



Gentrack Group Limited

# **Interim Financial Statements**

For the six months ended 31 March 2023





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- **Revenue: \$84.3m - up 47.7% on H1'22**
- **EBITDA \$16.0m - up \$14.8m over H1'22**
- **Statutory NPAT: \$7.9m profit v \$5.8m loss in H1'22**
- **Cash: \$41.9m - up \$14.5m over FY22**
- **No Dividend payable**
- **Results include substantial one-off revenues, but strong underlying growth means that both FY23 and FY24 revenue guidance have been upgraded to a range of \$157m to \$160m (from previous guidance of \$147m to \$150m for FY23 and \$150m for FY24).**

Across the first half of the financial year, Gentrack has delivered impressive growth in revenue, EBITDA and cash. We continue to win new customers as well as deliver against recent wins and expand services with existing customers. We have strong net people growth and employee engagement is high, with staff turnover at an all-time low. Finally, we are proud to be working with the leaders in the sectors we serve to help them innovate and move to sustainable solutions.

### Financial performance

Strong revenue results were driven by a 51.2% increase in the Utilities business to \$73.9m for this half. This included \$19.7m of revenue from Bulb and other insolvent UK customers. In December 2022, the UK Government agreed the sale of Bulb's business to another retailer who is now in the process of migrating Bulb's customers from our platform to its own. Whilst we continue to support the administrators of Bulb, the level of services we provide has now peaked and we do not expect material revenues from this customer beyond this financial year.

Notwithstanding, our underlying growth in the Utilities business, excluding insolvencies, was also impressive, up by 38.7% over H1'22. The Veovo airports business also grew strongly, up 26.7% on H1 '22 to \$10.4m with growth in recurring and non-recurring revenues, up 15% and 57% over H1'22 respectively.

EBITDA performance was \$16m, \$14.8m higher than H1'22. This growth in EBITDA

has been achieved whilst continuing to invest in strategic R&D and increasing our sales & marketing spend to support international expansion.

With strong cash conversion from EBITDA, net cash as of 31 March 2023 was \$41.9m, which is an increase of \$14.5m from the end of the last financial year.

This half year marks a return to an NPAT profit of \$7.9m against an NPAT loss made last year. Gentrack's Utilities and Veovo businesses both operate in markets with strong growth potential. The Board continues to believe that the best use of the company's capital is to continue to invest in growth. We have therefore decided not to pay an interim dividend.

### Growing our energy customers

Our underlying growth in Utilities demonstrates we are doing more with both new and existing energy customers in the markets we serve.

EnergyAustralia, a new customer for Gentrack this half year, went live in March with its innovative, ground-breaking product 'Solar Home Bundle' on our cloud billing solution. They have migrated their existing Solar Home Bundle customers to the new platform, an integrated solution including digital consumer engagement, field services management and automation, and a Virtual Power Plant (VPP) solution.

In New Zealand, we are working with Mercury, a customer win for Gentrack last September, to migrate their customers from

SAP across to our multi play platform that will support Mercury to deliver premium offers, multi play bundles across B2C and B2B energy and communications services and a high level of digital engagement with its customers.

### **Growing our water customers**

We are doing more with our water customers across the globe. We support, through leading water retailers, more than 50% of the UK's businesses with water solutions. We recently completed the migration of Scottish Water Business Stream's 200k+ business customers from three legacy systems to our cloud-based solution. In Australia, we have won another water customer during this half year, and we are working to migrate a new customer we secured last year across to our platform. In Fiji, we have agreed with one of our existing customers, the Water Authority of Fiji, to modernise their platform and transform their business.

### **Targeting international expansion for Utilities**

In November, we announced our plan to expand our international footprint, beyond our core markets in the UK, Australia, and New Zealand. This year, we have opened an office in Singapore, and are growing the local team to both support the migration to our platform at one of Singapore's large energy retailers (customer win in 2022) and to target new business in the wider Asian region.

During the period, we built our EMEA business development team, based from our London office, and are actively pursuing opportunities across Europe and the Middle East.

We are pleased with our progress in building our capability and growing our pipeline in these new regions. The Salesforce relationship, an essential part of g2.0, our next generation platform, has greatly benefited our pipeline development.

### **Growing our airport customers**

We are seeing a strong recovery across the aviation and airports industry. Passenger numbers are trending close to pre-pandemic levels, driving airports to look to technology to help them handle more passengers with fewer resources than before. For Veovo, this has meant strong demand for upgrades to our latest "R8 Platform" for Aero-Billing and Airport Operations. This, together with some significant expansions in deployments of our passenger flow solutions, is driving growth within our current customer base. We have also gone live at our first Tier 1 airport for our managed service offering.

