CATAPULT

Play Smart. Defy Limits.

Annual Report 2017

Our **Strategic** Pillars

Our purpose:

To build and improve the performance of athletes and sporting teams.

What do we do?

We create technology to help athletes and teams fulfil their true potential.

OWN THE PERFORMANCE TECHNOLOGY STACK FOR ELITE SPORT

- Aggressively grow share in elite sport globally
- Maximise and deepen elite customer relationships
- Extend elite product leadership

LEVERAGE ELITE INTO PROSUMER

- Target prosumer market with a dedicated offer
- Elevate the Catapult brand

COMMERCIALISE ELITE WEARABLE AND VIDEO DATA

- Explore avenues to generate incremental income from elite performance data

Organisational excellence

We have codified Catapult's purposes and values to drive continued organisational excellence as Catapult's business scales globally

Key Achievements in FY17

01. Continued strong growth of elite wearables

> 52% YoY elite wearables revenue growth in FY17 to $26.4m (vs $17.4m in FY16)

02. Taking XOS to double digit growth

> Pro-forma XOS revenue growth of 10.4% in FY17 (vs 3.6% in FY16)

03. First year of positive underlying EBITDA

> $2.9m of underlying EBITDA in FY17, Catapult's first positive underlying EBITDA result since listing on the ASX in December 2014

04. Strategic acquisitions

> **XOS:** Compelling combination bringing together market leaders in wearables and video tech for elite teams

> **PLAYERTEK:** Proven, commercialised solution accelerating Catapult's entry into prosumer market

> **AMS:** Parent layers AMS product widening the scope of Catapult's analytics offering and tech stack across elite and prosumer

05. Validated data commercialisation model and delivered key learnings

06. Continued R&D delivering significant product enhancement

07. Laying down prosumer foundations

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Letter from the Chairman and CEO

Dear Shareholders,

On behalf of your Board of Directors, it is our pleasure to present the Catapult Group International Ltd Annual Report for the financial year ended 30 June 2017 (FY17).

FY17 has been a truly transformational year in both scale and scope for Catapult. We have grown both organically and through targeted acquisitions to become a leading global provider of technology platforms that improve sports performance.

OUR PURPOSE AND STRATEGY

Catapult is now a global team of over 300 people, and in FY17 we codified our purpose and values, and a key focus of ours into FY18 and beyond will be to drive organisational excellence as Catapult's business scales globally. Our purpose as an organisation is to build and improve the performance of athletes and sporting teams, and we're proud to be able to say that we executed on that vision in FY17.

We believe in our strategy, and will continue to execute in line with our three strategic pillars—owning the performance technology stack for elite sport, leveraging that elite dominance into the prosumer market and looking to commercialise our elite wearable and video data.

TECHNOLOGY FOR ELITE SPORTS

Our elite hardware and software products have evolved from a wearable offering in FY16 to an integrated technology stack in FY17 now positioned to capture data and deliver insights across a wide range of club data sources.

In August 2016, we acquired XOS Technologies, Inc. – a US-based market leader in providing digital and video analytics software solutions to elite sports teams in the United States. This acquisition both transformed the financial scale of the business and strategically brought together the two key performance technology components in elite sporting club environments, deepening our elite customer relationships and extending our elite sports technology product leadership.

In August 2017, we also completed the acquisition of the SportsMed Elite and Baseline athlete management system (AMS) businesses from SMG Technologies Pty Ltd. The addition of an AMS platform to our offering is highly strategic, and will enable the expansion of the analytics Catapult can deliver to teams, using multiple data sources to deliver better outcomes for our clients and incremental commercial opportunities for the Group.

We estimate that the addressable market for our integrated technology stack (across wearables, video and AMS) is $450m–$550m of annual revenue. As a category leader, we are very well positioned to win this market through our existing sales and marketing network.

Encouragingly, the elite market opportunity continues to grow. We validated our data commercialisation model in FY17, overlaying broadcast data in the State of Origin and AFL Finals Series, in the process establishing an exciting showcase for leagues around the world. We also recently flagged our intention to develop a tactical analytics module that will leverage our existing wearable and video platforms and equip coaches with a more data-science driven approach to tactical coaching. Tactical analytics is another compelling product and market expansion opportunity, and we're taking a measured approach to investing in the development of what we think is an emerging but soon to be essential part of the elite technology stack.

PROSUMER

We also acquired PLAYERTEK in August 2016, signalling our intention to move into the 'prosumer' market, which extends to serious athletes at junior clubs, and sub-elite and semi-professional athletes.

We estimate there are 10 to 20 times more 'prosumer' teams globally as compared with the elite market, and we made a measured investment in FY17 to prove out this opportunity. We re-launched PLAYERTEK as *PLAYERTEK by Catapult* in April, having re-engineered the product's software layer and developed new and consumer-facing sales channels. We saw early promising signs following our relaunch, with Q4 prosumer sales (post-relaunch) exceeding sales in Q1-Q3 combined by 1.8x. We've tested a number of ideas and assumptions about the market this year, and learnt a lot.

We're truly excited about what's to come in this space, and we're in a great position to attack this new and expanded addressable market once we release our next-generation prosumer product later in FY18.

FY17 RESULT

Alongside this transformational backdrop, we are proud to have delivered another outstanding year of growth for our shareholders, with statutory revenue up 249% to $60.8m, to $60.8m, delivering $2.9m of underling EBITDA, our first year of positive underlying EBITDA since our IPO. Our core elite wearables business continued to grow strongly, delivering $26.4m in revenue, up 52% from last year. In addition, the successful integration of XOS into the broader group saw it return pro-forma revenue growth of 10.4% in FY17, up from 3.6% last year.

OUTLOOK

As a business, we operate at the exciting intersection of technology and sport. Catapult is uniquely positioned to grow and win our market by ensuring we leverage our engaged global team and deep customer relationships to execute on our strategy. We're thrilled to be part of a high growth global business with a terrific purpose, clear strategy, market-leading technology, trusted and inspiring brands, very capable people, and numerous growth opportunities still ahead of us.

On behalf of the Board, we would also like to thank Shaun Holthouse for his enormous contribution to Catapult in his capacity as CEO. Shaun has been instrumental in driving the success of the business to date, and his thoughtful long-term strategic vision has been a key contributor to our market dominance. We look forward to his ongoing involvement as Head of Strategy where he will continue to be key leader and driver of Catapult's culture.

Finally, the Board wishes to thank and acknowledge the continued support of our new and existing shareholders, staff, and customers.

Regards,

Adir Shiffman
Executive Chairman

Joe Powell
Chief Executive Officer

Review of Operations

A summary of Catapult Group International Ltd's (Catapult, or the Company) consolidated results is set out below.

The financial year to 30 June 2017 (FY17) has been a transformational one for Catapult, both financially and operationally. This is a direct result of the Company executing clearly on its strategic pillars consisting of i) owning the elite technology stack for elite team sport ii) leveraging the halo effect from our elite business into the prosumer market and iii) developing new wearable and video data commercialisation opportunities for elite sport.

We are taking a measured approach to investing across these strategic pillars to cement our leadership in these core markets and further enhance our long-term growth prospects.

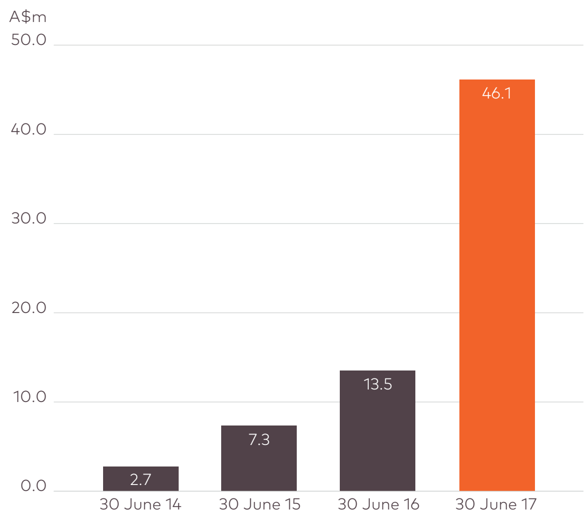
FY17 was another record result for Catapult financially. The Company achieved a statutory revenue result of $60.8m, up 249% on FY16 and was within the revenue guidance range set by management at our Annual General Meeting in November 2016.

FY17 GROUP FINANCIAL HIGHLIGHTS

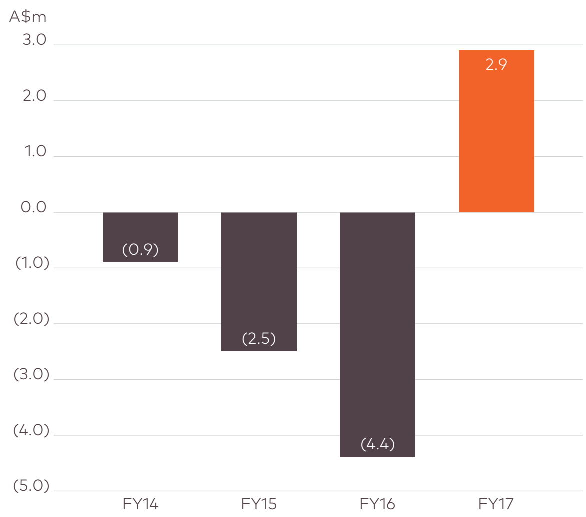
	FY17 $m	FY16 $m	YoY change
Subscription & services revenue	**43.0**	9.2	**368%**
Capital revenue	**17.2**	8.1	**112%**
Other revenue	**0.6**	0.1	**860%**
Total revenue	**60.8**	**17.4**	**249%**
Statutory EBITDA	**(3.7)**	(6.8)	**44%**
Underlying EBITDA	**2.9**	**(4.4)**	**↑**
Statutory net loss after tax	**(13.6)**	(5.9)	**(131)%**

The strong revenue growth was almost entirely driven by our Elite Wearables and Elite Video businesses. Furthermore, over 70% of FY17 total revenue was generated from long-term client subscriptions and services, up 368% on FY16 to $43.0m. Subscription and services revenue included $15.4m of Elite Wearable subscription revenues in FY17, up 67% on FY16, with the remainder made of up Elite Video subscriptions, product support and maintenance revenue, plus Elite Video content licensing. Capital (or one-off) revenue includes revenue from both Elite Wearable sales and Elite Video hardware and storages sales, with Elite Video capital revenue derived from new and existing subscription clients.

Group annual recurring revenue[1]



Underlying EBITDA



1. Annual recurring revenue = Monthly recurring revenue x 12.

Our continued focus on building a long-term subscription-based business has resulted in the Group's annual recurring revenue increasing 241% in the twelve months to 30 June 2017 to $46.1m. Furthermore, our measured approach to investing ensured the Group also delivered $2.9m of underlying EBITDA in FY17, our first positive underlying EBITDA result since listing on the ASX in December 2014.

DELIVERING AN EXPANDED PRODUCT OFFERING ACROSS OUR TWO KEY MARKETS: ELITE AND PROSUMER

In FY17 the Company has transformed into a global leader in the provision of athlete performance technology solutions to elite teams, a partner to professional sporting leagues with commercialisation of wearable and video data, and a newly-formed provider of wearable tracking solutions to prosumer teams.

FY16

> Elite wearable market leader and category pioneer

FY17

> XOS acquired
> PLAYERTEK acquired
> PLAYERTEK by Catapult launched
> Data commercialisation validated

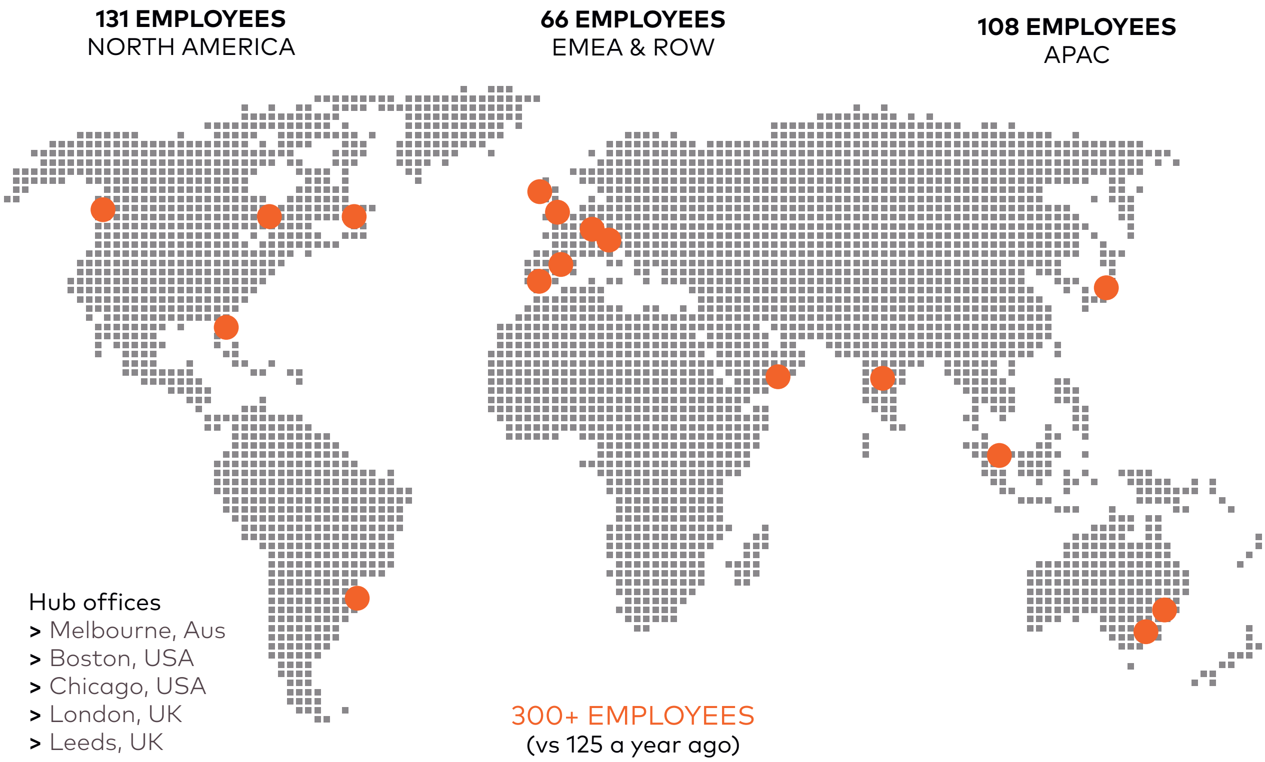
FY18

> AMS acquired
> Full prosumer release
> Tactical analytics development

Review of Operations

ESTABLISHING GLOBAL SCALE

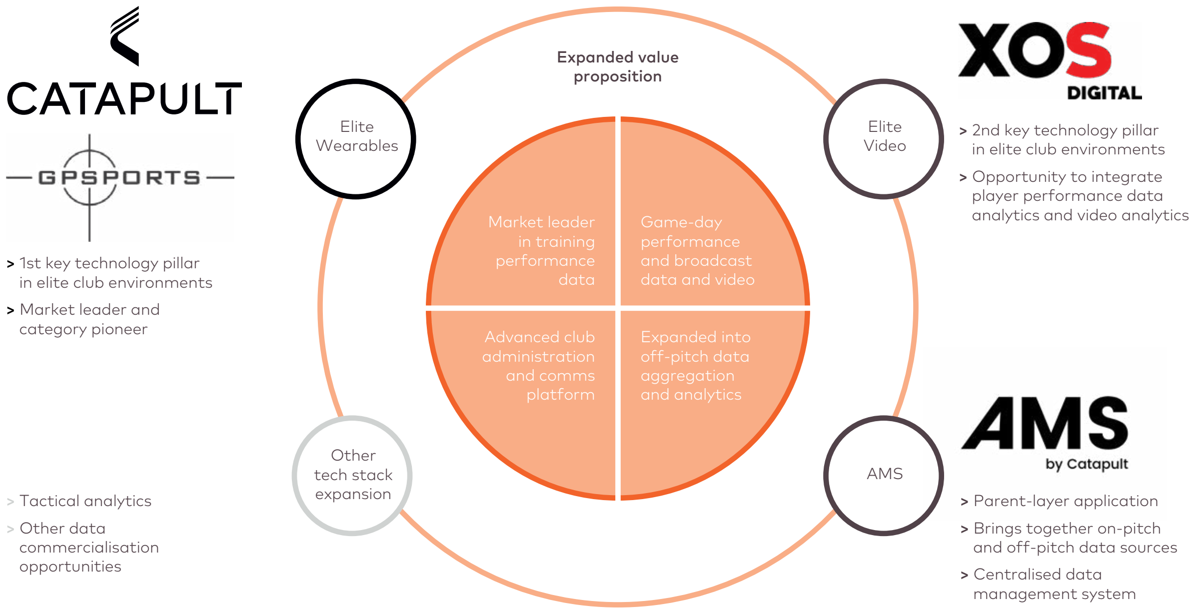
Our world-class team remains focused on driving continued product innovation and operational improvements in-line with our core purpose – to create technology to help athletes and teams perform to their true potential.



ELITE

Integrated technology stack for elite sport

The Group made significant progress expanding its technology stack for Elite through both organic product development and targeted acquisitions in FY17.



The result is a unique offering to Elite teams that is a true point of differentiation to our competitors, allowing us to continue driving deeper engagement with our client base of over 1,500 elite teams globally.

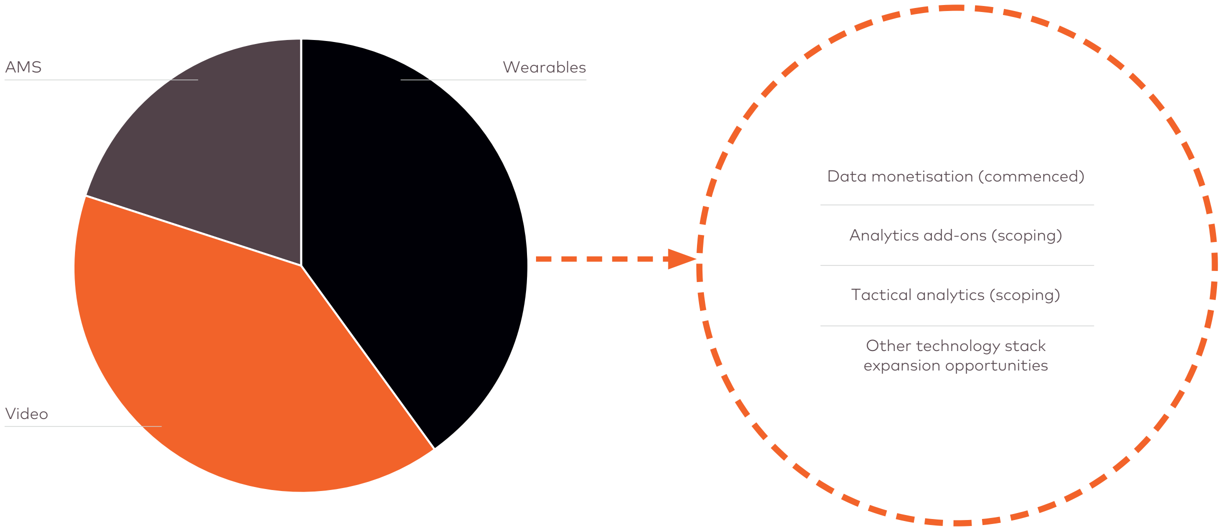
Review of Operations

Large elite recurring revenue opportunity

During FY17, we undertook an important review of our addressable market for Elite teams, with the in-depth study conservatively identifying 10,000 Elite teams with a combined annual recurring revenue opportunity of between $450m–$550m.

