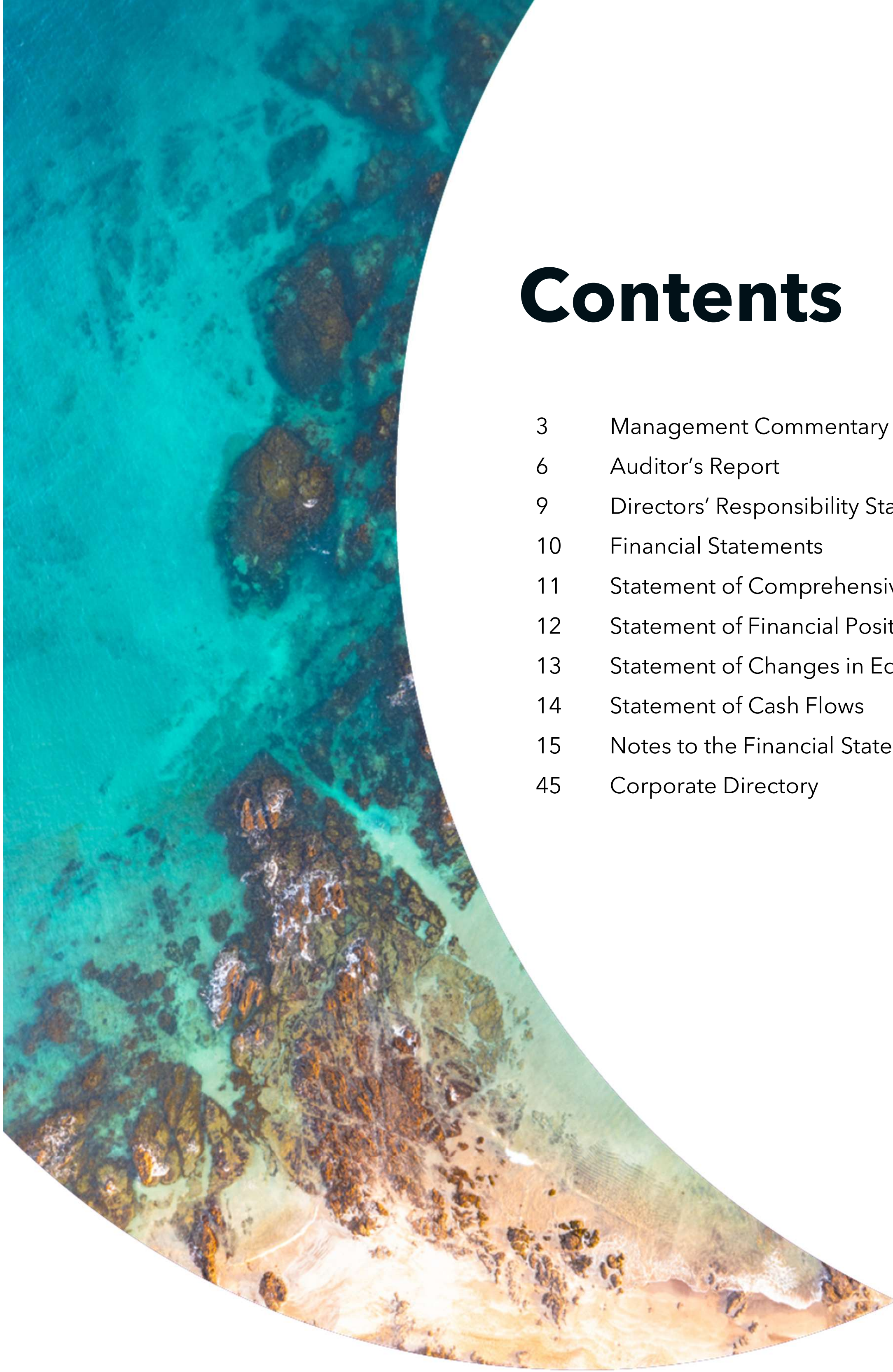
Gentrack Group Limited

Financial Statements

For the year ended 30 September 2024

gentrack™



Contents

Chairman and CEO's Commentary

- **Revenue: $213.2m: up 25.5% v FY23** and up 50% when excluding $27.6m of one-off revenues in FY23 from insolvent customers.
- **EBITDA: $23.6m v $23.2m in FY23** (FY24 impacted by a $7.1m charge against payroll costs on the Group's LTI schemes due to the significant growth in our share price and the accelerated amortisation of these costs).
- **Statutory NPAT: $9.5m v $10.0m in FY23**
- **Cash: $66.7m:** $17.5m increase in the year after $12.9m Amber investment in H1'24.
- **No Dividend payable**

Overview

Gentrack's market segments of energy, water and airports are growth markets providing essential services.

Gentrack's mission in utilities is to help the world accelerate towards a net zero future by supporting the global modernisation of energy and water retailers. Gentrack has c690 committed utility professionals who are passionate about this purpose. They work tirelessly to demonstrate our leadership in this dynamic landscape as utilities world-wide embark on their transformation journey.

Strong revenue growth comes in part from doing more with our current customers as they innovate. They face a myriad of drivers for system change including regulatory and competitive dynamics; data insights from real time smart meter interactions; time of use pricing; great customer experience; new operating models; and per capita water consumption targets.

Additionally, we have four new utility customers in FY24, including new wins in Saudi Arabia and the Philippines. We now have utility customers in eight countries. The pipeline of new opportunities continues to develop and, as we said in our May 2024 earnings forecast, we are targeting further wins in FY25 in our current markets and new territories.

Separately, our Airports Division, Veovo, which operates in 23 countries and over 140 airports, is playing a leading role in the digitization and modernisation of the industry. We have a top-class team and great technology with over 90 professionals in the division.

We expect continued progress at Veovo. With almost no customer churn, continued new wins (such as FY24 wins of Manchester Airports Group and the airports of Saudi Arabia) add depth to our recurring revenue base. We expect to secure renewals, upsells and new wins from our strong pipeline in FY25.

Financial performance

For the Group, revenues increased 25.5% over the prior year period to $213.2m. In our Utilities business, total revenue grew by 23% to $181.3m. Underlying Utilities revenue, excluding $27.6m of revenue in FY23 from insolvent customers, grew by 51%. Upgrades and other customer transformations, new customer wins and strong demand for innovation and change from across our customer base helped drive our non-recurring revenues 104% higher to $60m. Whilst wins and upsells from prior periods increased our recurring revenues by 33% to $121.3m.

New customer wins in the UK and the Middle East have powered Veovo to a 45.5% increase in revenue over the prior period to $31.9m. The project work to implement these wins alongside upgrades from existing customers have driven non-recurring revenues 101% higher v prior year to $15.7m. This includes $6.8m ($2.0m in FY23) of revenue from sales of hardware sourced from our supplier network. Customer wins and upgrades from prior periods have also pushed recurring revenues 15% higher to $16.3m.

EBITDA at $23.6m ($23.2m in FY23) includes $7.1m booked against expected payroll tax on the Group's LTI schemes (compared to $0.3m in FY23). This follows the strong rise in our share price across the year. The tax is based on the share price at vesting. Furthermore, for LTI awards to management made at the start of FY24 more shares vest and vest earlier when the share price is higher and so we are now amortising most of this expected cost over two rather than three years.

We have continued to increase investment in strategic R&D, all of which has been expensed, as well as increase our sales & marketing spend to support our international expansion.

Our NPAT of $9.5m ($10m in FY23) includes a $1.3m loss being our share of the losses of Amber in which we acquired a 10% stake during the year. Alongside our equity we hold a seat on Amber's Board and so account for this investment as an associate company within our financial statements.

Gentrack continues to deliver strong cash generation. Our cash as of 30 September 2024 was $66.7m, a $17.5m increase over the start of the year, after investing $12.9m in Amber.

Gentrack's Utilities and Veovo businesses both operate in high growth and consolidating markets. Today the Board believes that the best use of the company's capital is to continue to invest in growth. We have therefore decided not to pay a dividend. We will keep the use of capital under regular review.

Bringing Value to our Energy and Water Customers

Gentrack and our customers are also consistently recognised as leading and shaping the industry's change. Some examples include:

Red Energy, which has been the Canstar Leading Energy Supplier for 13 years in a row in Australia, the world's most dynamic energy market.

Ecotricity, which is Citizens Advice Customer Experience leader in the UK, the world's most competitive energy market.

Mercury who won the New Zealand CIO Awards from global market intelligence firm, IDC for Business Transformation through IT.

g2.0 and other Technology Updates

The g2.0 technology strategy, with Salesforce's Energy and Utility Cloud embedded, is resonating very well with our existing and potential customers. A recent testament to this has been g2.0 winning three prestigious awards at the Asian Business Review Awards 2024 for Enterprise Software Energy, Enterprise Software Utilities, and ESG Tech Utilities.

In November 2023, Genesis Energy selected our g2.0 solution to modernise their business and we are making good progress in this transformation program which will remain a key program across FY25. Upgrade discussions with parts of our customer base are underway and new customer sales are on g2.0.

We have a strong and exciting technology roadmap for FY25. We continue to invest in data solutions for better AI insights and automation as well as a broad range of sellable, add on functionality that energy and water customers need as they transform and innovate.

We continue to invest in products in areas such as dynamic pricing and propositions for distributed energy sources such as battery optimisation for industry, homes, and electric vehicles. Our minority investment in Amber accelerates our roadmap in this key energy transition domain. 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. Their product is augmenting our solution well and we see encouraging interest in the combined Gentrack and Amber solution. We are pleased to have achieved our first win on a joint Gentrack and Amber solution in Europe.

