



APPENDIX 4D

FOR THE HALF-YEAR ENDED DECEMBER 31, 2020



APPENDIX 4D

Appendix 4D

For the half-year ended 31 December 2020

Catapult Group International Ltd
ABN 53 164 301 197

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Reporting period: Half-year ended 31 December 2020
Corresponding period: Half-year ended 31 December 2019

	31 Dec 2020 US\$'000	31 Dec 2019 US\$'000	Change US\$'000	Change %
Revenue from ordinary activities	33,271	34,706	-1,435	-4%
Comprehensive (Loss) from ordinary activities after tax attributable to members	(2,236)	(3,374)	+1,138	+34%
(Loss) from ordinary activities after tax attributable to members	(4,538)	(3,253)	-1,285	-40%

Dividend information

Catapult Group International Ltd has not paid, and does not propose to pay, dividends for the half-year ended 31 December 2020 (2019: nil).

Net tangible information

US cents	31 Dec 2020	31 Dec 2019
Net tangible asset per security	5.8	5.0

As announced to the market on 24 July 2020, Catapult has changed its financial year-end to 31 March (from 30 June) and its presentation currency to the United States dollar ('USD') from the Australian dollar ('AUD'), with effect from 1 July 2020.

The commentary on the results for the period is contained in the Catapult market disclosure announcing half-year financial results, the half-year results presentation to investors and the review of operations in the Directors' Report accompanying the attached Half-Year Financial Report for the half-year ended 31 December 2020.

Information should be read in conjunction with Catapult's 2020 Annual Report and the attached Half-Year Financial Report. This report is based on the consolidated half-year financial report for the half-year ended 31 December 2020 which has been reviewed by Grant Thornton with the Independent Auditor's Review Report included in the Half-Year Financial Report.



PLAY SMART



CATAPULT



FINANCIAL STATEMENTS

Catapult Group International Ltd

ABN 53 164 301 197 | Appendix 4D

FOR THE HALF-YEAR ENDED
DECEMBER, 31 2020



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PLAY SMART



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 half-year ended 31 December 2020 ('H1 FY21').

Directors

The following persons were Directors of Catapult Group International Ltd during H1 FY21 and up to the date of this report:

- **Dr Adir Shiffman** Executive Chairman
- **Mr Shaun Holthouse** Non-Executive Director
- **Mr Igor van de Griendt** Non-Executive Director
- **Mr Brent Scrimshaw** Independent Non-Executive Director (retired 17 November 2020)
- **Mr James Orlando** Independent Non-Executive Director
- **Ms Michelle Guthrie** Independent Non-Executive Director

Key performance metrics

The Company measures its performance through the achievement of five principal SaaS metrics, and is pleased to report favourable movement in all of these metrics as follows:

	As at 31 Dec 2020 US\$'000	As at 31 Dec 2019 US\$'000	Change %
ACV	44.5	41.1	8.3
ACV Churn*	4.5%	4.6%	-2.2
Lifetime duration (LTD)	6.1 yrs	6.0 yrs	1.6
Multi-solution customers	241	202	19.3
Contribution margin*	50.1%	46.4%	8.1

**ACV Churn and contribution margin calculated for the six-month periods ended on the respective dates. ACV Churn is an annualised number.*

All growth rates in this report refer to the change from numbers reported in H1 FY20 (also known as the previous corresponding period) and all numbers are denoted or calculated in USD.



DIRECTORS' REPORT

Review of operations and financial results

Company overview

Catapult's vision is to create the platform of solutions for teams and athletes, in order to improve the performance of athletes and teams globally.

Within this platform Catapult has identified five "verticals" of technology solutions across two customer segments.

SEGMENTS	PLATFORM				
	MANAGEMENT	PERFORMANCE & HEALTH	TACTICS & COACHING	PROFESSIONAL SERVICES	MEDIA & ENGAGEMENT
PRO	OPPORTUNITY AMS	STRONG POSITION WEARABLES	STRONG POSITION VIDEO	OPPORTUNITY	OPPORTUNITY
PROSUMER	OPPORTUNITY	OPPORTUNITY	OPPORTUNITY	OPPORTUNITY	OPPORTUNITY

Currently Catapult's SaaS products include:

- In the Management vertical, AMS or the 'athlete management system', which is a cloud-based repository for wellness information that teams use to better understand athlete welfare, and an administration tool to plan rostering and the like.
- In the Performance & Health vertical, a range of SaaS tracking technologies that use proprietary algorithms to quantify the load, effort and fatigue levels of athletes enabling them to maximize performance and minimize injury.
- In the Tactics & Coaching vertical, a range of video analysis software that segments game footage, enables instant video manipulation and replay, scouting of upcoming opponents, and more effective tactical and coaching practices and outcomes.
- In the Professional Services vertical, a range of services that maximize the productivity of customers' sports technology, providing them with sports science insights and perspectives to gain a competitive edge.
- In the Media & Engagement vertical, a range of services to manage and monetize the video content assets (i.e. footage) of customers, to drive fan engagement via social media, generate revenue from media licensing, and facilitate talent scouting of athletes.