Growing addressable market $450m–$550m[2]

Future revenue growth



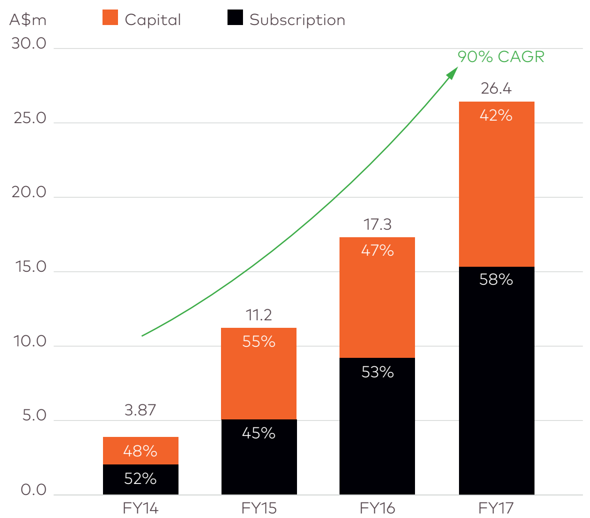
2. Management estimate.

As the clear category leader, we are very well positioned to win this market through our existing sales and marketing network and further expand our addressable market opportunity through a number of key initiatives in development, such as i) data monetisation ii) tactical analytics and iii) other analytics add-ons to our elite technology stack.

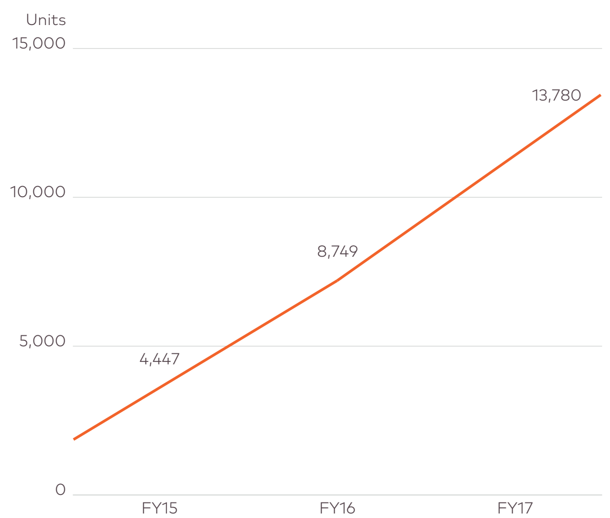
(1) Wearables

Our elite wearables business continues to grow strongly, with revenue up 52% to $26.4m. FY17 saw a continued increase in our recurring revenue base, with 62% of this year's all-time high of 9,712 elite unit sales on subscription, supporting the 58% increase in our subscription fleet to 13,780 units.

Elite wearable revenue



Elite wearables subscription base



Based on management's market sizing estimates, the elite wearables market remains significantly underpenetrated, with our marketing leading c. 1,200 elite wearable clients accounting for only 12% of the current addressable market.

Review of Operations

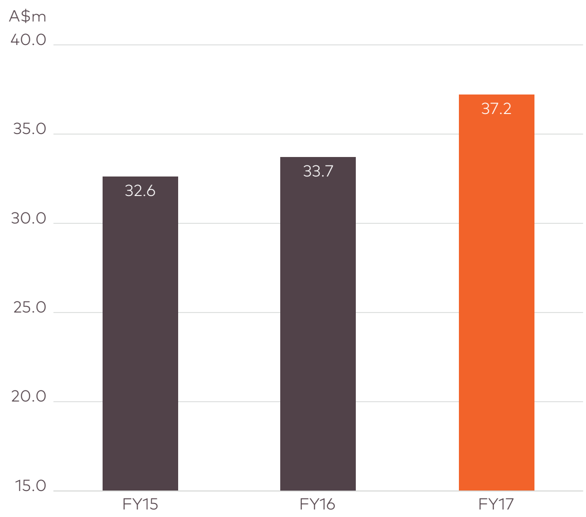
(2) Elite Video

On 13 July 2016, Catapult agreed to acquire 100% of XOS Technologies, Inc., for US$60m. XOS is the US-based market leader in providing innovative digital and video analytic software solutions to elite sports teams in the United States. The acquisition brought together the market leaders of elite wearable and video technology, the two key technology pillars in elite club environments, and has transformed the scope and scale of the Group.

The successful integration of XOS into the Group saw its top-line revenue growth accelerate to 10.5% in FY17 (vs 3.6% in FY16) on a pro-forma basis, with our combined North American sales team growing our elite video client base to c.430.

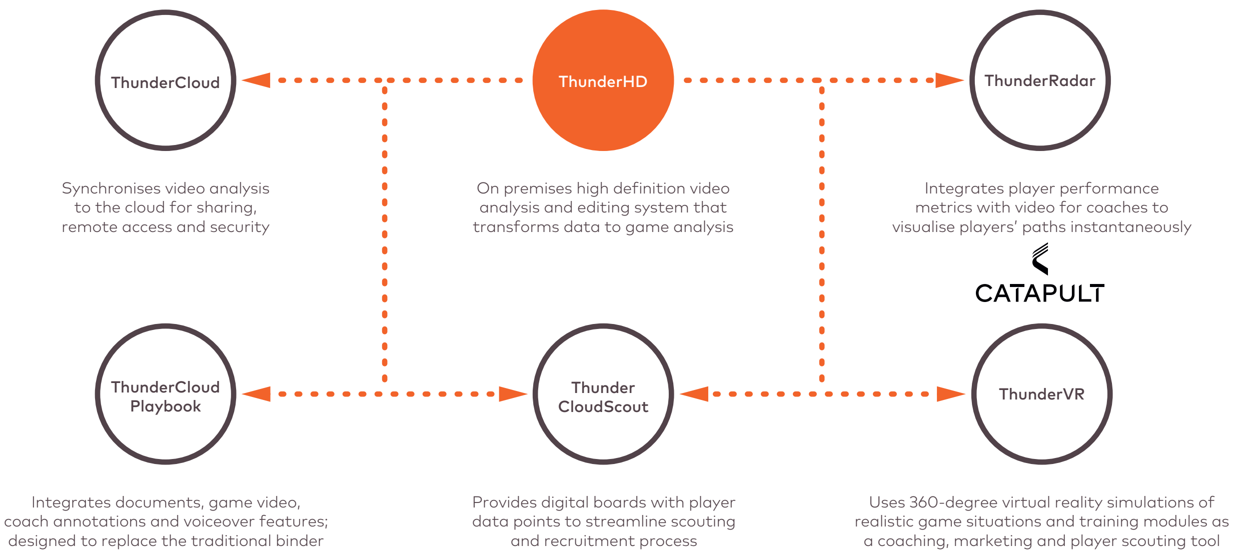
Our elite video clients account for only 4.3% of our current addressable market, based on management estimates, highlighting the growth opportunity available as we look to internationalise XOS's current client mix.

XOS pro-forma revenue[3]



3. Pro-forma basis, based on XOS management financials. FY17 includes XOS revenue from 1 July 2017. Converted to AUD on a constant currency basis (AUD:USD 0.75).

XOS Product Family



(3) AMS and Tactical Analytics investments

The Group acquired the SportsMed Elite and Baseline athlete management system (AMS) products from SMG Technologies Pty Ltd (SMG) for $1.9m in upfront cash consideration in August 2017. An additional $0.25m of cash and $0.25m of CAT scrip is payable to SMG subject to performance hurdles relating to the successful transfer and transition of the products to Catapult. Up to an additional $2m of deferred cash consideration is also payable over the next 2 years on incremental revenue generated from Catapult AMS sales.

AMS by Catapult is a SaaS, modularised, cloud-based platform that acts as a store of team data and information. AMS has the potential to become Catapult's analytics parent layer application, helping sporting organisations make better and more informed decisions utilising insights generated from their varied and often disparate data sources.

Strategic rationale of the AMS acquisition:

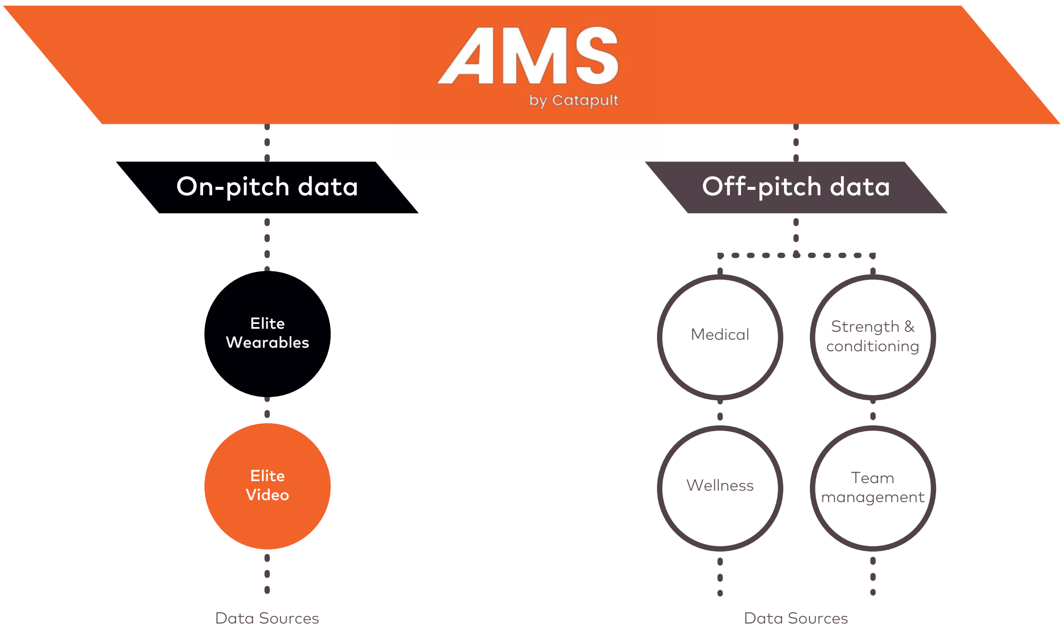
> Capability to provide teams with a centralised data repository and analytics platform across a wide range of club data sources;

> Incremental subscription revenue opportunity by selling to Catapult's existing client base;

> Potential to act as a key touch point for new clients to introduce them to Catapult's family of products;

> Enables the storage of, and access to, broader data streams to feed advanced algorithms;

> Acquisition delivers new clients and a compelling cross-sell opportunity in key target markets.



Tactical analytics is a planned product expansion that leverages our existing wearable and video platforms to equip coaches with a more data-science driven approach to key tactical considerations.

The funding required to develop and commercialise both AMS and Tactical Analytics was secured as part of our last capital raising in May 2017.

Review of Operations

COMMERCIALISE ELITE WEARABLE AND VIDEO DATA

In FY17 we validated our data commercialisation model, overlaying live data on broadcast feeds in the NBL, NRL State of Origin Series and AFL Finals Series, and providing select statistics directly to fans through the AFL Live App.

We have deep experience partnering with sporting leagues, and this demonstrates our ability to generate new revenue streams from our data via the adjacent 'sponsorship' revenue wallet by leveraging the relationships leagues have with their broadcast partners and sponsors.

These examples are an exciting showcase that Catapult can take to leagues around the world.

Above: Catapult data overlaid on live broadcast and published via social media channels, from the 2017 State of Origin Series (Rugby League).

Right: Catapult data provided directly to fans through the AFL Live Official App.

NINE LEAGUE WIDE DEALS ACROSS WEARABLES AND VIDEO

18/18 clubs plus development program
Data commercialisation framework

Wallabies
All Australian Super Rugby teams
Academy and under 20's
Mens and Womens Sevens
Data commercialisation framework

Womens US national team
10 league teams
Youth teams

National mens team (Test, ODI, and T20) and womens team
All state teams (Sheffield Shield, Matador Cup)

5 county teams
4 National Team squads
Data commercialisation framework

8/8 clubs
Data commercialisation framework

Argentina's Liga Nacional de Basquetbol
20/20 teams

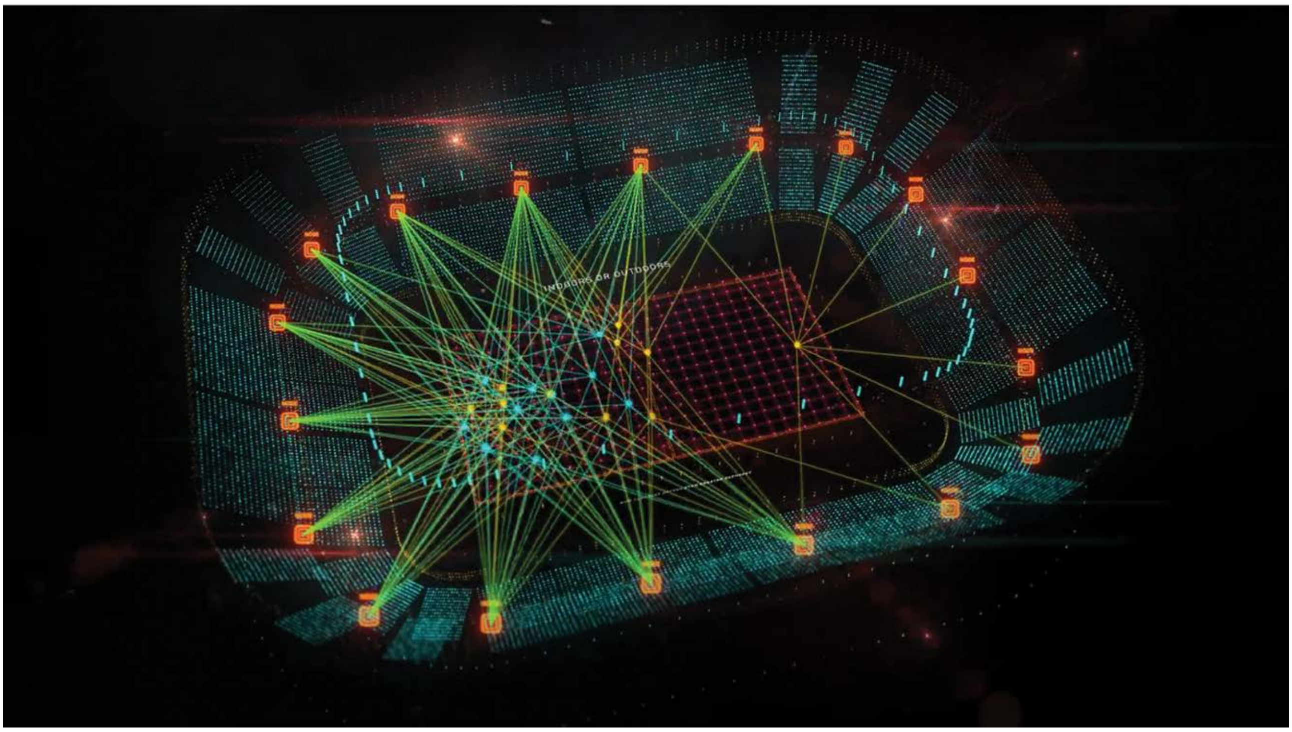
Welsh Rugby Union
9 teams, including international and regional sides

31/31 teams
Catapult's first video-based league-wide deal

Review of Operations

CLEARSKY – REVOLUTIONISING PLAYER MONITORING

Our ClearSky technology is a key component to our data commercialisation model. Rather than operating via satellites like a traditional GPS system, ClearSky relies on nodes placed around sporting venues, improving positional accuracy to under 10cm and allowing positional data to be collected in indoor stadiums.



Select ClearSky installations:

PROSUMER

1. MARKET OPPORTUNITY

We believe the prosumer market could be 10x – 20x the size of the elite wearable market, in terms of number of teams. Leveraging our authentic elite sport brand, list of clients, and access to scalable content, Catapult is uniquely positioned to go after what is an un-addressed sub-elite market for wearable devices in team-based sports.

2. ACQUISITION AND REDEVELOPMENT OF PLAYERTEK

Catapult acquired 100% of Kodaplay Limited (PLAYERTEK) in August 2016. Based in Ireland, PLAYERTEK had developed a wearable analytics product primarily targeted to amateur footballers and clubs/organisations.

In April 2017, the group announced a major upgrade of its prosumer offering, releasing *PLAYERTEK by Catapult*.

The upgrade re-engineered and enhanced the PLAYERTEK analytics software, unveiling new features including the ability for users to compare their performance to professionals. The launch of *PLAYERTEK by Catapult* also saw significant business process improvements, establishing a direct-to-consumer sales channel, as well as scalable supply chain and logistics enhancements.

Review of Operations

3. OPERATIONAL HIGHLIGHTS

Step change in sales following the *PLAYERTEK by Catapult* relaunch in April 2017, with 1.8x more sales in the fourth quarter than in the first three quarter of FY17 combined.

	Q1 – Q3 FY17	Q4 FY17
PLAYERTEK units sold	1,379	2,524

4. ROADMAP AND NEXT STEPS

Catapult is targeting full launch of its next generation prosumer product later in FY18.

Aug 16	Apr 17	FY17	FY18
PLAYERTEK acquired	**PLAYERTEK by Catapult launched**	**Team and platform build-out**	**Full prosumer product release**
> Proven low-cost, commercialised solution > Platform to spearhead entry into prosumer market	> Proven hardware wearable and re-engineered software > New sales channels > Transition to new manufacturing supply chain, 3PL established to support scale	> Investment in marketing and sales platform to unlock nascent brand equity and educate market > Scale back-end systems to support prosumer economics	> Targeted FY18 release

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Directors' Report

For the year ended 30 June 2017

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 year ended 30 June 2017 ('FY17').

DIRECTOR DETAILS

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

Dr Adir Shiffman
MBBS, Medicine

Executive Chairman

Appointed 4 September 2013

Member of Remuneration and Nomination Committee

Dr Adir Shiffman, Executive Chairman of Catapult, has extensive CEO and board experience in the technology sector.

Adir has founded and sold more than half a dozen technology startups, many of which were high growth SaaS (software as a service) businesses. His expertise includes: strategic planning, international expansion, mergers and acquisitions, and strategic partnerships.

Adir currently sits on a number of boards. He is regularly featured in the media in Australia, the US and Europe.

Adir graduated from Monash University with a Bachelor of Medicine and a Bachelor of Surgery. Prior to becoming involved in the technology sector, he practised as a doctor.

Other current Directorships:

None

Previous Directorships (last 3 years):

In past three years he has also been a Director of iBuyNew Group Limited (ASX:IBN) (Appointed February 2013. Resigned March 2017).

