

Appendix 4E

For the full-year ended 30 June 2018

Catapult Group International Limited

ABN 53 164 301 197

RESULTS FOR ANNOUNCEMENT TO THE MARKET

For the full-year ended 30 June 2018 (Previous corresponding period: year ended 30 June 2017)

	30 Jun 2018 \$000's	30 Jun 2017 \$000's	Change \$000's	Change %
Revenue from ordinary activities	76,793	60,783	16,010	26.3%
Profit / (Loss) from ordinary activities after tax attributable to members	(17,360)	(13,581)	(3,779)	(27.8%)
Other Comprehensive Profit / (Loss) from ordinary activities after tax attributable to members	(14,104)	(15,572)	1,468	9.4%

Dividend information

Catapult Group International Limited has not paid, and does not propose to pay dividends, for the year ended 30 June 2018 (2017: nil).

Net tangible asset information

	30 Jun 2018 (cents)	30 June 2017 (cents)
Net tangible asset per security	15.0	12.5

Other information required by Listing Rule 4.3A

Other information requiring disclosure to comply with Listing Rule 4.3A is contained in the 30 June 2018 Financial Statements. Commentary on the results for the year is also contained in the Catapult market release announcing full year financial results and the presentation to investors and analysts. Information should be read in conjunction with the 30 June 2018 Financial Statements. This report is based on the Consolidated Financial Statements for the year ended 30 June 2018 which has been audited by Grant Thornton with the Independent Auditor's Audit Report included in the 2018 Consolidated Financial Statements.



CATAPULT

FINANCIAL STATEMENTS

30 JUNE 2018



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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 year ended 30 June 2018 ('FY18').

DIRECTOR DETAILS

The following persons were Directors of Catapult Group International Ltd during or since the end of the financial year

DR ADIR SHIFFMAN

MBBS, Medicine

Executive Chairman

Appointed 4 September 2013

Member of Remuneration and Nomination Committee

Dr Adir Shiffman, Executive Chairman of Catapult, has extensive CEO and board experience in the technology sector.

Adir has founded and sold more than half a dozen technology startups, many of which were high growth SaaS (software as a service) businesses. His expertise includes: strategic planning, international expansion, mergers and acquisitions, and strategic partnerships.

Adir currently sits on several boards. He is regularly featured in the media in Australia, the US and Europe.

Adir graduated from Monash University with a Bachelor of Medicine and a Bachelor of Surgery. Prior to becoming involved in the technology sector, he practised as a doctor.

Other current Directorships:

None

Previous Directorships (last 3 years):

In past three years he has also been a Director of iBuyNew Group Limited (ASX:IBN) (Appointed February 2013. Resigned March 2017).

MR SHAUN HOLTHOUSE

B.E. (Hon), Mechanical Engineering, GAICD

Chief Executive Officer to 30 April 2017

Global Head of Strategy from 1 June 2017

Appointed 4 September 2013

Founder, Executive Director and Global Head of Strategy.

Shaun has extensive experience in new technology transitioning into commercial products, including Biotechnology, MEMS, fuel cells, and scientific instrumentation. Prior to co-founding Catapult, Shaun was a Technology Development Manager for the CRC for microtechnology from 2002-06, which included providing technical direction to more than 20 projects with a budget of over \$60m.

Shaun has grown Catapult from its inception as CEO from 2006 to 1 June 2017, which included launching Catapult's initial products, expanding sales to more than 15 countries, sourcing early stage investment, listing on the Australian stock exchange and acquiring XOS, Playertek and GP Sports. From 1 June 2017 Shaun's role changed to Global Head of Strategy.



Shaun holds a Bachelor of Engineering (Hons) from the University of Melbourne and is a graduate member of the Australian Institute of Company Directors. He is the author of numerous patents and patent applications in athlete tracking, analytics and other technologies.

Other current Directorships:

None

Previous Directorships (last 3 years):

None

MR IGOR VAN DE GRIENDT

B.E. Electrical Engineering

Chief Technology Officer

Appointed 4 September 2013

Member of Risk and Audit Committee

Mr Igor van de Griendt is a co-founder, former Chief Operating Officer and an Executive Director of Catapult.

In his capacity as CTO, he has been responsible for providing strategic direction and leadership in the development of Catapult's products, both in the analytical space, as well as with respect to Catapult's various hardware offerings.

Igor also provides guidance and operational support to Catapult's R&D and software development teams.

Prior to co-founding Catapult, Igor was a Project Manager for the CRC for microtechnology which, in collaboration with the Australian Institute of Sport, developed several sensor platforms and technologies ultimately leading to the founding of Catapult.

Prior to joining the CRC for microtechnology, Igor was a director of a consulting business that provided engineering services for more than 13 years to technology companies such as Redflex Communications Systems (now part of Exelis, NYSE:XLS), Ceramic Fuel Cells (ASX:CFU), Ericsson Australia, NEC Australia and Telstra.

Igor holds a Bachelor of Electrical Engineering from Darling Downs Institute of Advanced Education (now University of Southern Queensland).

Other current Directorships:

None

Previous Directorships (last 3 years):

None



MR CALVIN NG

BComm (Fins) LLB AMC DFP

Non-Executive Director

Appointed 29 November 2013

Member of Risk and Audit Committee

Mr Calvin Ng has significant investment banking, mergers & acquisitions and funds management experience.

Calvin is a co-founder and Managing Director of the Aura Group, an independent corporate advisory and funds and wealth management business. He is also a co-founder and Non-Executive Director of the Finsure Group, one of Australia's largest mortgage groups.

Calvin has significant board experience in several businesses, with particular expertise in providing management oversight and strategic guidance to small and medium sized enterprises.

Calvin currently sits on a number of boards, including entities associated with the Aura Group, Finsure Group and ASX-listed iBuyNew Group Limited (ASX:IBN).

Calvin holds a Bachelor of Commerce and Bachelor of Laws from the University of New South Wales. Calvin has also completed a Graduate Diploma of Legal Practice and has been admitted to practice as a lawyer in the Supreme Court of New South Wales.

Other current Directorships:

iBuyNew Group Limited (ASX:IBN)
(Appointed February 2013)

Previous Directorships (last 3 years):

None

MR BRENT SCRIMSHAW

Non-Executive Director

Appointed 24 November 2014

Chair of Remuneration and

Nomination Committee

Mr Brent Scrimshaw has over 25 years of experience in consumer innovation, executive business leadership and global brand management focused on the athletic and sports industry, primarily through diverse and international experience spanning an 18-year career at Nike Inc.

Brent held senior leadership roles in Australia, Europe and the United States, including Vice President and Chief Executive of Nike Western Europe; Chief Marketing Officer and Vice President of Category Businesses for Nike Europe, Middle East and Africa; and General Manager of Nike's East Coast United States operations.

As one of Nike Inc's 30 most senior leaders worldwide, Brent has also served on Nike's Global Corporate Leadership Team, where he helped lead the creation of Nike's overall brand and global operating strategy, as well as playing a senior role as a key member of the Global Commercial Operations Executive Team, which is responsible for sales and distribution strategies worldwide.

Brent is currently a Non-Executive Director at Rhinomed Ltd, a medical technology company focused on enhancing human efficiency through innovative respiratory technologies and products and also a Non-Executive Director at Kathmandu Holdings Ltd, a specialty clothing and equipment retailer with over 160 stores in AUS, NZ and the UK.



Other current Directorships:

Rhinomed Ltd (ASX:RNO)
(Appointed February 2014)

Kathmandu Ltd (ASX:KAT)

MR JAMES ORLANDO

BSc, MBA

Non-Executive Director

Appointed 24 October 2016

Chair of Risk and Audit Committee

Member of Remuneration and

Nomination Committee

Mr James Orlando has held senior finance positions driving growth and shareholder value in the United States, Asia and Australia. Most recently he was the CFO of Veda Group Ltd (VED.ASX), leading the company through its successful IPO in December 2013.

Before joining Veda, James was the CFO of AAPT where he focused on improving the company's earnings as well as divesting its non-core consumer business. He also served as the CFO of PowerTEL Ltd, an ASX-listed telecommunications service provider which was sold to Telecom New Zealand in 2007. James also held various international treasury positions at AT&T and Lucent Technologies in the US and Hong Kong including running Lucent's international project and export finance organisation.

Other current Directorships:

None

Previous Directorships (last 3 years):

None



COMPANY SECRETARY

Markus Ziemer is a lawyer and was previously employed in legal and commercial roles including as General Manager Corporate Services at Pacific Hydro Pty Ltd., Ashton Mining Ltd., and Senior Counsel Newcrest Mining Ltd. He received his undergraduate LLB and BA degrees from the University of Melbourne and an MBA from Melbourne Business School. Markus was appointed Company Secretary of Catapult Group International on 28 September 2017.

PRINCIPAL ACTIVITIES

During the year, the principal activities of entities within the Group were:

- the development and sale of wearable tracking solutions and analytics to elite sporting teams, leagues and associations;
- the development and sale of digital video coaching and analytics solutions to elite sporting teams, leagues and associations;
- the development and sale of wearable tracking solutions and analytics to prosumer athletes, sporting teams and associations; and
- the development and sale of an athlete management platform and analytics to elite sporting teams, leagues and associations.

The Group's wearable and video solutions are provided to elite clients on both a subscription and upfront sales basis, with subscription sales forming the majority of all sales to elite clients. The Group is the global leader in wearable tracking technology and analytics solutions for the elite market with over 1,800 elite clients. The Group is also a market leader in providing innovative digital and video analytic software solutions to elite sports teams in the United States.

With major offices in Australia, the United States and the United Kingdom and over 300 staff in more than 14 countries, Catapult is an Australian technology success story with a truly global footprint that is committed to advancing the way data is used in elite sports.

REVIEW OF OPERATIONS & FINANCIAL RESULTS

The Group has recorded an increased loss of \$17,360,108 (2017: \$13,580,952).

Loss per share for the year was \$0.10 (2017: \$0.086) and no dividend will be paid or declared.

The Group's net assets increased to \$127,070,810 compared to the previous years' position of \$114,761,579.



SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the year, the following changes occurred within the Group:

Capital Raising: During the year, the Group issued 22,727,273 fully paid ordinary shares as part of its capital raising program, which resulted in gross proceeds of \$25,000,000;

Acquired the SportsMed Elite and Baseline Athlete Management System (AMS) products and clients and recruited key personnel, from SMG Technologies Pty Ltd (SMG) in August 2017.

In the Directors' opinion, there have been no other significant changes in the state of the affairs of the Group during the year. A further review of matters affecting the Group is contained in the operating and financial review.

EVENTS ARISING SINCE THE END OF THE REPORTING PERIOD

The Directors are not aware of any matter or circumstance that has arisen since the end of the financial year that, in their opinion, has significantly affected, or may significantly affect in future years, Catapult's operations, the results of those operations or the state of Catapult's affairs.

LIKELY DEVELOPMENTS, BUSINESS STRATEGIES AND PROSPECTS

Based on the expected demand for athlete analytics globally and the continued growth in the Group's sales and marketing platform across key regions, we are optimistic about the long-term growth opportunity. Furthermore, Catapult Group has continued to broaden its suite of athlete analytics solutions through the acquisitions of XOS, PLAYERTEK and AMS, resulting in a substantially larger addressable market opportunity across a wider range of customers in both elite and prosumer sporting leagues. Catapult Group expects to benefit in these new segments with increasing sales and brand loyalty.



BUSINESS RISK

In executing its growth plans, Catapult Group is subject to the following key market, operational and acquisition risks outlined below.

ECONOMIC RISK

Catapult may be affected by general economic conditions. Changes in the broader economic and financial climate may adversely affect the conduct of the Catapult's operations. In particular, sustained economic downturns in key geographies or sectors, in particular sports business and consumer sectors, where Catapult is focused, may adversely affect its financial performance. Changes in economic factors affecting general business cycles, inflation, legislation, monetary and regulatory policies, as well as changes to accounting standards, may also affect the performance of Catapult.

INDUSTRY AND COMPETITION RISK

Catapult's performance could be adversely affected if existing or new competitors reduce Catapult's market share, or its ability to expand into new market segments. Catapult's existing or new competitors may have substantially greater resources and access to more markets than Catapult. Competitors may succeed in developing new technologies or alternative products which are more innovative, easier to use or more cost effective than those that have been or may be developed by Catapult. This may place pricing pressure on Catapult's product offering and may impact on Catapult's ability to retain existing clients, as well as Catapult's ability to attract new clients. If Catapult cannot compete successfully, Catapult's business, operating results and financial position could be adversely impacted.

TECHNOLOGY AND HOSTING PLATFORMS

Catapult relies on a third-party hosting provider to maintain continuous operation of its technology platforms, servers and hosting services and the cloud-based environment in which Catapult provides its products. There is a risk that these systems may be adversely affected by various factors such as damage, faulting or aging equipment, power surges or failures, computer viruses, or misuse by staff or contractors. Other factors such as hacking, denial of service attacks, or natural disasters may also adversely affect these systems and cause them to become unavailable. Further, if Catapult's third-party hosting provider ceased to offer its services to Catapult and Catapult was unable to obtain a replacement provider quickly, this could lead to disruption of service to the Catapult website and cloud infrastructure. This could lead to a loss of revenue while Catapult is unable to provide its services, as well as adversely affecting its reputation. This could have a material adverse effect on Catapult's financial position and performance.

CYBER SECURITY

Catapult provides its services through cloud based and other online platforms. Hacking or exploitation of any vulnerability on those platforms could lead to loss, theft or corruption of data. This could render Catapult's services unavailable for a period while data is restored. It could also lead to unauthorised disclosure of users' data with associated reputational damage, claims by users, regulatory scrutiny and fines. Although Catapult employs strategies and protections to try to minimise security breaches and to protect data, these strategies and protections might not be entirely successful. In that event, disruption to Catapult's services could adversely impact on Catapult's revenue, profitability and growth prospects. The loss of



BUSINESS RISK (CONTINUED)

client data could have severe impacts to client service, reputation, and the ability for clients to use the products.

MANUFACTURING AND PRODUCT QUALITY RISKS

Catapult currently uses third party manufacturers to produce components of its products. There is no guarantee that these manufacturers will be able to meet the cost, quality and volume requirements that are required to be met for Catapult to remain competitive. Catapult's products must also satisfy certain regulatory and compliance requirements which may include inspection by regulatory authorities. Failure by Catapult or its suppliers to continuously comply with applicable requirements could result in enforcement action being taken against Catapult.

As a manufacturer, importer and supplier of products, product liability risk, faulty products and associated recall and warranty obligations are key risks of the Catapult business. While Catapult has product liability insurance, not all claims will be covered by this and the fallout from product liability issues may be far greater than what an insurance policy is able to cover.

FOREIGN EXCHANGE

Foreign exchange rates are particularly important to Catapult's business given the significant amount of revenue which Catapult derives outside Australia. Catapult's financial statements are prepared and presented in Australian dollars. Adverse movements in foreign currency markets could affect Catapult's profitability and financial position.

DEVELOPMENT AND COMMERCIALISATION OF INTELLECTUAL PROPERTY

Catapult relies on its ability to develop and commercialise its intellectual property. A failure to protect, develop and commercialise its intellectual property successfully would lead to a loss of opportunities and adversely impact the operating results and financial position of Catapult. Furthermore, any third party developing superior technology or technology with greater commercial appeal in the fields in which Catapult operates may harm the prospects of Catapult.

Catapult's success depends, in part, on its ability to obtain, maintain and protect its intellectual property, including its patents. Actions taken by Catapult to protect its intellectual property may not be adequate, complete or enforceable and may not prevent the misappropriation of its intellectual property and proprietary information or deter independent development of similar technologies by others.

The granting of a patent does not guarantee that Catapult's intellectual property is protected and that others will not develop similar technologies that circumvent such patents. There can be no assurance that any patents Catapult owns, controls or licences, whether now or in the future, will give Catapult commercially significant protection of its intellectual property.

Monitoring unauthorised use of Catapult's intellectual property rights is difficult and can be costly. Catapult may not be able to detect unauthorised use of its intellectual property rights. Changes in laws in Australia and other jurisdictions in which Catapult operates may adversely affect Catapult's intellectual property rights.



BUSINESS RISK (CONTINUED)

Other parties may develop and patent substantially similar or substitute products, processes, or technologies to those used by Catapult, and other parties may allege that Catapult's products incorporate intellectual property rights derived from third parties without their permission. Whilst Catapult is not the subject of any claim that its products infringe the intellectual property rights of a third party, allegations of this kind may be received in the future and, if successful, injunctions may be granted against Catapult which could materially affect the operation of Catapult and Catapult's ability to earn revenue, and cause disruption to Catapult's services. The defence and prosecution of intellectual property rights lawsuits, proceedings, and related legal and administrative proceedings are costly and time-consuming, and their outcome is uncertain. In addition to its patent and licensing activities, Catapult also relies on protecting its trade secrets. Actions taken by Catapult to protect its trade secrets may not be adequate and this could erode its competitive advantage in respect of such trade secrets. Further, others may independently develop similar technologies.

FURTHER PRODUCT DEVELOPMENT RISK

Catapult has developed its athlete video and tracking technology and software products and continues to invest in further systems and product development.

Catapult gives no guarantee that further development of its video and athlete tracking technology and software products will be successful, that development milestones will be achieved, or that Catapult's intellectual property will be developed into further products that are commercially exploitable. There are many risks inherent in the development of technologies and related products, particularly where the products are in the early stages of development. Projects can be delayed or fail to demonstrate any benefit or may cease to be viable for a range of reasons, including scientific and commercial reasons.

BRAND AND REPUTATION DAMAGE

The brand and reputation of Catapult and its individual products are important in retaining and increasing the number of clients that utilise Catapult's technology and products and could prevent Catapult from successfully implementing its business strategy. Any reputational damage or negative publicity surrounding Catapult, or its products could adversely impact on Catapult's business and its future growth and profitability.

PRODUCT LIABILITY

Catapult's business exposes it to potential product liability claims related to the manufacturing, marketing and sale of its products. Catapult maintains product liability insurance. However, to the extent that a claim is brought against Catapult that is not covered or fully covered by insurance, such claim could have a material adverse effect on the business, financial position and results of Catapult. Claims, regardless of their merit or potential outcome, may adversely impact on Catapult's business and its future growth and profitability.