Veovo's pipeline of new customer opportunities has also significantly strengthened across the last year as airports globally look to undertake digital transformations.

### **Looking Forward**

We are pleased with the progress made this half year on sales and building our pipeline, delivering against recent customer wins, onboarding new people into our team, building our overall people capability and continuing to innovate with great technology.

We are excited about the transformation capabilities required by the industries that we serve. For airports, we are seeing pent-up demand being unleashed in modernisation programs. For utilities, no other market requires the level of modernisation that the IT systems in both the energy and water markets require. It is an exciting time to be in these dynamic markets.

In the second half of the financial year, we continue to expect growth across all our customer base excluding revenues from insolvent UK customers. For insolvent UK customers we expect lower revenues in H2 '23 than H1 '23 and generally a wind down of revenues from these insolvent customers by the end of the financial year. As a result, our full year revenue for FY23 is expected to

## MANAGEMENT COMMENTARY

be in the range of \$157m to \$160m with EBITDA for the year of approximately \$22m.

The strong underlying growth in both Utilities and Veovo means we are able to upgrade our revenue guidance for FY24 to be in line with the revenue expected in FY23 despite the loss of 'one off' revenues of c.\$25m from insolvent UK customers.



Andy Green, CBE  
Chairman



Gary Miles  
CEO

# **Interim Financial Statements**

31 March 2023



# CONDENSED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 MARCH 2023

		6 MONTHS 31 MARCH 2023	6 MONTHS 31 MARCH 2022	12 MONTHS 30 SEPTEMBER 2022
		UNAUDITED	UNAUDITED	AUDITED
	NOTE	NZ\$000	NZ\$000	NZ\$000
Revenue	3	84,303	57,072	126,299
Expenditure	4	(68,304)	(55,902)	(118,185)
<b>Profit before depreciation, amortisation, financing, foreign exchange gain or loss and tax</b>		<b>15,999</b>	<b>1,170</b>	<b>8,114</b>
Depreciation and amortisation		(4,053)	(5,391)	(10,693)
<b>Profit/(Loss) before financing, foreign exchange gain or loss and tax</b>		<b>11,946</b>	<b>(4,221)</b>	<b>(2,579)</b>
Net finance expense	5	(539)	(1,453)	(878)
<b>Profit/(Loss) before tax</b>		<b>11,407</b>	<b>(5,674)</b>	<b>(3,457)</b>
Income tax (expense)/income		(3,527)	(157)	137
<b>Profit/(Loss) attributable to the shareholders of the company</b>		<b>7,880</b>	<b>(5,831)</b>	<b>(3,320)</b>
OTHER COMPREHENSIVE INCOME				
Excess income tax benefit on share-based payments		263	(2)	(147)
Translation of international subsidiaries		1,636	(3,197)	(881)
<b>Total comprehensive income/(loss) for the period</b>		<b>9,779</b>	<b>(9,030)</b>	<b>(4,348)</b>
EARNINGS PER SHARE LOSS ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY (EXPRESSED IN DOLLARS PER SHARE)				
Basic profit/(loss) per share		\$0.08	(\$0.06)	(\$0.03)
Diluted profit/(loss) per share		\$0.07	(\$0.06)	(\$0.03)
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES ISSUED (EXPRESSED IN THOUSANDS)				
Basic		101,161	99,840	99,840
Diluted		105,359	103,179	102,404

Basic earnings per share is based on total issued shares. Diluted EPS takes into account the impact of shares to be issued under share based payment schemes where the conditions for these schemes are currently being met.

