



Appendix 4D

For the half-year ended 31 December 2017

Catapult Group International Limited

ABN 53 164 301 197

RESULTS FOR ANNOUNCEMENT TO THE MARKET

For the half-year ended 31 December 2017

	31 Dec 2017 \$000's	31 Dec 2016 \$000's	Change \$000's	Change %
Revenue from ordinary activities	32,444	24,771	+7,673	+31%
Comprehensive Profit / (Loss) from ordinary activities after tax attributable to members	(14,328)	(2,560)	(11,768)	(460%)
Profit / (Loss) from ordinary activities after tax attributable to members	(14,092)	(5,337)	(8,755)	(164%)

Dividend information

Catapult Group International Limited has not paid, and does not propose to pay dividends, for the half-year ended 31 December 2017 (2016: nil).

Net tangible information

	31 Dec 2017 (cents)	31 Dec 2016 (cents)
Net tangible asset per security	4.2	4.2

The commentary on the results for the period is contained in the Catapult market disclosure announcing half year financial results, the half year results presentation to investors and the review of operations in the Directors' Report accompanying the attached Half-Year Financial Report for the half-year ended 31 December 2017.

Information should be read in conjunction with Catapult's 2017 Annual Report and the attached Half-Year Financial Report. This report is based on the consolidated half-year financial Report for the half-year ended 31 December 2017 which has been reviewed by Grant Thornton with the Independent Auditor's Review Report included in the Half-Year Financial Report.



Financial Statements

Catapult Group International Ltd

For the half-year ended 31 December 2017



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Directors' Report

The Directors of Catapult Group International Ltd ('Catapult') present their Report together with the financial statements of the consolidated entity, being Catapult Group International Ltd ('the Company') and its controlled entities ('the Group') for the six months to 31 December 2017 ('H1 FY18').

Director details

The following persons were Directors of Catapult Group International Ltd during or since the end of H1 FY18:

- Dr Adir Shiffman Executive Chairman
- Mr Shaun Holthouse Executive Director
- Mr Igor van de Griendt Executive Director
- Mr Calvin Ng Non-Executive Director
- Mr Brent Scrimshaw Non-Executive Director
- Mr James Orlando Non-Executive Director

All directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

Markus Ziemer was appointed Company Secretary of Catapult, replacing Anand Sundaraj on 10 October 2017.

Review of operations and financial results

A summary of the Group's underlying financial results from operations for H1 FY18 and the prior corresponding six-month period ('H1 FY17') is set out below.

	Half-year ended 31 Dec 2017 \$000's	Half-year ended 31 Dec 2016 \$000's	Change %
1. Statutory results			
Revenue	32,444	24,771	+31%
EBITDA	(5,185)	(1,623)	(219%)
NPAT	(14,092)	(5,337)	(164%)
2. Underlying results			
EBITDA	(3,909)	1,797	(318%)
NPAT	(12,816)	(2,243)	(471%)

For the purposes of this report, underlying earnings from operations are defined as the reported results per the half-year financial statements, adjusted for significant items for the current period and the prior corresponding period, such as business acquisition and integration costs associated with XOS

Technologies Inc ('XOS'), Kodaplay Limited ('PLAYERTEK') and SMG Technologies Limited ('SMG') assets; employee severance costs; and one-off litigation costs.

Group revenue performance

For H1 FY18, the Group reported a 31% increase in revenue, from \$24.8m in H1 FY17 to \$32.4m. This increase was largely attributed to the continued strong growth in the Group's Elite Wearables business and the full consolidation of XOS financials into the Group. Taking into account the \$3.6m of XOS H1 FY17 revenue recorded prior to acquisition (12 August 2016) Group revenue increased 14% on a pro-forma basis.

Strong growth in Elite Wearables

The Group's elite wearables business reported revenue for H1 FY18 of \$14.2m, up 34% on H1 FY17 revenue of \$10.6m. Underlying this growth was the continued expansion of the Group's subscription fleet which totalled 15,763 units as at 31 December 2017, up 42% on the 11,125 units of as at 31 December 2016. Annualised recurring revenue ('ARR') generated by elite wearable subscriptions was \$20.9m as at 31 December 2017, up 23% on ARR as at 31 December 2016 of \$17.0m.

