

Gentrack Group Limited

# **Interim Financial Statements**

For the six months ended 31 March 2024





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- **Revenue: \$102m - up 21% on H1'23** and up 58% when excluding \$19.7m of one-off revenues in prior period from insolvent customers.
- **EBITDA: \$12.3m and tracking well against our FY24 guidance.** H1'23 EBITDA of \$16m included one-off high margin revenue from insolvent customers.
- **Statutory NPAT: \$5.3m profit v \$7.9m in H1'23**
- **Cash: \$39.3m after investing \$12.9m in Amber during period v \$41.9m at H1'23**

Across the first half of the financial year, Gentrack has again delivered strong revenue growth, with even stronger underlying growth when allowing for one-off revenues from last year. Growth is driven by recent and in-year new customers as well as upsells and upgrades for existing customers. In Utilities we have seen growth in all our core markets, (New Zealand, Australia, and the UK), and this financial year we have added Saudi Arabia as a source of growth. Veovo expanded its coverage of major airports with new wins in existing markets such as the UK and the Middle East.

### Financial performance

Revenues increased 21% over the prior year period to \$102m. In Utilities, total revenue grew by 17% to \$86.5m. Underlying Utilities revenue, excluding \$19.7m of revenue from insolvent customers in the prior year period, grew by 60%. Major projects starting during the period including in Saudi Arabia (a new customer secured in October 2023) and at Genesis Energy in New Zealand helped drive our non-recurring revenues 85% higher to \$28.9m. Whilst wins and upsells from prior periods increased our underlying annual recurring revenues by 49% over the prior period to \$57.6m.

New customer wins in the UK and the Middle East have powered Veovo to a 49.4% increase in revenue over the prior period to \$15.5m. The project work to implement these wins alongside upgrades from existing customers have driven non-recurring revenues 112% higher v H1'23 to \$7.6m. This includes \$3.8m (\$1.1m in H1'23) of revenue from sales of hardware and

related services sourced from our supplier network. Customer wins and upgrades from prior periods have also pushed annual recurring revenues 16% higher than H1'23 to \$7.9m.

EBITDA at \$12.3m is tracking well against guidance for FY24 and our NPAT was \$5.3m v \$7.9m for the prior year period, which included one-off profits from the exit of high margin customer, Bulb. We have continued to increase investment in strategic R&D, all of which has been expensed, and are increasing our sales & marketing spend to support our international expansion.

Our cash as of 31 March 2024 was \$39.3m. This was after investing \$12.9m in a 10% stake in Amber funded partly out of cash generated during the period and the remainder from the \$49.2m cash balance from the end of the last financial 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. We will continue to keep the use of capital under review.

### Growing our energy and water customers in our core markets

Our underlying growth in Utilities is a result of recent new customer wins alongside upselling new products to our existing customers. We have also started on the journey to upgrade existing customers to our new g2.0 solution with Salesforce's Energy and Utility Cloud embedded. In

## MANAGEMENT COMMENTARY

November 2023, Genesis Energy selected our g2.0 solution to modernise their business and this transformation program is now underway.

In February 2024, we announced our investment in Amber, an Australian based technology company and energy retailer that gives customers direct access to real time energy prices and the technology to automate their home batteries and EVs. Part of the funds from the investment will be used by Amber to replace their existing billing platform with Gentrack's. Our investment also includes an agreement that will see us work together to develop, and take to market, an end-to-end solution for billing, care and optimisation for household batteries, EV chargers and other smart devices to automate load shifting for customers. Early discussions with our existing and target customers demonstrate high levels of interest for this leading innovative solution.

We remain confident in growth in Australia where we hold a strong competitive position and see near term opportunities to grow our customer base.

In the UK, to meet a major new regulatory change starting in 2025, energy retailers will need to ensure their technology platforms can deliver Market-wide Half Hourly Settlement (MHHS). We have developed this functionality and during this half year secured the first two of our existing customers on this new product with remaining customers expected to follow over the next 12 months.

We also secured our first upsell in the UK for our new profit & risk product. This product enables utilities to achieve a step-change in their understanding of their volumes and gross margin down to the meter level. Using configurable dashboards it can provide insights over customer, product level and regional profitability. It's another example of how we can help utilities take advantage of the increasing data flows within their business.

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

Following our first Utilities contract win in Saudi Arabia in October 2023, we are making good progress deploying our g2.0 solution for both their energy and water B2C customers. Successful delivery here will help us to build our pipeline in the region as we target expansion in the wider Middle East.

