



# Financial Statements

Catapult Group International Ltd

For the half-year ended 31 December 2014



# Contents

	<b>Page</b>
Directors' Report	1
Auditor's Independence Declaration	2
Consolidated Statement of Profit or Loss and Other Comprehensive Income	3
Consolidated Statement of Financial Position	4
Consolidated Statement of Changes in Equity	5
Consolidated Statement of Cash Flows	6
Notes to the Consolidated Financial Statements	7
Directors' Declaration	11
Independent Auditor's Report	12

# 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 2014.

## Director details

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

- Mr Shaun Holthouse
- Dr Adir Shiffman
- Mr Igor van de Griendt
- Mr Calvin Ng
- Ms Rhonda O'Donnell (appointed 3 September 2014)
- Mr Brent Scrimshaw (appointed 24 November 2014)
- Mr Michael An (resigned 14 November 2014)

## Review of operations and financial results

The loss after income tax of the Group for the half-year has increased to \$2.63m (2013: \$0.16m); this is as a result of increased costs associated with the Group's stated intention to seek growth in overseas markets, combined with the subscription based nature of revenues.

Earnings per share have decreased during the period to (\$0.03) (2013: (\$0.01)).

Catapult completed its initial public offering ("IPO") during the half-year which raised \$12m and provided the Group with working capital to continue to pursue its global growth plans, positioning the Group in a strong cash position for 2015/2016 to focus on this growth for a sustained period as revenues from the subscription basis of Group come on stream.

A copy of the Auditor's Independence Declaration as required under s307C of the *Corporations Act 2001* is included on page 5 of this financial report and forms part of this Directors' Report.

Signed in accordance with a resolution of the Directors.



Adir Shiffman  
Executive Chairman

26 February 2015

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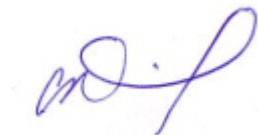
**Auditor's Independence Declaration  
To the Directors of Catapult Group International Ltd**

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Catapult Group International Ltd for the half-year ended 31 December 2014, 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



Adrian Nathanielsz  
Partner – Audit & Assurance

Melbourne, 26 February 2015

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# Consolidated Statement of Profit or Loss and Other Comprehensive Income

**For the half-year ended 31 December 2014**

	Notes	2014	2013
		\$	\$
Revenue		4,482,873	2,227,156
Other income		236,394	151,517
Costs of materials		(745,280)	(483,602)
Employee benefits expense		(3,076,305)	(1,054,572)
Depreciation and amortisation expense		(416,534)	(180,161)
Other expenses		(2,652,639)	(952,875)
Capital raising and listing expenses		(1,369,657)	-
		<b>(3,541,148)</b>	<b>(292,537)</b>
Finance costs		(290,600)	(25,650)
Finance income		6,899	77,917
<b>Loss before income tax</b>		<b>(3,824,849)</b>	<b>(240,270)</b>
Income tax expense		1,195,685	77,664
<b>Loss for the year from continuing operations attributable to owners</b>		<b>(2,629,164)</b>	<b>(162,606)</b>
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		(271,982)	-
<b>Other comprehensive income for the period, net of tax</b>		<b>(271,982)</b>	<b>-</b>
<b>Total comprehensive income for the period attributable to owners</b>		<b>(2,901,146)</b>	<b>(162,606)</b>
<b>Earnings per share</b>			
Basic and diluted loss per share	9	<b>(0.03)</b>	<b>(0.01)</b>