Investment for future growth

In line with its strategy, the Group has made several significant investments in future growth initiatives during H1 FY18, accelerating the Group's progress towards diversifying revenue streams.

i) Acquisition and integration of Athlete Management System

On 4 August 2017, the Group acquired the *SportsMed Elite* and *Baseline* athlete management system products from SMG. This modularised cloud-based platform acts as a store of team data and information, including player wellness metrics, injury and medical records, wearable data, and video ('AMS').

The integration of an AMS into Catapult's existing product line is consistent with the first leg of our strategy – to own the performance technology stack for elite sport. Specifically, this integration:

- enables the creation of a parent layer application tying together Catapult's existing elite software products;
- widens the scope of Catapult's technology stack to include the measurement and analysis of both off-field and on-field data;
- creates a centralised data management system, expanding Catapult's analytics product capabilities across multiple data sources beyond wearables data and video;
- delivers a number of new clients as well as a compelling cross-sell opportunity in key target markets;
- provides incremental revenue opportunities from existing clients and a sales touchpoint for teams and leagues not currently using Catapult's family of products; and
- enables the storage of and access to broader data streams to feed advanced algorithms.

Six SMG employees, including AMS product, development, and support staff, transferred to Catapult as part of the transaction. Product functionality during the six-month transition phase was supported by SMG under a transitional services agreement tied to deferred consideration payments.

ii) Investment in data commercialisation technology and services

The Group successfully commercialised live-tracking data using its proprietary owned Clearsky 2 tracking system at the 2017 NRL State of Origin Series. In conjunction with the NRL, host broadcasters Channel Nine and sponsor Telstra (ASX: TLS), the State of Origin 'Telstra Tracker' displayed live on-screen metrics including speed, distance covered, player and team workloads, and heat maps showing players field positioning throughout the game.

The Group subsequently commercialised live-data from its Clearsky 2 and OptimEye tracking systems with the Australian Football League ('AFL') and Champion Data for the final eight rounds of the main season, plus all finals series games of the 2017 AFL championship season; and with Nine Network for the 2017/18 international cricket series including The Ashes test series, five one day international matches and three T20 matches against England.

iii) Investment in Prosumer business

Catapult acquired 100% of PLAYERTEK in August 2016. Based in Ireland, PLAYERTEK had developed a wearable analytics product primarily targeted to amateur footballers and clubs/organisations.

During H1 FY18, the Group continued investing in the development of its next generation prosumer product with major enhancements to product design and a reengineered software platform which is near completion. The Group also undertook a detailed market study which assessed the global target addressable market for prosumer soccer players. As a result, the Group has identified an initial target of over 3 million customers for its prosumer soccer product out of a total addressable market of 20 million in soccer alone.

During H1 FY18, PLAYERTEK also achieved unit sales totalling 5,334 units, a 365% increase to the 1,146 units sold in H1 FY17. This further validates the current demand for a prosumer market offering, as work continues towards the Group's strategic goal of launching a global prosumer platform offering for the soccer market in Q4 FY18.

iv) Investment in Tactical Analytics product

During H1 FY18, the Group commenced the development of its tactical analytics module for elite clients. The planned product expansion is an emerging but likely to be an essential part of the elite technology stack that will leverage the Group's existing wearable and video platforms to equip coaches with a more data-science driven approach to key tactical considerations, such as analysing what decisions players made on the field, why and how the decisions were executed, how players have performed in relation to set tactics and in relation to their opposition's tactics.

EBITDA and NPAT

The below table summarises the key adjustments for significant items made to underlying EBITDA.

