

Gentrack Group Limited

Interim Financial Statements

For the six months ended 31 March 2022





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- **Revenue: \$57.1m - up 12.0% on H1'21**
- **Strong investment in strategic R&D and Sales and Marketing**
- **EBITDA \$1.2m - down by \$5.8m on H1'21**
- **Statutory NPAT: (\$5.8m) loss v (\$1.1m) in H1'21**
- **Cash: \$16.5m**

The first half of the financial year has seen Gentrack make excellent progress in two key areas. Revenue has grown well despite the turmoil in the UK Energy market, and our planned investments in Strategic R&D and in sales and marketing have really ramped up - with the expected impact on EBITDA and cash.

Revenue was driven by a 15.2% increase in the Utilities business to \$48.9m for this half year from new customer wins and growth from existing customers. This was achieved against the backdrop of twelve of our UK customers moving into insolvency over the last 18 months and the continuing UK energy crisis which has impacted the B2C portion of our UK energy customer base. Revenue growth in UK utilities outside of insolvent customers was 25% overall with 14% growth in Annual Recurring Revenues (ARR).

Revenues were slightly down in Veovo's Airports business by \$0.3m to \$8.2m due to the industry downturn. However, ARR was up 8.1% reflecting our focus on driving more recurring revenues. We are now seeing passenger flows at airports recover.

As set out in our strategy presentation last June and in our earnings guidance provided at the Annual Shareholders' Meeting in February, we have substantially increased our investment in strategic R&D and in Sales & Marketing. This, together with an investment in our people capabilities, resulted in EBITDA of \$1.2m, \$5.8m lower versus prior period. Our programs for product investment and business development are positioning us well for the accelerating industry transformation. Early

signs of increased engagement with clients across the world are encouraging.

The lower cash position of \$16.5m at March 2022 versus \$26.0m at September 2021 reflects both increased investment in Strategic R&D and Sales and Marketing as well as the phasing of customer receipts on some large implementation projects. We expect our cash position to improve in the second half of the year, as we continue to deliver successfully on large scale transformation projects.

In light of the NPAT loss, the Board has decided not to pay an Interim Dividend.

In addition to the 7 new logos secured in FY21, we have secured a further 5 new logos in our Utilities business alongside orders to expand with existing customers. This includes an energy supplier in Singapore which demonstrates the progress we are making in growing our pipeline in the wider APAC region.

We continue to demonstrate our capability to deliver on large-scale transformation projects which provides us with a competitive edge against many of our peers. During the half year we helped drive synergies and system harmonisation on the merger of So Energy and ESB in the UK. In New Zealand, we completed the separation of Trustpower's B2C and B2B businesses. We have also transformed several customers spread across each of our core markets by modernising their platform and moving them into the cloud.

In the UK B2C energy market we have not seen any further customer insolvencies since December and believe the worst of the UK market shake up is over. As part of this

MANAGEMENT COMMENTARY

shake up, Bulb, which was placed into special administration in December, remains a customer whilst the government seeks a buyer for this business.