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

# Consolidated Statement of Financial Position

**As at 31 December 2014**

	31 December 2014	30 June 2014
	\$	\$
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	9,208,020	3,754,202
Trade and other receivables	2,314,573	1,696,084
Inventories	1,849,300	1,492,590
Current tax assets	939,753	481,095
<b>Total Current Assets</b>	<b>14,311,646</b>	<b>7,423,971</b>
<b>Non-Current</b>		
Other long-term financial assets	152,226	91,012
Property, plant and equipment	1,724,460	1,012,463
Goodwill	1,212,735	1,212,735
Other intangible assets	2,271,188	2,341,755
Deferred tax assets	1,476,789	296,443
<b>Total Non-Current Assets</b>	<b>6,837,398</b>	<b>4,954,408</b>
<b>Total Assets</b>	<b>21,149,044</b>	<b>12,378,379</b>
<b>Liabilities</b>		
<b>Current</b>		
Trade and other payables	2,753,471	1,391,585
Other liabilities	3,650,399	4,551,602
Borrowings	6	501,702
Employee benefits	456,030	395,874
<b>Current Liabilities</b>	<b>6,859,900</b>	<b>6,840,763</b>
<b>Non-Current</b>		
Other liabilities	195,284	215,883
Borrowings	6	1,161,530
Employee benefits	51,249	38,485
Deferred tax liabilities	395,400	456,436
<b>Total Non-Current Liabilities</b>	<b>641,933</b>	<b>1,872,334</b>
<b>Total Liabilities</b>	<b>7,501,833</b>	<b>8,713,097</b>
<b>Net Assets</b>	<b>13,647,211</b>	<b>3,665,282</b>
<b>Equity</b>		
Share capital	8	4,878,403
Share option reserve		298,151
Foreign currency translation reserve		(7,836)
Accumulated losses		(1,503,436)
<b>Total Equity</b>		<b>3,665,282</b>

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

## Statement of Changes in Equity

For the half-year ended 31 December 2014

	Share Capital \$	Share Option Reserve \$	Foreign Currency Translation Reserve \$	Retained Profits/ Accumulat ed Losses) \$	Total Equity \$
<b>Balance at 1 July 2013</b>	<b>95</b>	<b>-</b>	<b>20,108</b>	<b>49,165</b>	<b>69,368</b>
Dividends				(150,000)	(150,000)
Options issued	-	298,151	-	-	298,151
Issue of share capital, net of transaction costs and tax	351,526				351,526
<b>Total transactions with owners</b>	<b>351,526</b>	<b>298,151</b>	<b>-</b>	<b>(150,000)</b>	<b>499,677</b>
Loss for the year	-	-	-	(162,606)	(162,606)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(162,606)</b>	<b>(162,606)</b>
<b>Balance at 31 December 2013</b>	<b>351,621</b>	<b>298,151</b>	<b>20,108</b>	<b>(263,441)</b>	<b>406,439</b>
Balance at 1 July 2014	<b>4,878,403</b>	<b>298,151</b>	<b>(7,836)</b>	<b>(1,503,436)</b>	<b>3,665,282</b>
Issue of share capital under share-based payment	1,499,400	-	-	-	1,499,400
Options issued	-	27,980	-	-	27,980
Treasury Shares	(1,499,400)	-	-	-	(1,499,400)
Issue of share capital, net of transaction costs and tax	12,855,095	-	-	-	12,949,567
<b>Total transactions with owners</b>	<b>12,949,567</b>	<b>27,980</b>	<b>-</b>	<b>-</b>	<b>12,977,547</b>
Loss for the year	-	-	-	(2,629,164)	(2,629,164)
Other comprehensive income	-	-	(271,982)		(271,982)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(271,982)</b>	<b>(2,629,164)</b>	<b>(2,901,146)</b>
<b>Balance at 31 December 2014</b>	<b>17,733,498</b>	<b>326,131</b>	<b>(279,818)</b>	<b>(4,132,600)</b>	<b>13,647,211</b>