BUSINESS RISK (CONTINUED)

LITIGATION

Catapult may in the ordinary course of business be involved in disputes. These disputes could give rise to litigation. While the extent of any disputes and litigation cannot be ascertained at this time, any dispute or litigation may be costly and may adversely affect the operational and financial results of Catapult.

DIVIDENDS

In respect of the current year, no dividend has been paid by Catapult Group International Limited.



DIRECTORS' MEETINGS

The number of Directors Meetings (including meetings of Committees of Directors) held during the year, and the number of meetings attended by each Director is as follows:

Director's Name	Board Meetings		Audit and Risk Committee		Remuneration and Nomination Committee	
	A	B	A	B	A	B
Adir Shiffman	7	7	-	-	4	4
Shaun Holthouse	7	7	-	-	-	-
Igor van de Griendt	7	7	6	6	-	-
Calvin Ng	7	6	6	6	-	-
Brent Scrimshaw	7	7	-	-	4	4
Jim Orlando	7	7	6	6	4	4

Where:

column A is the number of meetings the Director was entitled to attend.

column B is the number of meetings the Director attended.



UNISSUED SHARES UNDER OPTION AND RIGHTS

Unissued ordinary shares of Catapult Group International Ltd under option at the date of this report:

Date Options Granted	Expiry Date	Exercise Price of Shares	Number under Option
31 October 2014	31 October 2019	\$0.55	441,000
31 October 2014	31 October 2019	\$0.605	960,000
14 April 2016	14 April 2021	\$2.20	525,576
14 April 2016	1 January 2021	\$2.31	50,000
14 April 2016	1 January 2021	\$1.55	300,000
14 April 2016	14 April 2021	\$1.68	90,000
22 September 2016	22 September 2019	\$3.78	300,000
22 September 2016	29 March 2021	\$2.50	57,515
22 September 2016	22 September 2019	\$2.50	100,000
30 November 2016	24 March 2019	\$4.843	500,000
30 November 2016	23 March 2020	\$4.843	500,000
30 November 2016	1 May 2022	\$3.00	645,000
1 May 2017	1 May 2022	\$2.54	2,000,000
1 November 2017	31 October 2022	\$1.72	750,000
19 December 2017	22 September 2022	\$2.50	75,000
19 December 2017	22 June 2022	\$2.08	400,000
19 December 2017	31 December 2020	\$2.08	175,000
19 December 2017	22 July 2021	\$2.59	165,000
19 December 2017	30 July 2022	\$2.13	75,000
19 December 2017	19 December 2022	\$1.83	745,000
8 January 2018	8 July 2022	\$1.82	25,000

During the financial year ending 30 June 2018 the company issued 2,495,000 options as part of the Employee Share Plan. The options were issued at an average exercise price of \$1.89 and an average fair value of \$0.80

Unissued ordinary shares of Catapult Group International Ltd under rights at the date of this report:

Date Rights Granted	Expiry Date	Exercise Price of Shares	Number under Rights
30 November 2016	22 September 2019	\$0.00	100,000

All options and rights expire on their expiry date.

All options and rights are issued in accordance with the CSESP, as approved by shareholders.



SHARES ISSUED DURING OR SINCE THE END OF THE YEAR AS A RESULT OF EXERCISE

On 28 February 2018, the Group issued 144,176 shares on satisfaction of purchase consideration for AMS acquisition at \$1.73 per share. The value of shares issued was \$250,000 as consideration.

On 29 March 2018, the Group undertook a capital raising, with 22,727,273 shares at \$1.10 per share. The amount raised was \$25,000,000.

During the 12 months to 30 June 2018 the Group allocated 1,348,000 treasury shares as part of options and rights exercised under the Employee Share Plan. The options and rights were exercised at an average exercise price of \$0.5903 and \$0.00 respectively.



REMUNERATION REPORT (AUDITED)

The Directors of Catapult Group International Ltd present the Remuneration Report for Non-Executive Directors, Executive Directors and other Key Management Personnel, prepared in accordance with the *Corporations Act 2001* and the *Corporations Regulations 2001*.

Remuneration Report

Letter from the Chairman of the Nominations and Remuneration Committee

Dear Shareholders,

Catapult's 2018 Remuneration Report provides information about the remuneration of our key management personnel for the year just completed. It also explains the significant amount of work we have done to revise our remuneration policy effective from 1 July 2018.

Ours is a young, high growth, global business with a strong focus of building our product stack for our target markets. We are engaged in a highly competitive and dynamic global business where there is real competition for the best human talent. As the global leader in the rapidly expanding sports technology market it is unsurprising that our staff are highly sought after. Your Board is mindful that our remuneration practices ensure we continue to attract and retain the high performance talent we need to realise Catapult's true potential.

Key Metrics in FY18

Catapult's remuneration incentives mirror the strategic focus of the business; namely, penetration of the company's technology stack in our addressable market. This requires commitment to driving sales into elite sports and allocating available funds to grow our technology offering.

Accordingly, the short-term incentive targets for our executive team for FY18 focused on revenue growth and positive underlying EBITDA. With our leadership team motivated to drive revenue growth, it was positive to see the 26% lift in revenue, which was within guidance range. This impressive growth further enhances Catapult's position as the leader in the elite sports technology market. As a fair reflection of the performance achieved against the targets set, by the leadership team, the Directors have endorsed the partial grant of short term incentive payments as detailed in this report.

Revised Remuneration Policy

Your Board has taken seriously the strong message sent by the "first strike" vote recorded against the company's remuneration report at the November 2017 AGM.

As a first step, the company engaged an independent remuneration consultant to benchmark executive remuneration.

After listening to a range of views from shareholders and taking independent expert advice, the Nominations and Remunerations Committee has reviewed and revised Catapult's remuneration policies effective FY19. The revised policy enhances the focus on alignment between executive remuneration and shareholder interests and includes the following key improvements:

- long term incentive equity grant terms to include a total shareholder return hurdle, with a nil award where compounding annual growth rate is below 12.5% pa,



REMUNERATION REPORT (AUDITED CONTINUED)

- transition to deferral of STI awards through equity awards to create increased shareholder alignment, motivate retention and preserve cash, and
- greater clarity, transparency and certainty around our remuneration practices.

As Catapult continues to grow its revenue, staff numbers and market share, the Board is committed to continuous improvement of the rigour and discipline we are applying to our incentive policies and believe that the revisions will further align motivation of our executives with positive outcomes for all our shareholders. More information is outlined in the following report.

The Board

Our Board composition is a reflection of Catapult's unique short life as a public company. The Board remains committed to high governance standards. It is also well served by its present mix of non-executive and executive directors with extensive and detailed knowledge of the business and the high growth sports technology market which the company leads on a global scale.

With two founder executive directors and a significant equity holder as executive chairman, we acknowledge we do not fit the textbook model of Board composition. The independent directors on the Nominations and Remuneration Committee consider the ongoing role and related remuneration of the executive directors add significant value to the business. They bring a unique competitive advantage to the business through their deep relevant experience and are important for Catapult in the context of its early life stage.

We also acknowledge that over the medium term it will be appropriate to review the composition of the Catapult Board. We anticipate an evolution of the Board composition to address the diversity and skills mix appropriate for the next phase of growth of this ambitious, listed sports technology business.

On behalf of the Directors, we trust that the following report and analysis properly informs your understanding of Catapult's remuneration arrangements and the changes we have implemented.

Brent Scrimshaw

Independent Director

Chairman Nominations and Remuneration Committee



REMUNERATION REPORT (AUDITED CONTINUED)

PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION APPLICABLE IN FY18

The principles of the Group's executive strategy and supporting incentive programs and frameworks are:

- to align rewards to business outcomes that deliver value to shareholders
- to drive a high-performance culture by setting challenging objectives and rewarding high performing individuals; and
- to ensure remuneration is competitive in the relevant employment market place to support the attraction, motivation and retention of executive talent.

The Board has established a Nomination and Remuneration Committee which operates in accordance with its charter as approved by the Board and is responsible for determining and reviewing compensation arrangements for the Directors and the Executive Team.

The remuneration structure adopted by the Group applicable for FY18 consists of the following components:

- fixed remuneration being annual salary;
- short term incentives, being employee bonuses; and
- options

The Nomination and Remuneration Committee assess the appropriateness of the nature and amount of remuneration on a periodic basis by reference to recent employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and Executive Team.

The metrics for earning short and long-term incentives are reviewed by the Nomination and Remuneration Committee annually as part of the review of executive remuneration and a recommendation is put to the Board for approval. All bonuses, options and incentives must be linked to pre-determined performance criteria.

Short Term Incentive (STI)

The Group's performance measures involve the use of annual performance objectives, financial metrics, performance appraisals and continuing emphasis on living the Company values.

The performance measures are set annually after consultation with the Directors and executives and are specifically tailored to the areas where each executive has a level of control.

The measures target areas the Board believes hold the greatest potential for expansion and profit and cover financial and non-financial measures.

The Key Performance Indicators ('KPI's') for the Executive Team are summarised as follows:

Performance area:

- **financial** – consistent with the early growth stage focus of the business key metrics of achieving revenue growth targets and underlying EBITDA; and
- **non-financial** – strategic goals set in relation to each executive's business unit objectives and job description.



REMUNERATION REPORT (AUDITED CONTINUED)

Some key financial performance measures are highlighted in the following table.

Item	2018	2017	2016	2015
EPS (dollars)	(0.10)	(0.086)	(0.05)	(0.04)
Dividends (cents per share)	-	-	-	-
Revenue (\$'000)	76,793	60,783	17,368	11,777
Underlying EBITDA	955	2,858	(4,400)	(2,500)
Statutory EBITDA	(1,945)	(3,713)	(6,789)	(4,600)
Net loss (\$'000)	(17,360)	(13,581)	(5,871)	(4,309)
Share price (\$)	1.225	2.33	3.08	1.04

The board determined that the best alignment with company strategy was to build revenue through growth in sales and market share. The executive team was accordingly set financial targets relating to revenue and underlying EBITDA.

The STI Program for FY18 is a cash bonus for the Executive Team and other employees consistent with the remuneration policy in place at the start of FY18.

	Total At Risk Amount (\$)	Percentage vested during the year	Percentage undetermined at 30 June	Performance criteria
Executive Directors				
Adir Shiffman	200,000	61%	0%	Performance against Revenue & EBITDA targets, operational and strategic metrics
Shaun Holthouse	150,000	61%	0%	Performance against Revenue & EBITDA targets, operational and strategic metrics
Igor van de Griendt	123,000	61%	0%	Performance against Revenue & EBITDA targets Technology development targets
Other Key Management Personnel				
Joe Powell	400,000	61%	0%	Performance against Revenue & EBITDA targets Performance against Operational & People Metrics
Mark Hall	150,000	80%	0%	Performance against Revenue & EBITDA targets Finance Function targets
Shane Greenan	100,000	0%	0%	Total at risk ineligible as ceased employment during the year Finance Function targets
Barry McNeill	113,461	70%	0%	Performance against Revenue & EBITDA targets Key Performance Targets for ROW Region
Matt Bairos	232,168	70%	0%	Performance against Revenue & EBITDA targets Key Performance Targets for Americas Region

(i) For KMP who joined the Group during the period the Total Amount at Risk amount relates to a 12-month period, so it is provided on a consistent basis to other KMP listed in the table. The percentage amounts shown for vested, forfeited and undetermined are based on the pro-rata amounts that the KMP is entitled to from date of joining the Group to 30 June 2018.

The Board believes that the achievements of these targets has benefited Catapult and shareholders in that the company has achieved significant and material advancement of its strategy to penetrate the global addressable market in elite sports technology. This is reflected in the 26% year on year growth in revenue which was a key performance metric set for achievement at the outset of FY18. This is consistent with the objectives of building Catapult's technology stack and positioning the business to reap the long-term rewards of subscription income over multiple years and rewards success in overcoming the material challenges of building profile and customer base in a highly competitive market.



REMUNERATION REPORT (AUDITED CONTINUED)

Long Term Incentive (LTI)

Under existing remuneration policy, equity incentives in the form of premium priced options have been provided to senior executives at or about the date of their appointment. Other than Mark Hall, who joined the business during FY18, no new grants of equity were made during FY18 to executives who were employed in the business at the start of FY18. The details set out in this report showing equity benefits for executives who were employed as at 1 July 2017 reflect the accounting value of multiple year awards made to those executives in prior periods. These awards were considered a mechanism for motivation, reward and retention of employees.

The remuneration policy including the LTI policy has been reviewed and revised with effect from 1 July 2018. The Board will continue to focus executive 'at risk' remuneration to achieving goals and targets that are necessary to achieve value accretion in CAT's share price, short-term volatility notwithstanding.

Set out in the tables in the following pages are the remuneration and option and rights holdings of KMP.



REMUNERATION REPORT (AUDITED CONTINUED)

Details of remuneration

Details of the nature and amount of each element of the remuneration of each Key Management Personnel ('KMP') of Catapult Group International Ltd shown in the table below:

Director and other Key Management Personnel remuneration										
Employee	Year	Short term employee benefits				Post-employment benefits	Long-term benefits	Share-based payments	Total \$	Performance based percentage of remuneration
		Cash salary and fees	Cash bonus	Annual leave	Non-monetary benefits	Superannuation	Long service leave	Options and Performance Rights		
		\$	\$	\$	\$	\$	\$	\$		
Executive Directors										
Adir Shiffman	2018	300,000	122,000	-	-	-	-	56,982	478,982	25.5%
Executive Chair	2017	255,000	156,000	-	-	-	-	46,556	457,556	34.1%
Shaun Holthouse	2018	266,362	91,500	(49,326)	-	20,049	(49,017)	56,982	336,551	27.2%
Director & Global Head of Strategy	2017	327,010	220,000	20,827	-	20,254	3,829	46,556	638,476	34.5%
Igor van de Griendt	2018	274,235	75,030	(23,360)	-	20,049	4,096	56,982	407,032	18.4%
Director & Chief Technology Officer	2017	260,274	36,900	20,799	-	22,171	3,024	46,556	389,724	9.5%
Non-Executive Directors										
Brent Scrimshaw	2018	86,758	-	-	-	8,242	(404)	56,982	151,578	n/a
	2017	86,758	-	-	-	8,242	404	46,556	141,960	n/a
Calvin Ng	2018	77,626	-	-	-	7,374	(352)	384,645	469,293	n/a
	2017	77,626	-	-	-	7,374	352	587,134	672,486	n/a
James Orlando (i)	2018	86,773	-	-	-	8,243	-	-	95,016	n/a
	2017	60,593	-	-	-	5,756	-	-	66,349	n/a
Rhonda O'Donnell (ii)	2018	-	-	-	-	-	-	-	-	n/a
	2017	21,690	-	-	-	2,060	-	-	23,750	n/a

(i) James Orlando – appointed 24 October 2016

(ii) Rhonda O'Donnell – resigned 9 September 2016

Note: there were no grants of options or performance rights to Directors in FY18. Share-based payments in the above table reflect current year financial impact of awards from prior years.



REMUNERATION REPORT (AUDITED CONTINUED)

Director and other Key Management Personnel remuneration (continued)											
Employee	Year	Short term employee benefits				Post-employment benefits	Long-term benefits	Share-based payments	Total \$	Performance based percentage of remuneration	
		Cash salary and fees	Cash bonus	Annual leave	Non-monetary benefits	Superannuation	Long service leave	Options and Performance Rights			
		\$	\$	\$	\$	\$	\$	\$			
Other Key Management Personnel											
Joe Powell (iii)	2018	500,000	245,097	20,934	-	20,049	493	534,701	1,321,274	18.6%	
Chief Executive Officer	2017	79,148	65,753	8,723	-	7,519	-	89,117	250,260	26.3%	
Mark Hall (iv)	2018	200,000	80,000	14,987	-	14,512	-	194,720	504,219	15.9%	
Chief Financial Officer	2017	-	-	-	-	-	-	-	-	n/a	
Shane Greenan (v)	2018	151,360	(2,046)	(5,253)	-	12,399	-	(96,590)	59,870	n/a	
Chief Financial Officer	2017	187,212	22,356	5,253	-	14,530	-	96,590	325,941	6.9%	
Barry McNeill	2018	332,307	79,425	(3,670)	152,157	20,049	592	40,496	621,356	12.8%	
Chief Operating Officer	2017	332,307	70,568	36,411	152,157	22,246	-	35,447	649,136	10.9%	
Brian Kopp (vi)	2018	-	-	-	-	-	-	6,386	6,386	n/a	
President North America	2017	323,230	32,008	17,981	7,629	-	-	73,648	454,496	7.0%	
Matt Bairos (vii)	2018	399,845	162,518	2,002	14,540	17,671	-	211,389	807,964	20.1%	
CEO XOS	2017	322,638	108,884	(8,092)	13,914	14,119	-	19,252	470,715	23.1%	
2018 Total	2018	2,675,266	853,524	(43,686)	166,697	148,637	(44,591)	1,503,673	5,259,521	16.2%	
2017 Total	2017	2,333,486	712,469	101,902	173,700	124,271	7,609	1,087,412	4,540,849	15.7%	

(iii) Joe Powell – joined the Catapult Group on 1 May 2017. Appointed CEO on 1 July 2017. Considered Key Management Personnel from 1 May 2017.

(iv) Mark Hall – joined the Catapult Group on 1 November 2017. Appointed CFO on 15 November 2017. Considered Key Management Personnel from 1 November 2017.

(v) Shane Greenan – ceased as CFO on 15 November 2017 and was determined to no longer be Key Management Personnel from this date. He remained employed by Catapult until 8 December 2017.

(vi) Brian Kopp – ceased to be considered Key Management Personnel on 20 May 2017.

(vii) Matt Bairos – considered to be Key Management Personnel from the date of acquisition of XOS, 12 August 2016.

Note: Non-monetary benefits to Mr Barry McNeill relate to his expatriate terms following his relocation from the UK to Australia in 2016. Since the end of FY18 Mr McNeill has been repatriated to the UK and reverted to local employment terms



REMUNERATION REPORT (AUDITED CONTINUED)

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Name	Fixed remuneration	At risk - STI	At risk - options
Executive Directors			
Adir Shiffman	54%	36%	10%
Shaun Holthouse	52%	35%	13%
Igor van de Griendt	50%	34%	16%
Other Key Management Personnel			
Joe Powell	35%	28%	37%
Mark Hall	47%	23%	30%
Shane Greenan	100%	n/a	n/a
Barry McNeill	68%	23%	9%
Matt Bairos	47%	28%	25%
Brian Kopp	0%	0%	100%

Long term incentives are provided exclusively by way of options, the percentages disclosed reflect the valuation of remuneration consisting of options, based on the value of options expensed during the year.