The above Condensed Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

# CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

		31 MARCH 2023	31 MARCH 2022	30 SEPTEMBER 2022
		UNAUDITED	UNAUDITED	AUDITED
	NOTE	NZ\$000	NZ\$000	NZ\$000
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	6	41,885	16,529	27,387
Trade and other receivables	7	37,376	28,743	29,485
Income tax receivable		-	189	2,744
Inventory		315	368	395
<b>Total current assets</b>		<b>79,576</b>	<b>45,829</b>	<b>60,011</b>
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment		2,768	2,591	2,205
Lease assets		13,602	7,801	8,560
Goodwill	12	107,549	104,316	106,240
Intangibles		28,499	32,901	30,797
Deferred tax assets		10,265	8,087	5,478
<b>Total non-current assets</b>		<b>162,683</b>	<b>155,696</b>	<b>153,280</b>
<b>Total assets</b>		<b>242,259</b>	<b>201,525</b>	<b>213,291</b>
<b>CURRENT LIABILITIES</b>				
Trade payables and accruals		6,891	4,318	6,843
Lease liabilities		2,011	1,804	1,675
Contract liabilities		18,846	14,212	12,592
GST payable		4,518	2,228	2,674
Employee entitlements		12,825	8,563	14,731
Income tax payable		4,540	-	-
<b>Total current liabilities</b>		<b>49,631</b>	<b>31,125</b>	<b>38,515</b>
<b>NON-CURRENT LIABILITIES</b>				
Lease liabilities		16,075	10,552	11,407
Employee entitlements		739	556	562
Deferred tax liabilities		3,857	4,535	2,899
<b>Total non-current liabilities</b>		<b>20,671</b>	<b>15,643</b>	<b>14,868</b>
<b>Total liabilities</b>		<b>70,302</b>	<b>46,768</b>	<b>53,384</b>
<b>Net assets</b>		<b>171,957</b>	<b>154,757</b>	<b>159,908</b>
<b>EQUITY</b>				
Share capital	9	195,193	194,009	194,009
Share based payment reserve		3,963	2,923	2,877
Foreign currency translation reserve		2,545	(1,406)	909
Accumulated deficit		(29,744)	(40,769)	(37,887)
<b>Total equity</b>		<b>171,957</b>	<b>154,757</b>	<b>159,908</b>

The above Condensed Statement of Financial Position should be read in conjunction with the accompanying notes.

For and on behalf of the Board who authorised these financial statements for issue on 19 May 2023.



Andy Green  
Chairman

Date: 19 May 2023



Fiona Oliver  
Director

Date: 19 May 2023



# CONDENSED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 MARCH 2023

31 MARCH 2023		SHARE	SHARE	RETAINED	TRANSLATION	TOTAL
		CAPITAL	BASED PAYMENT RESERVE	EARNINGS	RESERVE	EQUITY
UNAUDITED	NOTE	NZ\$000	NZ\$000	NZ\$000	NZ\$000	NZ\$000
<b>Balance at 1 October</b>		<b>194,009</b>	<b>2,877</b>	<b>(37,887)</b>	<b>909</b>	<b>159,908</b>
Profit attributable to the shareholders of the company		-	-	7,880	-	7,880
Other comprehensive income		-	-	263	1,636	1,899
<b>Total comprehensive loss for the period, net of tax</b>		<b>-</b>	<b>-</b>	<b>8,143</b>	<b>1,636</b>	<b>9,779</b>
TRANSACTION WITH OWNERS						
Issue of capital		1,184	(1,184)	-	-	-
Share based payments		-	2,270	-	-	2,270
<b>Balance at 31 March</b>		<b>195,193</b>	<b>3,963</b>	<b>(29,744)</b>	<b>2,545</b>	<b>171,957</b>

31 MARCH 2022		SHARE	SHARE	RETAINED	TRANSLATION	TOTAL
		CAPITAL	BASED PAYMENT RESERVE	EARNINGS	RESERVE	EQUITY
UNAUDITED		NZ\$000	NZ\$000	NZ\$000	NZ\$000	NZ\$000
<b>Balance at 1 October</b>		<b>191,699</b>	<b>3,888</b>	<b>(34,936)</b>	<b>1,790</b>	<b>162,441</b>
Loss attributable to the shareholders of the company		-	-	(5,831)	-	(5,831)
Other comprehensive income		-	-	(2)	(3,196)	(3,198)
<b>Total comprehensive profit/(loss) for the period, net of tax</b>		<b>-</b>	<b>-</b>	<b>(5,833)</b>	<b>(3,196)</b>	<b>(9,029)</b>
TRANSACTION WITH OWNERS						
Share based payments		2,310	(965)	-	-	1,345
<b>Balance at 31 March</b>		<b>194,009</b>	<b>2,923</b>	<b>(40,769)</b>	<b>(1,406)</b>	<b>154,757</b>

30 SEPTEMBER 2022		SHARE	SHARE	RETAINED	TRANSLATION	TOTAL
		CAPITAL	BASED PAYMENT RESERVE	EARNINGS	RESERVE	EQUITY
AUDITED		NZ\$000	NZ\$000	NZ\$000	NZ\$000	NZ\$000
<b>Balance at 1 October</b>		<b>191,699</b>	<b>3,888</b>	<b>(34,936)</b>	<b>1,790</b>	<b>162,441</b>
Loss attributable to the shareholders of the company		-	-	(3,320)	-	(3,320)
Other comprehensive income		-	-	(147)	(881)	(1,028)
<b>Total comprehensive profit/(loss) for the period, net of tax</b>		<b>-</b>	<b>-</b>	<b>(3,467)</b>	<b>(881)</b>	<b>(4,348)</b>
TRANSACTION WITH OWNERS						
Issue of capital		2,310	(2,310)	-	-	-
Accelerated vesting		-	(516)	516	-	-
Share based payments		-	1,815	-	-	1,815
<b>Balance at 30 September</b>		<b>194,009</b>	<b>2,877</b>	<b>(37,887)</b>	<b>909</b>	<b>159,908</b>

The above Condensed Statement of Changes in Equity should be read in conjunction with the accompanying note.

