding the recent powercloud acquisition) has delivered strong revenue growth, stable Underlying EBITDA margins and continued to generate solid operating cash flow. The continued stability and predictability of Hansen's base business is testament to the strength and leadership of our global management team in continuing to drive the business forward through a combination of new logo wins and the retention and expansion of existing customers.

In June 2024, Hansen announced key structural and leadership changes to the market, undertaken to best support Hansen's global reach, increased size and anticipated growth. Under the new structure, the Company will have two operational verticals effective from 1 July 2024:

- Energy & Utilities – led by David Castree as Global President for Energy & Utilities
- Communications & Media – led by Scott Weir as Global President for Communications & Media

With the plans for the new structure finalised, Hansen's current Chief Executive Officer (CEO), Graeme Taylor's position as CEO concluded effective 30 June 2024. Graeme has played a pivotal role in guiding the company over the past year, enabling the Company to focus on establishing this new structure and providing stability through this period of change. Current Managing Director (MD) and former CEO, Andrew Hansen, has resumed the role of Global CEO & Managing Director of Hansen, with the new structure enabling him to continue his focus on strategic initiatives and provide guidance at the Executive level. Hansen also announced the appointment of Niv Fernando, a former senior executive at Hansen, as the Chief Strategy Officer.

FY24 Short Term Incentive (STI) and Long Term Incentive (LTI) outcomes

At the completion of the 2024 financial year, the Remuneration Committee assessed the performance outcomes of the FY24 STI scheme as well as the FY22 LTI scheme that concluded as at June 30th 2024.

Regarding the STI outcome, the Executive team exceeded the organic revenue growth target, and therefore 100% of the measurement was awarded. The EBITDA target was however not fully achieved, with linear outcomes of 49%. The non-financial performance measures for the Executive team were assessed and awarded based on clear and specific short-term strategic initiatives that were set at the start of the year. The achievement of these non-financial targets is disclosed in this report.

Regarding the LTI outcome, the first measurement criteria was the relative TSR performance of Hansen versus the ASX Small Ordinaries Index. This measurement criteria was not achieved. The second measurement criteria was aligned with achieving revenue CAGR growth of 12.5% over the three-year performance period. Whilst organic revenues increased throughout this period, the lack of M&A activity, due to elevated purchase price valuations and pandemic related challenges, resulted in this target not being achieved. The KMP rights for this scheme have subsequently lapsed. Further information on the outcome of the FY22 LTI scheme is outlined in this report.

2023 AGM results

Following constructive feedback received at the 2023 AGM, we have listened to our shareholders and have undertaken a review of our compensation models for Directors, Executives and Key Management Personnel (KMP). As part of our review process, we engaged the services of PricewaterhouseCoopers (PwC) and also worked with our stakeholders and sought feedback on our updated remuneration structure.

Changes to FY25 STI

In response to feedback received, we have implemented changes to our FY25 STI plan. The FY25 STI plan replaces the Budgeted EBITDA measure with a budgeted Underlying Cash EBITDA measure and introduces a minimum Underlying Cash EBITDA margin gateway whilst retaining the Budgeted revenue measure. Underlying Cash EBITDA represents Underlying EBITDA less capitalised development costs and is an important metric to incentivise management to make investment decisions aligned with an appropriate return on investment. I am pleased to advise that to further align our remuneration practices with our long-term Sustainability Strategy, the FY25 STI plan also introduces a compliance gateway related to the completion of mandatory compliance training.

Changes to FY25 LTI

At the 2023 AGM, we received some shareholder feedback, outlining concerns with the FY24 LTI scheme. Key concerns raised against the scheme included a lack of transparency and a perceived misalignment of the scheme's structure with shareholder interests. We have subsequently sought investor feedback and expert third-party advice on our LTI structure. Key changes to the FY25 LTI structure include:

- The introduction of an Absolute Total Shareholder Return (aTSR) growth metric with 50% of performance rights allocated to this metric and prospective disclosure of the Absolute TSR growth measures. An Absolute TSR measure ensures that rewards are directly aligned to shareholder returns over the vesting period.
- Retention of Organic Revenue growth and Underlying EBTIDA growth targets with the remaining 50% of the performance rights allocated equally across the two measures. Performance against the Organic Revenue growth and Underlying EBITDA growth targets will also be disclosed retrospectively in the FY27 Annual Report. As both targets are fundamental to how Hansen Executives manage and execute on strategic initiatives, these targets remain core to the LTI scheme.

Absolute TSR growth targets align executive reward with what the Board considers to be acceptable levels of return to shareholders over the performance period. An Absolute TSR metric ensures that rewards are directly aligned with shareholder returns over the vesting period. Using Absolute rather than Relative TSR removes uncertainty associated with short-term fluctuations from peer companies that are beyond the control of KMP, thus ensuring KMP remain focused on business fundamentals and are effectively motivated to deliver long-term sustainable value to shareholders.

Organic Revenue growth is a transparent and easily measurable metric. It promotes sustainable performance and motivates our KMP to develop and execute strategies that nurture customer relationships, improve product offerings, enhance operational efficiency, and to prioritise profitable sustainable revenue streams over short-term gains.

Underlying EBITDA growth is a widely recognised metric by Hansen's employees, shareholders and analysts. By focusing on Underlying EBITDA growth, KMP are incentivised to drive operational excellence, optimise cost structures, and maximise profitability, encouraging Hansen's KMP to make strategic decisions that enhance the long-term financial health and sustainability of the company.

All three of the above metrics and the revised allocation of the FY25 LTI, ensures our LTI structure remains strongly aligned with shareholder interests and the Group's strategic initiatives to generate sustainable long-term shareholder value by way of increasing profitability and cash generation.

Improved disclosure

We understand our investors' need for more transparent disclosures. To address this concern, we have committed to providing retrospective disclosure of both our STI and LTI targets and hurdles. To this end, our FY24 Remuneration Report includes increased disclosure of performance against our FY24 STI and FY22 LTI targets. We will continue to retrospectively disclose STI and LTI targets and hurdles.

In Closing

Hansen as a unique founder led company is focused on sustainable growth and profits over the long term, whilst balancing the challenges faced by our customers, employees and shareholders. This long-term focus helps ensure that Executive and Management behaviours are always aligned with shareholders and their interests. The Remuneration Committee has introduced the FY25 incentive scheme on this very basis.

The Board is also committed to the ongoing review of the Group's Remuneration Framework to ensure it remains fair, transparent, and achieves its objectives of incentivising and rewarding performance that optimises business and shareholder value and ensuring the Company is well placed to attract, retain and motivate a talented Executive team.

Yours sincerely,

David Howell
Chair of the Remuneration Committee

OUR DETAILED REMUNERATION REPORT (AUDITED)

The Remuneration Report for the year ended 30 June 2024 outlines key aspects of our remuneration framework and has been prepared and audited in accordance with the *Corporations Act 2001*.

Our Remuneration Report contains the following sections:

1. Persons to whom this report applies
2. Our remuneration framework
3. How reward is linked to performance
4. Remuneration details: Executive KMP
5. FY25 Incentive Plan
6. Contractual arrangements with Executive KMP
7. Remuneration details: Non-Executive KMP
8. Share-based remuneration disclosures
9. Other transactions with KMP
10. Employee Share Trust

1. Persons to whom this report applies

The remuneration disclosures in the Report cover the following persons who were classified as the Key Management Personnel (KMP) of the Group during the 2024 financial year. KMP are those persons who, directly or indirectly, have authority and responsibility for planning, directing and controlling the major activities of the Group:

Executives[(1)]	
Andrew Hansen	Managing Director
Graeme Taylor[(2)]	Chief Executive Officer (CEO)
Darren Meade	Group Head of Delivery
Richard English	Chief Financial Officer

Non-Executive Directors	
David Trude	Chairperson and Independent Non-Executive Director
Lisa Pendlebury	Independent Non-Executive Director
David Howell	Independent Non-Executive Director
Don Rankin	Independent Non-Executive Director
Rebecca Wilson	Independent Non-Executive Director (Appointed on 28 March 2024)
Bruce Adams	Non-Executive Director
David Osborne	Non-Executive Director

(1) These executives of the Group were classified as KMP during the 2024 financial year and unless stated otherwise, were KMP for the entire year.

(2) Graeme Taylor ceased to be a KMP effective 30 June 2024.

At the 2023 Annual General Meeting, the FY24 Remuneration Report was presented and received a 57.50% approval result from shareholders, resulting in a first shareholder strike. A resolution for the issue of rights under the Long-Term Incentive (LTI) plan for the Managing Director did not achieve the necessary votes for passage, with 54.68% voting against the resolution. As a result of this outcome, if the Managing Director meets the measurement criteria for the FY24 LTI scheme, the incentive will be settled accordingly as a cash payment.

2. Our remuneration framework

People are at the heart of the Group's success, enabling us to deliver on our vision and long-term goals. Our remuneration framework focuses on providing competitive fixed pay and variable pay that rewards achievement of the Group's annual objectives and long-term growth in shareholder value.

Remuneration outcomes are aligned with both individual and Group performance, ensuring that employees are rewarded for overall Group achievement as well as their individual contribution to the Group's success. This aligns remuneration to both individual performance and value creation for shareholders.

(a) Remuneration governance

The Board annually reviews the Group's remuneration principles, practices, strategy and approach to ensure they support the Group's long-term business strategy and are appropriate for a listed company of our size and nature.

The Board has delegated to the Remuneration Committee the responsibility for reviewing and making recommendations to the Board regarding compensation arrangements for the Directors, Executive KMP and the balance of the Managing Director's direct reports. As at 30 June 2024, the Remuneration Committee was made up of five Non-Executive Directors: David Howell (Chair of the Remuneration Committee), Bruce Adams, Don Rankin,Lisa Pendlebury and Rebecca Wilson, the majority of whom are independent.

The Managing Director and other Directors attend meetings as required at the invitation of the Committee Chair.

The Remuneration Committee assesses the appropriateness of both the nature and amount of remuneration paid to the Executive and Non-Executive KMP on an annual basis by reference to market conditions and current remuneration practices, with the overall objective of ensuring maximum company performance and shareholder benefit from the retention of a quality Board and Executive team. The Committee also engages professional support as required to ensure remuneration practices remain in step with the market as well as the size and nature of the business.

During FY24, the Committee engaged PwC as an independent advisor to the Committee to undertake a review of the STI and LTI frameworks and provide market practice information and insights. The Committee is satisfied that the advice provided by PwC was free from undue influence and no remuneration recommendations, as defined by the *Corporations Act 2001* (Cth), were provided.

(i) Executive KMP remuneration review process

Managing Director	Remuneration Committee	Board
• Assesses each Senior Executive's current year performance based on actual outcomes relative to agreed targets, general performance and market conditions. • Provides appropriate recommendations to the Remuneration Committee on incentive payments for the current year. • Provides appropriate recommendations to the Remuneration Committee of the amount of fixed remuneration, appropriate STI targets and LTI payments for future measurement periods.	• Reviews the Managing Director's recommendations with respect to the Executive team and provides appropriate recommendations to the Board. • Assesses the Managing Director's current year performance and remuneration outcomes against agreed targets, formulating a recommendation to the Board. • Provides appropriate recommendations to the Board of the amount of the Managing Director's fixed remuneration, and appropriate STI and LTI targets for the future measurement period, considering general performance, market conditions and other external factors.	• Reviews the Remuneration Committee's recommendations. • Approves current year STI and LTI plans. • Approves the remuneration structure for future measurement periods, including STI and LTI targets.

(ii) Non-Executive Directors remuneration review process

Non-Executive Directors' remuneration is governed by resolutions passed at a General Meeting of the Shareholders. During the AGM held on 23 November 2023, shareholders approved an increase to the Non-Executive Directors' maximum remuneration payable from $780,000 to $860,000.

Non-Executive Directors are excluded from participation in the Company's equity incentive plans.

(iii) Remuneration strategy, structure and market practice

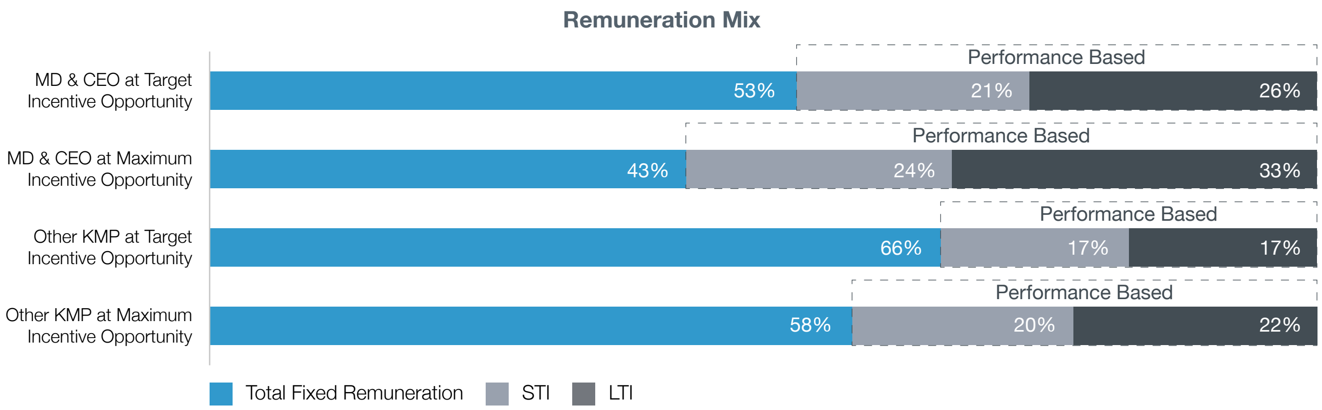
To support the review of the 2024 remuneration framework, the Remuneration Committee has considered detailed and extensive reports, inputs and benchmarking provided to the Committee in relation to the remuneration strategy, structure, market and competitor practice. The Committee will supplement this internal advice with external specialist advice from time to time. In April 2024, the Remuneration Committee engaged PwC to provide independent external advice in relation to the remuneration strategy, structure, market and competitor practices. The Committee considered this advice and adopted the recommendations for the FY25 remuneration framework. The FY25 incentive plan is outlined in this report.

(b) Remuneration structure (FY24 Plan)

OBJECTIVE	COMPONENT AND FORM		ASSESSMENT	
Attract and retain employees with the skills and experience associated with the role.	Total Fixed Remuneration (TFR)	Cash + non-cash benefits	Fixed	Market data, individual experience and performance
Incentivise and reward achievement of annual performance objectives and business outcomes.	Short-term incentive	Cash	Variable ('at-risk')	Annual performance based on financial and non-financial targets
Align motivations with shareholder interests and creation of long-term value.	Long-term incentive	Performance rights to shares (3 years)		Continuous employment, Returns and EBITDA targets

(i) Total Remuneration Mix

The following diagram sets out the proportional mix of remuneration across the three categories of incentives (TFR, STI and LTI) for the Managing Director, CEO and KMP, at the target and maximum incentive opportunities:



(ii) Total Fixed Remuneration (TFR)

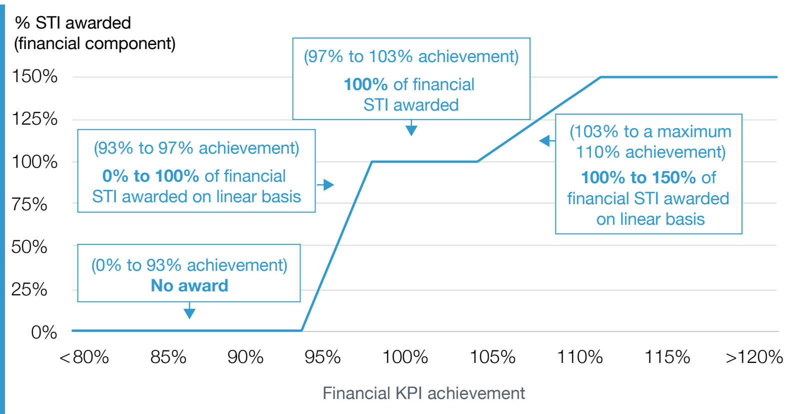
TFR typically includes base salary and superannuation contributions and may include, at the discretion of the Board, other benefits such as a motor vehicle (aggregated with associated fringe benefits tax to represent the total employment cost to the Group). TFR is determined with reference to available market data, the scope of an individual's role and the qualifications and experience of the individual, as well as geographic location. TFR is reviewed annually to account for market movements and individual performance outcomes. See page 74 for a summary of Executive KMP contracts.

FY24 Short-Term Incentive (STI) Plan

	Managing Director and CEO		Other KMP
Objective	To incentivise and align rewards attainable by Executive KMP with the achievement of specific annual objectives of the Group and the creation of shareholder value		
Performance Period	Annual aligned with financial year – 1 July 2023 to 30 June 2024		
Payment Method	Cash		
Target STI Opportunity	40% of TFR		25% of TFR
Maximum STI Opportunity	150% of target STI (54% of TFR)		150% of target STI (33.8% of TFR)
Performance Measures	**Financial KPIs (70%):**	Budgeted Revenue (50%) Budgeted EBITDA (50%)	
	Non-Financial KPIs (30%):	Non-financial KPIs are assessed and awarded up to a maximum of 100% based on specific outcomes.	
	Gateway:	93% of Budgeted Revenue and Budgeted EBITDA.	

How Performance is Measured

Financial KPIs (70% total STI)



Non-financial KPIs (30% total STI)

Non-financial KPIs are assessed and awarded up to a maximum of 100% based on specific outcomes.

How Performance Measures are Determined	The performance measures (KPIs) selected reflect financial, strategic and operational objectives relevant to the level and function of the role that are central to achievement of delivering the best possible outcome over the next 12 months given the current economic environment. Financial measures selected are measures against which management and the Board assess the short-term financial performance of the Group. The selection of non-financial KPIs varies depending on each KMP's roles and responsibilities within the Group. These may include achievement of specific strategic projects that drive the best possible outcome over the next 12 months. Each KMP may have a number of separate non-financial KPIs. Achievement of each individual's non-financial KPIs is determined by reference to an assigned performance rating determined by the Managing Director and the Board at the end of the financial year in accordance with the process described on page 60. Achievement of financial KPIs is determined by reference to the Group's audited accounts for the measurement period. No payment is made in respect of financial KPIs to any KMP if the target amount is not met for the Group (set at 93% of budgeted revenue and EBITDA). The Board retains final discretion over incentive payments to ensure outcomes appropriately reflect performance and achieve objectives of the executive incentive scheme.
What happens if an executive leaves?	If an eligible executive ceases employment with the Group during the performance period other than by way of dismissal or resignation (e.g., death, total and permanent disablement, redundancy, retrenchment or retirement with prior written consent of the Board) then the cash entitlements will be awarded on a pro-rata basis according to the eligible period of time served up until the termination date. Where termination occurs by way of dismissal or resignation prior to the end of the measurement period, the cash component may be paid on a pro-rata basis at the Board's discretion. If termination of employment occurs for serious misconduct all cash entitlements will be forfeited and will lapse.
Changes from the FY23 STI Plan	There have been no changes from the FY23 STI Plan.

(iii) FY24 Long-Term Incentive (LTI) Plan

	Managing Director and CEO	Other KMP
Objective	To align the rewards attainable by Executive KMP with the achievement of long-term strategic and financial objectives of the Group that are directly aligned with increasing shareholder value. Eligibility to participate in the LTI scheme is determined by the Board and is targeted at senior executives whose role contributes significantly to the performance of the Group.	
Performance Period	3 years; 1 July 2023 to 30 June 2026	
Target LTI Opportunity	50% of TFR	25% of TFR
Maximum LTI Opportunity	150% of target opportunity (75% of TFR)	150% of target opportunity (37.5% of TFR)
Payment Method	LTIs are awarded as performance rights on achievement of performance measures. Performance rights allocated under this plan are determined using "face value methodology" being the 5 trading day VWAP up to 30 June 2023. Upon vesting each performance right entitles the eligible executive to be issued with a share.	

How is performance measured?

Vesting of the LTI awards are subject to the following criteria:

1. Three years of continuous employment with the Group from 1 July 2023 to 30 June 2026.

2. Adherence with appropriate malus provisions over the measurement period.

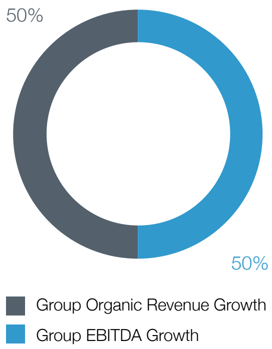
3. Satisfaction of key hurdles including minimum Revenue CAGR and achievement of minimum EBITDA margins across the three years.

4. Achievement of the thresholds over the same three-year period as set out below:

Group Organic Revenue Growth

Achievement of minimum Organic Revenue Growth targets across the three-year period.

Organic Revenue Growth is a transparent, metric that drives sustainable performance. It motivates executives to prioritise customer relationships, product improvement, and operational efficiency for long-term sustainable revenue streams.



Group EBITDA Growth

Achievement of minimum EBITDA Growth targets across the three-year period.

EBITDA growth drives efficiency and sustainable cash flow performance. It evaluates KMP consistently, enhances shareholder value, and supports and encourages Hansen's long-term success.

The proportion of rights that may vest based on both the Organic Revenue Growth and EBITDA growth targets is determined based on the following vesting schedule:

Percentage achievement against Revenue and EBITDA targets	Percentage of performance rights that will vest
< 93%	None
> 93% < 97%	0% to 100% on a linear basis
> 97% < 103%	100%
>103% <110%	100% to 150% on a linear basis

The Board has discretion to change the amount awarded if the Board considers the outcome to be misaligned given the circumstances that prevailed over the relevant measurement period and the experience of shareholders.

Performance rights will be forfeited if performance conditions are not met.

What happens if an executive leaves?