Mr Shaun Holthouse
B.E. (Hon), Mechanical Engineering, GAICD

Chief Executive Officer to 30 April 2017

Global Head of Strategy from 1 May 2017

Appointed 4 September 2013

Founder, Executive Director and Global Head of Strategy.

Shaun has extensive experience in new technology transitioning into commercial products, including Biotechnology, MEMS, fuel cells, and scientific instrumentation. Prior to co-founding Catapult, Shaun was a Technology Development Manager for the CRC for microtechnology from 2002-2006, which included providing technical direction to more than 20 projects with a budget of more than $60 million.

Shaun has grown Catapult from its inception as CEO from 2006 to 1 June 2017. From 1 June 2017 Shaun's role changed to Global Head of Strategy.

Shaun holds a Bachelor of Engineering (Hons) from the University of Melbourne and is a graduate member of the Australian Institute of Company Directors. He is the author of numerous patents and patent applications in athlete tracking, analytics and other technologies.

Other current Directorships:

None

Previous Directorships (last 3 years):

None

Mr Igor van de Griendt
B.E. Electrical Engineering

Chief Technology Officer

Appointed 4 September 2013

Member of Risk and Audit Committee

Mr Igor van de Griendt is a co-founder, Chief Operating Officer and an Executive Director of Catapult.

In his capacity as CTO, he has been responsible for providing strategic direction and leadership in the development of Catapult's products, both in the analytical space, as well as with respect to Catapult's various hardware offerings.

Igor also provides guidance and operational support to Catapult's R&D and software development teams.

Prior to co-founding Catapult, Igor was a Project Manager for the CRC for microtechnology which, in collaboration with the Australian Institute of Sport, developed a number of sensor platforms and technologies ultimately leading to the founding of Catapult.

Prior to joining the CRC for microtechnology, Igor was a director of a consulting business that provided engineering services for more than 13 years to technology companies such as Redflex Communications Systems (now part of Exelis, NYSE:XLS), Ceramic Fuel Cells (ASX:CFU), Ericsson Australia, NEC Australia and Telstra.

Igor holds a Bachelor of Electrical Engineering from Darling Downs Institute of Advanced Education (now University of Southern Queensland).

Other current Directorships:

None

Previous Directorships (last 3 years):

None

Mr Calvin Ng
BComm (Fins) LLB AMC DFP

Non-Executive Director

Appointed 29 November 2013

Member of Risk and Audit Committee

Mr Calvin Ng has significant investment banking, mergers & acquisitions and funds management experience.

Calvin is a co-founder and Managing Director of the Aura Group, an independent corporate advisory and funds and wealth management business. He is also a co-founder and Non-Executive Director of the Finsure Group one of Australia's largest mortgage groups.

Calvin has significant board experience in a number of businesses, with particular expertise in providing management oversight and strategic guidance to small and medium sized enterprises.

Calvin currently sits on a number of boards, including entities associated with the Aura Group, Finsure Group and ASX-listed iBuyNew Group Limited (ASX:IBN).

Calvin holds a Bachelor of Commerce and Bachelor of Laws from the University of New South Wales. Calvin has also completed a Graduate Diploma of Legal Practice and has been admitted to practice as a lawyer in the Supreme Court of New South Wales.

Other current Directorships:

iBuyNew Group Limited (ASX:IBN) (Appointed February 2013)

Previous Directorships (last 3 years):

None

Directors' Report

Mr Brent Scrimshaw

Non-Executive Director

Appointed 24 November 2014

Chair of Remuneration and Nomination Committee

Mr Brent Scrimshaw has over 25 years of experience in consumer innovation, business leadership and brand management, which he gained by acting in several roles for Nike that were focussed on the athletic and sports industry primarily through a diverse international career at Nike Inc.

Brent has held senior leadership roles at Nike Inc, including Vice President and Chief Executive of Western Europe; Chief Marketing Officer and Vice President of Category Businesses for Nike Europe, Middle East and Africa; and General Manager of Nike's East Coast United States operations in New York.

As one of Nike Inc's 30 most senior leaders worldwide, Brent has also served on Nike's Global Corporate Leadership Team, where he helped lead the creation of Nike's overall global operating strategy, as well as playing a senior role as a key member of the Global Commercial Operations Executive Team, which is responsible for sales and distribution strategies worldwide.

Brent is currently a Non-Executive Director at Rhinomed Ltd (ASX:RNO) a medical technology company focussed on enhancing human efficiency through innovative respiratory technologies and products, as well as the CEO of Unscripted, one of the world's fastest growing digital sports media properties.

Other current Directorships:

Rhinomed Ltd (ASX:RNO) (Appointed February 2014)

Previous Directorships (last 3 years):

None

Mr James Orlando
BSc, MBA

Non-Executive Director

Appointed 24 October 2016

Chair of Risk and Audit Committee

Member of Remuneration and Nomination Committee

Mr James Orlando has held senior finance positions driving growth and shareholder value in the United States, Asia and Australia. Most recently he was the CFO of Veda Group Ltd (VED.ASX) leading the company through its successful IPO in December 2013.

Before Joining Veda, James was the CFO of AAPT where he focused on improving the company's earning as well as divesting its

non-core consumer business. He also served as the CFO of PowerTEL Ltd, and ASX-listed telecommunications service provider which was sold to Telecom New Zealand in 2007. James also held various international treasury positions at AT&T and Lucent Technologies in the US and Hong Kong including running Lucent's international project and export finance organisation.

Other current Directorships:

None

Mrs Rhonda O'Donnell
M App Sc, MBA (Melbourne)

Non-Executive Director

Appointed 3 September 2014
Resigned 9 September 2016

Chair of Risk and Audit Committee until 9 September 2016

Member of Remuneration and Nomination Committee until 9 September 2016

Mrs Rhonda O'Donnell has extensive experience in international and local industries including telecommunications, information technology, education, government and utilities.

Rhonda has been a successful executive and board member in both the private and public sectors. She has received several industry achievement awards, including the award for the Victorian Telstra Business Woman of the Year in 1999.

Rhonda was also a Non-Executive Director of ASX-listed Slater & Gordon (ASX:SGH) and is a trustee of MTAA Super and former President/ Chairman of Novell Asia Pacific.

Previous Directorships:

Slater & Gordon (SGH.ASX) (Appointed March 2013. Resigned February 2017)

COMPANY SECRETARY

Anand Sundaraj is a lawyer, specialising in corporate finance and securities law and has been involved in a comprehensive range of corporate and investment transactions including numerous initial public offerings on the ASX. Anand was appointed Company Secretary of Catapult Group International on 22 July 2016.

PRINCIPAL ACTIVITIES

During the year, the principal activities of entities within the Group were:

> the development and sale of wearable tracking solutions and analytics to elite sporting teams, leagues and associations;

> the development and sale of digital video coaching and analytics solutions to elite sporting teams, leagues and associations; and

> the development and sale of wearable tracking solutions and analytics to prosumer athletes, sporting teams and associations.

The Group's wearable and video solutions are provided to elite clients on both a subscription and upfront sales basis, with subscription sales forming the majority of all sales to elite clients. The Group is the global leader in wearable tracking technology and analytics solutions for the elite market with over 1,500 elite clients. The Group is also a market leader in providing innovative digital and video analytic software solutions to elite sports teams in the United States, specialising in designing custom digital video solutions to improve and optimise sports coaching operations as well as monetisation and distribution of digital media assets.

With major offices in Australia, the United States and the United Kingdom and over 300 staff in more than 14 countries, Catapult is an Australian technology success story with a truly global footprint that is committed to advancing the way data is used in elite sports.

Directors' Report

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

The Group has recorded an increased loss of $13,581,000 (2016: $5,870,824). This increase is due to increased depreciation and amortisation charges associated with: the acquisition of XOS and Playertek in August 2016; increased investment in development of products and software; and increasing size of subscription unit fleet.

Loss per share for the year was $0.086 (2016: $0.05) and no dividend will be paid or declared.

The Group's net assets increased to $114,762,000 compared to the previous years' position of $11,939,461.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the year, the following changes occurred within the Group:

> Capital Raising: During the year, the Group issued 43,073,500 fully paid ordinary shares as part of its capital raising program, which resulted in gross proceeds of $116,673,568; and

> Acquisition of XOS Technologies Inc and Kodaplay Limited in August 2016.

In the Directors' opinion, there have been no other significant changes in the state of affairs of the Group during the year. A further review of matters affecting the Group's state of affairs is contained in the operating and financial review.

EVENTS ARISING SINCE THE END OF THE REPORTING PERIOD

Acquisition of Athlete Management System:

On 4 August 2017, Catapult acquired the SportsMed Elite and Baseline Athlete Management System (AMS) products and clients and recruited key personnel, from SMG Technologies Pty Ltd (SMG) for consideration ranging between $1.4m and $3.9m depending on performance metrics and incremental revenue generated in the two years following the acquisition.

The AMS acquisition is strategically and financially compelling for Catapult's shareholders as it:

> Delivers on a key Catapult strategic objective – the capability to provide teams with a centralised data repository and analytics across a wide range of club data sources;

> Integration of AMS products will extend Catapult's ability to provide teams with Artificial Intelligence and machine learning based analytics beyond current streams of data (wearable and video); and

> Significant incremental subscription revenue opportunity via cross-selling to Catapult's c.1,500 existing client base.

LIKELY DEVELOPMENTS, BUSINESS STRATEGIES AND PROSPECTS

Based on the expected demand for athlete analytics globally and the continued growth in the Group's sales and marketing platform across key regions, we are optimistic about the long term growth opportunity. Furthermore, Catapult Group has continued to broaden its suite of athlete analytics solutions through the acquisitions of XOS, PLAYERTEK and AMS, resulting in a substantially larger addressable market opportunity across a wider range of customers in both elite and prosumer sporting leagues. Catapult Group expects to benefit in these new segments with increasing sales and brand loyalty.

BUSINESS RISK

In executing its growth plans Catapult Group is subject to the following key market, operational and acquisition risks outlined below.

Economic risk

Catapult may be affected by general economic conditions. Changes in the broader economic and financial climate may adversely affect the conduct of the Catapult's operations. In particular, sustained economic downturns in key geographies where Catapult is focused may adversely affect its financial performance. Changes in economic factors affecting general business cycles, inflation, legislation, monetary and regulatory policies, as well as changes to accounting standards, may also affect the performance of Catapult.

Industry and competition risk

Catapult's performance could be adversely affected if existing or new competitors reduce Catapult's market share, or its ability to expand into new market segments. Catapult's existing or new competitors may have substantially greater resources and access to more markets than Catapult. Competitors may succeed in developing alternative products which are more innovative, easier to use or more cost effective than those that have been or may be developed by Catapult. This may place pricing pressure on Catapult's product offering and may impact on Catapult's ability to retain existing clients, as well as Catapult's ability to attract new clients. If Catapult cannot compete successfully, Catapult's business, operating results and financial position could be adversely impacted.

Technology and hosting platforms

Catapult relies on a third party hosting provider to maintain continuous operation of its technology platforms, servers and hosting services and the cloud based environment in which Catapult provides its products. There is a risk that these systems may be adversely affected by various factors such as damage, faulting or aging equipment, power surges or failures, computer viruses, or misuse by staff or contractors. Other factors such as hacking, denial of service attacks, or natural disasters may also adversely affect these systems and cause them to become unavailable. Further, if Catapult's third party hosting provider ceased to offer its services to Catapult and Catapult was unable to obtain a replacement provider quickly, this could lead to disruption of service to the Catapult website and cloud infrastructure. This could lead to a loss of revenue while Catapult is unable to provide its services, as well as adversely affecting its reputation. This could have a material adverse effect on Catapult's financial position and performance.

Data loss, theft or corruption

Catapult provides its services through cloud based and other online platforms. Hacking or exploitation of any vulnerability on those platforms could lead to loss, theft or corruption of data. This could render Catapult's services unavailable for a period of time while data is restored. It could also lead to unauthorised disclosure of users' data with associated reputational damage, claims by users, regulatory scrutiny and fines. Although Catapult employs strategies and protections to try to minimise security breaches and to protect data, these strategies and protections might not be entirely successful. In that event, disruption to Catapult's services could adversely impact on Catapult's revenue and profitability. The loss of client data could have servers impacts to client service, reputation and the ability for clients to use the products.

Directors' Report

BUSINESS RISK (continued)

Manufacturing and product quality risks

Catapult currently uses third party manufacturers to produce components of its products. There is no guarantee that these manufacturers will be able to meet the cost, quality and volume requirements that are required to be met in order for Catapult to remain competitive. Catapult's products must also satisfy certain regulatory and compliance requirements which may include inspection by regulatory authorities. Failure by Catapult or its suppliers to continuously comply with applicable requirements could result in enforcement action being taken against Catapult.

As a manufacturer, importer and supplier of products, product liability risk (including claims relating to product faults), faulty products and associated recall and warranty obligations are key risks of the Catapult business. While Catapult has product liability insurance, not all claims will be covered by this and the fallout from product liability issues may be far greater than what an insurance policy is able to cover.

Foreign exchange

Foreign exchange rates are particularly important to Catapult's business given the significant amount of revenue which Catapult derives from overseas. Catapult's financial statements are prepared and presented in Australian dollars. Adverse movements in foreign currency markets could affect Catapult's profitability and financial position.

Development and commercialisation of intellectual property

Catapult relies on its ability to develop and commercialise its intellectual property. A failure to develop and commercialise its intellectual property successfully would lead to a loss of opportunities and adversely impact the operating results and financial position of Catapult. Furthermore, any third party developing superior technology or technology with greater commercial appeal in the fields in which Catapult operates may harm the future prospects of Catapult.

Catapult's success depends, in part, on its ability to obtain, maintain and protect its intellectual property, including its patents. Actions taken by Catapult to protect its intellectual property may not be adequate, complete or enforceable and may not prevent the misappropriation of its intellectual property and proprietary information or deter independent development of similar technologies by others. Catapult may also suffer damage if former employees infringe its intellectual property rights or assert their moral rights.

The granting of a patent does not guarantee that Catapult's intellectual property is protected and that others will not develop similar technologies that circumvent such patents. There can be no assurance that any patents Catapult owns, controls or licences, whether now or in the future, will give Catapult commercially significant protection of its intellectual property.

Monitoring unauthorised use of Catapult's intellectual property rights is difficult and can be costly. Catapult may not be able to detect unauthorised use of its intellectual property rights. Changes in laws in Australia and other jurisdictions in which Catapult operates may adversely affect Catapult's intellectual property rights.

Other parties may develop and patent substantially similar or substitute products, processes, or technologies to those used by Catapult, and other parties may allege that Catapult's products incorporate intellectual property rights derived from third parties without their permission. Whilst Catapult is not the subject of any claim that its products infringe the intellectual property rights of a third party, allegations of this kind may be received in the future and, if successful, injunctions may be granted against Catapult which could materially affect the operation of Catapult and Catapult's ability to earn revenue, and cause disruption to Catapult's services. The defence and prosecution of intellectual property rights lawsuits, proceedings, and related legal and administrative proceedings are costly and time-consuming, and their outcome is uncertain.

In addition to its patent and licensing activities, Catapult also relies on protecting its trade secrets. Actions taken by Catapult to protect its trade secrets may not be adequate and this could erode its competitive advantage in respect of such trade secrets. Further, others may independently develop similar technologies.

Further product development risk

Catapult has developed its athlete video and tracking technology and products, and continues to invest in further systems and product development.

Catapult gives no guarantee that further development of its video and athlete tracking technology and products will be successful, that development milestones will be achieved, or that Catapult's intellectual property will be developed into further products that are commercially exploitable. There are many risks inherent in the development of technologies and related products, particularly where the products are in the early stages of development. Projects can be delayed or fail to demonstrate any benefit, or may cease to be viable for a range of reasons, including scientific and commercial reasons.

Brand and reputation damage

The brand and reputation of Catapult and its individual products are important in retaining and increasing the number of clients that utilise Catapult's technology and products and could prevent Catapult from successfully implementing its business strategy. Any reputational damage or negative publicity surrounding Catapult or its products could adversely impact on Catapult's business and its future growth and profitability.

Product liability

Catapult's business exposes it to potential product liability claims related to the manufacturing, marketing and sale of its products. Catapult maintains product liability insurance. However, to the extent that a claim is brought against Catapult that is not covered or fully covered by insurance, such claim could have a material adverse effect on the business, financial position and results of Catapult. Claims, regardless of their merit or potential outcome, may adversely impact on Catapult's business and its future growth and profitability.

Litigation

Catapult may in the ordinary course of business be involved in possible disputes. These disputes could give rise to litigation. While the extent of any disputes and litigation cannot be ascertained at this time, any dispute or litigation may be costly and may adversely affect the operational and financial results of Catapult.

DIVIDENDS

In respect of the current year, no dividend has been paid by Catapult Group International Limited.

Directors' Report

DIRECTORS' MEETINGS

The number of Directors Meetings (including meetings of Committees of Directors) held during the year, and the number of meetings attended by each Director is as follows:

Director's Name	Board Meetings		Audit and Risk Committee		Remuneration and Nomination Committee	
	A	B	A	B	A	B
Adir Shiffman	11	9	–	–	4	4
Shaun Holthouse	11	11	–	–	–	–
Igor van de Griendt	11	10	8	8	–	–
Calvin Ng	11	10	8	8	–	–
Brent Scrimshaw	11	10	–	–	4	4
Jim Orlando	6	6	4	4	2	2
Rhonda O'Donnell	4	4	3	3	2	2

Where:
column A is the number of meetings the Director was entitled to attend.
column B is the number of meetings the Director attended.

UNISSUED SHARES UNDER OPTION

Unissued ordinary shares of Catapult Group International Ltd under option at the date of this report:

Date Options Granted	Expiry Date	Exercise Price of Shares	Number under Option
31 October 2014	31 October 2019	$0.55	834,500
31 October 2014	31 October 2019	$0.605	1,920,000
31 October 2014	31 October 2019	$0.00	105,000
31 October 2014	22 September 2017	$0.00	100,000
31 October 2014	22 September 2018	$0.00	100,000
31 October 2014	22 September 2019	$0.00	100,000
14 April 2016	14 April 2021	$2.20	726,886
14 April 2016	14 April 2021	$1.68	90,000
14 April 2016	1 January 2021	$2.31	50,000
14 April 2016	1 January 2021	$1.55	300,000
12 August 2016	23 May 2020	$4.46	50,000

Date Options Granted	Expiry Date	Exercise Price of Shares	Number under Option
22 September 2016	23 May 2019	$3.78	300,000
22 September 2016	23 May 2019	$1.35	200,000
22 September 2016	23 May 2019	$3.61	100,000
22 September 2016	23 May 2019	$3.82	1,000,000
22 September 2016	23 May 2019	$1.35	450,000
30 November 2016	24 March 2018	$4.284	500,000
30 November 2016	24 March 2019	$4.843	500,000
30 November 2016	23 March 2020	$4.843	500,000
30 November 2016	22 September 2019	$0.00	300,000
30 November 2016	30 September 2021	$3.00	1,000,000
1 May 2017	1 May 2022	$2.54	2,000,000

All options expire on their expiry date.