# CONDENSED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31 MARCH 2023

	6 MONTHS 31 MARCH 2023	6 MONTHS 31 MARCH 2022	12 MONTHS 30 SEPTEMBER 2022
	UNAUDITED	UNAUDITED	AUDITED
	NZ\$000	NZ\$000	NZ\$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	83,645	51,476	118,647
Payments to suppliers and employees	(66,333)	(55,646)	(108,557)
Income tax paid	(96)	(2,888)	(4,126)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>17,216</b>	<b>(7,058)</b>	<b>5,964</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment	(1,052)	(346)	(986)
Proceeds from sale of property, plant and equipment	-	-	37
<b>Net cash outflow from investing activities</b>	<b>(1,052)</b>	<b>(346)</b>	<b>(949)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments for lease liabilities	(906)	(1,412)	(2,503)
Lease liability finance charge*	(525)	(370)	(732)
Interest (paid)/received	(66)	(165)	(614)
<b>Net cash (outflow) from financing activities</b>	<b>(1,497)</b>	<b>(1,947)</b>	<b>(3,849)</b>
<b>Net increase/(decrease) in cash held</b>	<b>14,667</b>	<b>(9,351)</b>	<b>1,166</b>
Foreign currency translation adjustment	(168)	(77)	264
Cash at beginning of the financial period	27,386	25,957	25,957
<b>Closing cash and cash equivalents</b>	<b>41,885</b>	<b>16,529</b>	<b>27,387</b>

\*The lease liability finance change has been reclassified from operating to financing activities.

The above Condensed Statement of Cash Flows should be read in conjunction with the accompanying notes.

# NOTES TO CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2023

## 1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

These unaudited interim financial statements of Gentrack Group Limited (the Company) and its subsidiaries (together "Gentrack Group") have been prepared in accordance with the New Zealand equivalent of International Accounting Standard 34: Interim Financial Reporting (NZ IAS 34) and New Zealand Generally Accepted Accounting Practice (NZ GAAP). In complying with NZ IAS 34, these statements comply with International Accounting Standard 34: Interim Financial Reporting.

Gentrack Group is a profit-oriented entity for financial reporting purposes.

The Company is an FMC entity for the purposes of the Financial Markets Conduct Act 2013 and is listed on the New Zealand Stock Exchange (NZX) and the Australian Securities Exchange (ASX).

These unaudited consolidated condensed interim financial statements of Gentrack Group for the six months ended 31 March 2023 have been prepared using the same accounting policies and methods of computation as, and should be read in conjunction with, the financial statements and related notes included in Gentrack Group's Annual Report for the year ended 30 September 2022.

## 2. OPERATING SEGMENTS

Gentrack Group currently operates in two business segments: utility billing software and airport management software. These segments have been determined based on the reports reviewed by the Board (Chief Operating Decision Maker) to make strategic decisions.

The assets and liabilities of Gentrack Group are reported to and reviewed by the Chief Operating Decision Maker in total and are not allocated by business segment. Therefore, operating segment assets and liabilities are not disclosed.

6 MONTHS 31 MARCH 2023 UNAUDITED	UTILITY NZ\$000	AIRPORT NZ\$000	TOTAL NZ\$000
TIMING OF REVENUE RECOGNITION			
Point in time	19,349	1,019	20,368
Over time	54,566	9,369	63,935
<b>Total revenue</b>	<b>73,915</b>	<b>10,388</b>	<b>84,303</b>
Expenditure	(59,855)	(8,449)	(68,304)
<b>Segment contribution (1)</b>	<b>14,060</b>	<b>1,939</b>	<b>15,999</b>

6 MONTHS 31 MARCH 2022 UNAUDITED	UTILITY NZ\$000	AIRPORT NZ\$000	TOTAL NZ\$000
TIMING OF REVENUE RECOGNITION			
Point in time	7,014	753	7,767
Over time	41,860	7,445	49,305
<b>Total revenue</b>	<b>48,874</b>	<b>8,198</b>	<b>57,072</b>
Expenditure	(48,377)	(7,525)	(55,902)
<b>Segment contribution (1)</b>	<b>497</b>	<b>673</b>	<b>1,170</b>