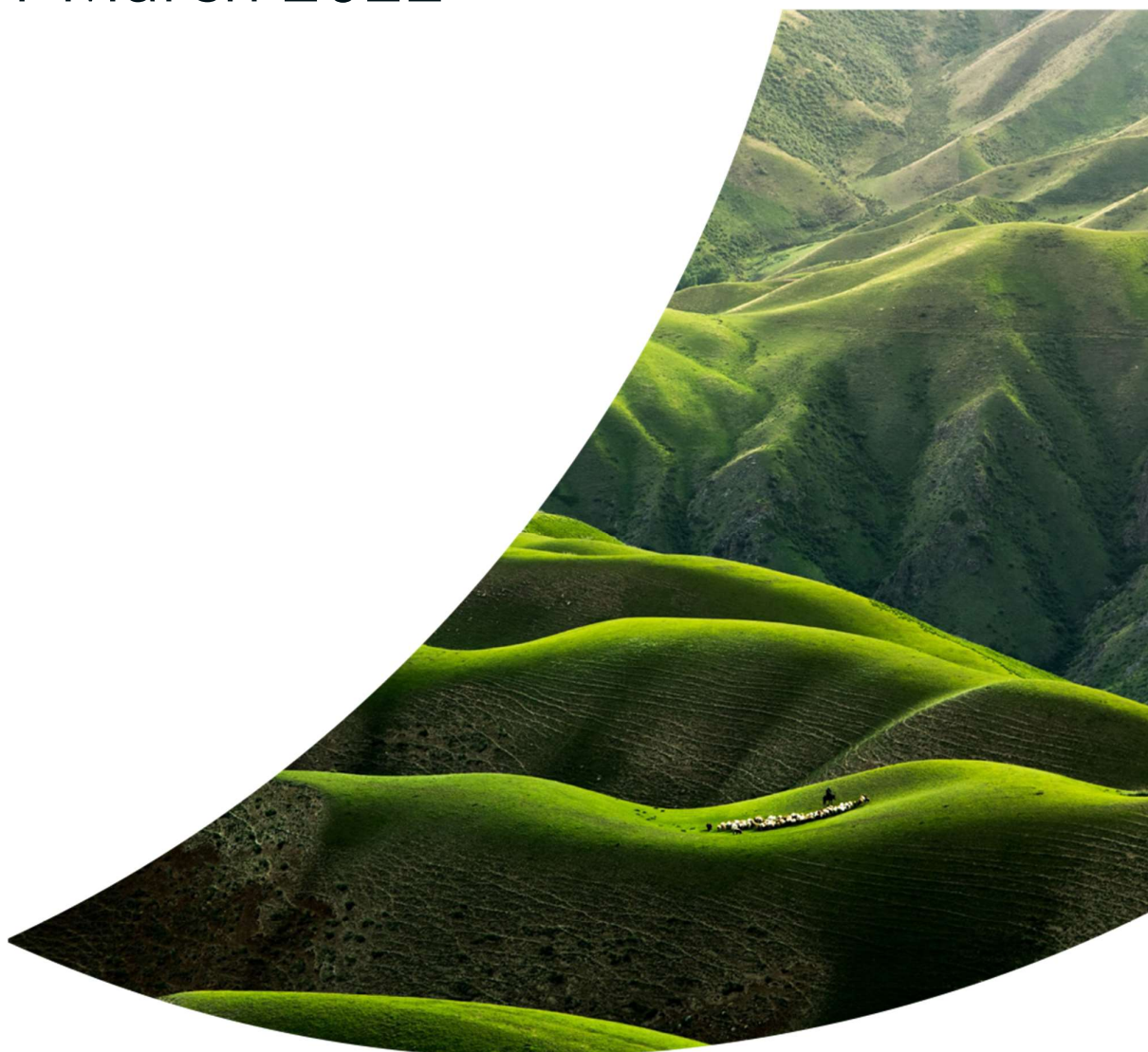
We are pleased with the progress made in the period, on sales, on delivery and on Strategic R&D and Sales and Marketing. We are well positioned to capture the sizeable market opportunity created by the transformation of the utilities and airports sectors across the world.