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

# Consolidated Statement of Cash Flows

**For the year ended 31 December 2014**

	2014	2013
	\$	\$
<b>Operating activities</b>		
Receipts from customers	5,242,999	2,480,072
Payments to suppliers and employees	(6,929,175)	(2,365,303)
Interest and other items of a similar nature received	7,884	-
Interest and other costs of finance paid	(248,015)	(25,651)
<b>Net cash from / (used in) operating activities</b>	<b>(1,926,397)</b>	<b>89,118</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(1,200,076)	(284,244)
Purchase of other intangible assets	(241,176)	(481,178)
Payment for settlement of acquisition of GPSports	7 (2,111,892)	-
<b>Net cash used in investing activities</b>	<b>(3,553,144)</b>	<b>(765,422)</b>
<b>Financing activities</b>		
Proceeds from issue of share capital	12,000,000	500,004
Payment of debt and capital raising expenses	(666,462)	(295,766)
Proceeds from borrowings	1,500,000	1,500,000
Repayment of borrowings	(1,940,234)	-
Dividends paid	-	(150,000)
<b>Net cash from / (used in) financing activities</b>	<b>10,893,304</b>	<b>1,554,238</b>
Net change in cash and cash equivalents	5,413,763	877,934
Cash and cash equivalents, beginning of year	3,754,202	504,456
Exchange differences on cash and cash equivalents	40,055	19,517
<b>Cash and cash equivalents, end of reporting period</b>	<b>9,208,020</b>	<b>1,401,907</b>

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



# Notes to the Consolidated Financial Statements

## **1. Nature of operations**

Catapult Group International Ltd and its controlled entities (the 'Group') principal activities are the development and supply of wearable athlete tracking and analytics solutions.

## **2. General information and basis of preparation**

The interim consolidated financial statements ('the interim financial statements') of the Group are for the six (6) months ended 31 December 2014 and are presented in Australian dollar (\$AUD), which is the functional currency of the Parent Company (Catapult Group International Ltd). These general purpose interim financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2014 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the *Corporations Act 2001*.

## **3. Significant accounting policies**

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 2014.

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

## **4. Estimates**

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

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2014. The only exception is the estimate of the provision for income taxes which is determined in the interim financial statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

## 5. Segment reporting

The Chief Operating Decision Maker currently reviews consolidated financial information when making decisions about the allocation of resources, and therefore there are currently no separate reportable operating segments in the Group.

The Group's revenues from external customers (excludes government grants) and its non-current assets (other than financial instruments and deferred tax assets) are divided into the following geographical areas:

	2014		2013	
	\$		\$	
	Revenue	Non-current Assets	Revenue	Non-current Assets
Australia (Domicile)	1,694,610	6,812,020	950,467	552,097
United Kingdom (UK)	883,021	22,761	572,368	1,856
European Union (ex UK)	446,529	-	322,966	
USA	1,695,107	97,090	532,872	74,330
<b>Total</b>	<b>4,719,267</b>	<b>6,931,871</b>	<b>2,378,673</b>	<b>628,283</b>

Revenues from external customers in the Group's domicile, Australia, as well as its major markets, the United Kingdom and the USA, have been identified on the basis of the customer's geographical location. Non-current assets are allocated based on their physical location.

During the current period ended 31 December 2014, no one customer represented greater than 5% of the Group's revenue (2013: \$411,925 or 10% was based on a single customer) of the Group's revenues depended on a single customer.

There has been no change to the basis of segmentation since the last annual financial statements.

## 6. Borrowings

During the period the following movements in borrowings occurred:

- Convertible notes with a face value of \$1.5million plus unpaid interest of \$136,522 were converted to 6,201,000 ordinary shares upon the successful listing of the company thus eliminating the convertible notes.
- Loans to director related parties of \$501,702 were repaid.
- A bridging loan of \$1.5million was taken out to fund the Group's short term working capital needs prior to the IPO. Proceeds from the IPO were used to repay this loan.

## 7. Business Combinations

As disclosed in the 30 June 2014 annual financial statements, the Group acquired GPSports on 30 June 2014. The cash consideration for this acquisition of \$2,111,892 was paid on 1 July 2014. Contingent consideration of \$275,000 under the purchase agreement remains unpaid at 31 December 2014.

For full details of the business combination please refer to the 30 June 2014 annual financial statements.

