

24 May 2022**Market Announcement**

Gentrack Group Limited (NZX/ASX: GTK), a leading provider of software solutions for utilities and airports, today released its results for the half-year to 31 March 2022.

Results Summary

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

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

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

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

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

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

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

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

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

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

In the UK B2C energy market we have not seen any further customer insolvencies since December and believe the worst of the UK market shake up is over. As part of this shake up, Bulb, which was placed into special administration in December, remains a customer whilst the government seeks a buyer for this business.

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

Guidance

On 24th February 2021 Gentrack Group Limited (NZX/ASX: GTK) ("Gentrack") advised that revenues for FY22 are forecast to be around \$115m (vs FY21 revenues of \$105.7m) and that FY22 EBITDA is expected to be in low single-digits (\$'m).

Today Gentrack confirmed that there is no change to this guidance. Gentrack also confirms there is no change to the FY24 targets provided on 16th June 2021.

Presentation Results

Investors are invited to join the presentation of the Half Year Results on Tuesday 24th May at 10.30am NZT/8.30 am AUS via webcast:

https://event.webcasts.com/starthere.jsp?ei=1547017&tp_key=3a89819dd8

It is advised that attendees allow ten minutes prior to the start time to register and download any necessary webcast software.

To join via audio only, please see details here: <https://www.gentrack.com/half-year-results-investor-briefing-details-may-2022/>

ENDS

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About Gentrack

Gentrack designs, builds and delivers the high-performing, cloud-first revenue and customer experience solutions found at the heart of leading utilities and airports around the world. Our customers lead in some of the most deregulated and innovative markets in the world; pioneering innovation, driving effective transformation in the management and delivery of two of our planet's most precious resources; energy and water. More information: <https://www.gentrack.com>