All options issued are part of the share based employee remuneration program.

SHARES ISSUED DURING OR SINCE THE END OF THE YEAR AS A RESULT OF EXERCISE

The Company has issued 1,664,400 ordinary shares as a result of the exercise of options issued in October 2013.

The Company has issued 92,500 ordinary shares from treasury shares held, as a result of the exercise of options granted in 31 October 2014.

The Company has issued 19,602 ordinary shares from treasury shares held, as a result of the exercise of options granted on 14 April 2016.

The Company has issued 25,000 ordinary shares from treasury shares held, as a result of the exercise of options granted on 31 October 2014.

Directors' Report

REMUNERATION REPORT (AUDITED)

The Directors of Catapult Group International Ltd present the Remuneration Report for Non-Executive Directors, Executive Directors and other Key Management Personnel, prepared in accordance with the *Corporations Act 2001* and the *Corporations Regulations 2001*.

The Remuneration Report is set out under the following main headings:

> Principles used to determine the nature and amount of remuneration;

> Details of remuneration;

> Service agreements;

> Share-based remuneration; and

> Other information.

Principles used to determine the nature and amount of remuneration

The principles of the Group's executive strategy and supporting incentive programs and frameworks are:

> to align rewards to business outcomes that deliver value to shareholders;

> to drive a high performance culture by setting challenging objectives and rewarding high performing individuals; and

> to ensure remuneration is competitive in the relevant employment market place to support the attraction, motivation and retention of executive talent.

The Board has established a Nomination and Remuneration Committee which operates in accordance with its charter as approved by the Board and is responsible for determining and reviewing compensation arrangements for the Directors and the Executive Team.

The remuneration structure that has been adopted by the Group consists of the following components:

> fixed remuneration being annual salary; and

> short term incentives, being employee bonuses.

The Nomination and Remuneration Committee assess the appropriateness of the nature and amount of remuneration on a periodic basis by reference to recent employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and Executive Team.

The payment of bonuses, share options and other incentive payments are reviewed by the Nomination and Remuneration Committee annually as part of the review of executive remuneration and a recommendation is put to the Board for approval. All bonuses, options and incentives must be linked to pre-determined performance criteria.

REMUNERATION REPORT (AUDITED) (continued)

Short Term Incentive (STI)

The Group's performance measures involve the use of annual performance objectives, metrics, performance appraisals and continuing emphasis on living the Company values.

The performance measures are set annually after consultation with the Directors and executives and are specifically tailored to the areas where each executive has a level of control. The measures target areas the Board believes hold the greatest potential for expansion and profit and cover financial and non-financial measures.

The Key Performance Indicators ('KPI's') for the Executive Team are summarised as follows:

Performance area:

> **financial** – operating profit and earnings per share; and

> **non-financial** – strategic goals set by each individual business unit based on job descriptions.

The STI Program is currently a cash bonus for the Executive Team and other employees.

a Remuneration Approval

Catapult Group submits its Remuneration Report for adoption by shareholders at the annual general meeting. The current remuneration reflects the report adopted 30 November 2016.

Consequences of performance on shareholder wealth

In considering the Group's performance and benefits for shareholder wealth, the Board believe the following indices should be applicable to the current financial year and previous financial year:

Item	2017	2016
EPS (dollars)	(0.086)	(0.05)
Dividends (cents per share)	–	–
Revenue ($'000)	60,783	17,368
Underlying EBITDA ($'000)	2,858	(4,400)
Statutory EBITDA ($'000)	(3,713)	(6,789)
Net loss ($'000)	(13,581)	(5,871)
Share price ($)	2.33	3.08

b Details of remuneration

Details of the nature and amount of each element of the remuneration of each Key Management Personnel ('KMP') of Catapult Group International Ltd shown in the table below:

Director and other Key Management Personnel remuneration (continued)

Employee	Year	Short term employee benefits				Post-employment benefits	Long-term benefits	Share-based payments		Performance based percentage of remuneration
		Cash salary and fees $	Cash bonus $	Annual leave $	Non-monetary benefits $	Superannuation $	Long service leave $	Options and Performance Rights $	Total $	
Executive Directors										
Adir Shiffman (i) Executive Chair	2017	255,000	156,000	–	–	–	–	46,556	457,556	34.1%
	2016	229,500	60,000	–	–	–	–	–	289,500	20.7%
Shaun Holthouse (ii) Director & Global Head of Strategy	2017	327,010	220,000	20,827	–	20,254	3,829	46,556	638,476	34.5%
	2016	297,419	100,000	9,091	–	23,415	12,808	–	442,733	22.6%
Igor van de Griendt Director & Chief Technology Officer	2017	260,274	36,900	20,799	–	22,171	3,024	46,556	389,724	9.5%
	2016	247,048	20,000	27,185	–	23,461	7,858	–	325,552	6.1%
Non-Executive Directors										
Brent Scrimshaw	2017	86,758	–	–	–	8,242	404	46,556	141,960	n/a
	2016	73,440	–	–	–	6,977	–	–	80,417	n/a
Calvin Ng	2017	77,626	4,800	–	–	7,374	352	587,134	677,286	0.7%
	2016	64,307	–	–	–	6,109	–	–	70,416	n/a
James Orlando (iii)	2017	60,593	–	–	–	5,756	–	–	66,349	n/a
	2016	–	–	–	–	–	–	–	–	n/a
Rhonda O'Donnell (iv)	2017	21,690	–	–	–	2,060	–	–	23,750	n/a
	2016	73,440	–	–	–	6,977	–	–	80,417	n/a

(i) Cash Bonus figure for Adir Shiffman includes a one off discretionary bonus approved by the Board of $120,000 in relation to the completion of the acquisitions of XOS Technologies Inc and Kodaplay Limited in August 2016.

(ii) Cash Bonus figure for Shaun Holthouse includes a one off discretionary bonus approved by the Board of $160,000 in relation to the completion of the acquisitions of XOS Technologies Inc and Kodaplay Limited in August 2016.

(iii) James Orlando – appointed 24 October 2016.

(iv) Rhonda O'Donnell – resigned 9 September 2016.

		Short term employee benefits				Post-employment benefits	Long-term benefits	Share-based payments		
Employee	Year	Cash salary and fees $	Cash bonus $	Annual leave $	Non-monetary benefits $	Super-annuation $	Long service leave $	Options and Performance Rights $	Total $	Performance based percentage of remuneration
Other Key Management Personnel										
Joe Powell (v) Chief Executive Officer	2017	79,148	65,753	8,723	–	7,519	–	89,117	250,260	26.3%
	2016	–	–	–	–	–	–	–	–	n/a
Shane Greenan (vi) Chief Financial Officer	2017	187,212	22,356	5,253	–	14,530	–	96,590	325,941	6.9%
	2016	–	–	–	–	–	–	–	–	n/a
Brett Coventry (vii) CFO/Company Secretary	2017	–	–	–	–	–	–	–	–	n/a
	2016	102,210	–	(768)	–	14,460	1,378	7,541	124,821	n/a
Barry McNeill Chief Operating Officer	2017	332,307	70,568	36,411	152,157	22,246	–	35,447	649,136	10.9%
	2016	354,593	40,000	17,956	–	–	–	54,766	467,315	8.6%
Brian Kopp (viii) President North America	2017	323,230	32,008	17,981	7,629	–	–	73,648	454,496	7.0%
	2016	348,333	66,667	15,327	4,921	16,106	–	52,868	504,222	13.2%
Matt Bairos (ix) CEO XOS	2017	322,638	108,884	(8,092)	13,914	14,119	–	19,252	470,715	23.1%
	2016	–	–	–	–	–	–	–	–	–
2017 Total	2017	2,333,486	717,269	101,902	173,700	124,271	7,609	1,087,412	4,545,649	15.8%
2016 Total	2016	1,790,290	286,667	68,791	4,921	97,505	22,044	115,175	2,385,393	12.0%

(v) Joe Powell – joined the Catapult Group on 1 May 2017. Appointed CEO on 1 June 2017. Considered a Key Management Personnel from 1 May 2017.

(vi) Shane Greenan – appointed 27 October 2016.

(vii) Brett Coventry ceased as CFO on 11 January 2016 and was determined to no longer be a Key Management Personnel from this date. As a result his remuneration is included for the period to 11 January 2016.

(viii) Brian Kopp – ceased to be considered Key Management on 20 May 2017.

(ix) Matt Bairos – considered to be a Key Management Personnel from the date of acquisition of XOS, 12 August 2016.

Directors' Report

REMUNERATION REPORT (AUDITED) (continued)

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Name	Fixed remun-eration	At risk – STI	At risk – options
Executive Directors			
Adir Shiffman	60%	28%	12%
Shaun Holthouse	52%	39%	9%
Igor van de Griendt	54%	33%	13%
Other Key Management Personnel			
Joe Powell	51%	40%	9%
Shane Greenan	60%	20%	20%
Barry McNeill	71%	22%	7%
Matt Bairos	59%	38%	3%
Brian Kopp	58%	29%	13%

Long term incentives are provided exclusively by way of options, the percentages disclosed reflect the valuation of remuneration consisting of options, based on the value of options expensed during the year.

Bonuses included in remuneration

Details of the short-term incentive cash bonuses awarded as remuneration to each Key Management Personnel, the percentage of the available bonus that was paid in the financial year, and the percentage that was undetermined at the end of the year is set out below.

	Total At Risk Amount ($)	Percentage vested during the year	Percentage forfeited during the year	Percentage undet-ermined at 30 June	Performance criteria
Executive Directors					
Adir Shiffman	120,000	30%	70%	0%	Performance against public targets Closing acquisitions
Shaun Holthouse	200,000	30%	70%	0%	Performance against public targets Closing acquisitions
Igor van de Griendt	123,000	30%	70%	0%	Performance against public targets Technology development targets

	Total At Risk Amount ($)	Percentage vested during the year	Percentage forfeited during the year	Percentage undet-ermined at 30 June	Performance criteria
Performance against public targets					
Joe Powell (i)	400,000	100%	0%	0%	Performance against CEO transition goals
Shane Greenan (i)	100,000	30%	70%	0%	Performance against public targets Finance Function targets
Barry McNeill	110,000	64%	36%	0%	Performance against public targets Product development including analytics and client health
Matt Bairos (i)	237,069	100%	0%	0%	Revenue and EBITDA targets for Video Analytics Business Unit
Brian Kopp	172,185	19%	0%	81%	Performance against public targets Performance of Catapult US

(i) For KMP who joined the Group during the period the Total Amount at Risk amount relates to a 12 month period so it is provided on a consistent basis to other KMP listed in the table. The percentage amounts shown for vested, forfeited and undetermined are based on the pro-rata mounts that the KMP is entitled to from date of joining the Group to 30 June 2017.

Service agreements

Remuneration and other terms of employment for the Executive Directors and other Key Management Personnel are formalised in a Service Agreement. The major provisions of the agreements relating to remuneration are set out below:

Name	Current base salary	Term of agreement	Notice period	Annual Director's fees not included in base salary
Adir Shiffman	$255,000	Unspecified	One (1) month	–
Shaun Holthouse	$265,000	Unspecified	Three (3) months	$85,000
Igor van de Griendt	$200,000	Unspecified	Three (3) months	$85,000
Joe Powell	$500,000	Unspecified	Six (6) months	–
Shane Greenan	$294,616	Unspecified	Three (3) months	–
Barry McNeill	$350,000	Unspecified	One (1) month	–
Matt Bairos	USD 275,000	Unspecified	At will	–

Directors' Report

REMUNERATION REPORT (AUDITED) (continued)

Share-based remuneration

All options refer to options over ordinary shares of the Company, which are exercisable on a one-for-one basis under the terms of the agreements. All options remain subject to other vesting criteria, there are no criteria specifically set, but remain subject review and approval by the Remuneration and Nomination Committee.

c Details of options & rights holdings

Name	Grant Date	Held at 1 July 16	Granted as remuneration	Net change other	Held at 30 June 2017	Vested during the year
Joe Powell	1-May-17	–	2,000,000	–	2,000,000	n/a
Adir Shiffman	1-Dec-16	–	300,000	–	300,000	n/a
Calvin Ng	1-Dec-16	–	300,000	–	300,000	n/a
	30-Nov-16	–	300,000	–	300,000	n/a
Shaun Holthouse	1-Dec-16	–	300,000	–	300,000	n/a
Igor van de Griendt	1-Dec-16	–	300,000	–	300,000	n/a
Brent Scimshaw	1-Dec-16	–	300,000	–	300,000	n/a

Vested during year and as at 30 June 17	Note	Vesting Schedule	Vesting date	Expiry Date	Value per option/ rights at grant date	Total value of option/ rights at grant date	Exercise price per option
n/a		500,000	1-May-18	1-May-22	$0.52	$258,350	$2.54
		500,000	1-May-19	1-May-22	$0.57	$286,350	$2.54
		500,000	1-May-20	1-May-22	$0.63	$314,350	$2.54
		500,000	1-May-21	1-May-22	$0.68	$340,950	$2.54
n/a		100,000	22-Sep-17	24-Mar-18	$0.31	$31,390	$4.28
		100,000	22-Sep-18	24-Mar-19	$0.45	$44,820	$4.83
		100,000	22-Sep-19	23-Mar-20	$0.65	$64,700	$4.83
n/a		100,000	22-Sep-17	24-Mar-18	$0.31	$31,390	$4.28
		100,000	22-Sep-18	24-Mar-19	$0.45	$44,820	$4.83
		100,000	22-Sep-19	23-Mar-20	$0.65	$64,700	$4.83
n/a		100,000	22-Sep-17	24-Mar-18	$3.27	$327,000	$0.00
		100,000	22-Sep-18	24-Mar-19	$3.27	$327,000	$0.00
		100,000	22-Sep-19	23-Mar-20	$3.27	$327,000	$0.00
n/a		100,000	22-Sep-17	24-Mar-18	$0.31	$31,390	$4.28
		100,000	22-Sep-18	24-Mar-19	$0.45	$44,820	$4.83
		100,000	22-Sep-19	23-Mar-20	$0.65	$64,700	$4.83
n/a		100,000	22-Sep-17	24-Mar-18	$0.31	$31,390	$4.28
		100,000	22-Sep-18	24-Mar-19	$0.45	$44,820	$4.83
		100,000	22-Sep-19	23-Mar-20	$0.65	$64,700	$4.83
n/a		100,000	22-Sep-17	24-Mar-18	$0.31	$31,390	$4.28
		100,000	22-Sep-18	24-Mar-19	$0.45	$44,820	$4.83
		100,000	22-Sep-19	23-Mar-20	$0.65	$64,700	$4.83

Directors' Report

REMUNERATION REPORT (AUDITED) (continued)

c Details of options & rights holdings (continued)

Name	Grant Date	Held at 1 July 16	Granted as remun-eration	Net change other	Held at 30 June 2017	Vested during the year
Shane Greenan	30-Nov-16	–	250,000	–	250,000	50,000
Barry McNeill	31-Oct-14	960,000	–	–	960,000	320,000
Barry McNeill	14-Apr-16	100,000	–	–	100,000	
Brian Kopp	31-Oct-14	960,000	–	(480,000)	480,000	432,000
Matthew Bairos	22-Sep-16	–	66,000	–	66,000	n/a

(a) 100,000 options were issued to Barry McNeill during the year (30 June 2016) and are not subject to any performance vesting conditions, as they issued in recognition of his ongoing contribution to Group's success over the last twelve months, and his importance to both the short and long term success of Group.

All options and rights above were issued for nil consideration and will vest on the vesting date noted provided the continuous service conditions and any applicable performance conditions have been met. The options and rights may be exercised at any time from the vesting date to expiry date, subject to those options issued on 31 Oct 14 meeting the escrow period from 2 years from IPO date.

Vested during year and as at 30 June 17	Note	Vesting Schedule	Vesting date	Expiry Date	Value per option/ rights at grant date	Total value of option/ rights at grant date	Exercise price per option
50,000		50,000	30-Jun-17	30-Sep-21	$0.92	$45,890	$3.55
		50,000	30-Jun-18	30-Sep-21	$1.01	$50,520	$3.55
		50,000	30-Jun-19	30-Sep-21	$1.10	$54,760	$3.55
		50,000	30-Jun-20	30-Sep-21	$1.17	$58,695	$3.55
		50,000	30-Jun-21	30-Sep-21	$1.25	$62,355	$3.55
640,000		320,000	15-Sep-15	31-Oct-19	$0.08	$24,960	$0.61
		320,000	15-Sep-16	31-Oct-19	$0.13	$42,240	$0.61
		320,000	15-Sep-17	31-Oct-19	$0.17	$55,040	$0.61
–	(a)	100,000	12-Apr-19	14-Apr-21	$0.99	$98,800	$2.20
480,000		48,000	15-Sep-15	31-Oct-19	$0.08	$3,840	$0.61
		240,000	15-Sep-16	31-Oct-19	$0.13	$32,160	$0.61
		192,000	15-May-17	31-Oct-19	$0.17	$33,216	$0.61
n/a		66,000	20-Mar-20	22-Sep-19	$1.20	$78,995	$3.78

REMUNERATION REPORT (AUDITED) (continued)

d Details of shareholdings

The movement during the year in the number of ordinary shares held directly, indirectly or beneficially, by each key management personnel, including their related parties, is as follows:

Name	Held as 1 July 2016	Received on exercise of options	Purchased or sold during year	Net change other	Held at 30 June 17
Adir Shiffman[(a)]	6,859,000	416,100	17,000	–	7,292,100
Shaun Holthouse	24,757,000	–	18,000	–	24,775,000
Igor van de Griendt	22,990,000	–	18,000	–	23,008,000
Rhonda O'Donnell	–	–	–	–	–
Brent Scrimshaw	–	–	–	–	–
Calvin Ng[(b)]	–	416,100	5,000	–	421,100
Joe Powell	–	–	50,000	–	50,000
Brett Coventry	106,400	65,000	–	5,000	176,400
Barry McNeill	–	–	–	–	–
Brian Kopp	66,177	–	–	–	66,177
Matt Bairos	–	–	–	–	–
Shane Greenan	–	–	–	–	–

(a) Adir Shiffman holds a relevant interest in another 9,811,600 shares held by Disruptive Special Opportunities Fund I by virtue of him being the sole shareholder in BBHF Pty Ltd which is a 23% shareholder of Disruptive Capital Pty Ltd which is the Trustee of the Fund. He holds a relevant interest in another 11,552,000 shares held by Disruptive Special Opportunities Fund II by virtue of him being the sole shareholder in BBHF Pty Ltd which is a 23% shareholder of Disruptive Capital Pty Ltd which is the Trustee of the Fund.