	Half-year ended 31 Dec 2017 \$000's	Half-year ended 31 Dec 2016 \$000's
Reported EBITDA	(5,185)	(1,623)
Add: Capital raising costs	-	7
Add: Litigation and distributor restructure costs	57	731
Add: Share based compensation expense	396	1,470
Add: Acquisition and integration costs	823	1,212
Underlying EBITDA	(3,909)	1,797

The Group reported an underlying EBITDA loss for H1 FY18 of (\$3.9m), down from underlying EBITDA of \$1.8m in H1 FY17. The \$5.7m decrease in underlying EBITDA was primarily attributed to the global expansion of the Elite business across front line sales, marketing and customer support as well as the significant investment in future growth initiatives as outlined below.

The EBITDA contribution of core Elite Wearable and Elite Video products and the financial impact of the Group's investments in New Products in H1 FY18 is set out in the segment note of the financial statements, as summarised below:

	Wearables \$'000	Elite Video \$'000	New Products \$'000	Total \$'000
6 months to 31 December 2017				
Revenue - external customers	14,224	16,927	1,293	32,444
Segment EBITDA	1,383	4,272	(3,300)	2,355
Segment Operating Profit/(Loss)	(1,288)	598	(3,585)	(4,275)

The loss after income tax of the Group in H1 FY18 increased to \$14.1m (H1 FY17: \$5.3m) and the loss per share increased from (\$0.036) in H1 FY17 to (\$0.084).

Strong cash flow and balance sheet position

The Group's cash flow from operations in H1 FY18 increased to \$7.7m, up 133% from H1 FY17 cash flow of \$3.3m.

The Group's balance sheet remained strong with a closing cash balance of \$18.2m and a closing accounts receivables balance of \$9.7m as at 31 December 2017. The Group has in place a debt facility of up to \$7.7m of which the available amount at 31 December 2017 was \$6m. Of this amount \$3.2m was drawn down as at 31 December 2017.

A handwritten signature in blue ink, appearing to read 'Adir Shiffman', is centered on the page. The signature is written in a cursive, flowing style.

Adir Shiffman
Executive Chairman

22 February 2018

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Auditor's Independence Declaration to the Directors of Catapult Group International Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Catapult Group International Limited for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd
Chartered Accountants



A R J Nathanielsz
Partner - Audit & Assurance

Melbourne, 22 February 2018

Grant Thornton Audit Pty Ltd ACN 130 913 594
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Consolidated Statement of Profit or Loss

For the half year ended 31 December 2017

	Notes	2017 6 months \$'000	2016 6 months \$'000
Revenue	4	32,444	24,771
Other income		-	144
Costs of goods sold		(7,418)	(5,029)
Employee benefits expense		(19,592)	(11,383)
Employee share option compensation expense		(396)	(1,470)
Capital raising and listing expenses		(164)	(263)
Travel, marketing and promotion		(3,564)	(2,311)
Occupancy		(1,398)	(886)
Professional fees		(1,471)	(2,738)
Other expenses		(3,626)	(2,458)
Operating loss before depreciation and amortisation		(5,185)	(1,623)
Depreciation and amortisation		(6,630)	(4,255)
Operating loss		(11,815)	(5,878)
Finance costs		(41)	-
Finance income		44	42
Other financial items		(261)	355
Loss before income tax		(12,073)	(5,481)
Income tax (expense)/benefit		(2,019)	144
Loss for the year from continuing operations		(14,092)	(5,337)
Earnings per share			
Basic and diluted earnings per share (cents per share)	5	(8.4) cents	(3.6) cents

This statement should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Other Comprehensive Income

For the half year ended 31 December 2017

	2017 6 months \$	2016 6 months \$
Loss for the year from continuing operations	(14,092)	(5,337)
Other Comprehensive Income		
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation differences for foreign operations, net of tax	(236)	2,777
Other comprehensive income for the year, net of tax	(236)	2,777
Total comprehensive income for the year attributable to owners	(14,328)	(2,560)

This statement should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Financial Position