We also work with other distributed resources management technology suppliers to bring the right energy solution to our customers in this nascent market.

Veovo's Leading Technology Capabilities

Veovo has had another strong year of growth. Airports have returned to 2019 passenger numbers and that has meant a drive for technology to deliver more capacity and better journeys.

FY24 has seen a number of big projects for Veovo. We have had major success in the Middle East with large contracts in Saudi Arabia for our Passenger Predictability products and the delivery of Airport Billing in Dubai. In the UK, Manchester Airport Group has selected Veovo for Passenger tracking and Queue measurement across all their airports.

We continue to have excellent customer retention, with upgrades to our Gen8 platform for airport operations being rolled out in New Zealand, Australia, the UK, and North America. This is driving both growth and cementing Veovo's incredible record for customer retention.

We expect Veovo to continue this strong story in FY25, with current projects becoming operational and a strong pipeline of opportunities with existing and new customers.

Climate Statement

Our FY24 Annual Report will include our first Climate Statement under New Zealand climate related disclosures regime. We believe that our technologies can play a key role in accelerating a sustainable future for the planet. Our platforms support automation and operational efficiency at airports. At Utilities, we deliver customer centric solutions that can help end customers adopt greener solutions to advance the energy transition.

Looking Forward

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 would 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	Gary Miles
Chairman	CEO

Building a better working world

Independent Auditor's Report

To the shareholders of Gentrack Group Limited - Report on the audit of the financial statements

Opinion

We have audited the financial statements of Gentrack Group Limited (the "Company") and its subsidiaries (together the "Group") on pages 11 to 44, which comprise the consolidated statement of financial position of the Group as at 30 September 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended of the Group, and the notes to the consolidated financial statements including material accounting policy information.

In our opinion, the consolidated financial statements on pages 11 to 44 present fairly, in all material respects, the consolidated financial position of the Group as at 30 September 2024 and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

This report is made solely to the Company's shareholders, as a body. Our audit has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's 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 audit work, for this report, or for the opinions we have formed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Ernst & Young provides statutory 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of the audit report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Revenue recognition – software implementation

Why significant	How our audit addressed the key audit matter
The Group has reported revenues of $213 million. Accounting for the portion of revenue related to software implementation projects of $64 million requires consideration of the inherent complexities of software implementation projects and the use of estimation. As a result, we consider this a key audit matter. Where implementation projects run over more than one financial year, revenue for the year is recognised based on their stage of completion using the proportion of actual hours at the reporting date compared to management estimates for total forecast hours. Accurate recording of this revenue is highly dependent on: ▶ Detailed knowledge of individual characteristics of a contract, including its unique terms, knowledge of the software and expected length of time to complete contractual milestones; ▶ Ongoing adjustments to estimated hours to complete implementation taking into consideration changes in scope, estimated timing and project delays; and ▶ Changes to total expected project revenue for contract variation or additional billing for changes in scope or additional hours incurred. Disclosures in relation to the Group's revenue are included in note 3.2 to the consolidated financial statements.	In obtaining sufficient appropriate audit evidence, we: ▶ selected a sample of implementation projects focusing on projects that were in progress at balance date. For the projects selected, where relevant, we: ▶ assessed whether revenue recognised was consistent with contractual terms and NZ IFRS 15, including any allocations of contract revenue between initial license fee, design and implementation, and maintenance phases of the contracts; ▶ obtained the project status reports as at 30 September 2024 and considered whether the project manager had performed a review to ensure actual hours reflect work performed to date and forecast hours reflect current expectations; ▶ recalculated revenue to date based on actual hours incurred as a percentage of total forecast hours to ensure revenue was recognised in line with the project manager's estimate; and ▶ assessed the forecast hours to complete and project status through discussion with project managers and senior management, and challenged significant changes in total forecast hours post year end to understand if these should have been reflected in the forecast as of the year end ▶ assessed appropriateness of the deferred revenue balance at year end by reference to the percentage of completion of implementation projects; and ▶ considered the adequacy of the associated disclosures in the financial statements.

Information other than the financial statements and auditor's report

The directors of the Company are responsible for the annual report, which includes information other than the consolidated financial statements and auditor's report which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and, if uncorrected, to take appropriate action to bring the matter to the attention of users for whom our auditor's report was prepared.

Directors' responsibilities for the financial statements

The directors are responsible, on behalf of the entity, for the preparation and fair presentation of the consolidated financial statements in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing on behalf of the entity the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (New Zealand) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the External Reporting Board's website: https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1/. This description forms part of our auditor's report.

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

Ernst + Young

Chartered Accountants
Wellington
25 November 2024

DIRECTORS RESPONSIBILITY STATEMENT

The Directors are required to prepare financial statements for each financial year that present fairly the financial position of Gentrack Group and its operations and cash flows for that period.

The Directors consider these financial statements have been prepared using accounting policies suitable to Gentrack Group's circumstances, which have been consistently applied and supported by reasonable judgements and estimates, and that all relevant financial reporting and accounting standards have been followed.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy, at any time, the financial position of Gentrack Group and to enable them to ensure that the financial statements comply with the Companies Act 1993. They are also responsible for safeguarding the assets of Gentrack Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Directors of Gentrack Group authorised these financial statements for issue on 25 November 2024.

For and on behalf of the Board of Directors:

Andy Green

Chairman
Date: 25 November 2024

Fiona Oliver

Director
Date: 25 November 2024

Financial Statements

30 September 2024

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2024

	SECTION	2024 NZ$000	2023 NZ$000
Revenue	3.1,3.2	213,242	169,884
Expenditure	3.4	(189,657)	(146,692)
Profit before depreciation, amortisation, other income, financing, foreign exchange gain or loss and tax		**23,585**	**23,192**
Depreciation and amortisation	3.5	(8,993)	(8,451)
Profit before other income, financing, foreign exchange gain or loss and tax		**14,592**	**14,741**
Other Income	3.3	1,693	1,574
Foregin exchange gains/(losses)		36	(184)
Finance expense		(1,497)	(1,461)
Finance income		1,131	355
Share of loss of an associate	2.4	(1,339)	-
Profit before tax		**14,616**	**15,025**
Income tax expense	7.1	(5,070)	(4,979)
Profit attributable to the shareholders of the company		**9,546**	**10,046**
OTHER COMPREHENSIVE INCOME*			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):			
Share of other comprehensive profit of an associate	2.4	252	-
Translation of international subsidiaries		3,417	5,056
Total comprehensive profit for the period		**13,215**	**15,102**
EARNINGS PER SHARE ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY (EXPRESSED IN DOLLARS PER SHARE)			
Basic earnings per share	6.4	$0.09	$0.10
Diluted earnings per share	6.4	$0.08	$0.10
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES ISSUED			
Basic	6.4	103,112	99,983
Diluted	6.4	113,828	103,566

*Disclosure of excess income tax benefit on share-based payments is disclosed under Statement of Changes in Equity.

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2024

	SECTION	2024 NZ$000	2023 NZ$000
CURRENT ASSETS			
Cash and cash equivalents	4.3	66,679	49,186
Trade and other receivables	5.1	44,434	37,789
Income tax receivable		167	123
Inventory	5.8	576	408
Total current assets		**111,856**	**87,506**
NON-CURRENT ASSETS			
Property, plant and equipment	5.5	2,898	3,092
Lease assets	9.1	12,823	12,637
Goodwill	5.2	111,955	109,420
Intangibles	5.4	21,510	26,311
Investment in an associate	2.4	11,801	-
Deferred tax assets	7.2	14,840	10,607
Total non-current assets		**175,827**	**162,067**
Total assets		**287,683**	**249,573**
CURRENT LIABILITIES			
Trade payables and accruals	5.6	11,933	8,591
Lease liabilities	9.1	2,738	2,287
Contract liabilities		17,056	13,622
GST payable		2,751	2,493
Employee entitlements	5.7	22,686	19,033
Income tax payable		1,626	2,748
Total current liabilities		**58,790**	**48,774**
NON-CURRENT LIABILITIES			
Lease liabilities	9.1	14,417	15,018
Employee entitlements	5.7	3,897	835
Deferred tax liabilities	7.2	2,776	3,530
Total non-current liabilities		**21,090**	**19,383**
Total liabilities		**79,880**	**68,157**
Net assets		**207,803**	**181,416**
EQUITY			
Share capital	6.1	200,698	196,031
Share-based payment reserve		11,738	6,187
Foreign currency translation reserve		9,382	5,965
Retained earnings		(14,015)	(26,767)
Total equity		**207,803**	**181,416**

The above 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 25 November 2024.