If an eligible executive ceases employment with the Group during the performance period other than by way of dismissal or resignation (e.g., death, total and permanent disablement, redundancy, retrenchment or retirement with prior written consent of the Board) then the unvested performance rights will vest on a pro-rata basis according to the eligible period of time served up until the termination date.

Where termination occurs by way of dismissal or resignation prior to the vesting of the performance rights, unvested rights may vest on a pro-rata basis according to the eligible period of time served up until the termination date at the Board's discretion.

If termination of employment occurs for serious misconduct all vested and unvested rights will be forfeited and will lapse.

Changes from FY23 LTI Plan

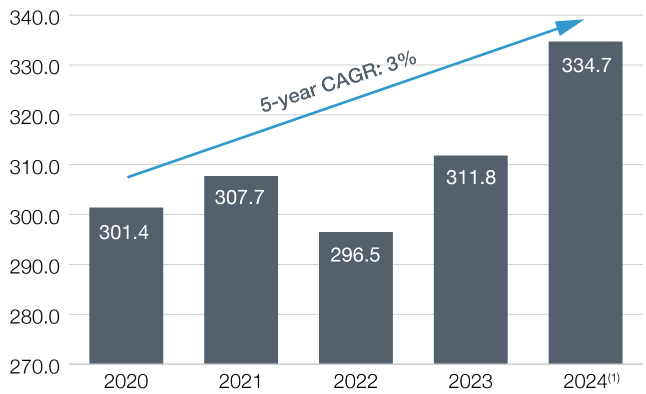
The FY24 LTI scheme replaces the previous two LTI measurements of Relative Total Shareholder Return (rTSR) and 12.5% Revenue CAGR and introduces two new financial measurement criterion, achievement of Board defined three-year cumulative organic revenue and EBITDA growth targets.

3. How reward is linked to performance

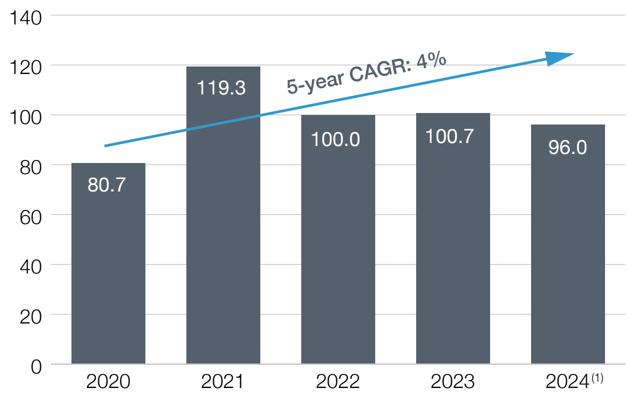
(a) Performance against STI outcomes

A summary of key measurement criteria of the Group's financial performance for the financial years ended over the last five financial years is below.

Operating Revenue ($m)



EBITDA ($m)



(1) Operating revenue and EBITDA results excluding powercloud and underlying adjustments.

The relative weighting of the STI measures and target achieved for FY24 is set out below:

Measures	Weighting	% of Target Achieved			% of STI Payout[1]
Group Revenue	35%	Minimum 93%	Target >97% <103%	Maximum >103% <110%	100%
			Achieved (101%)		
Group EBITDA	35%	Minimum 93%	Target >97% <103%	Maximum >103% <110%	49%
			Achieved (95.3%)		
Non-Financial Measures	30%	3 **Strategic initiatives** / 1 **Growth initiatives**	2 **Operational Efficiency**	2 **Leadership & Culture**	92%
Total			Target 100%	Maximum 150%	76%
			Achieved (96%)		

(1) STI payout is calculated on a linear basis.

The table below summarises the STI outcome of the Managing Director, CEO and other KMP:

	FY24			FY23		
	Potential Target Opportunity $	Awarded 70% Financial	Awarded 30% Non-Financial KPIs	Potential Target Opportunity $	Awarded 70% Financial	Awarded 30% Non-Financial KPIs
Andrew Hansen	391,759	66.1%	85.0%	458,006	124.9%	100.0%
Darren Meade	126,099	78.6%	100.0%	130,804	120.1%	100.0%
Graeme Taylor	291,000	66.1%	100.0%	141,231	120.1%	100.0%
Richard English[(1)]	117,739	78.6%	87.5%	46,508	120.1%	100.0%

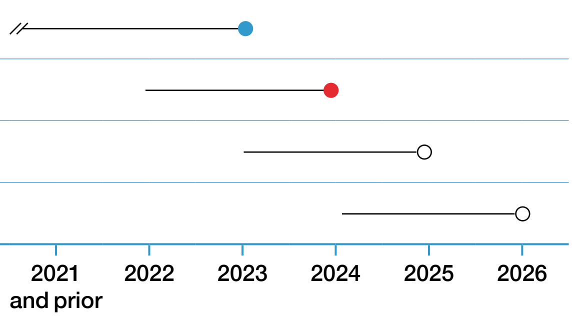
(1) Richard English commenced as an Executive KMP on 22 February 2023. The numbers presented above reflect his remuneration from when he commenced his role as an Executive KMP.

(b) Performance against equity outcomes

All existing incentive plans include equity outcomes that will continue to be measured and reported in the Group's future Remuneration Reports.

The following table sets out the different incentive plans with equity outcomes in FY24 and future financial years and their specific grant details and performance measures:

Grant date	Plan	Security	Performance measure/s	Sect. 3 ref.	Status
1 Jul 2020	FY21	Right	2-year cont. employment after achieving FY21 STI measures[(1)]	(b)(i)	
15 Sep 2021	FY22	Right	Group Revenue, rTSR, 3-yr cont. employment	(b)(ii)	
15 Sep 2022	FY23	Right	Group Revenue, rTSR, 3-yr cont. employment	(b)(iii), (b)(v)	
1 Jul 2023	FY24	Right	Group Organic Revenue, Group EBITDA Growth cont. employment	(b)(iv), (b)(v)	



(1) Applies to all KMP, except for the CFO (KMP).

Key:

— Measurement period.

● 135% of the STI measure-linked rights vested on 30 June 2023 and exercised on 14 August 2023.

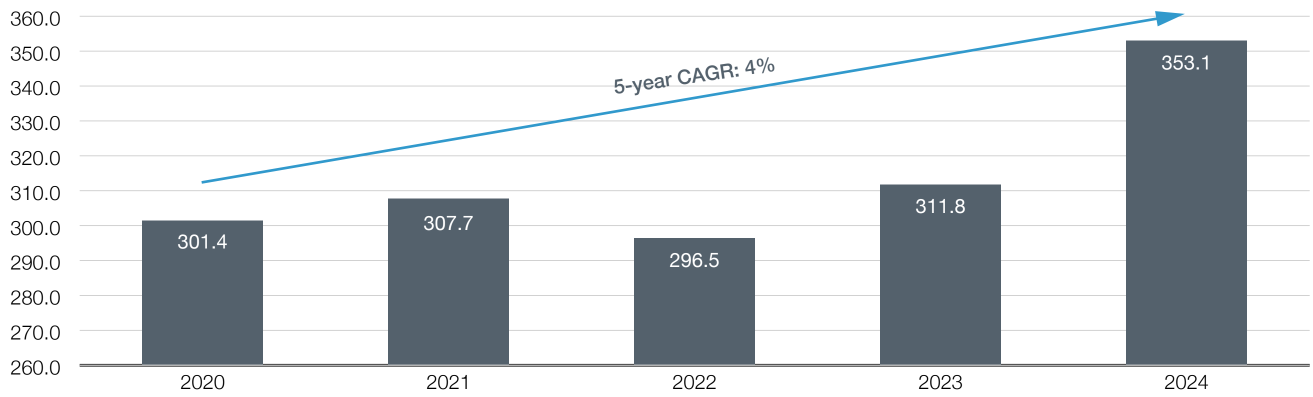
● LTI performance rights granted on 15 September 2021 have not exceeded the specific annual financial KPIs and did not vest on 30 June 2024 and will be cancelled in due course.

○ Yet to vest.

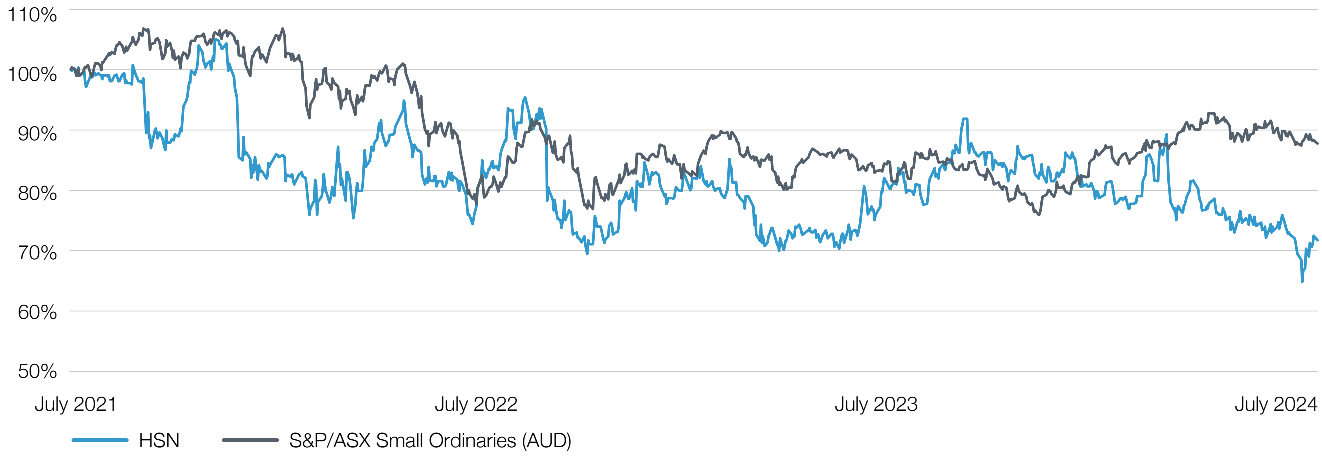
(i) Performance against LTI plan measures (FY22 LTI plans)

A summary of key measurement criteria of the Group's performance relevant for assessing shareholder value creation over the last four financial years is shown below:

Operating Revenue ($m)



The chart below highlights the share price performance of Hansen relative to S&P/ASX Small Ordinaries Index for the previous four years:



Performance outcomes against FY22 LTI plan measures

The relative weighting of FY22 LTI measures and percentage of performance rights vested is set out below:

Measures	Weighting	% of Target Achieved			% of Performance Rights Vested
12.5% revenue CAGR over 3 years	50%	Minimum 93%	Target >97% <103%	Maximum >103% <110%	0%
		Achieved (33%)			
rTSR	50%	Minimum 50th percentile	Target >50th <75th percentile	Maximum >75th percentile	0%
		Achieved (29th percentile)			

As indicated above, the performance rights granted under the FY22 LTI plan have not exceeded the required specific annual financial KPIs. Therefore, the performance rights did not vest on 30 June 2024 and will be cancelled in due course.

(ii) Performance against FY23 LTI plan measures

Performance rights granted in FY23 have performance conditions attached that will be measured over three years. Assessment and vesting (where conditions are attached) will occur after the completion of FY25.

(iii) Performance against FY24 LTI plan measures

Performance rights granted in FY24 have performance conditions attached that will be measured over three years. Assessment and vesting (where conditions are attached) will occur after the completion of FY26.

(iv) Performance against FY25 LTI plan measures

Performance rights granted in FY25 have performance conditions attached that will be measured over three years. Assessment and vesting (where conditions are attached) will occur after the completion of FY27.

(v) Performance rights granted in FY24

The table below sets out the value of LTI performance rights granted in the FY23 and FY24 LTI plans.

	FY24	FY23
	Value granted[1] $	
Andrew Hansen[2]	–	353,337
Darren Meade	117,528	83,088
Graeme Taylor	339,029	89,711
Richard English	109,738	22,152

(1) Represents the value of performance rights at grant date, calculated in accordance with AASB 2 Share-based Payment. The fair value of the rights has been determined by an independent external valuation expert in accordance with Australian Accounting Standards. The fair value of the LTI rights was based on Monte Carlo simulation option pricing model for the TSR component and BSOPM for the Group Revenue component. Note 17(b) to the Group's financial statements outlines the valuation methodology and key inputs and assumptions to the valuation in greater detail.

(2) The resolution to grant Andrew Hansen's FY24 LTI performance rights did not pass during the Company's Annual General Meeting on 23 November 2023. The Board intends to grant Andrew Hansen additional cash remuneration in lieu of the performance rights, subject to the same vesting conditions being achieved.

4. Remuneration details: Executive KMP

Statutory remuneration details

Details of Executive KMP remuneration for the 2024 and 2023 financial years are set out in the table below:

		Fixed Remuneration					Variable Remuneration			Total	
Executive KMP	Year	Cash Salary $	Super $	Non-monetary benefits $	Annual & long service leave $	Total $	STI[1] awarded $	LTI[2] fair value $	Other $	Total $	Performance related %
Andrew Hansen	2024	946,274	27,500	2,459	23,521	999,754	281,117	393,875[3]	–	1,674,746	40%
	2023	930,003	27,500	2,342	(33,294)	926,551	649,876	241,735	–	1,818,162	49%
Darren Meade	2024	489,859	27,500	–	9,390	526,749	107,217	96,020	–	729,986	28%
	2023	441,028	27,500	2,791	(5,466)	465,853	173,369	56,844	–	696,066	33%
Graeme Taylor	2024	726,636	27,500	–	41,905	796,041	221,910	174,385	595,029[4]	1,787,365	55%
	2023	478,799	27,500	26,973	(37,885)	495,387	182,024	61,376	–	738,787	33%
Richard English	2024	454,329	27,500	–	10,102	491,931	97,787	78,859	–	668,577	26%
	2023[5]	176,595	272	–	(1,114)	175,753	44,512	21,435	–	241,700	27%
Total	2024	2,617,098	110,000	2,459	84,918	2,814,475	708,031	743,139	595,029	4,860,674	42%
	2023	**2,026,425**	**82,772**	**32,106**	**(77,759)**	**2,063,544**	**1,049,781**	**381,390**	**–**	**3,494,715**	**41%**

(1) Represents STI awarded and accrued in relation to actual performance during the 2024 and 2023 financial years. FY23 STI includes performance rights granted as remuneration that are valued at grant date in accordance with AASB 2 *Share-based Payment* and are amortised over the vesting period.

(2) Performance rights granted as remuneration are valued at grant date in accordance with AASB 2 *Share-based Payment* and are amortised over the vesting period.

(3) The resolution to grant Andrew Hansen's FY24 LTI performance rights did not pass during the Company's Annual General Meeting on 23 November 2023. As a result, in lieu of performance rights, Andrew Hansen will be granted cash remuneration, subject to the same vesting conditions being achieved.

(4) A total of $595,029 was accrued as additional termination benefits as at 30 June 2024, which includes Board discretion as a good leaver. All terminations benefits will be paid out on 30 September 2024. Excluding these termination benefits, the performance related % would have been 33%.

(5) Richard English commenced as an Executive KMP on 22 February 2023. The numbers presented above reflect his remuneration from when he commenced his role as an Executive KMP.

(b) Performance rights awarded, vested and lapsed during the year

Performance rights issued under the Group's FY24 LTI plan during the year are subject to the service and performance criteria as described on pages 63-64.

The following table sets out details of performance rights granted to executives:

Name and grant date	Plan	Type	Opening balance	Granted	Vested, exercised and other changes	Closing balance at 30 June 2024
Andrew Hansen						
1 Jul 2023*	FY24	LTI	–	–	–	–
15 Sep 2022	FY23	LTI	94,475	–	–	94,475
15 Sep 2021	FY22	LTI[2]	74,523	–	–	74,523
1 Jul 2020	FY21	STI[1]	213,189	–	(213,189)	–
Sub-total			**382,187**	**–**	**(213,189)**	**168,998**
Graeme Taylor						
1 Jul 2023	FY24	LTI	–	70,631	–	70,631
15 Sep 2022	FY23	LTI	23,987	–	–	23,987
15 Sep 2021	FY22	LTI[2]	18,921	–	–	18,921
1 Jul 2020	FY21	STI[1]	45,325	–	(45,325)	–
Sub-total			**88,233**	**70,631**	**(45,325)**	**113,539**[3]
Darren Meade						
1 Jul 2023	FY24	LTI	–	24,485	–	24,485
15 Sep 2022	FY23	LTI	22,216	–	–	22,216
15 Sep 2021	FY22	LTI[2]	17,524	–	–	17,524
1 Jul 2020	FY21	STI[1]	47,295	–	(47,295)	–
			87,035	**24,485**	**(47,295)**	**64,225**
Richard English						
1 Jul 2023	FY24	LTI	–	22,862	–	22,862
15 Sep 2022	FY23	LTI	19,925	–	–	19,925
15 Sep 2021	FY22	LTI[2]	10,485	–	–	10,485
1 Jul 2020	FY21	LTI	20,408	–	(20,408)	–
Sub-total			**50,818**	**22,862**	**(20,408)**	**53,272**
Sub-total		**STI[1]**	**305,809**	**–**	**(305,809)**	**–**
Sub-total		**LTI**	**302,464**	**117,978**	**(20,408)**	**400,034**
Grand Total			**608,273**	**117,978**	**(326,217)**	**400,034**

* The resolution to grant Andrew Hansen's FY24 LTI performance rights did not pass during the Company's Annual General Meeting on 23 November 2023. The Board intends to grant Andrew Hansen additional cash remuneration in lieu of the performance rights, subject to the same vesting conditions being achieved.

(1) STI performance rights granted on 1 July 2020 represents 56% and 50% of the total short-term incentives awarded to the Managing Director/CEO and the rest of the KMP respectively on achievement of specific annual financial and non-financial KPIs. The performance rights have exceeded the required specific annual financial and non-financial KPIs and will vest on an accelerated basis, subject to a two-year deferral period paying 135% of the entitlement on 30 June 2023. The rights have been subsequently exercised on 14 August 2023.

(2) LTI performance rights granted on 15 September 2021 have not exceeded the required specific annual financial KPIs and did not vest on 30 June 2024 and will be cancelled in due course.

(3) Graeme Taylor ceased to be a KMP effective 30 June 2024. In relation to his rights that have yet to vest, the Board has exercised its discretionary power under the Employee Rights Plan and have allowed these rights to be retained, and to vest.

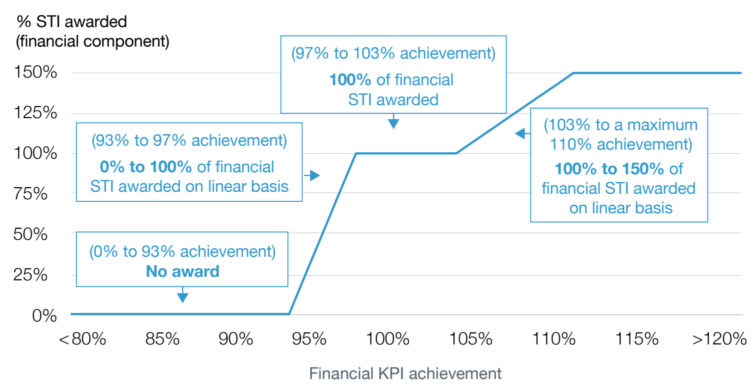
The terms and conditions of each grant of rights affecting the remuneration in the current or future reporting period are as follows:

Grant date	Vesting date	Type	Value per right at grant date	Performance achieved	% Vested	Number of Rights on 30 June 2024
15 Sep 2021	30 Jun 2024	LTI[(1)]	$4.99	0%	0%	121,453
15 Sep 2022	30 Jun 2025	LTI	$3.74	–	–	160,603
1 Jul 2023	30 Jun 2026	LTI	$4.80	–	–	117,978

(1) LTI performance rights granted on 15 September 2021 have not exceeded the required specific annual financial KPIs and did not vest on 30 June 2024 and will be cancelled in due course.

5. FY25 Incentive Plan

(a) Short-term incentive plan

	Global CEO and Managing Director	Other KMP
Objective	To incentivise and align rewards attainable by Executive KMP with the achievement of specific annual objectives of the Group and the creation of shareholder value.	
Performance Period	Annual aligned with financial year – 1 July 2024 to 30 June 2025.	
Payment Method	Cash	
Target STI Opportunity	40% of TFR	25% of TFR
Maximum STI Opportunity	150% of target STI (54% of TFR)	150% of target STI (33.8% of TFR)
How is it paid?	Annual cash entitlement on achievement of specific annual financial and non-financial KPIs.	
Performance Measures	**Financial KPIs (70%):**	Budgeted Revenue (50%) Budgeted Underlying Cash EBITDA (50%)
	Non-Financial KPIs (30%):	Non-financial KPIs varies depending on each KMP's roles and responsibilities within the Group. These objectives are determined by the Managing Director and the Board in accordance with the process set out on page 60. Disclosure of performance against key non-financial KPIs for the FY25 STI plan will be within the FY25 Annual Report.
	Gateway:	93% of Budgeted Revenue and Budgeted Underlying Cash EBITDA, minimum Underlying Cash EBITDA margin threshold, completion of mandatory compliance training requirements.
How Performance is Measured	Financial KPIs (70% total STI)	
	Non-financial KPIs (30% total STI)	Non-financial KPIs are assessed and awarded up to a maximum of 100% based on specific outcomes.