DIRECTORS' REPORT

Operational highlights

Despite the challenging operational environment posed by COVID-19, usage of the Company's SaaS solutions rose to record highs across the world, reinforcing the growing importance of these solutions to customers' daily work-flows irrespective of circumstances. During the period the Company was also pleased to deliver several new customer SaaS solutions. These included:

- solutions for American Football customers providing cloud-based full-resolution video analysis;
- a new seamless indoor-outdoor athlete monitoring experience for training sessions;
- a player Movement Profile software analytics package for soccer; and
- a number of solutions to deal with specific opportunities emerging from the COVID-19 crisis.

Sales highlights

- Catapult was awarded a contract with the Football Bowl Subdivision (FBS) teams to provide video exchange services to all 130 Division 1 American football teams. The win signifies an accelerated step towards offering a broader platform of cloud services to Catapult's customers.
- Catapult was also awarded a significant contract in Hungary with BMSK Sport Közhasznú Nonprofit Kft. to provide video analysis and tracking technology solutions to 16 sports academies and teams across three core national sports. This contract is the single largest capital deal won by Catapult to date.
- Catapult was appointed as the preferred supplier of technology to all teams that compete in France's Top 14 and Pro D2 professional rugby competitions for the next four years. As part of the award, Catapult will support data exchange between any contracted club teams and the France national rugby union team ("Le XV de France") in a seamless two-way data sharing process.
- Catapult is pleased to see the application of its SaaS solutions with new customers in sectors adjacent to Pro sport. During the period Catapult was awarded a Performance & Health contract with US Army Special Forces to assist them with performance monitoring of soldiers in training.

Strong progress in key SaaS metrics

The key metric measuring the Company's recurring revenue, annual contract value ('ACV'), grew 8.3% from December 2019 with growth driven primarily from up-selling existing customers as well as converting customers (principally in Performance & Health) from capital to higher-quality subscription contracts.

The resilience of the Company's recurring revenue was affirmed with ACV Churn falling 2.2% to 4.5% from 4.6% in the previous corresponding period. This was achieved despite the extremely challenging environment for customers, highlighting the importance of the Company's SaaS solutions to its customers' daily workflows.

Consequently, average customer lifetime duration ('LTD') increased to 6.1 years, up 1.6% from December 2019, with the ACV from all customer age cohorts growing. Cross-selling opportunities also grew with the number of multi-solution customers up 19.3% to 241 from December 2019.

Contribution margin also improved to 50.1%, up 8.1% from 46.4% in the prior period, as the Company benefited from lower COGS (the previous corresponding period included the Vector product launch), a shift to higher margin subscription sales, strong variable cost discipline, and savings in sales and marketing costs associated with COVID-19.

Financial performance

Despite the challenging market conditions Catapult generated strong positive free cash flow of \$8.8M (excluding the acquisition of Science for Sport Limited) in the period, only slightly down on the \$9.4M in the previous corresponding period.



DIRECTORS' REPORT

The Company delivered revenue of \$33.3M which was 4% lower than the previous corresponding period, down from \$34.7M. This slight decrease was largely attributable to the continued impact of COVID-19 and disruption to the global sporting market. Pleasingly, subscription revenue in the Company's core Performance & Health solution, the largest solution category by revenue, was up 14% for the period. Overall subscription revenue was down 1% due to lower Media & Engagement revenue, which was down 27% (due to the non-recurrence of a previous item).

The Company reported earnings before interest, taxes, depreciation and amortisation ('EBITDA') of \$2.6M which represents a 34% decrease on the previous corresponding period, due principally to an increase in corporate overheads as the Company positions itself to scale, and the non-recurrence of previous one-off positive items. Adjusting for various factors of these, the Company reported underlying EBITDA for H1 FY21 of \$3.8M which was only 1.0% lower than the prior period.