In Singapore, we already serve the country's B2C residential market at energy retailer PacificLight. This half year, our platform has gone live at Senoko Energy supporting B2B customers there. Our Asian business development team based at our Singapore hub is making good progress in building our pipeline for the wider South East Asian region, where we are focused on a few large, key markets.

### **Growing our airport customers**

In March 2024 we were pleased to announce our contract win at Manchester Airports Group, which adds the major airports of Manchester and London Stansted as well as the UK's East Midlands airport to those using our Passenger Predictability software.

During this half year, we have also seen our recent customer win in Saudi Arabia expand its coverage of new airports in that country and have been progressing our delivery to Dubai airports, also a new customer secured last year.

Combined with strong demand for upgrades and expanded scope from existing customers, this has delivered exceptional revenue growth at Veovo. Revenue for this half year includes a high proportion of project revenues, both professional services and hardware sales. However, these non-recurring revenues will lead to higher annual recurring revenues in future periods and Veovo's pipeline over both new and existing customers remains strong.

## MANAGEMENT COMMENTARY

### Looking Forward

We have positioned Gentrack as a leader in innovation. We are excited to be able to demonstrate the increasing value our platforms and new products can bring to customers.

Both the utilities and airports industries are transforming at pace. They are dynamic markets in a state of change, and we are confident in our ability to lead these markets globally over time.

We'd like to thank our customers and shareholders for their continued support and the entire Gentrack team for their achievements and for their commitment to Gentrack's future.



Andy Green, CBE  
Chairman



Gary Miles  
CEO

# Interim Financial Statements

31 March 2024



# CONDENSED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 MARCH 2024

		6 MONTHS 31 MARCH 2024	6 MONTHS 31 MARCH 2023	12 MONTHS 30 SEPTEMBER 2023
		UNAUDITED	UNAUDITED	AUDITED
	NOTE	NZ\$000	NZ\$000	NZ\$000
Revenue	3	102,016	84,303	169,884
Expenditure	4	(89,697)	(68,304)	(146,692)
<b>Profit before depreciation, amortisation, other income, financing, foreign exchange gain or loss and tax</b>		<b>12,319</b>	<b>15,999</b>	<b>23,192</b>
Depreciation and amortisation		(4,393)	(4,053)	(8,451)
<b>Profit before other income, financing, foreign exchange gain or loss, share of loss of an associate and tax</b>		<b>7,926</b>	<b>11,946</b>	<b>14,741</b>
Other Income		-	-	1,574
Foreign exchange gains/(losses)		827	53	(184)
Net finance expense	5	(187)	(592)	(1,106)
Share of loss of an associate		(294)	-	-
<b>Profit before tax</b>		<b>8,272</b>	<b>11,407</b>	<b>15,025</b>
Income tax (expense)/income		(2,938)	(3,527)	(4,979)
<b>Profit attributable to the shareholders of the company</b>		<b>5,334</b>	<b>7,880</b>	<b>10,046</b>
OTHER COMPREHENSIVE INCOME				
Share of other comprehensive loss of an associate		(16)	-	-
Translation of international subsidiaries		3,740	1,636	5,056
<b>Total comprehensive income for the period</b>		<b>9,058</b>	<b>9,516</b>	<b>15,102</b>
EARNINGS PER SHARE PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY (EXPRESSED IN DOLLARS PER SHARE)				
Basic profit per share		\$0.05	\$0.08	\$0.10
Diluted profit per share		\$0.05	\$0.07	\$0.10
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES ISSUED				
Basic		102,736	101,161	99,983
Diluted		113,812	105,359	103,566