## 8. 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.

	31-Dec-14	30-Jun-14	31-Dec-14	30-Jun-14
	Shares	Shares	\$	\$
<b>Shares issued and fully paid:</b>	<b>120,051,982</b>	<b>23,229</b>	<b>17,733,498</b>	<b>4,878,403</b>
Beginning of the period	23,299	19,000	4,878,403	95
Share split (1:3,800)	88,270,200	-	-	-
Shares issued under share-based payments	3,876,000	229	1,499,400	120,527
Shares issued to external parties	28,019,782	4,000	13,321,618	4,983,504
Share issue costs	-	-	(666,462)	(322,463)
Deferred tax credit recognised directly in equity on share issue costs	-	-	199,939	96,740
Treasury shares	(3,876,000)	-	(1,499,400)	-
<b>Total contributed equity at end of reporting period</b>	<b>116,313,281</b>	<b>23,229</b>	<b>17,733,498</b>	<b>4,878,403</b>

The Group had the following transaction associated with its shares:

- On 7 October 2014, the Group undertook to split its shares on the basis of 3,800 shares issued for each share held, resulting in a total of 88,270,200 shares being on issue.
- On 17 November 2014, the group issued 3,876,000 ordinary shares as part of an employee share plan, this share plan is subject to various performance, service and other vesting conditions.
- On 16 December 2014, the Group issued 6,201,600 ordinary shares on the conversion of the convertible notes previously on issue by the Group and held by One Managed Investment funds Ltd.
- On 16 December, the Group issued 21,818,182 ordinary shares as part of its IPO which resulted in gross cash proceeds of \$12m.

## 9. 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 2013 or 2014).

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

	To Period 31 Dec 2014	To Period 31 Dec 2013
Weighted average number of shares used in basic earnings per share	91,498,838	73,186,339
Weighted average number of shares used in diluted earnings per share	91,498,838	73,186,339

The weighted average number of shares used for the period ended 31 December 2013 has been adjusted to account for the share split that occurred during the period ended 31 December 2014 to present a consistent basis for shares issued.

## 10. Related party transactions

The Group's related parties include its associates, key management and others as described below.

Catapult Group International Pty Ltd had a loan from its shareholder, One Managed Investments Ltd, which was converted to 6,201,600 shares on 16 December 2014 in full satisfaction and on which interest of \$100,968 (2013: \$84,486) was paid.

Further Catapult Group International Ltd has repaid in full the subordinated loan from related parties of its directors, Holthouse and Ng, on which interest of \$27,744 (2013: \$9,682) was paid.

The Group paid Aura Capital a related entity for director Ng a total of \$465,000 for services related to facilitating borrowings by the Group and the IPO.

## 11. Contingent liabilities

There were no contingent liabilities as at 31 December 2014.

## 12. Post-reporting date events

Subsequent to year end, the company changed its status from being a proprietary company to a public company. As a result the company changed its name from Catapult Group International Pty Ltd to Catapult Group International Ltd.

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

## 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 31 December 2014 and of its performance for the half-year ended on that date; and
    - ii complying with Accounting Standard AASB 134 *Interim Financial Reporting*.
  - b there are reasonable grounds to believe that Catapult Group International Pty will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



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Director

Adir Shiffman

Dated the 26<sup>th</sup> day of February 2015

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## **Independent Auditor's Review Report To the Members of Catapult Group International Ltd**

We have reviewed the accompanying half-year financial report of Catapult Group International Ltd (“Company”), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2014, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies, other explanatory information and the directors’ declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year’s end or from time to time during the half-year.

### **Directors’ responsibility for the half-year financial report**

The directors of Catapult Group International Ltd 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 controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor’s responsibility**

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the 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 consolidated entity’s financial position as at 31 December 2014 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.

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As the auditor of Catapult Group International Ltd, 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 complied with the independence requirements of the Corporations Act 2001.

### **Conclusion**

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

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

A handwritten signature in blue ink that reads "Grant Thornton".

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

A handwritten signature in blue ink, appearing to be "A. Nathanielsz".

Adrian Nathanielsz  
Partner - Audit & Assurance

Melbourne, 26 February 2015