(b) Calvin Ng holds a relevant interest in another 9,811,600 shares held by Disruptive Special Opportunities Fund I by virtue of him being the sole shareholder in Ng Capital Management Pty Ltd which is a 29% shareholder in Aura Group Pty Ltd which is a 69% shareholder of Disruptive Capital Pty Ltd which is the Trustee of the Fund. He holds a relevant interest in another 11,552,000 shares held by Disruptive Special Opportunities Fund II by virtue of him being the sole shareholder in Ng Capital Management Pty Ltd which is a 29% shareholder in Aura Group Pty Ltd which is a 69% shareholder of Disruptive Capital Pty Ltd which is the Trustee of the Fund. He holds a relevant interest in another 70,820 shares held by Aura Group Pty Ltd by virtue of him being the sole shareholder in Ng Capital Management Pty Ltd which is a 29% shareholder in Aura Group Pty Ltd.

He also holds a relevant interest in another 2,000 shares held by Aura Funds Management 1 Pty Ltd by virtue of him being the sole shareholder in Ng Capital Management Pty Ltd which is a 29% shareholder in Aura Group Pty Ltd, which is in turn holds a 100% shareholding in Aura Funds Management 1 Pty Ltd.

(c) James Orlando holds a relevant interest in 30,000 shares by way of his relationship with Kimberly Ann Foltz.

END OF AUDITED REMUNERATION REPORT

ENVIRONMENTAL LEGISLATION

Catapult Group International Ltd operations are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory in Australia.

INDEMNITIES GIVEN AND INSURANCE PREMIUMS PAID TO AUDITORS AND OFFICERS

During the year, Catapult Group International Ltd paid a premium to insure officers of the Group. The officers of the Group covered by the insurance policy include all Directors.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group.

Details of the amount of the premium paid in respect of insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Group against a liability incurred as such by an officer or auditor.

NON-AUDIT SERVICES

During the year, Grant Thornton, the Company's auditors, performed certain other services in addition to their statutory audit duties.

The Board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of those non-audit services during the year is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the reason the non-audit services do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid to the auditors of the Company, Grant Thornton, and its related practices for audit and non-audit services provided during the year are set out in Note 26 to the Financial Statements.

A copy of the Auditor's Independence Declaration as required under s307C of the *Corporations Act 2001* is included on page 40 of this financial report and forms part of this Directors' Report.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, to taking responsibility on behalf of the Company for all or part of those proceedings.

Signed in accordance with a resolution of the Directors.

Dr Adir Shiffman
Executive Chairman

31 August 2017

Auditor's Independence Declaration

Grant Thornton

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AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF CATAPULT GROUP INTERNATIONAL LIMITED

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Catapult Group International Limited for the year ended 30 June 2017, 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 audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A R J Nathanielsz
Partner - Audit & Assurance

Melbourne, 31 August 2017

Consolidated Statement of Profit or Loss

For the year ended 30 June 2017

Notes	Notes	2017 $'000	2016 $'000
Revenue	*8*	60,783	17,368
Other Income	*9*	215	1,332
Costs of Goods Sold		(14,224)	(2,552)
Employee benefits expense	*20*	(28,401)	(11,066)
Employee share option compensation expense	*20*	(3,256)	(290)
Capital raising and listing expenses		(385)	(84)
Travel, marketing and promotion		(6,111)	(3,698)
Occupancy		(1,972)	(862)
Professional fees		(3,824)	(3,351)
Other expenses		(6,538)	(3,586)
Operating loss before Depreciation and amortisation		**(3,713)**	**(6,789)**
Depreciation and amortisation		(9,994)	(1,800)
Operating loss		**(13,707)**	**(8,589)**
Finance Costs	*23*	(21)	(26)
Finance Income	*23*	67	71
Other Financial items	*24*	(385)	(78)
Loss before income tax		**(14,046)**	**(8,622)**
Income tax benefit	*25*	465	2,751
Loss for the year from continuing operations		**(13,581)**	**(5,871)**
Earnings per share			
Basic and diluted earnings per share (cents per share)	*27*	(8.6) cents	(5.0) cents

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

Consolidated Statement of Other Comprehensive Income

For the year ended 30 June 2017

	2017 $'000	2016 $'000
Loss for the year from continuing operations	(13,581)	(5,871)
Other Comprehensive Income		
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation differences for foreign operations, net of tax	(1,991)	(233)
Other comprehensive income for the year, net of tax	(1,991)	(233)
Total comprehensive income for the year attributable to owners	**(15,572)**	**(6,104)**

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

Consolidated Statement of Financial Position

As at 30 June 2017

	Notes	30 June 17 $'000	30 June 16 $'000
Assets			
Current			
Cash and cash equivalents	*10*	16,686	3,643
Trade and other receivables	*11*	26,864	8,358
Inventories	*12*	3,342	2,104
Current tax assets		2,013	1,859
Total current assets		**48,905**	**15,964**
Non-Current			
Trade and other receivables	*11*	208	46
Property, plant and equipment	*13*	7,710	4,196
Goodwill	*14*	53,127	1,213
Other intangible assets	*15*	41,181	4,234
Deferred tax assets	*16*	10,167	4,498
Total non-current assets		**112,393**	**14,187**
Total assets		**161,298**	**30,151**
Liabilities			
Current			
Trade and other payables	*17*	8,542	5,710
Deferred revenue		22,380	7,927
Other liabilities	*18*	1,125	690
Employee benefits	*20*	6,084	3,275
Borrowings	*19*	3,141	–
Total current liabilities		**41,272**	**17,602**
Non-Current			
Deferred revenue		698	260
Other liabilities	*18*	395	–
Employee benefits	*20*	62	67
Deferred tax liabilities	*16*	4,109	283
Total non-current liabilities		**5,264**	**610**
Total liabilities		**46,536**	**18,212**
Net assets		**114,762**	**11,939**
Equity			
Share capital	*21*	138,724	23,586
Share option reserve		4,033	777
Foreign currency translation reserve		(2,731)	(740)
Accumulated losses		(25,264)	(11,684)
Total equity		**114,762**	**11,939**

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2017

	Share Capital $'000	Share Option Reserve $'000	Foreign Currency Translation Reserve $'000	Accumulated Losses $'000	Total Equity $'000
Balance at 1 July 2015	**17,746**	**487**	**(507)**	**(5,813)**	**11,913**
Total comprehensive income for the year					
Loss for the year	–	–	–	(5,871)	(5,871)
Other comprehensive income	–	–	(233)	–	(233)
Total comprehensive income	**–**	**–**	**(233)**	**(5,871)**	**(6,104)**
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Issue of ordinary shares, net of transaction costs	5,840	–	–	–	5,840
Share based payments	–	290	–	–	290
Total transactions with owners	**5,840**	**290**	**–**	**–**	**6,130**
Balance at 30 June 2016	**23,586**	**777**	**(740)**	**(11,684)**	**11,939**

	Share Capital $'000	Share Option Reserve $'000	Foreign Currency Translation Reserve $'000	Accumulated Losses $'000	Total Equity $'000
Balance at 1 July 2016	**23,586**	**777**	**(740)**	**(11,684)**	**11,939**
Total comprehensive income for the year					
Loss for the year	–	–	–	(13,581)	(13,581)
Other comprehensive income	–	–	(1,991)	–	(1,991)
Total comprehensive income	**–**	**–**	**(1,991)**	**(13,581)**	**(15,572)**
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Issue of ordinary shares, net of transaction costs	115,138	–	–	–	115,138
Share based payments	–	3,256	–	–	3,256
Total transactions with owners	**115,138**	**3,256**	**–**	**–**	**118,394**
Balance at 30 June 2017	**138,724**	**4,033**	**(2,731)**	**(25,264)**	**114,762**

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

Consolidated Statement of Cashflows

For the year ended 30 June 2017

	Note	2017 $'000	2016 $'000
Cash flows from operating activities			
Cash receipts from Customers		52,892	18,123
Cash paid to suppliers and employees		(59,168)	(21,054)
Cash generated from/(used in) operations		**(6,276)**	**(2,931)**
Interest Received		67	71
Government Grants		131	673
Income taxes paid		(12)	(34)
Acquisition and integration costs		(2,754)	–
Net cash flows from/(used in) operating activities	*29*	**(8,844)**	**(2,221)**
Cash flows from investing activities			
Payments for property, plant and equipment		(4,892)	(3,057)
Purchase of other intangible assets		(5,833)	(3,417)
R&D tax offset received and offset against purchase of intangibles		–	931
Acquisition of subsidiaries net of cash acquired	*34, 35*	(82,201)	–
Net cash flows used in investing activities		**(92,926)**	**(5,544)**
Cash flows from financing activities			
Loans received/(paid)		3,250	–
Finance Costs on Bank Loan		(111)	–
Interest paid		(21)	(26)
Proceeds from issue of share capital		116,175	6,049
Proceeds from share options		521	–
Transaction costs related to share capital issued		(4,440)	(288)
Net cash flows from financing activities		**115,374**	**5,734**
Net increase in cash and cash equivalents		13,604	(2,031)
Cash and cash equivalents at the beginning of the financial period		3,643	5,672
Effect of exchange rate fluctuations on cash held		(561)	1
Cash and cash equivalents at the end of the financial period		**16,686**	**3,643**

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

Notes to the Consolidated Financial Statements

For the year ended 30 June 2017

1. NATURE OF OPERATIONS

Catapult Group International Ltd and its controlled entities (the 'Group') principal activities are the development and supply of wearable tracking devices, software and video analytics solutions for athletes and sports teams.

2. GENERAL INFORMATION AND BASIS OF PREPARATION

The consolidated general purpose financial statements of the Group have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board (IASB). Catapult Group International Ltd is a for-profit entity for the purpose of preparing the financial statements.

Catapult Group International Ltd is the Group's Ultimate Parent Company. Catapult Group International Ltd is a Public Company incorporated and domiciled in Australia and listed on the Australian Stock Exchange. The address of its registered office and its principal place of business is The Clocktower, 1 Aurora Lane, Docklands, Victoria, Australia.

The consolidated financial statements for the year ended 30 June 2017 were approved and authorised for issue by the Board of Directors on 31 August 2017.

3. CHANGES IN ACCOUNTING POLICIES

3.1 New and revised standards that are effective for these financial statements

Effective this financial period the amendment below takes effect 1st July 2016:

A number of new and revised standards became effective for the first time to annual periods beginning on or after 1 July 2016. Only those that are significant to the Group have been included.

3.2 Accounting Standards issued but not yet effective and have not been adopted early by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 reporting periods, and have not yet been adopted by the group. The group's assessment of the impact of these new standards and interpretations is set out below:

AASB 15 *Revenue from Contracts with Customers*

AASB 15:

> replaces AASB 118 *Revenue*, AASB 111 *Construction Contracts* and some revenue-related Interpretations

> establishes a new control-based revenue recognition model

> establishes a new concept of 'distinct good or services' to identify performance obligations

> changes the basis for deciding whether revenue is to be recognised over time or at a point in time

> provides new and more detailed guidance on specific topics (e.g., multiple element arrangements, variable pricing, rights of return, warranties and licensing)

> expands and improves disclosures about revenue

This standard will be adopted for the first time in the in the financial statements for the year ending 30 June 2019.

Management have undertaken a detailed review of contract obligations and the underlying transactions. This review indicates that compliance with the standard may result in a requirement to adjust the current revenue recognition methodology.

Elite Wearable contracts contain an obligation to provide training. This is currently amortised over the life of the contract. Compliance with the standard will require this revenue to be recognised as the service is incurred, generally within the first 90 days of the contract, causing a change in the first year of revenue recognition, this is not considered to have a material impact. A review of costs incurred in Elite Wearable contract acquisition indicates that the sales staff commissions on total contract value, currently recognised upfront, will also require a change in accounting treatment and be amortised over the life of the contract. This change is not anticipated to be material.

As described in note 4.5 Sub-Elite sales contracts are a bundled offering containing both 'Outright Sale of Goods' and 'Subscription Sale' elements. Under the new revenue accounting standard it is likely that both of these elements would be considered to be a single performance obligation and revenue would be recognised over the two year term of customer contracts. The impact of this on the 2017 financial statements would be to reduce revenue by $500,000.

AASB 9 *Financial Instruments (December 2014)*

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.

The main changes are:

> Financial assets that are debt instruments will be classified based on: (i) the objective of the entity's business model for managing the financial assets; and (ii) the characteristics of the contractual cash flows;

> Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;

> Introduces a 'fair value through other comprehensive income' measurement category for particular simple debt instruments;

> Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases; and

> Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:

  - the change attributable to changes in credit risk are presented in Other Comprehensive Income ('OCI');
  - the remaining change is presented in profit or loss; and
  - If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9

Notes to the Consolidated Financial Statements

3. CHANGES IN ACCOUNTING POLICIES (continued)

3.2 Accounting Standards issued but not yet effective and have not been adopted early by the Group (continued)

AASB 16 *Leases (February 2017)*

AASB 16:

> replaces AASB 117 *Leases* and some lease-related Interpretations;

> requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases;

> provides new guidance on the application of the definition of lease and on sale and lease back accounting;

> largely retains the existing lessor accounting requirements in AASB 117; and

> requires new and different disclosures about leases.

Management has reviewed the applicable provisions relating to the Group's position as a lessor and lessee under the new standard when it is first adopted for the year ending 30 June 2020.

In relation to the Group being a lessor of operating leases of wearables under subscription arrangements the standard is not expected to have a material impact on the transactions and balances recognised in the financial statements.

In relation to the Group being a lessee it is expected that the first-time adoption of AASB 16 for the year ending 30 June 2020 will have the following impact on the transactions and balances recognised in the financial statements, in particular:

> lease assets and financial liabilities on the balance sheet will increase by $6,219,735 and $4,243,379 respectively (based on the facts at the date of the assessment);

> there will be a reduction in the reported equity as the carrying amount of lease assets will reduce more quickly than the carrying amount of lease liabilities;

> EBIT in the statement of profit or loss and other comprehensive income will be higher as the implicit interest in lease payments for former off balance sheet leases will be presented as part of finance costs rather than being included in operating expenses; and

> operating cash outflows will be lower and financing cash flows will be higher in the statement of cash flows as principal repayments on all lease liabilities will now be included in financing activities rather than operating activities. Interest can also be included within financing activities.

AASB 2016-1 *Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses (1 January 2017)*

AASB 2016-1 amends AASB 112 *Income Taxes* to clarify how to account for deferred tax assets related to debt instruments measured at fair value, particularly where changes in the market interest rate decrease the fair value of a debt instrument below cost.

When these amendments are first adopted for the year ending 30 June 2018, there will be no material impact on the financial statements.

AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107 (1 January 2017)*

AASB 2016-2 amends AASB 107 *Statement of Cash Flows* to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

When these amendments are first adopted for the year ending 30 June 2018, there will be no material impact on the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Overall considerations

The consolidated financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

4.2 Basis of consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2017. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and could affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

4.3 Business combination

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of (a) fair value of consideration transferred, (b) the recognised amount of any non-controlling interest in the acquire, and (c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

Notes to the Consolidated Financial Statements

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in Australian dollars ('AUD'), which is also the functional currency of the Parent Company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the date of the transaction), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the AUD are translated into AUD upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into AUD at the closing rate at the reporting date. Income and expenses have been translated into AUD at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation the cumulative translation differences recognised in equity are reclassified to profit or loss and recognised as part of the gain or loss on disposal.

4.5 Revenue

Revenue arises from the sale of goods and the rendering of services, it is measured by reference to the fair value of consideration received or receivable, excluding sales taxes, rebates, and trade discounts.

The Group enters into sales transactions involving an outright sale to the client, on a subscription basis or for the rendering of services. The Group applies the revenue recognition criteria set out below to each separately identifiable component of the sales transaction in order to reflect the substance of the transaction.

Outright sale of goods

Outright sale of goods is recognised when the Group has transferred to the buyer the significant risks and rewards of ownership. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement. For sales of wearable units the transfer usually occurs when the customer has taken undisputed delivery of the goods. For sales of hardware in the video analytics business the transfer usually occurs on despatch of the goods from Catapult's premises.

Subscription and Services

(i) Wearables Subscription sale

The Group generates revenues from subscription sales and once the customer has taken undisputed delivery of the goods, the revenue from the subscription agreement is recognised on a monthly basis in equal amounts for each month of the subscription agreement.

In determining that wearable subscription constitute an operating lease under AASB 117 the Group considers the nature of the term of the agreement and the useful life of the goods being provided under the subscription agreement.

(ii) Rendering of Services

The Group is involved in providing software, support and maintenances services. The Group recognises revenue from such activities on a monthly basis in equal amounts for each month of the subscription agreement.

(iii) Multiple Element contracts

The Group's Sub-Elite Wearables offering includes an 'outright sale' element for the GPS Tracking unit sold to the customer and a 'rendering of services' element for the hosted software platform that customers have access to over the duration of the sales agreement. The consideration received for the bundled offering is allocated to each element on the basis of relative fair value. The fair value used for allocating revenue is based on customer contracts and internal pricing models. The revenues associated with the 'Outright Sale' and 'Rendering of services' elements of the sales agreements are recognised on the basis set-out above.

(iv) Content Licensing

The Group is involved in the provision of licensed video content to customers. Where video content is purchased on a one-off basis associated revenue is recognised upon delivery of the licensed content. Where video content is purchased via a term contract with content available for consumption during the contract term, associated revenue is recognised on a monthly basis in equal amounts for each month of the content licensing agreement.

Interest and dividend income

Interest income and expenses are reported on an accrual basis using the effective interest method. Dividends, other than those from investments in associates, are recognised at the time the right to receive payment is established.

4.6 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin. Expenditure for warranties is recognised and charged against the associated provision when the related revenue is recognised.

4.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs (see Note 23).

4.8 Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. See Note 4.3 for information on how goodwill is initially determined. Goodwill is carried at cost less accumulated impairment losses. Refer to Note 14.1 for a description of impairment testing procedures.

Notes to the Consolidated Financial Statements

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 Other intangible assets

Recognition of other intangible assets

Acquired intangible assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and install the specific software. Brand names and customer lists acquired in a business combination that qualify for separate recognition are recognised as intangible assets at their fair values (see Note 4.3).

Internally developed software

Expenditure on the research phase of projects to develop new customised software for athlete tracking and analytic analysis is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the following recognition requirements:

> the development costs can be measured reliably;
> the project is technically and commercially feasible;
> the Group intends to and has sufficient resources to complete the project;
> the Group has the ability to use or sell the software; and
> the software will generate probable future economic benefits.

Development costs not meeting these criteria for capitalisation are expensed as incurred.

Directly attributable costs include employee costs and costs incurred on software development.

Internally developed hardware

Expenditure on the research phase of projects to develop new hardware for athlete tracking and analytic analysis is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the following recognition requirements:

> the development costs can be measured reliably;
> the project is technically and commercially feasible;
> the Group intends to and has sufficient resources to complete the project;
> the Group has the ability to use or sell the hardware; and
> the hardware will generate probable future economic benefits.

Development costs not meeting these criteria for capitalisation are expensed as incurred.

Directly attributable costs include employee costs and costs incurred on hardware development.

Subsequent measurement

All intangible assets, including capitalised internally developed software and hardware, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described in Note 4.12.