A. S. Green

Fiona Oliver

Andy Green
Chair

Date: 25 November 2024

Fiona Oliver
Director

Date: 25 November 2024

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2024

2024 NZ$ 000	SECTION	SHARE CAPITAL	SHARE BASED PAYMENT	RETAINED EARNINGS	TRANSLATION RESERVE	TOTAL EQUITY
Balance as at 1 October		**196,031**	**6,187**	**(26,767)**	**5,965**	**181,416**
Profit attributable to the shareholders of the company		-	-	9,546	-	9,546
Other comprehensive income		-	-	252	3,417	3,669
Total comprehensive income for the period, net of tax		**-**	**-**	**9,798**	**3,417**	**13,215**
TRANSACTION WITH OWNERS						
Excess income tax benefit on share-based payments		-	-	2,954	-	2,954
Issue of share capital	6.1	4,667	(4,667)	-	-	-
Share-based payments	6.2	-	10,218	-	-	10,218
Balance at 30 September		**200,698**	**11,738**	**(14,015)**	**9,382**	**207,803**

2023 NZ$ 000	SECTION	SHARE CAPITAL	SHARE BASED PAYMENT	RETAINED EARNINGS	TRANSLATION RESERVE	TOTAL EQUITY
Balance as at 1 October		**194,009**	**2,877**	**(37,887)**	**909**	**159,908**
Profit attributable to the shareholders of the company		-	-	10,046	-	10,046
Other comprehensive income		-	-	-	5,056	5,056
Total comprehensive income for the period, net of tax		**-**	**-**	**10,046**	**5,056**	**15,102**
TRANSACTION WITH OWNERS						
Excess income tax benefit on share-based payments		-	-	1,074	-	1,074
Issue of share capital	6.1	2,022	(2,022)	-	-	-
Share-based payments	6.2		5,332	-	-	5,332
Balance at 30 September		**196,031**	**6,187**	**(26,767)**	**5,965**	**181,416**

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

	SECTION	2024 NZ$000	2023 NZ$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		212,672	165,301
Payments to suppliers and employees		(171,654)	(137,647)
Income tax paid		(6,632)	(1,735)
Net cash inflow from operating activities		**34,386**	**25,919**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	5.5	(1,087)	(1,958)
Investment in an associate	2.4	(12,888)	-
Net cash outflow from investing activities		**(13,975)**	**(1,958)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for lease liabilities	9.1	(2,534)	(1,634)
Lease liability finance charge	9.1	(1,108)	(1,069)
Interest paid		(389)	(392)
Interest received		1,131	355
Net cash outflow from financing activities		**(2,900)**	**(2,740)**
Net increase in cash held		**17,511**	**21,221**
Foreign currency translation adjustment		(18)	578
Cash at beginning of the financial period		49,186	27,387
Closing cash and cash equivalents		**66,679**	**49,186**

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

GENERAL INFORMATION	ACCOUNTING POLICES	CRITICAL JUDGEMENTS

GENERAL INFORMATION

The notes are consolidated into nine sections. Each section contains an introduction and general information which is indicated by the symbol above. The layout of these financial statements has been streamlined to present them in a way that is more intuitive for readers to follow. This is achieved by laying out the accounting policies and critical judgements alongside the notes and focusing information in a way which provides increased clarity and ease of understanding.

The first section details general information about Gentrack Group and guidance on how to navigate through the financial statements.

ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out throughout the document where they are applicable. These policies have been consistently applied to all the years presented, unless otherwise stated.

Accounting policies are identified by this symbol above.

CRITICAL JUDGEMENTS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue, and expenses. Management bases its judgements and estimates on historical experience and on various other factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values for assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these critical judgements and estimates may be found throughout the financial statements as they are applicable and are identified by this symbol.

1. GENERAL INFORMATION

Gentrack Group Limited is a limited liability company, domiciled and incorporated in New Zealand and registered under the New Zealand Companies Act 1993. The registered office of the Gentrack Group Limited (Company) is 17 Hargreaves Street, St Marys Bay, Auckland 1011, New Zealand.

The financial statements presented are for Gentrack Group Limited (the parent) and its subsidiaries (Gentrack Group) for the year ended 30 September 2024. Prior year comparatives are for the year ended 30 September 2023.

The financial statements of Gentrack Group for the year ended 30 September 2024 were authorised for issue in accordance with a resolution of the directors on 25 November 2024.

Gentrack Group's principal activity is the development, integration, and support of enterprise billing and customer management software solutions for the utility (energy and water) and airport industries.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

This section outlines the legislation and accounting standards which have been followed in the preparation of the financial statements along with explaining how the information has been consolidated and presented.

2.1 KEY LEGISLATION AND ACCOUNTING STANDARDS

The financial statements of Gentrack Group have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards as appropriate to profit-oriented entities. The financial statements comply with International Financial Reporting Standards (IFRS).

Gentrack Group is a FMC entity for the purposes of the Financial Reporting Act 2013 and Financial Markets Conduct Act 2013 and is listed on the New Zealand Stock Exchange (NZX) and the Australian Securities Exchange (ASX).

The financial statements have been prepared in accordance with the requirements of the Financial Markets Conduct Act 2013.

2.2 BASIS OF CONSOLIDATION

Subsidiaries are entities over which Gentrack Group has control. Gentrack Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power over the entity. In assessing control, potential voting rights that currently are exercisable are considered. Subsidiaries are fully consolidated from the date that control is transferred to Gentrack Group. They are deconsolidated from the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by Gentrack Group.

Intra-group balances and any unrealised income and expenses arising from intra-group transactions, are fully eliminated in preparing the financial statements.

FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of each of Gentrack Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in New Zealand dollars (NZD) which is Gentrack Group's presentation currency. All financial information has been presented rounded to the nearest thousand dollars ($000) in the financial statements.

TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

FOREIGN CURRENCY TRANSLATION RESERVE (FCTR)

Gentrack Group translates the results of its foreign operations from their functional currencies to the presentation currency using the closing exchange rate at balance date for assets and liabilities and the average monthly exchange rates for income and expenses. The difference arising from the translation of the statement of financial position at the closing rates and the statement of comprehensive income at the average rates is recorded within the foreign currency translation reserve within the statement of changes in equity.

2.3 BUSINESS COMBINATIONS

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to Gentrack Group. Control is the exposure or right to variable returns from involvement with the entity and the ability to affect those returns through power over the entity.

Gentrack Group recognises the fair value of all identifiable assets, liabilities, and contingent liabilities of the acquired business. Goodwill is measured as the excess cost of the acquisition over the recognised assets and liabilities. When the excess is negative (negative goodwill), the amount is recognised immediately in the statement of comprehensive income.

2.3 BUSINESS COMBINATIONS (CONTINUED)

Gentrack Group has not made any acquisitions during the year ended 30 September 2024 or 2023. For details of acquisitions made in prior years refer to the 2018 Annual Report.

2.4 INVESTMENT IN ASSOCIATES

An associate is an entity over which Gentrack Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

On January 31, 2024, Gentrack Group finalised a subscription deed, obtaining a 10% stake in Amber Holding Corporation Pty Limited (Amber). Amber's primary business activities are software sales and energy retail. The Group has a seat on Amber's Board. According to NZ IAS 28 Investment in Associates , 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.

Amber's financial year ends in June. To align with Gentrack Group's financial reporting, Amber's financial statements are adjusted to match the corresponding reporting period. The accounting policies of Amber are consistent with Gentrack Group's policies. As a result, no additional adjustments are required when recognising and measuring Gentrack Group's share of Amber's profit or loss after the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

2.5 GROUP INFORMATION

The financial statements include the following subsidiaries:

ENTITY	PRINCIPAL ACTIVITY	COUNTRY OF INCORPORATION	SHAREHOLDING 2024	SHAREHOLDING 2023
Gentrack Group Australia Pty Limited	Holding company	Australia	100%	100%
Gentrack Pty Limited	Software sales and support	Australia	100%	100%
Veovo Holdings (Denmark) ApS	Holding company	Denmark	100%	100%
Veovo A/S (formally Blip Systems A/S)	Software development sales and support	Denmark	100%	100%
CA Plus Limited	Software development sales and support	Malta	100%	100%
Veovo Group Limited	Holding company	New Zealand	100%	100%
Gentrack Limited	Software development sales and support	New Zealand	100%	100%
Gentrack Holdings (UK) Limited	Holding company	United Kingdom	100%	100%
Gentrack UK Limited	Software development sales and support	United Kingdom	100%	100%
Junifer Systems Limited	Dormant	United Kingdom	100%	100%
Evolve Parent Limited	Holding company	United Kingdom	100%	100%
Evolve Analytics Limited	Dormant	United Kingdom	100%	100%
Gentrack Private Software Limited	Software development and support	India	100%	100%
Gentrack Information Systems Technology Company	Software sales and support	Kingdom of Saudi Arabia	100%	100%
Gentrack (Singapore) Pte Limited	Software sales and support	Singapore	100%	100%
Veovo Inc	Software sales and support	United State of America	100%	100%
Veovo NZ Limited	Software sales and support	New Zealand	100%	100%
Veovo UK Limited	Software sales and support	United Kingdom	100%	100%
Veovo IP Limited	Software development	New Zealand	100%	100%

In October 2024, Gentrack France SAS, a wholly owned subsidiary of Gentrack UK Limited, was incorporated to support the Gentrack Group in software development and sales initiatives.

2.6 IMPACT OF STANDARDS ISSUED BUT NOT YET ADOPTED

The External Reporting Board has issued NZ IFRS 18 Presentation and Disclosure in Financial Statements, FRS 44 Disclosure of Fees for Audit Firms' Services, as well as amendments to existing international accounting standards. Gentrack Group will adopt NZ IFRS 18 and FRS 44 when mandatory and does not expect NZ IFRS 18 and FRS 44 to have a material impact on its financial statements.

There were no other new effective standards adopted on 1 October 2023 that had a material impact on the financial statements.

3. GROUP PERFORMANCE

This section outlines further details of Gentrack Group's financial performance by building on the information presented in the Statement of Comprehensive Income.

3.1 OPERATING SEGMENTS

An operating segment is a component of an entity that engages in business activities from which it may earn revenue and incur expenses, whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Operating segments are aggregated for disclosure purposes where they have similar products and services, production processes, customers, distribution methods and regulatory environments.

Gentrack Group currently operates in two business segments, utility billing software and airport management software. Consistent with prior years, Gentrack Group's corporate costs are included in the utility segment. 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 airport segment (also referred to as the 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.