Service agreements

Remuneration and other terms of employment for the Executive Directors and other Key Management Personnel are formalised in a Service Agreement. The major provisions of the agreements relating to remuneration are set out below:

Name	Current base salary	Term of agreement	Notice period	Annual Director's fees not included in base salary
Adir Shiffman	\$300,000	Director appointment term in accordance with CAT constitution	One (1) month	-
Shaun Holthouse	\$82,192	Director appointment term in accordance with CAT constitution	Three (3) months	\$85,000
Igor van de Griendt	\$182,648	Director appointment term in accordance with CAT constitution	Three (3) months	\$85,000
Joe Powell	\$500,000	Permanent	Six (6) months	-
Mark Hall	\$300,000	Permanent	Three (3) months	-
Barry McNeill	\$332,307	Permanent	One (1) month	-
Matt Bairos	\$399,845	Permanent	At will	-

Share-based remuneration

All options refer to options over ordinary shares of the Company, which are exercisable on a one-for-one basis under the terms of the agreements. All options remain subject to review and approval by the Remuneration and Nomination Committee and Board.



REMUNERATION REPORT (AUDITED CONTINUED)

Details of options & rights holdings

Name	Grant Date	Held at 1 July 2017	Granted as remuneration	Net change other	Held at 30 June 2018	Vested during the year	Vested as at 30 June 2018	Note	Vesting Schedule	Vesting date	Expiry Date	Value per option/rights at grant date	Total value of option/rights at grant date	Exercise price per option
Joe Powell	1-May-17	2,000,000	-	-	2,000,000	337,500	337,500	(i)	162,500	1-May-18	1-May-22	\$0.52	\$83,964	\$2.54
									500,000	1-May-19	1-May-22	\$0.57	\$286,350	\$2.54
									500,000	1-May-20	1-May-22	\$0.63	\$314,350	\$2.54
									500,000	1-May-21	1-May-22	\$0.68	\$340,950	\$2.54
Adir Shiffman	1-Dec-16	300,000	-	(100,000)	200,000	100,000	-		100,000	22-Sep-18	24-Mar-19	\$0.45	\$44,820	\$4.83
									100,000	22-Sep-19	23-Mar-20	\$0.65	\$64,700	\$4.83
Calvin Ng	1-Dec-16	300,000	-	(100,000)	200,000	100,000	-		100,000	22-Sep-18	24-Mar-19	\$0.45	\$44,820	\$4.83
									100,000	22-Sep-19	23-Mar-20	\$0.65	\$64,700	\$4.83
Shaun Holthouse	1-Dec-16	300,000	-	(100,000)	200,000	100,000	-		100,000	22-Sep-18	24-Mar-19	\$0.45	\$44,820	\$4.83
									100,000	22-Sep-19	23-Mar-20	\$0.65	\$64,700	\$4.83
Igor van de Griendt	1-Dec-16	300,000	-	(100,000)	200,000	100,000	-		100,000	22-Sep-18	24-Mar-19	\$0.45	\$44,820	\$4.83
									100,000	22-Sep-19	23-Mar-20	\$0.65	\$64,700	\$4.83
Brent Scimshaw	1-Dec-16	300,000	-	(100,000)	200,000	100,000	-		100,000	22-Sep-18	24-Mar-19	\$0.45	\$44,820	\$4.83
									100,000	22-Sep-19	23-Mar-20	\$0.65	\$64,700	\$4.83
Shane Greenan	30-Nov-16	250,000	-	(250,000)	-	-	-		50,000	30-Jun-17	30-Sep-21	\$0.92	\$45,890	\$3.00
									50,000	30-Jun-18	30-Sep-21	\$1.01	\$50,520	\$3.00
									50,000	30-Jun-19	30-Sep-21	\$1.10	\$54,760	\$3.00
									50,000	30-Jun-20	30-Sep-21	\$1.17	\$58,695	\$3.00
									50,000	30-Jun-21	30-Sep-21	\$1.25	\$62,355	\$3.00



REMUNERATION REPORT (AUDITED CONTINUED)

Details of options & rights holdings (continued)

Name	Grant Date	Held at 1 July 2017	Granted as remuneration	Net change other	Held at 30 June 2018	Vested during the year	Vested as at 30 June 2018	Note	Vesting Schedule	Vesting date	Expiry Date	Value per option/rights at grant date	Total value of option/rights at grant date	Exercise price per option
Mark Hall	1-Nov-17	-	750,000	-	750,000	-	-		150,000	31-Oct-18	30-Oct-22	\$0.75	\$112,845	\$1.72
									200,000	31-Oct-19	30-Oct-22	\$0.80	\$160,900	\$1.72
									200,000	31-Oct-20	30-Oct-22	\$0.85	\$170,440	\$1.72
									200,000	31-Oct-21	30-Oct-22	\$0.90	\$179,200	\$1.72
Barry McNeill	31-Oct-14	960,000	-	-	960,000	432,000	960,000		320,000	15-Sep-15	31-Oct-19	\$0.08	\$24,960	\$0.61
									320,000	15-Sep-16	31-Oct-19	\$0.13	\$42,240	\$0.61
									320,000	15-Sep-17	31-Oct-19	\$0.17	\$55,040	\$0.61
Barry McNeill	14-Apr-16	100,000	-	-	100,000	-	-		100,000	12-Apr-19	14-Apr-21	\$0.99	\$98,800	\$2.20
Brian Kopp	31-Oct-14	960,000	-	(960,000)	-	432,000	-		48,000	15-Sep-15	31-Oct-19	\$0.08	\$3,840	\$0.61
									240,000	15-Sep-16	31-Oct-19	\$0.13	\$32,160	\$0.61
									192,000	15-May-17	31-Oct-19	\$0.17	\$33,216	\$0.61
Matthew Bairos	22-Sep-16	66,000	-	-	66,000	-	-		66,000	20-Mar-20	22-Sep-19	\$1.20	\$78,995	\$2.50
									30,000	22-Jun-18	22-Jun-22	\$0.77	\$23,046	\$2.08
	22-Jun-17	400,000	-	-	400,000	70,000	70,000	(i)	100,000	22-Jun-19	22-Jun-22	\$0.83	\$82,530	\$2.08
									100,000	22-Jun-20	22-Jun-22	\$0.88	\$88,110	\$2.08
									100,000	22-Jun-21	22-Jun-22	\$0.93	\$93,320	\$2.08
Details of rights holdings														
Name	Grant Date	Held at 1 July 2017	Granted as remuneration	Net change other	Held at 30 June 2018	Vested during the year	Vested as at 30 June 2018	Note	Vesting Schedule	Vesting date	Expiry Date	Value per option/rights at grant date	Total value of option/rights at grant date	Exercise price per option
Calvin Ng	30-Nov-16	300,000	-	(200,000)	100,000	100,000	-		100,000	23-Mar-19	22-Sep-19	\$3.27	\$327,000	\$0.00

(i) Options with did not meet vesting during the period but under issue terms may be eligible to vest in the event of future out-performance

All options and rights above were issued for nil consideration and will vest on the vesting date noted provided the continuous service conditions and any applicable performance conditions set under the LTI policy have been met. The options and rights may be exercised at any time from the vesting date to expiry date.



REMUNERATION REPORT (AUDITED CONTINUED)

Details of shareholdings

The movement during the year in the number of ordinary shares held directly, indirectly or beneficially, by each key management personnel, including their related parties, is as follows:

Name	Held at 1 July 2017	Received on exercise of options	Purchased or sold during year	Net change other*	Held at 30 Jun 2018
Adir Shiffman^(a)	7,292,100	-	-	-	7,292,100
Shaun Holthouse	24,775,000	-	(3,500,000)	-	21,275,000
Igor van de Griendt	23,008,000	-	(2,500,000)	-	20,508,000
James Orlando^(c)	30,000	-	25,000	-	55,000
Brent Scrimshaw^(d)	15,150	-	-	-	15,150
Calvin Ng^(b)	421,100	200,000	-	-	621,100
Joe Powell	50,000	-	-	-	50,000
Mark Hall	-	-	-	-	-
Barry McNeill	-	-	-	-	-
Brian Kopp	66,177	-	(66,177)	-	-
Matt Bairos	-	-	-	-	-
Shane Greenan	-	-	-	-	-

(a) Adir Shiffman holds a relevant interest in another 9,811,600 shares held by Disruptive Special Opportunities Fund I by virtue of him being the sole shareholder in BBHF Pty Ltd which is a 23% shareholder of Disruptive Capital Pty Ltd which is the Trustee of the Fund. He holds a relevant interest in another 11,552,000 shares held by Disruptive Special Opportunities Fund II by virtue of him being the sole shareholder in BBHF Pty Ltd which is a 23% shareholder of Disruptive Capital Pty Ltd which is the Trustee of the Fund.

(b) Calvin Ng holds a relevant interest in another 9,811,600 shares held by Disruptive Special Opportunities Fund I by virtue of him being the sole shareholder in Ng Capital Management Pty Ltd which is a 24.34% shareholder in Aura Group Holdings Pty Ltd which is the ultimate shareholder of entities owning 77.06% of Disruptive Capital Pty Ltd which is the Trustee of the Fund. He holds a relevant interest in another 11,552,000 shares held by Disruptive Special Opportunities Fund II by virtue of him being the sole shareholder in Ng Capital Management Pty Ltd which is a 24.34% shareholder in Aura Group Holdings Pty Ltd which is the ultimate shareholder of entities owning 77.06% of Disruptive Capital Pty Ltd which is the Trustee of the Fund. He also holds a relevant interest in another 2,000 shares held by Aura Funds Management 1 Pty Ltd Ltd by virtue of him being the sole shareholder in Ng Capital Management Pty Ltd which is a 24.34% shareholder in Aura Group Holdings Pty Ltd, which is the ultimate shareholder of entities owning a 100% shareholding in Aura Funds Management Pty Ltd.

(c) James Orlando holds a relevant interest in 55,000 shares by way of his relationship with Kimberly Ann Foltz.

(d) Brent Scrimshaw holds a relevant interest in 15,150 shares held by B&A Scrimshaw Superannuation Fund which is controlled by Mr Scrimshaw.



REMUNERATION REPORT (AUDITED CONTINUED)

OUTCOMES OF REMUNERATION STRATEGY REVIEW EFFECTIVE 1 JULY 2018

The Board identified the need to set a clearer remuneration strategy and guidelines to satisfy generally accepted market conventions and to provide a clear path to its future growth that can be understood both internally (Board, employee and executives) and externally (shareholders and other stakeholders).

Following an independent review of the Catapult remuneration strategy by Crichton & Associates Pty Limited (Independent Remuneration Consultants) the following revised strategy was adopted to take effect from 1 July 2018, as follows:

- The CEO will receive a strategic mix of remuneration consisting of fixed and 'at risk' components. The 'at risk' components will consist of short-term incentives (STI) and long-term incentives (LTI) under a clearly defined framework;
- Selected executives reporting to the CEO will receive a performance balanced remuneration mix;
- Selected other executives will receive fixed annual remuneration (FAR) and STI with the STI awarded in both cash and equity (with deferral); and
- All other employees will receive FAR, or FAR and STI. They may also be eligible to participate in Catapult Sports Employee Share Plan (CSESP) previously approved by shareholders, on specific terms to be determined.

Catapult's target strategic mix of remuneration to be effective from 1 July 2018 is as follows:

Remuneration Strategy Mix	FAR	STI	LTI	TAR
CEO	33%	Up to 33% ¹	Up to 34%	100%
Other executive KMP	50%	Up to 25% ¹	Up to 25%	100%
Other executives	70%	Up to 30% ¹	0% ²	100%
Other employees	80%	Up to 20% ¹	0% ²	100%

¹STI may be awarded part in cash and part in equity with deferral

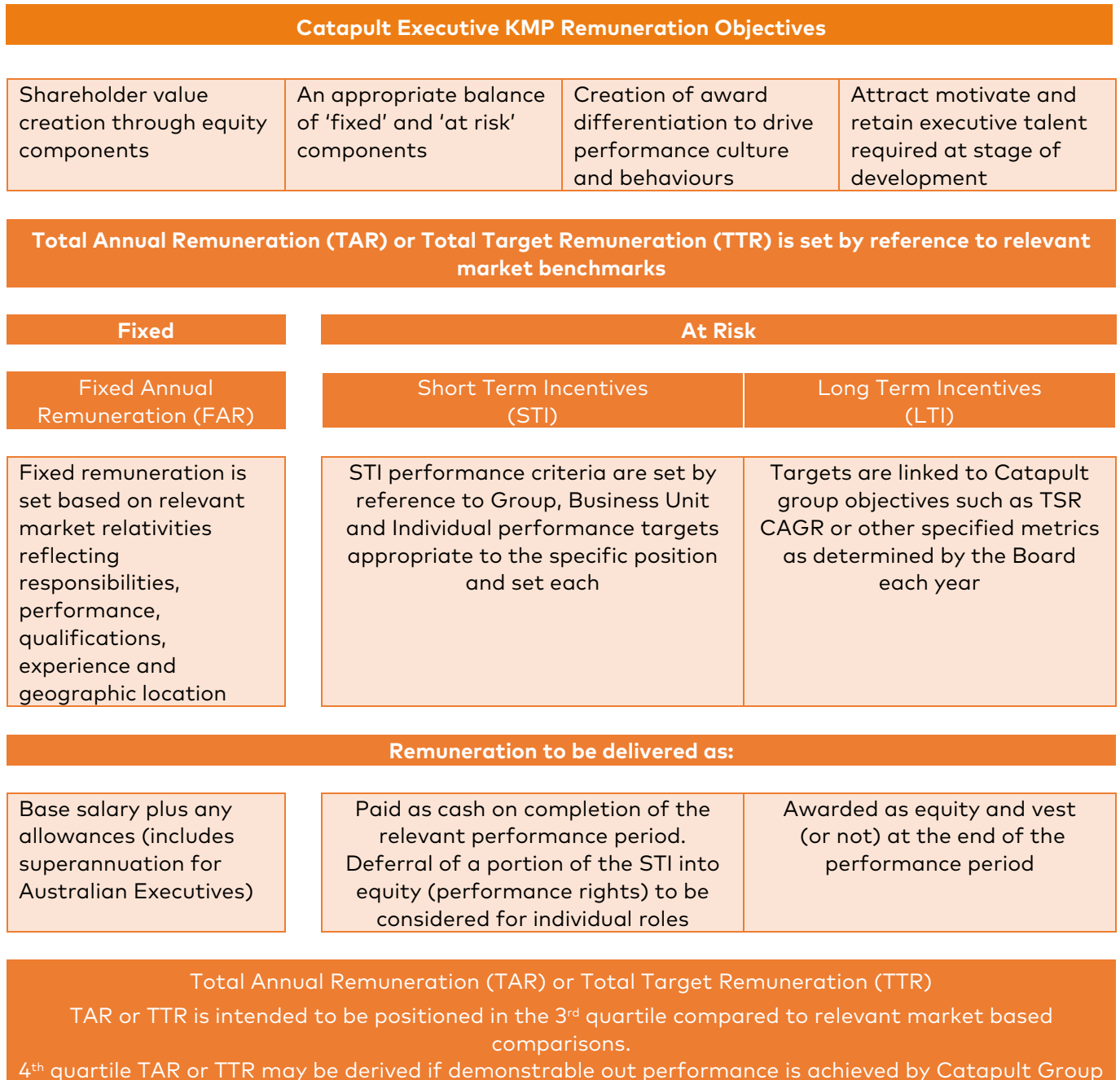
²CSESP participation may be considered

The terms and participation in both STI and LTI will be decided on an annual basis.



REMUNERATION REPORT (AUDITED CONTINUED)

Catapult's revised remuneration strategy relating specifically to Key Management Personnel can be further illustrated as set out in the following diagram.





REMUNERATION REPORT (AUDITED CONTINUED)

These remuneration objectives will be reviewed annually by the Board. Any variation from these objectives will be considered on a 'case' by 'case' basis to ensure Catapult retains flexibility in the various international markets in which it operates.

The following table sets out the revised criteria for STI awards as recommended by the Independent Remuneration Consultants, reviewed by the Nominations and Remuneration Committee and adopted by the Board. STI awards will continue to be measured against business critical financial, Group and business unit objectives. Performance gates will be set annually to determine the threshold standard to be met for eligibility for the financial metrics related portion of the STI award. The performance gate will emphasise and drive executive performance alignment with shareholder interests. In setting the financial and personal KPIs and the performance gate, the Board will apply measurable and controllable objectives which align with strategic objectives and enhance shareholder value.

An important development in the revised STI policy to apply from 1 July 2018, is the transition to deferral of STI through a Board determined proportion of annual STI awards to be awarded as equity. Such awards will be forfeited if the participant leaves their employment with Catapult before the vesting date. This service condition can be waived only in exceptional circumstances. The number of equity units awarded will be determined as at 1 July in the year after the completion of the performance period, based on the 5 day VWAP applicable on that date.



REMUNERATION REPORT (AUDITED CONTINUED)

STI criteria	Revised terms adopted effective 1 July 2018
Participants	KMP and other employees as determined by the Board
STI \$ Value	Based on remuneration strategy intention
Performance Criteria and Weightings	For disclosed executives (KMP) STI awards will be weighted towards financial outcomes and/or be subject to a financial performance gate or cap. KPI will consist of a mix of financial, customer, talent and employees and businesses unit objectives.
Performance Period	1 July to 30 June.
STI Payment Date	On or before 30 September each year
STI Deferral	STI deferral will apply to the CEO, designated executive KMP and selected others in FY19 grants vest in August 2020. In subsequent years the deferral period will be at least one (1) year after vesting and be contingent on future service only. Deferred STI will be awarded as RSU, performance rights or similar. The Board will determine the % of any STI to be awarded as equity.
STI \$ value 'trade-off'	The number of equity units (RSU, performance rights or similar) will be determined as at 1 July in the year after the completion of the performance period based on the 5 day VWAP applicable on that date.
Service restriction	Any STI deferral provided will be forfeited if the participant leaves before the vesting date. The Board has the discretion to waive this restriction, in exceptional circumstances.
Clawback	STI to executive KMP will be subject to a Clawback and Malus policy that may apply from time to time.
Date of Offer - STI	Before 30 June each year
Date of Offer - Equity	On or before 30 September once the STI \$ value has been determined and the number of equity units for STI deferral is calculated.