The cash balance as at 31 December 2020 was \$24.6M after fully repaying the corporate debt facility that was drawn-down earlier in the year. A small loan remains on foot relating to government COVID-19 measures. The net loss after tax was \$4.5M, down from \$3.3M in the prior period.

	Half-year ended 31 Dec 2020 US\$'000	Half-year ended 31 Dec 2019 US\$'000	Change %
1. Statutory results			
Revenue	33,271	34,706	-4%
EBITDA	2,601	3,940	-34%
NPAT	(4,534)	(3,253)	-39%
2. Underlying results			
EBITDA	3,818	3,855	-1%
NPAT	(3,317)	(3,338)	+1%

	Half-year ended 31 Dec 2020 US\$'000	Half-year ended 31 Dec 2019 US\$'000
EBITDA	2,601	3,940
Add/(Less): employee share option expense	750	(378)
Add: employee severance costs	467	293
Underlying EBITDA	3,818	3,855

The Company generated revenue and EBITDA growth in its core Wearables business, driven principally from growth in customer numbers and a reduction in COGS (associated with the launch of Vector in the previous corresponding period). The reduction in revenue and EBITDA in the core Video Analytics business was principally the result of lower revenue in the Licensing business, reflecting the non-recurrence of one-off revenues in the previous corresponding period.



DIRECTORS' REPORT

	Wearables US\$'000	Video Analytics US\$'000	New Products US\$'000	Total US\$'000
Half-year ended 31 December 2020				
Revenue – external customers	17,455	13,902	1,914	33,271
Segment EBITDA	6,024	4,571	(162)	10,433
Segment operating profit/(loss)	3,065	897	(177)	3,785
Half-year ended 31 December 2019				
Revenue – external customers	16,255	16,403	2,048	34,706
Segment EBITDA	4,029	4,729	(263)	8,495
Segment operating profit/(loss)	1,349	721	(592)	1,478

Continued R&D focus

The Company continues to focus on R&D investment to enhance its platform and world class solutions. R&D investment in H1 FY21 of \$3.3M represented 10.0% of revenue and was up from 9.4% in the previous corresponding period. This investment was focused on the continued differentiation of the core solution categories across performance and health, tactics and coaching and athlete management.

Acquisition of Science for Sport

During the period Catapult acquired the profitable online subscription sport learning platform, Science for Sport. Founded in 2016, Science for Sport has grown into the number one source of content, online courses, and community engagement, in the global sports science industry. Science for Sport has two core paid products, an online magazine that summarises the latest sports science research into relatable and applicable content, and a library of educational courses focused on topics from nutrition to coaching to performance, with thousands of members across the globe.

With this strategic acquisition, Catapult will accelerate the development of its professional services solutions by providing professional and amateur customers with advanced training and education through industry-leading content and online courses.

Preparations to scale

During the period Catapult successfully executed a number of projects to position itself to scale rapidly. These include securing several senior executive appointments, mapping a multi-year product development and capital investment program, defining key performance metrics, migrating customers away from capital contracts to higher-quality multi-year SaaS subscription contracts, completing several significant internal reorganisation and integration exercises, changing presentation currency to the US dollar, and changing its financial year-end to 31 March. Further growth-aligning initiatives remain underway. The Company is confident in its position and ability to generate significant future growth.

DIRECTORS' REPORT



COVID-19

The COVID-19 crisis continues to cause significant disruption in global sports. As Catapult announced on 13 July 2020, the Company commenced lifting its COVID-19 cost mitigation measures as the negative impact to Catapult's business was less than anticipated. Despite this, COVID-19 remains a risk for the Company. Ongoing COVID-19 restrictions may affect the ability of Catapult's customers or suppliers to comply with their obligations under their agreements and influence renewal or subsequent contracting decisions. Catapult continues to assess the impact of COVID-19 on the business and ways to mitigate any risks to the Company.

Pleasingly, Catapult's cloud-based SaaS solutions were instrumental in enabling customers to deal with the COVID crisis and to allow the early and safe return of some global sports and leagues, including providing Remote Athlete Solution and Athlete Proximity Reporting. As part of our customers' daily workflows, solution usage rose to record levels across the world. The Company continues to close deals with both existing and new customers.

Outlook

Based on the expected demand for athlete analytics globally and the identified potential for innovation in sports technology, Catapult is optimistic about its long-term growth opportunity. By broadening its suite of analytics solutions through organic growth and acquisitions, Catapult aims to substantially increase its addressable market opportunity, and generate significant ACV growth, across a range of customers in both the elite and prosumer segments.