How Performance Measures are Determined	The performance measures (KPIs) selected reflect financial, strategic and operational objectives relevant to the level and function of the role that are central to achievement of delivering the best possible outcome over the next 12 months given the current economic environment. Financial measures selected are measures against which management and the Board assess the short-term financial performance of the Group. The selection of non-financial KPIs varies depending on each KMP's roles and responsibilities within the Group. These may include achievement of specific strategic projects that drive the best possible outcome over the next 12 months. Each KMP may have a number of separate non-financial KPIs. Achievement of each individual's non-financial KPIs is determined by reference to an assigned performance rating determined by the Managing Director and the Board at the end of the financial year in accordance with the process described on page 60. Disclosure of performance against key non-financial KPIs for the FY25 STI plan will be within the FY25 Annual Report. The Board retains final discretion over incentive payments to ensure outcomes appropriately reflect performance and achieve objectives of the executive incentive scheme.
What Happens if an Executive Leaves	If an eligible executive ceases employment with the Group during the performance period other than by way of dismissal or resignation (e.g., death, total and permanent disablement, redundancy, retrenchment or retirement with prior written consent of the Board) then the cash entitlements will be awarded on a pro-rata basis according to the eligible period of time served up until the termination date. Where termination occurs by way of dismissal or resignation prior to the end of the measurement period, the cash component may be paid on a pro-rata basis at the Board's discretion. If termination of employment occurs for serious misconduct all vested and unvested rights will be forfeited and will lapse.
Changes from the FY24 STI Plan	The FY25 STI plan replaces the Budgeted EBITDA measure with a budgeted Underlying Cash EBITDA measure and introduces a minimum Underlying Cash EBITDA margin gateway. Underlying Cash EBITDA represents Underlying EBITDA less capitalised development costs and is an important metric to incentivise management to make investment decisions aligned with an appropriate return on investment. The FY25 STI plan also introduces a compliance gateway related to the completion of mandatory compliance training by individual KMP.

(b) Long-term incentive plan

	Global CEO and Managing Director	Other KMP
Objective	To align the rewards attainable by Executive KMP with the achievement of long-term strategic and financial objectives of the Group that are directly aligned with increasing shareholder value. Eligibility to participate in the LTI scheme is determined by the Board and is targeted at senior executives whose role contributes significantly to the performance of the Group.	
Performance Period	3 years; 1 July 2024 to 30 June 2027	
Target LTI Opportunity	50% of TFR	25% of TFR
Maximum LTI Opportunity	150% of target opportunity (75% of TFR)	150% of target opportunity (37.5% of TFR)
Payment Method	LTIs are awarded as performance rights on achievement of performance measures. Performance rights allocated under this plan are determined using "face value methodology" being the 5 trading day VWAP up to 30 June 2024. Upon vesting each performance right entitles the eligible executive to be issued with a share.	
Performance Conditions	The performance rights are split into three tranches. **Tranche 1** – Achievement of minimum Organic Revenue Growth targets across the three-year period. – 25% weighting **Tranche 2** – Achievement of minimum EBITDA Growth targets across the three-year period. – 25% weighting **Tranche 3** – Absolute TSR Growth – 50% weighting	

Performance Measures and Vesting

Vesting of the LTI awards are subject to the following criteria:

1. Three years of continuous employment with the Group from 1 July 2024 to 30 June 2027.
2. Adherence with appropriate malus provisions over the measurement period.
3. Satisfaction of the following key hurdles including over the Performance Period:

Tranche 1 & 2 – Group Organic Revenue & Group EBITDA Performance Rights

The proportion of rights that may vest based on both the Organic Revenue and EBITDA targets is determined based on the following vesting schedule. The Group revenue and EBITDA targets will be disclosed in the FY27 Annual Report, on a retrospective basis:

Percentage achievement against Group Revenue and EBITDA Targets	Percentage of performance rights that will vest
< 93%	None
> 93% < 97%	0% to 100% on a linear basis
> 97% < 103%	100%
>103% <110%	100% to 150% on a linear basis

Gateways: To ensure alignment with wider market expectations:

- Vesting of Tranche 1 performance rights is subject to the achievement of a minimum, Group Revenue 3-year CAGR.
- Vesting of Tranche 2 performance rights is subject to the achievement of a minimum average 3-year Underlying EBITDA margin. The Board has discretion for the impact of acquisitions or material one-off adjustments.

Tranche 3 – Absolute TSR Growth Performance Rights

The proportion of rights that may vest based on the Absolute TSR Growth target is determined based on the following vesting schedule. The starting TSR is based on the 5-day VWAP of the Group's share price up to 30 June 2024:

Absolute TSR CAGR	Percentage of performance rights that will vest
< 7%	None
> 7% < 12%	50% to 150% on a linear basis

The Board has discretion to change the amount awarded if the Board considers the outcome to be misaligned given the circumstances that prevailed over the relevant measurement period and the experience of shareholders. Performance rights will be forfeited if performance conditions are not met.

How Performance Measures are Determined

Group Organic Revenue Cumulative Performance: Measurement of 3-year cumulative organic revenue performance relative to agreed targets.

Organic Revenue Growth is a transparent, metric that drives sustainable performance. It motivates executives to prioritise customer relationships, product improvement, and operational efficiency for long-term sustainable revenue streams. It also enables participants to focus on stable growth that is within their control rather than growth impacted by M&A activity. If the year prior to the commencement of the measurement period includes an acquisition, the base revenue year to establish the CAGR will include annualised acquisition revenues to establish the group revenue base.

Group EBITDA Cumulative Performance: Measurement of 3-year cumulative EBITDA performance relative to agreed targets.

EBITDA growth drives efficiency and sustainable cash flow performance. It evaluates KMP consistently, enhances shareholder value, and supports and encourages Hansen's long-term success. A minimum EBITDA margin gateway provides appropriate controls to ensure sustainable growth.

Absolute TSR Growth: Achievement of minimum absolute TSR growth target across the three-year period.

Absolute TSR growth targets align executive reward with what the Board considers to be acceptable levels of return to shareholders over the performance period. An absolute TSR metric ensures that rewards are directly aligned with shareholder returns over the vesting period. It removes uncertainty associated with short-term fluctuations from peer companies that are beyond the control of KMP, thus ensuring KMP remain focused on business fundamentals and are effectively motivated to deliver sustainable value to shareholders.

What happens if an executive leaves?

If an eligible executive ceases employment with the Group during the performance period other than by way of dismissal or resignation (e.g., death, total and permanent disablement, redundancy, retrenchment or retirement with prior written consent of the Board) then the unvested performance rights will vest on a pro-rata basis according to the eligible period of time served up until the termination date.

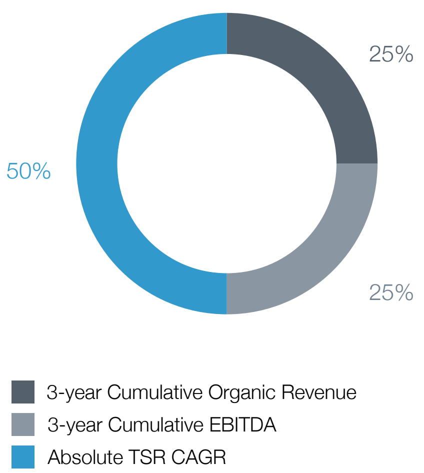
Where termination occurs by way of dismissal or resignation prior to the vesting of the performance rights, unvested rights may vest on a pro-rata basis according to the eligible period of time served up until the termination date at the Board's discretion.

If termination of employment occurs for serious misconduct all vested and unvested rights will be forfeited and will lapse.

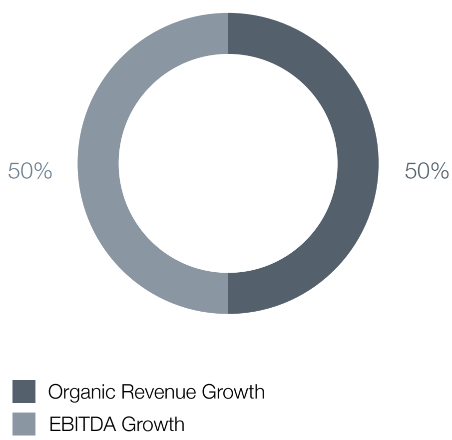
Changes from the FY24 LTI Plan

The FY25 LTI scheme introduces an absolute TSR measure and retains the EBITDA and organic revenue growth targets with a 3-year cumulative organic revenue and EBITDA performance relative to agreed targets.

FY25 LTI Allocation



FY24 LTI Allocation



6. Contractual arrangements with Executive KMP

Remuneration and other conditions of employment are set out in each executive's employment contract. The key elements of these employment contracts are summarised below:

Component	Approach for Managing Director and CEO	Approach for other Executive KMP
Total Fixed Remuneration	Range between $790,000 and $1,000,000	Range between $490,000 and $520,000
Contract duration	Ongoing	Ongoing
Notice by individual/ company	6 months	1 – 3 months
Termination of employment (without cause)	The Board has discretion to allow some or all STI entitlements to be paid out on a pro-rata basis aligned to time, where termination occurs by way of resignation or dismissal (e.g., death, total and permanent disablement, redundancy, retrenchment or retirement with prior written consent of the Board). In other forms of without cause terminations, the STI will be reduced proportionately to reflect the portion of the Measurement Period, but there is no other impact to the executive's entitlement. The Board has discretion to allow unvested LTIs to vest on a pro-rata basis aligned to time. Where this discretion is not exercised, such unvested rights will lapse.	
Termination of employment (with cause)	STI is forfeited. All unvested LTIs are forfeited. All vested but unexercised LTIs are forfeited.	

7. Remuneration details: Non-Executive KMP

Non-Executive Directors enter into service agreements through a letter of appointment. Non-Executive Director fees are determined with reference to market levels and the need to attract high quality Directors.

Non-Executive Directors do not receive any variable or performance-based remuneration.

The Non-Executive Director fee pool currently has a maximum value of $860,000 per annum, as approved by shareholders at the 2023 AGM and received strong support with a vote of 97.14% in favour.

The annual fees provided to Non-Executive Directors, inclusive of superannuation, are shown below:

	2024 ($)	2023 ($)
Board fees		
Chairperson	165,069	158,076
Other Non-Executive Directors	94,244	89,485
Committee fees		
Audit and Risk Committee – chair	9,041	9,000
Audit and Risk Committee – member	5,023	5,000
Remuneration Committee – chair	9,041	9,000
Remuneration Committee – member	5,023	5,000

Non-Executive Director	Year	Salary and Fees ($)	Super ($)	Total ($)
David Trude	2024	148,711	16,358	165,069
	2023	142,991	15,014	158,005
Bruce Adams	2024	89,430	9,837	99,267
	2023	85,718	9,000	94,718
Lisa Pendlebury	2024	93,955	10,335	104,290
	2023	92,649	9,728	102,377
Don Rankin	2024	97,575	10,733	108,308
	2023	94,309	9,902	104,211
David Osborne	2024	89,430	9,837	99,267
	2023	85,718	9,000	94,718
David Howell(1)	2024	97,575	10,733	108,308
	2023(1)	139,558	14,654	154,212
Rebecca Wilson(2)	2024	21,879	2,407	24,286
	2023	–	–	–
Total	2024	638,555	70,240	708,795
	2023	**640,943**	**67,298**	**708,241**

(1) David Howell was paid an extra $30,000 for consulting services performed for the Company in FY23.

(2) Rebecca Wilson was appointed as a Non-Executive Director on 28 March 2024.

8. Share-based remuneration disclosures

(a) Shareholdings of KMP

The number of shares in the Company held by each Non-Executive Director and Executive KMP during the year, including their related parties, is summarised below:

	Balance 30 June 2023	Received during the year on exercise of Performance rights	Other changes during the year	Balance 30 June 2024
Non-Executive Directors				
David Trude	111,678	–	(7,877)	103,801
Bruce Adams(1)	34,891,417	–	(7,000,000)	27,891,417
Lisa Pendlebury	13,869	–	–	13,869
Don Rankin	25,000	–	–	25,000
David Osborne(1)	35,125,448	–	(7,000,000)	28,125,448
David Howell	43,805	–	–	43,805
Executive KMP				
Andrew Hansen(1)	35,450,073	213,189	(7,000,000)	28,663,262
Graeme Taylor	287,403	45,325	3,525	336,253
Darren Meade	89,775	47,295	–	137,070
Richard English	29,599	20,408	1,448	51,455
Joint interest(1)	(69,478,226)	–	14,000,000	(55,478,226)
Total	**36,589,841**	326,217	(7,002,904)	29,913,154

(1) Each of Bruce Adams, David Osborne and Andrew Hansen has a joint interest in a single parcel of 27,739,113 shares as at the date of this report.

(b) Shares issued on exercise of performance rights

On 24 June 2022, the Group established the Hansen Technologies Limited Employee Share Plan Trust (Trust) to hold shares for satisfaction of rights under existing future equity awards plans. The establishment of the Trust impacts FY20 LTI and STI equity awards plans onwards.

(i) FY21 LTI and STI plan

On 30 June 2023, the FY21 plan vested. The performance rights were subsequently exercised on 14 August 2023. A total of 326,217 shares were issued to the Executive KMP on that date.

The share price as at the exercise date, 14 August 2023 was $5.30 per share.

(ii) FY22 LTI plan

On 30 June 2024, the FY22 plan did not vest as the performance rights granted have not exceeded the required measurement criteria and will be cancelled in due course.

9. Other transactions with KMP

Rental agreements with the Managing Director

The Group rents an apartment in New York City, USA, on an as-required basis at a rate favourable to the Group. The apartment is owned by the Managing Director. The terms and conditions of the lease are no more favourable than those available, or which might reasonably be expected to be available, from others on an arm's length basis. Total rental payments during the 2024 financial year related to these arrangements were $2,670.

The terms and conditions of the current lease arrangements remain unchanged during the financial year.

10. Employee Share Trust

Hansen Technologies Limited Employee Share Plan Trust (the Trust) was established on 24 June 2022 as a sole purpose trust for the purpose of holding shares for the satisfaction of rights under existing and future equity awards plans. The Trust provides Hansen with greater flexibility to accommodate the incentive arrangements of Hansen both now and into the future as the Group continues to expand its operations. The Trust will help manage the capital requirements, in that the Trust can use the contributions made by Hansen either to acquire shares in Hansen on market, or alternatively to subscribe for new shares in Hansen. In addition, the Trust provides an arm's length vehicle through which shares in Hansen can be acquired and held in Hansen on behalf of employees and allows Hansen to satisfy corporations law requirements relating to companies dealing in their own shares, as well as assisting with management of insider trading restrictions. Pacific Custodians Pty Limited, an independent third party, is the Trustee of the Trust, and will operate the Trust in accordance with Hansen Technologies Limited Employee Share Plan Trust Deed.

Signed in accordance with a resolution of the Directors.

David Trude
Chair

Andrew Hansen
Global CEO and Managing Director

Melbourne
21 August 2024

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Hansen Technologies Limited and its controlled entities for the year ended 30 June 2024, 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 audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM AUSTRALIA PARTNERS

M PARAMESWARAN
Partner

Dated: 21 August 2024
Melbourne, Victoria

FINANCIAL REPORT

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 $'000	2023 $'000
Operating revenue	3	353,106	311,766
Other income	3	2,328	3,458
Total revenue and other income		355,434	**315,224**
Employee benefit expenses	5	(209,228)	(166,878)
Depreciation expense	5	(12,218)	(11,031)
Amortisation expense	5	(37,254)	(33,269)
Property and operating rental expenses	5	(3,341)	(3,678)
Contractor and consultant expenses		(5,910)	(5,928)
Software licence expenses		(4,008)	(2,697)
Hardware and software expenses		(29,872)	(21,373)
Travel expenses		(3,322)	(2,257)
Communication expenses		(2,005)	(1,847)
Professional expenses		(6,724)	(5,158)
Finance costs on borrowings	5	(3,786)	(4,115)
Finance costs on lease liabilities	5	(1,019)	(772)
Foreign exchange (losses)/gains	5	(912)	2,741
Other expenses		(5,151)	(4,637)
Total expenses		(324,750)	**(260,899)**
Profit before income tax expense		30,684	54,325
Income tax expense	6(a)	(9,620)	(11,530)
Net profit after income tax expense		21,064	**42,795**
Other comprehensive expense			
Items that may be reclassified subsequently to profit and loss			
Exchange differences on translation of foreign entities, net of tax	22(a)	(5,552)	(277)
Other comprehensive expense for the year, net of tax		(5,552)	**(277)**
Total comprehensive income for the year		15,512	**42,518**
Basic earnings (cents) per share attributable to ordinary equity holders of the Company	7	10.4	21.1
Diluted earnings (cents) per share attributable to ordinary equity holders of the Company	7	10.3	20.8

The consolidated statement of comprehensive income is to be read in conjunction with the notes to the financial statements set out on pages 83 to 139.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	2024 $'000	2023 $'000
Current assets			
Cash and cash equivalents	8	46,021	54,279
Receivables	9	62,829	57,152
Accrued revenue	3(a)(ii)	36,508	28,319
Other current assets	10	7,640	7,303
Total current assets		152,998	**147,053**
Non-current assets			
Plant, equipment & leasehold improvements	11	15,710	15,051
Intangible assets	12	373,409	332,820
Right-of-use assets	13(a)	16,385	13,648
Deferred tax assets	6(b)	7,013	6,581
Other non-current assets	10	1,317	1,434
Total non-current assets		413,834	**369,534**
Total assets		566,832	**516,587**
Current liabilities			
Payables	14	31,534	25,028
Lease liabilities	13(b,e)	4,889	5,434
Current tax payable		3,727	509
Provisions	15, 16	30,208	14,127
Unearned revenue	3(a)(ii)	38,837	32,854
Total current liabilities		109,195	**77,952**
Non-current liabilities			
Deferred tax liabilities	6(b)	33,308	33,960
Borrowings	19	70,221	54,309
Lease liabilities	13(b,e)	14,240	9,563
Provisions	15, 16	915	409
Unearned revenue	3(a)(ii)	1,808	1,514
Total non-current liabilities		120,492	**99,755**
Total liabilities		229,687	**177,707**
Net assets		337,145	**338,880**
Equity			
Share capital	20(a)	150,599	148,688
Foreign currency translation reserve	22(a)	1,707	7,259
Share-based payments reserve	22(b)	13,440	12,285
Retained earnings	22(c)	171,399	170,648
Total equity		337,145	**338,880**

The consolidated statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 83 to 139.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2024

	Note	Contributed Equity $'000	Reserves $'000	Retained Earnings $'000	Total Equity $'000
Balance as at 1 July 2023		148,688	19,544	170,648	338,880
Net profit after income tax expense for the year	22(c)	–	–	21,064	21,064
Exchange differences on translation of foreign entities, net of tax	22(a)	–	(5,552)	–	(5,552)
Total comprehensive income for the year		–	(5,552)	21,064	15,512
Transactions with owners in their capacity as owners:					
Share-based payment expense – performance rights	17(c)	–	1,080	–	1,080
Tax associated with employee share-based plans	6(b)(iv)	–	75	–	75
Equity issued under dividend reinvestment plan	20(b)	1,911	–		1,911
Dividends declared	22(c)	–	–	(20,313)	(20,313)
Total transactions with owners in their capacity as owners		1,911	1,155	(20,313)	(17,247)
Balance as at 30 June 2024	20(a), 22	150,599	15,147	171,399	337,145

	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 year	22(c)	–	–	42,795	42,795
Exchange differences on translation of foreign entities, net of tax	22(a)	–	(277)	–	(277)
Total comprehensive income for the year		**–**	**(277)**	**42,795**	**42,518**
Transactions with owners in their capacity as owners:					
Share-based payment expense – performance rights	17(c)	–	1,528	–	1,528
Tax associated with employee share-based plans	6(b)(iv)	–	128	–	128
Equity issued under dividend reinvestment plan	20(b)	1,831	–	–	1,831
Dividends declared	22(c)	–	–	(20,233)	(20,233)
Total transactions with owners in their capacity as owners		**1,831**	**1,656**	**(20,233)**	**(16,746)**
Balance as at 30 June 2023	**20(a), 22**	**148,688**	**19,544**	**170,648**	**338,880**

The consolidated statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 83 to 139.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 $'000	2023 $'000
Cash flows from operating activities			
Receipts from customers		382,879	331,672
Payments to suppliers and employees		(304,441)	(240,116)
Interest received	3	227	110
Finance costs on borrowings	5	(3,501)	(3,964)
Finance costs on lease liabilities	5,13(b)	(1,019)	(772)
Transaction costs relating to the acquisition of a subsidiary	4	(519)	–
Income tax paid		(14,520)	(8,108)
Net cash inflow from operating activities	8(a)	59,106	**78,822**
Cash flows from investing activities			
Payment for acquisition of business	25	(38,303)	–
Payments for plant, equipment and leasehold improvements	11	(5,060)	(4,757)
Payments for capitalised software development costs	12	(15,461)	(21,140)
Net cash outflow from investing activities		(58,824)	**(25,897)**
Cash flows from financing activities			
Proceeds from borrowings	19(a)	55,270	–
Repayment of borrowings	19(a)	(37,334)	(33,615)
Establishment of loan fees	19(a)	(205)	(201)
Repayment of lease liabilities	13(d)	(5,983)	(6,188)
Dividends paid, net of dividend re-investment	21	(18,403)	(18,403)
Net cash outflow from financing activities		(6,655)	**(58,407)**
Net decrease in cash and cash equivalents		(6,373)	**(5,482)**
Cash and cash equivalents at beginning of year		54,279	59,631
Effects of exchange rate changes on cash and cash equivalents		(1,885)	130
Cash and cash equivalents at end of the year	8	46,021	**54,279**

The consolidated statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 83 to 139.

SECTION A: BASIS OF PREPARATION

This section describes the basis in which the Group's financial statements are prepared. Specific accounting policies are described in the note to which they relate. The accounting policies have been consistently applied, unless otherwise stated.