Andy Green
Chairman

Interim Financial Statements

31 March 2022



CONDENSED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 MARCH 2022

		6 MONTHS 31 MARCH 2022	6 MONTHS 31 MARCH 2021	12 MONTHS 30 SEPTEMBER 2021
		UNAUDITED	UNAUDITED	AUDITED
	NOTE	NZ\$000	NZ\$000	NZ\$000
Revenue	3	57,072	50,953	105,723
Expenditure	4	(55,902)	(43,983)	(92,996)
Profit before depreciation, amortisation, revaluation of financial liabilities, impairment of goodwill and intangible assets, financing and tax		1,170	6,970	12,727
Depreciation and amortisation		(5,391)	(5,382)	(10,864)
Profit/(Loss) before financing and tax		(4,221)	1,588	1,863
Net finance (expense)/income	5	(1,453)	(1,345)	3,701
Profit/(Loss) before tax		(5,674)	243	5,564
Income tax (expense)/income		(157)	(1,360)	(2,375)
Profit/Loss attributable to the shareholders of the company		(5,831)	(1,117)	3,189
OTHER COMPREHENSIVE INCOME				
Excess income tax benefit on share-based payments		(2)	-	91
Translation of international subsidiaries		(3,196)	1,264	(4,992)
Total comprehensive income/(loss) for the period		(9,029)	147	(1,712)
EARNINGS PER SHARE LOSS ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY (EXPRESSED IN DOLLARS PER SHARE)				
Basic and diluted loss per share		(\$0.06)	(\$0.01)	\$0.03
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES ISSUED				
Basic		99,840	98,645	98,761
Diluted		103,179	101,588	102,637

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 2022

		31 MARCH 2022	31 MARCH 2021	30 SEPTEMBER 2021
		UNAUDITED	UNAUDITED	AUDITED
	NOTE	NZ\$000	NZ\$000	NZ\$000
CURRENT ASSETS				
Cash and cash equivalents	6	16,529	24,966	25,957
Trade and other receivables	7	28,743	21,148	21,746
Income tax receivable		189	336	68
Inventory		368	347	362
Total current assets		45,829	46,797	48,133
NON-CURRENT ASSETS				
Property, plant and equipment		2,591	2,595	2,683
Lease assets		7,801	9,364	8,162
Goodwill	12	104,316	107,085	106,766
Intangibles		32,901	41,767	37,698
Deferred tax assets		8,087	7,728	5,391
Total non-current assets		155,696	168,539	160,700
Total assets		201,525	215,336	208,833
CURRENT LIABILITIES				
Bank loans	8	-	2,555	-
Trade payables and accruals		4,318	4,800	4,513
Lease liabilities		1,804	2,204	1,376
Contract liabilities		14,212	13,690	12,695
GST payable		2,228	3,298	1,931
Employee entitlements		8,563	7,578	9,535
Income tax payable		-	-	1,322
Total current liabilities		31,125	34,125	31,372
NON-CURRENT LIABILITIES				
Lease liabilities		10,552	11,736	11,176
Employee entitlements		556	458	539
Deferred tax liabilities		4,535	6,223	3,305
Total non-current liabilities		15,643	18,417	15,020
Total liabilities		46,768	52,542	46,392
Net assets		154,757	162,794	162,441
EQUITY				
Share capital	9	194,009	191,229	191,699
Share based payment reserve		2,923	2,852	3,888
Foreign currency translation reserve		(1,406)	8,046	1,790
Accumulated deficit		(40,769)	(39,333)	(34,936)
Total equity		154,757	162,794	162,441

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 23 May 2022.

A J G

Andy Green
Chairman

Date: 23 May 2022

Fiona Oliver

Fiona Oliver
Director

Date: 23 May 2022

CONDENSED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 MARCH 2022

31 MARCH 2022		SHARE CAPITAL	SHARE BASED PAYMENT RESERVE	RETAINED EARNINGS	TRANSLATION RESERVE	TOTAL EQUITY
UNAUDITED	NOTE	NZ\$000	NZ\$000	NZ\$000	NZ\$000	NZ\$000
Balance at 1 October		191,699	3,888	(34,936)	1,790	162,441
Loss attributable to the shareholders of the company		-	-	(5,831)	-	(5,831)
Other comprehensive income		-	-	(2)	(3,196)	(3,198)
Total comprehensive loss for the period, net of tax		-	-	(5,833)	(3,196)	(9,029)
TRANSACTION WITH OWNERS						
Share based payments	11	2,310	(965)	-	-	1,345
Balance at 31 March		194,009	2,923	(40,769)	(1,406)	154,757

