

Catapult Group International Ltd – Annual General Meeting

Wednesday, 22 November 2017

Address by Executive Chairman, Dr Adir Shiffman

Good afternoon Ladies and Gentlemen.

It's a pleasure to be able to speak with you all today.

First, some house-keeping. I will commence proceedings today with a discussion of some of the key areas the Board has been focusing on, including Catapult's strategy, plans for continued growth, and how we're thinking about resourcing the business to ensure we are best placed to execute against these.

I will then provide some brief comments about the transformational year that was FY 2017, before handing over to Joe, to focus on the performance of the business this year and our outlook for FY 2018.

Turning first to Catapult's strategy, we've been very consistent in communicating our long-term business objectives. We see ourselves as the world leader in creating technology to build and improve the performance of athletes and sporting teams. From this strategy stems our three core pillars.

These are to:

1. own the performance technology stack for elite sport;
2. commercialise our unique elite wearable and video data sets; and
3. leverage our elite market dominance into the prosumer market.

We've made considerable progress with respect to our first strategic pillar, and let me first be very clear about Catapult's market leadership globally. We are one of Australia's true international technology success stories and in many respects the world leader in performance technology for elite team sports. We started right here in Melbourne, but our reach now extends throughout the world, with over 300 staff globally and major offices in the US and Europe. We are a truly international company with less than 7% of our rapidly growing revenue coming from Australia.

Our clients include over 1,500 elite sporting teams, including many of the most well-known brands in the world. We have signed 9 major league-wide deals including, in Australia: the AFL and ARU, in Europe: the Welsh Rugby Union, and in the US: the National Hockey League.

Whereas the largest footwear and apparel companies in the world pay significant dollars to sponsor these teams and leagues in order to have an association with their performance, these same teams and leagues are paying us for our unique performance insights and data content.

The teams and leagues mostly pay us on a contracted, ongoing subscription basis which is a secure and consistent way to generate revenue for our shareholders and shows the significant long-term value proposition we provide to them.

Not only do we have the largest client-list in the wearable analytics category for elite team sports, we invented this category. Once considered a hardware-centric offering, we believe the world now

recognises the deep value that lies not just in the device itself, but in the data it generates and analyses, and this is consistent with the feedback we receive from our clients.

Not only do we have over 1,500 elite clients generating over \$46m in annual recurring revenue, the elite market overall is barely penetrated, and we are working daily towards winning it.

Our products offer an end-to-end solution, capturing data both in-practice and live in-game, with our proprietary cloud-based data analytics platform, OpenField, crunching the numbers behind the scenes.

And in August last year, we completed the \$80m acquisition of XOS Technologies – the US market leader in digital and video analytics software for elite team sports.

Not only did the XOS acquisition transform the financial scale of our business, it equipped Catapult with a product offering spanning the two key performance technology verticals in elite team sport.

So now, not only are we the world leader in wearable analytics, but we are also the dominant provider for North American elite teams across the vital video category too.

We're seeing a huge shift in elite sport, with advances in technology driving the proliferation of data sources across sporting environments. The size of Catapult and our unique reach means we are extremely well-placed to take advantage of this progression. To that end we raised some capital in May this year and used a portion of the proceeds to buy the SportsMed Elite and Baseline Athlete Management System (or AMS) products from Brisbane-based SMG Technologies.

The addition of an AMS product to our elite offering extends our elite product leadership. Our elite products are powerful and market-leading in their own right, and are also the building blocks of an integrated technology stack that we think can become the favoured platform or 'home' of elite team sports data and analytics.

What should be obvious and crystal clear is that Catapult is an innovative global leader in sports technology, and continues to grow rapidly into this mostly untapped international market.

I will now turn to our second strategic pillar. FY17 was the first year in which we showcased our media and fan engagement capabilities. This coincided with the completion of our ClearSky local positioning system development upgrade, which is now installed in over 16 stadiums globally. We partnered with Australia's professional basketball league, the NBL, to overlay new and exciting metrics during live broadcast. We also partnered with Australia's major sporting leagues, the AFL and NRL, to power the 'Telstra Tracker' which provided live broadcast content during the NRL State of Origin games and brand new insights via the AFL Live Mobile App.