2024	UTILITY	AIRPORT	TOTAL
	NZ$000	NZ$000	NZ$000
TIMING OF REVENUE RECOGNITION			
Point in time	29,025	6,799	35,824
Over time	152,285	25,133	177,418
Total revenue	**181,310**	**31,932**	**213,242**
Expenditure	(163,064)	(26,593)	(189,657)
Segment contribution (1)	**18,246**	**5,339**	**23,585**

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

3.1 OPERATING SEGMENTS (CONTINUED)

(1) Segment contribution is defined as profit before depreciation, amortisation, other income, financing, foreign exchange gain or loss and tax.

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

	2024	2023
	NZ$000	NZ$000
Segment contribution (1)	**23,585**	**23,192**
Depreciation and amortisation	(8,993)	(8,451)
Other Income	1,693	1,574
Foreign exchange gains/(losses)	36	(184)
Finance expense	(1,497)	(1,461)
Finance income	1,131	355
Share of loss of an associate	(1,339)	-
Income tax expense	(5,070)	(4,979)
Profit attributable to the shareholders of the company	**9,546**	**10,046**

	2024	2023
	NZ$000	NZ$000
REVENUE BY DOMICILE OF ENTITY		
Australia	51,388	39,543
New Zealand	34,617	19,824
United Kingdom	105,892	97,433
Rest of World	21,345	13,083
Total revenue	**213,242**	**169,884**
REVENUE BY DOMICILE OF CUSTOMER		
Australia	55,252	42,374
New Zealand	26,982	14,665
United Kingdom	98,763	95,128
Rest of World	32,245	17,717
Total revenue	**213,242**	**169,884**

In 2024, Gentrack Group generated $24.6m from a single utility customer domiciled in the United Kingdom (2023: $26.4m).

3.2 OPERATING REVENUE

Gentrack Group recognises revenue from customers when the performance obligation has been accomplished. A performance obligation is accomplished when the customer has received all the benefits promised under the performance obligation. The following sections detail the type of revenue recognised within each category.

Revenue recognition involves certain revenue streams being recognised based on the stage of completion. This process uses estimations of time required to complete the project and is based on detailed information on hours worked to date, prior experience, and project scheduling tools. Gentrack Group employs project managers to provide regular information to management on the progress of all projects. All estimates are reviewed by management prior to revenue recognition.

Contract assets are initially recognised for revenue earned from services in progress and are reclassified to trade receivables on stage of completion. Contract assets are subject to impairment assessments.

Contract liabilities are recognised if a payment is received, or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract.

Contract assets and contract liabilities typically are recognised as trade receivables and revenue (respectively) within a 12-month period.

ANNUAL FEES

Annual fees include software support and maintenance charged on software licenses and software subscriptions. Revenue from annual fees is generally recognised over the period the benefits are consumed by the customer.

SUPPORT SERVICES

Support services are post implementation value-add professional services related to ongoing upgrades, minor software revisions and extended support. Support services revenue is recognised when the service is complete or on a stage of completion basis.

LICENSES

Revenue from license fees is recognised when the customer can benefit from the licensed software. License fees that are highly interrelated with project services are recognised based on a stage of completion of the project.

PROJECT SERVICES

Revenue from project services is recognised based on the stage of completion of the project. This is typically in accordance with the achievement of contract milestones and/or hours expended and forecast hours to complete the project.

MANAGED SERVICES

Managed Services includes revenues where Gentrack uses its own software and expertise, on behalf of customers, to deliver either improvements in the energy reconciliation process or supporting customers with billing and operational back-office processes. Revenue is recognised when the service is complete or over the period that the benefits are consumed by the customer.

OTHER

Other revenue is primarily revenue from hardware and the recharge of ad-hoc costs that are recharged to customers. Revenue from hardware sales is recognised when the hardware has been delivered to the customer.

3.2 OPERATING REVENUE (CONTINUED)

	2024	2023
	NZ$000	NZ$000
OPERATING REVENUE:		
Annual fees	68,989	72,673
Support services	38,491	28,276
Project services	64,133	34,763
Licenses	4,757	490
Managed sevices	30,067	31,630
Other	6,805	2,052
Total operating revenue	**213,242**	**169,884**

3.3 OTHER INCOME

GOVERNMENT GRANTS

Government grants including certain types of credits receivable from tax authorities are recognised at their fair value where there is a reasonable assurance that the grant will be received, and Gentrack Group will comply with all attached conditions. When a grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Included as other income in the statement of comprehensive income during the financial year are amounts expected to be received from the UK tax authorities as a credit against UK corporation tax in the form of Research and Development Expenditure Credits (RDEC) to compensate for eligible research and development activities performed in the United Kingdom.

3.4. EXPENDITURE

The table below provides a detailed breakdown of the total expenditure presented in the statement of comprehensive income.

	2024	2023
	NZ$000	NZ$000
PROFIT / (LOSS) BEFORE TAX INCLUDES THE FOLLOWING SPECIFIC EXPENSES:		
Employee entitlements*	135,497	108,572
Administrative costs	7,851	6,567
Third party customer-related costs	21,304	9,897
Advertising and marketing*	2,255	2,634
Consulting and subcontracting*	16,097	13,801
Other operating expenses	6,653	5,221
Total expenditure	**189,657**	**146,692**

*We have reclassified some amounts within financial year 2023 to more appropriately reflect our expenditure. Employment entitlements and advertising & marketing are $0.7m and $0.2m lower respectively; and consulting and subcontracting is $0.9m higher than previously disclosed.

3.4. EXPENDITURE (CONTINUED)

Included in the total expenditure above, Gentrack Group has expensed $22.7m in Research and Development expenditure (2023: $21.9m). This Research and Development expenditure includes payroll costs, employee benefits and other employee related costs, direct overheads, and other directly attributable costs related to performing Research and Development activities.

3.5 DEPRECIATION AND AMORTISATION

Depreciation on assets is calculated using the straight-line method to allocate the difference between their original costs and their residual values over their estimated useful lives.

Except for goodwill and brands, intangible assets are amortised on a straight-line over their estimated useful lives, from the date that they are available for use.

		2024	2023
		NZ$000	NZ$000
DEPRECIATION EXPENSE			
Depreciation on property plant and equipment		1,300	1,059
Depreciation on lease assets	9.1	2,183	1,793
		3,483	2,852
AMORTISATION EXPENSE			
Amortisation		5,510	5,599
		5,510	5,599
Total depreciation and amortisation		**8,993**	**8,451**

3.6. NET FINANCE EXPENSES

Finance income comprises interest income that are recognised in the Statement of Comprehensive Income. Interest income is recognised as it accrues, using the effective interest method.

Finance expense comprises interest expense on borrowings, lease liability finance charges, and impairment losses recognised on the financial assets (except for trade receivables) that are recognised in the statement of comprehensive income. All borrowing costs are recognised in the statement of comprehensive income using the effective interest method.

		2024	2023
	SECTION	NZ$000	NZ$000
FINANCE INCOME			
Interest income		1,131	355
		1,131	**355**
FINANCE EXPENSE			
Interest expense		(389)	(392)
Lease liability finance charges	9.1	(1,108)	(1,069)
		(1,497)	**(1,461)**
Net finance expense		**(366)**	**(1,106)**

4. CASH, BORROWINGS AND CASH FLOWS

This section outlines further from the statement of cashflows and provides details on the cash and cash equivalents held in the statement of financial position. Cash comprises cash at bank and short-term deposits.

4.1 RECONCILIATION OF NET SURPLUS TO CASH FLOWS

	SECTION	2024 NZ$000	2023 NZ$000
RECONCILIATION OF OPERATING CASH FLOWS WITH NET PROFIT AFTER TAX:			
Profit after tax		**9,546**	**10,046**
ADJUSTMENTS FOR NON-CASH ITEMS			
Deferred tax	7.2	(2,066)	(3,667)
Impairment provision - Trade receivables		(486)	(230)
(Gain)/Loss on foreign exchange transactions		(38)	184
Share based payments		10,218	5,209
Interest expense	3.6	389	392
Interest income	3.6	(1,131)	(355)
Lease liability finance charges	3.6	1,108	1,069
Depreciation and amortisation	3.5	8,993	8,451
Share of loss of an associate		1,339	-
Non-cash items		**18,326**	**11,053**
ADD/(DEDUCT) MOVEMENTS IN OTHER WORKING CAPITAL ITEMS:			
Increase in trade and other receivables		(5,308)	(7,373)
(Increase)/Decrease in tax payable		(1,189)	5,337
Increase/(Decrease) in GST payable		146	(283)
Increase in contract liabilities		3,340	1,206
Increase in employee entitlements		6,280	4,350
Increase in trade payables and accruals		3,245	1,583
Net working capital movements		**6,514**	**4,820**
Net cash inflow from operating activities		**34,386**	**25,919**

4.2 BANK FACILITIES AND BORROWINGS

Gentrack Group has a $25 million multicurrency facility with Bank of New Zealand. This facility is to provide additional funding as required for acquisitions and general corporate purposes. The BNZ facility expires on 16 December 2024, at which time the Group intends to replace or extend this facility.

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 30 September 2024 $Nil (2023: $Nil) of the facility has been drawn down.

4.3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, deposits held at call with banks, other short-term and highly liquid investments with original maturities of three months or less.

	2024	2023
	NZ$000	NZ$000
Cash at banks	33,285	21,779
Short-term deposits	33,394	27,407
Total cash and cash equivalents	**66,679**	**49,186**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of Gentrack Group, and earn interest at the respective short-term deposit rates.

5. ASSETS AND LIABILITIES

This section outlines further details of Gentrack Group's financial position by building on information presented in the statement of financial position.

5.1. TRADE AND OTHER RECEIVABLES

Gentrack Group recognises trade and other receivables initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. An impairment provision for trade receivables and contract assets consists of the expected credit loss in accordance with NZ IFRS 9 Financial Instruments and a specific provision.