31 MARCH 2021		SHARE CAPITAL	SHARE BASED PAYMENT RESERVE	RETAINED EARNINGS	TRANSLATION RESERVE	TOTAL EQUITY
UNAUDITED		NZ\$000	NZ\$000	NZ\$000	NZ\$000	NZ\$000
Balance at 1 October		191,229	699	(38,216)	6,782	160,494
Loss attributable to the shareholders of the company		-	-	(1,117)	-	(1,117)
Other comprehensive income		-	-	-	1,264	1,264
Total comprehensive profit/(loss) for the period, net of tax		-	-	(1,117)	1,264	147
TRANSACTION WITH OWNERS						
Share based payments		-	2,153	-	-	2,153
Balance at 31 March		191,229	2,852	(39,333)	8,046	162,794

30 SEPTEMBER 2021		SHARE CAPITAL	SHARE BASED PAYMENT RESERVE	RETAINED EARNINGS	TRANSLATION RESERVE	TOTAL EQUITY
AUDITED		NZ\$000	NZ\$000	NZ\$000	NZ\$000	NZ\$000
Balance at 1 October		191,229	699	(38,216)	6,782	160,494
Loss attributable to the shareholders of the company		-	-	3,189	-	3,189
Other comprehensive income		-	-	91	(4,992)	(4,901)
Total comprehensive profit/(loss) for the period, net of tax		-	-	3,280	(4,992)	(1,712)
TRANSACTION WITH OWNERS						
Issue of capital		470	(413)	-	-	57
Share based payments		-	3,602	-	-	3,602
Balance at 30 September		191,699	3,888	(34,936)	1,790	162,441

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 2022

	6 MONTHS 31 MARCH 2022	6 MONTHS 31 MARCH 2021	12 MONTHS 30 SEPTEMBER 2021
	UNAUDITED	UNAUDITED	AUDITED
NOTE	NZ\$000	NZ\$000	NZ\$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	51,476	50,826	103,251
Payments to suppliers and employees	(55,360)	(39,825)	(85,957)
Lease liability finance charge	(369)	(421)	(814)
Income tax paid	(2,888)	(3,465)	(3,535)
Net cash (outflow)/inflow from operating activities	(7,141)	7,115	12,945
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	(346)	(187)	(663)
Net cash outflow from investing activities	(346)	(187)	(663)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for lease liabilities	(1,412)	(1,314)	(2,678)
Repayment of borrowings	-	-	(2,564)
Interest (paid)/received	(452)	(96)	(176)
Net cash (outflow) from financing activities	(1,864)	(1,410)	(5,418)
Net (decrease)/increase in cash held	(9,351)	5,518	6,864
Foreign currency translation adjustment	(77)	127	(228)
Cash at beginning of the financial period	25,957	19,321	19,321
Closing cash and cash equivalents	16,529	24,966	25,957

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 2022

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 2022 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 2021.

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 2022			
UNAUDITED	UTILITY	AIRPORT	TOTAL
	NZ\$000	NZ\$000	NZ\$000
TIMING OF REVENUE RECOGNITION			
Point in time	7,014	753	7,767
Over time	41,860	7,445	49,305
Total revenue	48,874	8,198	57,072
Expenditure	(48,377)	(7,525)	(55,902)
Segment contribution (1)	497	673	1,170
6 MONTHS 31 MARCH 2021			
UNAUDITED	UTILITY	AIRPORT	TOTAL
	NZ\$000	NZ\$000	NZ\$000
TIMING OF REVENUE RECOGNITION			
Point in time	4,500	745	5,245
Over time	37,928	7,780	45,708
Total revenue	42,428	8,525	50,953
Expenditure	(36,988)	(6,995)	(43,983)
Segment contribution (1)	5,440	1,530	6,970
12 MONTHS 30 SEPTEMBER 2021			
AUDITED	UTILITY	AIRPORT	TOTAL
	NZ\$000	NZ\$000	NZ\$000
TIMING OF REVENUE RECOGNITION			
Point in time	10,973	1,636	12,609
Over time	77,982	15,132	93,114
Total revenue	88,955	16,768	105,723
Expenditure	(79,604)	(13,392)	(92,995)
Segment contribution (1)	9,351	3,376	12,727