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 2024

		31 MARCH 2024	31 MARCH 2023	30 SEPTEMBER 2023
		UNAUDITED	UNAUDITED	AUDITED
	NOTE	NZ\$000	NZ\$000	NZ\$000
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	6	39,278	41,885	49,186
Trade and other receivables	7	48,979	37,376	37,789
Income tax receivable		-	-	123
Inventory		1,022	315	408
<b>Total current assets</b>		<b>89,279</b>	<b>79,576</b>	<b>87,506</b>
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment		3,042	2,768	3,092
Lease assets		11,942	13,602	12,637
Goodwill	13	112,188	107,549	109,420
Intangibles		24,261	28,499	26,311
Investments in an associate	12	12,578	-	-
Deferred tax assets		12,715	10,265	10,607
<b>Total non-current assets</b>		<b>176,726</b>	<b>162,683</b>	<b>162,067</b>
<b>Total assets</b>		<b>266,005</b>	<b>242,259</b>	<b>249,573</b>
<b>CURRENT LIABILITIES</b>				
Trade payables and accruals		11,619	6,891	8,591
Lease liabilities		2,184	2,011	2,287
Contract liabilities		16,170	18,846	13,622
GST payable		3,272	4,518	2,493
Employee entitlements		14,398	12,825	19,033
Income tax payable		3,050	4,540	2,748
<b>Total current liabilities</b>		<b>50,693</b>	<b>49,631</b>	<b>48,774</b>
<b>NON-CURRENT LIABILITIES</b>				
Lease liabilities		14,136	16,075	15,018
Employee entitlements		978	739	835
Deferred tax liabilities		3,228	3,857	3,530
<b>Total non-current liabilities</b>		<b>18,342</b>	<b>20,671</b>	<b>19,383</b>
<b>Total liabilities</b>		<b>69,035</b>	<b>70,302</b>	<b>68,157</b>
<b>Net assets</b>		<b>196,970</b>	<b>171,957</b>	<b>181,416</b>
<b>EQUITY</b>				
Share capital	9	198,966	195,193	196,031
Share based payment reserve		8,566	3,963	6,187
Foreign currency translation reserve		9,705	2,545	5,965
Accumulated deficit		(20,267)	(29,744)	(26,767)
<b>Total equity</b>		<b>196,970</b>	<b>171,957</b>	<b>181,416</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 17 May 2024.



Andy Green  
Chairman

Date: 17 May 2024



Fiona Oliver  
Director

Date: 17 May 2024



## CONDENSED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 MARCH 2024

<b>31 MARCH 2024</b>		SHARE CAPITAL	SHARE BASED PAYMENT RESERVE	RETAINED EARNINGS	TRANSLATION RESERVE	TOTAL EQUITY
UNAUDITED	NOTE	NZ\$000	NZ\$000	NZ\$000	NZ\$000	NZ\$000
<b>Balance at 1 October</b>		<b>196,031</b>	<b>6,187</b>	<b>(26,767)</b>	<b>5,965</b>	<b>181,416</b>
Profit attributable to the shareholders of the company		-	-	5,334	-	5,334
Excess income tax benefit on share-based payments		-	-	1,182	-	1,182
Other comprehensive income		-	-	(16)	3,740	3,724
<b>Total comprehensive profit for the period, net of tax</b>		<b>-</b>	<b>-</b>	<b>6,500</b>	<b>3,740</b>	<b>10,240</b>
TRANSACTION WITH OWNERS						
Issue of capital		2,935	(2,935)	-	-	-
Share based payments		-	5,314	-	-	5,314
<b>Balance at 31 March</b>		<b>198,966</b>	<b>8,566</b>	<b>(20,267)</b>	<b>9,705</b>	<b>196,970</b>

<b>31 MARCH 2023</b>		SHARE CAPITAL	SHARE BASED PAYMENT RESERVE	RETAINED EARNINGS	TRANSLATION RESERVE	TOTAL EQUITY
UNAUDITED		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
Excess income tax benefit on share-based payments		-	-	263	-	263
Other comprehensive income		-	-	-	1,636	1,636
<b>Total comprehensive profit 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>

<b>30 SEPTEMBER 2023</b>		SHARE CAPITAL	SHARE BASED PAYMENT RESERVE	RETAINED EARNINGS	TRANSLATION RESERVE	TOTAL EQUITY
AUDITED		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		-	-	10,046	-	10,046
Excess income tax benefit on share-based payments		-	-	1,074	-	1,074
Other comprehensive income		-	-	-	5,056	5,056
<b>Total comprehensive profit for the period, net of tax</b>		<b>-</b>	<b>-</b>	<b>11,120</b>	<b>5,056</b>	<b>16,176</b>
TRANSACTION WITH OWNERS						
Issue of capital		2,022	(2,022)	-	-	-
Share based payments		-	5,332	-	-	5,332
<b>Balance at 30 September</b>		<b>196,031</b>	<b>6,187</b>	<b>(26,767)</b>	<b>5,965</b>	<b>181,416</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 2024