12 MONTHS 30 SEPTEMBER 2022 AUDITED	UTILITY NZ\$000	AIRPORT NZ\$000	TOTAL NZ\$000
TIMING OF REVENUE RECOGNITION			
Point in time	23,007	1,904	24,911
Over time	85,203	16,185	101,388
<b>Total revenue</b>	<b>108,210</b>	<b>18,089</b>	<b>126,299</b>
Expenditure	(102,294)	(15,891)	(118,185)
<b>Segment contribution (1)</b>	<b>5,916</b>	<b>2,198</b>	<b>8,114</b>

# NOTES TO CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2023

## 2. OPERATING SEGMENTS (CONTINUED)

A reconciliation of segment contribution (1) to profit attributable to the shareholders of the company is as follows:

	6 MONTHS 31 MARCH 2023 UNAUDITED NZ\$000	6 MONTHS 31 MARCH 2022 UNAUDITED NZ\$000	12 MONTHS 30 SEPTEMBER 2022 AUDITED NZ\$000
<b>Segment contribution (1)</b>	<b>15,999</b>	<b>1,170</b>	<b>8,114</b>
Depreciation and amortisation	(4,053)	(5,391)	(10,693)
Net finance expense	(539)	(1,453)	(878)
Income tax (expense)/income	(3,527)	(157)	137
<b>Profit/(loss) attributable to the shareholders of the company</b>	<b>7,880</b>	<b>(5,831)</b>	<b>(3,320)</b>

	6 MONTHS 31 MARCH 2023 UNAUDITED NZ\$000	6 MONTHS 31 MARCH 2022 UNAUDITED NZ\$000	12 MONTHS 30 SEPTEMBER 2022 AUDITED NZ\$000
REVENUE BY DOMICILE OF ENTITY			
Australia	19,151	15,148	32,463
New Zealand	8,230	6,577	13,300
United Kingdom	50,323	32,006	72,093
Rest of World	6,599	3,340	8,443
<b>Total revenue</b>	<b>84,303</b>	<b>57,072</b>	<b>126,299</b>
REVENUE BY DOMICILE OF CUSTOMER			
Australia	20,298	16,477	35,312
New Zealand	6,155	3,894	8,115
United Kingdom	48,512	30,832	71,612
Rest of World	9,338	5,869	11,261
<b>Total revenue</b>	<b>84,303</b>	<b>57,072</b>	<b>126,299</b>

(1) Segment contribution is defined as Profit before depreciation, amortisation, revaluation of financial liabilities, impairment of goodwill and intangible assets, financing and tax.

# NOTES TO CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2023

## 3. REVENUE

	6 MONTHS 31 MARCH 2023	6 MONTHS 31 MARCH 2022	12 MONTHS 30 SEPTEMBER 2022
	UNAUDITED	UNAUDITED	AUDITED
	<b>NZ\$000</b>	<b>NZ\$000</b>	<b>NZ\$000</b>
<b>OPERATING REVENUE:</b>			
Annual fees	33,257	26,974	54,131
Support services	12,417	10,534	21,016
Project services	17,887	12,237	26,985
Licenses	252	1,750	2,117
Managed services*	19,436	4,836	20,145
Other	1,054	741	1,905
<b>Total revenue</b>	<b>84,303</b>	<b>57,072</b>	<b>126,299</b>

\*Managed Services has been reclassified from Other and Annual fees due to its significant value. Of the amounts disclosed as Managed Services for half year ended 31 March 2022, \$3.8m was previously disclosed in Other and \$1m was previously disclosed in Annual fees.

## 4. EXPENDITURE

	6 MONTHS 31 MARCH 2023	6 MONTHS 31 MARCH 2022	12 MONTHS 30 SEPTEMBER 2022
	UNAUDITED	UNAUDITED	AUDITED
	<b>NZ\$000</b>	<b>NZ\$000</b>	<b>NZ\$000</b>
<b>PROFIT/(LOSS) BEFORE TAX INCLUDES THE FOLLOWING SPECIFIC EXPENSES:</b>			
Employee entitlements	50,633	41,616	86,597
Administrative costs	3,133	2,107	5,785
Third party customer-related costs	4,785	3,201	7,055
Advertising and marketing	1,139	739	1,850
Consulting and subcontracting	6,280	6,240	12,530
Other operating expenses	2,334	1,999	4,368
<b>Total expenditure</b>	<b>68,304</b>	<b>55,902</b>	<b>118,185</b>