The following useful lives are applied:

> Software (licenses and internally developed): 4 – 5 years, except with regard to identified projects with 2 years;
> brand names: annually assessed by management for impairment;
> customer lists: 7 – 10 years;
> hardware: 3 years;
> distributor relationships: 10 years;
> distributor contracts: 10 years; and
> goodwill: annually assessed by management for impairment.

Amortisation has been included within depreciation, amortisation and impairment of non-financial assets.

Subsequent expenditures on the maintenance of computer software and brand names are expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

4.10 Property, plant and equipment

Plant, IT equipment and other equipment

Plant, IT equipment and other equipment (comprising fittings and furniture) are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group's management. Plant, IT equipment and other equipment are subsequently measured using the cost model, cost less subsequent precaution and impairment losses.

Depreciation is recognised on a diminishing-value basis to write down the cost less estimated residual value of Plant buildings, IT equipment and other equipment. The following useful lives are applied:

> plant 3-10 years;
> office equipment 3-20 years;
> fixture and fittings 20 years;
> other equipment 2-7 years; and
> property improvements 7 years.

Depreciation is recognised on a straight line basis to write down the cost less estimated residual value of Subscription, service and demonstration wearable units over their useful life of 4 years.

In the case of leasehold property, expected useful lives are determined by reference to comparable owned assets or over the term of the lease, if shorter.

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

Notes to the Consolidated Financial Statements

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.11 Leased assets

Operating leases

Where the Group is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

4.12 Impairment testing of goodwill, other intangible assets and property, plant and equipment

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated (determined by the Group's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

4.13 Financial instruments

Recognition, Initial Measurement and De-recognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and Subsequent Measurement of Financial Assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

> Loans and receivables;

> Financial assets at Fair Value Through Profit or Loss ('FVTPL');

> Held-To-Maturity ('HTM') investments; or

> Available-For-Sale ('AFS') financial assets.

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Classification and subsequent measurement of Financial Liabilities

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognised in profit or loss. All derivative financial instruments that are not designated and effective as hedging instruments are accounted for at FVTPL.

Derivative financial instruments and hedge accounting

Derivative financial instruments are accounted for at FVTPL except for derivatives designated as hedging instruments in cash flow hedge relationships, which requires a specific accounting treatment.

4.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenses directly attributable to the manufacturing process as well as suitable portions of related production overheads, based on normal operating capacity. Costs of ordinarily interchangeable items are assigned using the first in, first out cost formula. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.15 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, the Australian Taxation Office ('ATO') and other fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Group's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

Catapult Group International Ltd and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

4.16 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

4.17 Equity, reserves and dividend payments

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

Other components of equity include the following:

> **foreign currency translation reserve** – comprises foreign currency translation differences arising on the translation of financial statements of the Group's foreign entities into AUD (see Note 4.4); and

> **share option reserve** – comprises the grant date fair value of options issued but not exercised.

Retained earnings include all current and prior period retained profits.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

All transactions with owners of the parent are recorded separately within equity.

4.18 Post-employment benefits and short-term employee benefits

Post-employment Benefit Plans

The Group provides post-employment benefits through defined contribution plans.

Short-term Employee Benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries, non-monetary benefits and accumulating sick leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

4.19 Share-based employee remuneration

The Group operates equity-settled share-based remuneration plans for its employees. None of the Group's plans feature any options for a cash settlement.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to share option reserve. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs are allocated to share capital.

4.20 Provisions, contingent liabilities and contingent assets

Provisions for product warranties, legal disputes, onerous contracts or other claims are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

Notes to the Consolidated Financial Statements

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.20 Provisions, contingent liabilities and contingent assets (continued)

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

4.21 Goods and Services Tax, Sales taxes and Value Added Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the appropriate tax authority in the relevant tax jurisdiction. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

4.22 Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgement

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Recognition of subscription revenue and rental units

Determining when to recognise revenues from subscription agreements requires an understanding of the customer's use and the useful life of the products, historical experience and knowledge of the market. The company provides GPS tracking units for team sports under both an up-front sales model and a subscription model. Under the subscription model, the customer has the right to use the GPS tracking units for the period of the subscription, however must return the unit to the Group at the end of the subscription period. Management have considered various factors under AASB 117 *Leases* as to whether a component of the subscription agreements represents a finance or operating lease. These include:

> The GPS tracking units for the majority of subscription contracts have a subscription period no more than 75% of the useful life of the units; and

> Risk in the fair wear and tear of GPS tracking units remains with the Group.

As a result this component of the subscription agreements has been considered an operating lease with the Group as lessor. As such, those GPS tracking units provided under subscription agreements have been capitalised as 'Rental Units' under property, plant and equipment and are amortised over their estimated useful life.

All revenue under subscription sales is therefore recognised on a straight-line basis over the term of the subscription period, reflecting management's best estimate of the delivery of services and provision of the rental units over the term of the agreements.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised, as described in note 16. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (see Note 4.12).

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Business combinations

Management uses valuation techniques in determining the fair values of the various elements of a business combination (see Note 4.3). Particularly, the fair value of contingent consideration is dependent on the outcome of many variables that affect future profitability (see Note 5).

4.23 Going concern

The financial statements have been prepared on the basis that the consolidated entity is a going concern, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The consolidated group incurred a loss after tax of $13,581,000 and had net cash outflow from operating activities of $8,844,000.

Notwithstanding this, the directors are of the view that the going concern principle is appropriate due to the following factors:

> The consolidated entity has continued to successfully secure sale arrangements with many leading sporting organisations across the world for which revenues and cash inflows will be recognised in future reporting periods;

> The business has put in place appropriate staffing globally to execute the growth strategy outlined in the May 2017 capital raising; and

> The acquisition of XOS brings a mature, cash generating entity into the Group enabling the consolidated operation to finance its day to day operations more effectively, better balance profitability with investment, and provide additional capital to fund strategic growth opportunities.

Notes to the Consolidated Financial Statements

5. ACQUISITIONS AND DISPOSALS

The group acquired two business's during the financial year, Kodaplay Ltd and XOS Technologies Inc. Details of these acquisitions are further disclosed in Note 34 and Note 35 respectively.

6. INTERESTS IN SUBSIDIARIES

Set out below details of the subsidiaries held directly by the Group:

Parent Entity
Catapult Group International Limited(i),(iii)

			Group Ownership Interests	
Name of the Subsidiary	**Principal Place of Business**	**Principal Activity**	**30 June 17**	**30 June 16**
Catapult Sports Pty Ltd(i),(ii),(iii)	Australia	Design and sale of wearable products and software	100%	100%
Catapult Gameday Pty Ltd	Australia	Trading entity for relationships with Media sector	100%	100%
Catapult International Pty Ltd(ii)	Australia	Holding Company	100%	100%
GPSports Systems Pty Ltd(iii)	Australia	Design and sale of wearable products and software	100%	100%
Catapult Innovations Pty Ltd	Australia	Non trading entity	100%	100%
Catapult Group US Inc.(iii)	United States of America	Holding Company	100%	100%
Catapult Sports LLC(iii)	United States of America	North American Sales Operations	100%	100%
XOS Technologies Inc	United States of America	Video Analytics	100%	Nil
Collegiate Images LLC	United States of America	Content licensing	100%	Nil
Catapult Sports Limited(iii)	United Kingdom	European Sales Operations	100%	100%
Catapult Sports Godo Kaisha	Japan	Asia Sales Operations	100%	100%
Catapult EU Ltd	Ireland	Holding company	100%	Nil
Kodaplay Ltd(iii)	Ireland	Manufacturing and Selling for Catapult consumer products	100%	Nil

(i) Catapult Group International Limited (the Company) and Catapult Sports Pty Ltd (the 'Closed Group') entered into a Deed of Cross Guarantee on 26 June 2017. The effect of the deed is that the Company has guaranteed to each creditor to pay any deficiency in the event of the winding up of any of the controlled entities in the 'Closed Group'. All entities in the 'Closed Group' have also given a similar guarantee in the event that the Company is wound up refer to Note 36.

(ii) Pursuant to ASIC Corporations (Wholly owned Companies) Instrument 2016/785 Order 98/1418 (as amended) relief has been granted to Catapult Sports Pty Ltd from the *Corporations Act 2001* requirements for preparation, audit and lodgement of financial reports and directors reports.

(iii) These entities have provided guarantees to Western Alliance Bank in respect of credit facilities of USD 6,000,000 granted to XOS Technologies Inc and Collegiate Images LLC.

7. SEGMENT REPORTING

For the year ended 30 June 2017

Management identifies its operating segments based on the Group's business units which represent the main products and services provided by the Group. The Group's two main operating segments are:

> Wearables: design, development and supply of wearable technology and analytic software to athletes and sports teams; and

> Video Analytics: develops and provides innovative digital and video analytic software solutions to elite sports teams.

These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results. The basis of segmentation has changed since the prior period where only one segment was identified. Prior year comparative data cannot be provided for operating segment EBITDA and profit as such data was not collated prior to the introduction of the current accounting software used by the Group introduced in December 2015. The geographical revenue analysis is included to provide comparative results with the prior corresponding period in a format consistent with prior periods.

The revenues and profit generated by each of the Group's operating segments and segment assets are summarised as follows:

	Wearables $'000	Video Analytics $'000	Total $'000
12 months to 30 June 2017			
Revenue – external customers	**27,443**	**33,340**	**60,783**
Segment EBITDA	2,861	9,025	11,886
Segment Operating Profit	(1,914)	3,124	1,210
Segment Assets	56,774	104,524	161,298
Segment Liabilities	25,092	21,444	161,298

	Wearables $'000	Video Analytics $'000	Total $'000
12 months to 30 June 2016			
Revenue – external customers	**17,368**	**–**	**17,368**
Segment Assets	30,151	–	30,151
Segment Liabilities	18,212	–	18,212

Notes to the Consolidated Financial Statements

7. SEGMENT REPORTING (continued)

The Group's segment operating loss reconciles to the Group's loss before tax as presented in its financial statements as follows:

	2017 $'000
Total reporting segment operating EBITDA	**11,886**
Depreciation and Amortisation for the segments	(9,994)
Finance segment costs	(21)
Finance segment income	114
Other financial segment cost	(775)
Total reporting segment operating loss	**1,210**
Corporate costs	
Employee benefits expense	(5,608)
Employee share option compensation expense	(3,256)
Capital raising and listing expenses	(1,048)
Travel, marketing and promotion	(930)
Occupancy	(3,050)
Professional fees	(1,707)
Total Corporate Costs	**(15,599)**
Finance income	(47)
Other financial items	390
Group loss before tax	**(14,046)**

Revenue by Geography

The Group's revenues from external customers (excludes government grants) and are divided into the following geographical areas:

	Wearables	Video Analytics	Total
	2017 $'000's	2017 $'000's	2017 $'000's
Revenue – external customers			
Australia	4,125	–	4,125
APAC	2,509	–	2,509
EMEA	9,857	–	9,857
USA	10,952	33,340	44,292
Total	**27,443**	**33,340**	**60,783**

	Wearables	Video Analytics	Total
	2016 $'000's	2016 $'000's	2016 $'000's
Revenue – external customers			
Australia	2,771	–	2,771
APAC	2,311	–	2,311
EMEA & Latin America*	5,448	–	5,448
USA	6,839	–	6,839
Total	**17,369**	**–**	**17,369**

All revenue is generated from external customers and there is no inter segment revenues.

* EMEA – Europe Middle East & Africa

8. REVENUE

Revenue has been generated from the following types of sales transactions:

	2017 $'000	2016 $'000
Capital revenue	17,220	8,132
Subscription and service	42,973	9,175
Other revenues	590	61
Total revenue	**60,783**	**17,368**

9. OTHER INCOME

Other income has been generated from the following sources:

	2017 $'000	2016 $'000
Government grants – EMDG	131	120
Government grants – R & D tax offset	–	1,018
Other income	84	194
Total other income	**215**	**1,332**

A further amount of Government grants from R & D tax offsets of $Nil (2016: $1,149,184) were recognised as a reduction in intangibles, based on the proportion of development costs capitalised.

Notes to the Consolidated Financial Statements

10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components:

Cash at bank and in hand

	2017 $'000	2016 $'000
AUD	8,896	1,842
EUR	403	292
GBP	1,252	89
USD	6,132	1,420
JPY	3	–
Total cash and cash equivalents	**16,686**	**3,643**

The amount of cash and cash equivalents inaccessible to the Group as at 30 June 2017 amounts to $279,089 (2016: $288,828) relating to Letter of Credits for rental leases held by the company.

11. TRADE AND OTHER RECEIVABLES

Trade and other receivables consist of the following:

	2017 $'000	2016 $'000
Trade receivables, gross	23,129	6,964
Accrued Revenue	2,133	–
Allowance for credit losses	(251)	(7)
Trade receivables	**25,011**	**6,957**
Social security and other taxes	224	745
Other receivables	141	145
Prepayments	1,488	511
Non-financial assets	**1,853**	**1,401**
Total current trade and other receivables	**26,864**	**8,358**
Other long-term financial assets	208	46
Total trade and other receivables	**27,072**	**8,404**

The net carrying value of trade receivables is considered a reasonable approximation of fair value.

All of the Group's trade and other receivables have been reviewed for indicators of impairment. An amount of $251,172 (2016: $6,566) was found to be impaired and subsequently an allowance for credit losses has been made.

12. INVENTORIES

	2017 $'000	2016 $'000
Raw materials and consumables	667	738
Work in progress	44	11
Finished goods	2,631	1,355
Total inventories	**3,342**	**2,104**

In 2017, total costs of $13,093,595 associated with inventories was included in the Consolidated Statement of Profit and Loss and Other Comprehensive Income as an expense (2016: $2,103,545). During the financial year a balance of $336,317 (2016: $Nil) was incurred regarding a write down of inventories associated with a change in device models and obsolescence of raw materials.

13. PROPERTY, PLANT AND EQUIPMENT

Details of the Group's property, plant and equipment and their carrying amount are as follows:

	Rental & Demo Units $'000	Plant & Equip-ment $'000	Furniture & Fittings $'000	Office Equip-ment $'000	Leasehold Improve-ments $'000	Total $'000
Gross carrying amount						
Balance 1 July 2016	4,460	821	11	249	219	5,761
Acquisition through business combination	–	10	19	453	31	513
Additions	3,559	804	94	653	811	5,921
Disposals	–	(73)	(7)	–	–	(80)
Net exchange Differences	(1)	(39)	(4)	(4)	(15)	(63)
Balance 30 June 2017	**8,018**	**1,523**	**113**	**1,351**	**1,046**	**12,052**
Depreciation and impairment						
Balance 1 July 2016	(1,097)	(363)	(1)	(48)	(55)	(1,565)
Depreciation	(1,993)	(227)	(11)	(387)	(319)	(2,937)
Disposals	–	55	–	2	–	57
Net exchange Differences	–	64	7	7	25	103
Balance 30 June 2017	(3,090)	(471)	(5)	(426)	(349)	(4,342)
Carrying amount 30 June 2017	**4,928**	**1,052**	**108**	**925**	**697**	**7,710**

Notes to the Consolidated Financial Statements

13. PROPERTY, PLANT AND EQUIPMENT (continued)

	Rental & Demo Units $'000	Plant & Equip-ment $'000	Furniture & Fittings $'000	Office Equip-ment $'000	Leasehold Improve-ments $'000	Total $'000
Gross carrying amount						
Balance 1 July 2015	1,834	510	4	130	219	2,698
Additions	2,626	313	7	119	–	3,065
Disposals	–	–	–	–	–	–
Net exchange Differences	–	(2)	–	–	–	(2)
Balance 30 June 2016	**4,460**	**821**	**11**	**249**	**219**	**5,761**
Depreciation and impairment						
Balance 1 July 2015	(297)	(177)	(1)	(21)	(30)	(526)
Depreciation	(800)	(186)	–	(27)	(25)	(1,039)
Balance 30 June 2016	(1,097)	(363)	(1)	(48)	(55)	(1,565)
Carrying amount 30 June 2016	**3,363**	**458**	**10**	**201**	**164**	**4,196**

All depreciation and impairment charges are included within depreciation and amortisation expense. The group wrote back $Nil (2016: $Nil) worth of rental units which had been fully depreciated and subsequently upgraded to the new device under Catapult's subscription agreements. There were no material contractual commitment to acquire property, plant and equipment at 30 June 2017 (2016: $Nil)

14. GOODWILL

The movements in the net carrying amount of goodwill are as follows:

	2017 $'000	2016 $'000
Balance 1 July	1,213	1,213
Acquired through business combinations	51,824	–
Foreign exchange effect on goodwill	90	–
Balance 30 June	**53,127**	**1,213**

14.1 Impairment Testing

For the purpose of annual impairment testing goodwill is allocated to the cash-generating units which expected to benefit from the synergies of the business combinations in which goodwill arises.

	2017 $'000	2016 $'000
Elite Wearables	1,213	1,213
Sub-Elite Wearables	3,866	–
Video Analytics	48,048	–
Goodwill allocation at 30 June	**53,127**	**1,213**

The recoverable amounts of the cash-generating units were determined based on value-in-use calculations, covering detailed five-year forecast, followed by a terminal growth rate of expected cash flows for the units. Growth rates are determined by management. The present value of the expected cash flows of each segment is determined by applying a suitable discount rate.

In measuring value in use cash flow projections are based on:

(a) reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset;

(b) most recent financial budgets/forecasts approved by management, but exclude any estimated future cash inflows or outflows expected to arise from future restructurings or from improving or enhancing the asset's performance; and

(c) estimates cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years.

	EBITDA growth rate (CAGR FY18 – FY22) (i)		Terminal value growth rate		Discount Rates	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**
Elite Wearables	22%	10%	3.6%	3.6%	11.2%	13.8%
Sub-Elite Wearables	280%	n/a	3.3%	n/a	11.4%	n/a
Video Analytics	10%	n/a	3.5%	n/a	10.9%	n/a

(i) Compound Annual Growth Rate (CAGR)

Notes to the Consolidated Financial Statements

14. GOODWILL (continued)

14.1 Impairment Testing (continued)

Management have identified that a reasonably possible change in two key assumptions could cause the carrying amount of some of the CGUs to exceed the recoverable amount. The following table shows the amount by which the assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

	Change Required for carrying amount to equal recoverable amount	
In percent	**EBITDA Growth Rate**	**Discount Rate**
Elite Wearables	3%	10.1%
Sub-Elite Wearables	19%	7.6%
Video Analytics	5%	1.2%

Brand names

The carrying value of brand names associated with each cash generating unit of the Group are outlined below:

	2017 $'000	2016 $'000
Elite Wearables	250	250
Sub-Elite Wearables	–	–
Video Analytics	4,677	–
Brand names as at 30 June	**4,927**	**250**

14.2 Growth Rates

Five years of cash flows were included in the discounted cash flow model. The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

EBITDA was estimated taking into account past experience, adjusted as follows.