The following table sets out the revised criteria for LTI awards as recommended by the Independent Remuneration Consultants, reviewed by the Nominations and Remuneration Committee and adopted by the Board. The Board has determined that executives will be motivated by the granting of premium priced share options (15% above 5 day VWAP at the time of option pricing) with a hurdle rate to be achieved of a minimum compounding annual growth rate (CAGR) of 12.5% in Total Shareholder Return (TSR). If that hurdle is met at the relevant vesting date, 50% of those options become exercisable. The proportion of options vesting increases to 100% if a 17.5% TSR CAGR is achieved, with a pro rata entitlement between 12.5% and 17.5% TSR CAGR. Directors are of the view that this simple and transparent formula for awarding premium priced options provides strong incentive for executives and only rewards them when all shareholders have benefited from a meaningful CAGR in total shareholder return.



REMUNERATION REPORT (AUDITED CONTINUED)

LTI Terms FY19	Applicable from 1 July 2018
Participants	KMP and other employees as determined by the Board
LTI \$ Value	Based on remuneration strategy intention, as approved by the Board.
Equity type	Options
Exercise Price	15% above the VWAP at the date of pricing the Option
Date of Pricing	The date of pricing will be the 5 day VWAP as at 1 July
Number	The number of Options will be determined by dividing the LTI \$ value (in accordance with the remuneration strategy) by the Option value determined using the 'Contract Life' value of the option at the date of pricing of the Option
Issue Price	None
Performance Criteria	TSR absolute
Hurdle Rates	TSR CAGR <12.5% p.a. (0% vesting); 12.5% p.a. to 17.5% p.a. (50% to 100% pro-rata)
Service and Performance Period	FY19 grant will be service up to 31 August 2020. TSR will be measured from the date of release of CAT financial statements in 2018 to 31 August 2020. In subsequent years 3 year term applies
Last Exercise Date	30 days after vesting.
Cost	Estimated Income Statement Cost in Total and for FY19 to be determined once final allocations have been approved by the Board
Dilution	Total dilutive impact and Prospectus relief calculation to be determined once final allocations approved
Clawback	Unexercised LTI will be subject to any Clawback Policy that may apply from time to time.
Minimum Shareholding	No minimum shareholding guidelines or policies are in place.
Change of Control	100% of unvested options will vest on a Change of Control.
Termination	Bad Leaver – Lapse; Good Leaver – Redundancy – Pro-rata service and performance; Other - Board Discretion.
Other Conditions	No hedging, no securitising, no nominee, no retesting



REMUNERATION REPORT (AUDITED CONTINUED)

INDEPENDENT REMUNERATION CONSULTANT

During FY18 a remuneration consultancy contract was entered by the company and accordingly the following disclosure is made in accordance with s300A(1)(h) of the Corporations Act.

Consultant: Ian Crichton, Remuneration Consultant, Crichton & Associates Pty Ltd
Services provided: Remuneration benchmarking, review of remuneration policy and practice and recommendations for the improvement of those policies and practices (fees: \$30,417)
Other services: pricing and valuations of grants made during the FY18 and related work (fees: \$16,940)

The Board is satisfied that the making of remuneration recommendations and related advice was free from undue influence by the executive KMP as a result of the appointment selection and engagement and interaction was the responsibility of the independent director members of the Nomination and Remuneration Committee Mr Brent Scrimshaw and Mr Jim Orlando. The Independent Remuneration Consultant confirmed that he was not subject to any undue influence.

END OF AUDITED REMUNERATION REPORT



ENVIRONMENTAL LEGISLATION

Catapult Group International Ltd operations are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory in Australia.

INDEMNITIES GIVEN AND INSURANCE PREMIUMS PAID TO AUDITORS AND OFFICERS

During the year, Catapult Group International Ltd paid a premium to insure officers of the Group. The officers of the Group covered by the insurance policy include all Directors.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group.

Details of the amount of the premium paid in respect of insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Group against a liability incurred as such by an officer or auditor.

NON-AUDIT SERVICES

During the year, Grant Thornton, the Company's auditors, performed certain other services in addition to their statutory audit duties.

The Board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of those non-audit services during the year is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the reason the non-audit services do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid to the auditors of the Company, Grant Thornton, and its related practices for audit and non-audit services provided during the year are set out in Note 26 to the Financial Statements.

A copy of the Auditor's Independence Declaration as required under s307C of the *Corporations Act 2001* is included on page 28 of this financial report and forms part of this Directors' Report.



PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, to taking responsibility on behalf of the Company for all or part of those proceedings.

Signed in accordance with a resolution of the Directors.

Dr Adir Shiffman
Executive Chairman

16 August 2018

Auditor's Independence Declaration

To the Directors of Catapult International Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Catapult Group International Limited for the year ended 30 June 2018, 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



B A Mackenzie
Partner – Audit & Assurance

Melbourne, 16 August 2018

FY2018
FINANCIAL
STATEMENTS



CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2018

		2018	2017
	Notes	\$'000	\$'000
Revenue	8	76,793	60,783
Other Income	9	392	215
Costs of Goods Sold		(18,570)	(14,224)
Employee benefits expense	20	(38,005)	(28,401)
Employee share option compensation expense	20	(1,512)	(3,256)
Capital raising and listing expenses		(274)	(385)
Travel, marketing and promotion		(7,716)	(6,111)
Occupancy		(3,143)	(1,972)
Professional fees		(2,611)	(3,824)
Other expenses		(6,806)	(6,538)
Loss on disposal of assets		(493)	-
Operating loss before depreciation and amortisation		(1,945)	(3,713)
Depreciation and amortisation		(14,141)	(9,994)
Operating loss		(16,086)	(13,707)
Finance costs	23	(76)	(21)
Finance income	23	169	67
Other financial items	24	(266)	(385)
Loss before income tax		(16,259)	(14,046)
Income tax (expense)/benefit	25	(1,101)	465
Loss for the year from continuing operations		(17,360)	(13,581)
Earnings per share			
Basic and diluted earnings per share (cents per share)	27	(10.0) cents	(8.6) cents

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

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	12 months	12 months
	\$'000	\$'000
Loss for the year from continuing operations	(17,360)	(13,581)
Other Comprehensive Income		
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation differences for foreign operations, net of tax	3,256	(1,991)
Other comprehensive income for the year, net of tax	3,256	(1,991)
Total comprehensive income for the year attributable to owners	(14,104)	(15,572)

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



CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

		30-Jun-18	30-Jun-17
	Notes	\$'000	\$'000
ASSETS			
Current			
Cash and cash equivalents	10	31,715	16,686
Trade and other receivables	11	30,849	26,864
Inventories	12	3,819	3,342
Current tax assets		89	2,013
Total current assets		66,472	48,905
NON-CURRENT ASSETS			
Trade and other receivables	11	275	208
Property, plant and equipment	13	8,683	7,710
Goodwill	14	56,730	53,127
Other intangible assets	15	42,097	41,181
Deferred tax assets	16	10,172	10,167
Total non-current assets		117,957	112,393
Total assets		184,429	161,298
LIABILITIES			
Current			
Trade and other payables	17	11,199	8,542
Deferred revenue	18	25,657	22,380
Other liabilities		1,794	1,125
Employee benefits	20	8,798	6,084
Borrowings	19	3,555	3,141
Total current liabilities		51,003	41,272
NON-CURRENT LIABILITIES			
Deferred revenue	18	584	698
Other liabilities		580	395
Employee benefits	20	53	62
Deferred tax liabilities	16	5,138	4,109
Total non current liabilities		6,355	5,264
Total liabilities		57,358	46,536
Net assets		127,071	114,762
EQUITY			
Share capital	21	164,324	138,724
Share option reserve		4,847	4,033
Foreign currency translation reserve		525	(2,731)
Accumulated losses		(42,625)	(25,264)
Total equity		127,071	114,762

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



CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

		2018	2017
	Note	\$'000	\$'000
Cash flows from operating activities			
Cash receipts from customers		77,253	52,892
Cash paid to suppliers and employees		(72,978)	(59,168)
Cash generated from / (used in) operations		4,275	(6,276)
Interest received /(paid)		169	67
Government grants		95	131
Income taxes paid		1,881	(12)
Acquisition and integration costs		-	(2,754)
Net cash flows from / (used in) operating activities	29	6,420	(8,844)
Cash flows from investing activities			
Payments for property, plant and equipment		(5,849)	(4,892)
Purchase of other intangible assets		(8,579)	(5,833)
Acquisition of subsidiaries net of cash acquired	37	(1,534)	(82,201)
Net cash flows used in investing activities		(15,962)	(92,926)
Cash flows from financing activities			
Loans received		253	3,250
Finance costs on bank loan		-	(111)
Interest paid		(51)	(21)
Proceeds from issue of share capital		25,000	116,175
Proceeds from share options		447	521
Transaction costs related to share capital issued		(1,138)	(4,440)
Net cash flows from financing activities		24,511	115,374
Net increase in cash and cash equivalents		14,969	13,604
Cash and cash equivalents at the beginning of the financial period		16,686	3,643
Effect of exchange rate fluctuations on cash held		60	(561)
Cash and cash equivalents at the end of the financial period		31,715	16,686

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



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	SHARE CAPITAL \$'000	SHARE OPTION RESERVE \$'000	FOREIGN CURRENCY TRANSLATION RESERVE \$'000	ACCUMULATED LOSSES \$'000	TOTAL EQUITY \$'000
Balance at 1 July 2016	23,586	777	(740)	(11,684)	11,939
Total comprehensive income for the year					
Loss for the year	-	-	-	(13,581)	(13,581)
Other comprehensive income	-	-	(1,991)	-	(1,991)
Total comprehensive income	-	-	(1,991)	(13,581)	(15,572)
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Issue of ordinary shares, net of transaction costs	115,138	-	-	-	115,138
Share based payments	-	3,256	-	-	3,256
Total transactions with owners	115,138	3,256	-	-	118,394
Balance at 30 June 2017	138,724	4,033	(2,731)	(25,264)	114,762
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	-	-	-	(17,360)	(17,360)
Other comprehensive income	-	-	3,256	-	3,256
Total comprehensive income	-	-	3,256	(17,360)	(14,104)
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Issue of ordinary shares, net of transaction costs	24,111	-	-	-	24,111
Share based payments	1,489	813	-	-	2,302
Total transactions with owners	25,600	813	-	-	26,413
Balance at 30 June 2018	164,324	4,846	525	(42,624)	127,071

This statement should be read in conjunction with the notes to the 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, software and video analytics solutions for athletes and sports teams.

2. GENERAL INFORMATION AND BASIS OF 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 year ended 30 June 2018 were approved and authorised for issue by the Board of Directors on 16 August 2018.

3. CHANGES IN ACCOUNTING POLICIES

3.1 New and revised standards that are effective for these financial statements

Effective this financial period the amendment below takes effect 1st July 2017:

Several new and revised standards became effective for the first time to annual periods beginning on or after 1 July 2017. Only those that are significant to the Group have been included.

3.2 Accounting Standards issued but not yet effective and have not been adopted early by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2018 reporting periods and have not yet been adopted by the group. The group's assessment of the impact of these new standards and interpretations is set out below:

AASB 15 Revenue from Contracts with Customers

AASB 15:

- replaces AASB 118 Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations
- establishes a new control-based revenue recognition model



- establishes a new concept of 'distinct good or services' to identify performance obligations
- changes the basis for deciding whether revenue is to be recognised over time or at a point in time
- provides new and more detailed guidance on specific topics (e.g., multiple element arrangements, variable pricing, rights of return, warranties and licensing)
- expands and improves disclosures about revenue

This standard will be adopted for the first time in the in the financial statements for the year ending 30 June 2019.

Management have undertaken a detailed review of contract obligations and the underlying transactions. This review indicates that compliance with the standard may result in a requirement to adjust the current revenue recognition methodology.

Elite Wearable contracts contain an obligation to provide training. This is currently amortised over the life of the contract. Compliance with the standard will require this revenue to be recognised as the service is incurred, generally within the first 90 days of the contract, causing a change in the first year of revenue recognition, this is not considered to have a material impact.

A review of costs incurred in Elite Wearable contract acquisition indicates that the distributor commissions on total contract value, currently recognised upfront, will also require a change in accounting treatment and be amortised over the life of the contract. This change is anticipated to result in a deferral of \$300,000 of costs in FY19.

AASB 16 Leases (February 2017)

AASB 16:

- replaces AASB 117 Leases and some lease-related Interpretations
- requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases
- provides new guidance on the application of the definition of lease and on sale and lease back accounting
- largely retains the existing lessor accounting requirements in AASB 117
- requires new and different disclosures about leases

Management has reviewed the applicable provisions relating to the Group's position as a lessor and lessee under the new standard when it is first adopted for the year ending 30 June 2020.

In relation to the Group being a lessor of operating leases of wearables under subscription arrangements the standard is not expected to have a material impact on the transactions and balances recognised in the financial statements.

In relation to the Group being a lessee it is expected that the first-time adoption of AASB 16 for the year ending 30 June 2020 will have the following impact on the transactions and balances recognised in the financial statements, in particular:

- lease assets and financial liabilities on the balance sheet will increase by \$7,037,067 and \$5,401,277 respectively (based on the facts at the date of the assessment)
- there will be a reduction in the reported equity as the carrying amount of lease assets will reduce more quickly than the carrying amount of lease liabilities



- EBIT in the statement of profit or loss and other comprehensive income will be higher as the implicit interest in lease payments for former off-balance sheet leases will be presented as part of finance costs rather than being included in operating expenses
- operating cash outflows will be lower and financing cash flows will be higher in the statement of cash flows as principal repayments on all lease liabilities will now be included in financing activities rather than operating activities. Interest can also be included within financing activities.

AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses (1 January 2017)

AASB 2016-1 amends AASB 112 *Income Taxes* to clarify how to account for deferred tax assets related to debt instruments measured at fair value, particularly where changes in the market interest rate decrease the fair value of a debt instrument below cost.

When these amendments are first adopted for the year ending 30 June 2018, there will be no material impact on the financial statements.

AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107 (1 January 2017)

AASB 2016-2 amends AASB 107 *Statement of Cash Flows* to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

When these amendments are first adopted for the year ending 30 June 2018, there will be no material impact on the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Overall considerations

The consolidated financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

4.2 Basis of consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2018. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and could affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.



Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

4.3 Business combination

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred, and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of (a) fair value of consideration transferred, (b) the recognised amount of any non-controlling interest in the acquiree, and (c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

4.4 Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in Australian dollars ('AUD'), which is also the functional currency of the Parent Company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the date of the transaction), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the AUD are translated into AUD upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period.



On consolidation, assets and liabilities have been translated into AUD at the closing rate at the reporting date. Income and expenses have been translated into AUD at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation the cumulative translation differences recognised in equity are reclassified to profit or loss and recognised as part of the gain or loss on disposal.

4.5 Revenue

Revenue arises from the sale of goods and the rendering of services, it is measured by reference to the fair value of consideration received or receivable, excluding sales taxes, rebates, and trade discounts.

The Group enters into sales transactions involving an outright sale to the client, on a subscription basis or for the rendering of services. The Group applies the revenue recognition criteria set out below to each separately identifiable component of the sales transaction in order to reflect the substance of the transaction.

Outright sale of goods

Outright sale of goods is recognised when the Group has transferred to the buyer the significant risks and rewards of ownership. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement. For sales of wearable units the transfer usually occurs when the customer has taken undisputed delivery of the goods. For sales of hardware in the video analytics business the transfer usually occurs on despatch of the goods from Catapult's premises.

Subscription and Services

(i) Wearables Subscription sale

The Group generates revenues from subscription sales and once the customer has taken undisputed delivery of the goods, the revenue from the subscription agreement is recognised on a monthly basis in equal amounts for each month of the subscription agreement.

In determining that wearable subscription constitute an operating lease under AASB 117 the Group considers the nature of the term of the agreement and the useful life of the goods being provided under the subscription agreement.

(ii) Rendering of Services

The Group is involved in providing software, support and maintenances services. The Group recognises revenue from such activities on a monthly basis in equal amounts for each month of the subscription agreement.

(iii) Multiple Element contracts

The Group's Sub-Elite Wearables offering includes an 'outright sale' element for the GPS Tracking unit sold to the customer and a 'rendering of services' element for the hosted software platform that customers have access to over the duration of the sales agreement. The consideration received for the bundled offering is allocated to each element on the basis of relative fair value. The fair value used for allocating revenue is based on customer contracts and internal pricing models. The revenues associated with



the 'Outright Sale' and 'Rendering of services' elements of the sales agreements are recognised on the basis set-out above.

(iv) Content Licensing

The Group is involved in the provision of licensed video content to customers. Where video content is purchased on a one-off basis, associated revenue is recognised upon delivery of the licensed content. Where video content is purchased via a term contract with content available for consumption during the contract term, associated revenue is recognised on a monthly basis in equal amounts for each month of the content licensing agreement.

(v) Interest and dividend income

Interest income and expenses are reported on an accrual basis using the effective interest method. Dividends, other than those from investments in associates, are recognised at the time the right to receive payment is established.

4.6 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

4.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs (see Note 23).

4.8 Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. See Note 4.3 for information on how goodwill is initially determined. Goodwill is carried at cost less accumulated impairment losses. Refer to Note 14.1 for a description of impairment testing procedures.

4.9 Other intangible assets

Acquired intangible assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and install the specific software. Brand names and customer lists acquired in a business combination that qualify for separate recognition are recognised as intangible assets at their fair values (see Note 4.3).

Internally developed software

Expenditure on the research phase of projects to develop new customised software for athlete tracking and analytic analysis is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the following recognition requirements:

- the development costs can be measured reliably;
- the project is technically and commercially feasible;
- the Group intends to and has sufficient resources to complete the project;
- the Group has the ability to use or sell the software; and



- the software will generate probable future economic benefits.

Development costs not meeting these criteria for capitalisation are expensed as incurred.