	6 MONTHS 31 MARCH 2024	6 MONTHS 31 MARCH 2023	12 MONTHS 30 SEPTEMBER 2023
	UNAUDITED	UNAUDITED	AUDITED
	NZ\$000	NZ\$000	NZ\$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	95,090	83,645	165,301
Payments to suppliers and employees	(87,240)	(66,333)	(137,647)
Income tax paid	(3,790)	(96)	(1,735)
<b>Net cash inflow from operating activities</b>	<b>4,060</b>	<b>17,216</b>	<b>25,919</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment	(514)	(1,052)	(1,958)
Acquisition of an associate	(12,888)	-	-
<b>Net cash outflow from investing activities</b>	<b>(13,402)</b>	<b>(1,052)</b>	<b>(1,958)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments for lease liabilities	(1,148)	(906)	(1,634)
Lease liability finance charge	(523)	(525)	(1,069)
Interest received/(paid)	335	(66)	(37)
<b>Net cash outflow from financing activities</b>	<b>(1,336)</b>	<b>(1,497)</b>	<b>(2,740)</b>
<b>Net (decrease)/increase in cash held</b>	<b>(10,677)</b>	<b>14,667</b>	<b>21,221</b>
Foreign currency translation adjustment	770	(168)	578
Cash at beginning of the financial period	49,186	27,386	27,387
<b>Closing cash and cash equivalents</b>	<b>39,278</b>	<b>41,885</b>	<b>49,186</b>

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 2024

## 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 2024 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 2023.

## 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.

In the table below we split the revenues between point in time and over time recognition: Over time recognition is when the fulfilment of our obligation to provide goods and services and the customer's ability to obtain the benefit from that occurs continuously over a period of time. Point in time recognition is where that happens at a point in time. Revenue recognised over time include annual fees, support services and project revenues recognised over the stages of completion. Revenue recognised at a point in time includes the part of our managed services revenue which is recognised when the customer benefits have been confirmed and, within our Veovo business, hardware sales included as part of the implementation of a project.

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.

# NOTES TO CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2024

## 2. OPERATING SEGMENTS (CONTINUED)

6 MONTHS 31 MARCH 2024 UNAUDITED	UTILITY NZ\$000	AIRPORT NZ\$000	TOTAL NZ\$000
TIMING OF REVENUE RECOGNITION			
Point in time	15,220	3,825	19,045
Over time	71,274	11,697	82,971
<b>Total revenue</b>	<b>86,494</b>	<b>15,522</b>	<b>102,016</b>
Expenditure	(76,552)	(13,145)	(89,697)
<b>Segment contribution (1)</b>	<b>9,942</b>	<b>2,377</b>	<b>12,319</b>

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>

12 MONTHS 30 SEPTEMBER 2023 AUDITED	UTILITY NZ\$000	AIRPORT NZ\$000	TOTAL NZ\$000
TIMING OF REVENUE RECOGNITION			
Point in time	31,542	1,990	33,532
Over time	116,395	19,957	136,352
<b>Total revenue</b>	<b>147,937</b>	<b>21,947</b>	<b>169,884</b>
Expenditure	(128,403)	(18,289)	(146,692)
<b>Segment contribution (1)</b>	<b>19,534</b>	<b>3,658</b>	<b>23,192</b>

# NOTES TO CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2024

## 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 2024	6 MONTHS 31 MARCH 2023	12 MONTHS 30 SEPTEMBER 2023
	UNAUDITED	UNAUDITED	AUDITED
	NZ\$000	NZ\$000	NZ\$000
<b>Segment contribution (1)</b>	<b>12,319</b>	<b>15,999</b>	<b>23,192</b>
Depreciation and amortisation	(4,393)	(4,053)	(8,451)
Other Income	-	-	1,574
Foreign exchange gains/(losses)	827	53	(184)
Net finance expense	(187)	(592)	(1,106)
Share of loss of an associate	(294)	-	-
Income tax income / (expense)	(2,938)	(3,527)	(4,979)
<b>Profit attributable to the shareholders of the company</b>	<b>5,334</b>	<b>7,880</b>	<b>10,046</b>

	6 MONTHS 31 MARCH 2024	6 MONTHS 31 MARCH 2023	12 MONTHS 30 SEPTEMBER 2023
	UNAUDITED	UNAUDITED	AUDITED
	NZ\$000	NZ\$000	NZ\$000
<b>REVENUE BY DOMICILE OF ENTITY</b>			
Australia	23,945	19,151	39,543
New Zealand	14,535	8,230	19,824
United Kingdom	52,273	50,323	97,433
Rest of World	11,263	6,599	13,083
<b>Total revenue</b>	<b>102,016</b>	<b>84,303</b>	<b>169,884</b>
<b>REVENUE BY DOMICILE OF CUSTOMER</b>			
Australia	25,746	20,298	42,374
New Zealand	10,769	6,155	14,665
United Kingdom	47,499	48,512	95,128
Rest of World	18,002	9,338	17,717
<b>Total revenue</b>	<b>102,016</b>	<b>84,303</b>	<b>169,884</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 2024