The Company believes, that with a vaccine being rolled out and the industry's hard lessons learnt, the impact of the pandemic on global sport was at its worst during H1 FY21, and that Catapult has never been in a better position to capitalise on its strengths and industry-leadership position. The Company exited H1 FY21 with confidence and improved momentum against its key SaaS metrics.

The Company is committed to growing its high-quality recurring revenue base (as measured by ACV) and improving operating cost efficiencies (as measured by contribution and EBITDA margin) as it grows.

The Company expects to record a significant shift towards subscription revenue, away from capital revenue, in its Performance & Health solution from 1 January 2021 onwards as a consequence of enhancements made to the associated technology platform and the customer terms and conditions. Catapult does not expect this to impact free cash flow.

As part of its plans to scale, Catapult is reviewing its portfolio of global brands (including approximately \$4 million of acquired brands) and may consider rationalising some of these. Separately, as Catapult continues to improve its profitability it's worth noting that approximately two thirds of its tax losses are held off balance sheet, representing a significant potential benefit to the Company.

As previously mentioned, Catapult has changed its financial year-end to 31 March and the full-year FY21 financial results will be based on the nine-month reporting period ending 31 March 2021. The Company intends to separately publish an unaudited set of results for the 12 months ending 31 March 2021.

DIRECTORS' REPORT

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 13.

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 relating to the 'rounding off' of amounts in the Directors' Report and, in accordance with that instrument, amounts in the Directors' Report have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of Directors.



Dr Adir Shiffman
Executive Chairman
24 February 2021

Auditor's Independence Declaration

To the Directors of Catapult Group International Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Catapult Group International Limited for the half-year ended 31 December 2020, 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 review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd
Chartered Accountants



B A Mackenzie
Partner – Audit & Assurance

Melbourne, 24 February 2021

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	2020 6 months US\$'000	2019 6 months US\$'000
Revenue	5	33,271	34,706
Other income		448	214
Cost of goods sold		(8,178)	(9,585)
Employee benefits expense		(16,815)	(15,691)
Employee share option compensation expense		(1,494)	(40)
Capital raising and listing expenses		(108)	(69)
Travel, marketing and promotion		(610)	(2,108)
Occupancy		(249)	(285)
Professional fees		(961)	(844)
Other expenses		(2,703)	(2,358)
Operating profit before depreciation and amortisation		2,601	3,940
Depreciation and amortisation		(6,648)	(7,017)
Operating loss		(4,047)	(3,077)
Finance costs		(194)	(88)
Finance income		15	27
Other financial items		(204)	55
Loss before income tax expense		(4,430)	(3,083)
Income tax expense		(104)	(170)
Loss after income tax expense for the period attributable to the owners of Catapult Group International Ltd		(4,534)	(3,253)
Earnings per share for loss attributable to the ordinary equity holders of the company			
Basic loss per share (USD cents per share)	7	(2.4)	(1.7)
Diluted loss per share (USD cents per share)	7	(2.4)	(1.7)

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



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	2020 6 months US\$'000	2019 6 months US\$'000
Loss for the period from continuing operations		(4,534)	(3,253)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations, net of tax		2,302	(121)
Other comprehensive income/(loss) for the period, net of tax		2,302	(121)
Total comprehensive loss for the period		(2,232)	(3,374)
Loss for the period attributable to:			
- Members of the parent entity		(4,538)	(3,253)
- Non-controlling interests		4	-
		(4,534)	(3,253)
Total comprehensive loss for the period attributable to:			
- Members of the parent entity		(2,236)	(3,374)
- Non-controlling interests		4	-
		(2,232)	(3,374)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31-Dec-20 US\$'000	30-Jun-20 US\$'000
Assets			
Current assets			
Cash and cash equivalents		24,643	18,888
Trade and other receivables		14,540	22,827
Contract assets		13	72
Inventories		4,725	5,023
Total current assets		43,921	46,810
Non-current assets			
Receivables		292	336
Property, plant and equipment		9,862	8,405
Goodwill		42,167	41,695
Other intangible assets		23,527	23,611
Deferred tax assets		7,540	7,229
Total non-current assets		83,388	81,276
Total assets		127,309	128,086
Liabilities			
Current liabilities			
Trade and other payables		6,100	4,770
Contract liabilities		20,319	21,891
Other liabilities		1,521	1,324
Employee benefits		5,891	5,299
Borrowings		1,738	5,102
Other financial liabilities		1,726	1,368
Total current liabilities		37,295	39,754
Non-current liabilities			
Contract liabilities		2,568	1,671
Other financial liabilities		3,133	2,489
Employee benefits		80	41
Deferred tax liabilities		3,159	3,068
Total non-current liabilities		8,940	7,269
Total liabilities		46,235	47,023
Net assets		81,074	81,063
Equity			
Share capital	6	130,160	127,981
Share option reserve		4,972	4,908
Foreign currency translation reserve		(1,887)	(4,189)
Accumulated losses		(52,175)	(47,637)
Equity attributable to owners of Catapult Group International Ltd		81,070	81,063
Non-controlling interests		4	-
Total equity		81,074	81,063