Directly attributable costs include employee costs and costs incurred on software development

Internally developed hardware

Expenditure on the research phase of projects to develop new hardware for athlete tracking and analytic analysis is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the following recognition requirements:

- the development costs can be measured reliably;
- the project is technically and commercially feasible;
- the Group intends to and has sufficient resources to complete the project;
- the Group has the ability to use or sell the hardware; and
- the hardware will generate probable future economic benefits.

Development costs not meeting these criteria for capitalisation are expensed as incurred.

Directly attributable costs include employee costs and costs incurred on hardware development.

Subsequent measurement

All intangible assets, including capitalised internally developed software and hardware, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described in Note 4.12.

The following useful lives are applied:

- software (licenses and internally developed): 4 - 5 years, except with regard to identified projects with 2 years
- brand names: annually assessed by management for impairment
- customer lists: 7 - 10 years
- hardware: 3 years
- distributor relationships: 10 years
- distributor contracts: 10 years
- goodwill: annually assessed by management for impairment

Amortisation has been included within depreciation, amortisation and impairment of non-financial assets.

Subsequent expenditures on the maintenance of computer software and brand names are expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

4.10 Property, plant and equipment

Plant, IT equipment and other equipment (comprising fittings and furniture) are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group's management. Plant, IT equipment and other equipment are subsequently measured using the cost model, cost less subsequent precaution and impairment losses.

Depreciation is recognised on a diminishing-value basis to write down the cost less estimated residual value of Plant buildings, IT equipment and other equipment. The following useful lives are applied:

- plant 3-10 years
- office equipment 3-20 years
- fixture and fittings 20 years
- other equipment 2-7 years
- property improvements 7 years

Depreciation is recognised on a straight line basis to write down the cost less estimated residual value of Subscription, service and demonstration wearable units over their useful life of 4 years.

In the case of leasehold property, expected useful lives are determined by reference to comparable owned assets or over the term of the lease, if shorter.

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

4.11 Leased assets

Operating leases

Where the Group is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

4.12 Impairment testing of goodwill, other intangible assets and property, plant and equipment

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated (determined by the Group's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

4.13 Financial instruments

Recognition, Initial Measurement and De-recognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and Subsequent Measurement of Financial Assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- Loans and receivables;
- Financial assets at Fair Value Through Profit or Loss ('FVTPL');
- Held-To-Maturity ('HTM') investments; or
- Available-For-Sale ('AFS') financial assets.

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.



Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Classification and subsequent measurement of Financial Liabilities

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognised in profit or loss. All derivative financial instruments that are not designated and effective as hedging instruments are accounted for at FVTPL.

Derivative financial instruments and hedge accounting

Derivative financial instruments are accounted for at FVTPL except for derivatives designated as hedging instruments in cash flow hedge relationships, which requires a specific accounting treatment.

4.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenses directly attributable to the manufacturing process as well as suitable portions of related production overheads, based on normal operating capacity. Costs of ordinarily interchangeable items are assigned using the first in, first out cost formula. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

4.15 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, the Australian Taxation Office ('ATO') and other fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial



recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Group's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

Catapult Group International Ltd and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

4.16 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

4.17 Equity, reserves and dividend payments

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

Other components of equity include the following:

- **foreign currency translation reserve** - comprises foreign currency translation differences arising on the translation of financial statements of the Group's foreign entities into AUD (see Note 4.4)
- **share option reserve** - comprises the grant date fair value of options issued but not exercised.

Retained earnings include all current and prior period retained profits.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

All transactions with owners of the parent are recorded separately within equity.



4.18 Post-employment benefits and short-term employee benefits

Post-employment Benefit Plans

The Group provides post-employment benefits through defined contribution plans.

Short-term Employee Benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries, non-monetary benefits and accumulating sick leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

4.19 Share-based employee remuneration

The Group operates equity-settled share-based remuneration plans for its employees. None of the Group's plans feature any options for a cash settlement.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to share option reserve. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs are allocated to share capital.

4.20 Provisions, contingent liabilities and contingent assets

Provisions for product warranties, legal disputes, onerous contracts or other claims are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a



number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

4.21 Goods and Services Tax, Sales taxes and Value Added Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the appropriate tax authority in the relevant tax jurisdiction. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

4.22 Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgement

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Recognition of subscription revenue and rental units

Determining when to recognise revenues from subscription agreements requires an understanding of the customer's use and the useful life of the products, historical experience and knowledge of the market. The company provides GPS tracking units for team sports under both an up-front sales model and a subscription model. Under the subscription model, the customer has the right to use the GPS tracking units for the period of the subscription, however must return the unit to the Group at the end of the subscription period. Management have considered various factors under AASB 117 Leases as to whether a component of the subscription agreements represents a finance or operating lease. These include:

- The GPS tracking units for the majority of subscription contracts have a subscription period no more than 75% of the useful life of the units.
- Risk in the fair wear and tear of GPS tracking units remains with the Group.

As a result this component of the subscription agreements has been considered an operating lease with the Group as lessor. As such, those GPS tracking units provided



under subscription agreements have been capitalised as 'Rental Units' under property, plant and equipment and are amortised over their estimated useful life.

All revenue under subscription sales is therefore recognised on a straight-line basis over the term of the subscription period, reflecting management's best estimate of the delivery of services and provision of the rental units over the term of the agreements.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised, as described in note 16. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (see Note 4.12).

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Business combinations

Management uses valuation techniques in determining the fair values of the various elements of a business combination (see Note 4.3). Particularly, the fair value of contingent consideration is dependent on the outcome of many variables that affect future profitability (see Note 5).

4.23 Going concern

The financial statements have been prepared on the basis that the consolidated entity is a going concern, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The consolidated group incurred a loss after tax of \$17,360,108 and had net cash inflow from operating activities of \$6,419,144.



Notwithstanding this, the directors are of the view that the going concern principle is appropriate due to the following factors:

- The consolidated entity has continued to successfully secure sale arrangements with many leading sporting organisations across the world for which revenues and cash inflows will be recognised in future reporting periods; and
- The business has put in place appropriate staffing globally to execute the growth strategy outlined in the March 2018 capital raising.

5. ACQUISITIONS AND DISPOSALS

Acquired the SportsMed Elite and Baseline Athlete Management System (AMS) products and clients and recruited key personnel, from SMG Technologies Pty Ltd (SMG) in August 2017.



6. INTERESTS IN SUBSIDIARIES

Set out below details of the subsidiaries held directly by the Group:

Parent Entity				
Catapult Group International Limited ^{(i),(iii)}				
Name of the Subsidiary	Principal Place of Business	Principal Activity	Group Ownership Interests	
			30-Jun-18	30-Jun-17
Catapult Sports Pty Ltd ^{(i),(ii),(iii)}	Australia	Design and sale of wearable products and software	100%	100%
Catapult Gameday Pty Ltd	Australia	Trading entity for relationships with Media sector	100%	100%
Catapult International Pty Ltd ⁽ⁱⁱ⁾	Australia	Holding Company	100%	100%
GPSports Systems Pty Ltd ⁽ⁱⁱⁱ⁾	Australia	Design and sale of wearable products and software	100%	100%
Catapult Innovations Pty Ltd	Australia	Non trading entity	100%	100%
Catapult Group US Inc. ⁽ⁱⁱⁱ⁾	United States of America	Holding Company	100%	100%
Catapult Sports LLC ⁽ⁱⁱⁱ⁾	United States of America	North American Sales Operations	100%	100%
XOS Technologies Inc	United States of America	Video Analytics	100%	100%
Collegiate Images LLC	United States of America	Content licensing	100%	100%
Catapult Sports Limited ⁽ⁱⁱⁱ⁾	United Kingdom	European Sales Operations	100%	100%
Catapult Sports Godo Kaisha	Japan	Asia Sales Operations	100%	100%
Catapult Sports Europe Limited	Ireland	Holding company	100%	100%
Kodaplay Ltd ⁽ⁱⁱⁱ⁾	Ireland	Manufacturing and Selling for Catapult consumer products	100%	100%



- (i) Catapult Group International Limited (the Company) and Catapult Sports Pty Ltd (the "Closed Group") entered into a Deed of Cross Guarantee on 26 June 2017. The effect of the deed is that the Company has guaranteed to each creditor to pay any deficiency in the event of the winding up of any of the controlled entities in the "Closed Group". All entities in the "Closed Group" have also given a similar guarantee in the event that the Company is wound up - refer to Note 35.
- (ii) Pursuant to ASIC Corporations (Wholly owned Companies) Instrument 2016/785 Order 98/1418 (as amended) relief has been granted to Catapult Sports Pty Ltd from the *Corporations Act 2001* requirements for preparation, audit and lodgement of financial reports and directors reports.
- (iii) These entities have provided guarantees to Western Alliance Bank in respect of credit facilities of USD 6,000,000 granted to XOS Technologies Inc and Collegiate Images LLC.



7. Segment Reporting

For the year ended 30 June 2018

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:

- **Wearables:** design, development and supply of wearable technology and analytic software to athletes and sports teams.
- **Video Analytics:** 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

These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results. In the 12 months to June 2018, the Group identified New Products as a separate segment of its business and as such has restated the 2017 comparatives to reflect this categorisation.

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

	Wearables \$'000	Video Analytics \$'000	New products \$'000	Total \$'000
12 months to 30 June 2018				
Revenue - external customers	34,024	39,350	3,419	76,793
Segment EBITDA	7,252	10,642	(5,958)	11,936
Segment Operating Profit/(Loss)	1,562	2,904	(6,664)	(2,198)
Segment Assets	68,666	106,399	9,364	184,429
Segment Liabilities	26,348	29,866	1,145	57,359
12 months to 30 June 2017				
Revenue - external customers	26,402	33,341	1,040	60,783
Segment EBITDA	5,305	9,025	(2,444)	11,886
Segment Operating Profit/(Loss)	629	3,124	(2,543)	1,210
Segment Assets	54,409	104,524	2,365	161,298
Segment Liabilities	23,814	21,444	1,278	46,536



7. Segment Reporting (continued)

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

	2018 12 months \$'000	2017 12 months \$'000
Total reporting segment operating EBITDA	11,936	11,886
Depreciation and Amortisation for the segments	(14,141)	(9,994)
Finance segment costs	(55)	-
Finance segment income	4	93
Other financial segment income/(cost)	58	(775)
Total reporting segment operating profit	(2,198)	1,210
Corporate costs		
Employee benefits expense	(6,172)	(5,608)
Employee share option compensation expense	(1,512)	(3,256)
Capital raising and listing expenses	(242)	(385)
Travel, marketing and promotion	(332)	(1,048)
Occupancy	(876)	(930)
Professional fees	(2,122)	(2,665)
Other expenses	(2,627)	(1,707)
Total Corporate Costs	(13,883)	(15,599)
Finance income	165	-
Finance expense	(21)	(47)
Other financial items	(322)	390
Group loss before tax	(16,259)	(14,046)

The description of comparative figures have been relabelled due to the miss-labelling in the prior financial period.

Revenue by Geography

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

	Wearables 2018 \$'000	Video Analytics 2018 \$'000	New products 2018 \$'000	Total 2018 \$'000
Revenue - external customers				
Australia	4,533	-	-	4,533
APAC	3,138	-	417	3,555
EMEA	11,339	-	2,203	13,542
USA	15,014	39,350	799	55,163
Total	34,024	39,350	3,419	76,793
	Wearables 2017 \$'000	Video Analytics 2017 \$'000	New products 2017 \$'000	Total 2017 \$'000
Revenue - external customers				
Australia	4,125	-	-	4,125
APAC	2,412	-	97	2,509
EMEA	9,280	-	577	9,857
USA	10,585	33,340	367	44,292
Total	26,402	33,340	1,041	60,783

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.



8. Revenue

Revenue has been generated from the following types of sales transactions:

	2018	2017
	\$'000	\$'000
Capital revenue	24,029	17,220
Subscription and service	51,477	42,973
Other revenues	1,287	590
Total revenue	76,793	60,783

9. Other income

Other income has been generated from the following sources:

	2018	2017
	\$'000	\$'000
Government grants - EMDG	174	131
Other income	218	84
Total other income	392	215

10. Cash and cash equivalents

Cash and cash equivalents include the following components:

Cash at bank and in hand

	2018	2017
	\$'000	\$'000
AUD	20,291	8,896
EUR	1,699	403
GBP	227	1,252
USD	9,433	6,132
JPY	65	3
Total cash and cash equivalents	31,715	16,686

The amount of cash and cash equivalents inaccessible to the Group as at 30 June 2018 amounts to \$353,721 (2017: \$279,089) relating to Letter of Credits for rental leases held by the company.



11. Trade and other receivables

Trade and other receivables consist of the following:

	2018 \$'000	2017 \$'000
Trade receivables, gross	26,803	23,129
Accrued Revenue	2,120	2,133
Allowance for credit losses	(613)	(251)
Trade receivables	28,310	25,011
Social security and other taxes	332	224
Other receivables	567	141
Prepayments	1,640	1,488
Non-financial assets	2,539	1,853
Total current trade and other receivables	30,849	26,864
Other long-term financial assets	275	208
Total trade and other receivables	31,124	27,072

The net carrying value of trade receivables is considered a reasonable approximation of fair value.

All of the Group's trade and other receivables have been reviewed for indicators of impairment. An amount of \$643,594 (2017: \$449,445) was found to be impaired and subsequently the bad debts were written off.

12. Inventories

	2018 \$'000	2017 \$'000
Raw materials and consumables	653	667
Work in progress	5	44
Finished goods	3,161	2,631
Total Inventories	3,819	3,342

In 2018, total costs of \$12,827,293 associated with inventories was included in the Consolidated Statement of Profit and Loss and Other Comprehensive Income as an expense (2017: \$13,093,595). \$440,338 (2017: \$336,317) was incurred regarding a write down of inventories associated with a change in device models and obsolescence of raw materials.



13. Property, plant and equipment

Details of the Group's property, plant and equipment and their carrying amount are as follows:

	Rental & Demo Units \$'000	Plant & Equipment \$'000	Furniture & Fittings \$'000	Office Equipment \$'000	Leasehold Improvements \$'000	Total \$'000
Gross carrying amount						
Balance 1 July 2017	8,018	1,523	113	1,351	1,046	12,051
Acquisition of business	-	-	-	-	-	-
Additions	3,138	634	172	579	1,221	5,744
Disposals	(3,601)	(44)	(11)	(14)	(218)	(3,888)
Net exchange Differences	1	30	4	77	23	135
Balance 30 June 2018	7,556	2,143	278	1,993	2,072	14,042
Depreciation and Impairment						
Balance 1 July 2017	(3,090)	(471)	(5)	(426)	(349)	(4,341)
Depreciation	(2,313)	(1,153)	(2)	(70)	(270)	(3,808)
Disposals	2,697	29	3	10	92	2,831
Net exchange Differences	-	(8)	-	(31)	(2)	(41)
Balance 30 June 2018	(2,706)	(1,603)	(4)	(517)	(529)	(5,359)
Carrying amount 30 June 2018	4,850	540	274	1,476	1,543	8,683
Gross carrying amount						
Balance 1 July 2016	4,460	821	11	249	219	5,760
Acquisition of business	-	10	19	453	31	513
Additions	3,559	804	94	653	811	5,921
Disposals	-	(73)	(7)	-	-	(80)
Net exchange Differences	(1)	(39)	(4)	(4)	(15)	(63)
Balance 30 June 2017	8,018	1,523	113	1,351	1,046	12,051
Depreciation and Impairment						
Balance 1 July 2016	(1,097)	(363)	(1)	(48)	(55)	(1,564)
Depreciation	(1,993)	(227)	(11)	(387)	(319)	(2,937)
Disposals	-	55	-	2	-	57
Net exchange Differences	-	64	7	7	25	103
Balance 30 June 2017	(3,090)	(471)	(5)	(426)	(349)	(4,341)
Carrying amount 30 June 2017	4,928	1,052	108	925	697	7,710

All depreciation and amortisation charges are included within depreciation and amortisation expense.

During the year the Group wrote off rental units with a net book value of \$137,290 (2017: \$Nil) which had been upgraded to a new device in line with Catapult's subscription agreements.

During the year the Group also conducted a review of the loan unit register and disposed of old rental units on the register that were no longer reconciled to existing subscription contracts. These units had a net book value of \$766,725 (2017: \$Nil).

During the year the Group moved its Head Office in Melbourne to 75-83 High Street, Prahran and this crystallised a disposal of leasehold improvements and other fixed assets related to the premises with a net book value of \$153,976 (2017: \$Nil)

There were no material contractual commitments to acquire property, plant and equipment at 30 June 2018

(2017: \$Nil)

The net book value of assets held under Finance Leases at the 30th June 2018 was \$224,217 and are included in Office Equipment.



14. Goodwill

The movements in the net carrying amount of goodwill are as follows:

	2018 \$'000	2017 \$'000
Balance 1 July 2017	53,127	1,213
Acquired through business combinations	1,141	51,824
Foreign exchange effect on goodwill	2,462	90
Balance 30 June 2018	56,730	53,127

14.1 Impairment Testing

For the purpose of annual impairment testing goodwill is allocated to the cash-generating units which are expected to benefit from the synergies of the business combinations in which goodwill arises.

	2018 \$'000	2017 \$'000
Elite Wearables	2,354	1,213
Sub-Elite Wearables	4,101	3,866
Video Analytics	50,275	48,048
Goodwill allocation at 30 June	56,730	53,127

The recoverable amounts of the cash-generating units were determined based on value-in-use calculations, covering the detailed five-year forecast, followed by a terminal growth rate of expected cash flows for the units. Growth rates are determined by management. The present value of the expected cash flows of each segment is determined by applying a suitable discount rate.

In measuring value in use cash flow projections are based on:

- (a) reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset;
- (b) most recent financial budgets/forecasts approved by management, but exclude any estimated future cash inflows or outflows expected to arise from future restructurings or from improving or enhancing the asset's performance; and
- (c) estimates cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years.