# NOTES TO CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2023

## 5. NET FINANCE EXPENSES/INCOME

	6 MONTHS 31 MARCH 2023	6 MONTHS 31 MARCH 2022	12 MONTHS 30 SEPTEMBER 2022
	UNAUDITED	UNAUDITED	AUDITED
	NZ\$000	NZ\$000	NZ\$000
<b>FINANCE INCOME</b>			
Interest income	130	7	37
Foreign exchange gains	75	-	468
	<b>205</b>	<b>7</b>	<b>505</b>
<b>FINANCE EXPENSE</b>			
Interest expense	(197)	(459)	(651)
Lease liability finance charges	(525)	(370)	(732)
Foreign exchange losses	(22)	(631)	-
	<b>(744)</b>	<b>(1,460)</b>	<b>(1,383)</b>
<b>Net finance expense</b>	<b>(539)</b>	<b>(1,453)</b>	<b>(878)</b>

## 6. CASH AND CASH EQUIVALENTS

	6 MONTHS 31 MARCH 2023	6 MONTHS 31 MARCH 2022	12 MONTHS 30 SEPTEMBER 2022
	UNAUDITED	UNAUDITED	AUDITED
	NZ\$000	NZ\$000	NZ\$000
Bank balances	41,884	16,529	27,387
<b>Total cash and cash equivalents</b>	<b>41,885</b>	<b>16,529</b>	<b>27,387</b>

## 7. TRADE AND OTHER RECEIVABLES

	6 MONTHS 31 MARCH 2023	6 MONTHS 31 MARCH 2022	12 MONTHS 30 SEPTEMBER 2022
	UNAUDITED	UNAUDITED	AUDITED
	NZ\$000	NZ\$000	NZ\$000
Trade receivables	29,686	25,261	24,723
Impairment provision - Expected credit loss	(291)	(394)	(385)
Impairment provision - Specific provision	(3,749)	(2,929)	(3,624)
Provision for volume discounts	(265)	(139)	(229)
Contract assets	9,125	4,873	6,895
Sundry receivables and prepayments	2,870	2,071	2,105
<b>Total trade and other receivables</b>	<b>37,376</b>	<b>28,743</b>	<b>29,485</b>

# NOTES TO CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2023

## 7. TRADE AND OTHER RECEIVABLES (CONTINUED)

	6 MONTHS 31 MARCH 2023 UNAUDITED NZ\$000	6 MONTHS 31 MARCH 2022 UNAUDITED NZ\$000	12 MONTHS 30 SEPTEMBER 2022 AUDITED NZ\$000
Opening balance	4,009	3,279	3,279
Movement in impairment provision	(8)	154	732
Effect of movement in foreign exchange	39	(110)	284
Bad debt written off	-	-	(286)
<b>Total trade receivables impairment provision</b>	<b>4,040</b>	<b>3,323</b>	<b>4,009</b>

## 8. BANK LOANS

Gentrack Group has a NZ\$25 million multi-currency facility loan agreement with Bank of New Zealand (BNZ). This facility is to provide additional funding as required for acquisitions and general corporate purposes. The BNZ facility expires on 16 December 2024.

The facility is secured by a general security agreement under which the bank has a security interest in Gentrack Group assets. Covenants are in place and compliance is reported quarterly. At all times during the period Gentrack Group has met the covenant requirements.

At 31 March 2023, \$Nil (2022: nil) of the facility has been drawn down.

## 9. SHARE CAPITAL

	SHARES ISSUED			SHARE CAPITAL		
	31 MARCH 2023	31 MARCH 2022	30 SEPTEMBER 2022	31 MARCH 2023	31 MARCH 2022	30 SEPTEMBER 2022
	UNAUDITED 000	UNAUDITED 000	AUDITED 000	UNAUDITED NZ\$000	UNAUDITED NZ\$000	AUDITED NZ\$000
Ordinary Shares	100,480	98,947	98,947	194,009	191,699	191,699
Issue of new ordinary shares	749	1,533	1,533	1,184	2,310	2,310
	<b>101,229</b>	<b>100,480</b>	<b>100,480</b>	<b>195,193</b>	<b>194,009</b>	<b>194,009</b>

## 10. RELATED PARTIES

Key management personnel that have the authority and responsibility for planning, directing, and controlling the activities of Gentrack Group, directly or indirectly and include the Directors, the Chief Executive Officer and their direct reports.