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital US\$'000	Share Option Reserve US\$'000	Foreign Currency Translation Reserves US\$'000	Accumulated Losses US\$'000	Non- Controlling Interest US\$'000	Total Equity US\$'000
Balance at 1 July 2019	126,810	4,063	(3,760)	(42,475)	-	84,638
Total comprehensive income/(loss) for the period:						
Loss for the period	-	-	-	(3,253)	-	(3,253)
Other comprehensive loss	-	-	(121)	-	-	(121)
Total comprehensive loss	-	-	(121)	(3,253)	-	(3,374)
Transactions with owners, recorded directly in equity Contributions by and distributions to owners						
Share-based payments	1,171	(527)	-	-	-	644
Total transactions with owners	1,171	(527)	-	-	-	644
Balance at 31 December 2019	127,981	3,536	(3,881)	(45,728)	-	81,908

	Share Capital US\$'000	Share Option Reserve US\$'000	Foreign Currency Translation Reserves US\$'000	Accumulated Losses US\$'000	Non- Controlling Interest US\$'000	Total Equity US\$'000
Balance at 1 July 2020	127,981	4,908	(4,189)	(47,637)	-	81,063
Total comprehensive income/(loss) for the period:						
Loss for the period	-	-	-	(4,538)	4	(4,534)
Other comprehensive income	-	-	2,302	-	-	2,302
Total comprehensive income/loss	-	-	2,302	(4,538)	4	(2,232)
Transactions with owners, recorded directly in equity contributions by and distributions to owners:						
Issue of ordinary shares, net of transaction costs	143	-	-	-	-	143
Share-based payments	2,036	64	-	-	-	2,100
Total transactions with owners	2,179	64	-	-	-	2,243
Balance at 31 December 2020	130,160	4,972	(1,887)	(52,175)	4	81,074

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



CONSOLIDATED STATEMENT OF CASHFLOWS

	2020	2019
Note	6 months US\$'000	6 months US\$'000
Cash flows from operating activities		
Cash receipts from customers	40,922	45,144
Cash paid to suppliers and employees	(28,632)	(31,078)
Interest received	15	28
Government grants and other income	909	287
Income taxes paid	(117)	(50)
	<u>13,097</u>	<u>14,331</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(924)	(1,469)
Purchase of other intangible assets	(3,369)	(3,431)
Acquisition of subsidiaries net of cash acquired	(431)	-
	<u>(4,724)</u>	<u>(4,900)</u>
Cash flows from financing activities		
Loans paid	(3,349)	(139)
Repayments of other financial liabilities	(725)	(674)
Interest paid	(191)	(88)
Proceeds from share options	580	601
Proceeds from issue of shares	143	-
	<u>(3,542)</u>	<u>(300)</u>
Net increase in cash and cash equivalents	4,831	9,131
Cash and cash equivalents at the beginning of the financial period	18,888	8,319
Effect of exchange rate fluctuations on cash held	924	(146)
Cash and cash equivalents at the end of the financial period	<u>24,643</u>	<u>17,304</u>

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Nature of operations

The principal activities of Catapult Group International Ltd and its controlled entities (the 'Group') are the development and supply of innovative technologies that improve the performance of athletes and sports teams. These technologies include wearable tracking devices, athlete monitoring systems, and software and video analytics solutions.

Note 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 High Street, Prahran, Victoria, Australia.

The consolidated interim financial statements for the half-year ended 31 December 2020 were approved and authorised for issue by the Board of Directors on 24 February 2021.

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2020, except in relation to the relevant amendments and their effects on the current period or prior periods as described in note 3.