	EBITDA growth rate		Terminal value growth rate		Discount Rates	
	(CAGR FY19 - FY23) (i)					
	2018	2017	2018	2017	2018	2017
Elite Wearables	25%	22%	4%	4%	11%	11%
Sub-Elite Wearables	80%	280%	0%	3%	10%	11%
Video Analytics	16%	15%	4%	4%	11%	11%

(i) Compound Annual Growth Rate (CAGR)



14. Goodwill (continued)

Management have identified that a reasonably possible change in two key assumptions could cause the carrying amount of some of the CGUs to exceed the recoverable amount. The following table shows the amount by which the assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

In percent	Change Required for carrying amount to equal recoverable amount	
	EBITDA Growth Rate	Discount Rate
Elite Wearables	16%	30%
Sub-Elite Wearables	51%	46%
Video Analytics	8%	5%

Brand names

The carrying value of brand names associated with each cash generating unit of the Group are outlined below:

	2018 \$'000	2017 \$'000
Elite Wearables	250	250
Sub-Elite Wearables	-	-
Video Analytics	4,867	4,677
Brand names as at 30 June	5,117	4,927

14.2 Growth Rates

Five years of cash flows were included in the discounted cash flow model. The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make. EBITDA was estimated taking into account past experience, adjusted as follows.

– Revenue growth was projected taking into account the average growth levels experienced over the past five years and the estimated sales volume and price growth for the next five years. It was assumed that the sales price would increase in line with forecast inflation over the next five years.

– Continued investment in core product development to underpin revenue growth particularly in video and tactical products.

The growth rates reflect a conservative management estimate, as publicly published growth rates for this industry segment are not readily available.

14.3 Discount Rates

The discount rate reflects appropriate adjustments relating to market risk and specific risk factors of the business unit.

The discount rate was a post-tax measure estimated based on the historical industry average weighted-average cost of capital



15. Other Intangible assets

	Acquired Software Licenses \$'000	Hardware IP \$'000	Brand Name \$'000	Distributor Relationships \$'000	Distributor Contracts \$'000	Customer Relationships \$'000	Internally Developed Software \$'000	Total \$'000
Gross carrying amount								
Balance at 1 July 2017	418	5,292	4,927	425	96	19,445	18,831	49,434
Acquisition through business combination	-	-	-	-	-	104	1,176	1,280
Additions	67	1,622	-	-	-	-	6,890	8,579
Net exchange difference	-	132	190	-	-	775	503	1,600
Balance at 30 June 2018	485	7,046	5,117	425	96	20,324	27,400	60,893
Amortisation and impairment								
Balance at 1 July 2017	(78)	(973)	-	(129)	(96)	(2,533)	(4,444)	(8,253)
Amortisation and impairment	(14)	(1,030)	-	(39)	-	(2,764)	(6,487)	(10,334)
Net exchange difference	-	(12)	-	-	-	(98)	(99)	(209)
Balance at 30 June 2018	(92)	(2,015)	-	(168)	(96)	(5,395)	(11,030)	(18,796)
Carrying amount 30 June 2018	393	5,031	5,117	257	-	14,929	16,370	42,097
Gross carrying amount								
Balance at 1 July 2016	349	1,103	250	425	96	387	2,920	5,530
Acquisition through business combination	-	3,292	4,758	-	-	19,386	11,390	38,826
Additions	69	953	-	-	-	-	4,671	5,693
Net exchange difference	-	(56)	(81)	-	-	(328)	(150)	(615)
Balance at 30 June 2017	418	5,292	4,927	425	96	19,445	18,831	49,434
Amortisation and impairment								
Balance at 1 July 2016	(68)	(360)	-	(86)	(96)	(78)	(608)	(1,296)
Amortisation and impairment	(10)	(622)	-	(43)	-	(2,531)	(3,907)	(7,113)
Net exchange difference	-	9	-	-	-	76	71	156
Balance at 30 June 2017	(78)	(973)	-	(129)	(96)	(2,533)	(4,444)	(8,253)
Carrying amount 30 June 2017	340	4,319	4,927	296	-	16,912	14,387	41,181

In addition, research costs of \$631,471 (2017: \$619,323) were recognised as other expenses.

During the year a review of the intangible asset categorization was undertaken and it was noted that additions to Acquired Software Licences are more more accurately reflected under the Hardware IP category. The balances have been reclassified as such for the 2018 Financial Statements. The balances pertaining to the 2017 Financial Statements have also been reclassified to reflect this change in category.



16. Deferred tax assets and liabilities

Deferred taxes arising from temporary differences and unused tax losses can be summarised as attributable to the following:

Deferred Tax Liabilities / (Assets)	1 July 2017 \$'000	Recognised directly in equity \$'000	Recognised in		Exchange Differences \$'000	30 June 2018 \$'000
			Business Combination \$'000	Recognised In Profit & Loss \$'000		
Deferred Tax Assets						
Provision for annual leave	217	-	-	42	-	259
Provision for long service leave	65	-	-	(49)	-	16
Other employee obligations	268	-	-	251	-	519
Professional fees and doubtful debts	45	-	-	65	-	110
Other provisions	216	-	-	20	-	236
Tax losses	7,927	-	-	(559)	269	7,637
Section 40-880 Expenditure	1,429	342	-	(376)	-	1,395
	10,167	342	-	(606)	269	10,172
Deferred Tax Liabilities						
Other intangible assets	(3,568)	-	-	722	(136)	(2,982)
Capitalised R&D	(865)	-	-	(1,262)	-	(2,127)
Foreign exchange	324	(324)	-	(29)	-	(29)
	(4,109)	(324)	-	(569)	(136)	(5,138)
Deferred Tax Movement		18	-	(1,175)	133	

Deferred Tax Liabilities / (Assets)	1 July 2016 \$'000	Recognised directly in equity \$'000	Recognised in		Exchange Differences \$'000	30 June 2017 \$'000
			Business Combination \$'000	Recognised In Profit & Loss \$'000		
Deferred Tax Assets						
Property, plant and equipment	1	-	-	(1)	-	-
Provision for annual leave	142	-	-	75	-	217
Provision for long service leave	72	-	-	(7)	-	65
Other employee obligations	97	-	-	171	-	268
Professional fees and doubtful debts	0	-	-	45	-	45
Other provisions	19	-	-	197	-	216
Tax losses	3,680	-	3,677	570	-	7,927
Section 40-880 Expenditure	489	1,385	-	(445)	-	1,429
	4,500	1,385	3,677	605	-	10,167
Deferred Tax Liabilities						
Other intangible assets	(282)	-	(1,959)	(1,327)	-	(3,568)
Capitalised R&D	-	-	-	(865)	-	(865)
Foreign exchange	-	-	-	324	-	324
	(282)	-	(1,959)	(1,868)	-	(4,109)
Deferred Tax Movement		1,385	1,718	(1,263)		

The amounts recognised in other comprehensive income relate to exchange differences on translating foreign operations. See Note 25 for the amount of the income tax relating to these components of other comprehensive income.

The Group has accumulated tax losses across multiple jurisdictions of \$84,885,000 (FY17 71,345,000). The amount of tax losses and other tax credits recognised in the statement of financial position is \$27,154,000 (FY17 \$ 26,336,000)



17. Trade and other payables

Trade and other payables consist of the following:

	2018 \$'000	2017 \$'000
Current:		
Trade payables	11,199	8,542
Total Trade and other payables	11,199	8,542

All amounts are short-term. The carrying values of trade payables and other payables are considered to be a reasonable approximation of fair value.

18. Deferred Revenue and Other liabilities

Deferred Revenue and Other liabilities consist of the following:

	2018 \$'000	2017 \$'000
Deferred Revenue	25,657	22,380
	2018 \$'000	2017 \$'000
Advances received for future service work	7	364
Deferred gain (lease incentive)	347	142
Other	1,440	619
Other liabilities - Current	1,794	1,125
Deferred gain (lease incentive)	582	395
Other liabilities - Non-Current	582	395
Deferred revenue	584	698
Deferred revenue - Non-Current	584	698

The deferred gain relates to the lease incentives associated with the Aurora Lane, Chicago and Prahran premises commencing March 2014, May 2016 and August 2017 respectively. The excess of proceeds received over fair value was deferred and is being amortised over the lease term of each lease. In 2018, deferred gain of \$68,064 (2017: \$157,961) was recognised in profit or loss relating to this transaction. The subsequent leasing agreement is treated as an operating lease. The non-current part of the deferred gain will be amortised between 2018 and the end of each lease term.

All amounts recognised relating to deferred revenue are assessed for current versus non-current classification and are applied to revenue as recognised in relation to the timing of the client contract. The Group expects to recognise \$25,657,022 of deferred revenue during FY 2019, with the balance falling into FY 2019 and 2020.



19. Financial assets and liabilities

19.1 Categories of financial assets and liabilities

Note 4.13 provides a description of each category of financial assets and financial liabilities and the related accounting policies. The carrying amounts of financial assets and financial liabilities in each category are as follows:

	Notes	Loans and receivables \$'000	Other assets \$'000	Total \$'000
30 June 2018		(carried at amortised cost)	(carried at amortised cost)	
Financial assets				
Other long-term financial assets	11	275	-	275
Trade and other receivables	11	28,312	-	28,312
Cash and cash equivalents	10	-	31,715	31,715
		28,587	31,715	60,302

	Notes	Other Liabilities \$'000	Other Liabilities at FVTPL \$'000	Total \$'000
30 June 2018		(carried at amortised cost)	(carried at fair value)	
Financial liabilities				
Trade and other payables	17	11,199	-	11,199
Borrowings	19.2	3,452	-	3,452
Non Current Borrowings	19.2	103	-	103
Contingent consideration on business combination	37	-	438	438
		14,754	438	15,192

	Notes	Loans and receivables \$'000	Other assets \$'000	Total \$'000
30 June 2017		(carried at amortised cost)	(carried at amortised cost)	
Financial assets				
Other long-term financial assets	11	208	-	208
Trade and other receivables	11	25,011	-	25,011
Cash and cash equivalents	10	-	16,686	16,686
		25,219	16,686	41,905

	Note	Other Liabilities \$'000	Other Liabilities at FVTPL \$'000	Total \$'000
30 June 2017		(carried at amortised cost)	(carried at fair value)	
Financial liabilities				
Trade and other payables	17	8,542	-	8,542
Borrowings	19.2	3,252	-	3,252
		11,794	-	11,794

The carrying amount of the following financial assets and liabilities is considered a reasonable approximation of fair value:

- trade and other receivables
- other long term financial assets
- cash and cash equivalents
- trade and other payables



19. Financial assets and liabilities (continued)

19.2 Borrowings

Borrowings include the following financial liabilities:

	Current		Non-Current	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Financial Liabilities				
At amortised cost:				
US-Dollar Loans	3,301	3,141	-	-
Finance loans	151	-	103	-
	3,452	3,141	103	-

Borrowings at amortised cost

Other bank borrowings are secured by land and buildings owned by the group, while finance loans are secured against the computer equipment purchased. Current interest rates on the bank borrowing are variable and average 6.25% (2017: 5.50%) while the Finance loans are variable ranging from 5.50% - 6.50%. The carrying amount of the other bank borrowings and finance loans are considered to be a reasonable approximation of the fair value.

20. Employee remuneration

20.1 Employee benefits expense

Expenses recognised for employee benefits are analysed below:

	2018 \$'000	2017 \$'000
Wages and salaries	35,192	26,517
Social security costs	1,222	874
Share-based payments	1,512	3,256
Superannuation - Defined Contribution Plans	1,591	1,010
Employee benefits expense	39,517	31,657

20.2 Share-base employee remuneration

Catapult has continued to utilise its established Employee Share Plan (Employee Plan) to assist in the motivation, retention and reward of executives and employees. The Employee Plan is designed to align the interests of employees with the interests of Shareholders by providing an opportunity for eligible employees (including any person who is a full-time or permanent part-time employee or officer, or director of Catapult or any related body corporate of Catapult) to receive an equity interest in Catapult through the granting of Options, Performance Rights or other Awards.

The Shares held by the Employee Plan Trustee are Restricted Securities such that the Employee Plan Trustee is not able to dispose of them within 24 months of Official Quotation. The key terms of the Employee Plan are set out below:

Eligibility

Eligibility to participate in the Employee Plan and the number of Options, Performance Rights or other Awards offered to each individual participant, will be determined by the Board.

Grants

Under the rules of the Employee Plan, Options, Performance Rights and/or other Awards may be offered or granted to eligible employees of Catapult or any related body corporate of Catapult from time to time, subject to the discretion of the Board.

Terms and conditions

The Board has the discretion to set the terms and conditions (including conditions in relation to vesting, disposal restrictions or forfeiture and any applicable exercise price) on which it will offer or grant Options, Performance Rights or other Awards under the Employee Plan and may set different terms and conditions which apply to different participants in the Employee Plan. The Board will determine the procedure for offering or granting Options, Performance Rights and/or other Awards (including the form, terms and content of any offer, invitation or acceptance procedure) in



20.2 Share-based employee remuneration (continued)

The following principal assumptions were used in the valuation:

All options granted during the year are exercisable from their vesting date.

Valuation assumptions

Options program

No. of options	Balance	Exercise	Lapsed	Grant	Grant	Grant	Grant	Grant	Grant	Grant	Grant	Grant	Total
	01-Jul-17												
Grant date	9,846,567	(758,000)	(2,704,476)	75,000	400,000	175,000	50,000	75,000	750,000	745,000	200,000	25,000	8,879,091
Grant date				20-Aug-17	19-Dec-17	19-Dec-17	19-Dec-17	19-Dec-17	1-Nov-17	19-Dec-17	19-Dec-17	8-Jan-18	
Grant date				20-Nov-17	-	-	-	-	-	-	-	-	
Grant date				20-Feb-18	-	-	-	-	-	-	-	-	
Vesting period ends:				-	4	3	4	1	4	3	4	4	
Tranche 1				20-Aug-17	22-Jun-18	30-Jun-18	19-Dec-18	19-Dec-18	1-Nov-18	19-Dec-20	19-Dec-18	8-Jan-19	
Tranche 2				20-Nov-17	22-Jun-19	30-Jun-18	19-Dec-19	-	1-Nov-19	-	19-Dec-19	8-Jan-20	
Tranche 3				20-Feb-18	22-Jun-20	30-Jun-19	19-Dec-20	-	1-Nov-20	-	19-Dec-20	8-Jan-21	
Tranche 4				-	22-Jun-21	30-Jun-20	19-Dec-21	-	1-Nov-21	-	19-Dec-21	8-Jan-22	
Tranche 5				-	-	-	-	-	-	-	-	-	
Share price at date of grant				\$1.64	\$2.08	\$2.08	\$1.58	\$1.58	\$1.84	\$1.58	\$1.58	\$1.77	
Share price at date of grant				\$1.76	-	-	-	-	-	-	-	-	
Share price at date of grant				\$1.595	-	-	-	-	-	-	-	-	
Volatility				50%	50%	50%	50%	50%	55%	55%	50%	55%	
Risk free investment rate				1.71%	2.20%	2.20%	2.20%	2.17%	2.19%	2.24%	2.28%	2.21%	
Dividend yield				0%	0%	0%	0%	0%	0%	0%	0%	0%	
Options Life				2 years	4.5 years	3 years	4.1 years	4.6 years	5 years	5 years	3.6 years	4.5 years	
Excercisable to				20-Aug-19	22-Jun-22	31-Dec-20	17-Jan-22	30-Jul-22	31-Oct-22	18-Dec-22	22-Jul-21	8-Jul-22	
Excercisable to				20-Nov-19	22-Jun-22	31-Dec-20	17-Jan-22	-	31-Oct-22	-	22-Jul-21	8-Jul-22	
Excercisable to				20-Feb-20	22-Jun-22	31-Dec-20	17-Jan-22	-	31-Oct-22	-	22-Jul-21	8-Jul-22	
Excercisable to				20-Feb-20	22-Jun-22	31-Dec-20	17-Jan-22	-	31-Oct-22	-	22-Jul-21	8-Jul-22	
Weight Average exercise price at grant		\$0.5903	\$0.9886	\$0.605	\$2.30	\$2.30	\$2.30	\$2.13	\$1.72	\$1.83	\$2.59	\$2.54	
Weighted average share price at the da		\$1.6705	-	-	-	-	-	-	-	-	-	-	

Performance rights

No. of performance rights	Balance	Exercise	Lapsed	Grant	Grant	Grant	Grant	Grant	Grant	Grant	Grant	Total
	01-Jul-17											
	760,000	(590,000)	(70,000)	-	-	-	-	-	-	-	-	100,000

Weight Average exercise price at grant date

The value per right at grant date is also the weighted average fair value per right.

The fair value of each performance right is estimated on the grant date using the Black Scholes model.

In total \$1,512,269 (2017: \$3,256,226) of employee remuneration expense (all of which related to equity-settled share based payment transactions) has been included in profit or loss and credited to share option reserve.



20. Employee remuneration (continued)

Vesting conditions

Options and Performance Rights and other Awards will vest and become exercisable to the extent that the applicable performance, service, or other vesting conditions specified at the time of the grant are satisfied (collectively the "Vesting Conditions"). Vesting Conditions may include conditions relating to continuous employment or service, the individual performance of the participant and/or Catapult's performance and the exercise price (if any) being less than the current market price of the underlying Share as at vesting.

Typically, the Vesting Conditions must be satisfied within a predetermined vesting period.

Both the Vesting Conditions and the vesting period are set by the Board in its discretion, and may be waived by the Board in its discretion.

Vesting period for Options

For Options granted during the current financial period, the Board has retained a general policy of 3 years from the Options grant date. Of the Options issued during the year, the Board made exceptions to a total of 1,675,000 Options, where their vesting periods permitted partial vesting of the Options granted on the annual anniversary over a three - five year period.

Vesting period for Performance Rights

The Board has set a vesting period for the grant of the Performance Rights prior to the Original Prospectus Date and for the offer of Performance Rights to Eligible Employees pursuant to the Employee Offer under the Prospectus as 3 years from the date on which the Performance Rights are granted.

Shares issued (including Shares issued upon exercise of Options or Performance Rights granted) under the Employee Plan will rank equally in all respects with the other issued Shares.

Subject to satisfaction of Vesting Conditions, a participant may exercise an Option, Performance Right or other Award by lodging an exercise notice with Catapult and complying with any requirements under the Employee Plan.

A participant will have a vested and indefeasible entitlement to any dividends declared and distributed by Catapult on any Shares which, at the books closing date for determining entitlement to those dividends, are standing to the account of the participant. A participant may exercise any voting rights attaching to Shares registered in the participant's name.