1. Basis of preparation

(a) Basis of preparation of the Financial Report

This Financial Report is a general purpose Financial Report that has been prepared in accordance with Australian Accounting Standards, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The consolidated financial statements for Hansen Technologies Limited ("the Company") as at, and for, the year-ended 30 June 2024 ("the annual financial report") comprise of the financial statements of the Company and its controlled entities (collectively, the Group). The Company is a company limited by shares, incorporated and domiciled in Australia. The address of the Company's registered office and principal place of business is Level 13, 31 Queen Street Victoria 3000 Australia. The Company is a for-profit entity for the purposes of preparing the Group's financial statements.

This Financial Report was authorised for issue by the Directors on 21 August 2024.

The Group's consolidated financial statements have been presented in a streamlined manner to simplify the information disclosed and to make it more relevant for users. Similar notes have been grouped into sections with relevant accounting policies, judgements and estimate disclosures incorporated within the notes to which they relate.

Compliance with IFRS

The Group's consolidated financial statements comply with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention

The Financial Report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

Material accounting estimates and judgements

The preparation of the Financial Report requires the use of certain estimates and judgements in applying the Group's accounting policies. The Group makes certain estimates and assumptions concerning the future which, by definition, will seldom represent actual results. Estimates and assumptions based on future events have a material inherent risk and where future events are not as anticipated, there could be a material impact on the carrying amounts of the assets and liabilities discussed in each of the affected notes.

1. Basis of preparation (continued)

Those estimates and judgements material to the Financial Report are disclosed in the following notes:

Material accounting estimate and judgement	Note	Page reference
Provision for expected credit losses of trade receivables	9	101
Capitalisation of research and development costs	12	104
Impairment of goodwill	12	106
Impairment of non-financial assets other than goodwill	12	106
Determining the lease term of contracts with renewal and termination options – Group as a lessee	13	107
Estimating the incremental borrowing rate	13	110
Share-based payments	17	116
Business combinations	25	130

(b) Principles of consolidation

The consolidated financial statements are those of the consolidated Group, comprising the financial statements of the parent Company, and of all entities which the parent controls. The Group controls an entity when it is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies, which may exist.

All inter-company balances and transactions, including any unrealised profits or losses, have been eliminated on consolidation. Subsidiaries are consolidated from the date that control is established.

(c) Comparatives

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

(d) Rounding amounts

The parent Company and the consolidated Group have applied the relief available under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and, accordingly the amounts in the consolidated financial statements and in the Directors' Report have been rounded to the nearest thousand dollars, or in certain cases to the nearest dollar.

(e) Going concern

The Financial Report has been prepared on a going concern basis.

SECTION B: PERFORMANCE

This section explains the operating results of the Group for the year and provides insights into the Group's results, including results by operating segment, separately disclosed items during the year that affected the Group's results, components of income and expenses, income tax and earnings per share.

2. Segment information

(a) Description of segments

Management has determined the Group's operating segments based on the reports reviewed by the Managing Director.

The operating segments are identified based on the types of services provided to the Group's customers and the type of customer the services are provided to. 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. 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

2024	Billing $'000	Other $'000	Total $'000
Segment revenue			
Total segment revenue	347,606	5,500	353,106
Revenue from external customers	347,606	5,500	353,106
Segment profit			
Total segment profit	30,347	1,045	31,392
Segment profit from core operations	30,347	1,045	31,392
Items included within the segment profit:			
Depreciation expense	11,800	56	11,856
Amortisation expense	37,001	1	37,002
Total segment assets	509,941	10,677	520,618
Additions to non-current assets[1]	20,521	–	20,521
Total segment liabilities	224,409	2,686	227,095

(1) This includes additions to intangible assets and plant, equipment and leasehold improvements, see Notes 11 and 12.

2. Segment information (continued)

2023	Billing $'000	Other $'000	Total $'000
Segment revenue			
Total segment revenue	305,012	6,754	311,766
Revenue from external customers	**305,012**	**6,754**	**311,766**
Segment profit			
Total segment profit	58,700	1,392	60,092
Segment profit from core operations	**58,700**	**1,392**	**60,092**
Items included within the segment profit:			
Depreciation expense	9,830	52	9,882
Amortisation expense	32,491	6	32,497
Total segment assets	**448,272**	**13,753**	**462,025**
Additions to non-current assets(1)	25,897	–	25,897
Total segment liabilities	**173,194**	**3,620**	**176,814**

(1) This includes additions to intangible assets and plant, equipment and leasehold improvements, see Notes 11 and 12.

(i) Reconciliation of segment revenue to the consolidated statement of comprehensive income

	Note	2024 $'000	2023 $'000
Segment revenue	2(b)	353,106	311,766
Total operating revenue	3	**353,106**	**311,766**

Geographical segments

In presenting information based on geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

The Group's business segments operate geographically as follows:

Geographical segment	Regions covered
APAC	Australia, New Zealand and Asia
Americas	North America, Central America and Latin America
EMEA	Europe, Middle East and Africa

Product segments

In presenting information based on product segments, the Group's business segments provide the following types of products and services as follows:

Product	Description of product
Licence, support and maintenance	Billing application licence, support and maintenance services delivered as part of a total billing system solution.
Services	Application service fees received for upgrades, configuration, implementation and customisation.
Hardware and software sales	Provision of other third-party hardware and software licences to customers of the Group's billing system solutions.
Other	Includes reimbursed expenses incurred for servicing the customer contract.

(ii) Disaggregation of revenue from contracts with customers by segment

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

2024	Billing $'000	Other $'000	Total $'000
Products			
Licence, support and maintenance	207,500	1,499	208,999
Services	139,489	3,733	143,222
Hardware and software sales	243	–	243
Other	372	270	642
Total revenue from contracts with customers	347,604	5,502	353,106
Revenue by market vertical			
Energy	198,683	2,893	201,576
Communications	148,921	–	148,921
Other	–	2,609	2,609
Total revenue from contracts with customers	347,604	5,502	353,106
Revenue by geographic segment			
APAC	62,139	2,619	64,758
Americas	70,201	2,883	73,084
EMEA	215,264	–	215,264
Total revenue from contracts with customers	347,604	5,502	353,106
Timing of revenue recognition			
Goods and services transferred at a point in time	44,613	272	44,885
Services transferred over time	302,991	5,230	308,221
Total revenue from contracts with customers	347,604	5,502	353,106

2023	Billing $'000	Other $'000	Total $'000
Products			
Licence, support and maintenance	170,123	4,332	174,455
Services	133,620	2,287	135,907
Hardware and software sales	897	–	897
Other revenue	372	135	507
Total revenue from contracts with customers	**305,012**	**6,754**	**311,766**
Revenue by market vertical			
Energy	157,926	1,721	159,647
Communications	147,086	32	147,118
Other	–	5,001	5,001
Total revenue from contracts with customers	**305,012**	**6,754**	**311,766**
Revenue by geographic segment			
APAC	52,261	5,049	57,310
Americas	69,216	1,705	70,921
EMEA	183,535	–	183,535
Total revenue from contracts with customers	**305,012**	**6,754**	**311,766**
Timing of revenue recognition			
Goods and services transferred at a point in time	35,657	135	35,792
Services transferred over time	269,355	6,619	275,974
Total revenue from contracts with customers	**305,012**	**6,754**	**311,766**

2. Segment information (continued)

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

	Note	2024 $'000	2023 $'000
Segment profit from core operations	2(b)	31,392	60,092
Interest income	3	227	110
Unallocated depreciation and amortisation		(614)	(1,921)
Other expense		(321)	(3,956)
Profit before income tax		30,684	54,325
Income tax expense	6(a)	(9,620)	(11,530)
Net profit after income tax expense		21,064	**42,795**

As at 30 June 2024, the separately disclosed items have been allocated to the Billing Segment as they are directly attributable to the segment.

(iv) Reconciliation of segment assets to the consolidated statement of financial position

		2024 $'000	2023 $'000
Segment assets	2(b)	520,618	462,025
Unallocated assets			
– Cash		46,021	54,279
– Other		193	283
Total unallocated assets		46,214	54,562
Total assets		566,832	**516,587**

Total non-current assets attributed to individual geographies is detailed as follows. Unallocated assets include deferred tax assets, which are not allocated to a specific location as they are managed on a group basis:

	2024 $'000	2023 $'000
APAC	51,267	56,114
Americas	182,226	203,459
EMEA	180,299	109,865
Unallocated assets	42	96
Total non-current assets	413,834	**369,534**

(v) Reconciliation of segment liabilities to the consolidated statement of financial position

		2024 $'000	2023 $'000
Segment liabilities	2(b)	227,095	176,814
Unallocated liabilities			
– Other		2,592	893
Total unallocated liabilities		2,592	893
Total liabilities		229,687	**177,707**

3. Revenue and other income

	Note	2024 $'000	2023 $'000
Operating revenue			
Revenue from contracts with customers	2(b)	353,106	311,766
Total operating revenue		353,106	**311,766**
Other income			
From operating activities			
Interest income	2(b)(iii)	227	110
Other income		2,101	3,348
Total other income		2,328	**3,458**
Total revenue and other income		355,434	**315,224**

(a) AASB 15 Revenue from Contracts with Customers

(i) Performance obligations

The transaction price allocated to remaining performance obligations represents contracted revenue that has not yet been recognised. They include amounts recognised as unearned revenue and amounts that are contracted but not yet billed or performed.

The transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied as at 30 June 2024, is $178,807,000 (2023: $127,044,000). This amount mostly comprises obligations in our long-term contracts to provide software or "software-as-a-service" (SaaS), support and maintenance, open long-term professional services contracts as well as licences contracted but not yet earned as the licence has not yet been deployed. A portion of this amount is expected to be recognised as revenue beyond the next 12 months following the respective consolidated statement of financial position date. This estimation is judgemental, as it needs to consider estimates of possible future contract modifications. The amount of transaction price allocated to the remaining performance obligations, and changes in this amount over time, are impacted by, among others, currency fluctuations and the remaining contract period of our billing solution agreements (which, in some cases, are contracted until 5 years after the consolidated statement of financial position date).

(ii) Contract balances

	2024 $'000	2023 $'000
Asset: Accrued revenue	36,508	28,319
Liability: Unearned revenue (current)	38,837	32,854
Liability: Unearned revenue (non-current)	1,808	1,514

Accrued revenue mainly relates to software licences deployed on contract inception which have yet to be billed to the customer.

Revenue recognised in the current financial year that was included in unearned revenue at the beginning of the current financial year was $34,775,000 (2023: $38,075,000), representing support and maintenance, professional services, software and SaaS delivered during the financial year.

(b) Government grants

Included in "Other income" during the financial year is $658,000 (2023: $225,000) of government grants received to compensate for eligible employee expenditure related to research activities performed in the United Kingdom and Canada. There were no unfulfilled conditions or contingencies attached to these grants.

3. Revenue and other income (continued)

Material accounting policies

Revenue

The Group derives revenues from customer contracts associated with the provision of billing solutions. A typical contract may include various deliverables in consideration for fees. Such deliverables in our contracts include, but are not limited to, the provision of a software licence, support, and maintenance services, as well as professional implementation and customisation services.

The nature of fee structures within the contracts varies by customer. The timing and frequency of invoicing depends on the terms and conditions of each contract. Invoices are billed to the customer either in advance or in arrears on normal commercial terms. Where the contract requires invoicing in advance, revenue is initially deferred as unearned revenue until the Group fulfils its performance obligations. Where the contract requires invoicing in arrears, revenue recognised on fulfilment of a performance obligation is brought to account as accrued revenue, until the Group's right to consideration becomes unconditional and the accrued revenue is then presented as a receivable.

The Group's accounting policies with respect to each of the individual deliverables in the Group's customer contracts is outlined in sub-sections (i) onwards.

(i) Licence, support and maintenance revenue

The Group's contracts for billing solutions regularly include software licences associated with the relevant billing solution provided to the customer. The nature of the licence varies by customer and billing solution. As part of the licence agreement, various support and maintenance services are available to support the customer's use of the billing solution. This includes the provision of various bug fixes, updates and helpdesk support.

Generally, the provision of the software licence is a distinct performance obligation. However, where there are associated implementation, customisation or other professional services in the contract that significantly modify, customise or are highly interrelated with the licence, the software licence and implementation services are combined into a single performance obligation. The determination of whether the licence should be combined with the services is a matter of judgement, depending on the nature of the implementation of the services provided and the licence specifications in the customer contract.

How the licence performance obligation is fulfilled depends on the nature of the licence and how the Group provides the licence to the customer, irrespective of whether the licence is provided in perpetuity or for a specified contractual term:

- Where the licence is installed and delivered on customer premises, the customer can derive substantial benefits from the licence on its own. Therefore, the performance obligation is fulfilled (and revenue recognised) at the point in time the licence goes live, typically when customer acceptance has been obtained and the licence meets the agreed-upon specifications.
- Where the licence is hosted by the Group (for example, in some of our SaaS applications), the customer is dependent on our continual hosting of the licence platform in order to derive and receive substantial benefits from the licence. Therefore, the performance obligation is fulfilled (and revenue recognised) over time, which is typically, evenly over the contracted period in which access to the licence is made available to the customer.

Licence fees in some pay-TV and telecommunications contracts are dependent on the subsequent usage of the licence by the customer, which is determined by customer-defined metrics such as subscriber counts or end-user numbers. For these contracts, the Group uses the sales/usage-based royalty exception and recognises revenue when the subsequent usage is known, which is typically at the end of each billing period.

Support and maintenance services are generally considered a distinct single performance obligation, separately identifiable to the software licence, as all the individual activities that comprise of support and maintenance are highly interrelated with each other. Revenue related to the provision of support and maintenance is recognised evenly over the contracted term in which the customer is entitled to receive support and maintenance.

(ii) Services revenue

The Group provides various configuration, implementation, customisation and other professional services that the customer is contracted to receive. This may be a part of the overall billing solution, or discrete projects separately agreed with the customer. The various individual activities that form the professional services provided to the customer are highly interrelated with each other and therefore are treated as a single performance obligation. Revenue from these professional services is recognised over time by reference to the stage of completion of the contracts.

Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract, and by reference to any contracted milestones achieved, such as customer acceptance of the final specification.

As described above in “Licence, support and maintenance revenue” certain professional services might be combined with the provision of the software licence depending on the nature of the licence and the professional services provided.

(iii) Hardware and software sales revenue

Some of the Group’s subsidiaries on-sell certain third-party hardware and software products. Revenue is recognised when control over the hardware/software has transferred to the customer. Determination of when control has passed depends on whether the customer has legal title over the products, whether the customer has obtained possession of the products or whether the Group has present right to payment.

The Group is considered principal in the sales transaction as the Group has procured the products from its various vendors and the Group bears the risk and responsibility for selling those products to the customer.

(iv) Other revenue

Other revenue consists of reimbursed expenses incurred for servicing the customer contract. Revenue is recognised when the Group has legal enforceability under the contract to have the relevant expenses reimbursed from the customer.

(v) Financing components

The Group has contracts where the period between the transfer of the promised goods or services to the customer represents a material financing component. The Group has assessed the impact of the financing component and determined it to be immaterial. Therefore, the Group does not adjust any of the transaction prices for the time value of money.

(vi) Presentation and disclosure

In Note 2(b)(ii) of the financial statements, the Group has disaggregated revenue recognised from contracts with customers into the following categories:

- The types of goods and services we provide our customers in our contracts;
- The primary market vertical that our customers operate in. ‘Energy’ includes our electricity, gas and water customers, while ‘Communications’ includes our telecommunications and pay-TV customers; and
- The key geographic regions where our customers are located, which is consistent with the geographic segments identified for our segment reporting.

We believe these categories best depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

AASB 15 uses the terms “contract asset” and “contract liability”. To maintain consistency in presentation with prior periods, the Group has retained the use of “accrued revenue” and “unearned revenue”, respectively.

In disclosing the amount of the transaction price allocated to unsatisfied or partially satisfied performance obligations, the Group has elected to use the practical expedient available in AASB 15 and disclose only the amounts allocated to performance obligations for contracts with original expected duration of more than one year and for contracts where the Group’s right to consideration from a customer does not correspond directly with the value to the customer of the Group’s performance completed to date.

3. Revenue and other income (continued)

Interest income

Interest income is recognised when it becomes receivable on a proportional basis, taking into account the interest rates applicable to the financial assets.

Sales tax (including GST and VAT)

Revenues, expenses and assets are recognised net of the amount of sales tax, except where the amount of sales tax incurred is not recoverable from the Tax Office. In these circumstances the sales tax is recognised as part of the acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of sales tax.

The net amount of GST/VAT recoverable from, or payable to the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the sales tax component of investing and financing activities, which are disclosed as operating cash flows.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants relating to costs are deferred and recognised in the consolidated statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate. Government grants received for which there are no future related costs are recognised in the statement of comprehensive income immediately.

4. Separately disclosed items

The Group has disclosed Underlying EBITDA and Underlying profit after tax, referring to the Group's trading results, adjusted for certain transactions during the year 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.

	Note	2024 $'000	2023 $'000
Net increase/(decrease) to EBITDA			
Non-recurring items			
Other one-off costs		3,258	596
Non-recurring income		–	(1,755)
Transaction costs related to the acquisition of powercloud		519	–
Restructuring costs incurred in powercloud		2,954	–
Total separately disclosed items		6,731	**(1,159)**

Other one-off costs

For the year ended 30 June 2024, the Group recognised one-off costs relating to restructuring totalling $3,258,000 to exit a jurisdiction and utilise alternative talent centres. 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 the "Employee benefit expenses" account in the Group's consolidated statement of comprehensive income. As the operations from this jurisdiction did not represent a separate major line of business or geographical area of operations to the Group, the results from this jurisdiction was not separately disclosed as a discontinued operation. In the previous financial year, $596,000 of restructuring costs were incurred in relation to the partial exiting of the same jurisdiction outlined above. These costs were included within the "Employee benefit expenses" account in the Group's consolidated statement of comprehensive income.

Non-recurring income

In the previous financial year, a $1,755,000 provision relating to the acquisition of Sigma Systems in June 2019 was released. This release was included within the "Other Income" account in the Group's consolidated statement of comprehensive income.

Transaction cost related to the acquisition of powercloud

Transaction costs of $519,000 were incurred in relation to the acquisition of powercloud. These include costs associated with vendor legal and other administrative matters, as well as related travel costs incurred to meet representatives of powercloud's management. These costs are included within 'Travel Expenses' and 'Other Expenses' in the Group's consolidated statement of comprehensive income. Further details of the acquisition of powercloud are described in Note 25.

Restructuring cost incurred in powercloud

Included in powercloud's results for June are $2,954,000 of restructuring costs related to certain redundancy payments post-acquisition. These costs are included within 'Employee Benefit Expenses' in the Group's consolidated statement of comprehensive income.

4. Separately disclosed items (continued)

(a) Reconciliation with Group statutory measures

	2024 $'000	2023 $'000
Underlying EBITDA	92,377	99,502
Less separately disclosed items	(6,731)	1,159
EBITDA[(1)]	85,646	**100,661**
Underlying net profit after tax before acquired amortisation, net of tax[(2)]	39,712	55,603
Less acquired amortisation, net of tax	(13,717)	(14,116)
Underlying net profit after tax[(3)]	25,995	41,487
Less separately disclosed items	(6,731)	1,159
Tax effect of separately disclosed items	1,800	149
Net profit after tax	21,064	**42,795**

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

(2) Underlying net profit after tax, before acquired amortisation, net of tax, or Underlying NPATA, excludes separately disclosed items, which represent one-off costs incurred during the financial year and acquired amortisation, net of tax.

(3) Underlying net profit after tax or Underlying NPAT excludes separately disclosed items, which represent the one-off costs during the financial year.

5. Profit from continuing operations

Profit from continuing operations before income tax has been determined after the following specific significant expenses:

	Note	2024 $'000	2023 $'000
Employee benefit expenses			
Wages and salaries		194,101	154,535
Superannuation costs		14,047	10,815
Share-based payments and employee share plan expensed	8(a), 17(c)	1,080	1,528
Total employee benefit expenses		209,228	**166,878**
Depreciation expense			
Plant, equipment and leasehold improvements	11	5,764	4,634
Right-of-use assets	13(a), 13(c)	6,454	6,397
Total depreciation of non-current assets	8(a)	12,218	**11,031**
Amortisation of non-current assets			
Technology and other intangibles	12	18,127	19,047
Software development costs	12	19,127	14,222
Total amortisation of non-current assets	8(a)	37,254	**33,269**
Property and operating rental expenses			
Other property-related expenses		3,341	3,678
Total property and operating rental expenses		3,341	**3,678**
Finance costs			
Finance costs on borrowings			
Prepaid borrowing costs	8(a),19(a)	285	151
Net finance costs on borrowings		3,501	3,964
Total cost on borrowings		3,786	**4,115**
Finance costs on lease liabilities	13(c)	1,019	772
Total finance costs		4,805	**4,887**
Net foreign exchange losses			
Realised foreign exchange losses/(gains)		861	(1,182)
Unrealised foreign exchange losses/(gains)	8(a)	51	(1,559)
Total net foreign exchange losses/(gains)		912	**(2,741)**

6. Income tax

(a) Components of income tax expense

	Note	2024 $'000	2023 $'000
Current tax expense		18,288	12,949
Movement in deferred tax relating to income tax expense	6(b)(iv)	(9,295)	(300)
Over provision in prior years		627	(1,119)
Total income tax expense		9,620	**11,530**
The prima facie tax payable on profit before income tax reconciled to the income tax expense is as follows:			
Prima facie income tax payable on profit before income tax at 30%		9,207	16,297
Add/(less) tax effect of:			
Impact of tax rates on foreign subsidiaries		(2,941)	(4,547)
Research and development allowances		(601)	(524)
Over provision in prior years		627	(1,119)
Utilisation of prior year tax losses not brought to account		(22)	(21)
Deferred tax not brought to account		2,445	–
Change in tax rate during the financial year		348	18
Amortisation of acquired intangibles		450	248
Other non-allowable items		107	1,178
Income tax expense attributable to profit		9,620	**11,530**

(b) Deferred tax

	Note	2024 $'000	2023 $'000
Deferred tax asset	6(b)(i)	7,013	6,581
Deferred tax liability	6(b)(ii)	(33,308)	(33,960)
Net deferred tax		(26,295)	**(27,379)**

(i) Deferred tax asset

The deferred tax asset balance comprises of the following items:

	Note	2024 $'000	2023 $'000
Other payables		568	702
Employee benefits		2,444	2,235
Temporary difference relating to lease accounting		2,167	1,766
Accruals and provisions		1,834	1,878
Deferred tax asset	6(b)	7,013	6,581

(ii) Deferred tax liability

The deferred tax liability balance comprises of the following items:

	Note	2024 $'000	2023 $'000
Research and development expenditure capitalised		(15,353)	(9,782)
Difference in depreciation of plant, equipment and leasehold improvements for accounting and income tax purposes		(3,533)	(3,569)
Difference in amortisation of intangible assets for accounting and income tax purposes		(11,510)	(17,555)
Share-based payments		(458)	(537)
Temporary difference relating to lease accounting		(1,911)	(1,577)
Other income not yet assessable		(260)	(505)
Other payables		(283)	(435)
Deferred tax liability	6(b)	(33,308)	**(33,960)**

(iii) Movement in net deferred tax balances

	Note	2024 $'000	2023 $'000
Opening balance – net deferred tax	6(b)	(27,379)	(27,807)
Deferred tax recognised in income tax expense	6(a)	9,295	300
Deferred tax credited directly to share-based payments reserve	8(a), 22(b)	75	128
Additions through business combinations	25	(8,488)	–
Withholding tax credits converted to tax losses		202	–
Closing balance – net deferred tax	6(b)	(26,295)	**(27,379)**

(iv) Deferred tax assets not brought to account (available tax losses)

	2024 $'000	2023 $'000
Gross capital losses	847	847
Gross operating losses	15,409	257
Total	16,256	1,104

Deferred tax assets have not been recognised in respect of these losses. Realisation of the unrecognised tax losses, temporary differences and offsets are dependent on the future production of sufficient taxable profits in the relevant jurisdictions as well as continued compliance with regulatory requirements for availability.