The following numbers are rounded to the nearest '\$'000. The Group had a current asset surplus of \$6,626 (June 2020: surplus \$7,056). Current liabilities include contract liabilities of \$20,319 (June 2020: \$21,891) expected to release into revenue within 12 months. Current contract liabilities are expected to be delivered over the next 12 months; therefore, no actual cash outflows are expected other than those required to pay costs associated with delivering the service.

The financial report has been prepared on the going concern basis of accounting which contemplates continuity of normal business and the realisation of assets and settlement of liabilities in the ordinary course of business.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 3. Changes in accounting policies

3.1 Change of presentation currency

As previously advised to the market on 24 July 2020, and consistent with AASB 121 "The effects of change in foreign exchange rates", the Group changed its presentation currency to the US dollar with effect from 1 July 2020. The change in reporting currency was made to transparently represent the economic effects of the underlying transactions, events and conditions that are relevant to the Group. Prior to 1 July 2020, the Group reported its annual and half year consolidated statement of profit or loss and other comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity and the consolidated statement of cashflows in AUD. In accordance with AASB121, the financial statements for all years and periods presented have been translated into the new presentation currency. Under this method, the consolidated statement of profit or loss and comprehensive income and consolidated statement of cashflows for each year and period have been translated into the presentation currency using the average exchange rates prevailing during each reporting period. All assets and liabilities have been translated using the exchange rate prevailing at the reporting dates.

Shareholders' equity transactions have been translated using the rates of exchange in effect as of the dates of the various capital transactions. All resulting exchange differences arising from the translation are included in other comprehensive income. All comparative information has been restated to reflect the Group's results as if they had been historically reported in US dollars.

3.2 Change of year-end

With effect from 1 July 2020, the Group changed its financial year-end reporting date from 30 June to 31 March. In transitioning to this change the Group will operate a 2021 financial year of nine months, consisting of an interim period ending 31 December 2020 and a final period ending 31 March 2021.

Note 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 Company and all of its subsidiaries as of 31 December 2020. 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 31 March with the exception of Catapult Sports Technology Beijing Co Ltd (based in China), which has a reporting date of 31 December.

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 is 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 4. Significant accounting policies (continued)

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., the 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 USD, which is also the presentation currency of the Group.

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 re-translated 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 US dollar are translated into the US dollar 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 the US dollar at the closing rate at the reporting date. Income and expenses have been translated into the US dollar 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 4. Significant accounting policies (continued)

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 to which the Group is entitled, 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.

To determine whether to recognise revenue, the Group follows a five-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

When the Group enters into a transaction involving its products or services, the total transaction price for a contract is allocated amongst the various performance obligations. Revenue is recognised either at a point in time or over time, when the Group satisfies performance obligations by transferring the promised goods or services to customers.

Capital

Capital revenue is the sale of goods to third parties and is recognised at a point in time when the Group has transferred to the buyer the significant risks and rewards of ownership, and the control of the goods. The timing of the transfer of risks and rewards/control varies depending on the individual terms of the sales agreement. For sales of wearable units and the sale of hardware in the video analytics business, the transfer usually occurs on dispatch of the goods from Catapult's premises.

Subscription and services

Subscription revenue comprises the recurring monthly revenue from wearables subscription sales, rendering of services and content licensing. Unbilled revenue at the half-year end is recognised in the Consolidated Statement of Financial Position as accrued revenue and included within trade and other receivables & contract assets. Unearned revenue at the half-year end is recognised in the Consolidated Statement of Financial Position as deferred revenue and included within contract liabilities.

Revenue is recognised as performance obligations under customer contracts are met. Performance obligations consist of the provisioning of the software/cloud/SaaS subscription and related maintenance and support services over the term of the contract.

(i) Wearables subscription sale

The Group generates revenues from subscription sales typically whenever the goods have been dispatched from Catapult's premises and the software has been activated for the customer. 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 the wearable subscription agreement constitutes an operating lease under AASB 16 the Group considers the nature and 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 maintenance services. The Group recognises revenue from such activities on a monthly basis in equal amounts for each month of the subscription agreement.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 4. Significant accounting policies (continued)

(iii) 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.

(iv) Multiple element contracts

The Group may enter into a contract or multiple contracts with customers that may include multiple performance obligations. Where multiple contracts are entered into, the Group determines whether it is required to be measured with another pre-existing contract by determining whether the performance obligations promised are being sold at their stand-alone selling price ('SASP'). Where pricing is equal to its SASP, the contract is treated as a stand-alone contract. Where pricing is not equal to its SASP, the contract is combined with the pre-existing contract with the customer as a multiple-performance obligation ('multi-PO') arrangement. Where a multi-PO arrangement is entered into, each performance obligation is allocated a proportional amount of revenue based on the transaction price of the contract and the relative SASP of each performance obligation.