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on trade receivables and contract assets net of specific provisions applying lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

A specific provision is established when there is forward looking evidence that Gentrack Group will not be able to collect all amounts due according to the original terms of the receivables. The carrying amount of an asset is reduced using provision accounts, and the amount of the loss is recognised in the profit and loss. When a receivable is uncollectible, it is written off against the specific impairment provision account. Subsequent recoveries of amounts previously written off are credited against the profit and loss.

	2024	2023
	NZ$000	NZ$000
Trade receivables	28,021	28,402
Impairment provision - Expected credit loss	(317)	(296)
Impairment provision - Specific provision	(967)	(3,264)
Provision for volume discounts*	(91)	(160)
Contract assets*	12,401	8,944
Sundry receivables and prepayments	5,387	4,162
Total trade and other receivables	**44,434**	**37,789**

*Financial year 2023 has been updated to separate contract assets related balance from volume discounts.

5.1. TRADE AND OTHER RECEIVABLES (CONTINUED)

MOVEMENT IN TRADE RECEIVABLES IMPAIRMENT PROVISION

	2024	2023
	NZ$000	NZ$000
Opening balance	3,560	4,009
Increase in impairment provision	21	135
Amounts received	(443)	(699)
Effect of movement in foreign exchange	63	129
Bad debt written off	(1,917)	(14)
Total trade receivables impairment provision	**1,284**	**3,560**

Most of the impairment provision is reflective of B2C energy suppliers in the United Kingdom that went into administration during 2022 and 2021.

The expected credit loss provision for trade receivables has been measured using the same techniques as the prior year, determined as follows.

2024	CURRENT	1-60 DAYS PAST DUE	61-120 DAYS PAST DUE	121-180 DAYS PAST DUE	OVER 180 DAYS PAST DUE	TOTAL
	NZ$000	NZ$000	NZ$000	NZ$000	NZ$000	NZ$000
Gross carrying amount	18,624	7,423	921	5	1,047	28,021
Expected credit loss allowance	**93**	**113**	**38**	**0**	**72**	**317**

2023	CURRENT	1-60 DAYS PAST DUE	61-120 DAYS PAST DUE	121-180 DAYS PAST DUE	OVER 180 DAYS PAST DUE	TOTAL
	NZ$000	NZ$000	NZ$000	NZ$000	NZ$000	NZ$000
Gross carrying amount	21,824	2,415	953	-	3,211	28,402
Expected credit loss allowance	**109**	**36**	**34**	**-**	**117**	**296**

5.2 GOODWILL

Goodwill represents the difference between the cost of acquisition and the fair value of the net identifiable assets acquired. Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units (CGU) and is not amortised but is tested annually for impairment.

	2024	2023
	NZ$000	NZ$000
Opening balance	109,420	106,240
Exchange rate differences	2,535	3,180
Net book value	**111,955**	**109,420**
Goodwill allocated to Utilities	109,055	106,520
Goodwill allocated to Veovo	2,900	2,900
Net book value	**111,955**	**109,420**

5.3 IMPAIRMENT TESTING

IMPAIRMENT TESTING OF GOODWILL AND OTHER ASSETS

At each reporting date, Gentrack Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, Gentrack Group makes a formal estimate of the recoverable amount. Where the carrying value of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Recoverable amount is the greater of fair value less costs to sell or the asset's value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments and the time value of money and the risks specific to the asset. Value in use is determined by discounting the future cash flows generated by each CGU. Cash flows were projected based on five-year business plans. Financial year 2024 Weighted Average Cost of Capital (WACC) is an average of the latest rates used by the analysts that cover Gentrack (2023 WACC was based on CAPM methodology using market specific inputs). The WACC for each CGU is reviewed at least annually.

Gentrack Group tests annually whether goodwill has suffered any impairment or more often as required, in accordance with the accounting policy stated above. The recoverable amounts of cash-generating units have been determined based on value in use calculations. In preparing the five-year forecasts, management has reviewed the assumptions and weighed up the information available at the time to ensure the forecasts are appropriate given the CGU's position and the prevailing market conditions. The WACC and terminal growth rates used in these calculations are set out in the table below:

CASH GENERATING UNIT	WACC 2024	Terminal Growth Rate 2024	WACC 2023	Terminal Growth Rate 2023
Utilities	9.8%	2.6%	10.2%	1.9%
Veovo	9.8%	2.6%	11.0%	1.9%

IMPAIRMENT TESTING RESULTS

The calculations confirmed there was no impairment of goodwill during the year for the Utilities or Veovo CGU's.

For the Utilities business the key assumption is the CAGR of revenue across the five-year period commencing 1st October 2024. Under management's projections this would need to drop below 0% for the recoverable amount to be less than the carrying value of the Utilities CGU. Management's projections, under all scenarios, project a CAGR comfortably above this and this compares to growth in revenue in FY24 for the Utilities business of 22.6% (2023: 36.7%).

For the Veovo business, the carrying value of the CGU is below the annual cashflow being generated by this business and so the assessment is not sensitive to changes in assumptions in management's projections.

Management believes that any reasonable possible change in the key assumptions for either CGU would not cause the carrying amount to exceed the recoverable amount.

5.4 INTANGIBLE ASSETS

CAPITALISED DEVELOPMENT

Costs that are directly associated with the development of software are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use.
- management intends to complete the software product and use or sell it.
- there is an ability to use or sell the software product.
- it can be demonstrated how the software product will generate probable future economic benefits.
- adequate technical, financial, and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

5.4 INTANGIBLE ASSETS (CONTINUED)

Software development costs that meet the above criteria are capitalised. Other development expenditure that does not meet the above criteria is recognised as an expense as incurred. Development costs previously recognised as expenses are not recognised as assets in a subsequent period. Software development costs recognised as assets are amortised over their estimated useful lives.

BRANDS

Brands acquired are considered to have an indefinite useful life and are held at cost and are not amortised but are subject to an annual impairment test consistent with the methodology outlined for goodwill above.

OTHER INTANGIBLE ASSETS

Other intangible assets consist of internal use software, acquired source code, trade-marks, and customer relationships. They have finite useful lives and are measured at cost less accumulated amortisation and accumulated impairment losses.

AMORTISATION

Except for goodwill and brands, intangible assets are amortised on a straight-line basis in the statement of comprehensive income over their estimated useful lives, from the date that they are available for use.

The estimated useful lives for the current and comparative periods are as follows:

- Acquired source code 10 years
- Internal use software 3 years
- Customer relationships 10 years
- Trademarks 4 years
- Capitalised development 5 years

Amortisation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. No changes were made to useful lives and residual values during financial year 2024. Acquired source code and internal use software are categorised as software in the below table.

2024	SOFTWARE	CUSTOMER RELATIONSHIPS	BRAND NAMES	TRADEMARKS	CAPITALISED DEVELOPMENT	TOTAL
	NZ$000	NZ$000	NZ$000	NZ$000	NZ$000	NZ$000
Opening balance	**13,835**	**7,070**	**5,024**	**-**	**382**	**26,311**
Amortisation	(3,415)	(1,725)	-	-	(370)	(5,510)
Movement in foreign exchange	468	239	-	-	2	709
Closing net book value	**10,888**	**5,584**	**5,024**	**-**	**14**	**21,510**
Cost	47,527	25,432	5,024	905	2,820	81,708
Accumulated amortisation	(36,639)	(19,848)	-	(905)	(2,806)	(60,198)
Net book value	**10,888**	**5,584**	**5,024**	**-**	**14**	**21,510**

5.4 INTANGIBLE ASSETS (CONTINUED)

2023	SOFTWARE	CUSTOMER RELATIONSHIPS	BRAND NAMES	TRADEMARKS	CAPITALISED DEVELOPMENT	TOTAL
	NZ$000	NZ$000	NZ$000	NZ$000	NZ$000	NZ$000
Opening balance	**16,379**	**8,350**	**5,024**	**122**	**923**	**30,797**
Amortisation	(3,272)	(1,652)	-	(124)	(551)	(5,599)
Movement in foreign exchange	728	372	-	2	10	1,112
Closing net book value	**13,835**	**7,070**	**5,024**	**-**	**382**	**26,311**
Cost	46,305	24,815	5,024	874	2,774	79,792
Accumulated amortisation	(32,470)	(17,745)	-	(874)	(2,392)	(53,481)
Net book value	**13,835**	**7,070**	**5,024**	**-**	**382**	**26,311**

5.5 PROPERTY PLANT AND EQUIPMENT

In the statement of financial position property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation on assets is calculated using the straight-line method to allocate the difference between their original costs and their residual values over their estimated useful lives, as follows:

- Furniture & equipment 7 years
- Computer equipment 3 to 7 years
- Leasehold improvements Term of lease

The assets' residual values and useful lives are reviewed and adjusted if appropriate at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are recognised in the statement of comprehensive income.