As at 31 December 2017

	Notes	31-Dec-17 \$'000	30-Jun-17 \$'000
Assets			
Current			
Cash and cash equivalents		18,228	16,686
Trade and other receivables		13,763	26,864
Inventories		3,226	3,342
Current tax assets		75	2,013
Total current assets		35,292	48,905
Non-current			
Trade and other receivables		276	208
Property, plant and equipment		9,040	7,710
Goodwill		53,999	53,127
Other intangible assets		40,121	41,181
Deferred tax assets		11,783	10,167
Total non-current assets		115,219	112,393
Total assets		150,511	161,298
Liabilities			
Current			
Trade and other payables		8,367	8,542
Deferred revenue		20,308	22,380
Other liabilities		3,059	1,125
Employee benefits		5,720	6,084
Borrowings		3,200	3,141
Total current liabilities		40,654	41,272
Non-Current			
Deferred revenue		640	698
Other liabilities		602	395
Employee benefits		43	62
Deferred tax liabilities		7,576	4,109
Borrowings		37	-
Total non-current liabilities		8,898	5,264
Total liabilities		49,552	46,536
Net assets		100,959	114,762
Equity			
Share capital	6	139,553	138,724
Share option reserve		3,730	4,033
Foreign currency translation reserve		(2,967)	(2,731)
Accumulated losses		(39,357)	(25,264)
Total equity		100,959	114,762

This statement should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Changes in Equity for the half year ended 31 December 2017

	Share Capital	Share Option Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2016	23,585	777	(740)	(11,683)	11,939
Total comprehensive income for the year					
Loss for the year	-	-	-	(5,337)	(5,337)
Other comprehensive income	-	-	2,777	-	2,777
Total comprehensive income	-	-	2,777	(5,337)	(2,560)
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Issue of ordinary shares, net of transaction costs	98,896	-	-	-	98,896
Share based payments	-	1,470	-	-	1,470
Total transactions with owners	98,896	1,470	-	-	100,366
Balance at 31 December 2016	122,481	2,247	2,037	(17,020)	109,745

	Share Capital	Share Option Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2017	138,724	4,033	(2,731)	(25,264)	114,762
Total comprehensive income for the year					
Loss for the year	-	-	-	(14,092)	(14,092)
Other comprehensive income	-	-	(236)	-	(236)
Total comprehensive income	-	-	(236)	(14,092)	(14,328)
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Issue of ordinary shares, net of transaction costs	130	-	-	-	130
Share based payments	699	(303)	-	-	396
Total transactions with owners	829	(303)	-	-	526
Balance at 31 December 2017	139,553	3,730	(2,967)	(39,357)	100,959

This statement should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Cashflows

For the half year ended 31 December 2017

	2017	2016
	6 months	6 months
Note	\$'000	\$'000
Cash flows from operating activities		
Cash receipts from Customers	45,386	27,918
Cash paid to suppliers and employees	(37,638)	(24,611)
Cash generated from / (used in) operations	7,748	3,307
Interest Received	44	42
Government Grants	1,919	-
Income taxes paid	(88)	(3)
Acquisition and integration costs	(386)	(2,075)
Net cash flows from operating activities	9,237	1,271
Cash flows from investing activities		
Payments for property, plant and equipment	(2,864)	(2,740)
Purchase of other intangible assets	(3,467)	(2,478)
Proceeds from disposal of non-current assets	(1)	-
Acquisition of subsidiaries net of cash acquired	7 (1,489)	(82,201)
Net cash flows used in investing activities	(7,821)	(87,419)
Cash flows from financing activities		
Loans received / (paid)	119	-
Interest paid	(25)	-
Proceeds from issue of share capital	-	100,003
Proceeds from share options	130	-
Transaction costs related to share capital issued	-	(4,026)
Net cash flows from financing activities	224	95,977
Net increase in cash and cash equivalents	1,640	9,829
Cash and cash equivalents at the beginning of the financial period	16,686	3,643
Effect of exchange rate fluctuations on cash held	(98)	417
Cash and cash equivalents at the end of the financial period	18,228	13,889

This statement should be read in conjunction with the notes to the financial statements.

Notes to the Consolidated Financial Statements

1. Nature of operations

Catapult Group International Ltd and its controlled entities (the 'Group') principal activities are the development and supply of wearable tracking devices, athlete monitoring system and software and video analytics solutions for athletes and sports teams.