## 3. REVENUE

	6 MONTHS 31 MARCH 2024	6 MONTHS 31 MARCH 2023	12 MONTHS 30 SEPTEMBER 2023
	UNAUDITED	UNAUDITED	AUDITED
	NZ\$000	NZ\$000	NZ\$000
OPERATING REVENUE:			
Annual fees	32,502	33,257	72,673
Support services	19,275	12,417	28,276
Project services	31,613	17,887	34,763
Licenses	1,178	252	490
Managed services	13,623	19,436	31,630
Other	3,825	1,054	2,052
<b>Total revenue</b>	<b>102,016</b>	<b>84,303</b>	<b>169,884</b>

## 4. EXPENDITURE

	6 MONTHS 31 MARCH 2024	6 MONTHS 31 MARCH 2023	12 MONTHS 30 SEPTEMBER 2023
	UNAUDITED	UNAUDITED	AUDITED
	NZ\$000	NZ\$000	NZ\$000
PROFIT/(LOSS) BEFORE TAX INCLUDES THE FOLLOWING SPECIFIC EXPENSES:			
Employee entitlements	64,624	50,633	109,308
Administrative costs	3,805	3,133	6,567
Third party customer-related costs	9,978	4,785	9,897
Advertising and marketing	1,237	1,139	2,940
Consulting and subcontracting	6,994	6,280	12,759
Other operating expenses	3,059	2,334	5,221
<b>Total expenditure</b>	<b>89,697</b>	<b>68,304</b>	<b>146,692</b>

## 5. NET FINANCE EXPENSES/INCOME

	6 MONTHS 31 MARCH 2024	6 MONTHS 31 MARCH 2023	12 MONTHS 30 SEPTEMBER 2023
	UNAUDITED	UNAUDITED	AUDITED
	NZ\$000	NZ\$000	NZ\$000
FINANCE INCOME			
Interest income	533	130	355
	<b>533</b>	<b>130</b>	<b>355</b>
FINANCE EXPENSE			
Interest expense	(197)	(197)	(392)
Lease liability finance charges	(523)	(525)	(1,069)
	<b>(720)</b>	<b>(722)</b>	<b>(1,461)</b>
<b>Net finance expense</b>	<b>(187)</b>	<b>(592)</b>	<b>(1,106)</b>

# NOTES TO CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2024

## 6. CASH AND CASH EQUIVALENTS

	6 MONTHS 31 MARCH 2024	6 MONTHS 31 MARCH 2023	12 MONTHS 30 SEPTEMBER 2023
	UNAUDITED	UNAUDITED	AUDITED
	NZ\$000	NZ\$000	NZ\$000
Cash at banks	35,020	41,885	21,779
Short-term deposits	4,258	-	27,407
<b>Total cash and cash equivalents</b>	<b>39,278</b>	<b>41,885</b>	<b>49,186</b>

## 7. TRADE AND OTHER RECEIVABLES

	6 MONTHS 31 MARCH 2024	6 MONTHS 31 MARCH 2023	12 MONTHS 30 SEPTEMBER 2023
	UNAUDITED	UNAUDITED	AUDITED
	NZ\$000	NZ\$000	NZ\$000
Trade receivables	24,729	29,686	28,402
Impairment provision - Expected credit loss	(307)	(291)	(296)
Impairment provision - Specific provision	(2,957)	(3,749)	(3,264)
Provision for volume discounts	(210)	(265)	(267)
Contract assets	23,149	9,125	9,052
Sundry receivables and prepayments	4,575	2,870	4,162
<b>Total trade and other receivables</b>	<b>48,979</b>	<b>37,376</b>	<b>37,789</b>

	6 MONTHS 31 MARCH 2024	6 MONTHS 31 MARCH 2023	12 MONTHS 30 SEPTEMBER 2023
	UNAUDITED	UNAUDITED	AUDITED
	NZ\$000	NZ\$000	NZ\$000
Opening balance	3,560	4,009	4,009
Movement in impairment provision	(426)	(8)	(564)
Effect of movement in foreign exchange	130	39	129
Bad debt written off	-	-	(14)
<b>Total trade receivables impairment provision</b>	<b>3,264</b>	<b>4,040</b>	<b>3,560</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 2024, \$Nil (2023: nil) of the facility has been drawn down.