- Revenue growth was projected taking into account the average growth levels experienced over the past five years and the estimated sales volume and price growth for the next five years. It was assumed that the sales price would increase in line with forecast inflation over the next five years;
- Significant one-off environmental costs have been factored into the budgeted EBITDA, reflecting various potential regulatory developments in a number of European countries in which the CGU operates. Other environmental costs are assumed to grow with inflation in other years; and
- Estimated cash flows related to a restructuring that is expected to be carried out in 2017 were reflected in the budgeted EBITDA.

The growth rates reflect a conservative management estimate, as publicly published growth rates for this industry segment are not readily available.

14.3 Discount Rates

The discount rate reflects appropriate adjustments relating to market risk and specific risk factors of the business unit.

The discount rate was a post-tax measure estimated based on the historical industry average weighted-average cost of capital.

15. OTHER INTANGIBLE ASSETS

	Acquired Software Licenses $'000	Hardware IP $'000	Brand Name $'000	Distributor Relation-ships $'000	Distributor Contracts $'000	Customer Relation-ships $'000	Internally Developed Software $'000	Total $'000
Gross carrying amount								
Balance at 1 July 2016	1,002	450	250	425	96	387	2,920	5,530
Acquisition through business combination	–	3,292	4,758	–	–	19,386	11,390	38,826
Additions	1,022	–	–	–	–	–	4,671	5,693
Net exchange difference	–	(56)	(81)	–	–	(328)	(150)	(615)
Balance at 30 June 2017	**2,024**	**3,686**	**4,927**	**425**	**96**	**19,445**	**18,831**	**49,434**
Amortisation and impairment								
Balance at 1 July 2016	(143)	(285)	–	(86)	(96)	(78)	(608)	(1,296)
Amortisation and impairment	(268)	(364)	–	(43)	–	(2,531)	(3,907)	(7,113)
Net exchange difference	–	9	–	–	–	76	71	156
Balance at 30 June 2017	(411)	(640)	–	(129)	(96)	(2,533)	(4,444)	(8,253)
Carrying amount 30 June 2017	**1,613**	**3,046**	**4,927**	**296**	**–**	**16,912**	**14,387**	**41,181**
Gross carrying amount								
Balance at 1 July 2015	395	450	250	425	96	387	1,041	3,043
Acquisition through business combination	–	–	–	–	–	–	–	–
Additions	607	–	–	–	–	–	1,879	2,487
Balance at 30 June 2016	**1,002**	**450**	**250**	**425**	**96**	**387**	**2,920**	**5,530**
Amortisation and impairment								
Balance at 1 July 2015	(79)	(109)	–	(43)	(48)	(39)	(217)	(535)
Amortisation and impairment	(64)	(176)	–	(43)	(48)	(39)	(391)	(761)
Balance at 30 June 2016	(143)	(285)	–	(86)	(96)	(78)	(608)	(1,296)
Carrying amount 30 June 2016	**859**	**165**	**250**	**339**	**–**	**309**	**2,312**	**4,234**

In addition, research costs of $619,323 (2016: $582,580) were recognised as other expenses.

16. DEFERRED TAX ASSETS AND LIABILITIES

Deferred taxes arising from temporary differences and unused tax losses can be summarised as attributable to the following:

Deferred Tax Liabilities/(Assets)	1 July 16 $'000	Recognised directly in equity $'000	Recognised in Business Combination $'000	Recognised in Profit & Loss $'000	30 June 17 $'000
Deferred Tax Assets					
Deferred revenue	–	–	–	–	–
Property, plant and equipment	1	–	–	(1)	–
Provision for annual leave	142	–	–	75	217
Provision for long service leave	72	–	–	(7)	65
Other employee obligations	97	–	–	171	268
Professional fees and doubtful debts	–	–	–	45	45
Other provisions	19	–	–	197	216
Tax losses	3,680	–	3,677	570	7,927
Section 40-880 Expenditure	489	1,385	–	(445)	1,429
	4,500	**1,385**	**3,677**	**605**	**10,167**
Deferred Tax Liabilities					
Other intangible assets	(282)	–	(1,959)	(1,327)	(3,568)
Property, plant and equipment	–	–	–	–	–
Capitalised R&D	–	–	–	(865)	(865)
Foreign exchange	–	–	–	324	324
	(282)	**–**	**(1,959)**	**(1,868)**	**(4,109)**
Deferred Tax Movement		**1,385**	**1,718**	**(1,263)**	

Notes to the Consolidated Financial Statements

16. DEFERRED TAX ASSETS AND LIABILITIES (continued)

Deferred Tax Liabilities/(Assets)	1 July 15 $'000	Recognised directly in equity $'000	Recognised in Business Combination $'000	Recognised in Profit & Loss $'000	30 June 16 $'000
Deferred Tax Assets					
Property, plant and equipment	1	–	–	–	1
Provision for annual leave	106	–	–	36	142
Provision for long service leave	42	–	–	30	72
Other employee obligations	121	–	–	(24)	97
Other provisions	37	–	–	(18)	19
Tax losses	1,114	–	–	2,566	3,680
Section 40-880 Expenditure	582	80	–	(173)	489
	2,003	**80**	**–**	**2,417**	**4,500**
Deferred Tax Liabilities					
Other intangible assets	(314)	–	–	32	(282)
Foreign exchange	–	–	–	–	–
	(314)	**–**	**–**	**32**	**(282)**
Deferred Tax Movement		**80**	**–**	**2,449**	

The amounts recognised in other comprehensive income relate to exchange differences on translating foreign operations. See Note 25 for the amount of the income tax relating to these components of other comprehensive income.

All deferred tax assets (including tax losses and other tax credits) have been recognised in the statement of financial position.

17. TRADE AND OTHER PAYABLES

Trade and other payables consist of the following:

	2017 $'000	2016 $'000
Current:		
Trade payables	8,542	5,710
Total Trade and other payables	**8,542**	**5,710**

All amounts are short-term. The carrying values of trade payables and other payables are considered to be a reasonable approximation of fair value.

18. DEFERRED REVENUE AND OTHER LIABILITIES

Deferred Revenue and Other liabilities consist of the following:

	2017 $'000	2016 $'000
Deferred Revenue	**22,380**	**7,927**

	2017 $'000	2016 $'000
Advances received for future service work	364	134
Deferred gain (lease incentive)	142	140
Other	618	416
Other liabilities – Current	**1,125**	**690**
Deferred gain (lease incentive)	395	–
Other liabilities – Non-Current	**395**	**–**
Deferred revenue	698	260
Deferred revenue – Non-Current	**698**	**260**

The deferred gain relates to the lease incentives associated with the Aurora Lane and Chicago premises commencing March 2014 and May 2016 respectively. The excess of proceeds received over fair value was deferred and is being amortised over the lease term of each lease. In 2017, deferred gain of $157,961 (2016: $67,277) was recognised in profit or loss relating to this transaction. The subsequent leasing agreement is treated as an operating lease. The non-current part of the deferred gain will be amortised between 2017 and the end each lease term.

All amounts recognised relating to deferred revenue are assessed for current versus non-current classification and are applied to revenue as recognised in relation to the timing of the client contract. The Group expects to recognise $22,380,381 of deferred revenue during FY 2018, with the balance falling into FY 2019 and 2020.

Notes to the Consolidated Financial Statements

19. FINANCIAL ASSETS AND LIABILITIES

19.1 Categories of financial assets and liabilities

Note 4.13 provides a description of each category of financial assets and financial liabilities and the related accounting policies. The carrying amounts of financial assets and financial liabilities in each category are as follows:

30 June 2017	Notes	Loans and receivables $'000 (carried at amortised cost)	Other assets $'000 (carried at amortised cost	Total $'000
Financial assets				
Other long-term financial assets	*11*	208	–	208
Trade and other receivables	*11*	25,011	–	25,011
Cash and cash equivalents	*10*	–	16,686	16,686
		25,219	**16,686**	**41,905**

30 June 2017	Notes	Other Liabilities $'000 (carried at amortised cost)	Other Liabilities at FVTPL $'000 (carried at fair value)	Total $'000
Financial liabilities				
Trade and other payables	*17*	8,542	–	8,542
Borrowings	*19.2*	3,252	–	3,252
		11,794	**–**	**11,794**

30 June 2016	Notes	Loans and receivables $'000 (carried at amortised cost)	Other assets $'000 (carried at amortised cost	Total $'000
Financial assets				
Other long-term financial assets	*11*	46	–	46
Trade and other receivables	*11*	6,957	–	6,957
Cash and cash equivalents	*10*	–	3,643	3,643
		7,003	**3,643**	**10,646**

30 June 2016	Note	Other Liabilities $'000 (carried at amortised cost)	Other Liabilities at FVTPL $'000 (carried at fair value)	Total $'000
Financial liabilities				
Trade and other payables	*17*	5,710	–	5,710
		5,710	**–**	**5,710**

The carrying amount of the following financial assets and liabilities is considered a reasonable approximation of fair value:

> trade and other receivables;

> other long term financial assets;

> cash and cash equivalents; and

> trade and other payables.

19.2 Borrowings

Borrowings include the following financial liabilities:

	Current		Non-Current	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Financial Liabilities				
At amortised cost:				
US-Dollar Loans	3,141	–	–	–
	3,141	**–**	**–**	**–**

Borrowings at amortised cost

Other bank borrowings are secured by land and buildings owned by the group. Current interest rates are variable and average 5.50% (2016: Nil). The carrying amount of the other bank borrowings is considered to be a reasonable approximation of the fair value.

Notes to the Consolidated Financial Statements

20. EMPLOYEE REMUNERATION

20.1 Employee benefits expense

Expenses recognised for employee benefits are analysed below:

	2017 $'000	2016 $'000
Wages and salaries	26,517	9,900
Social security costs	874	519
Share-based payments	3,256	290
Superannuation – Defined Contribution Plans	1,010	647
Employee benefits expense	**31,657**	**11,356**

20.2 Share-base employee remuneration

Catapult has continued to utilise its established Employee Share Plan (Employee Plan) to assist in the motivation, retention and reward of executives and employees. The Employee Plan is designed to align the interests of employees with the interests of Shareholders by providing an opportunity for eligible employees (including any person who is a full-time or permanent part-time employee or officer, or director of Catapult or any related body corporate of Catapult) to receive an equity interest in Catapult through the granting of Options, Performance Rights or other Awards.

The Shares held by the Employee Plan Trustee are Restricted Securities such that the Employee Plan Trustee is not able to dispose of them within 24 months of Official Quotation. The key terms of the Employee Plan are set out below:

Eligibility

Eligibility to participate in the Employee Plan and the number of Options, Performance Rights or other Awards offered to each individual participant, will be determined by the Board.

Grants

Under the rules of the Employee Plan, Options, Performance Rights and/or other Awards may be offered or granted to eligible employees of Catapult or any related body corporate of Catapult from time to time, subject to the discretion of the Board.

Terms and conditions

The Board has the discretion to set the terms and conditions (including conditions in relation to vesting, disposal restrictions or forfeiture and any applicable exercise price) on which it will offer or grant Options, Performance Rights or other Awards under the Employee Plan and may set different terms and conditions which apply to different participants in the Employee Plan. The Board will determine the procedure for offering or granting Options, Performance Rights and/or other Awards (including the form, terms and content of any offer, invitation or acceptance procedure) in accordance with the rules of the Employee Plan.

Vesting conditions

Options and Performance Rights and other Awards will vest and become exercisable to the extent that the applicable performance, service, or other vesting conditions specified at the time of the grant are satisfied (collectively the 'Vesting Conditions'). Vesting Conditions may include conditions relating to continuous employment or service, the individual performance of the participant and/or Catapult's performance and the exercise price (if any) being less than the current market price of the underlying Share as at vesting.

Typically, the Vesting Conditions must be satisfied within a predetermined vesting period.

Both the Vesting Conditions and the vesting period are set by the Board in its discretion, and may be waived by the Board in its discretion.

Vesting period for Options

For Options granted prior to the Original Prospectus Date, Board has in not altered the vesting periods for Options granted prior to the Original Prospectus Date, with the exception of 57,500 Options which the service conditions were waived during the last financial year and the shares were excercised during the current financial year, under the discretion of the Board.

For Options granted during the current financial period, the Board has retained a general policy of 3 years from the Options grant date. Of the Options issued during the year, the Board made exceptions to a total of 6,600,000 Options, where their vesting periods permitted partial vesting of the Options granted on the annual anniversary over a three – five year period.

Vesting period for Performance Rights

The Board has set a vesting period for the grant of the Performance Rights prior to the Original Prospectus Date and for the offer of Performance Rights to Eligible Employees pursuant to the Employee Offer under the Prospectus as 3 years from the date on which the Performance Rights are granted.

For performance rights on issue, the Board has not altered the vesting periods with the exception of 25,000 performance rights for which the service conditions were waived during the last financial year and the shares were excercised during the current financial year, under the discretion of the Board.

Shares issued (including Shares issued upon exercise of Options or Performance Rights granted) under the Employee Plan will rank equally in all respects with the other issued Shares.

Subject to satisfaction of Vesting Conditions, a participant may exercise an Option, Performance Right or other Award by lodging an exercise notice with Catapult and complying with any requirements under the Employee Plan.

A participant will have a vested and indefeasible entitlement to any dividends declared and distributed by Catapult on any Shares which, at the books closing date for determining entitlement to those dividends, are standing to the account of the participant. A participant may exercise any voting rights attaching to Shares registered in the participant's name.

Catapult may, in its discretion, issue new Shares or cause existing Shares to be acquired or transferred to the participant, or a combination of both alternatives, to satisfy Catapult's obligations under the Employee Plan. If Catapult determines to cause the transfer of Shares to a participant, the Shares may be acquired in such manner as Catapult considers appropriate, including from a trustee appointed under the Employee Plan.

Pursuant to the Employee Plan, Catapult has appointed the Employee Plan Trustee to acquire and hold Shares on behalf of participants and for the purposes of the Employee Plan. Catapult may give directions to the Employee Plan Trustee as contemplated in the trust deed or if in connection with any Award. The Employee Plan Trustee holds 3,738,898 Shares on behalf of participants and for the purposes of the Employee Plan. The Employee Plan Trustee has entered into a restriction agreement with Catapult, pursuant to which those Shares are subject to escrow for a period of 24 months commencing on the date of Official Quotation.

Notes to the Consolidated Financial Statements

20. EMPLOYEE REMUNERATION (continued)

20.2 Share-base employee remuneration (continued)

Vesting period for Performance Rights (continued)

Options, Performance Rights and other Awards which have not been exercised will be forfeited if the applicable Vesting Conditions and any other conditions to exercise are not met during the prescribed vesting period or if they are not exercised before the applicable expiry date. In addition, Options, Performance Rights and other Awards will lapse if the participant deals with the Options, Performance Rights or other Awards in breach of the rules of the Employee Plan or in the opinion of the Directors, a participant has acted fraudulently or with gross misconduct.

Options, Performance Rights and other Awards will not be quoted on ASX. Catapult will apply for official quotation of any Shares allotted under the Employee Plan, unless the Board resolves otherwise.

The Board may in its absolute discretion determine that a participant is required to pay an exercise price to exercise the Options, Performance Rights or other Awards offered or granted to that participant.

Grants of Options, Performance Rights or other Awards under the Employee Plan to a Director may be subject to the approval of Shareholders, to the extent required under the ASX Listing Rules.

Participants in the Employee Plan must not enter into transactions or arrangements, including by way of derivatives or similar financial products, which limit the economic risk of holding unvested Awards.

Subject to the rules of the Employee Plan, the Board must not offer Options, Performance Rights or other Awards if the total of the following exceeds 5% of the number of Shares on issue at the time of the offer:

> the number of Shares which are the subject of the offer of Awards;

> the number of Shares which are the subject of any outstanding offers of Awards;

> the number of Shares issued during the previous 5 years under the Employee Plan, but not including existing Shares transferred to a participant after having been acquired for that purpose; and

> the number of Shares which would be issued under all outstanding Awards that have been granted but which have not yet been exercised, terminated or expired, assuming all such Awards were exercised ignoring any Vesting Conditions, but disregarding any offer made, or Award offered or issued or Share issued by way or as a result of:

  - an offer that does not meet disclosure to investors because of section 708 or section 1012D of the Corporations Act;
  - an offer made pursuant to a disclosure document or product disclosure statement; or
  - other offers that are excluded from the disclosure requirements under the Corporations Act.

The Board may impose restrictions on dealing in Shares or Awards which are acquired under the Employee Plan, for example, by prohibiting them from being sold, transferred, mortgaged, pledged, charged or otherwise disposed of or encumbered for a period of time.

If the Board determines that for a taxation, legal, regulatory or compliance reasons it is not appropriate to issue or transfer Shares, Catapult may in lieu of and in final satisfaction of Catapult's obligation to issue or transfer Shares as required upon the exercise of an Award by a participant, make a cash payment to the participant equivalent to the fair market value of the Awards.

Where there is a change of control of Catapult, including where any person acquires a relevant interest in more than 50% of the Shares, or where the Board concludes that there has been a change in the control of Catapult, the Board will determine, in its sole and absolute discretion, the manner in which all unvested and vested Awards will be dealt with.

Where there is a takeover bid made for all of the Shares or a scheme of arrangement, selective capital reduction or other transaction is initiated which has a similar effect to a full takeover bid for Shares, then participants are entitled to accept into the takeover offer or participate in the other transaction in respect of all or part of their Awards notwithstanding any restriction period has not expired. Further, the Board may in its discretion waive unsatisfied Vesting Conditions in relation to some or all Awards in the event of such a takeover or other transaction.

If, prior to the exercise of an Award, Catapult makes a pro-rata bonus issue to Shareholders, and the Award is not exercised prior to the record date in respect of the bonus issue, the Award will, when exercised, entitle the participant to one Share plus the number of bonus shares which would have been issued to the participant if the Award had been exercised prior to the record date.

If Catapult undergoes a capital reorganisation, then the terms of the Awards for the participant will be changed to the extent necessary to comply with the ASX Listing Rules.

The Employee Plan also contains terms having regard to Australian law for dealing with the administration, variation and termination of the Employee Plan.

Share options and weighted average exercise prices are as follows for the reporting periods presented:

	Options Program		Performance Rights	
	Number of Shares	Weighted average excise price ($)	Number of Shares	Weighted average excise price ($)
Outstanding at 1 July 2016	**4,033,488**	**1.0030**	**440,000**	**0.0000**
Granted	6,600,000	3.2541	405,000	0.0000
Forfeited	(674,819)	0.7409	(60,000)	0.0000
Exercised	(112,102)	0.8385	(25,000)	0.0000
Expired	–	–	–	–
Outstanding at 30 June 2017	**9,846,567**	**2.4261**	**760,000**	**0.0000**
Exercisable at 30 June 2017	**1,693,000**	**1.3123**	**5,000**	**0.0000**

The following principal assumptions were used in the valuation:

All options granted during the year are exercisable from their vesting date.