Catapult may, in its discretion, issue new Shares or cause existing Shares to be acquired or transferred to the participant, or a combination of both alternatives, to satisfy Catapult's obligations under the Employee Plan. If Catapult determines to cause the transfer of Shares to a participant, the Shares may be acquired in such manner as Catapult considers appropriate, including from a trustee appointed under the Employee Plan.

Pursuant to the Employee Plan, Catapult has appointed the Employee Plan Trustee to acquire and hold Shares on behalf of participants and for the purposes of the Employee Plan. Catapult may give directions to the Employee Plan Trustee as contemplated in the trust deed or if in connection with any Award. The Employee Plan Trustee holds 2,490,898 Shares on behalf of participants and for the purposes of the Employee Plan. The Employee Plan Trustee has entered into a restriction agreement with Catapult, pursuant to which those Shares are subject to escrow for a period of 24 months commencing on the date of Official Quotation.



20. Employee remuneration (continued)

Options, Performance Rights and other Awards which have not been exercised will be forfeited if the applicable Vesting Conditions and any other conditions to exercise are not met during the prescribed vesting period or if they are not exercised before the applicable expiry date. In addition, Options, Performance Rights and other Awards will lapse if the participant deals with the Options, Performance Rights or other Awards in breach of the rules of the Employee Plan or in the opinion of the Directors, a participant has acted fraudulently or with gross misconduct.

Options, Performance Rights and other Awards will not be quoted on ASX. Catapult will apply for official quotation of any Shares allotted under the Employee Plan, unless the Board resolves otherwise.

The Board may in its absolute discretion determine that a participant is required to pay an exercise price to exercise the Options, Performance Rights or other Awards offered or granted to that participant.

Grants of Options, Performance Rights or other Awards under the Employee Plan to a Director may be subject to the approval of Shareholders, to the extent required under the ASX Listing Rules.

Participants in the Employee Plan must not enter into transactions or arrangements, including by way of derivatives or similar financial products, which limit the economic risk of holding unvested Awards.

Subject to the rules of the Employee Plan, the Board must not offer Options, Performance Rights or other Awards if the total of the following exceeds 5% of the number of Shares on issue at the time of the offer:

- > the number of Shares which are the subject of the offer of Awards;
- > the number of Shares which are the subject of any outstanding offers of Awards;
- > the number of Shares issued during the previous 5 years under the Employee Plan, but not including existing Shares transferred to a participant after having been acquired for that purpose; and
- > the number of Shares which would be issued under all outstanding Awards that have been granted but which have not yet been exercised, terminated or expired, assuming all such Awards were exercised ignoring any Vesting Conditions, but disregarding any offer made, or Award offered or issued or Share issued by way or as a result of:
 - > an offer that does not meet disclosure to investors because of section 708 or section 1012D of the Corporations Act;
 - > an offer made pursuant to a disclosure document or product disclosure statement; or
 - > other offers that are excluded from the disclosure requirements under the Corporations Act.

The Board may impose restrictions on dealing in Shares or Awards which are acquired under the Employee Plan, for example, by prohibiting them from being sold, transferred, mortgaged, pledged, charged or otherwise disposed of or encumbered for a period of time.

If the Board determines that for taxation, legal, regulatory or compliance reasons it is not appropriate to issue or transfer Shares, Catapult may in lieu of and in final satisfaction of Catapult's obligation to issue or transfer Shares as required upon the exercise of an Award by a participant, make a cash payment to the participant equivalent to the fair market value of the Awards.

Where there is a change of control of Catapult, including where any person acquires a relevant interest in more than 50% of the Shares, or where the Board concludes that there has been a change in the control of Catapult, the Board will determine, in its sole and absolute discretion, the manner in which all unvested and vested Awards will be dealt with.

Where there is a takeover bid made for all of the Shares or a scheme of arrangement, selective capital reduction or other transaction is initiated which has a similar effect to a full takeover bid for Shares, then participants are entitled to accept into the takeover offer or participate in the other transaction in respect of all or part of their Awards notwithstanding any restriction period has not expired. Further, the Board may in its discretion waive unsatisfied Vesting Conditions in relation to some or all Awards in the event of such a takeover or other transaction.

If, prior to the exercise of an Award, Catapult makes a pro-rata bonus issue to Shareholders, and the Award is not exercised prior to the record date in respect of the bonus issue, the Award will, when exercised, entitle the participant to one Share plus the number of bonus shares which would have been issued to the participant if the Award had been exercised prior to the record date.

If Catapult undergoes a capital reorganisation, then the terms of the Awards for the participant will be changed to the extent necessary to comply with the ASX Listing Rules.



20. Employee remuneration (continued)

The Employee Plan also contains terms having regard to Australian law for dealing with the administration, variation and termination of the Employee Plan. Share options and weighted average exercise prices are as follows for the reporting periods presented:

	Options Program		Performance Rights	
	Number of Shares	Weighted average exercise price (\$)	Number of Shares	Weighted average exercise price (\$)
Outstanding at 1 July 2017	9,846,567	2.4261	760,000	0.0000
Granted	2,495,000	1.8910	-	0.0000
Forfeited	(2,204,476)	0.9886	(70,000)	0.0000
Exercised	(758,000)	0.5903	(590,000)	0.0000
Expired	(500,000)	4.2840	-	0.0000
Outstanding at 30 June 2018	8,879,091	2.2954	100,000	0.0000
Exercisable at 30 June 2018	2,449,334	1.3235	-	0.0000

	Options Program		Performance Rights	
	Number of Shares	Weighted average exercise price (\$)	Number of Shares	Weighted average exercise price (\$)
Outstanding at 1 July 2016	4,033,488	1.0030	440,000	0.0000
Granted	6,600,000	3.2541	405,000	0.0000
Forfeited	(674,819)	0.7409	(60,000)	0.0000
Exercised	(112,102)	0.8385	(25,000)	0.0000
Expired	-	-	-	0.0000
Outstanding at 30 June 2017	9,846,567	2.4261	760,000	0.0000
Exercisable at 30 June 2017	1,693,000	1.3123	5,000	0.0000

20.3 Employee benefits

The liabilities recognised for employee benefits consist of the following amounts:

	2018 \$'000	2017 \$'000
Current		
Wages and salaries	6,329	4,104
Social security costs & payroll taxes	129	148
Defined contribution plans	946	469
Accrued leave entitlements	1,394	1,363
Total current employee benefits	8,798	6,084
Non-current		
Accrued leave entitlements	53	62
Total non-current employee benefits	53	62

The current portion of these liabilities represents the Group's obligations to its current and former employees that are expected to be settled during the next 12 months and its accrued annual leave liabilities and current accrued long service leave.



21. 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.

Note	30 June 2018 Shares	30 June 2017 Shares	30 June 2018 \$'000	30 June 2017 \$'000
Shares issued and fully paid for:	167,923,667	124,425,588	138,724	23,587
Beginning of the year	167,923,667	124,425,588	138,724	23,587
Shares issued for cash	22,727,273	43,073,500	25,000	116,674
Shares issued for acquisition of Kodaplay	-	424,579	-	1,673
Shares issued on for acquisition of AMS	144,176	-	250	-
Share issue costs	-	-	(1,139)	(4,700)
Deferred tax credit recognised directly on share issue costs	-	-	342	1,465
Exercise of performance options and equity options	100,000	-	1,147	-
Other	-	-	-	25
Total contributed equity at end of reporting year	190,895,116	167,923,667	164,324	138,724
Other equity securities	-	-	-	-
Treasury Shares	21. (a) (2,490,898)	(3,738,898)	-	-
Total contributed equity	188,404,218	164,184,769	164,324	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.

On 28 February 2018, the Group issued 144,176 shares on satisfaction of purchase consideration for AMS acquisition at \$1.73 per share. The fair value of shares issued as consideration was \$250,000.

On 29 March 2018, the Group undertook a capital raising 22,727,273 shares at \$1.10 per share. The amount raised was \$25,000,000.

During the 12 months to 30 June 2018 the Group issued 2,495,000 options as part of the Employee Share Plan. The options were issued at an average exercise price of \$1.891 and average fair value of \$0.80.



21. Share Capital (continued)

21. (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:

	2018 Shares	2017 Shares
Opening balance at 1 July 2017	3,738,898	3,876,000
Transactions during the year	(1,248,000)	(137,102)
Closing balance at 30 June 2018	2,490,898	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 555,000 at an average exercise price of \$0.6050 per share. The amount raised was \$335,776.

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 184,818 at an average exercise price of \$0.55 per share. The amount raised was \$101,650.

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 490,000 at an average exercise price of \$0.00 per share.

The amount raised was \$Nil.

21. (b) Options and performance rights on issue

The following sets out the weighted average exercise price calculations for all outstanding options (however, excluding the effect of the performance rights as detailed at Note 20.2):

	Weighted average exercise price
Outstanding at beginning of year	2.4261
Outstanding at end of year	2.2954
Currently exercisable	1.3235



22. Leases

22.1 Finance leases as lessee

The Group has certain computer equipment held under finance lease arrangements. As of 30 June 2018, the net carrying amount of the computer equipment held under finance lease arrangements (included as part of Office Equipment) is \$224,217 (2017: Nil).

The Group's finance lease liabilities, which are secured by the related assets held under finance leases, are classified as follows:

	2018 \$'000	2017 \$'000
Finance lease liabilities		
Current:		
· finance lease liabilities	151	-
Non-current:		
· finance lease liabilities	103	-

Future minimum finance lease payments at the end of each reporting period under review were as follows:

	Minimum lease payments due			
	Within 1 year \$'000	1-5 years \$'000	After 5 years \$'000	Total \$'000
30 June 2018				
Lease payments	151	103	-	254
Finance charges	12	3	-	15
Net present values	125	82	-	207
30 June 2017				
Lease payments	-	-	-	-
Finance charges	-	-	-	-
Net present values	-	-	-	-

During the year The Group entered into 3 lease agreements relating to the purchase of computer equipment which includes fixed lease payments and a purchase option at the end of the 2/3 year lease term. The agreement is non-cancellable but does not contain any further restrictions.

22.2 Operating leases as lessee

The Group leases an office and production building under an operating lease. The future minimum lease payments are as follows:

	Minimum Lease Payments Due			
	Within 1 year \$'000	2-5 years \$'000	After 5 years \$'000	Total \$'000
30 June 2018	1,917	5,030	90	7,037
30 June 2017	1,495	3,773	952	6,220

Lease expense during the period amounted to \$2,273,363 (2017: \$1,323,299) representing the minimum lease payments.

22.3 Operating leases as lessor

The Group leases out wearable athlete tracking units and laptops on a subscription basis to its clients. The future minimum revenues are as follows:

	Minimum Lease Payments Due			
	Within 1 year \$'000	1-5 years \$'000	After 5 years \$'000	Total \$'000
30 June 2018	19,717	19,023	-	38,740
30 June 2017	16,774	20,363	-	37,137

Lease revenues during the period amounted to \$20,831,726 (2017: \$16,341,988) representing the minimum subscription payments for these lease units.

Subscription agreements are in place with over 600 clients (2017: 400 clients) with a broad range of expiry dates, based on the commencement of this kind of arrangement in 2012 and contracts typically of 36 months with standard wording incorporating rolling renewals of these agreements upon expiry of the initial term. The athlete tracking units and their associated equipment are included as The Group's Rental and Loan Units and are depreciated over their useful life of 4 years (see Note 13).



23. Finance costs and finance income

Finance costs for the reporting periods consist of the following:

Interest expenses for borrowings at amortised cost:
Interest expense

2018 \$'000	2017 \$'000
76	21
76	21

Amortisation of borrowing costs

Finance income for the reporting periods consists of the following:

Interest income from cash and cash equivalents

2018 \$'000	2017 \$'000
169	67
169	67

24. Other financial items

Other financial items consist of the following:

Loss on exchange differences on payables and receivables

2018 \$'000	2017 \$'000
(266)	(385)
(266)	(385)



25. Income tax expense

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of Catapult Group International Ltd at 30% (2016: 30%) are:

	2018 \$'000	2017 \$'000
Loss before tax	(16,259)	(14,046)
Expected tax expense at domestic tax rate for parent at 30%	(4,878)	(4,214)
Overseas tax rate differential	756	698
Change in tax rate in foreign jurisdictions	1,132	-
Tax losses not recognised	4,272	1,332
Prior year tax losses utilised in current period	(390)	(1,427)
Adjustment for tax-effect of non-deductible expenses:		
Adjustment for prior periods	(17)	(24)
Net R&D tax offset	-	(630)
Other non-deductible expenses	226	3,800
Actual tax benefit	1,101	(465)
Tax benefit comprises:		
Adjustment for prior periods	(17)	(24)
Current tax	116	(1,704)
Deferred tax	1,002	1,263
Income tax expense/(benefit)	1,101	(465)
Deferred tax benefit recognised directly in equity relating to share issue costs	(342)	(1,385)

Note 16 provides information on deferred tax assets and liabilities.



26. Auditor remuneration

Assurance services

	2018 \$	2017 \$
Auditors of the company - Grant Thornton Australia		
Audit and review of the Financial Statements	237,396	195,222
Other assurance services	-	22,699
Overseas Grant Thornton Network firms:		
Taxation compliance and general accounting advice	28,426	55,529
Other review services	-	-
	265,822	273,450

Other services

Auditors of the company - Grant Thornton Australia		
Taxation compliance and general accounting advice	78,340	117,091
Other review services	4,507	29,070
Overseas Grant Thornton Network firms:		
Taxation compliance and general accounting advice	8,745	7,466
Other review services	-	3,284
Total other service remuneration	91,592	156,911
Total auditor's remuneration	357,414	430,361

27. 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). 8,879,091 options and performance rights have not been included in calculating diluted EPS because their effect is anti-dilutive.

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

	2018 shares	2017 shares
Weighted average number of shares used in basic and diluted earnings per share	173,844	157,379

28. Dividends

Nil paid in the period

28.1 Dividends paid and proposed

Nil

28.2 Franking credits

The amount of the franking credits available for subsequent reporting periods are:

	2018 \$'000	2017 \$'000
Balance of franking account at the beginning of the year	(3,841)	(3,841)
Deferred debit that will arise from the receipt of the R&D tax offset for the current year	-	-
Balance of franking account adjusted for deferred debits arising from past R&D tax offsets received and expected R&D tax offset to be received for the current year	(3,841)	(3,841)



29. Reconciliation of cash flows from operating activities

Reconciliation of Cash Flows from Operating Activities

Cash flows from operating activities

Loss for the period

Adjustments for:

Depreciation, amortisation and impairment

Foreign exchange differences

Net interest and dividends received included in investing and financing

Share based payments expense

Net changes in working capital:

Change in inventories

Change in trade and other receivables

Change in other assets

Change in current tax assets

Change in trade and other payables

Change in other employee obligations

Change in deferred tax, excluding amounts recognised directly in equity

Change in income tax payable

Change in other liabilities

Net cash from operating activities

	2018	2017
	\$'000	\$'000
Loss for the period	(17,360)	(13,581)
Adjustments for:		
Depreciation, amortisation and impairment	14,141	9,994
Foreign exchange differences	107	117
Net interest and dividends received included in investing and financing	(93)	(67)
Share based payments expense	1,512	3,256
	(1,693)	(281)
Net changes in working capital:		
Change in inventories	(477)	(987)
Change in trade and other receivables	(3,985)	(7,116)
Change in other assets	-	465
Change in current tax assets	1,924	(1,991)
Change in trade and other payables	2,657	2,138
Change in other employee obligations	2,714	2,620
Change in deferred tax, excluding amounts recognised directly in equity	1,023	(209)
Change in income tax payable	(53)	83
Change in other liabilities	4,310	(3,566)
	8,113	(8,563)
Net cash from operating activities	6,420	(8,844)

30. Related party transactions

The Group's related parties include its associates and joint venture, key management, post-employment benefit plans for the Group's employees and others as described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

Transactions with key management

	2018	2017
	\$	\$
Transactions with key management	34,160	69,376
	34,160	69,376

Calvin Ng is a director of Aura Group Pty Ltd. During the year, the Group engaged Aura Capital Pty Ltd (a subsidiary of Aura Group Services Ltd) for advisory services amounting to \$5,189 (2017: \$1,127) and had an amount payable as at 30 June 2018 of \$Nil (2017: \$Nil). Catapult rents office space from Aura Group Services Ltd in Sydney and Singapore for a total cost of \$28,971 (2017: \$39,806) and had an amount payable as at 30 June 2018 of \$6,794 (2017: \$21,369).



30. Related party transactions (continued)

30.1 Transactions with key management personnel

Key management of the Group are the executive members of Catapult Group International's Board of Directors and executive team.

	2018	2017
	\$	\$
Short term employee benefits		
Salaries including bonuses and leave accruals	3,651,802	3,326,356
Social security costs	148,637	106,921
Total short term employee benefits	3,800,439	3,433,277
Long service leave	(44,591)	7,609
Total other long-term benefits	(44,591)	7,609
Share-based payments	1,503,673	1,206,389
Total remuneration	5,259,521	4,647,275

31. Financial Instrument risk

31.1 Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarised in Note 19.1. The main types of risks are market risk, credit risk and liquidity risk.

The Group's risk management is coordinated in close cooperation with the Board of Directors, and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to financial markets. The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

31.2 Market risk analysis

The Group is exposed to currency risk resulting from its operating activities.

Foreign Currency Sensitivity

Exposures to currency exchange rates arise from the Group's overseas sales and purchases, which are primarily denominated in US dollars (USD), Pound Sterling (GBP), Euro (EUR), Japanese Yen (JPY).

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below. The amounts shown are those translated into \$AUD at the closing rate:

Short Term Exposure

	USD \$'000	GBP \$'000	EUR \$'000	JPY \$'000	AED \$'000	Other Currencies \$'000
30 June 2018						
Financial assets	29,848	1,793	4,333	65	-	50
Financial liabilities	(4,428)	(830)	(103)	(3)	-	(48)
Total Exposure	25,420	963	4,230	62	-	2

Long Term Exposure

	USD \$'000	GPB \$'000	EUR \$'000	JPY \$'000	AED \$'000	Other Currencies \$'000
30 June 2018						
Financial assets	-	-	-	-	-	-
Financial liabilities	-	-	-	-	-	-
Total Exposure	-	-	-	-	-	-



31. Financial Instrument risk (continued)

Short Term Exposure

	USD \$'000	GBP \$'000	EUR \$'000	JPY \$'000	AED \$'000	Other Currencies \$'000
30 June 2017						
Financial assets	24,768	2,320	2,053	3	-	-
Financial liabilities	(6,220)	(789)	(220)	1	(7)	-
Total Exposure	18,548	1,531	1,833	4	(7)	-

Long Term Exposure

	USD \$'000	GBP \$'000	EUR \$'000	JPY \$'000	AED \$'000	Other Currencies \$'000
30 June 2017						
Financial assets	-	-	-	-	-	-
Financial liabilities	-	-	-	-	-	-
Total Exposure	-	-	-	-	-	-

The following table illustrates the sensitivity of profit and equity in regards to the Group's financial assets and financial liabilities and the various exchange rates 'all other things are equal'. It assumes a +/- 10% change of the various exchange rate for the year ended at 30 June 2018 (2017:10%).