NOTES TO CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2022

2. OPERATING SEGMENTS (CONTINUED)

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

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

	6 MONTHS 31 MARCH 2022 UNAUDITED	6 MONTHS 31 MARCH 2021 UNAUDITED	12 MONTHS 30 SEPTEMBER 2021 AUDITED
	NZ\$000	NZ\$000	NZ\$000
Segment contribution (1)	1,170	6,970	12,727
Depreciation and amortisation	(5,391)	(5,382)	(10,864)
Net finance (expense) / income	(1,453)	(1,345)	3,701
Income tax (expense) / income	(157)	(1,360)	(2,375)
Profit/(loss) attributable to the shareholders of the company	(5,831)	(1,117)	3,189

	6 MONTHS 31 MARCH 2022 UNAUDITED	6 MONTHS 31 MARCH 2021 UNAUDITED	12 MONTHS 30 SEPTEMBER 2021 AUDITED
	NZ\$000	NZ\$000	NZ\$000
REVENUE BY DOMICILE OF ENTITY			
Australia	15,148	11,159	25,359
New Zealand	6,577	6,520	13,467
United Kingdom	32,007	29,682	60,302
Rest of World	3,340	3,592	6,595
Total revenue	57,072	50,953	105,723
REVENUE BY DOMICILE OF CUSTOMER			
Australia	16,477	12,219	27,509
New Zealand	3,894	4,356	8,696
United Kingdom	30,832	28,015	57,382
Rest of World	5,869	6,363	12,136
Total revenue	57,072	50,953	105,723

(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 2022

3. REVENUE

	6 MONTHS 31 MARCH 2022	6 MONTHS 31 MARCH 2021	12 MONTHS 30 SEPTEMBER 2021
	UNAUDITED	UNAUDITED	AUDITED
	NZ\$000	NZ\$000	NZ\$000
OPERATING REVENUE:			
Annual fees	28,321	29,817	57,787
Support services	10,534	9,621	20,977
Project services	12,237	7,953	18,727
Licenses	1,750	804	2,758
Other	4,230	1,637	4,771
Total operating revenue	57,072	49,832	105,020
OTHER INCOME:			
Government grants	-	1,121	703
Total revenue	57,072	50,953	105,723

4. EXPENDITURE

	6 MONTHS 31 MARCH 2022	6 MONTHS 31 MARCH 2021	12 MONTHS 30 SEPTEMBER 2021
	UNAUDITED	UNAUDITED	AUDITED
	NZ\$000	NZ\$000	NZ\$000
PROFIT/(LOSS) BEFORE TAX INCLUDES THE FOLLOWING SPECIFIC EXPENSES:			
Employee entitlements	41,616	34,601	70,296
Administrative costs	2,107	2,095	3,862
Third party customer-related costs	3,201	2,784	5,438
Advertising and marketing	739	392	1,191
Consulting and subcontracting	6,240	2,730	9,353
Other operating expenses	1,999	1,381	2,856
Total expenditure	55,902	43,983	92,996

NOTES TO CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2022

5. NET FINANCE EXPENSES/INCOME

	6 MONTHS 31 MARCH 2022	6 MONTHS 31 MARCH 2021	12 MONTHS 30 SEPTEMBER 2021
	UNAUDITED	UNAUDITED	AUDITED
	NZ\$000	NZ\$000	NZ\$000
FINANCE INCOME			
Interest income	7	8	26
Foreign exchange gains	-	-	4,692
	7	8	4,718
FINANCE EXPENSE			
Interest expense	(459)	(103)	(203)
Lease liability finance charges	(370)	(421)	(814)
Interest paid - NPV discount	-	-	-
Foreign exchange losses	(631)	(829)	-
	(1,460)	(1,353)	(1,017)
Net finance (expense) / income	(1,453)	(1,345)	3,701

