



2019 ANNUAL GENERAL MEETING

CHAIRMAN'S ADDRESS



CATAPULT GROUP INTERNATIONAL LTD
ACN 164 301 197

DATE: 27 NOVEMBER 2018
TIME: 10:00AM (AEDT)
LOCATION: CATAPULT OFFICES
75 HIGH STREET, PRAHRAN

CHAIRMAN'S ADDRESS

The process of identifying and appointing a new CEO for Catapult was a complex one, and unsurprisingly took some time.

To lead Catapult to our next stage of growth, we require a CEO with both personal experience scaling a subscription technology company from \$100m upwards, and also someone with personal experience running a globally distributed organisation. Either one of these would be difficult on its own, but taken together we were searching for a truly special individual.

In Will Lopes, we found just this person. A seasoned senior executive from Amazon subsidiary Audible – a business with which many will be familiar – Will was most recently their Chief Revenue Officer. He has had many and varied roles including expanding the organisation globally. His experience in the Amazon way of success, combined with a high intelligence, an incredible work ethic, and a sky-high level of ambition make him the perfect CEO for Catapult.

I mentioned that the process was long and very engaging, and I would like to thank Brent Scrimshaw who, as Chair of our Nominations and Remuneration Committee, dedicated a significant amount of time to oversee a thorough and comprehensive process.

Will Lopes commenced as your CEO on 11 November. His energy and vision are already evident in the business. I will now ask Will to introduce himself to shareholders and give you the opportunity to hear directly from him. Please welcome Will Lopes.



Shareholders, directors and fellow employees.

I spent some time in Australia and this region in my time with Audible. I am genuinely excited to be back in this part of the world, now leading another high potential growth business. I was attracted to this role for a whole range of reasons. Some of these are:

1. The remarkable leadership position - on a global scale - that has been achieved to date by Catapult.
2. The elite sports industry, where Catapult is front and centre, is on a growth trajectory like few sectors in the world economy
3. The founders, directors and team of 340 people in the business have shown great resilience and focus in delivering on FY19 guidance without interference from market noise, changes in the executive team or a fluctuating share price.

All of that is a foundation for a much bigger future for this business. I look forward to bringing my skill set and experience deep within a much bigger growth business. My focus is on capturing that growth, and inspiring this team, which should in turn result in rewarding you as shareholders.

It is important to acknowledge the work of the business founders and executives who preceded me and congratulate them on what has been done to date.

I look forward to updating you this time next year on what we have accomplished and the growth vision ahead.

Thank you.

Thank you Will.

I will now turn to the Chairman's address. On behalf of your Board

I would like to:

- provide a short review of the 2019 financial year
- highlight why Catapult has global leadership and such a strong reputation in the elite sports tech industry
- detail how the business has carried momentum into FY20; and
- share our expectations for the rest of FY20.

FY19 RECAP

Catapult's purpose is to improve the performance of athletes and teams, and 2019 was arguably the most important year in our 13 year history.

Catapult's global scale and emerging operating leverage became more evident during FY19. The Company added a record 1,100 new teams as customers and delivered its first positive EBITDA result.

After a years-long commitment to building a subscription revenue software company, I am pleased to say that the majority of our revenue and almost all of our growth is being driven by subscription software, also known as SaaS or software as a service.



This shift to subscription software revenue – revenue that is high growth, high margin, and very low churn – means that Catapult is now beginning to experience the scalability typical of other successful subscription software businesses globally. In 2019 we saw accelerating revenue growth together with falling expense growth. When taken together, this dynamic is leading us to a scalability inflection point that has already delivered EBITDA profitability and is propelling us towards net cashflow positivity by FY21.

In FY19 we delivered our maiden positive EBITDA result in a year that still included material investment in R&D and the launch of several new and innovative products. Our FY19 achievements included the launch of the new elite wearable platform, Catapult Vector, as well as significant developments in Catapult Vision, our AMS product and our consumer product PLAYR.

Vector provides a new standard for accuracy, usability and efficiency to empower critical decisions around performance, risk and return-to-play. The company is pleased with Vector's initial take up by customers and is committed to remaining the industry's global leader in technology and product innovation.

GLOBAL LEADERSHIP AND REPUTATION

Catapult is the global leader in the sports performance technology industry. We work with more than 2,970 teams in 137 countries across 39 sports. Leveraging our global scale we delivered significant revenue growth across all regions.

Many people often don't realise that the Americas region continues to be Catapult's largest market and the Company recently passed 1,000 teams in North America, including 11 of Catapult's top 15 clients by revenue. Pleasingly, the Americas continued to deliver strong revenue growth, with revenue rising 19% to \$65 million. This region accounts for 69% of Catapult's revenue and continues to represent a key market opportunity with a very large unaddressed market.

Elsewhere, the EMEA region was a standout for growth with revenue growing 44% to \$20 million. The promising Asia-Pacific (APAC) region grew revenue by 40% and the more mature Australia region still reported revenue growth of 20%.

Catapult's Elite wearables revenue grew by 33% to \$45.3 million with an all-time record volume of units sold. Unit ARPU was stable and subscription churn fell further. This is a strong growth story.

Catapult's elite video revenue grew 14% to \$44.8 million, with 544 teams now using Catapult's video products. Demand continues to be strong, and in line with the Company's growth strategy this product suite delivers high gross margin subscription revenue.

Whilst the video business unit has traditionally focused on North American clients, this division is beginning to develop a global footprint. FY19 was an important year for this global expansion following the launch of Catapult Vision, Catapult's newest video solution that delivers high margin subscription revenue and addresses a wider range of international sports.