# NOTES TO CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2024

## 9. SHARE CAPITAL

	SHARES ISSUED			SHARE CAPITAL		
	31 MARCH 2024 UNAUDITED 000	31 MARCH 2023 UNAUDITED 000	30 SEPTEMBER 2023 AUDITED 000	31 MARCH 2024 UNAUDITED NZ\$000	31 MARCH 2023 UNAUDITED NZ\$000	30 SEPTEMBER 2023 AUDITED NZ\$000
Ordinary Shares	101,798	100,480	100,480	196,031	194,009	194,009
Issue of new ordinary shares	1,337	749	1,318	2,935	1,184	2,022
	<b>103,135</b>	<b>101,229</b>	<b>101,798</b>	<b>198,966</b>	<b>195,193</b>	<b>196,031</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 which includes the accounting charge for LTIs was \$8.7m (2023: \$5.8m). Directors fees were \$0.3m for the period (2023: \$0.3m).

Related parties are materially consistent with those disclosed in the 2023 Annual Report.

## 11. EMPLOYEE SHARE SCHEME

At the Special Shareholders meeting, held on 9th October 2023, shareholders approved the issue of up to 9,437,000 performance rights in total for the CEO and senior management under the Senior Leadership Long Term Incentive Scheme in respect of the financial years ending 30 September 2024, 2025, and 2026. These performance rights are subject to achieving both EPS and share price appreciation hurdles. The Earnings Per Share (EPS) hurdle is set at fixed rates for each vesting year and for the share price appreciation hurdle an incremental vesting scale applies for performance rights eligible to vest.

To determine the fair value of each grant made under this scheme for accounting purposes, a weighted estimate of the number of shares expected to vest is made based on the probability of each share price appreciation hurdle being met at each vesting date. These probabilities have been derived by considering the published guidance (available at the date each grant is awarded) of market analysts over Gentrack's share price and future growth. The weighted estimate assumes an 80% probability that the share price reached at vesting dates lies within the range created using this guidance. However, varying this assumption by 5% up or down does not significantly affect the accounting charge derived from this valuation model.

For grants made in prior financial years under the Senior Leadership Long Term Incentive 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. For the CEO, performance rights granted in prior financial years under 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 dependent on EPS CAGR or Share Price Appreciation.

The Group also operates the Gentrack Long Term Incentive Scheme for selected key employees who are not part of the Senior Leadership Long Term Incentive Scheme. These performance rights are subject to the participants continuing to be employed by Gentrack Group at the end of the vesting period.



# NOTES TO CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2024

## 11. EMPLOYEE SHARE SCHEME (CONTINUED)

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

	6 MONTHS 31 MARCH 2024	6 MONTHS 31 MARCH 2023	12 MONTHS 30 SEPTEMBER 2023
	UNAUDITED	UNAUDITED	AUDITED
	000	000	000
Total Senior Leadership LTI Schemes*	-	771	771
Total Gentrack LTI Schemes	419	1,034	1,040
Total CEO LTI Schemes*	-	584	584
Total Executive Leadership LTI Scheme	8,446	-	-
<b>Total Performance Rights Granted</b>	<b>8,865</b>	<b>2,389</b>	<b>2,395</b>

\* To reflect the new senior leadership scheme approved by shareholders on 9 October 2023, effective financial year 2024, the CEO and Senior Leadership performance rights granted after 1 October 2023 are categorised as the Executive Leadership LTI Scheme.

During the period, performance rights vested are as follows:

	6 MONTHS 31 MARCH 2024	6 MONTHS 31 MARCH 2023	12 MONTHS 30 SEPTEMBER 2023
	UNAUDITED	UNAUDITED	AUDITED
	000	000	000
Total Senior Leadership LTI Schemes*	463	233	546
Total Gentrack LTI Schemes	479	609	616
Total CEO LTI Schemes	374	90	90
<b>Total Performance Rights Vested</b>	<b>1,316</b>	<b>932</b>	<b>1,251</b>

\* 349,157 performance rights shown above vested on 31 March 2024 but were issued as Share Capital on 2 April 2024. Please refer to the 2023 Annual Report for further information on the Long Term Incentive Share Schemes.

