

Market Release
31 October 2016

Catapult reports record quarter with 45% sales growth, cashflow positive

Highlights

- New Q1 sales record with 2,039 units ordered (excluding PLAYERTEK), up 45% on Q1 FY16 (pcp)¹
- Already cross-sold to 7 XOS customers, including 3 new US National Hockey League (NHL) teams
- 73% of units ordered were on subscription, compared to 38% in pcp¹
- Annualised Run Rate (ARR) rose a further 16% over the quarter and 88% over the last 12 months, closing at \$15.7m²
- Strong post-acquisition balance sheet with \$17.3 million cash at bank at the end of the quarter
- PLAYERTEK achieved sales of 709 units in the quarter as validation of prosumer opportunity continues³
- Catapult signed a new league wide deal with Australia’s National Basketball League (NBL)
- XOS signed a new exclusive content distribution deal with Raycom Sports

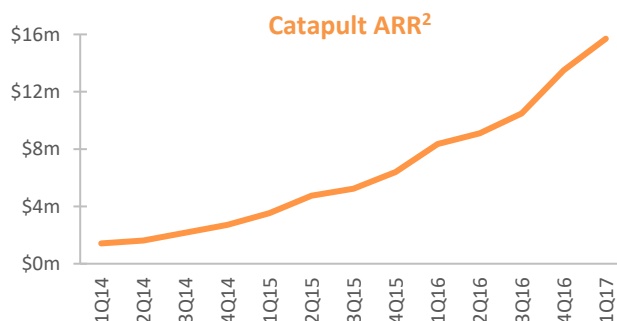
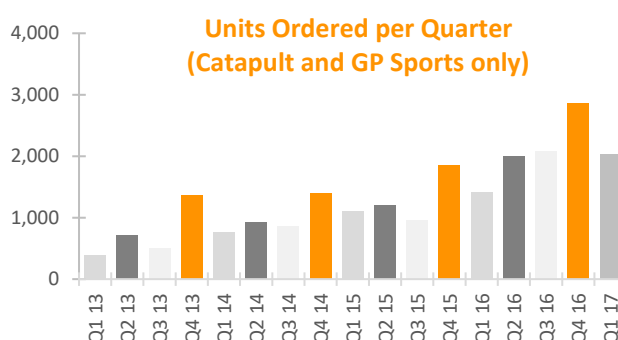
Strong 1st quarter of sales (Catapult and GP Sports)

Catapult today reported that it had sold 2,039 new units in Q1 FY17, a 45% increase on the previous Q1 record set in FY16. Furthermore, a record 73% of units sold in Q1 FY17 were on a subscription basis.

As a point of comparison, in Q1 FY16 Catapult reported a 28% increase to Q1 FY15, with 38% of units sold on a subscription basis. Overall, Q1 FY16 represented approximately 17% of the total sales reported for FY16.

Catapult also made significant progress across other key metrics during the quarter including:

- Total units under subscription⁴: 10,049 (up 15% on previous quarter)
- ARR⁵ from subscription contracts in place at the end of Q1 FY17 of \$15.7m (up 16% on previous quarter and 88% pcp)



Catapult Chief Executive Officer, Shaun Holthouse, said: “We have been very pleased with the great start to the financial year, and momentum continues to build. Significantly, subscription unit orders accounted for 73% of all orders in the quarter – a company record. Although we typically expect some volatility in mix across quarters, it signals our continued progress towards a SaaS dominant business in FY17”.

It should be noted that the above results do not include the effect of acquisitions of XOS and PLAYERTEK.

XOS and PLAYERTEK deliver solid results

The XOS and PLAYERTEK acquisitions completed in August 2016 and integration for both commenced during the quarter, including the appointment of external consultants to assist internal project leaders. Both business

¹ Does not include PLAYERTEK units ordered

² Does not include XOS ARR

³ PLAYERTEK recorded 365 units ordered post-close of acquisition on 12 August 2016

⁴ 260 subscription units relating to league wide deals did not generate any revenue in the quarter and should therefore be excluded from any average subscription unit revenue calculations. Excludes 145 units re-contracted to existing clients under new subscription agreements

⁵ Assumes AUD:USD exchange of 75 cents to facilitate constant comparison during FY17

units have reported solid results for the quarter and we are pleased with the progress made towards integration despite the short period of ownership:

- PLAYERTEK achieved sales of 709 units in the quarter, including 365 units ordered post-acquisition close date of 12 August 2016
- Early signs of cross-selling Catapult into XOS clients (detailed below)
- XOS signed new exclusive content distribution deal with Raycom Sports (detailed below)

Catapult's post-acquisition cash position is also strong with \$17.3m as at 30 September 2016. Furthermore, Catapult expects the XOS acquisition to be substantially accretive to total revenues and to accelerate Catapult's transition to positive EBITDA and free cash flow in FY17⁶.

Catapult Chief Executive Officer, Shaun Holthouse, said: "The key leadership of both XOS and PLAYERTEK have been doing a remarkable job of successfully leading their businesses whilst integrating into the wider Catapult Group. We are excited to add their skills and expertise to our capabilities, and the performance achieved in Q1 FY16 does not include any potential cost synergies across the group".