6. CASH AND CASH EQUIVALENTS

	6 MONTHS 31 MARCH 2022	6 MONTHS 31 MARCH 2021	12 MONTHS 30 SEPTEMBER 2021
	UNAUDITED	UNAUDITED	AUDITED
	NZ\$000	NZ\$000	NZ\$000
Bank balances	16,529	24,965	25,957
Cash on hand	-	1	-
Total cash and cash equivalents	16,529	24,966	25,957

7. TRADE AND OTHER RECEIVABLES

	6 MONTHS 31 MARCH 2022	6 MONTHS 31 MARCH 2021	12 MONTHS 30 SEPTEMBER 2021
	UNAUDITED	UNAUDITED	AUDITED
	NZ\$000	NZ\$000	NZ\$000
Trade receivables	25,261	18,245	18,422
Impairment provision - Expected credit loss	(394)	(368)	(334)
Impairment provision - Specific provision	(2,929)	(2,569)	(2,945)
Provision for volume discounts	(139)	(377)	(104)
Contract assets	4,873	4,367	4,865
Sundry receivables and prepayments	2,071	1,850	1,842
Total trade and other receivables	28,743	21,148	21,746

NOTES TO CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2022

7. TRADE AND OTHER RECEIVABLES (CONTINUED)

	6 MONTHS 31 MARCH 2022 UNAUDITED NZ\$000	6 MONTHS 31 MARCH 2021 UNAUDITED NZ\$000	12 MONTHS 30 SEPTEMBER 2021 AUDITED NZ\$000
Opening balance	3,279	3,850	3,850
Movement in impairment provision	154	(919)	(526)
Effect of movement in foreign exchange	(110)	6	(21)
Bad debt written off	-	-	(24)
Total trade receivables impairment provision	3,323	2,937	3,279

8. BANK LOANS

On 17 December 2021, Gentrack Group has entered into a facility loan agreement with Bank of New Zealand (BNZ) replacing the ASB finance facility which expired in March 2022. The BNZ agreement is for a NZ\$25 million multi-currency facility. 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 2022, \$Nil (2021: \$2.6m) of the facility has been drawn down.

9. SHARE CAPITAL

	SHARES ISSUED			SHARE CAPITAL		
	31 MARCH 2022 UNAUDITED 000	31 MARCH 2021 UNAUDITED 000	30 SEPTEMBER 2021 AUDITED 000	31 MARCH 2022 UNAUDITED NZ\$000	31 MARCH 2021 UNAUDITED NZ\$000	30 SEPTEMBER 2021 AUDITED NZ\$000
Ordinary Shares	98,947	98,645	98,645	191,699	191,229	191,229
Issue of new ordinary shares	1,533	-	302	2,310	-	470
	100,480	98,645	98,947	194,009	191,229	191,699

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 \$3.7m (2021: \$4.4m). Directors fees were \$0.3m for the period (2021: \$0.2m).

The compensation calculation has been updated compared to 2021 to include other benefits in addition to salaries and wages.

Related parties are materially consistent with those disclosed in the 2021 Annual Report.

NOTES TO CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2022

11. EMPLOYEE SHARE SCHEME

During the period Gentrack Group granted a total of 1,462,526 (2021: 1,756,298) unlisted performance rights for Nil consideration to employees under the following schemes:

- Senior Management Long Term Incentive (SLTI) Scheme - 902,970 (2021: 1,163,947). Vesting is conditional on a combination of years' service and performance goals over the vesting period.
- Gentrack Long Term Incentive (GLTI) Scheme - 559,556 (2021: 592,351). Vesting is conditional on the completion of the necessary years' service to the vesting date.