6. Income tax (continued)

Material accounting policies

Income tax

Current income tax expense is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred tax balances

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities settled. No deferred tax asset or liability is recognised in relation to temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax consolidation

The Group is subject to income taxes in Australia and jurisdictions in which it has foreign operations. In some of these jurisdictions, namely Australia and the United States, the immediate parent entity and entities it controls have formed local income tax consolidated groups that are taxed as a single entity in their relevant jurisdiction. The head entity of the Australian tax consolidated group is Hansen Technologies Limited. Each tax consolidated group has entered a tax funding agreement whereby each entity in the tax consolidated group recognises the assets, liabilities, expenses and revenues in relation to its own transactions, events and balances only. This means that:

- the parent entity recognises all current and deferred tax amounts relating to its own transactions, events and balances only;
- the subsidiaries recognise current or deferred tax amounts arising in respect of their own transactions, events and balances; and
- the current tax liabilities and deferred tax assets arising in respect of tax losses, are transferred from the subsidiary to the head entity as inter-company payables or receivables.

Each tax consolidated group also has a tax sharing agreement in place to limit the liability of subsidiaries in the tax consolidated group arising under the joint and several liability requirements of the tax consolidation system, in the event of default by the parent entity to meet its payment obligations. This means that under the tax sharing agreement, the subsidiaries are legally liable to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

7. Earnings per share

	2024 $'000	2023 $'000
Reconciliation of earnings used in calculating earnings per share:		
Basic earnings – ordinary shares	21,064	42,795
Diluted earnings – ordinary shares	21,064	42,795

	2024 No. of Shares	2023 No. of Shares
Weighted average number of ordinary shares used in calculating earnings per share:		
Number for basic earnings per share – ordinary shares	203,197,909	202,410,396
Number for diluted earnings per share – ordinary shares	205,176,386	205,588,213

	2024 Cents Per Share	2023 Cents Per Share
Basic earnings (cents) per share	10.4	21.1
Diluted earnings (cents) per share	10.3	20.8

Classification of securities as potential ordinary shares

As at 30 June 2024 and 30 June 2023, the securities that have been classified as potential ordinary shares and included in diluted earnings per share are the rights outstanding under the Employee Performance Rights Plan.

Material accounting policies

Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year, plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

SECTION C: WORKING CAPITAL AND OPERATING ASSETS

This section describes the different components of our working capital supporting the operating liquidity of the Group, as well as the long-term tangible and intangible assets supporting the Group's performance.

8. Cash and cash equivalents

	2024 $'000	2023 $'000
Cash at bank and on hand	46,021	54,279
Total cash and cash equivalents	**46,021**	**54,279**

(a) Reconciliation of the net profit after tax to net cash flows from operating activities

	Note	2024 $'000	2023 $'000
Net profit after tax		21,064	42,795
Add/(less) non-cash items:			
Depreciation and amortisation	5	49,472	44,300
Share-based payments	5,17(c)	1,080	1,528
Deferred tax income credited directly to share-based payments reserve	6(b)(iv)	75	128
Unrealised foreign exchange gains	5	51	(1,559)
Recovery of previously charged expected credit loss	9	(1,204)	–
Expected credit loss charged	9	3,607	688
Lease impairment	13(a)	468	246
Amortisation of prepaid borrowing costs	5, 19(a)	285	151
Net cash generated from operating activities before change in assets and liabilities		**74,898**	**88,277**
Changes in assets and liabilities adjusted for effects of purchase of controlled entities during the year:			
Decrease in receivables and other assets		3,740	**3,538**
Increase in accrued revenue		(8,189)	(6,662)
(Decrease)/Increase in creditors and liabilities		(3,773)	1,039
Increase/(Decrease) in operating and employee benefits provision		1,888	(968)
Decrease in deferred taxes		(9,572)	(428)
Increase in current tax payable		3,218	509
Decrease in unearned revenue		(3,104)	(6,483)
Net cash inflow from operating activities		**59,106**	78,822

Material accounting policies

Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short term deposits with an original maturity of six months or less held at call with financial institutions and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the consolidated statement of financial position.

9. Receivables

	2024 $'000	2023 $'000
Current		
Trade receivables	66,019	55,608
Less: provision for expected credit losses	(3,859)	(1,487)
	62,160	**54,121**
Sundry receivables	669	3,031
Total trade and other receivables	**62,829**	**57,152**

As at 30 June 2024, trade receivables of $14,715,000 (30 June 2023: $14,138,000) were past due but not impaired. These relate to a number of unrelated customers for whom there is no recent history of default. The ageing analysis of the trade receivables is as follows:

Trade receivables ageing analysis at 30 June:	Gross 2024 $'000	Provided 2024 $'000	Gross 2023 $'000	Provided 2023 $'000
Not past due	47,445	–	39,983	–
Past due 1–30 days	7,758	–	5,338	–
Past due 31–60 days	1,203	–	4,979	–
Past due more than 61 days	9,613	(3,859)	5,308	(1,487)
Total	**66,019**	**(3,859)**	**55,608**	**(1,487)**

The sundry receivables do not contain impaired assets and are not past due. Based on the credit history of these receivables, it is expected that these amounts will be received when due and therefore no provision for impairment has been recorded. The Group does not hold any collateral in relation to these receivables.

	Note	2024 $'000	2023 $'000
Movements in provision for expected credit loss:			
Opening balance at 1 July		1,487	921
Expected credit loss charged	8(a)	3,607	688
Recovery of previously charged expected credit loss	8(a)	(1,204)	–
Amounts written off		–	(706)
Others		(31)	584
Closing balance at 30 June		**3,859**	**1,487**

9. Receivables (continued)

Material accounting policies

Trade receivables

Trade receivables represent amounts owed by our customers and are recognised initially at the amount of consideration where the right to payment is conditional only on the passage of time. The Group holds the trade receivables with the objective of collecting contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less a provision for expected credit loss. Trade receivables are generally due for settlement between 30 and 60 days.

The Group recognises a provision for impairment by calculating lifetime expected credit losses (ECLs). In determining the appropriate amount of lifetime ECLs, the Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Individual debts which are known to be uncollectible are written-off by reducing the carrying amount directly. Expected credit losses are recognised in the consolidated statement of comprehensive income within "Other expenses" account. When a trade receivable for which a provision for expected credit loss had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account.

Critical accounting estimate and judgement

Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the energy sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future. Therefore, where required, the Group will provide for specific debtors that are experiencing one-off instances that could result in a future loss.

10. Other assets

	2024 $'000	2023 $'000
Prepayments – current	7,640	7,112
Other assets – current	–	191
Total other current assets	**7,640**	**7,303**
Prepayments – non-current	1,283	1,390
Other assets – non-current	34	44
Total other non-current assets	**1,317**	**1,434**

11. Plant, equipment and leasehold improvements

	Note	Plant and equipment $'000	Leasehold improvements $'000	Total $'000
Cost				
At 1 July 2023		**43,583**	**3,884**	**47,467**
Additions		4,731	329	5,060
Increase due to acquisition of subsidiary		1,067	6	1,073
Disposals		(946)	(94)	(1,040)
Net foreign currency movements arising from foreign operations		146	(43)	103
At 30 June 2024		**48,581**	**4,082**	**52,663**
Accumulated depreciation and impairment				
At 1 July 2023		**(29,070)**	**(3,346)**	**(32,416)**
Depreciation charge	5	(5,314)	(450)	(5,764)
Disposals		926	–	926
Net foreign currency movements arising from foreign operations		218	83	301
At 30 June 2024		**(33,240)**	**(3,713)**	**(36,953)**
Carrying amount at 30 June 2024		**15,341**	**369**	**15,710**

	Note	Plant and equipment $'000	Leasehold improvements $'000	Total $'000
Cost				
At 1 July 2022		**38,027**	**4,025**	**42,052**
Additions		4,708	49	4,757
Disposals		(221)	(266)	(487)
Net foreign currency movements arising from foreign operations		1,069	76	1,145
At 30 June 2023		**43,583**	**3,884**	**47,467**
Accumulated depreciation and impairment				
At 1 July 2022		**(24,481)**	**(3,127)**	**(27,608)**
Depreciation charge	5	(4,210)	(424)	(4,634)
Disposals		245	242	487
Net foreign currency movements arising from foreign operations		(624)	(37)	(661)
At 30 June 2023		**(29,070)**	**(3,346)**	**(32,416)**
Carrying amount at 30 June 2023		**14,513**	**538**	**15,051**

11. Plant, equipment and leasehold improvements (continued)

Material accounting policies

Plant, equipment and leasehold improvements

Cost and valuation

All classes of plant, equipment and leasehold improvements are stated at cost less depreciation and any accumulated impairment losses.

Depreciation

The depreciable amounts of all fixed assets are depreciated on a straight-line basis over their estimated useful lives commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The useful lives for each class of assets are:	2024	2023
Plant and equipment	3 to 15 years	3 to 15 years
Leasehold improvements	3 to 15 years	3 to 15 years

An item of plant, equipment and leasehold improvements initially recognised is derecognised upon disposal. Any gain or loss arising from the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of plant, equipment and leasehold improvements are reviewed at each financial year end and are adjusted prospectively, if appropriate.

12. Intangible assets

	Note	Goodwill $'000	Technology and Other Intangibles at Cost $'000	Software Development at Cost $'000	Total $'000
Cost					
At 1 July 2023		221,840	192,782	129,503	544,125
Increase due to acquisition of subsidiary		40,487	–	27,704	68,191
Additions		–	–	15,461	15,461
Net foreign currency movements arising from foreign operations		(4,265)	(3,732)	(373)	(8,370)
At 30 June 2024		258,062	189,050	172,295	619,407
Accumulated amortisation and impairment					
At 1 July 2023		(1,608)	(125,145)	(84,552)	(211,305)
Amortisation charge	5	–	(18,127)	(19,127)	(37,254)
Net foreign currency movements arising from foreign operations		2	2,442	117	2,561
At 30 June 2024		(1,606)	(140,830)	(103,562)	(245,998)
Carrying amount at 30 June 2024		256,456	48,220	68,733	373,409

	Note	Goodwill $'000	Technology and Other Intangibles at Cost $'000	Software Development at Cost $'000	Total $'000
Cost					
At 1 July 2022		221,406	192,014	107,689	521,109
Additions		–	–	21,140	21,140
Net foreign currency movements arising from foreign operations		434	768	674	1,876
At 30 June 2023		**221,840**	**192,782**	**129,503**	**544,125**
Accumulated amortisation and impairment					
At 1 July 2022		(1,591)	(104,737)	(70,306)	(176,634)
Amortisation charge	5	–	(19,047)	(14,222)	(33,269)
Net foreign currency movements arising from foreign operations		(17)	(1,361)	(24)	(1,402)
At 30 June 2023		**(1,608)**	**(125,145)**	**(84,552)**	**(211,305)**
Carrying amount at 30 June 2023		**220,232**	**67,637**	**44,951**	**332,820**

Material accounting policies

Goodwill

Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identifiable or separately recognised. Goodwill is recognised initially at the excess of: (a) the aggregate of the consideration transferred, the fair value of the non-controlling interests and the acquisition date fair value of the acquirers previously held equity interest; over (b) the net fair value of the identifiable assets acquired and liabilities assumed.

Technology and other intangibles

Other intangibles consist of trademarks, brand names, customer relationships and non-compete clauses.

Technology and other intangibles are recognised at cost and are amortised over their estimated useful lives, which is generally the term of the contract for customer contracts and 5-10 years for technology and other intangibles. Technology and other intangibles are carried at cost less accumulated amortisation and any impairment losses.

Research and development

Expenditure on research activities is recognised as an expense when incurred.

Development costs are capitalised when the entity can demonstrate all of the following: the technical feasibility of completing the asset so that it will be available for use or sale; the intention to complete the asset and use or sell it; the ability to use or sell the asset; how the asset will generate probable future economic benefits; the availability of adequate technical, financial and other resources to complete the development and to use or sell the asset; and the ability to measure reliably the expenditure attributable to the asset during its development.

Capitalised development expenditure is carried at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using a straight–line method to allocate the cost of the intangible asset over its estimated useful life, which is generally five years. Amortisation commences when the intangible asset is available for use.

Other development expenditure is recognised as an expense when incurred.

Impairment of non-financial assets

Assets with an indefinite useful life are not amortised but are tested at least annually for impairment in accordance with AASB 136 *Impairment of Assets*. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired. An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs of disposal and value in use.

12. Intangible assets (continued)

Critical accounting estimate and judgement

Capitalisation of research and development costs

Development costs incurred are assessed for each research and development project and a percentage of the expenditure is capitalised when technical feasibility studies demonstrate that the project will deliver future economic benefits and those benefits can be measured reliably.

There has been an investment in research and development expenditure incurred in relation to the various billing software platforms in the 2023 financial year. Returns are expected to be derived from this investment over the coming year(s).

The assets' residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate at each financial year end. The estimation of useful lives of assets has been based on historical experience and expected product lifecycle, which could change significantly as a result of technological innovation.

(a) Impairment test for goodwill

For impairment testing, the Group views that its business combinations (including the recent investment in powercloud), giving rise to goodwill on acquisition relate to synergetic opportunities for its billing solutions. Therefore, goodwill is allocated entirely to the Billing CGU, which is also an operating and reportable segment.

The recoverable amount of the Billing CGU has been determined based on a value-in-use calculation using cash flow projections over a five-year period. Cash flows beyond the five-year forecast period are extrapolated using the estimated terminal growth rates.

Key assumptions used for value-in-use calculations

The key assumptions for the Billing CGU supporting the disclosed recoverable value are as follows:

- EBITDA for the first year based on financial budgets approved by the Board;
- Terminal value growth rate of 2% (2023:2%) applied to the period beyond the first year;
- A post-tax discount rate of 8.9% (2023: 8.3%); and
- Terminal growth rate of 2% (2023: 2%) at the end of the forecast period.

Both the EBITDA growth rate beyond FY24 and the terminal growth rate ranges are derived from management's best estimate of revenue and operating expenditure growth, taking into account changes in the industry, customer market prospects, future product developments and technological innovation. Profit before income tax expense is then adjusted for amounts related to tax.

The discount rate represents the current market assessment of the risks specific to the CGU, taking into consideration the time value of money coupled with other risks factors. It is based on the Group's weighted average cost of capital.

Critical accounting estimates and judgements

Impairment of goodwill

The Group tests whether goodwill has been impaired on an annual basis. Management judgement is applied to identify the cash generating units (CGU). The recoverable amount of a CGU is determined based on value-in-use calculations which require the use of assumptions and discounting of future cash flows. These assumptions are based on best estimates at the time of performing the valuation. Cash flow projections do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested.

Goodwill is monitored by management at the level of operating segments identified in Note 2.

Impairment of non-financial assets other than goodwill

All assets are assessed for impairment at each reporting date by evaluating whether indicators of impairment exist in relation to the continued use of the asset by the consolidated entity. Impairment triggers include declining product, technology changes, adverse changes in the economic or political environment or future product expectations. If an indicator of impairment exists, the recoverable amount of the asset is determined.

13. Leases

(a) Right-of-use assets

	2024 $'000	2023 $'000
Cost	34,360	29,318
Accumulated depreciation	(17,975)	(15,670)
Net carrying amount at 30 June	16,385	**13,648**

Movements in cost and accumulated depreciation during the year are inclusive of any net foreign currency movements arising from foreign operations.

The Group has identified the following classes of right-of-use ("ROU") assets: properties, vehicles and office. The largest class of asset recognised is the Group's property leases, consisting of office buildings, as well as rental apartments for its employees undertaking short-term assignments overseas. Leases of properties generally have lease terms between 7 months and 10 years, while leases of office equipment and vehicles, generally have terms between 1 and 3 years. The Group usually has rights to renew the lease arrangement that are reasonably certain to be exercised and therefore may have long effective lease terms. The rental payments associated with each lease varies according to the amount of space rented and the location of the lease. However, in most cases the amount of rental payments is indexed annually in line with the relevant national consumer pricing index.

13. Leases (continued)

Reconciliation of the carrying amounts of ROU assets at the beginning and end of the current financial year by class of asset is shown below:

	Note	ROU Properties $'000	ROU Office Equipment $'000	ROU Vehicles $'000	Total $'000
Cost					
Balance as at 1 July 2023		29,169	73	76	29,318
Increase due to acquisition of subsidiary	13(b)	4,254	–	23	4,277
Additions	13(b)	3,567	–	–	3,567
Re-measurement	13(b)	2,472	–	–	2,472
Impairment		(468)	–	–	(468)
Disposals		(4,093)	(8)	(58)	(4,159)
Exchange differences from foreign operations		(647)	–	–	(647)
Balance as at 30 June 2024		34,254	65	41	34,360
Accumulated depreciation					
Balance as at 1 July 2023		(15,576)	(40)	(54)	(15,670)
Depreciation charge	5, 13(c)	(6,413)	(18)	(23)	(6,454)
Disposals		3,758	8	58	3,824
Exchange differences from foreign operations		325	–	–	325
Balance as at 30 June 2024		(17,906)	(50)	(19)	(17,975)
Net book value as at 30 June 2024		16,348	15	22	16,385

	Note	ROU Properties $'000	ROU Office Equipment $'000	ROU Vehicles $'000	Total $'000
Cost					
Balance as at 1 July 2022		**28,325**	**81**	**88**	**28,494**
Additions	13(b)	6,160	–	18	**6,178**
Re-measurement	13(b)	1,186	–	–	**1,186**
Make good provision		19	–	–	**19**
Impairment		(246)	–	–	**(246)**
Disposals		(6,789)	(11)	(35)	**(6,835)**
Exchange differences from foreign operations		514	3	5	**522**
Balance as at 30 June 2023		**29,169**	**73**	**76**	**29,318**
Accumulated depreciation					
Balance as at 1 July 2022		**(15,432)**	**(28)**	**(66)**	**(15,526)**
Depreciation charge	5, 13(c)	(6,356)	(21)	(20)	**(6,397)**
Disposals		6,498	11	35	**6,544**
Exchange differences from foreign operations		(286)	(2)	(3)	**(291)**
Balance as at 30 June 2023		**(15,576)**	**(40)**	**(54)**	**(15,670)**
Net book value as at 30 June 2023		**13,593**	**33**	**22**	**13,648**

In the financial year ended 30 June 2024, the cost of variable lease payments amounted to $nil (2023: $10,000). These variable lease payments do not depend on an index or a rate. These are included within the "Other Expenses" account in the consolidated statement of comprehensive income.

(b) Lease liabilities

	2024 $'000	2023 $'000
Current	4,889	5,434
Non-current	14,240	9,563
Total	**19,129**	**14,997**

Reconciliation of the carrying amounts of lease liabilities and the movements during the financial year is shown below:

	Note	2024 $'000	2023 $'000
Balance as at 1 July		14,997	13,875
Increase due to acquisition of subsidiary	13(a)	4,277	–
Additions	13(a)	3,567	6,178
Re-measurement	13(a)	2,472	1,186
Disposals		(335)	(291)
Accretion of finance costs	13(c)	1,019	772
Payments of finance costs		(1,019)	(772)
Payments of principal amounts		(5,983)	(6,188)
Exchange differences from foreign operations		134	237
Balance as at 30 June		**19,129**	**14,997**

(c) Impact to profit or loss

The following are the amounts recognised in the profit or loss:

	Note	2024 $'000	2023 $'000
Depreciation expense of ROU assets	5, 13(a)	6,454	6,397
Finance costs on lease liabilities	5, 13(b)	1,019	772
Variable lease payments		–	10
Income from sub-leasing of ROU assets		(261)	(83)
Total amount recognised in profit or loss		**7,212**	**7,096**

(d) Impact to cashflows

The Group had total cash outflows for leases of $7,002,000 for the year ended 30 June 2024 (2023: $6,960,000). Out of the $7,002,000 (2023: $6,960,000) cash outflows, $5,983,000 (2023: $6,188,000) relates to cash outflows from financing activities (principal payments), while the remaining balance relates to cash outflows from operating activities (finance costs on lease liabilities). The Group also had non-cash additions of ROU assets of $7,844,000 (2023: $6,178,000) and lease liabilities of $7,844,000 (2023: $6,178,000) during the financial year.