2024	FURNITURE & EQUIPMENT	COMPUTER EQUIPMENT	LEASEHOLD IMPROVEMENTS	TOTAL
	NZ$000	NZ$000	NZ$000	NZ$000
Opening balance	**542**	**1,635**	**915**	**3,092**
Additions	77	1,002	8	1,087
Depreciation	(89)	(1,090)	(121)	(1,300)
Disposal	(9)	(12)	(1)	(22)
Movement in foreign exchange	9	25	7	41
Net book value	**530**	**1,560**	**808**	**2,898**
Cost	1,227	5,001	1,424	7,652
Accumulated depreciation	(697)	(3,441)	(616)	(4,754)
Net book value	**530**	**1,560**	**808**	**2,898**

5.5 PROPERTY PLANT AND EQUIPMENT (CONTINUED)

2023	FURNITURE & EQUIPMENT	COMPUTER EQUIPMENT	LEASEHOLD IMPROVEMENTS	TOTAL
	NZ$000	NZ$000	NZ$000	NZ$000
Opening balance	**481**	**998**	**726**	**2,205**
Additions	196	1,457	305	1,958
Depreciation	(6)	(941)	(112)	(1,059)
Transfer	(132)	132	-	-
Disposal	(7)	(14)	-	(21)
Movement in foreign exchange	10	3	(4)	9
Net book value	**542**	**1,635**	**915**	**3,092**
Cost	1,719	4,739	2,532	8,990
Accumulated depreciation	(1,177)	(3,104)	(1,617)	(5,898)
Net book value	**542**	**1,635**	**915**	**3,092**

5.6 TRADE PAYABLES AND ACCRUALS

Gentrack Group recognises trade and other payables initially at fair value and subsequently measured at amortised cost using the effective interest method. They represent liabilities for goods and services provided prior to the end of the financial year that are unpaid. The amounts are unsecured, non-interest bearing and are usually paid within 45 days of recognition.

	2024	2023
	NZ$000	NZ$000
Trade creditors	4,738	3,420
Sundry accruals	7,195	5,171
Total trade payables and accruals	**11,933**	**8,591**

5.7 EMPLOYEE ENTITLEMENTS

Liabilities for salaries and wages, including non-monetary benefits, payroll taxes, long service leave, and annual leave are recognised in employee benefits in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Cost for non-accumulating sick leave is recognised when the leave is taken and measured at the rates paid or payable.

	2024	2023
	NZ$000	NZ$000
CURRENT		
Long service leave	629	669
Other short-term employee benefits	22,057	18,364
	22,686	**19,033**
NON- CURRENT		
Long service leave	1,104	835
Other employee benefits	2,793	-
	3,897	835
Total employee entitlements	**26,583**	**19,868**

5.8 INVENTORY

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using a weighted average method and includes expenditure incurred to purchase the inventory and transport it to its current location. Net realisable value is the estimated selling price of the inventory in the ordinary course of business less costs necessary to make the sale. The cost of inventories consumed during the year are recognised as an expense and included in expenditure in the statement of comprehensive income.

6. CAPITAL STRUCTURE

This section outlines Gentrack Group's capital structure and details of share-based employee incentives which have an impact on Gentrack Group's equity.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects. Where any Gentrack Group company purchases the Company's equity share capital (treasury shares), the consideration paid is deducted from equity attributable to the Company's equity holders until the shares are transferred outside the Gentrack Group.

Ordinary shares are fully paid and have no par value. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company and rank equally with regard to the Company's residual assets.

6.1 CAPITAL MANAGEMENT

The capital structure of Gentrack Group consists of equity raised by the issue of ordinary shares in the parent company.

Gentrack Group manages its capital to ensure that companies in the Group can continue as a going concern. Gentrack Group is not subject to any externally imposed capital requirements.

	SHARES ISSUED		SHARE CAPITAL	
	2024	2023	2024	2023
	000	000	NZ$000	NZ$000
Ordinary Shares	101,798	100,480	196,031	194,009
Issue of new ordinary shares	1,692	1,318	4,667	2,022
	103,490	**101,798**	**200,698**	**196,031**

During 2024 1,667,850 performance rights (2023: 1,251,422) in relation to the Long Term Incentive Schemes vested, resulting in the same number of new shares being issued. Also 24,358 (2023: 68,737) shares were issued as part payment of Gentrack Group Directors fees.

6.2 SHARE-BASED PAYMENTS

Gentrack Group operates equity settled, share-based payments schemes under which it receives services from employees, as consideration for equity instruments of Gentrack Group. A valuation is completed for each scheme at the grant date to estimate the fair value of the performance rights granted. Management also makes estimates about the number of performance rights that are expected to vest which determines the expense recorded in the statement of comprehensive income.

The shared based payments were introduced is to retain, attract, incentivise and align employees with shareholder and Company objectives.

6.2 SHARE BASED PAYMENTS (CONTINUED)

Gentrack Group operated the follow three share schemes during the year:

- Senior Leadership Long Term Incentive 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 Chief Executive Officer (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 tenure and achieving both Earnings Per Share (EPS) and share price appreciation hurdles. The 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.
    Effective financial year 2024, for ease of reference, this new senior leadership scheme, the CEO and Senior Leadership performance rights granted after 1 October 2023, are categorised as the Executive Leadership LTI Scheme.

  - For Senior Leadership Long Term Incentive grants made in prior years, performance rights are subject to a combination of tenure and the EPS hurdle, split evenly and that will vest after 18 months and three years respectively, dependent on achievement of the period of service and EPS 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 vesting under this scheme are subject to the participants continuing to be employed by Gentrack Group at the end of the vesting period.

- CEO Long Term Incentive Scheme – This scheme was introduced in 2020 for the CEO and the final grant under this scheme was made in October 2022. The 2021 and 2022 awards are yet to fully vest. The remaining performance rights under this scheme are subject to a combination of tenure and share price appreciation hurdles.

For accounting purposes, the fair valuation of the schemes are as follows:

- Executive Leadership LTI Scheme - under this grant 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.

- All other schemes - the fair value of the performance rights is determined at the grant date using the Black Scholes valuation method.

The fair value of the performance rights is recorded as an expense in the profit or loss over the vesting period, based on Gentrack Group's estimate of the number of performance rights that will vest, with a corresponding entry to the share-based payment reserve within equity. During the year ended 30 September 2024 $10.2m has been recognised in the profit or loss (2023: $5.3m).

6.2 SHARE BASED PAYMENTS (CONTINUED)

Below is the table of remaining outstanding performance rights at 30 September 2024.

GRANT DATE	VESTING DATE	TOTAL VALUE OF GRANTED PERFORMANCE RIGHTS	PERFORMANCE RIGHTS GRANTED
2024		**NZ$000**	**000**
1 October 2021	Early December 2024	266	183
1 October 2022	Early December 2025	1,672	349
Total Senior Leadership LTI Schemes		**1,938**	**532**
1 October 2021	End of November 2024	282	161
1 October 2022	End of November 2024	1,055	309
1 October 2022	End of November 2025	1,055	309
1 October 2023	End of November 2024	863	129
1 October 2023	End of November 2025	863	129
1 October 2023	End of November 2026	863	129
Total Gentrack LTI Schemes		**4,980**	**1,167**
1 October 2021	31 October 2024	157	90
1 October 2021	End of November 2024	157	90
1 October 2022	31 October 2024	266	97
1 October 2022	Early December 2024	266	97
1 October 2022	31 October 2025	266	97
1 October 2022	Early December 2025	266	98
Total CEO LTI Schemes		**1,378**	**570**
1 October 2023	Early December 2024	4,812	3,191
1 October 2023	Early December 2025 and 2026*	7,925	Up to 5,256
Total Executive Leadership LTI Schemes		**12,737**	**8,447**
Total Performance Rights Outstanding		**21,032**	**10,715**

*The number of performance rights that will vest on each vesting date is dependent on meeting the performance hurdles and the share price at that date.

6.2 SHARE BASED PAYMENTS (CONTINUED)

GRANT DATE	VESTING DATE	TOTAL VALUE OF GRANTED PERFORMANCE RIGHTS	PERFORMANCE RIGHTS GRANTED
2023		**NZ$000**	**000**
1 October 2020	End of November 2023	687	463
1 October 2021	Early December 2024*	266	183
1 October 2022	31 March 2024	1,672	349
1 October 2022	Early December 2025*	1,672	349
Total Senior Leadership LTI Schemes		**4,297**	**1,344**
1 October 2021	End of November 2023	282	161
1 October 2021	End of November 2024	282	161
1 October 2022	End of November 2023	1,107	325
1 October 2022	End of November 2024	1,107	325
1 October 2022	End of November 2025	1,107	324
Total Gentrack LTI Schemes		**3,885**	**1,296**
1 October 2021	31 October 2023	157	90
1 October 2021	End of November 2023	157	90
1 October 2021	31 October 2024	157	90
1 October 2021	End of November 2024*	157	90
1 October 2022	31 October 2023	266	97
1 October 2022	End of November 2023	266	97
1 October 2022	31 October 2024	266	97
1 October 2022	Early December2024*	266	98
1 October 2022	31 October 2025	266	97
1 October 2022	Early December 2025*	266	98
Total CEO LTI Schemes		**2,224**	**944**
Total Performance Rights Outstanding		**10,406**	**3,584**

*The actual date will be dependent on the date of release of the financial statements.

6.2 SHARE BASED PAYMENTS (CONTINUED)

PERFORMANCE RIGHTS MOVEMENTS

Below is a summary of all performance rights, granted, vested and forfeited across all the equity settled share-based payments schemes operated by Gentrack Group during 2024:

	2024		2023	
GRANT DATE	AVERAGE EXERCISE PRICE PER PERFORMANCE RIGHT	NUMBER OF PERFORMANCE RIGHTS	AVERAGE EXERCISE PRICE PER PERFORMANCE RIGHT	NUMBER OF PERFORMANCE RIGHTS
		000		000
As at 1 October	$2.90	3,584	$1.56	2,564
Granted during the year	$5.32	8,858	$3.68	2,395
Vested during the year	$2.74	(1,668)	$1.50	(1,251)
Forfeited during the year	$4.88	(58)	$4.42	(125)
As at 30 September	**$4.91**	**10,715**	**$2.90**	**3,584**

6.3 DIVIDENDS

During the financial year 2024, $Nil dividends were paid (2023: $Nil).