During the period, 1,514,803 performance rights vested (2021: Nil) as follows:

- 516,199 of the SLTI Scheme granted in 2021.
- 998,604 performance rights granted to the CEO in 2021 CEO Scheme.

In addition, during the period, the Group issued 17,637 shares in form of equity remuneration.

Please refer to the 2021 Annual Report for further information on the Senior Management Long Term Incentive Share Scheme.

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 2022 UNAUDITED NZ\$000	6 MONTHS 31 MARCH 2021 UNAUDITED NZ\$000	12 MONTHS 30 SEPTEMBER 2021 AUDITED NZ\$000
Opening balance	106,599	106,599	106,599
Goodwill impairment	-	-	-
Exchange rate differences	(2,283)	486	167
Closing net book value	104,316	107,085	106,766
Goodwill allocated to Utilities	101,416	104,185	103,866
Goodwill allocated to Airport 20/20	2,900	2,900	2,900
Net book value	104,316	107,085	106,766

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 2022 no indicators of impairment were present and as a result no impairment testing was required to be carried out.

NOTES TO CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2022

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 their fair value.

TRADE PAYABLES

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

LOANS AND BORROWINGS

Loans and borrowings have a fixed and floating interest rates. Fair value is estimated using the discounted cash flow model based on current market interest rate for a similar product; the carrying value approximates 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 2022, Gentrack Group has no level 3 financial instruments (2021: \$Nil).

FINANCIAL INSTRUMENTS BY CATEGORY

	6 MONTHS 31 MARCH 2022	6 MONTHS 31 MARCH 2021	12 MONTHS 30 SEPTEMBER 2021
	UNAUDITED	UNAUDITED	AUDITED
	NZ\$000		NZ\$000
FINANCIAL ASSETS MEASURED AT AMORTISED COST			
Cash and cash equivalents	16,529	24,966	25,957
Trade and other receivables	28,743	21,148	21,746
	45,272	46,114	47,703
FINANCIAL LIABILITIES MEASURED AT AMORTISED COST			
Loans and borrowings	-	(2,555)	-
Trade payables	(4,318)	(4,800)	(1,929)
	(4,318)	(7,355)	(1,929)

NOTES TO CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2022

15. CAPITAL COMMITMENTS

There are no capital expenditure commitments at 31 March 2022 (2021: \$Nil).

16. CONTINGENCIES

On behalf of Gentrack Group, ASB New Zealand and BNZ have each provided guarantees of \$0.8m (2021: \$1.2m) and \$0.3m (2021: \$Nil) respectively. These guarantees are in place for implementation projects, property leases and exchange listings.

17. EVENTS AFTER BALANCE DATE

On 23 May 2022, the Gentrack Group Board determined that no interim dividend will be paid out for the first half of this financial year (2021: \$Nil).

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Shareholders of Gentrack Group Limited

Conclusion

We have reviewed the consolidated interim financial statements of Gentrack Group Limited ("the Company") and its subsidiaries (together "the Group") on pages 5 to 17 which comprise the consolidated condensed statement of financial position as at 31 March 2022 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 consolidated interim financial statements on pages 5 to 17 of the Group do not present fairly, in all material respects, the financial position of the Group as at 31 March 2022, 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 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.

Other than in our capacity as auditor we have no relationship with, or interest in, the Company or any of its subsidiaries. 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.

Directors' Responsibility for the Consolidated Interim Financial Statements

The Directors are responsible, on behalf of the entity, for the preparation and fair presentation of the consolidated interim 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 consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.



Auditor's Responsibilities for the Review of the Consolidated Interim Financial Statements

Our responsibility is to express a conclusion on the consolidated interim 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 consolidated interim 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 consolidated interim 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 consolidated interim financial statements.

The logo for Ernst & Young, featuring the company name in a stylized, handwritten script.

Chartered Accountants
Auckland, New Zealand
23 May 2022

CORPORATE DIRECTORY

REGISTERED OFFICE

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DIRECTORS

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

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Kerry Nickels

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