(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.

Other revenue

Other revenue is additional revenue related to the sale of hardware, as well as media, shipping, training, and installation income. Revenue is recognised either at a point in time or over time, when the Group satisfies performance obligations by transferring the promised goods or services to customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 5. Segment information

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:** development and provision of 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.

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

	Wearables US\$'000	Video Analytics US\$'000	New Products US\$'000	Total US\$'000
Half-year to 31 December 2020				
Revenue - external customers	17,455	13,902	1,914	33,271
Segment EBITDA	6,024	4,571	(162)	10,433
Segment operating profit/(loss)	3,065	897	(177)	3,785
Segment assets	47,081	73,599	6,629	127,309
Segment liabilities	23,318	20,637	2,280	46,235
Half-year to 31 December 2019				
Revenue - external customers	16,255	16,403	2,048	34,706
Segment EBITDA	4,029	4,729	(263)	8,495
Segment operating profit/(loss)	1,349	721	(592)	1,478
Segment assets	40,906	77,719	6,676	125,301
Segment liabilities	22,354	19,389	1,650	43,393



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 5. Segment information (continued)

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

	2020 6 months US\$'000	2019 6 months US\$'000
Total reporting segment operating EBITDA	10,433	8,495
Depreciation and amortisation for the segments	(6,648)	(7,017)
Total reporting segment operating profit	3,785	1,478
Corporate costs		
Employee benefits expense	(4,206)	(3,251)
Employee share option compensation expense	(1,317)	378
Capital raising and listing expenses	(108)	(69)
Travel, marketing, and promotion	(52)	(217)
Occupancy	(106)	50
Professional fees	(1,388)	(849)
Other expenses	(1,103)	(811)
Other income	448	214
Total corporate costs	(7,832)	(4,555)
Finance expense	(194)	(88)
Finance income	15	27
Other financial cost	(204)	55
Group loss before tax	(4,430)	(3,083)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 5. Segment information (continued)

Revenue by geography

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

	Wearables 2020 US\$'000	Video Analytics 2020 US\$'000	New Products 2020 US\$'000	Total 2020 US\$'000
Revenue - external customers				
Australia	1,571	3	225	1,799
APAC	2,008	27	32	2,067
EMEA	7,104	85	1,135	8,324
Americas	6,772	13,787	522	21,081
Total	17,455	13,902	1,914	33,271

	Wearables 2019 US\$'000	Video Analytics 2019 US\$'000	New Products 2019 US\$'000	Total 2019 US\$'000
Revenue - external customers				
Australia	1,608	2	168	1,778
APAC	1,626	11	37	1,674
EMEA	5,730	64	1,150	6,944
Americas	7,291	16,326	693	24,310
Total	16,255	16,403	2,048	34,706

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

Revenues from external customers in the Group's domicile, Australia, as well as its major markets, the Americas, Europe, Middle East and Africa (EMEA) and Asia-Pacific (APAC) have been identified on the basis of the customer's geographical location.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 6. Equity - 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.

Notes	6 Months Dec-20 Shares	12 Months Jun-20 Shares	6 Months Dec-20 US\$'000	12 Months Jun-20 US\$'000
Shares issued and fully paid for:	200,431,654	190,895,116	127,981	126,810
Beginning of the period	190,895,116	190,895,116	127,981	126,810
Shares issued to the Catapult Employee Share Plan Trust	9,432,117	-	-	-
Shares issued for cash	104,421	-	143	-
Exercise of performance rights and equity options	-	-	2,036	1,171
Total contributed equity at the end of the reporting period	200,431,654	190,895,116	130,160	127,981
Treasury shares 6. (a)	(8,103,416)	(659,296)	-	-
Total contributed equity	192,328,238	190,235,820	130,160	127,981

During the six months to 31 December 2020 the Group awarded:

- 243,396 performance rights as part of the Employee Share Plan. The rights were issued at an average price of AUD\$0.00 and a fair value of A\$1.42 (US \$0.99).
- 1,198,908 performance rights as part of the Employee Share Plan. The rights were issued at an average price of AUD\$0.00 and a fair value of A\$1.90 (US \$1.38).
- 4,274,869 options as part of the Employee Share Plan. The options were issued at an average exercise price of AUD\$1.30 and a fair value of A\$0.75 (US \$0.55).