The prosumer category grew 54% to \$5.3 million, driven by the PLAYR consumer product. Consistent with Catapult's communicated strategy, the prosumer division is right-sized to focus on controlling expenditure and cash flow, while capturing the large potential market opportunity across the sub-elite and consumer segments in a measured way.



Regular updates to the PLAYR offering have enhanced the high engagement delivered to its growing customer base. If you or someone close to you is a soccer player and are not currently using PLAYR, I'd encourage you at the very least to download the free PLAYR app, which also includes a brand new, premium version for the Apple Watch. I'm confident you will love the experience.

Employing more than 350 people in a global workforce Catapult continues to have its major offices in the large sporting capitals of Melbourne, Boston, and Leeds. We invested in our sales and marketing capability over the last two years and expect to leverage the future growth opportunities in the elite market.

MOMENTUM HAS CARRIED INTO FY20

Our momentum has carried into FY20 as we expected. We have seen strong sales and interest in our new products Vector and Vision, closed important contract renewals and expansions, and as forecast have reported a growing cash balance.

Last month we reported Catapult had passed 100 teams on new Vector technology platform. Despite the exclusively Australian soft launch in late FY19, 91% of all teams now signed to Vector are based outside Australia and 73% are soccer and rugby teams in the EMEA region. Vector has been granted fully compliant status with all FIFA and World Rugby standards, enabling its adoption by 85 soccer teams and 10 rugby organisations within a short period of time.

We recently announced an important partnership renewal and extension with the ARU. Vector technology will be deployed across all Australian representative teams, Super Rugby franchises, academies and match officials.

As I mentioned earlier our new video solution, Catapult Vision, is a very important part of our strategy to build out the performance technology stack in elite sports, and to expand our video offering beyond North America. We are seeing some positive early trends with this product in market and as we shared in our full year results, a major focus of Catapult Vision is the opportunity to cross sell to the vast majority of Catapult teams that current have only one Catapult product. I'm pleased to update you that we are seeing early signs of success in this regard and Vision is proving particularly popular with basketball and soccer teams.

As we expected our cash at bank balance has grown steadily through the first months of FY20. As at 30 September 2019 we were in a strong financial position with \$26.9 million cash.

KEY APPOINTMENTS

Some of the most exciting developments in the history of Catapult have occurred over the past two months, and I'm referring of course to the appointment of a new CEO and CFO, and the addition of another independent non-executive Director.

On October 30 Will Lopes, the former Chief Revenue Officer of Amazon subsidiary Audible was appointed CEO. Will brings world-class technology and growth experience from one of the world's most successful technology businesses.



With Will as CEO, the Board is confident that we have a leader with global experience, huge ambition, and the proven ability to help us create the most impactful and successful technology company in sport. After hearing him speak today I am confident you also agree.

We also announced the appointment of Hayden Stockdale as CFO, and he will commence by mid-February 2020 and be based in Melbourne. Hayden has had a successful Australian and international career spanning both finance and general management roles, and prior to his executive roles he enjoyed a successful corporate finance and banking career working in Melbourne, Sydney, HK and London. We are excited for Hayden to commence.

Our final appointment was a new independent non-executive director, Michelle Guthrie, who will commence on December 1st. Michelle brings to the Board a strong and unique mix of media, technology, legal, private equity, and business development skills, obtained both in Australia and overseas, through her distinguished career.

Michelle's appointment as an Independent Director and other recently announced changes were consistent with the Board's commitment to enhancing the diversity of our skills and experience mix ahead of Catapult's next phase of global growth.

With the appointment of Will Lopes as CEO, Hayden Stockdale as CFO, the addition of Michelle Guthrie as an Independent Director, and a strong cash balance I am confident the business is now better positioned than ever before to deliver on our ambitious growth plans.

It would also be remiss of me not to single out for special mention our outgoing Non Executive Director Calvin Ng, who retires after today's AGM. Calvin was appointed to the Board in 2013 and has most recently been Chair of the Risk and Audit Committee. Over the course of his approximately six years as a Director he has been a key contributor to the success of Catapult. As the co-Founder of Aura Group, he led Catapult's Series A capital raising in 2013 at which time he joined the Board.

Over the past six years, Calvin has been an integral part of the group's capital management and M&A activity. He was heavily involved during the IPO process in 2014 and played a particularly important role during the acquisition of XOS in 2016. If not for his involvement Catapult quite simply would not be where we are today.

Calvin is a highly intelligent operator and one of the few finance people I have met who straddles businesses from early stage startups to more mature companies. I am grateful for the support he has given me over the past six years and on behalf of the Board and the entire company I thank him most sincerely for his passion and commitment to Catapult and wish him the very best in his endeavours.

OUTLOOK

Given that Will Lopes is just two weeks into the role of CEO, obviously we will not be providing guidance today; however, to reiterate, the Board expects continued strong revenue growth, and the emerging scalability will further reduce operating expense growth.



There are three key drivers supporting continued revenue and profit growth: greenfield sales to new teams, up-selling additional capacity to existing clients, and cross-selling additional products to the more than 2,800 existing clients that still use only one Catapult product.

Executing these growth opportunities will progress Catapult's transition to positive free cash flow. I reiterate the company's commitment to positive free cash flow by FY21. We are focused on bringing forward this positive free cash flow target.

Your Company is at an extremely exciting time in its history, with the ambition, capital, and skills to become a truly great global technology company.

Finally, on behalf of the Board I wish to thank the athletes, teams and shareholders for their continued support in the past year. Above all, though, it is the 350 dedicated, committed, hardworking and passionate staff who delivered the strong performance I have shared today, and Catapult's continued growth would not be possible without them.

Thank you.