6.4 EARNINGS PER SHARE

Gentrack Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares on issue during the year, excluding shares purchased and held as treasury shares.

Diluted EPS is determined by adjusting the net profit attributable to ordinary shareholders and the weighted average number of ordinary shares on issue for the effects of the dilutive impact of potential ordinary shares, which comprise performance share rights granted to employees.

Potential ordinary shares are treated as dilutive when, and only when, their conversion to ordinary shares would decrease EPS or increase the profit per share.

	2024	2023
Profit attributable to the shareholders of the company	9,546	10,046
Basic weighted average number of ordinary shares issued	103,112	99,983
Shares deemed to be issued for no consideration in respect of share-based payments	10,715	3,584
Weighted average number of shares used in diluted earnings per share	113,828	103,566
Basic earnings per share	$0.09	$0.10
Diluted earnings per share	$0.08	$0.10

7. TAX

7.1 INCOME TAX EXPENSE

In the statement of comprehensive income, the income tax expense comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

	2024	2023
	NZ$000	NZ$000
INCOME TAX EXPENSE COMPRISES:		
Current tax expense	10,084	9,782
Deferred tax expense	(5,014)	(4,803)
Tax expense	**5,070**	**4,979**

RECONCILIATION OF INCOME TAX EXPENSE

The relationship between the expected income tax expense based on the domestic effective tax rate of Gentrack Group at 28% (2023: 28%) and the reported tax expense in the statement of comprehensive income can be reconciled as follows:

	2024	2023
	NZ$000	NZ$000
Profit before tax	14,616	15,025
Taxable income	14,616	15,025
Domestic tax rate for Gentrack Group	28%	28%
Expected tax expense	4,092	4,207
Non-assessable income	(1,597)	(428)
Non- deductible expense*	1,025	635
R&D tax credits	-	(85)
Recognition previously unrecognised losses	(306)	(848)
Tax losses for which no deferred tax was recognised	1,293	1,568
Difference in tax rates of overseas subsidiaries	223	(341)
Change in tax rates	-	(517)
Prior period adjustments	340	788
Actual tax expense	**5,070**	**4,979**

*Amortisation related to intangibles created on acquisition are non-deductible for tax purposes. The intangibles amortisation and related deferred tax are amortised over 10 years.

As at 30 September 2024 Gentrack Group has $14.6m (2023: $10.5m) of imputation credits available for use in subsequent reporting periods.

7.2 DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except for deferred income tax liabilities where the timing of the reversal of the temporary difference is controlled by Gentrack Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority on either the same taxable entity or different entities where there is an intention to settle the balance on a net basis.

Additional income tax expenses that arise from the distribution of cash dividends are recognised while the liability to pay the related dividend is recognised. Gentrack Group does not distribute non-cash assets as dividends to its shareholders.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related benefits will be realised.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Management applies judgement when reviewing current business plans and forecasts to ascertain the likelihood of future taxable profits.

The movement in temporary differences has been recognised in the statement of comprehensive income. Deferred tax has been recognised at a rate at which they are expected to be realised: 25% for United Kingdom entities, 28% for New Zealand entities, 30% for Australian entities, 22% for Denmark entities, 21% for US entities, 17% for Singapore entity and 25% for India.

Movement in temporary timing differences during the year:

2024	OPENING BALANCE	TEMPORARY MOVEMENT RECOGNISED	CURRENCY TRANSLATION	CLOSING BALANCE
	NZ$000	NZ$000	NZ$000	NZ$000
Trade and other receivables	(1)	2	0	1
Intangible assets	(2,095)	1,282	(136)	(949)
Contract liabilities	1,237	(73)	18	1,182
Provisions for doubtful debts and sundry accruals	6,551	4,863	56	11,470
Losses carried forward	1,470	(982)	38	526
Other	(85)	(78)	(3)	(166)
Net deferred tax	**7,077**	**5,014**	**(27)**	**12,064**

7.2 DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

2023	OPENING BALANCE	TEMPORARY MOVEMENT RECOGNISED	CURRENCY TRANSLATION	CLOSING BALANCE
	NZ$000	NZ$000	NZ$000	NZ$000
Trade and other receivables	(88)	81	6	(1)
Intangible assets	(2,811)	922	(206)	(2,095)
Contract liabilities	947	339	(49)	1,237
Provisions for doubtful debts and sundry accruals	3,578	2,875	98	6,551
Losses carried forward	897	723	(150)	1,470
Other	56	(137)	(4)	(85)
Net deferred tax	**2,579**	**4,803**	**(305)**	**7,077**

8. FINANCIAL RISK MANAGEMENT

Gentrack Group is exposed to credit risk, liquidity risk and market risks which include foreign currency risk, commodity price risk and interest risk. This section details each of these financial risks and how they are managed by Gentrack Group.

The Board of Directors has overall responsibility for the establishment and oversight of Gentrack Group's risk management framework. Gentrack Group's risk management policies are established to identify and analyse (amongst other risks) the financial risks faced by Gentrack Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Gentrack Group's activities.

8.1 CREDIT RISK

Credit risk is the risk of financial loss to Gentrack Group if a customer or counter party to a financial instrument fails to meet its contractual obligations, and it arises principally from Gentrack Group's trade receivables from customers in the normal course of business.

Gentrack Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The credit worthiness of a customer or counter party is determined by several qualitative and quantitative factors. Qualitative factors include external credit ratings (where available), payment history and strategic importance of customer or counter party. Quantitative factors include transaction size, net assets of customer or counter party, and ratio analysis on liquidity, cash flow and profitability.

In relation to trade receivables and contract assets, it is Gentrack Group's policy that all customers who wish to trade on terms are subject to credit verification on an ongoing basis with the intention of minimising bad debts. The nature of Gentrack Group's trade receivables is represented by regular turnover of product and billing of customers based on the contractual payment terms.

Gentrack Group has an impairment provision that represents its estimate of future incurred losses in respect of trade and other receivables. The impairment provision consists of the expected credit loss provision in accordance with NZ IFRS 9 and a specific doubtful debt provision is used where there is internal and external evidence that indicates a trade receivable is impaired.

The carrying amount of Gentrack Group's financial assets represents the maximum credit exposure as summarised in the table below:

8.1 CREDIT RISK (CONTINUED)

	2024		2023	
	GROSS	IMPAIRMENT PROVISION	GROSS	IMPAIRMENT PROVISION
	NZ$000	NZ$000	NZ$000	NZ$000
Current*	31,025	(93)	30,876	(109)
Past due 1-60 days	7,423	(113)	2,415	(64)
Past due 61-120 days	921	(30)	845	(177)
Past due 121-180 days	6	(1)	-	-
Past due over 180 days	1,047	(1,047)	3,210	(3,210)
	40,422	**(1,284)**	**37,346**	**(3,560)**

*Current includes contract assets.

Gentrack Group's trade receivables and contract assets are not exposed to any significant credit exposure to any single counterparty or group of counterparties having similar characteristics. Trade receivables and contract assets consist of several customers in various geographical areas. Based on historic information about customer default rates, management considers the credit quality of trade receivables that are not past due or impaired to be good. Sundry receivable and prepayments comprise of prepaid expenses and lease bonds that do not carry credit risk.

As at 30 September 2024 there are no significant concentrations of credit risk for financial assets designated as at amortised cost or at fair value. The carrying amount reflects Gentrack Group's maximum exposure to credit risk for these financial assets.

Judgement has been applied to the recovery of all trade receivables and contract assets, with management confirming that all carrying amounts are deemed to be recoverable and not impaired.

The credit risk for cash and cash equivalents is considered negligible since the counterparties are highly reputable financial intuitions with high quality external credit ratings.

8.2 MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect Gentrack Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

FOREIGN CURRENCY RISK

Gentrack Group is exposed to currency risk on transactions that are denominated in a currency other than the functional currency of Gentrack Group (NZD), primarily the following currencies Australian Dollar (AUD), Pound Sterling (GBP), EURO (EUR), US Dollar (USD), Singaporean Dollars (SGD), Indian Rupees (INR), Saudi Arabia (SAR) and Danish Kroner (DKK). Trade in INR were not significant for disclosure.

Gentrack Group's exposure to foreign currency risk at the reporting date was as follows (all amounts are denominated in New Zealand Dollars):

	AUD	GBP	EUR	USD	DKK	SGD	SAR
2024	NZ$000	NZ$000	NZ$000	NZ$000	NZ$000	NZ$000	NZ$000
Cash and cash equivalents	10,622	36,189	2,317	7,092	167	1,939	1,144
Trade and other receivables	6,602	27,281	-	-	972	2,160	3,349
Trade and other payables	(3,282)	(2,937)	(416)	(116)	(152)	(744)	-
Net exposure	**13,942**	**60,533**	**1,901**	**6,976**	**987**	**3,355**	**4,494**
2023							
Cash and cash equivalents	10,717	30,717	2,124	653	379	285	-
Trade and other receivables	4,028	24,912	-	1,606	614	1,559	-
Trade and other payables	(597)	(3,438)	(129)	(679)	(115)	(1,385)	-
Net exposure	**14,148**	**52,191**	**1,995**	**1,580**	**878**	**459**	**-**

8.2 MARKET RISK (CONTINUED)

The following table summarises the sensitivity of other comprehensive income and equity with regards to Gentrack Group's financial assets and financial liabilities affected by AUD/NZD exchange rate, the GBP/NZD exchange rate, the EUR/NZD exchange rate, the USD/NZD exchange rate, and the DKK/NZD exchange rate with all other aspects being equal. It assumes a +/-10% change in the NZD to the currency exchange rate for the year ended 30 September 2024 (2023: 10%). These +/-10% sensitivities have been determined based on the average market volatility in exchange rates in the preceding 12 months.