2. General information and basis for preparation

The consolidated general purpose financial statements of the Group have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board (IASB). Catapult Group International Ltd is a for-profit entity for the purpose of preparing the financial statements.

Catapult Group International Ltd is the Group's Ultimate Parent Company. Catapult Group International Ltd is a Public Company incorporated and domiciled in Australia and listed on the Australian Stock Exchange. The address of its registered office and its principal place of business is 75 - 83 High Street, Prahran, Victoria, Australia

The consolidated financial statements for the period ended 31 December 2017 were approved and authorised for issue by the Board of Directors on 22 February 2018.

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group's last annual financial statements for the period ended 30 June 2017.

The Group had a current asset deficiency of \$5,362,000 (June 2017: surplus \$7,633,000). Current liabilities includes deferred revenue of \$20,308,000 expected to release into revenue within 12 months. As deferred revenues are expected to be delivered over the next 12 months, no actual cash outflows are expected other than those required to pay costs associated with delivering the service. The financial report has been prepared on the going concern basis which contemplates continuity of normal business and the realisation of assets and settlement of liabilities in the ordinary course of business

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements.

Notes to the Consolidated Financial Statements

3. Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2017 with the exception of the following:

The intangibles in the AMS acquisition have been valued using the following valuation methods to determine fair value:

- Software Platforms – Multi-period excess earnings method
- Customer Contracts – Multi-period excess earnings method

Where applicable in the valuation models above, the following key estimates have been used:

- post-tax discount rate of 16% has been used
- growth has been factored in at between 10% and 13% (net of new client wins), with the long term growth rate of 3%
- tax at 30%

4. Segment Note

For the half year ended 31 December 2017

Management identifies its operating segments based on the Group's business units which represent the main products and services provided by the Group. The Group's three main operating segments are:

- **Elite Wearables:** design, development and supply of wearable technology and analytic software to athletes and sports teams.
- **Elite Video:** develops and provides innovative digital and video analytic software solutions to elite sports teams.
- **New Products:** development of the prosumer product and entry into the prosumer market as well as the development of the next generation of digital and video analytic software products to elite sports teams.

These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results. The basis of segmentation has changed since the prior period where two segments were identified. In the 6 month period to December 2017, the Group has identified New Products as a separate segment of its business and as such has restated the 2016 comparatives to reflect this categorisation. For the 6 months to December 2016, the New Products segment had Revenue to external customers of \$32K, Segment EBITDA of (\$615K), Segment Operating profit of (\$644K), Segment assets of \$945K and Segment Liabilities of \$273K.

The revenues and profit generated by each of the Group's operating segments and segment assets are summarised as follows:

	Elite Wearables \$'000	Elite Video \$'000	New Products \$'000	Total \$'000
6 months to 31 December 2017				
Revenue - external customers	14,224	16,927	1,293	32,444
Segment EBITDA	1,383	4,272	(3,300)	2,355
Segment Operating Profit/(Loss)	(1,288)	598	(3,585)	(4,275)
Segment Assets	44,804	102,689	2,943	150,436
Segment Liabilities	21,390	26,100	1,987	49,477
6 months to 31 December 2016				
Revenue - external customers	10,646	14,093	32	24,771
Segment EBITDA	2,033	5,295	(615)	6,713
Segment Operating Profit/(Loss)	278	2,877	(644)	2,511
Segment Assets	42,884	102,285	945	146,114
Segment Liabilities	22,670	13,426	273	36,369

Notes to the Consolidated Financial Statements

4. Segment Note (continued)

The Group's segment operating loss reconciles to the Group's loss before tax as presented in its financial statements as follows:

	2017 6 months \$'000	2016 6 months \$'000
Total reporting segment operating EBITDA	2,355	6,713
Depreciation and Amortisation for the segments	(6,630)	(4,255)
Finance segment income	-	89
Other financial segment cost	-	(35)
Total reporting segment operating loss	(4,275)	2,512
Corporate costs		
Employee benefits expense	(3,624)	(2,810)
Employee share option compensation expense	(396)	(1,470)
Other operating expenses	(3,520)	(4,056)
	(11,815)	(5,824)
Finance expense	3	(47)
Other financial items	(261)	390
Group loss before tax	(12,073)	(5,481)