Cross-sell to XOS clients underway

One strategic objective of the XOS acquisition is the opportunity for the wider Catapult Group to further strengthen its strategic positioning in North America, and to pursue a large potential cross-selling opportunity in the region.

On 13 July 2016, Catapult estimated the significant potential cross-sell opportunity of Catapult's products to existing XOS customers as follows:

- ~138 XOS customers currently have no wearable solution in place
- ~4,549 total potential Catapult units could be deployed across target XOS cross-sell customers

The two businesses have worked quickly to set up a framework for introducing elite North American XOS customers to the Catapult wearable solution. These efforts have delivered early successes, and during the quarter Catapult signed 7 customers identified in the cross-sell analysis, including 3 new US National Hockey League (NHL) teams.

XOS signs exclusive partnership with Raycom Sports and Atlantic Coast Conference (ACC)

During the quarter, XOS negotiated an exclusive partnership with Raycom Sports. Under the agreement, XOS will provide archiving, enforcement, and content representation services for the entire Raycom Sports portfolio.

Raycom Sports operates the ACC Network which distributes more than 500 live events through television and digital platforms each year. This covers the 15 Division 1 NCAA universities in the ACC including Notre Dame, Clemson and Florida State. Utilizing the XOS VAULT™, Raycom and the ACC will now have a centralized digital archive to preserve and distribute their valuable content.

"We are thrilled for the opportunity to work with Raycom Sports," said Matt Bairos, CEO of XOS Digital, "This addition will allow us to continue to offer our media partners the most extensive collegiate sports archive with unparalleled customer service."

Longer term integration update

Integration plans for XOS and PLAYERTEK includes positioning Catapult for several key longer-term strategic growth opportunities identified.

With regards to XOS, in addition to the "greenfield" wearable cross-sell opportunity described above, the core longer term strategic opportunity continues to be the integration of the two high-use elite performance technologies into a single analytics platform. This exciting next generation product for elite sports involves a

⁶ Excluding one-off costs and extraordinary items.

single, unified analytics platform that integrates Catapult’s world-leading wearable solution with the XOS’ dominant video technology. Catapult management continues to view this as the next transformative frontier in sports analytics, a long-term competitive differentiator. The development of XOS’ Thunder Radar product in early 2016 is regarded as the first stage in this development cycle.

With regards to PLAYERTEK, whilst Management does not expect it will make a material contribution to Catapult’s revenue or earnings in the short term, their highly experienced team and core technology platform are beginning to form a key part of Catapult’s future prosumer offering.

Catapult Chief Executive Officer, Shaun Holthouse, said: “Catapult basically invented our category of wearable performance analytics for elite sport, we hold a large family of patents, and we are the most-trusted brand in this space by a considerable margin. Our longer-commitment to develop a unified platform for wearable and video analytics is part of our commitment to remain the global innovators, bringing together sports science with hardware technology and software analytics.

New Catapult team additions and league-wide deal with NBL

New client acquisitions in the June quarter cover a wide range of sports and geographies, including:

- LA Clippers (NBA, USA)
- LA Kings (NHL, USA)
- Washington Capitals (NHL, USA)
- Al Shabab FC (Saudi Professional League)
- Rio Ave FC (Primeira Liga, Portugal)
- Boavista FC (Primeira Liga, Portugal)
- Colorado State University (NCAA Div1 American Football, USA)
- Boston Bruins (NHL, USA)
- Chiangrai United FC (Thai Premier League)

During the quarter, Catapult signed a binding memorandum of understanding (MOU) for a league-wide deal with Australia’s National Basketball League (NBL). As well tracking all NBL players across all clubs during both practice and game-day, the agreement is significant because it also includes a commercial partnership to deliver and monetise a range of next generation applications for NBL fans across all NBL media platforms. Catapult continues to focus on league-wide deals that combine a “performance element” for players and teams with a commercial partnership to develop and monetise media content.

The three-year exclusive agreement is Catapult’s 5th league-wide deal, and means Catapult becomes the league’s official wearable analytics partner. Under the deal, the NBL will subscribe to a hardware and software analytics solution comprising 80 new tracking units across all 8 teams. The teams will use Catapult’s market leading technology for all training and game-day sessions, to drive enhanced player performance and reduce the injury risks associated with the demands of elite basketball.

The deal also provides for the development of next generation analytics to be made available to NBL fans across all NBL platforms, including the provision of live game-day data for media and broadcast purposes. Catapult will also support the league to secure new brand partners across new sponsorship categories.

Acquisition funding and additional working capital secured

On 13 July 2016, Catapult launched a fully-underwritten \$100m equity raising which comprised an approximately \$91m institutional placement and entitlement offer and an approximately \$9m retail entitlement offer (“Equity Raising”). The institutional component of the Equity Raising settled on 22 July 2016. The retail entitlement offer settled on 10 August 2016.

The final offer price of \$3.00 per share was determined via a bookbuild, with bids accepted across a range of \$2.70-\$3.30 per share (Offer Price). Strong demand for the oversubscribed offer means that the Offer Price represented a 7% discount to the volume weighted average price (VWAP) for the 15 trading days prior to offer launch (15-day VWAP) and a 1% discount to the 30-day VWAP.