	OTHER COMPREHENSIVE INCOME / EQUITY						
	AUD	GBP	EUR	USD	DKK	SGD	SAR
	NZ$000	NZ$000	NZ$000	NZ$000	NZ$000	NZ$001	NZ$002
2024							
10% strengthening in NZD	(1,267)	(5,503)	(173)	(634)	(90)	(305)	(409)
10% weakening in NZD	1,549	6,726	211	775	110	373	499
2023							
10% strengthening in NZD	(1,286)	(4,745)	(181)	(144)	(80)	(42)	-
10% weakening in NZD	1,572	5,799	222	176	98	51	-

Gentrack Group's exposure to foreign exchange rates varies during the year depending on the volume of foreign currency transactions. Even so, the analysis above is representative of Gentrack Group's exposure to market risk.

8.3 LIQUIDITY RISK

Liquidity risk is the risk that Gentrack Group will not be able to meet its financial obligations as and when they become due and payable. Gentrack Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they become due and payable, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Gentrack Group's reputation.

Gentrack Group has sufficient cash to meet its requirements in the foreseeable future.

The following table details Gentrack Group's contractual maturities of financial liabilities, as at the reporting date:

	ON DEMAND	LESS THAN 3 MONTHS	3 TO 12 MONTHS	1TO 5 YEARS	>5 YEARS	TOTAL
	NZ$000	NZ$000	NZ$000	NZ$000	NZ$000	NZ$000
2024						
Trade payables	-	4,738	-	-	-	4,738
Lease liabilities	-	951	2,854	14,018	2,868	20,691
	-	**5,690**	**2,854**	**14,018**	**2,868**	**25,430**
2023						
Trade payables	-	3,420	-	-	-	3,420
Lease liabilities	-	826	2,477	12,434	5,755	21,491
	-	**4,245**	**2,477**	**12,434**	**5,755**	**24,911**

8.4 INTEREST RATE RISK

Gentrack Group's interest rate risk primarily arises from short term bank borrowing, cash, and advances from related parties. Borrowings and deposits at variable interest rates expose Gentrack Group to cash flow interest rate risk. Borrowings and deposits at fixed rates expose Gentrack Group to fair value interest rate risk.

The following tables detail the current interest rate of the interest-bearing financial assets and liabilities and interest rate repricing profile.

	FLOATING	FIXED UP TO 3 MONTHS	FIXED UP TO 6 MONTHS	FIXED UP TO 5 YEARS	TOTAL
	NZ$000	NZ$000	NZ$000	NZ$000	NZ$000
ASSETS					
Cash on demand	33,285	-	-	-	33,285
Term deposit	-	33,394	-	-	33,394
Total exposure	**33,285**	**33,394**	**-**	**-**	**66,679**

	EFFECTIVE INTEREST RATE + 1%	EFFECTIVE INTEREST RATE - 1%
	NZ$000	NZ$000
Cash on demand	336	(336)
Term deposit	337	(337)
Total exposure	**674**	**(674)**

8.5 FINANCIAL INSTRUMENTS

Gentrack Group's financial assets are measured at amortised cost. Gentrack Group's financial assets are held within a business model whose objective is to hold the financial asset to collect contractual cash flows and the financial asset gives rise to contractual cash flows on specified dates that are payments of principal and interest on the principal outstanding.

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.

FAIR VALUES

Gentrack Group's financial instruments that are measured after 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. As at 30 September 2024 Gentrack Group has no level 3 financial instruments (2023: $Nil).

8.5 FINANCIAL INSTRUMENTS (CONTINUED)

FINANCIAL INSTRUMENTS BY CATEGORY

	2024	2023
	NZ$000	NZ$000
FINANCIAL ASSETS MEASURED AT AMORTISED COST		
Cash and cash equivalents	66,679	49,186
Trade receivables and contract assets	39,047	33,627
	105,726	**82,813**
FINANCIAL LIABILITIES MEASURED AT AMORTISED COST		
Trade payables	(4,738)	(3,420)
Lease liabilities	(17,155)	(17,306)
	(21,894)	**(20,725)**

9. OTHER INFORMATION

9.1 LEASE ASSETS AND LEASE LIABILITIES

RECOGNITION AND MEASUREMENT OF GENTRACK GROUP LEASING ACTIVITIES

Gentrack Group predominantly leases property for fixed periods of 1-12 years and may have extension options. These extension options are usually at the discretion of Gentrack Group and are included in the measurement of the lease asset if management intends to exercise the extension. Lease terms are negotiated on an individual basis and contain a variety of terms and conditions. However, these lease agreements do not impose any covenants. Lease amendments relate to short-term lease extensions.

Leases are recognised as a right of use asset (lease asset) and a corresponding lease liability at the date at which the leased asset is available for use. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period. The lease asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Lease assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Key movements related to the lease assets and lease liabilities are presented below:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

9.1 LEASE ASSETS AND LEASE LIABILITIES (CONTINUED)

LEASE ASSETS

	2024	2023
	NZ$000	NZ$000
Balance at 1 October	12,637	8,560
Additions	2,136	6,431
Terminations	-	(178)
Amendments	-	(316)
Depreciation charges	(2,183)	(1,793)
Exchange differences	233	(67)
Lease assets at 30 September	**12,823**	**12,637**
Property	12,823	12,637
Lease assets at 30 September	**12,823**	**12,637**

LEASE LIABILITIES

	2024	2023
	NZ$000	NZ$000
Balance at 1 October	17,306	13,082
Additions	2,136	6,431
Terminations	-	(196)
Amendments	-	(310)
Payments	(3,642)	(2,731)
Accretion of interest	1,108	1,069
Exchange differences	247	(39)
Lease liabilities at 30 September	**17,155**	**17,306**
Less than one year	2,738	2,287
One to five years	11,821	9,796
More than five years	2,596	5,223
Lease liabilities at 30 September	**17,155**	**17,306**

LEASE EXPENSES

	2024	2023
	NZ$000	NZ$000
Depreciation charges	2,183	1,793
Finance charges	1,108	1,069
Lease expenses	**3,291**	**2,862**

9.2 AUDITORS REMUNERATION

The table below sets out the amounts paid to Gentrack Group's auditors, EY, and non-EY auditors during the year ended 30 September 2024.

	2024	2023
	NZ$000	NZ$000
EY - audit fees	492	461
Non EY audit firm fees:		
- Audit fees	56	16
- Accounting advise and taxation & compliance services	69	53
Total fees paid to auditor(s)	**617**	**530**

9.3 KEY MANAGEMENT AND RELATED PARTIES

Key management personnel are defined as those persons having authority and responsibility for planning, directing, and controlling the activities of Gentrack Group, directly or indirectly, and include the Directors, the Chief Executive, and their direct reports. The following table summarises remuneration paid to key management personnel.

	2024	2023
	NZ$000	NZ$000
Short-term employee benefits	7,332	8,065
Share-based payments	5,544	3,352
Directors fee	677	665
Remuneration paid to Key Management Personnel	**13,553**	**12,082**

Gentrack Group's Directors are also directors of other companies.

Some of the Directors and key management personnel are shareholders in Gentrack Group Limited. Gentrack Group does not transact with the Directors or key management personnel, and their related parties, other than in their capacity as Directors, consultants, and employees. Refer to note 2.4 for more information on other related parties.

9.4 OTHER DISCLOSURES

CAPITAL COMMITMENTS

There are no capital commitments at 30 September 2024 (2023: $Nil).

CONTINGENCIES

BNZ has provided guarantees of $0.4m (2023 $0.7m guarantees were provided by BNZ and ASB New Zealand) on behalf of the Gentrack Group, these guarantees are in place for compliance, property leases and credit card programs.

EVENTS AFTER BALANCE DATE

There were no material events after balance date.

On 25 November 2024, the Gentrack Group Board determined that no final dividend will be paid out for the 2024 financial year (2023: nil).

CORPORATE DIRECTORY

REGISTERED OFFICE

Gentrack Group Limited
17 Hargreaves Street, St Marys Bay, Auckland 1011, New Zealand
Phone: +64 9 966 6090

Level 15, 628 Bourke Street, Melbourne, VIC 3000 Australia
Phone: +61 3 9867 9100

POSTAL ADDRESS

PO Box 3288, Shortland Street, Auckland 1140 New Zealand

NEW ZEALAND INCORPORATION NUMBER

3768390

AUSTRALIAN REGISTERED BODY NUMBER (ARBN)

169 195 751

DIRECTORS

Andy Green, Chair
Darc Rasmussen
Gary Miles
Gillian Watson
Fiona Oliver
Stewart Sherriff

COMPANY SECRETARY

Anna Ellis

AUDITOR

EY
EY Building, 2 Takutai Square, Britomart
Auckland 1010
Phone: +64 9 377 4790

LEGAL ADVISERS

BELL GULLY
Level 14 Deloitte Centre
1 Queen Street
Auckland 1010

BANKERS

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

SHARE REGISTRAR

NEW ZEALAND
MUFG PENSION & MARKET SERVICES

Level 30, PwC Tower, 15 Customs Street West,
Auckland 1010
PO Box 91 976, Auckland 1142
Phone: +64 9 375 5998
Facsimile: +64 9 375 5990
Email: enquiries@linkmarketservices.com

AUSTRALIA
MUFG PENSION & MARKET SERVICES
Level 12, 680 George Street, Sydney, NSW 2000
Locked Bag A14, Sydney South, NSW 1235
Phone: +61 1300 554 474
Facsimile: +2 9287 0303
Email: enquiries@linkmarketservices.com

www.gentrack.com

gentrack™