During the six months to 31 December 2020 the Group issued 104,421 shares as settlement of service rights awarded. Shares were issued at an average price of A\$1.95 per share. The amount raised was AUD\$203,984 (US \$143,439).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 6. Equity - share capital (continued)

6 (a) Treasury shares

Treasury shares are shares in Catapult Group International Ltd 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:

	2020 Shares	2019 Shares
Opening balance at 1 July 2020	659,296	2,350,253
Net transactions during the period	7,444,120	(1,690,957)
Closing balance at 31 December 2020	8,103,416	659,296

During the financial period, the following transactions occurred under the Employee Share Plan:

- On 21 October 2020, the Group issued 1,432,117 ordinary shares to the Catapult Employee Share Plan Trust.
- On 17 November 2020, the Group issued 8,000,000 ordinary shares to the Catapult Employee Share Plan Trust.
- The number of shares exercised under the option plan was 25,000 at an average exercise price of A\$1.72. The amount raised was A\$43,000 (US \$31,362).
- The number of shares exercised under the option plan was 300,000 at an average exercise price of A\$1.55. The amount raised was A\$465,000 (US \$327,557).
- The number of shares exercised under the option plan was 144,800 at an average exercise price of A\$2.08. The amount raised was A\$301,184 (US \$221,313).
- The number of shares exercised under the option plan was 25,000 at an average exercise price of A\$1.83. The amount raised was A\$45,750 (US \$35,383). These funds were received on 4th January 2021.
- The number of shares exercised under the performance rights plan was 1,493,197 at an average exercise price of A\$0.00. The amount raised was A\$0.00 (US \$0.00).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 7. 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 2019 or 2020). 12,609,704 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 is as follows:

7 (a) Basic and diluted loss per share

	Dec-20 (US cents)	Dec-19 (US cents)
Basic loss and diluted loss per share attributable to the ordinary equity holders of the Company	(2.4)	(1.7)

7 (b) Reconciliation of loss used in calculating loss per share

	Dec-20 (US\$'000)	Dec-19 (US\$'000)
Basic and diluted loss per share Loss attributable to the ordinary equity holders of the company used in calculating loss per share:		
From continuing operations	(4,538)	(3,253)

7 (c) Weighted average number of shares used as the denominator

	Dec-20 shares	Dec-19 shares
Weighted average number of shares used in basic and diluted loss per share	191,442,452	189,276,058



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 8. Acquisition of Science for Sport Limited

On 9 November 2020, Catapult acquired the subscription online sport learning platform, Science for Sport Limited ('SfS'). Catapult agreed to acquire 75.45% of the entire issued share capital of the company for a total consideration of US\$450,000. There is also a Put and Call Option whereby Catapult has the option to acquire the remaining 24.55% of the issued share capital of SfS for US\$300,000 in two years' time.

Note 9. Contingent liabilities

There were no contingent liabilities as at 31 December 2020.

Note 10. Events after the reporting period

No matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.



DIRECTORS' DECLARATION

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

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 4 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Company's and consolidated entity's financial position as at 31 December 2020 and of their performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

Dr Adir Shiffman
Director

24 February 2021

Independent Auditor's Review Report

To the Members of Catapult Group International Limited

Report on the review of the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Catapult Group International Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Catapult Group International Limited does not give a true and fair view of the financial position of the Group as at 31 December 2020, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

Directors' responsibility for the half year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Catapult Group International Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Grant Thornton Audit Pty Ltd
Chartered Accountants



B A Mackenzie
Partner – Audit & Assurance

Melbourne 24 February 2021

CORPORATE DIRECTORY

Registered office

Catapult Group International Ltd
75 High Street
Prahran, VIC, 3181
Australia

Telephone: +61 (0)3 90958401
www.catapultsports.com

Company secretary

Jonathan Garland
General Counsel and Company Secretary

Investor relations

Investor.relations@catapultsports.com
+61 400 400 380

Shareholder registry enquiries

Shareholders with registry queries should contact the Group's share registry. Boardroom Pty Limited, phone 1300 737 760 or fax +61 (0)2 9279 0664, email enquiries@boardroomlimited.com.au, through its website (www.boardroomlimited.com.au) or write to:

Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

Auditor

Grant Thornton
Collins Square, Tower 5/727
Collins Street
Melbourne
VIC 3008

Securities exchange listing

Catapult Group International Ltd's shares are listed on the Australian Securities Exchange (ticker: CAT)

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