## 12. INVESTMENT IN AN ASSOCIATE

	6 MONTHS 31 MARCH 2024	6 MONTHS 31 MARCH 2023	12 MONTHS 30 SEPTEMBER 2023
	UNAUDITED	UNAUDITED	AUDITED
	NZ\$000	NZ\$000	NZ\$000
Amber Holding Corporation Pty Limited	12,578	-	-
<b>Investments in an associate</b>	<b>12,578</b>	<b>-</b>	<b>-</b>

On January 31, 2024, Gentrack Group finalised a subscription deed, obtaining a 10% stake in Amber Holding Corporation Pty Limited (Amber) through shares, valued at approximately \$12.9 million (AU\$12 million).

Amber is an Australian based technology company and energy retailer that gives customers direct access to real time energy prices and the technology to automate their home batteries and EVs. Amber is a private entity that is not listed on any public exchange.

The Group has a seat on Amber's Board. According to NZ IAS 28, Gentrack's presence on Amber's Board signifies the existence of Gentrack's significant influence over Amber, leading Gentrack Group to use of the equity method of accounting for its interest in Amber in the consolidated financial statements.

# NOTES TO CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2024

## 13. 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 2024	6 MONTHS 31 MARCH 2023	12 MONTHS 30 SEPTEMBER 2023
	UNAUDITED	UNAUDITED	AUDITED
	NZ\$000	NZ\$000	NZ\$000
Opening balance	109,420	106,240	106,240
Exchange rate differences	2,768	1,309	3,180
<b>Closing net book value</b>	<b>112,188</b>	<b>107,549</b>	<b>109,420</b>
Goodwill allocated to Utilities	109,288	104,649	106,520
Goodwill allocated to Airport 20/20	2,900	2,900	2,900
<b>Net book value</b>	<b>112,188</b>	<b>107,549</b>	<b>109,420</b>

## 14. 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 2024 no indicators of impairment were present and as a result no impairment testing was required to be carried out.

## 15. 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 including cash held on short term deposits 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.

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 2024, Gentrack Group has no level 3 financial instruments (2023: \$Nil).

# NOTES TO CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2024

## 15. FINANCIAL INSTRUMENTS (CONTINUED)

### FINANCIAL INSTRUMENTS BY CATEGORY

	6 MONTHS 31 MARCH 2024	6 MONTHS 31 MARCH 2023	12 MONTHS 30 SEPTEMBER 2023
	UNAUDITED	UNAUDITED	AUDITED
	<b>NZ\$000</b>		<b>NZ\$000</b>
<b>FINANCIAL ASSETS MEASURED AT AMORTISED COST</b>			
Cash and cash equivalents	39,278	41,885	49,186
Trade and other receivables	48,979	37,376	33,627
	<b>88,257</b>	<b>79,261</b>	<b>82,813</b>
<b>FINANCIAL LIABILITIES MEASURED AT AMORTISED COST</b>			
Trade payables*	(4,076)	(2,218)	(3,420)
Lease liabilities*	(16,319)	(18,086)	(17,306)
	<b>(20,395)</b>	<b>(20,304)</b>	<b>(20,725)</b>

\* 31 March 2023 financial liabilities has been updated to exclude accruals and include lease liabilities.

## 16. CAPITAL COMMITMENTS

There are no capital expenditure commitments at 31 March 2024 (2024: \$Nil).

## 17. CONTINGENCIES

On behalf of Gentrack Group, BNZ has provided guarantees of \$0.6m (2023: ASB New Zealand and BNZ each provided exchange listings).

## 18. EVENTS AFTER BALANCE DATE

On 17 May 2024, the Gentrack Group Board determined that no interim dividend will be paid out for the first half of this financial year (2023: \$Nil).



## Independent Auditor's Review Report

### To the shareholders 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 2024, 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 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 2024, 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 (NZ IAS 34)* and International Accounting Standard 34: *Interim Financial Reporting (IAS 34)*.

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.

The signature 'Ernst &amp; Young' is written in a black, cursive script.