13. Leases (continued)

(e) Future lease payments

Future lease payments in relation to lease liabilities are as follows:

	Note	2024 $'000	2023 $'000
Less than 6 months	18(b), 23	3,597	3,280
6-12 months	18(b), 23	2,587	2,900
Total current lease payments		6,184	6,180
Future finance costs on lease liabilities		(1,295)	(746)
Current lease liabilities		4,889	**5,434**
1-2 years	18(b), 23	4,850	3,389
2-3 years	18(b), 23	4,555	2,366
More than 3 years	18(b), 23	7,957	5,634
Total non-current lease liabilities		17,362	11,389
Future finance costs on lease liabilities		(3,122)	(1,826)
Non-current lease liabilities		14,240	**9,563**

The weighted average incremental borrowing rate applied to lease liabilities was 6.33% (2023: 5.89%).

Material accounting policies

Leases

The determination of whether an arrangement is (or contains) a lease depends on whether the arrangement conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control over the use of an identified asset exists when the arrangement involves the use of an identified asset, when the Group obtains substantially all the economic benefits from the use of the asset, and when the Group has the right to direct the use of the asset.

The lease term is first determined with reference to the non-cancellable period of the lease contract, adjusted for any periods covered by options to extend the lease, and/or to early terminate the lease if the Group is reasonably certain to exercise the options. Judgement is applied by the Group in determining whether the Group is reasonably certain to exercise the options.

Lease liabilities are initially recognised and measured based on the total value of fixed and variable contractual lease payments over the lease term, including payments to extend or terminate the lease if the Group is reasonably certain to exercise the option to extend or terminate the lease, respectively. The lease payments are discounted to present value based on the incremental borrowing rate implicit in the lease.

Lease payments on properties exclude service fees for maintenance, cleaning and other costs as these costs are separated as non-lease components. However, the Group has elected not to separate lease and non-lease components for leases of vehicles and offices.

Leased assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering the lease, less any lease incentives received.

Leased assets are depreciated on a straight-line basis over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, as follows:

- ROU properties
- ROU office equipment
- ROU vehicles

Estimated useful lives of right-of-use assets are determined on the same basis as those of plant, equipment and leasehold improvements.

The right-of-use asset is also periodically assessed for impairment losses and adjusted for certain remeasurements of the lease liability.

The Group does not apply the practical expedients for short-term leases and leases for which the assets are of low value.

Presentation and disclosure

Depreciation on right-of-use assets is included as part of "Depreciation expense" account in the consolidated statement of comprehensive income, and interest expense on lease liabilities is included as part of "Finance costs on lease liabilities" account in the consolidated statement of comprehensive income.

Right-of-use assets are disclosed separately on the consolidated statement of financial position, with Note 13(a) disaggregating the lease assets by class of asset. Lease liabilities are presented as current and non-current in the consolidated statement of financial position depending on the timing of the settlement of contractual cash outflows.

The repayment of the principal portion of lease payments is presented as part of financing activities in the consolidated statement of cash flows, and the interest portion is presented as part of operating activities.

13. Leases (continued)

Critical accounting estimate and judgement

Determining the lease term of contracts with renewal and termination options – Group as a lessee

The Group determines the lease term as the non-cancellable term of the lease together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is an event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g. construction of significant leasehold improvements or significant customisation to the leased asset).

Estimating the incremental borrowing rate

Where the Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

14. Payables

	Note	2024 $'000	2023 $'000
Trade payables		8,850	7,568
Accrued payables		15,785	13,851
Other payables		6,899	3,609
Total payables	18(b)	**31,534**	**25,028**

Material accounting policies

Trade payables

Trade payables are initially recognised at their fair value and subsequently carried at amortised cost and are not discounted. These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are paid in accordance with vendor terms, which are usually within 30 to 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

15. Provisions

	2024 $'000	2023 $'000
Current		
Commercial provisions[1]	8,991	–
Other provisions[1]	1,997	57
Restructuring provisions	2,954	–
Onerous provisions	1,089	513
Total current provisions[2]	**15,031**	**570**
Non-current		
Make good provisions	180	300
Onerous provisions	570	–
Total non-current provisions[3]	**750**	**300**
Reconciliation of other provisions		
Carrying amount at beginning of year	870	1,376
Net provisions/(payments/reversals) made during the year	14,911	(506)
Carrying amount at end of year	**15,781**	**870**

(1) These provisions relate primarily to existing provisions for powercloud made pre-acquisition. Commercial provisions can include service-related vendor and customer provisions, and product provisions. These provisions are assessed on a six monthly basis.

(2) Included within current provisions in the consolidated statement of financial position.

(3) Included within non-current provisions in the consolidated statement of financial position.

Material accounting policies

Provisions

Provisions are recognised when the consolidated entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured.

SECTION D: PEOPLE

This section provides information about our employee benefit obligations, including annual leave, long service leave and post-employment benefits. It also includes details about our share plans and the compensation paid to key management personnel.

16. Employee benefits

	2024 $'000	2023 $'000
Current employee benefits(1)	15,177	13,557
Non-current employee benefits(2)	165	109
Total employee benefits liability	15,342	**13,666**

(1) Included within current provisions in the consolidated statement of financial position.

(2) Included within non-current provisions in the consolidated statement of financial position.

Employee Benefits Liability

Employee benefits liability represents amounts provided for annual leave and long service leave. The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service.

Based on past experience, the Group does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. These amounts are presented as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

(a) Directors' and executives' compensation

	2024 $	2023 $
Short term employment benefits	4,051,061	3,945,132
Post-employment benefits	180,240	150,070
Share-based payments	743,139	656,618
Termination benefits	595,029	–
Total	5,569,469	**4,751,820**

Detailed remuneration disclosures are provided in the remuneration report on pages 57 to 76.

Material accounting policies

Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave, long service leave and any other employee benefits expected to be settled within 12 months of the reporting date are measured at the amounts based on remuneration rates that are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave and long service leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Other long-term employee benefit obligations

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected further payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Any re-measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the consolidated statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the consolidated statement of financial position.

Retirement benefit obligations

The consolidated entity makes superannuation and pension contributions to the employee's defined contribution plan of choice in respect of employee services rendered during the year. These contributions are recognised as an expense in the same period when the related employee services are received. The Group's obligation with respect to employee's defined contribution entitlements is limited to its obligation for any unpaid superannuation and pension guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation and pension guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the consolidated statement of financial position.

Bonus plan

The consolidated entity recognises a provision when a bonus is payable in accordance with the employee's contract of employment or review letter and the amount can be reliably measured.

Termination benefits

The Group recognises an obligation and expense for termination benefits at the earlier of: (a) the date when the Group can no longer withdraw the offer for termination benefits; and (b) when the Group recognises costs for restructuring and the costs include termination benefits. In either case, the obligation and expense for termination benefits is measured on the basis of the best estimate of the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before twelve months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid and are presented as current liabilities in the consolidated statement of financial position. All other termination benefits are accounted for on the same basis as other long-term employee benefits and are presented as non-current liabilities in the consolidated statement of financial position.

17. Share-based payments

(a) Employee Performance Rights Plan

The Employee Performance Rights Plan (the Rights Plan) was approved by shareholders at the Company's AGM on 23 November 2017. Under the Plan, awards are made to eligible executives and other management personnel who have an impact on the Group's performance. Plan awards for long-term incentives (LTI) are granted in the form of performance rights over shares which vest over a period of three years subject to meeting performance measures and continuous employment with the Company. Plan awards for deferred short-term incentives (STI) are deferred for a two-year period of which the employee must remain employed, following the achievement of annual financial and non-financial performance measures. Each performance right is to subscribe for one ordinary share upon vesting and, when issued, the shares will rank equally with other shares.

Performance rights issued under the Employee Performance Rights Plan are valued on the same basis as those issued to KMP, which is described in Note 17(b).

Performance rights issued and outstanding as at 30 June 2024

Grant date	Vesting date	Type	Fair Value Per Right $	No. of Rights at 01/07/2023	Rights Granted	Rights Vested, Forfeited or Other	No. of Rights at 30/06/2024
1 Jul 2020	30 Jun 2023(1)	STI	2.70	523,247	–	(523,247)	–
1 Jul 2020	30 Jun 2023(2)	LTI	2.77	199,303	–	(199,303)	–
15 Sep 2021	30 Jun 2024(3)	LTI	4.99	206,449	–	(5,667)	200,782
15 Sep 2021	30 Jun 2024(4)	LTI	5.29	84,302	–	(21,912)	62,390
15 Sep 2022	30 Jun 2025(5)	LTI	3.74	382,351	–	(32,878)	349,473
15 Sep 2022	30 Jun 2025(6)	LTI	4.30	61,679	–	(5,657)	56,022
1 Jul 2023	30 Jun 2026(7)	LTI	4.80	–	611,534	(143,798)	467,736
1 Jul 2023	30 Jun 2027(7)	LTI	4.80	–	12,500	–	12,500
Total				**1,457,331**	**624,034**	**(932,462)**	**1,148,903**

(1) Majority of the performance rights in relation to the Enhanced STI Plan granted on 1 July 2020 have exceeded the required measurement hurdles, allowing an accelerated basis paying up to 135% of the entitlement on 30 June 2023. The rights were exercised 14 August 2023.

(2) Performance rights granted on 1 July 2020 in relation to EPSa CAGR and TSR measures have vested at 100% on 30 June 2023 based on the discretion of the Board. The rights were exercised on 14 August 2023.

(3) Performance rights granted on 15 September 2021 with a fair value per right of $4.99 refers to rights linked to Group Revenue and TSR measures. Performance rights for the FY22 LTI plan of 241,576 have not exceeded the required specific annual KPIs and did not vest on 30 June 2024 and will be cancelled in due course. Remaining rights of 21,596 vested on 30 June 2024.

(4) Performance rights granted on 15 September 2021 with a fair value per right of $5.29 refers to rights linked to non-market performance conditions such as Group Revenue and Regional Revenue; Product Revenue and Product Profit Margin.

(5) Performance rights granted on 15 September 2022 with a fair value per right of $3.74 refers to rights linked to Revenue and TSR measures.

(6) Performance rights granted on 15 September 2022 with a fair value per right of $4.30 refers to rights linked to non-market performance conditions such as Revenue and Profit Margin.

(7) Performance rights granted on 1 July 2023 with a fair value per right of $4.80 refers to rights linked to non-market performance conditions such as Revenue and Profit Margin.

All the unvested performance rights will be measured against specific measurement criteria as detailed in the preceding table and will be awarded in the period following the measurement period.

Performance rights issued and outstanding as at 30 June 2023

Grant date	Vesting date	Type	Fair Value Per Right $	No. of Rights at 01/07/2022	Rights Granted	Rights Vested, Forfeited or Other	No. of Rights at 30/06/2023
2 Sep 2019	30 Jun 2022[1]	STI	3.11	78,384	–	(78,384)	–
2 Sep 2019	30 Jun 2022[2]	LTI	2.83	646,600	–	(646,600)	–
1 Jul 2020	30 Jun 2023[3]	STI	2.70	594,707	–	(71,460)	523,247
1 Jul 2020	30 Jun 2023[4]	LTI	2.77	212,622	–	(13,319)	199,303
15 Sep 2021	30 Jun 2024[5]	LTI	4.99	235,424	–	(28,975)	206,449
15 Sep 2021	30 Jun 2024[6]	LTI	5.29	95,049	–	(10,747)	84,302
15 Sep 2022	30 Jun 2025[7]	LTI	3.74	–	430,059	(47,708)	382,351
15 Sep 2022	30 Jun 2025[8]	LTI	4.30	–	67,889	(6,210)	61,679
Total				**1,862,786**	**497,948**	**(903,403)**	**1,457,331**

(1) Performance rights granted on 2 September 2019 in relation to STI measures have met the required measurement hurdles and vested at 100% on 30 June 2022. The rights were exercised on 19 August 2022.

(2) Performance rights granted on 2 September 2019 in relation to EPSa CAGR and TSR measures have exceeded the required measurement hurdles and market conditions, respectively and vested on an accelerated basis paying 150% of the entitlement on rights linked to EPSa CAGR measure and 137% of the entitlement on rights linked to TSR measure on 30 June 2022. The rights were exercised on 19 August 2022.

(3) Majority of the performance rights in relation to the Enhanced STI Plan granted on 1 July 2020 have exceeded the required measurement hurdles, allowing an accelerated basis paying up to 135% of the entitlement on 30 June 2023.

(4) Performance rights granted on 1 July 2020 in relation to EPSa CAGR and TSR measures have vested at 100% on 30 June 2023 based on the discretion of the Board.

(5) Performance rights granted on 15 September 2021 with a fair value per right of $4.99 refers to rights linked to Group Revenue and TSR measures.

(6) Performance rights granted on 15 September 2021 with a fair value per right of $5.29 refers to rights linked to non-market performance conditions such as Group Revenue and Regional Revenue; Product Revenue and Product Profit Margin.

(7) Performance rights granted on 15 September 2022 with a fair value per right of $3.74 refers to rights linked to Revenue and TSR measures.

(8) Performance rights granted on 15 September 2022 with a fair value per right of $4.30 refers to rights linked to non-market performance conditions such as Revenue and Profit Margin.

The weighted average contractual life of outstanding performance rights at the end of the financial year is 1.2 year (2023: 0.81 year).

(b) Fair value of performance rights granted

The fair value of Total Shareholder Return (TSR) performance rights at grant date is independently determined using an adjusted form of the Black Scholes Model which includes a Monte Carlo simulation model that takes into account the term of the performance rights, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the performance rights and the correlations and volatilities of the peer group companies.

The fair value of Revenue and Profit Margin performance rights at grant date is independently determined using a conventional Black Scholes Model.

17. Share-based payments (continued)

Details of the assessed fair value of the performance rights as well as the model inputs for rights granted, during the year ended 30 June 2024 and for the prior year 30 June 2023, are presented below:

	2024	2023
Grant date	1 July 2023	15 September 2022
Expected vesting date	30 Jun 2026	30 June 2025
Measurement period	1 July 2023 to 30 June 2026	1 July 2022 to 30 June 2025
Fair value of performance rights granted – Revenue and Profit Margin	$4.80	$4.30
Fair value of performance rights granted – TSR rights	–	$3.18
Share price at grant date	$5.20	$4.64
Expected price volatility of the company's shares	32.5%	32.5%
Expected dividend yield	2.27%	2.47%
Risk-free interest rate	3.88%	3.28%

The expected price volatility is based on the historic volatility (based on the life of the performance rights), adjusted for any expected changes to future volatility due to publicly available information.

(c) Expenses arising from share-based payment transactions

	Note	2024 $'000	2023 $'000
Rights issued under employee performance rights plan FY21		–	483
Rights issued under employee performance rights plan FY22		(118)	459
Rights issued under employee performance rights plan FY23		466	586
Rights issued under employee performance rights plan FY24		732	–
Total	5, 8(a), 22(b)	1,080	**1,528**

Material accounting policies

Share-based payments

The Group operates equity-settled share-based payment employee share, options, and rights schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account, ending on the date on which the relevant employees become fully entitled to the award (the vesting date). The fair value of shares is measured at the market bid price at grant date. In respect of share-based payments that are dependent on the satisfaction of performance conditions, the number of options and rights expected to vest is reviewed and adjusted at each reporting date. The amount recognised for services received as consideration for these equity instruments granted is adjusted to reflect the best estimate of the number of equity instruments that eventually vest.

Share-based payments are subject to two different forms of measurement:

- Market-based
- Non-market-based

These measurement criteria are subject to different accounting treatments under AASB 2 *Share-based Payment*.

Market-based measurement

Any awards subject to market conditions will vest irrespective of the condition being met. Where a condition is not met, the expense associated with the award will continue to be recognised over the vesting period.

Non-market-based measurement

For any non-market-based awards where the condition is not satisfied, the expense incurred to date is reversed and no further charge is recognised over the remaining period.

Critical accounting estimate and judgement

Share-based payments

The fair value of rights is estimated on the grant date using an adjusted form of the Black Scholes Model and Monte Carlo simulation model. Estimating fair value for share-based payments requires significant assumptions such as determining the most appropriate inputs to the valuation model, including the expected life of the share option or performance right, volatility in the share price and dividend yield.

SECTION E: CAPITAL AND FINANCIAL RISK MANAGEMENT

This section explains our policies and procedures applied to manage our financing and capital structure, and the associated risks that we are exposed to. The Group manages its financial and capital structure to maximise shareholder return, maintain an optimal cost of capital and provide flexibility for strategic investments.

18. Financial risk management

The Group is exposed to a variety of financial risks, principally related to credit, liquidity, interest rate and foreign currency risk. The Group's risk management framework is aligned with best practices and designed to reduce volatility on our financial performance and to support the delivery of our business objectives. The Board has overall responsibility for identifying and monitoring operational and financial risks.

(a) Credit risk

Nature of risk

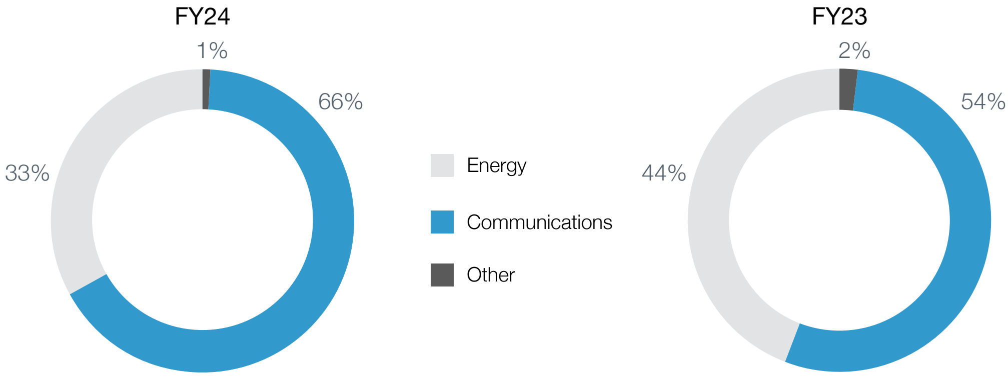
The risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Group's receivables from customers and our investments in debt securities.

Exposure to the risk

The Group's maximum exposure to credit risk at 30 June 2024 and 30 June 2023 is the carrying amount of financial assets, net of any provisions for impairment and excluding the value of any collateral or other security.

The gross trade receivables balance as at 30 June 2024 was $66,019,000 (2023: $55,608,000). The ageing analysis of trade and other receivables is provided in Note 9. As the Group undertakes transactions with a large number of customers and regularly monitors payment in accordance with credit terms, the financial assets that are past due but not impaired, are expected to be received.

The Group's exposure to credit risk is affected by the regions and industries our customers operate in. Set out below shows the concentration of our trade receivables balances by the industry they operate in.



How is the risk managed?

Receivables are managed on an ongoing basis. The Group does not have any material credit risk exposure to any single debtor or group of debtors. Ageing analysis and ongoing collectability reviews are performed and, where appropriate, an expected credit loss provision is raised. Historically, the Group has not had any significant write-offs in our trade receivables.

The Group minimises concentrations of credit risk in relation to trade receivables by undertaking transactions with a large number of customers. The credit quality of a customer is assessed based on a variety of factors, including their credit ratings and financial position.

(b) Liquidity risk

Nature of risk	The risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.
Exposure to the risk	The table below categorises the Group's financial liabilities into their relevant contractual maturities. Amounts included represent undiscounted cash flows. Note 19 provides additional details on the Group's borrowing arrangements.
How is the risk managed?	The Group's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group reviews its minimum levels of cash and cash equivalents on an ongoing basis, and closely monitors rolling cash flow forecasts based on its view on the nature and timing of expected receipts and payments. The Group has historically been able to generate and retain strong positive cash flows. Additionally, a multi-currency borrowing facility has been arranged with the Group's financiers to provide increased capacity for strategic growth objectives.

Contractual maturities of financial liabilities

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments as at 30 June 2024 and 30 June 2023.

		Contractual cash flows $'000					
Financial liabilities	Note	Less than 6 months	6-12 months	1-2 years	2-3 years	> 3 years	Total payments
2024							
Trade and other payables	14	31,534	–	–	–	–	31,534
Lease liabilities(1)	13(e)	3,597	2,587	4,850	4,555	7,957	23,546
Secured borrowings(2)	19	–	–	70,539	–	–	70,539
Total		35,131	2,587	75,389	4,555	7,957	125,619
2023							
Trade and other payables	14	25,028	–	–	–	–	25,028
Lease liabilities(1)	13(e)	3,280	2,900	3,389	2,366	5,634	17,569
Secured borrowings(3)	19	–	–	54,716	–	–	54,716
Total		**28,308**	**2,900**	**58,105**	**2,366**	**5,634**	**97,313**

(1) Lease liabilities are recognised and disclosed at present value in accordance with AASB 16 and the Group accounting policy.
(2) A syndicated multi-currency borrowing facility was established on 8 February 2024 with a maturity date of 31 July 2025.
(3) As at 8 June 2023, the syndicated mutli-currency borrowing facility was refinanced with a maturity date of 31 July 2025.