If the AUD had strengthened by 10% against the respective currencies then this would have had the following impact:

	USD \$'000	GBP \$'000	EUR \$'000	JPY \$'000	Other currencies \$'000	Total \$'000
30 June 2018	(2,311)	(88)	(385)	(6)	(0)	(2,790)
30 June 2017	(1,686)	(139)	(167)	-	-	(1,992)

If the AUD had weakened by 10% against the respective currencies then this would have had the following impact:

	USD \$'000	GBP \$'000	EUR \$'000	JPY \$'000	Other currencies \$'000	Total \$'000
30 June 2018	2,824	107	470	7	-	3,408
30 June 2017	2,061	170	204	-	-	2,435

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to currency risk.

31.3 Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk for receivables to customers. The Group's maximum exposure to credit risk is limited to the carrying amount of the financial assets recognised at the reporting date, as summarised below:

	2018 \$'000	2017 \$'000
Classes of financial assets		
· cash and cash equivalents	31,715	16,686
· trade receivables	28,310	25,011
· other long term financial assets	275	208
	60,300	41,905

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties.



31. Financial Instrument risk (continued)

The Group's management considers that all of the above financial assets that are not impaired or past due for each of the 30 June reporting dates under review are of good credit quality.

At 30 June the Group has certain trade receivables that have not been settled by the contractual due date but are not considered to be impaired. The amounts at 30 June, analysed by the length of time past due, are:

	2018 \$'000	2017 \$'000
Not more three (3) months	24,634	22,500
More than three (3) months but not more than six (6) months	1,032	220
More than six (6) months but not more than one (1) year	493	326
More than one (1) year	33	82
Total	26,192	23,128

In respect of trade receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various sports and geographical areas. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

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

31.4 Liquidity risk analysis

Liquidity risk is the risk that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. Liquidity needs are monitored on a week-to-week basis, as well as on the basis of a rolling 90-day projection. The Group's US subsidiary, XOS Technologies Inc, entered into a secured loan facility with Western Alliance Bank in April 2017. The total facility is for up to AUD 8.1 million. At 30 June 2018 the available amount was AUD 7.1 million. Of this amount, AUD 3.4 million was drawn down at 30 June 2018. (Note - the loan facility is denominated in USD. The AUD:USD exchange rate applied to reported amounts in AUD is 0.739).

As at 30 June 2018, the Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

	Within 6 months \$'000	Current 6 - 12 months \$'000	1 - 5 years \$'000	Non-current 5+ years \$'000
30 June 2018				
US-Dollar loans	-	3,641	103	-
Trade and other payables	11,199	-	-	-
Total	11,199	3,641	103	-

This compares to the maturity of the Group's non-derivative financial liabilities in the previous reporting periods as follows:

	Within 6 months \$'000	Current 6 - 12 months \$'000	1 - 5 years \$'000	Non-current 5+ years \$'000
30 June 2017				
US-Dollar loans	-	3,342	-	-
Trade and other payables	8,542	-	-	-
Total	8,542	3,342	-	-

The above amounts reflect the contractual undiscounted cash flows, which may differ to the carrying values of the liabilities at the reporting date.



32. Capital management policies and procedures

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Consistent with others in the industry, the Group monitors capital on the basis of its gearing ratio. In order to maintain or adjust its capital structure, the group considers its issue of new capital, return of capital to shareholders and dividend policy as well as its plan for acquisition or disposal of assets. The Group was fully compliant with all bank facility covenants during the financial year.

33. Contingent liabilities

There were no contingent liabilities as at 30 June 2018.

34. Parent Entity Information

Information relating to Catapult Group International Ltd ('the Parent Entity'):

	2018 \$'000	2017 \$'000
Statement of financial position		
Current assets	470	8,317
Total assets	154,670	133,436
Current liabilities	599	176
Total liabilities	2,754	936
Net assets	152,386	132,500
Issued capital	164,340	138,740
Foreign currency reserve	(3,832)	(2,045)
Retained earnings	(12,968)	(8,927)
Share option reserve	4,846	4,033
Total equity	152,386	131,802
Statement of profit and loss and other comprehensive income		
Loss for the year	(4,041)	(7,659)
Other comprehensive income/(loss)	(1,787)	(2,045)
Total comprehensive income/(loss)	(5,828)	(9,704)

The Parent Entity has no capital commitments at year end (2017: \$Nil).

Parent entity guarantees in respect of debts of its subsidiaries

The parent entity entered into the following guarantee on the 26 June 2017:

A Deed of cross Guarantee with the effect that the Company guarantees debts in respect of one of its subsidiaries. Further details to the Deed Cross Guarantee and the subsidiaries subject to the deed, are disclosed in Note 35.



35. Deed of Cross Guarantee

A consolidation income statement and consolidation balance sheet comprising the Company and controlled entity which are a party to the Deed of Gross Guarantee (members of the "Closed Group"), after eliminating all transactions between parties to the Deed of Gross Guarantee are as follows.

	Closed Group	
	2018	2017
	\$'000	\$'000
Summarised Income statement and statement of comprehensive Income and accumulated losses		
Profit/(Loss) before income tax expense	(10,209)	(13,860)
Income tax benefit / (expense)	(1,111)	699
Profit after income tax	(11,320)	(13,161)
Accumulated losses at the beginning of the financial year	(18,466)	(5,305)
Dividends Paid	-	-
Accumulated losses at the end of the financial year	(29,786)	(18,466)
Statement of Financial position		
Current assets		
Cash and cash equivalents	22,115	9,818
Trade and other receivables	11,726	11,391
Inventories	2,178	1,937
Other current assets	1,706	3,261
Total current assets	37,725	26,407
Non current assets		
Property, plant and equipment	6,080	5,136
Intangible assets	8,801	4,911
Investments	12,637	-
Deferred tax assets	3,843	3,548
Other non current assets	89,072	93,338
Total non current assets	120,433	106,933
Total assets	158,158	133,340
Current liabilities		
Trade and other payables	5,649	6,427
Employee benefits	3,750	1,982
Other current liabilities	8,040	1,698
Total current liabilities	17,439	10,107
Non current liabilities		
Employee benefits	53	51
Other non current liabilities	2,309	760
Total non current liabilities	2,362	811
Total Liabilities	19,801	10,918
Net assets	138,357	122,422
Shareholders' equity		
Issued capital	164,324	138,740
Share option reserve	4,847	4,033
Foreign currency reserve	(1,028)	(1,885)
Accumulated losses	(29,786)	(18,466)
Total Shareholders' equity	138,357	122,422

The members of the Closed Group comprise Catapult Group International Limited and Catapult Sports Pty Ltd.

36. Post-reporting date events

The board are not aware of any events at the time of signing that would necessitate a disclosure herewith.



37. 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	1,534
Contingent consideration	438
Amount settled in shares	250
Total fair value	<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>
Deferred revenue	(173)
Employee benefits	(26)
Liabilities	(199)
Identifiable Net Assets	<u>1,081</u>
Goodwill recognised on acquisition	1,141
Consideration transferred settled in cash	1,534
Cash acquired	-
Net cash outflow on acquisition	<u>1,534</u>

Measurement of fair values

The valuation technique used for measuring the fair value of Intangible assets was the 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

Consolidated statements of profit or loss and other comprehensive income, consolidated for the reference period, should have been recognised as an expense in the

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.



DIRECTORS' DECLARATION

- 1 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 30 June 2018 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001; 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.
- 2 The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2018.
- 3 Note 2 confirms that the consolidated financial statements also comply with International Financial Reporting Standards.
- 4 At the date of the declaration, there are reasonable grounds to believe that the members of the extended closed group identified in note 36 will be able to meet any obligations or liabilities to which that are, or may become, subject by virtue of the deed of cross guarantee described in note 36.

Signed in accordance with a resolution of the Directors:

Adir Shiffman

Director

Dated the 16th day of August 2018

Independent Auditor's Report

To the Members of Catapult Group International Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Catapult Group International Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Group's financial position as at 30 June 2018 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor 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 audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

How our audit addressed the key audit matter

Revenue recognition of long-term contracts which contain separately identifiable components of a single transaction – Notes 4.5 & 8

There is significant judgment relating to revenue recognition for long term contracts which contain hardware and Software as a Service (“SaaS”) as separately identifiable components of a single transaction.

Revenue recognition for separately identifiable components of a single transaction can be complex and involves management judgement. These judgements include:

- identification of each separately identifiable component in the arrangements;
- determination of the appropriate allocation of the amount of revenue to each separately identifiable component in particular as many of the Group's arrangements involve the delivery of hardware, software licences and other services; and
- determining when the performance obligation of each separately identifiable component is satisfied and associated revenue can be recognised.

This area is a key audit matter due to the complexity surrounding the long-term contract revenue recognition.

Our procedures included, amongst others:

- documenting our understanding of the various SaaS arrangements used by the Group and evaluating management's revenue recognition of the separately identifiable components they contained, including the determination of revenue allocation to each component, to assess compliance with accounting standard *AASB 118: Revenue*;
- testing a sample of revenue transactions recognised to contracts with customers to assess whether revenue is being recognised in accordance with the Group's revenue recognition policies;
- assessing sales selected in our sample referenced above, where applicable, for the accuracy of revenue to be deferred at year end;
- performing predictive analytical procedures on deferred revenue balances at reporting period end for exceptions and anomalies against expectations;
- substantiating a sample of revenue transactions around reporting date and agreeing transactions to supporting documents to assess whether revenue is recognised in the correct periods;
- considering whether management's assessment of the impact on adopting *AASB 15, Revenues from Contracts with Customers* appears reasonable; and
- assessing the adequacy of disclosures for compliance with the revenue recognition requirements of Australian Accounting Standards (AASBs).

Key audit matter

How our audit addressed the key audit matter

**Impairment of goodwill and other intangible assets –
Notes 4.8-4.9 and 14-15**

Given the nature of the industry in which the Group operates, there is a risk that there could be a material impairment to goodwill and intangible asset balances.

Determination as to whether an impairment exists relating to an asset or Cash Generating Unit (CGU) involves significant judgment about the future cash flows and plans for these assets and CGUs.

These judgements include:

- identifying the existence of impairment indicators;
- determining the appropriate CGUs;
- forecasting future cash flows; and
- determining the relevant assumptions such as discount and growth rates.

This area was determined to be a key audit matter due to the abovementioned judgments involved in preparing a value-in-use model for determining recoverable amount in management's impairment assessments.

Our procedures included, amongst others:

- assessing management's identification of each of the Group's CGUs based on our understanding of the nature of the Group's business and cash flows;
- involving our valuation specialists to assess the impairment models and evaluate the reasonableness of key assumptions including the discount rate, terminal growth rates and forecast growth assumptions;
- assessing the reasonableness of the approved cash flow projections used in the impairment models as well as the Group's historical ability to forecast accurately;
- challenging management's assumptions and estimates used to determine the recoverable value of its CGUs, including those relating to forecast revenue, costs, and discount rates, and where available, corroborating the key market-related assumptions to external data; and
- assessing the adequacy of disclosures for compliance in accordance with the Australian Accounting Standards (AASBs).

Key audit matter
How our audit addressed the key audit matter
Business combinations – acquisition of SportsMed Elite and Baseline athlete management software (AMS) – Note 37

In August 2017 the Group acquired the SportsMed Elite and Baseline Asset Management Software (AMS) from SMG Technologies Pty Ltd for a consideration of \$2.275 million in accordance with accounting standard *AASB 3, Business Combinations*.

The accounting for business combinations requires significant judgement and estimates to be made in relation to:

- The fair value of the purchase consideration, including any contingent consideration;
- The fair value of the assets and liabilities acquired, including separately identifiable intangible assets; and
- Evaluating the fair value of assets and liabilities acquired during the provisional accounting period.

This has been deemed a key audit matter given the judgment involved in determining the fair value of assets and liabilities acquired.

Our procedures included, amongst others:

- reading the underlying sale and purchase agreements to obtain an understanding of key terms and conditions of the transaction;
- assessing the qualifications and experience of the independent expert engaged by management and their suitability to perform the valuation engagement;
- engaging our internal valuation specialists to review the work contained in the purchase price allocation valuation report to determine whether:
 - the appropriate intangible assets had been identified;
 - the appropriate valuation methodologies had been used; and
 - assumptions used were reasonable compared with external benchmarks and our knowledge of the Group and its industry;
- testing the mathematical accuracy of the underlying calculations;
- evaluating the forecasts provided by management which the valuations were based on by assessing forecast revenues, operating costs and capital expenditure based on our knowledge of the group and market sector trends;
- evaluating the reasonableness of any adjustments made to the provisional amounts implied in the purchase price allocation of assets acquired as defined in *AASB 3*; and
- assessing the adequacy of the Group's disclosures with respect to the business acquisitions against the requirements of *AASB 3*.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors' for the financial report

The Directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the 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.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 16 to 33 of the Directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Catapult Group International Limited, for the year ended 30 June 2018 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Grant Thornton Audit Pty Ltd
Chartered Accountants



B A Mackenzie
Partner – Audit & Assurance

Melbourne, 16 August 2018



Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below.

SHAREHOLDINGS (AS AT 30 JUNE 2018)

1. CORPORATE GOVERNANCE STATEMENT

Catapult's corporate governance statement for the financial year ended 30 June 2018 is available at the following URL:

www.catapultsports.com/au/investors/corporate-governance/

2. SUBSTANTIAL SHAREHOLDERS

Substantial holder	Shares held	Notice date
Disruptive Capital Pty Ltd; Aura Group Pty Ltd, Ng Capital Management Pty Ltd; Calvin Ng; Daring Investments Pty Ltd; John Kolenda; Milenka Kolenda; Caveau Capital Investments Pty Ltd; Eric King Wai Chan	21,434,420	28 July 2016
Manton Robin Pty Ltd; Manton Robin Pty Ltd <Shaun Holthouse Family A/C>; Shaun Holthouse	21,275,000	8 June 2017
Charlaja Pty Ltd; Charlaja Pty Ltd <Van De Griendt Family A/C>; Igor Van De Griendt	20,508,000	7 June 2017
BBHF Pty Ltd; A & R Shiffman Superannuation Pty Ltd <ATF A & R Shiffman Super Fund>; Adir Shiffman	28,239,600	9 May 2017

3. NUMBER OF HOLDERS OF EACH CLASS OF EQUITY SECURITY

Equity security class	Number of holders
Ordinary shares	7,285
Employee options and performance rights	79



4. VOTING RIGHTS ATTACHED TO EACH CLASS OF EQUITY SECURITY

At a general meeting, every Shareholder present in person or by proxy, body corporate representative, or attorney has one vote on a show of hands and one vote for each Share held on a poll.

Votes are cast by a show of hands unless a poll is demanded. A poll may be demanded by the chairperson or at least five Shareholders entitled to vote on the resolution or Shareholders with at least 5% of the votes that may be cast on the resolution on a poll.

Option and performance rights holders do not have voting rights.

5. DISTRIBUTION SCHEDULE IN EACH CLASS OF EQUITY SECURITIES

Ordinary shares

Range (size of holding)	Total holders	Number of shares	%
1 – 1,000	2,281	1,286,962	0.67
1,001 – 5,000	4,150	15,926,340	8.34
5,001 – 10,000	785	19,713,945	10.33
10,001 – 100,000	44	10,501,560	5.50
100,001 and over	25	140,072,641	75.16

Employee options and performance rights

Range (size of holding)	Total holders	Number of shares	%
1 – 1,000	0	0	0.000
1,001 – 5,000	1	5,000	0.054
5,001 – 10,000	18	175,001	1.898
10,001 – 100,000	44	1,800,484	19.524
100,001 and over	16	7,241,606	78.525



6. UNMARKETABLE PARCELS

Number of holders holding less than a marketable parcel of the Company's main class of securities (in this case, fully paid ordinary shares) based on the closing market price at \$1.225.

	Number of holders
Minimum \$500.00 parcel (at \$1.225 per share)	795



7. 20 LARGEST SHAREHOLDERS

The 20 largest holders of ordinary shares and number of ordinary shares and percentage of capital held by each are follows.

Rank	Shareholder	Shares held	% held
1	J P Morgan Nominees Australia Limited	21,503,366	11.26
2	One Managed Investment Funds	21,363,600	11.19
3	Manton Robin Pty Ltd	21,257,000	11.14
4	Charlaja Pty Ltd	20,490,000	10.73
5	HSBC Custody Nominees (Australia) Limited	15,849,909	8.03
6	BNP Paribas Nominees Pty Ltd <Agency Lending DRP A/C>	11,311,552	5.93
7	B B H F Pty Ltd	6,859,000	3.59
8	Citicorp Nominees Pty Limited	4,299,759	2.25
9	HSBC Custody Nominees (Australia) Limited – A/C 2	4,263,570	2.23
10	National Nominees Limited	2,641,415	1.38
11	AET SFS Pty Ltd <Catapult ESP Unallocated AC>	2,490,898	1.30
12	UBS Nominees Pty Ltd	1,609,307	0.84
13	Mirabooka Investments Limited	1,458,288	0.76
14	Perle Ventures Pty Ltd <877 CAP Investments 2 A/C>	1,127,372	0.59
15	Radical Investments LP	763,800	0.40
16	Mr Mark Cuban	727,272	0.38
17	Stydon Capital Pty Ltd	706,241	0.37
18	Hezi Investments Pty Ltd <Hezi Investments A/C>	646,667	0.34
19	Aotearoa Investment Company Pty Limited <Roberts Investments No 2 A/C>	640,304	0.34
20	GALSM Investments Pty Ltd <GALSM Investments A/C>	637,166	0.33