Revenue by Geography

The Group's revenues from external customers (excludes government grants) and are divided into the following geographical areas:

	Elite Wearables 2017 \$'000	Elite Video 2017 \$'000	New Products 2017 \$'000	Total 2017 \$'000
Revenue - external customers				
Australia	1,868	-	185	2,053
APAC	1,523	-	15	1,538
EMEA	4,945	-	785	5,730
North America	5,888	16,927	308	23,123
Total	14,224	16,927	1,293	32,444

	Elite Wearables 2016 \$'000	Elite Video 2016 \$'000	New Products 2016 \$'000	Total 2016 \$'000
Revenue - external customers				
Australia	2,016	-	-	2,016
APAC	994	-	-	994
EMEA	2,815	-	32	2,847
North America	4,821	14,093	-	18,914
Total	10,646	14,093	32	24,771

All revenue is generated from external customers and there is no inter segment revenues.

Revenues from external customers in the Group's domicile, Australia, as well as its major markets, the Europe and the USA, have been identified on the basis of the customer's geographical location.

Notes to the Consolidated Financial Statements

5. Earnings per share

Both the basic and diluted earnings per share have been calculated using the loss attributable to shareholders of the Parent Company (Catapult Group International Ltd) as the numerator (i.e. no adjustments to profit were necessary in 2016 or 2017).

The reconciliation of the weighted average number of shares for the purposes of diluted earnings per share to the weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:

	6 months to 31 December 2017	6 months to 31 December 2016
Weighted average number of shares used in basic earnings per share	167,986,710	149,416,649
Weighted average number of shares used in diluted earnings per share	167,986,710	149,416,649

6. Share Capital

The share capital of Catapult Group International Ltd consists only of fully paid ordinary shares; the shares do not have a par value. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting of Catapult Group International Ltd.

	6 months Dec-17 Shares	12 months Jun-17 Shares	6 months Dec-17 \$'000	12 months Jun-17 \$'000
Shares issued and fully paid:	167,923,667	164,184,769	138,724	138,724
Beginning of the year	167,923,667	124,425,588	138,724	23,587
Shares issue for cash	100,000	43,073,500	-	116,674
Shares issued on for acquisition of Kodaplay	-	424,579	-	1,673
Conversion of performance rights - transfer from reserves	-	-	327	-
Exercise of options - transfer from reserves	-	-	372	-
Exercise of options - proceeds received	-	-	130	-
Share issue costs	-	-	-	(4,700)
Deferred tax credit recognised directly in equity on share issue costs	-	-	-	1,465
Other	-	-	-	25
Total contributed equity at the end of reporting period	168,023,667	167,923,667	139,553	138,724
Other equity securities				
Treasury shares	(3,130,898)	(3,738,898)	-	-
Total contributed equity	164,892,769	164,184,769	139,553	138,724

On 6 September 2017, the Group issued 100,000 shares on exercise of performance rights vested at \$0.00 per share. The amount raised was \$Nil.

During the six months to 31 December 2017 the Group issued 2,505,000 options as part of the Employee Share Plan. The options were issued at an average exercise price of \$1.8816 and average fair value of \$0.809.

6. (a) Treasury Shares

Treasury shares are shares in Catapult Group International Limited that are held by the Catapult Sports Employee Share Plan Trust for the purpose of issuing shares under the Catapult Sports Employee Share Plan in respect of options and performance rights issued under that Plan:

	6 months	12 months
	Dec-17	Jun-17
	Shares	Shares
Opening balance at 1 July 2017	3,738,898	3,876,000
Transactions during the year	(608,000)	(137,102)
Closing balance at 31 December 2017	3,130,898	3,738,898

During the financial period a number of shares were issued under the Employee Share Purchase option plan vested. The amount of shares exercised under this option plan was 80,000 at an average exercise price of \$0.6050 per share. The amount raised was \$48,401.