(c) Interest rate risk

Nature of risk	The risk that the fair value or the future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.
Exposure to the risk	The Group's main exposure to interest rate risk arises from its lease liabilities, borrowings and cash and cash equivalents. No other financial assets or liabilities are expected to be exposed to interest rate risk. The weighted average variable interest rate across all our borrowings and lease liabilities at 30 June 2024 is 6.18% (2023: 5.50%). If the interest rate were to increase or decrease by 1%, with all other variables held constant, the impact to pre-tax profit is $734,000 (2023: $791,000) and the impact to post-tax equity(1) is $526,000 (2023: $569,000).
How is the risk managed?	The Group ensures it has access to diverse sources of funding, including access to foreign currency debt. The Group closely monitors its debt ratios to reduce its risk exposure to uncertainty in the global markets if interest rates will fall or rise. Management is comfortable with the risk associated with using variable interest rates due to the current level of borrowings.

(1) Post-tax equity is calculated as the net of the blended effective tax rate on pre-tax profit based on where the interest-bearing debt is located (i.e., Australia, Canada and United Kingdom) and the prevailing corporate tax rate in each of those jurisdictions (i.e., 30%, 26.5% and 25% respectively).

18. Financial risk management (continued)

(d) Foreign currency risk

Nature of risk

The risk that the fair value or future cash flows of a financial instrument or forecasted transaction will fluctuate because of changes in foreign exchange rates.

Exposure to the risk

The Group operates internationally and as such has exposure to foreign currency movements. The Group has expanded its international operations substantially in recent years to the extent that in excess of 84% (2023: 83%) of its revenue is now earned in foreign currency designated transactions. The Group has a number of offices located internationally and more than 90% (2023: 89%) of its work force is located overseas and paid in foreign currencies.

Changes in foreign currency exchange rates would be limited to the revaluation of foreign currency denominated borrowings, intercompany financing arrangements denominated in foreign currencies, and foreign currency bank balances in the Group at market rates at consolidated statement of financial position date.

The Group's primary foreign currency exposure relates to the movement in US Dollar (USD), British Pound (GBP), Canadian Dollar (CAD) and Euro (EUR) exchange rates. At the reporting date, cash and cash equivalents included $38.9 million (2023: $47.0 million) denominated in foreign currencies.

If the foreign currency exchange rate for our primary foreign currencies (USD, GBP, CAD and EUR) were to move by 10%, with all other variables held constant, the impact to our foreign currency translation reserves (included within 'Equity' in the consolidated statement of financial position) on translation of our foreign currency-denominated cash and cash equivalents is as follows:

	Increase/(decrease) $'000							
	USD		GBP		CAD		EUR	
	2024	2023	2024	2023	2024	2023	2024	2023
+10%	552	1,098	745	1,010	578	396	1,133	1,415
-10%	(552)	(1,098)	(745)	(1,010)	(578)	(396)	(1,133)	(1,415)

The Group's exposure to foreign currency changes for all other currencies and other financial statement items is not material, as the Group has natural hedging and designated hedging relationships in place (refer to "How is the risk managed?" for a further explanation).

How is the risk managed?

The Group manages its foreign currency risk by evaluating its exposure to fluctuations on an ongoing basis.

The Group's overseas subsidiaries transact in different functional currencies. The effects of any exchange rate movements in respect of the net assets of our foreign subsidiaries are recognised in the foreign currency translation reserve in equity. Accordingly, the Group has an in-built natural hedge against major currency fluctuations and, except for significant sudden change, is protected in part by its corporate structure against currency movements so that the impact is largely limited to the margin.

In addition, during the financial year, the Group held a foreign currency borrowing as part of the syndicated multi-currency borrowing facility agreement as disclosed in Note 19, which has been designated as a hedging instrument of the net assets of some of the Group's principal overseas subsidiaries in order to offset our risk exposure arising from the translation of these subsidiaries into Australian dollars. There is no impact to the profit or loss on the translation of the Group's overseas subsidiaries or foreign currency borrowings to the Australian dollar.

The Group's subsidiaries also enter into various financing and transactional arrangements with each other in accordance with local regulatory requirements. The Group regularly reviews these arrangements to minimise its exposure on the translation of outstanding foreign currency-denominated intercompany balances to the Australian dollar, which impact profit.

Material accounting policies

Functional and presentation currency

The financial statements of each entity within the consolidated Group are measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements of the Group are presented in Australian dollars, which is the Group's functional and presentation currency.

Foreign currency transactions and balances

Transactions in foreign currencies of entities within the consolidated Group are translated into its functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

All resulting exchange differences arising on settlement or re-statement are recognised in profit or loss and presented in the consolidated statement of comprehensive income for the financial year.

(e) Fair value measurements

Due to their short-term nature, the fair value of receivables and payables approximates their carrying amounts as disclosed in the consolidated statement of financial position and notes to the consolidated financial statements. At 30 June 2024 and 30 June 2023, there are no assets or liabilities carried at fair value on a recurring basis.

19. Borrowings

	Note	2024 $'000	2023 $'000
Non-current			
Secured			
Term facility – gross borrowings	18(b)	70,539	54,716
Term facility – net prepaid borrowing costs		(318)	(407)
Total		**70,221**	**54,309**

The Group refinanced its $104 million syndicated multi-currency facility on 8 February 2024 to fund the acquisition of powercloud and working capital requirements. As at 30 June 2024, AU$70 million (30 June 2023: AU$54 million) was drawn on the facility and has thirteen months to maturity, expiring 31 July 2025. The facility balance available at 30 June 2024 is $20.0 million. The average interest rate of the borrowings is 6.22% (30 June 2023: 6.19%).

19. Borrowings (continued)

(a) Changes in liabilities arising from financing activities

	Note	2024 $'000	2023 $'000
Opening balance at 1 July		54,309	87,912
Cash flows from financing activities			
Net repayment of borrowings		17,936	(33,615)
Cash flows from non-financing activities			
Establishment of loan fees – paid		(205)	(201)
Non-cash changes			
Amortisation of prepaid borrowing costs	5, 8(a)	285	151
Effect of foreign exchange		(2,104)	62
Closing balance at 30 June		70,221	**54,309**

Material accounting policies

Loans and borrowings

Interest-bearing loans and borrowings are initially recognised as financial liabilities at fair value net of directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Borrowings are classified as non-current liabilities except for those that mature in less than 12 months from the reporting date, which are classified as current liabilities, unless the borrower has the discretion to refinance or rollover the borrowings.

Borrowing costs

Borrowing costs can include interest expense calculated using the effective interest method and finance charges in respect of finance leases. Borrowing costs are expensed as incurred except for borrowing costs incurred as part of the construction of a qualifying asset, in which case the costs are capitalised until the asset is ready for its intended use or sale.

20. Contributed capital

(a) Issued and paid-up capital

	2024 $'000	2023 $'000
Ordinary shares, fully paid	150,599	148,688
Total	150,599	**148,688**

(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
Balance at 1 July 2022	200,806,485	1,171,783	201,978,268	146,857
Shares issued to satisfy future rights exercises	–	200,352	200,352	–
Shares issued under the dividend reinvestment plan	382,167	–	382,167	1,831
Performance rights exercised	752,560	(556,074)	196,486	–
Balance at 30 June 2023	**201,941,212**	**816,061**	**202,757,273**	**148,688**
Shares issued to satisfy future rights exercises	–	82,362	82,362	–
Shares issued under the dividend reinvestment plan	366,843	–	366,843	1,911
Performance rights exercised	742,694	(439,731)	302,963	
Balance at 30 June 2024	203,050,749	458,692	203,509,441	150,599

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 award plans. The Trust was established on 24 June 2022.

The Trust provides the Group with greater flexibility to accommodate its incentive arrangements both now and into the future. The Trust helps manage the capital requirements and can use the contributions made by Hansen either to acquire shares in Hansen on market, or alternatively to subscribe for new Hansen shares. The Trust provides an arm's length vehicle to acquire and hold Hansen shares on behalf of employees and allows Hansen to satisfy Corporations Law requirements relating to companies dealing in their own shares as well as assisting with management of insider trading restrictions. Pacific Custodians Pty Limited, an independent third party, is the Trustee of the Trust, and operates the Trust in accordance with Hansen Technologies Limited Employee Share Plan Trust Deed.

Where there are unallocated shares within the Trust, the Trustee may apply any capital receipts, dividends or other distributions received to purchase further shares and/or to pay any reasonable disbursements associated with the operation of the Trust.

(c) Rights of each type of share

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings, each ordinary share is entitled to one vote when a poll is called.

(d) Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders while maintaining an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, increase debt, sell assets to reduce debt or a combination of these activities.

The capital risk management policy remains unchanged from the 30 June 2023 Financial Report.

21. Dividends

A final dividend of 5 cents per share has been declared, partially franked to 2.1 cents per share. This final dividend was announced to the market on 21 August 2024 and will subsequently be paid on 20 September 2024. The amount declared has not been recognised as a liability in the accounts of Hansen Technologies Limited as at 30 June 2024.

	2024 $'000	2023 $'000
Dividends paid during the year (net of dividend re-investment)		
5 cents per share final dividend paid 20 September 2023 – partially franked(1)	9,337	–
5 cents per share final dividend paid 21 September 2022 – partially franked(1)	–	9,166
5 cents per share interim dividend paid 21 March 2024 – partially franked(2)	9,066	–
5 cents per share interim dividend paid 21 March 2023 – unfranked(3)	–	9,237
Total	18,403	**18,403**
Proposed dividend not recognised at the end of the year	10,175	**10,138**
Dividends franking account (based on a tax rate of 30%)		
Franking credits available for future years, adjusted for franking credits and debits that will arise from the settlement of liabilities or receivables for income tax and dividends after the end of the year	1,799	1,411

(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 interim dividend paid of 5 cents per share franked to 2.3 cents, comprised of a regular dividend of 5 cents per share.

(3) The interim dividend of 5 cents per share, unfranked, comprised of a regular dividend of 5 cents per share.

22. Reserves and retained earnings

	Note	2024 $'000	2023 $'000
Foreign currency translation reserve	22(a)	1,707	7,259
Share-based payments reserve	22(b)	13,440	12,285
Retained earnings	22(c)	171,399	170,648

(a) Foreign currency translation reserve

This reserve is used to record the exchange differences arising on translation of a foreign entity.

Movements in reserve	Note	2024 $'000	2023 $'000
Balance at 1 July		7,259	7,536
Exchange differences on translation of foreign operations		(5,552)	(277)
Balance at 30 June		1,707	**7,259**

(b) Share-based payments reserve

This reserve is used to record the fair value of options and performance rights issued to employees as part of their remuneration.

Movements in reserve	Note	2024 $'000	2023 $'000
Balance at 1 July		12,285	10,629
Share-based payments expensed during the year	17(c)	1,080	1,528
Tax associated with the share-based payments plan	6(b)(iv)	75	128
Balance at 30 June		13,440	**12,285**

(c) Retained earnings

Movements in retained earnings	Note	2024 $'000	2023 $'000
Balance at 1 July		170,648	148,086
Dividends declared during the year		(20,313)	(20,233)
Net profit after income tax expense for the year		21,064	42,795
Balance at 30 June		171,399	**170,648**

23. Commitments and contingencies

Commitments on leases

Lease commitments are disclosed in Note 13(e) and Note 18.

Contingent assets and liabilities

At 30 June 2024 and 2023, the Group does not have any contingent assets and liabilities.

SECTION F: GROUP STRUCTURE

This section provides information about our structure and how this impacts the Group's results as a whole, including parent entity information and any business acquisitions that impacted the Group's financial position and performance.

24. Parent entity information

Presented below are the summary financial statements of the parent Company, Hansen Technologies Limited:

(a) Summarised statement of financial position

	Parent Entity	
	2024 $'000	2023 $'000
Assets		
Current Assets	703	360
Non-current assets	195,406	190,636
Total Assets	196,109	**190,996**
Liabilities		
Current liabilities	2,265	557
Non-current liabilities	15,367	11,753
Total Liabilities	17,632	**12,310**
Net assets	178,477	**178,686**
Equity		
Share capital	150,599	148,688
Accumulated profits	15,754	19,029
Share based payments reserve	13,440	12,285
Foreign currency translation reserve	(1,316)	(1,316)
Total equity	178,477	**178,686**

(b) Summarised statement of comprehensive income

	Parent Entity	
	2024 $'000	2023 $'000
Profit after income tax expense	16,945	16,454
Total comprehensive income for the year	16,945	**16,454**

Dividends of $16,991,000 (2023: $17,456,900) were paid from Hansen Corporation Pty Limited to Hansen Technologies Limited during the financial year.

(c) Parent entity guarantees

Hansen Technologies Limited, being the parent entity, has a syndicated multi-currency borrowing facility (refer to Note 19) of which Hansen Corporation Pty Limited and other subsidiaries of the Company are joint guarantors to that facility agreement. A Deed of Parent Guarantee and Indemnity also exists between Hansen Technologies Limited and Hansen Technologies Canada Inc, a wholly-owned subsidiary, in favour of a financing company based in Canada for a credit card facility. In addition, there are cross guarantees given by Hansen Technologies Limited and Hansen Corporation Pty Limited as described in Note 28.

No deficiencies of assets exist in any of these companies.

Material accounting policies

The financial information for the parent Company has been prepared on the same basis as the Group consolidated financial statements, except as set out below:

Investments in subsidiaries

Investments in subsidiaries are accounted at cost. Dividends received from subsidiaries are recognised in the parent entity's statement of comprehensive income when its right to receive the dividend is established.

Where the parent Company has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair value of these guarantees is accounted for as contributions and recognised as part of the cost of the investment.

25. Business combinations

Acquisition of powercloud GmbH

On 12 February 2024, Hansen acquired 100% of the shares of powercloud GmbH (powercloud) for a total purchase consideration of $29.4m. Further, an equity injection of $24.9 million was provided on the same day. Of this amount, $8.9 million was used to facilitate the settlement towards an existing shareholder loan. The balance of $15.4 million was utilised for initial working capital purposes. The acquisition was fully funded via debt, by utilising an existing syndicated multi-currency facility on the same pricing terms as the existing Hansen debt obligation that is currently in place, expiring in July 2025.

Founded in 2012, powercloud is a leading provider of mission-critical billing and customer management software products serving tier-1 and 2 utility companies and regional municipalities across Germany. powercloud supports 65+ customers, including many of the largest Germany utility retailers. This acquisition will significantly expand Hansen's scale and scope in the utilities sector, in addition to the depth of the existing operational presence in Germany, Austria and Switzerland.

Details of the purchase consideration, the net assets acquired are as follows:

Purchase consideration	$'000
Cash Paid	29,372
Total purchase consideration	**29,372**

As at 30 June 2024, the fair values of the identifiable assets and liabilities acquired as at the date of acquisition are still provisional in light of the timing of the transaction. The acquisition accounting will be finalised within 12 months of the acquisition date, in line with accounting standards. Provisional net assets and liabilities acquired are detailed below:

	Provisional fair value $'000
Assets acquired:	
Cash	47,543
Receivables	7,992
Prepayments and other current assets	4,048
Intangibles	27,973
Plant and equipment	650
Right-of-use assets	5,390
Total assets acquired	**93,596**
Liabilities acquired:	
Payables	10,279
Accruals and provisions	14,699
Unearned revenue	9,381
Shareholder loan	56,474
Lease liability	5,390
Deferred tax liability	8,488
Total liabilities acquired	**104,711**
Net identifiable (liability) acquired	**(11,115)**
Add:	
Goodwill arising on acquisition	40,487
Total purchase consideration	**29,372**

Goodwill arose on the acquisition of powercloud due to the combination of the consideration paid for the business and the net assets acquired. The value of goodwill represents the strong positioning of powercloud in the energy market and includes the future benefit arising from the expected future earnings, synergies with the Group's products and operations and personnel assumed via the acquisition. None of the goodwill is expected to be deductible for tax purposes.

The fair value of trade receivables is $8 million. The gross contractual amount for trade receivables due is $10.5 million, of which $2.5 million is potentially uncollectible.

Transaction costs

Transaction costs of $519,000 were incurred in relation to the acquisition. These are identified as separately disclosed items for this year's results. Refer to Note 4 for further information.

Revenue and loss contribution

From the date of acquisition, powercloud has contributed $18.5 million of revenue and a loss of $13.4 million to the Group's consolidated results. If the acquisition of powercloud had occurred on 1 July 2023, powercloud would have contributed revenue of $51.8 million and a loss after tax of $38.4 million. It is important to note that viewing this performance in isolation is not reflective of the ongoing performance of the acquired business.

Analysis of cash flow on acquisition

	$'000
Outflow of cash to acquire subsidiary	
Cash consideration	29,372
Add:	
Settlement of shareholder loan	8,931
Net cash outflow of cash – investing activities	**38,303**

25. Business combinations (continued)

Material accounting policies

Business combinations

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses and results in the consolidation of the assets and liabilities acquired. Business combinations are accounted for by applying the acquisition method.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued, or liabilities incurred by the acquirer to former owners of the acquiree. Deferred consideration payable is measured at its acquisition date fair value. At each reporting date subsequent to the acquisition, contingent consideration payable is measured at its fair value with any changes in the fair value recognised in profit or loss unless the contingent consideration is classified as equity, in which case the contingent consideration is carried at the acquisition-date fair value.

Goodwill is recognised initially at the excess of: (a) the aggregate of the consideration transferred, the fair value of the non-controlling interests and the acquisition date fair value of the acquirers previously held equity interest; over (b) the net fair value of the identifiable assets acquired and liabilities assumed.

Acquisition-related costs are expensed as incurred.

Critical accounting estimate and judgement

Business combinations

The Group is required to determine the acquisition date and fair value of the identifiable net assets acquired, including intangible assets such as brands, customer relationships, software and liabilities assumed. The estimated useful lives of the acquired amortisable assets, the identification of intangibles and the determination of the indefinite or finite useful lives of intangible assets acquired are assessed based on management's judgement. The Group reassesses the fair value of net assets acquired a year after the acquisition date and judgement is required to ensure that any adjustments made reflect new information obtained about facts and circumstances that existed as of the acquisition date. The adjustments made to fair value of net assets are retrospective in nature and have an impact on goodwill recognised on acquisition.

SECTION G: OTHER DISCLOSURES

This section includes other disclosures not included in the other sections, for example the Group's auditor's remuneration, related parties, impact of new accounting standards not yet effective and subsequent events.

26. Related party disclosures

(a) List of controlled entities

The Group's consolidated financial statements include the financial statements of Hansen Technologies Limited and the controlled entities below:

Name	Country of Incorporation	Ordinary Shares Equity Interest 2024 %	Ordinary Shares Equity Interest 2023 %
Parent entity			
Hansen Technologies Limited	Australia		
Subsidiaries of Hansen Technologies Limited			
Hansen Corporation Pty Limited	Australia	100	100
Hansen Corporation Investments Pty Limited	Australia	100	100
Utilisoft Pty Limited	Australia	100	100
Hansen Technologies (Shanghai) Company Limited	China	100	100
Hansen Technologies Denmark A/S	Denmark	100	100
Hansen Technologies CIS Finland Oy[(1)]	Finland	–	100
Hansen Technologies Finland Oy	Finland	100	100
PEP Finland Oy	Finland	100	100
powercloud GmbH[(2)]	Germany	100	–
powercloud France SAS[(2)]	France	100	–
powercloud Italy S.r.l[(2)]	Italy	100	–
powercloud Australia Pty Ltd[(2)]	Australia	100	–
Hansen Customer Support India Private Limited	India	100	100
Hansen Technologies Netherlands B.V.	Netherlands	100	100
Hansen New Zealand Limited	New Zealand	100	100
Hansen Technologies Holdings AS	Norway	100	100
Hansen Technologies Norway AS	Norway	100	100
Hansen Technologies Sweden AB	Sweden	100	100
Enoro AG	Switzerland	100	100
Hansen Corporation Europe Limited	United Kingdom	100	100
Hansen Holdings Europe Limited	United Kingdom	100	100
Hansen Billing Solutions Limited	United Kingdom	100	100
Hansen Solutions, LLC	United States	100	100
Hansen Technologies North America, Inc.	United States	100	100
Hansen ICC, LLC	United States	100	100
Hansen Banner, LLC	United States	100	100
Peace Software Inc.	United States	100	100
Hansen Technologies Vietnam, LLC	Vietnam	100	100
Hansen Technologies Canada, Inc.	Canada	100	100
Sigma Canada Holdings Inc.	Canada	100	100
Sigma Systems GP Inc.	Canada	100	100
Hansen Systems Private Limited *(fka Sigma OSS Systems India Private Limited)*	India	100	100
Sigma Systems Japan K.K.	Japan	100	100
Hansen Technologies CDE Limited	United Kingdom	100	100
Sigma Systems (Wales) Limited	United Kingdom	100	100
Hansen Technologies SA	Argentina	100	100
Hansen Technologies Limited Employee Share Plan Trust	Australia	–	–

(1) Upstream Merger of Hansen Technologies CIS Finland Oy into Hansen Technologies Finland Oy effective 29 February 2024.

(2) Acquisition of powercloud took place on 12 February 2024, refer to note 25 for further details.

26. Related party disclosures (continued)

Material accounting policies

Foreign subsidiaries

Subsidiaries that have a functional currency different to the presentation currency of the Group are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at actual exchange rates or average exchange rates for the period, where appropriate; and
- all resulting exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve as a separate component of equity in the consolidated statement of financial position. Exchange differences arising on the reduction of a foreign subsidiary's equity continues to be recognised in the Group's foreign currency translation reserve until such time that the foreign subsidiary is disposed of.

(b) Transactions with key management personnel of the entity or its parent and their personally related entities

The terms and conditions of the transactions with Directors and their Director-related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-Director-related entities on an arm's length basis.