Chartered Accountants  
Auckland, New Zealand  
17 May 2024

# CORPORATE DIRECTORY

## REGISTERED OFFICE

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## NEW ZEALAND INCORPORATION NUMBER

3768390

## AUSTRALIAN REGISTERED BODY NUMBER (ARBN)

169 195 751

## DIRECTORS

Andy Green, Chairman  
Nick Luckock (resigned on 28/02/24)  
Fiona Oliver  
Stewart Sherriff  
Darc Rasmussen  
Gary Miles

## COMPANY SECRETARY

Anna Ellis

## AUDITOR

EY  
EY Building, 2 Takutai Square, Britomart  
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## LEGAL ADVISERS

BELL GULLY

## BANKERS

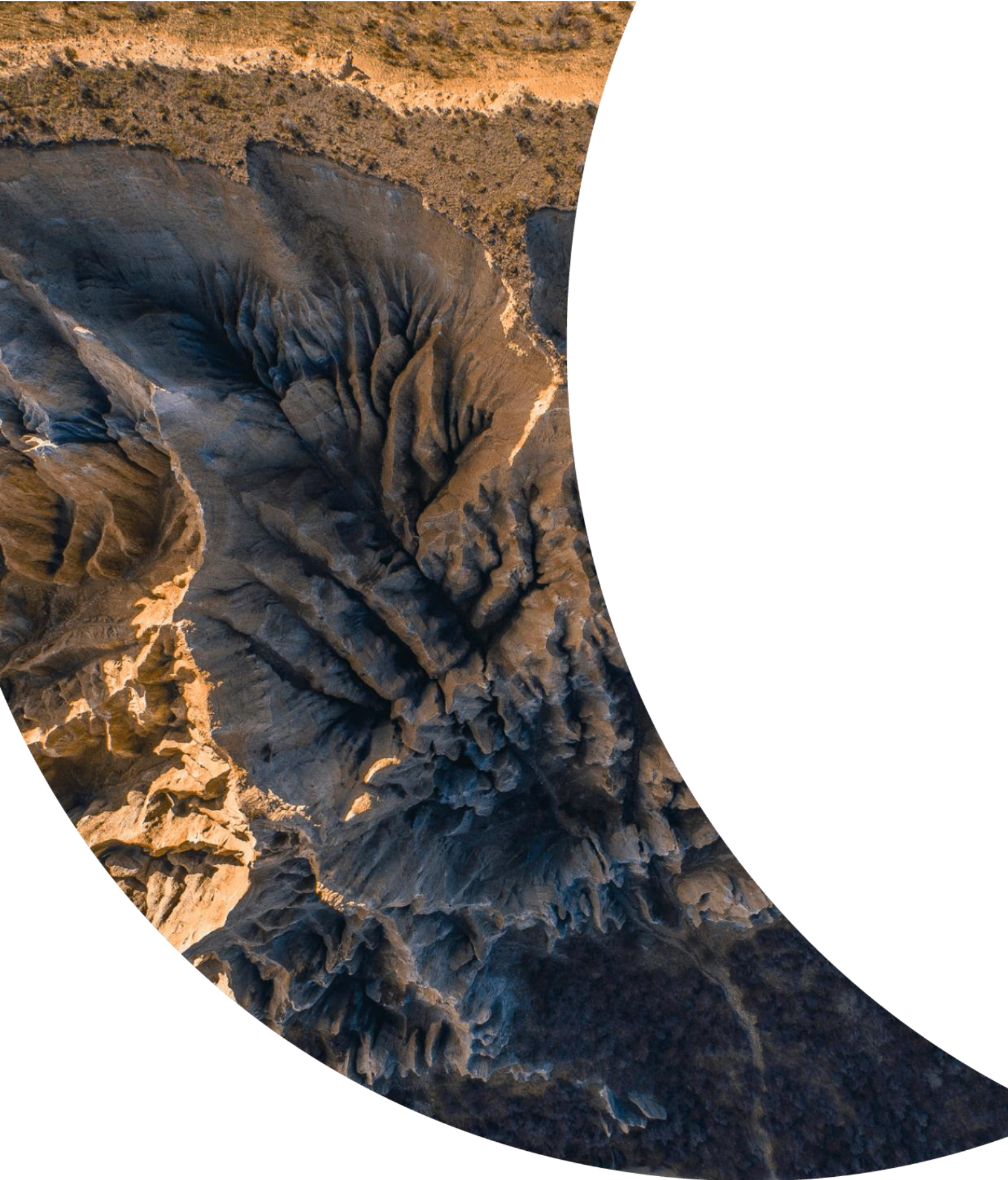
BANK OF NEW ZEALAND  
ASB BANK LIMITED  
ANZ LIMITED  
HSBC PLC  
NORDEA BANK DENMARK A/S  
TRUIST FINANCIAL

## SHARE REGISTRAR

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