About Catapult

Catapult is an Australian multinational corporation that is revolutionising the way athletes worldwide are being monitored and analysed in training and competition.

Developed in Australia in conjunction with the Australian Institute of Sport, Catapult's wearable athlete tracking platform has become the most widely accepted solution globally. As of February 2016, over 900 elite and professional teams are customers of Catapult's solution, competing in the largest and most prestigious sporting codes. Despite this market share, Catapult estimates only a small fraction of all elite and professional athletes currently have any wearable solution in place.

Some of Catapult's recent championship winning clients include:

- Western Bulldogs (AFL, Australia)
- Denver Broncos (NFL, USA)
- Leicester City FC (English Premier League, UK)
- Real Madrid CF (UEFA Champions League)
- Bayern Munich (Bundesliga, Germany)
- Beşiktaş JK (Super Lig, Turkey)
- Cronulla Sharks (NRL, Australia)
- Adelaide United FC (A-League, Australia)
- Saracens RFC (Premiership Rugby, UK)
- University of Alabama (NCAA gridiron, USA)
- Guangzhou R&F FC (Chinese Super League)

For a more detailed list of Catapult clients please visit <http://www.catapultsports.com/au/clients/>

Acquisitions of XOS and PLAYERTEK

XOS Technologies, Inc. (XOS) is a US-based company providing innovative digital and video analytic software solutions to elite sports teams throughout the United States. Founded in 1999 and headquartered in Boston, Massachusetts, XOS introduced the first digital coaching system to the professional sports market. With a team of 87 employees, XOS today has more than 400 clients and is considered the leader in designing custom digital video solutions to optimise sports coaching in the US professional and college sports market.

Based in Ireland, Kodaplay trading as PLAYERTEK is a leading developer of wearable analytics software solutions for the 'Prosumer' market – primarily targeted at amateur footballers and clubs/organisations. Over 140 teams in Europe have adopted PLAYERTEK's solution since they were commercially launched in June 2015.

Following the acquisitions of XOS and PLAYERTEK, the Catapult Group of entities has grown to over 213 staff in more than 11 countries, with major offices in Australia, the United States and the United Kingdom.

For more information on Catapult, please visit:

Investor Centre – <http://www.catapultsports.com/au/investors/>

Website – www.catapultsports.com

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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Note: The following cash flow statement was prepared on a consolidated basis and includes cash flows from XOS Technologies Inc after 12 August 2016 and Kodaplay Limited after 11 August 2016.

Name of entity

Catapult Group International

ABN

53 164 301 197

Quarter ended ("current quarter")

30 September 2016

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	14,245	14,245
1.2	Payments for		
	(a) research and development	(147)	(147)
	(b) product manufacturing and operating costs	(4,507)	(4,507)
	(c) advertising and marketing	(467)	(467)
	(d) leased assets	(52)	(52)
	(e) staff costs	(5,755)	(5,755)
	(f) administration and corporate costs	(2,108)	(2,108)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	41	41
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	(2)	(2)
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	(32)	(32)
1.9	Net cash from / (used in) operating activities	1,216	1,216
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment ⁽ⁱ⁾	(466)	(466)
	(b) businesses net of cash acquired (see item 10)	(81,955)	(81,955)
	(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(d) intellectual property	-	-
	(e) other non-current assets ⁽ⁱⁱⁱ⁾	(666)	(666)
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(83,087)	(83,087)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	100,335	100,335
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(4,826)	(4,826)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	95,509	95,509
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	3,643	3,643
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,216	1,216
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(83,087)	(83,087)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	95,509	95,509

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	36	36
4.6	Cash and cash equivalents at end of quarter	17,317	17,317

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	17,317	3,643
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	17,317	3,643

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
(553)
-

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(242)
9.2 Product manufacturing and operating costs	(6,006)
9.3 Advertising and marketing	(574)
9.4 Leased assets	(125)
9.5 Staff costs	(7,678)
9.6 Administration and corporate costs	(4,115)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(18,740)

Note

The above estimate includes the expected cash outflows from XOS Technologies Inc and Kodaplay Limited for the entire quarter ending 31 December 2016

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	XOS Technologies, Inc.	
10.2 Place of incorporation or registration	Delaware, United States	
10.3 Consideration for acquisition or disposal	A\$78.463 million	
10.4 Total net assets	A\$25.929 million	
10.5 Nature of business	Video analytics for elite sports	

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	Kodaplay Limited	
10.2	Place of incorporation or registration	Ireland	
10.3	Consideration for acquisition or disposal	A\$3.492 million (cash component only, A\$1.673 million in scrip consideration was also provided)	
10.4	Total net assets	A\$1.473 million	
10.5	Nature of business	Wearable analytics	

Notes

- (i) 'Property, plant and equipment' includes Capitalisation of hardware sold under subscription model.
(ii) 'Other non-current assets' includes Capitalisation of product development activities.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



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(Director/Company secretary)

Date: 31 October 2016

Print name:

Anand Sundaraj
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