Key management personnel compensation for the period was \$5.8m (2022: \$4.3m). Directors fees were \$0.3m for the period (2022: \$0.3m).

2022 compensation calculation has been updated to include bonus and other benefits based on amounts paid in the respective period as opposed to amounts accrued.

Related parties are materially consistent with those disclosed in the 2022 Annual Report.

# NOTES TO CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2023

## 11. EMPLOYEE SHARE SCHEME

Gentrack Group operates the following three share schemes:

- Senior Leadership Long Term Incentive Scheme - Performance rights are subject to a combination of tenure and a share price appreciation hurdle, split evenly and that will vest after 18 months and three years respectively, dependent on achievement of the period of service and performance hurdle.
- Gentrack Long Term Incentive Scheme – This scheme is for selected key employees who are not part of the senior leadership long term incentive scheme. The performance rights are subject to the participants continuing to be employed by Gentrack Group at the end of the vesting period.
- CEO Long Term Incentive Scheme – Performance rights are subject to a combination of tenure and performance hurdles vesting across a 3 year period from the date of grant. The performance hurdles are either dependant on Earnings Per Share (EPS) CAGR or, for those performance rights granted during the period, on Share Price Appreciation.

During the period Gentrack Group granted unlisted performance rights for Nil consideration to employees under the following schemes:

EPS SCHEMES	6 MONTHS 31 MARCH 2023	6 MONTHS 31 MARCH 2022	12 MONTHS 30 SEPTEMBER 2022
	UNAUDITED	UNAUDITED	AUDITED
	<b>000</b>	<b>000</b>	<b>000</b>
Total Senior Leadership LTI Schemes	771	364	364
Total Gentrack LTI Schemes	1,034	560	554
Total CEO LTI Schemes	584	539	539
<b>Total Performance Rights Granted</b>	<b>2,389</b>	<b>1,463</b>	<b>1,457</b>

During the period, performance rights vested are as follows:

EPS SCHEMES	6 MONTHS 31 MARCH 2023	6 MONTHS 31 MARCH 2022	12 MONTHS 30 SEPTEMBER 2022
	UNAUDITED	UNAUDITED	AUDITED
	<b>000</b>	<b>000</b>	<b>000</b>
Total Senior Leadership LTI Schemes*	233	516	516
Total Gentrack LTI Schemes	609	-	-
Total CEO LTI Schemes	90	999	999
<b>Total Performance Rights Vested</b>	<b>932</b>	<b>1,515</b>	<b>1,515</b>

\*183,133 performance rights shown above vested on 31st March 2023 but were issued as Share Capital on 3 April 2023.

Please refer to the 2022 Annual Report for further information on the Long Term Incentive Share Schemes.



# NOTES TO CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2023

## 12. GOODWILL

Goodwill is stated at its initial fair value less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually or when indicators of impairment are present.

	6 MONTHS 31 MARCH 2023 UNAUDITED NZ\$000	6 MONTHS 31 MARCH 2022 UNAUDITED NZ\$000	12 MONTHS 30 SEPTEMBER 2022 AUDITED NZ\$000
Opening balance	106,240	106,599	106,766
Goodwill impairment	-	-	-
Exchange rate differences	1,309	(2,283)	(526)
<b>Closing net book value</b>	<b>107,549</b>	<b>104,316</b>	<b>106,240</b>
Goodwill allocated to Utilities	104,649	101,416	103,340
Goodwill allocated to Airports	2,900	2,900	2,900
<b>Net book value</b>	<b>107,549</b>	<b>104,316</b>	<b>106,240</b>

## 13. IMPAIRMENT TESTING

At each reporting date, Gentrack Group assesses whether there is any indication that an asset may be impaired. For the period ended 31 March 2023 no indicators of impairment were present and as a result no impairment testing was required to be carried out.

## 14. FINANCIAL INSTRUMENTS

Gentrack Group's financial liabilities are measured at amortised cost.

Gentrack Group's financial assets and liabilities by category are summarised as follows:

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of cash at bank and on hand and the carrying amount is equivalent to fair value.

### TRADE RECEIVABLES

These assets are short term in nature and are reviewed for impairment; the carrying value approximates to their fair value.

### TRADE PAYABLES

These liabilities are mainly short term in nature with the carrying value approximating to their fair value.

### FAIR VALUES

Gentrack Group's financial instruments that are measured subsequent to initial recognition at fair values are grouped into levels based on the degree to which their fair value is observable:

Level 1 - fair value measurements derived from quoted prices in active markets for identical assets.

Level 2 - fair value measurements derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - fair value measurements derived from valuation techniques that include inputs for the asset or liability which are not based on observable market data.