We believe that Catapult is the only company in the world that can offer leagues a solution that solves the needs of players, teams, leagues, media partners, sponsors, and fans in one full stack technology platform. For players and teams, we now sell products offering enhanced performance, improved player welfare, and tactical insights; all via our wearable analytics and our XOS video solutions. For leagues and media, we provide solutions that drive deeper fan engagement, new narratives for commentary, shoulder programming content, second screen metrics, digital rights imagery and even management systems. We also create new opportunities for sponsors to link their brands to this next generation of performance innovation. All of this creates compelling incremental revenue opportunities for Catapult, whilst also driving new revenue streams for our partner leagues.

To be clear, it is early days and we still have work to do to on our data commercialisation model and economics, but we are encouraged by the significant steps Catapult has taken this past year.

Turning now to our third strategic pillar, the prosumer opportunity.

We signalled our intention to move into the 'prosumer' market – which extends to serious athletes at junior clubs, as well as sub-elite and semi-professional athletes – with our acquisition of PLAYERTEK in August last year.

The scale of this market is extremely large. Whilst we are excited at the significant greenfield potential of our elite business, based on the work we've done we are confident that the prosumer opportunity is far bigger in terms of addressable teams and athletes. This is a highly attractive market and as the leaders in the elite market, Catapult is uniquely positioned to leverage this authentic relationship. We benefit from the marketing halo effect of working with the top global elite sporting brands, and can also generate content and engagement that leverages our growing elite data sets and technological expertise.

Catapult has deployed the prosumer investment in a carefully staged and measured manner and we are pleased with our progress to date. The prosumer business unit delivered a great deal in FY17, including upgrading the PLAYERTEK hardware and software application layer to launch PLAYERTEK by Catapult. The launch of this upgraded product saw PLAYERTEK sales in the fourth quarter FY17 deliver close to double the total combined sales of the first three quarters of FY17. In addition, we moved production and logistics from Ireland to our new Taiwanese operation, and upgraded our back-end systems to ensure they can scale to support what could be a large new consumer product category. Most significantly, we have been deep in the development of an all-new prosumer product and are today excited to announce that its official launch is scheduled for the fourth quarter of FY18. We believe it represents a transformative step and will be the benchmark for a new product category.

On behalf of the Board, I would like to acknowledge that our success in executing against these highly ambitious company goals has been due to an outstanding leadership team and the more than 300 highly committed and capable staff that comprise Catapult. Recently we've attracted some extremely high-calibre new management to the business, and I welcome Joe Powell as our new CEO and Mark Hall as our new CFO. Both have deep experience within ASX-listed technology companies, and we are now well-positioned for the next big step up in the story of Catapult.

Joe joins us from ASX-listed SEEK Limited where he served in a range of senior leadership roles, having spent more than a decade contributing to the impressive growth of SEEK as part of a team that created a global category leader. As a Director of the Richmond Football Club Joe has had an exciting and successful year in 2017, and the Board and I look forward to watching him enjoy the same winning form at Catapult into FY18.

Joe's appointment came at the end of a planned and deliberate handover from our co-founder Shaun Holthouse. Shaun recommended that Catapult enter its next phase of growth with the appointment of an experienced, growth-oriented, professional CEO and the Board supported this view.

As the founding CEO, Shaun conceived the idea for Catapult with his co-founder Igor van de Griendt. During his time as CEO the business transformed from a small, local Australian start-up to a truly global category leader and one of Australia's great tech success stories. He has been instrumental in Catapult's explosive growth, and his contribution to the long-term strategic vision has been fundamental to our success. Like all of us, I know that Shaun believes that Catapult is still early in the journey to reach its full potential and he remains passionate and committed to making Catapult a

significantly bigger and even more successful business into the future. The Board and I would like to express our deepest gratitude for his time leading the company, and we look forward to his ongoing contribution at Catapult.

I would also like to thank two other executives for their contributions. Brian Kopp joined Catapult in 2014 to build and run our US operations and left the business following the successful integration of the XOS acquisition. He was central to Catapult's US growth, and remains a valued advisor to the company. Shane Greenan, our former CFO, resigned his post in October this year and his dedication and commitment to the business over the past 12 months was extremely valuable. We wish both Brian and Shane the very best in their future endeavours.

Finally, I want to thank my Board colleagues, our highly capable leadership team and all of our staff for their continued dedication and commitment to creating a truly dominant, global leader in sports technology. And thank you to all of our shareholders for your loyal belief in our long-term vision.

We strongly believe that the Catapult journey has only just begun.

I will now hand over to Joe Powell, who will present his review of the 2017 financial year and our guidance for the current financial year.

Dr Adir Shiffman
Executive Chairman