

COVID-19 BUSINESS UPDATE



27 MARCH 2020

Catapult Group International Ltd (ASX:CAT, "Catapult" or the "Company") provides a business update with particular reference to the impact on the business from COVID-19.

Given recent temporary closures of sporting events Catapult thought important to provide the market with a business update. At Catapult, our thoughts are with those impacted by recent events, from athletes who can't perform despite years of training, to employees supporting stadiums which may be impacted financially, and to those who are impacted by health complications.

STRONG CASH AND FINANCIAL POSITION

Catapult commenced H2 FY20 in a position of financial strength, with a balance sheet that included \$24.7 million of cash at bank, after delivering positive free cash flow of \$13.6 million in H1 FY20.

Catapult remains well capitalised, and as a matter of prudence has drawn down USD\$5 million from an existing debt facility, resulting in a current cash position of over AUD\$30 million.

Catapult management is closely monitoring business performance, controlling costs, and managing working capital to ensure the company maintains a strong cash position while minimising disruption to the business. The company is comfortable that, through its cash reserves and management of cash flow, its ability to reach positive free cash flow has not been materially impacted.

The Company reiterates its commitment to positive free cash flow by FY21, and remains focused on bringing this forward to the extent possible.

CUSTOMER DEMAND

Catapult's customers continue to use and purchase our solutions, preparing athletes to return in peak condition once competitions recommence.

However, the immediate COVID-19 crisis may impact timing on purchasing decisions by some customers. Given the delays and temporary closures of many sporting bodies, we anticipate Q4 FY20 new sales growth is likely to be negatively impacted.

We are confident this will not impact Catapult's long-term sales trajectory nor the value proposition we offer customers.

It's worth noting that approximately 75% of Catapult's revenue is subscriptions-based, supported by long term contracts and customer relationships, and that Catapult is currently benefiting from the weakening of the Australian dollar.

EMPLOYEE AND CUSTOMER SAFETY

Catapult has acted decisively to ensure the safety of all employees and customers, while minimally impacting our business.

Two weeks ago Catapult implemented a work from home policy for staff to lessen the danger of spreading the virus. Similarly, we are restricting travel while using various remote systems to support customer service levels, which we do not believe have been materially affected.

Precautionary measures will continue to be taken to protect the wellbeing of staff and customers, including adherence to prevailing advice from relevant health authorities.

SUPPLY CHAIN MANAGEMENT

To date our supply chain has experienced some delays but is without any meaningful disruption. We have recently received deliveries from our Chinese suppliers.

We remain in regular contact with our manufacturing partners and component suppliers in order to manage end-to-end production capacity, materials and component availability, and logistics.

COMMENT

Commenting on the recent COVID-19 crisis Catapult's CEO Will Lopes said:

"Despite the recent disruption this crisis caused in sports, Catapult remains focused on delivering on its mission and strategy. We are the global leader in solutions and products that help teams and athletes improve performance, on and off the field, a value proposition that will not change. I am proud of our internal efforts to support our customers through this unprecedented disruption.

"Our strong cash position allows us to navigate this crisis, which will strengthen our competitive position in the long-term."

Authorised for release to ASX by the Catapult Board.

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