# NOTES TO CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2023

## 14. FINANCIAL INSTRUMENTS (CONTINUED)

There have been no transfers between levels or changes in the valuation methods used to determine the fair value of Gentrack Group's financial instruments during the period. At 31 March 2023, Gentrack Group has no level 3 financial instruments (2022: \$Nil).

### FINANCIAL INSTRUMENTS BY CATEGORY

	6 MONTHS 31 MARCH 2023	6 MONTHS 31 MARCH 2022	12 MONTHS 30 SEPTEMBER 2022
	UNAUDITED	UNAUDITED	AUDITED
	<b>NZ\$000</b>		<b>NZ\$000</b>
FINANCIAL ASSETS MEASURED AT AMORTISED COST			
Cash and cash equivalents	41,885	16,529	27,386
Trade and other receivables	37,376	28,743	29,485
	<b>79,261</b>	<b>45,272</b>	<b>56,871</b>
FINANCIAL LIABILITIES MEASURED AT AMORTISED COST			
Trade payables and accruals	(6,891)	(4,318)	6,843
	<b>(6,891)</b>	<b>(4,318)</b>	<b>6,843</b>

## 15. CAPITAL COMMITMENTS

There are no capital expenditure commitments at 31 March 2023 (2022: \$Nil).

## 16. CONTINGENCIES

On behalf of Gentrack Group, ASB New Zealand and BNZ have each provided guarantees of \$0.3m (2022: \$0.8m) and \$1.0m (2022: \$0.3m) respectively. These guarantees are in place for implementation projects, property leases and exchange listings.

## 17. EVENTS AFTER BALANCE DATE

On 19 May 2023, the Gentrack Group Board determined that no interim dividend will be paid out for the first half of this financial year (2022: \$Nil).



## Independent Auditor's Review Report

### To the shareholders of Gentrack Group Limited

#### Conclusion

We have reviewed the interim consolidated financial statements of Gentrack Group Limited and its subsidiaries (together "the Group") which comprise the consolidated condensed statement of financial position as at 31 March 2023, and the consolidated condensed statement of comprehensive income, consolidated condensed statement of changes in equity and consolidated condensed statement of cash flows for the six months ended on that date, and a summary of significant accounting policies and other explanatory information. Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements of the Group do not present fairly, in all material respects the financial position of the Group as at 31 March 2023, and its financial performance and its cash flows for the six months ended on that date, in accordance with New Zealand Equivalent to International Accounting Standard 34: *Interim Financial Reporting*.

This report is made solely to the Company's shareholders, as a body. Our review has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our review procedures, for this report, or for the conclusion we have formed.

#### Basis for conclusion

We conducted our review in accordance with NZ SRE 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial statements* section of our report. We are independent of the Group in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements.

Ernst & Young provides statutory account filing services to Veovo A/S. Partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. We have no other relationship with, or interest in, the Group.

#### Directors' responsibility for the interim consolidated financial statements

The directors are responsible, on behalf of the Entity, for the preparation and fair presentation of the interim consolidated financial statements in accordance with New Zealand Equivalent to International Accounting Standard 34: *Interim Financial Reporting* and for such internal control as the directors determine is necessary to enable the preparation



and fair presentation of the interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibilities for the review of the interim consolidated financial statements**

Our responsibility is to express a conclusion on the interim consolidated financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the interim consolidated financial statements, taken as a whole, are not prepared in all material respects, in accordance with New Zealand Equivalent to International Accounting Standard 34: *Interim Financial Reporting*.

A review of interim consolidated financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on those interim consolidated financial statements.

The engagement partner on the review resulting in this independent auditor's review report is Grant Taylor.

A handwritten signature in black ink that reads 'Ernst &amp; Young'.

Chartered Accountants  
Auckland, New Zealand  
19 May 2023

# CORPORATE DIRECTORY

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## NEW ZEALAND INCORPORATION NUMBER

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## AUSTRALIAN REGISTERED BODY NUMBER (ARBN)

169 195 751

## DIRECTORS

Andy Green, Chairman  
Nick Luckock  
Fiona Oliver  
Stewart Sherriff  
Darc Rasmussen  
Gary Miles

## COMPANY SECRETARY

Kerry Nickels

## AUDITOR

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## LEGAL ADVISERS

BELL GULLY

## BANKERS

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ASB BANK LIMITED  
ANZ LIMITED  
HSBC PLC  
NORDEA BANK DENMARK A/S  
TRUIST FINANCIAL

## SHARE REGISTRAR

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