The following table provides the total amount of transactions that were entered into with related parties in respect of leased premises for the relevant financial year:

	2024 $	2023 $
Leased premises		
A related party, Andrew Hansen – rental payments	2,670	40,713
	2,670	**40,713**

27. Auditor's remuneration

The auditor of the Group for the year ended 30 June 2024 is RSM Australia Partners.

	2024 $	2023 $
(a) Amounts paid and payable to RSM Australia for:		
(i) Audit and other assurance services		
– an audit and/or review of the Financial Report of the entity and any other entity in the consolidated entity	412,000	396,000
(ii) Other non-audit services		
– compliance services	3,515	13,715
Sub-total	3,515	13,715
Total remuneration of RSM Australia Partners	**415,515**	**409,715**
(b) Amounts paid and payable to network firms of RSM Australia for:		
(i) Audit and other assurance services		
– an audit and/or review of the Financial Report of the overseas entities in the consolidated entity	508,127	364,402
(ii) Other non-audit services		
– taxation services	50,279	39,636
– compliance services	56,548	48,149
Sub-total	106,827	87,785
Total remuneration of network firms of the auditor	**614,954**	**452,187**
(c) Amounts paid and payable to non-related auditors for:		
(i) Audit and other assurance services		
– an audit and/or review of the Financial Report of the entity and any other entities in the consolidated entity	108,805	86,147
(ii) Other non-audit services		
– taxation services	70,666	61,546
– ESG framework and policy review	56,000	–
– compliance services	28,228	51,690
Sub-total	**154,894**	**113,236**
Total remuneration of non-related auditors	**263,699**	**199,383**
Total auditors' remuneration	**1,294,168**	**1,061,285**

28. Deed of cross guarantee

Hansen Technologies Limited and Hansen Corporation Pty Limited are parties to a deed of cross guarantee under which each company guarantees the debts of the other. By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and directors' report under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The above companies represent a 'closed group' for the purposes of the Class Order, and as there are no other parties to the deed of cross guarantee that are controlled by Hansen Technologies Limited, they also represent the 'extended closed group'.

(a) Consolidated statement of comprehensive income

Set out below is a consolidated statement of comprehensive income for the financial year ended 30 June 2024 of the closed group consisting of Hansen Technologies Limited and Hansen Corporation Pty Limited ("the Closed Group").

	Note	2024 $'000	2023 $'000
Revenue		56,753	50,291
Other income		47,360	30,655
Total revenue and other income		104,113	**80,946**
Employee benefit expenses		(34,165)	(26,898)
Depreciation expense		(2,502)	(2,966)
Amortisation expense		(5,575)	(4,641)
Property and operating rental expenses		(1,328)	(1,561)
Contractor and consultant expenses		(1)	(10)
Software licence expenses		(1,357)	(1,441)
Hardware and software expenses		(9,084)	(8,557)
Travel expenses		(1,091)	(810)
Communication expenses		(576)	(416)
Professional expenses		(2,454)	(2,058)
Finance costs on borrowings		(515)	(1,130)
Finance costs on lease liabilities		6	(100)
Foreign currency losses		(155)	(489)
Other expenses		(2,790)	(602)
Total expenses		(61,587)	**(51,679)**
Profit before income tax expense		42,526	**29,267**
Income tax expense		(3,586)	(2,987)
Profit after income tax expense		38,940	**26,280**
Total comprehensive income for the year		38,940	**26,280**

(b) Consolidated statement of financial position

Set out below is a consolidated statement of financial position as at 30 June 2024 of the Closed Group:

	Note	2024 $'000	2023 $'000
Current assets			
Cash and cash equivalents		7,111	7,106
Receivables		9,264	9,266
Accrued revenue		14,536	2,904
Other current assets		3,021	3,938
Total current assets		33,932	23,214
Non-current assets			
Plant, equipment & leasehold improvements		6,520	6,093
Intangible assets		26,061	29,229
Right-of-use assets		1,781	2,550
Other non-current assets		259,814	214,950
Deferred tax assets		3,914	3,101
Total non-current assets		298,090	255,923
Total assets		332,022	**279,137**
Current liabilities			
Payables		14,103	11,751
Lease liabilities		798	1,247
Current tax payable		1,994	365
Provisions		6,433	5,804
Unearned income		7,559	5,972
Total current liabilities		30,887	25,139
Non-current liabilities			
Deferred tax liabilities		4,857	6,153
Borrowings		14,931	11,417
Lease liabilities		1,496	1,543
Provisions		188	109
Total non-current liabilities		21,472	19,222
Total liabilities		52,359	44,361
Net assets		279,663	234,776
Equity			
Share capital		173,849	148,688
Foreign currency translation reserve		(1,340)	(1,340)
Share-based payments and other reserves		9,917	8,818
Retained earnings	28(c)	97,237	78,610
Total equity		279,663	**234,776**

28. Deed of cross guarantee (continued)

(c) Summary of movements in consolidated retained earnings of the Closed Group

	Note	2024 $'000	2023 $'000
Retained earnings at the beginning of the year		78,610	72,563
Profit for the year	28(a)	38,940	26,280
Dividends declared during the year		(20,313)	(20,233)
Retained earnings at the end of the year	28(b)	97,237	**78,610**

29. New and amended accounting standards and interpretations

(a) Adoption of new and amended accounting standards that are first operative at 30 June 2024

The Group has adopted the following amended accounting standards and interpretations, applicable and effective for the financial year beginning 1 July 2023:

- Amendments to AASB 101 will require disclosure of material accounting policy information, instead of significant accounting policies. The term 'significant' has never been defined in Australian Accounting Standards unlike 'material', thus the amendment attempts to leverage the existing definition of material with guidance to assist financial statement preparers determine appropriate accounting policy disclosures.
- Changes to AASB Practice Statement 2 supplement the amendments to AASB 101 by providing guidance on how to identify material accounting policy information.
- Amendments to AASB 108 seek to clarify the definition of an accounting estimate, making it easier to differentiate it from an accounting policy given the difference between treatment and disclosure requirements are different. The amendments clarify that 'Accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty', explaining that a change in an input or a measurement technique used in developing an accounting estimate is considered a change in an accounting estimate.
- Amendments to AASB 112 to clarify the accounting for deferred tax on transactions that, at the time of transaction, give rise to equal taxable and deductible temporary differences. In specified circumstances, entities are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The amendments clarify that the exemption does not apply to transactions for which entities recognise both an asset and a liability and that give rise to equal taxable and deductible temporary differences. This may be the case for transactions such as leases and decommissioning, restoration and similar obligations. Entities are required to recognise deferred tax on such transactions.

These new and amended accounting standards do not have a material impact on the financial report and therefore the disclosures have not 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.

The Group has adopted the following amendment to the *Corporations Act 2001*, applicable for financial statements for years ending 30 June 2024:

New Consolidated Entity Disclosure Statement

This reflects the implementation of changes originally announced in the October 2022 Federal Budget, which indicated that public companies would need to disclose information on all of their subsidiaries, including their country of tax domicile. This has now been achieved by amending the *Corporations Act 2001* to require all public companies to include this information in their annual financial report.

- The new Consolidated Entity Disclosure statement has been disclosed in page 140. In addition, the directors' declaration has included a statement that the Consolidated Entity Disclosure statement is "true and correct".

(b) Accounting standards and interpretations issued but not operative at 30 June 2024

The following new and revised accounting standards and interpretations have been issued by the Australian Accounting Standards Board at the reporting date, which are considered relevant to the Group but are not yet effective. The Directors' assessment of the impact of these standards and interpretations is set out below:

(i) Amendments to AASB 101: Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants

The standard amends AASB 101 to improve the information an entity provides in its financial statements about liabilities arising from loan arrangements for which the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement.

Group's assessment performed to date

The amendments are effective for annual reporting period beginning 1 July 2024 and require an additional statement included to the notes. The amendments are not expected to have a material impact to the Group.

(ii) New standard AASB 18 Presentation and Disclosure in Financial Statements to replace AASB 101 Presentation of Financial Statements

AASB 18 will enable companies to tell their story better through their financial statements. Investors will benefit from greater consistency of presentation of the income and cash flow statements, and more disaggregated information. Companies' net profit will not change. AASB 18 requires all companies to:

- classify income and expenses between operating, investing and financing, and to report a newly defined subtotal, "operating profit"
- disclose certain "non-GAAP" measures – management performance measures (MPMs) – in a note to the financial statements, meaning that they will now be subject to audit – eg "adjusted EBITDA; and improve how they aggregate information.

Group's assessment performed to date

The amendments are effective for annual reporting periods beginning on or after 1 July 2027, this will have an impact to the presentation and structure of the financial statements with the full extent of the changes being assessed by the Group.

30. Subsequent events

The Directors resolved to pay a final dividend of 5 cents per share (franked to 2.1 cents), comprising of a regular dividend of 5 cents per share to be paid on 20 September 2024 (Note 21).

Apart from the above, there has been no other matter or circumstance which has arisen since 30 June 2024 that has significantly affected or may significantly affect:

(i) the operations, in financial years subsequent to 30 June 2024, of the Group; or

(ii) the results of those operations; or

(iii) the state of affairs, in financial years subsequent to 30 June 2024, of the Group.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

CONSOLIDATED ENTITY DISCLOSURE STATEMENT AS AT 30 JUNE 2024

Name of entity[1]	Type of entity	% of share capital	Country of incorporation	Australian resident or foreign resident	Countries of residence for tax purpose
Hansen Technologies Limited	Body corporate	100	Australia	Australian	Australia
Hansen Corporation Pty Limited	Body corporate	100	Australia	Australian	Australia
Hansen Corporation Investments Pty Limited	Body corporate	100	Australia	Australian	Australia
Utilisoft Pty Limited	Body corporate	100	Australia	Australian	Australia
Hansen Technologies (Shanghai) Company Limited	Body corporate	100	China	Foreign	China
Hansen Technologies Denmark A/S	Body corporate	100	Denmark	Foreign	Denmark
Hansen Technologies Finland Oy	Body corporate	100	Finland	Foreign	Finland
PEP Finland Oy	Body corporate	100	Finland	Foreign	Finland
powercloud GmbH	Body corporate	100	Germany	Foreign	Germany
powercloud France SAS	Body corporate	100	France	Foreign	France
powercloud Italy S.r.l	Body corporate	100	Italy	Foreign	Italy
powercloud Australia Pty Ltd	Body corporate	100	Australia	Australian	Australia
Hansen Customer Support India Private Limited	Body corporate	100	India	Foreign	India
Hansen Technologies Netherlands B.V.	Body corporate	100	Netherlands	Foreign	Netherlands
Hansen New Zealand Limited	Body corporate	100	New Zealand	Foreign	New Zealand
Hansen Technologies Holdings AS	Body corporate	100	Norway	Foreign	Norway
Hansen Technologies Norway AS	Body corporate	100	Norway	Foreign	Norway
Hansen Technologies Sweden AB	Body corporate	100	Sweden	Foreign	Sweden
Enoro AG	Body corporate	100	Switzerland	Foreign	Switzerland
Hansen Corporation Europe Limited	Body corporate	100	United Kingdom	Foreign	United Kingdom
Hansen Holdings Europe Limited	Body corporate	100	United Kingdom	Foreign	United Kingdom
Hansen Billing Solutions Limited	Body corporate	100	United Kingdom	Foreign	United Kingdom
Hansen Solutions, LLC	Body corporate	100	United States	Foreign	United States
Hansen Technologies North America, Inc.	Body corporate	100	United States	Foreign	United States
Hansen ICC, LLC	Body corporate	100	United States	Foreign	United States
Hansen Banner, LLC	Body corporate	100	United States	Foreign	United States
Peace Software Inc.	Body corporate	100	United States	Foreign	United States
Hansen Technologies Vietnam, LLC	Body corporate	100	Vietnam	Foreign	Vietnam
Hansen Technologies Canada, Inc.	Body corporate	100	Canada	Foreign	Canada
Sigma Canada Holdings Inc.	Body corporate	100	Canada	Foreign	Canada
Sigma Systems GP Inc.	Body corporate	100	Canada	Foreign	Canada
Hansen Systems Private Limited (fka Sigma OSS Systems India Private Limited)	Body corporate	100	India	Foreign	India
Sigma Systems Japan K.K.	Body corporate	100	Japan	Foreign	Japan
Hansen Technologies CDE Limited	Body corporate	100	United Kingdom	Foreign	United Kingdom
Sigma Systems (Wales) Limited	Body corporate	100	United Kingdom	Foreign	United Kingdom
Hansen Technologies SA	Body corporate	100	Argentina	Foreign	Argentina
Hansen Technologies Limited Employee Share Plan Trust	Trust	–	Australia	Australian	Australia

(1) None of the above entities are a trustee, partner or a participant in a joint venture.

DIRECTORS' DECLARATION

The Directors declare that the financial statements and notes set out on pages 79 to 139, in accordance with the *Corporations Act 2001*:

- comply with Accounting Standards and the *Corporations Regulations 2001*, and other mandatory professional reporting requirements;
- as stated in Note 1(a), the consolidated financial statements of the Group also comply with International Financial Reporting Standards; and
- give a true and fair view of the financial position of the consolidated entity as at 30 June 2024 and of its performance for the year ended on that date.
- that the consolidated entity disclosure statement set out in page 140 is true and correct as at 30 June 2024.

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.

At the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in Note 28 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 28.

This declaration has been made after receiving the declarations required to be made by the Managing Director and Chief Financial Officer to the Directors in accordance with sections 295A of the *Corporations Act 2001* for the financial year ended 30 June 2024.

This declaration is made in accordance with a resolution of the Directors.

David Trude
Chair

Andrew Hansen
Global CEO and Managing Director

Melbourne
21 August 2024

RSM Australia Partners

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INDEPENDENT AUDITOR'S REPORT
To the Members of Hansen Technologies Limited

Opinion

We have audited the financial report of Hansen Technologies Limited (the Company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001.*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed this matter</th></tr>
<tr><td colspan="2">Recognition of Revenue
Refer to Note 3 in the financial statements</td></tr>
<tr><td>Revenue recognition was considered a key audit matter, as it is complex and involves significant management judgements.

The Group's revenue is primarily derived from the provision of billing solution services to customers, maintenance and support, and licences. Revenue determined for some of the service contracts is based on stage of completion, calculated on the proportion of total costs incurred at the reporting date compared to management's estimation of the total costs of the contract.</td><td>Our audit procedures in relation to the recognition of revenue included:
• Assessing whether the Group's revenue recognition policies were in compliance with Australian Accounting Standards;
• Evaluating and testing the operating effectiveness of management's controls related to revenue recognition;
• Performing substantive analytical procedures over key revenue streams;
• For a sample of revenue transactions, substantiating transactions by agreeing to supporting documentation, including contracts with customers;
• For a sample of revenue transactions that were recognised on a percentage of completion basis, our testing included:
– Agreeing the contract price and variations to customer contracts;
– Assessing management's estimate of costs to complete; and
– Assessing whether the project was within budgeted margin.
• Reviewing sales transactions before and after year-end to ensure that revenue was recognised in the correct period; and
• Reviewing large or unusual transactions during the financial year.</td></tr>
</table>

RSM

Impairment of Intangible Assets Refer to Note 12 in the financial statements	
The Group has net book value goodwill of $256 million in respect of acquisitions of subsidiaries as at 30 June 2024. We identified this area as a Key Audit Matter due to the size of the goodwill balance, and because the directors' assessment of the 'value in use' of the cash generating unit ("CGU") involves significant judgements about the future underlying cash flows of the business, discount rates and terminal growth applied. For the year ended 30 June 2024 management have performed an impairment assessment over the goodwill balance by: • Calculating the value in use for the CGU using a discounted cash flow model. The model used cash flows (revenues, expenses and capital expenditure) for the CGU for 5 years, with a terminal growth rate applied to the 5th year. The cash flows were then discounted to net present value using the Company's weighted average cost of capital (WACC); and • Comparing the resulting value in use of the CGU to its respective book value. Management also performed a sensitivity analysis over the value in use calculations, by varying the WACC and other assumptions.	Our audit procedures in relation to management's impairment assessment involved the assistance of our Corporate Finance team where required, and included: • Assessing management's determination that the goodwill should be allocated to a single CGU based on the nature of the Group's business and the manner in which results are monitored and reported; • Assessing the valuation methodology used; • Challenging the reasonableness of key assumptions, including the cash flow projections, exchange rates, discount rates, and sensitivities used; and • Checking the mathematical accuracy of the cash flow model, and reconciling input data to supporting evidence, such as approved budgets and considering the reasonableness of these budgets.
Accounting for Business Combination Refer to Note 25 in the financial statements	
On 12 February 2024, Hansen acquired 100% of the shares of powercloud GmbH (powercloud) for a total purchase consideration of $29.4 million. This is considered a Key Audit Matter as accounting for such a transaction is complex and involves significant judgement in applying the accounting standards. This includes the measurement and recognition of identifiable assets and liabilities acquired at their acquisition date fair values. There is also a risk that sufficient and accurate disclosures are not made in accordance with the accounting standards.	Our audit procedures included: • Assessing the purchase agreement and other associated documents and ensuring that the transactions had been accounted for in accordance with AASB 3 *Business Combinations*; • Assessing the consideration to the signed purchase agreement; • Reviewing management's estimates in relation to the purchase price allocation, including measurement and recognition of intangible assets, and the resulting goodwill; and • Reviewing the disclosures made in the financial statements is in accordance with the accounting standards.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and
b. the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf .
This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Hansen Technologies Limited, for the year ended 30 June 2024, complies with section *300A* of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM AUSTRALIA PARTNERS

M PARAMESWARAN
Partner

Dated: 21 August 2024
Melbourne, Victoria

ASX SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 7 August 2024 disclosed pursuant to ASX official listing requirements.

Distribution of shares

The following tables summarises the distribution of our listed shares as at 7 August 2024:

Range	Number of holders	Number of shares held	% of issued capital
100,001 and over	69	155,613,080	76.47
10,001 to 100,000	1,222	29,635,657	14.56
5,001 to 10,000	1,182	8,681,713	4.27
1,001 to 5,000	3,167	8,574,602	4.21
1 to 1,000	2,402	1,004,389	0.49
Total	**8,042**	**203,509,441**	**100.00**

The number of shareholders holding less than a marketable parcel of ordinary shares is 539 holding 20,220 shares (as at the closing market price on 7 August 2024).

Twenty largest shareholders

The following table sets out the top 20 holders of our shares:

Range	Number of shares held	% of issued capital
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	49,966,222	24.55
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	29,652,346	14.57
OTHONNA PTY LIMITED	27,739,113	13.63
CITICORP NOMINEES PTY LIMITED	20,679,647	10.16
NATIONAL NOMINEES LIMITED	3,616,013	1.78
BNP PARIBAS NOMS PTY LTD	2,751,468	1.35
BNP PARIBAS NOMINEES PTY LTD	1,723,963	0.85
PACIFIC CUSTODIANS PTY LIMITED	1,373,972	0.68
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,287,951	0.63
MR CAMERON SCOTT HUNTER	1,286,009	0.63
BNP PARIBAS NOMINEES PTY LTD	1,239,860	0.61
SANDHURST TRUSTEES LTD	886,346	0.44
MR JAMES LUCAS & MS LESLEY DORMER	800,939	0.39
SCOTT WEIR	634,049	0.31
MRS LILIAN REICHENBERG	546,953	0.27
NETWEALTH INVESTMENTS LIMITED	526,474	0.26
CITICORP NOMINEES PTY LIMITED	470,361	0.23
PACIFIC CUSTODIANS PTY LIMITED	458,692	0.23
LAYUTI PTY LTD	420,612	0.21
MR DAVID JOHN OSBORNE & MS LEONE CATHERINE OSBORNE	386,335	0.19
Total	**146,447,325**	**71.97**
Total other investors	**57,062,116**	**28.03**
Grand total	**203,509,441**	**100.00**

Substantial shareholdings

The following table shows holdings of substantial voting rights in the Company's shares as notified to the Company under the *Corporations Act 2001* as at 31 July 2024:

Holder	Number of shares held	% of issued capital
Mr Andrew Hansen*	28,434,876	13.97%
Mr David Osborne*	28,125,448	13.82%
Mr Bruce Adams*	27,891,417	13.71%

* Each of these named persons has a joint interest in a single parcel of 27,739,113 shares as at the date of this report.

Voting rights

Refer to Note 20(c) of the financial statements.

Unquoted equity securities

Unquoted equity securities issued pursuant to the Hansen Technologies Limited Employee Performance Rights Plan as at 15 August 2024:

Range	Number of employees participating	Number of securities
Performance rights	41	1,148,903

CORPORATE DIRECTORY

Directors

David Trude, Chairperson
Andrew Hansen, Global CEO and Managing Director
Bruce Adams, Non-Executive
Lisa Pendlebury, Non-Executive
Don Rankin, Non-Executive
David Osborne, Non-Executive
David Howell, Non-Executive
Rebecca Wilson, Non-Executive

Company secretary

Julia Chand

Principal registered office

Level 13, 31 Queen Street
Melbourne, Victoria 3000

T (03) 9840 3000
F (03) 9840 3099

Share registry

Link Market Services Limited
Tower 4, 727 Collins Street
Melbourne, Victoria 3000

T 1300 554 474
F (02) 9287 0309 – Proxy forms
F (02) 9287 0303 – General

Stock exchange

The Company is listed on the Australian Stock Exchange
ASX code: HSN

Auditors

RSM Australia Partners
Level 27, 120 Collins Street
Melbourne, Victoria 3000

Solicitors

GrilloHiggins
Level 25, 367 Collins Street
Melbourne, Victoria 3000

Other information

Hansen Technologies Ltd ABN 90 090 996 455,
incorporated and domiciled in Australia,
is a publicly listed company limited by shares.

HANSEN