During the financial period a number of shares were issued under the Employee Share Purchase option plan vested. The amount of shares exercised under this option plan was 129,818 at an average exercise price of \$0.55 per share. The amount raised was \$71,400.

During the financial period a number of shares were issued under the Employee Share Purchase option plan vested. The amount of shares exercised under this option plan was 18,182 at an average exercise price of \$0.8385 per share. The amount raised was \$10,000.

During the financial period a number of shares were issued under the Employee Share Purchase performance rights plan vested. The amount of shares exercised under this performance right plan was 380,000 at an average exercise price of \$0.00 per share. The amount raised was \$Nil.

Notes to the Consolidated Financial Statements

7. Acquisition of Athlete Management System (AMS)

On 4 August 2017, Catapult acquired the SportsMed Elite and Baseline Athlete Management System (AMS) products and clients and recruited key personnel, from SMG Technologies Pty Ltd (SMG) for consideration ranging between \$1.4m and \$3.9m depending on performance metrics and incremental revenue generated in the two years following the acquisition.

	\$'000
Fair value of consideration transferred:	
Amount settled in cash	1,489
Contingent consideration	733
Amount settled in shares	-
	<u>2,222</u>
Recognised amounts of Identifiable net assets	\$
Property, plant and equipment	-
Identifiable Intangible Assets	1,280
Total non-current assets	<u>1,280</u>
Deferrred revenue	(194)
Employee benefits	(26)
Liabilities	<u>(220)</u>
Identifiable Net Assets	<u>1,060</u>
Goodwill recognised on acquisition	<u>1,162</u>
Consideration transferred settled in cash	1,489
Cash acquired	-
Net cash outflow on acquisition	<u>1,489</u>

Measurement of fair values

The valuation technique used for measuring the fair value of Intangible assets was multi-period excess earnings method considering the present value of net cash flows expected to be generated, excluding any cash flows related to contributory assets with cross check to replacement cost.

Acquisition-related costs

Acquisition related costs amounting to \$386k are not included as part of consideration transferred and have been recognised as an expense in the consolidated statement of profit or loss and other comprehensive income, as part of 'other expenses'.

Fair values measured on a provisional basis

The following amounts have been measured on a provisional basis.

The Group has agreed to pay the selling shareholders contingent consideration up to \$2m based on future revenue earned over a period of 24 months from acquisition. The Group has included \$438K in Contingent consideration reflecting the present value of the best estimate of the deferred consideration that will be paid based on forecast earnings. The Group will continue to measure the revenue earn-out over the post acquisition period and revise the provisional estimate for acquisition accounting.

Notes to the Consolidated Financial Statements

8. Contingent liabilities

There were no contingent liabilities as at 31 December 2017.

9. Post-reporting date events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

Directors' Declaration

In the opinion of the Directors of Catapult Group International Ltd:

- a the consolidated financial statements and notes of Catapult Group International Ltd are in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of its financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
 - ii complying with Accounting Standard AASB 134 *Interim Financial Reporting*; and
- b there are reasonable grounds to believe that Catapult Group International Ltd will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

A handwritten signature in blue ink, appearing to read 'Adir Shiffman', is written over a light blue rectangular background.

Adir Shiffman

Director

Dated the 22nd day of February 2018

Independent Auditor's Review Report to the Members of Catapult Group International Limited

Report on the review of the half-year financial report

We have reviewed the accompanying half-year financial report of Catapult Group International Limited (the Group), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2017, the statement of profit or loss, the statement of other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- a Giving a true and fair view of the Group's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- b Complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

Responsibilities of the Directors' for the half-year Financial Report

The Directors of the Group are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the half-year financial report, the Directors are responsible for assessing 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 to cease operations, or have no realistic alternative but to do so.

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Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2017 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Catapult Group International Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We are independent of the Group in accordance with the independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our review of the half-year financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.



Grant Thornton Audit Pty Ltd
Chartered Accountants



Partner – Audit & Assurance

Melbourne, 22 February 2018