20. EMPLOYEE REMUNERATION (continued)

20.2 Share-base employee remuneration (continued)

Valuation assumptions

Options program

	Balance 01-Jul-16	Exercise	Lapsed						Total
No. of options	4,033,488	(112,102)	(674,819)	50,000	2,050,000	1,500,000	1,000,000	2,000,000	9,846,567
Grant date		–	–	12-Aug-16	12-Aug-16	30-Nov-16	30-Nov-16	1-May-17	–
Grant date		–	–	22-Sep-16	22-Sep-16	–	–	–	–
Vesting period ends:		–	–	3	3	3	5	4	–
Tranche 1		–	–	24-Mar-18	24-Mar-18	22-Sep-17	30-Jun-17	1-May-18	–
Tranche 2		–	–	24-Mar-19	24-Mar-19	22-Sep-18	30-Jun-18	1-May-19	–
Tranche 3		–	–	23-Mar-20	23-Mar-20	22-Sep-19	30-Jun-19	1-May-20	–
Tranche 4		–	–	–		–	30-Jun-20	1-May-21	–
Tranche 5		–	–	–		–	30-Jun-21	–	–
Share price at date of grant		–	–	$4.00	$2.50	$3.27	$3.27	$2.06	–
Share price at date of grant		–	–	$3.60	$2.50	–	–		–
Volatility		–	–	45%	45%	45%	45%	45%	–
Risk free investment rate		–	–	2.22%	2.22%	2.22%	2.22%	2.22%	–
Dividend yield		–	–	0%	0%	0%	0%	0%	–
Options Life		–	–	3.5 years	3.5 years	3 years	4.8 years	4.5 years	–
Excercisable to		–	–	23-Mar-20	23-Mar-20	22-Sep-19	30-Sep-21	1-May-22	–
Weighted average exercise price at grant date		$0.84	$0.74	$3.05	$2.50	$4.66	$3.00	$2.54	–
Weighted average share price at the dates of exercise		$2.38	–	–	–	–	–	–	–

Performance rights

	Balance 01-Jul-16	Exercise			Granted			Total
No. of performance rights	440,000	(25,000)	(60,000)	105,000	300,000	–	–	760,000
Grant date	–	–	–	12-Aug-16	30-Nov-16	–	–	–
Vesting period ends:	–	–	–	3.00	3.00	–	–	–
Tranche 1	–	–	–	30-Aug-17	22-Mar-17	–	–	–
Tranche 2	–	–	–	30-Aug-18	22-Mar-18	–	–	–
Tranche 3	–	–	–	30-Aug-19	22-Mar-19	–	–	–
Value per right at date of grant		–	–	$4.00	$3.60	–	–	–
Dividend yield	–	–	–	0%	0%	–	–	–
Option Life	–	–	–	3.5 years	2.8 years	–	–	–
Excercisable to	–	–	–	26-Feb-20	22-Sep-21	–	–	–
Weighted average exercise price at grant date		0.00	0.00	0.00	0.00	–	–	–

The value per right at grant date is also the weighted average fair value per right.

The fair value of each performance right is estimated on the grant date using the Black Scholes model.

In total $3,256,226 (2016: $290,419) of employee remuneration expense (all of which related to equity-settled share based payment transactions) has been included in profit or loss and credited to share option reserve.

Notes to the Consolidated Financial Statements

20. EMPLOYEE REMUNERATION (continued)

20.3 Employee benefits

The liabilities recognised for employee benefits consist of the following amounts:

	2017 $'000	2016 $'000's
Current		
Wages and salaries	4,104	2,204
Social security costs & payroll taxes	148	–
Defined contribution plans	469	183
Accrued leave entitlements	1,363	888
Total current employee benefits	**6,084**	**3,275**
Non-current		
Accrued leave entitlements	62	67
Total non-current employee benefits	**62**	**67**

The current portion of these liabilities represents the Group's obligations to its current and former employees that are expected to be settled during the next 12 months and its accrued annual leave liabilities and current accrued long service leave. In 2016, Social security and payroll taxes balance has been reclassified to other receivables, Note 11, as a refund is due.

21. 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.

	Note	30 June 17 Shares	30 June 16 Shares	30 June 17 $'000	30 June 16 $'000
Shares issued and fully paid for:		**124,425,588**	**120,549,588**	**23,587**	**23,586**
Beginning of the year		124,425,588	120,165,982	23,587	17,746
FX movement on XOS		–	–	–	–
Shares issued for cash		43,073,500	4,259,606	116,674	6,049
Shares issued for acquisition of Kodaplay		424,579	–	1,673	–
Share issue costs		–	–	(4,700)	(288)
Deferred tax credit recognised directly on share issue costs		–	–	1,465	80
Other		–	–	25	–
Total contributed equity at end of reporting year		**167,923,667**	**124,425,588**	**138,724**	**23,586**
Other equity securities					
Treasury Shares	*21. (a)*	(3,738,898)	(3,876,000)		
Total contributed equity		**164,184,769**	**120,549,588**	**138,724**	**23,586**

On 22 July 2016, the Group undertook a capital raising of 33,334,450 shares at $3.00 per share.
The amount raised was $100,003,350.

On 5 May 2017, the Group undertook a capital raising of 7,000,000 shares at $2.00 per share.
The amount raised was $14,000,000.

On 6 June 2017, the Group issued 324,650 shares to the market at $2.00 per share.
The amount raised was $649,300.

On 6 June 2017, the Group issued 1,664,400 shares on exercise of the Disruptive Option were issued at an exercise price of $0.2565 per share.
The amount raised was $426,885.

On 6 June 2017, the Group issued 750,000 shares to the market at $2.00 per share.
The amount raised was $1,500,000.

Notes to the Consolidated Financial Statements

21. SHARE CAPITAL (continued)

21. (a) Treasury Shares

Treasury shares are shares in Catapult Group International Limited that are held by the Catapult Sports Employee Share Plan Trust for the purpose of issuing shares under the Catapult Sports Employee Share Plan in respect of options and performance rights issued under that Plan:

	2017 Shares	2016 Shares
Opening balance at 1 July 2016	**3,876,000**	**3,876,000**
Transactions during the year	(137,102)	–
Closing balance at 30 June 2017	**3,738,898**	**3,876,000**

During the year a number of shares were issued under the Employee Share Purchase option plan vested. The amount of shares issued under this option plan was 112,102 at an average exercise price of $0.8385 per share. The amount raised was $93,999.

During the year a number of shares were issued under the Employee Share Purchase performance rights plan vested. The amount of shares issued under this option plan was 25,000 at an average exercise price of $0.00 per share. The amount raised was $Nil.

21. (b) Options and performance rights on issue

The following sets out the weighted average exercise price calculations for all outstanding options (however, excluding the effect of the performance rights as detailed at Note 20.2):

	Weighted average exercise price
Outstanding at beginning of year	$0.7996
Outstanding at end of year	$2.4261
Currently excerciseable	$1.3123

22. LEASES

22.1 Finance leases as lessee

The Group has no finance leases as a lessee.

22.2 Operating leases as lessee

The Group leases an office and production building under an operating lease. The future minimum lease payments are as follows:

	Minimum Lease Payments Due			
	Within 1 year $'000	2-5 years $'000	After 5 years $'000	Total $'000
30 June 17	1,495	3,773	952	6,220
30 June 16	246	190	–	436

Lease expense during the period amounted to $1,323,299 (2016: $186,005) representing the minimum lease payments.

22.3 Operating leases as lessor

The Group leases out wearable athlete tracking units and laptops on a subscription basis to its clients. The future minimum revenues are as follows

	Minimum Lease Payments Due			
	Within 1 year $'000	2-5 years $'000	After 5 years $'000	Total $'000
30 June 17	16,774	20,363	–	37,137
30 June 16	10,449	20,926	–	31,375

Lease revenues during the period amounted to $16,341,988 (2016: $9,175,198) representing the minimum subscription payments for these lease units.

Subscription agreements are in place with over 400 clients (2016: 250 clients) with a broad range of expiry dates, based on the commencement of this kind of arrangement in 2012 and contracts typically of 36 months with standard wording incorporating rolling renewals of these agreements upon expiry of the initial term. The athlete tracking units and their associated equipment are included as The Group's Plant and Equipment and depreciated over their useful life of 4 years (see Note 13).

Notes to the Consolidated Financial Statements

23. FINANCE COSTS AND FINANCE INCOME

Finance costs for the reporting periods consist of the following:

	2017 $'000	2016 $'000
Interest expenses for borrowings at amortised cost:		
Interest expense	21	26
	21	**26**

	2017 $'000	2016 $'000
Finance income for the reporting periods consists of the following:		
Interest income from cash and cash equivalents	67	71
	67	**71**

24. OTHER FINANCIAL ITEMS

Other financial items consist of the following:

	2017 $'000	2016 $'000
Loss on exchange differences on loans and receivables	(385)	(78)
	(385)	**(78)**

25. INCOME TAX EXPENSE

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of Catapult Group International Ltd at 30% (2016: 30%) are:

	2017 $'000	2016 $'000
Loss before tax	**(14,046)**	**(8,622)**
Expected tax expense at domestic tax rate for parent at 30%	**(4,214)**	**(2,587)**
Adjustment for tax-rate differences in foreign jurisdictions	698	(561)
Tax losses in foreign jurisdictions not recognised	1,332	–
Tax losses from business combination being utilised	–	–
Prior year tax losses utilised in current period	(1,427)	–
Adjustment for tax-effect of non-assessable income:		
R&D tax offset recognised as grant income	–	(302)
Adjustment for tax-effect of non-deductible expenses:		
Adjustment for prior periods	(24)	(387)
Net R&D tax offset	(630)	474
Other non-deductible expenses	3,800	612
Actual tax benefit	**(465)**	**(2,751)**
Tax benefit comprises:		
Adjustment for prior periods	(24)	(387)
Current tax	(1,704)	85
Deferred tax	1,263	(2,449)
Tax benefit	**(465)**	**(2,751)**
Deferred tax benefit recognised directly in equity relating to share issue costs	(1,385)	(80)

Note 16 provides information on deferred tax assets and liabilities.

Notes to the Consolidated Financial Statements

26. AUDITOR REMUNERATION

	2017 $'000	2016 $'000
Assurance services		
Auditors of the company – Grant Thornton Australia		
Audit and review of the Financial Statements	195,222	95,636
Other assurance services	22,699	12,000
Overseas Grant Thornton Network firms:	55,529	14,347
	273,450	**121,983**
Other services		
Auditors of the company – Grant Thornton Australia		
Taxation compliance and general accounting advice	117,091	43,700
Other review services	29,070	–
Overseas Grant Thornton Network firms:	–	–
Taxation compliance and general accounting advice	7,466	48,133
Other review services	3,284	–
Total other service remuneration	**156,911**	**91,833**
Total auditor's remuneration	**430,361**	**213,816**

27. 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 2015 or 2016). 10,606,567 options and performance rights have not been included in calculating diluted EPS because their effect is anti-dilutive.

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

	2017 shares	2016 shares
Weighted average number of shares used in basic and diluted earnings per share	157,379	118,746

28. DIVIDENDS

Nil paid in the period

28.1 Dividends paid and proposed

Nil

28.2 Franking credits

	2017 $'000	2016 $'000
The amount of the franking credits available for subsequent reporting periods are:		
Balance of franking account at the beginning of the year	(3,841)	(1,982)
Deferred debit that will arise from the receipt of the R&D tax offset for the current year	–	(1,859)
Balance of franking account adjusted for deferred debits arising from past R&D tax offsets received and expected R&D tax offset to be received for the current year	**(3,841)**	**(3,841)**

Notes to the Consolidated Financial Statements

29. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2017 $'000	2016 $'000
Reconciliation of Cash Flows from Operating Activities		
Cash flows from operating activities		
Loss for the period	(13,581)	(5,871)
Adjustments for:		
Depreciation, amortisation and impairment	9,994	1,800
Foreign exchange differences	117	(234)
Net interest and dividends received included in investing and financing	(67)	(45)
Share based payments expense	3,256	290
	(281)	(4,060)
Net changes in working capital:		
Change in inventories	(987)	475
Change in trade and other receivables	(7,116)	(3,859)
Change in other assets	465	129
Change in current tax assets	(1,991)	(868)
Change in trade and other payables	2,138	4,181
Change in other employee obligations	2,620	1,181
Change in deferred tax, excluding amounts recognised directly in equity	(209)	(2,448)
Change in income tax payable	83	66
Change in other current liabilities	(3,566)	2,911
	(8,563)	1,768
Net cash from operating activities	**(8,844)**	**(2,292)**

30. RELATED PARTY TRANSACTIONS

The Group's related parties include its associates and joint venture, key management, post-employment benefit plans for the Group's employees and others as described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

	2017 $'000	2016 $'000
Transactions with key management	70	44
	70	**44**

Adir Shiffman was a director of Innovate Online Pty Ltd until 23 July 2015. The Group engaged Innovate Online Pty Ltd website services during the financial year $5,500 (2016: $Nil) and an amount payable as at 30 June 2017 of $Nil (2016: $Nil).

Calvin Ng is a director of Aura Group Pty Ltd. During the year, the Group engaged Aura Capital Pty Ltd (a subsidiary of Aura Group Services Ltd) for advisory services amounting to $1,127 (2016: $Nil) and had an amount payable as at 30 June 2017 of $Nil (2016: $Nil). Catapult rents office space from Aura Group Services Ltd in Sydney and Singapore for a total cost of $39,806 (2016: $44,444) and had an amount payable as at 30 June 2017 of $21,369 (2016: $40,182).

Joe Powell invoiced the Group during the year for consultancy and advisory services amounting to $22,952 (2016: $Nil) and had an amount payable as at 30 June 2017 of $Nil (2016: $Nil).

30.1 Transactions with key management personnel

Key management of the Group are the executive members of Catapult Group International's Board of Directors and executive team.

	2017 $'000	2016 $'000
Short term employee benefits		
Salaries including bonuses and leave accruals	3,326	2,151
Social security costs	107	98
Total short term employee benefits	**3,433**	**2,249**
Long service leave	8	22
Total other long-term benefits	**8**	**22**
Share-based payments	1,206	115
Total remuneration	**4,647**	**2,386**

Notes to the Consolidated Financial Statements

31. FINANCIAL INSTRUMENT RISK

31.1 Risk management objectives an polices

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarised in Note 19.1. The main types of risks are market risk, credit risk and liquidity risk.

The Group's risk management is coordinated in close cooperation with the Board of Directors, and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to financial markets The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

31.2 Market risk analysis

The Group is exposed to currency risk resulting from its operating activities.

Foreign Currency Sensitivity

Exposures to currency exchange rates arise from the Group's overseas sales and purchases, which are primarily denominated in US dollars (USD), Pound Sterling (GBP), Euro (EUR) and Japanese Yen (JPY).

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below. The amounts shown are those translated into $AUD at the closing rate:

					Short Term Exposure
	USD $'000	GBP $'000	EUR $'000	JPY $'000	AED $'000
30 June 2017					
Financial assets	24,768	2,320	2,053	3	–
Financial liabilities	(6,220)	(789)	(220)	1	(7)
Total Exposure	**18,548**	**1,531**	**1,833**	**4**	**(7)**

					Long Term Exposure
	USD $'000	GBP $'000	EUR $'000	JPY $'000	AED $'000
30 June 2017					
Financial assets	–	–	–	–	–
Financial liabilities	–	–	–	–	–
Total Exposure	**–**	**–**	**–**	**–**	**–**

					Short Term Exposure
	USD $'000	GBP $'000	EUR $'000	JPY $'000	AED $'000
30 June 2016					
Financial assets	5,823	964	783	–	–
Financial liabilities	(1,157)	(599)	(162)	(17)	–
Total Exposure	**4,666**	**365**	**621**	**(17)**	**–**

					Long Term Exposure
	USD $'000	GBP $'000	EUR $'000	JPY $'000	AED $'000
30 June 2016					
Financial assets	–	–	–	–	–
Financial liabilities	–	–	–	–	–
Total Exposure	**–**	**–**	**–**	**–**	**–**

The following table illustrates the sensitivity of profit and equity in regards to the Group's financial assets and financial liabilities and the various exchange rates 'all other things are equal'. It assumes a +/– 10% change of the various exchange rate for the year ended at 30 June 2017 (2016:10%).

If the AUD had strengthened by 10% against the respective currencies then this would have had the following impact:

	USD $'000	GBP $'000	EUR $'000	JPY $'000	Total $'000
30 June 2017	(1,686)	(139)	(167)	–	(1,992)
30 June 2016	(424)	(33)	(56)	(2)	(515)

If the AUD had weakened by 10% against the respective currencies then this would have had the following impact:

	USD $'000	GBP $'000	EUR $'000	JPY $'000	Total $'000
30 June 2017	2,061	170	204	–	2,435
30 June 2016	467	36	62	(2)	563

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to currency risk.

31. FINANCIAL INSTRUMENT RISK (continued)

31.3 Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk for receivables to customers. The Group's maximum exposure to credit risk is limited to the carrying amount of the financial assets recognised at the reporting date, as summarised below:

	2017 $'000	2016 $'000
Classes of financial assets		
> cash and cash equivalents	16,686	3,643
> trade receivables	25,011	6,957
> other long term financial assets	208	46
	41,905	**10,646**

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties.

The Group's management considers that all of the above financial assets that are not impaired or past due for each of the 30 June reporting dates under review are of good credit quality.

At 30 June the Group has certain trade receivables that have not been settled by the contractual due date but are not considered to be impaired. The amounts at 30 June, analysed by the length of time past due, are:

	2017 $'000	2016 $'000
Not more three (3) months	22,500	767
> More than three (3) months but not more than six (6) months	220	329
> More than six (6) months but not more than one (1) year	326	473
> More than one (1) year	82	82
Total	**23,128**	**1,651**

In respect of trade receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various sports and geographical areas. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

31.4 Liquidity risk analysis

Liquidity risk is the risk that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. Liquidity needs are monitored on a week-to-week basis, as well as on the basis of a rolling 90-day projection.

As at 30 June 2017, the Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

		Current		Non-current
	Within 6 months $'000	6 – 12 months $'000	1 – 5 years $'000	5+ years $'000
30 June 17				
US-Dollar loans	–	3,342	–	–
Trade and other payables	8,542	–	–	–
Total	**8,542**	**3,342**	**–**	**–**

This compares to the maturity of the Group's non-derivative financial liabilities in the previous reporting periods as follows:

		Current		Non-current
	Within 6 months $'000	6 – 12 months $'000	1 – 5 years $'000	5+ years $'000
30 June 16				
US-Dollar loans	–	–	–	–
Trade and other payables	5,710	–	–	–
Total	**5,710**	**–**	**–**	**–**

The above amounts reflect the contractual undiscounted cash flows, which may differ to the carrying values of the liabilities at the reporting date.

32. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The group's objectives when managing capital are to safeguard its ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Consistent with others in the industry, the group monitors capital on the basis of its gearing ratio. In order to maintain or adjust its capital structure, the group considers its issue of new capital, return of capital to shareholders and dividend policy as well as its plan for acquisition or disposal of assets.

33. CONTINGENT LIABILITIES

There were no contingent liabilities as at 30 June 2017.

Notes to the Consolidated Financial Statements

34. ACQUISITION OF KODAPLAY LIMITED (PLAYERTEK)

On 11 August 2016, the Group acquired 100% of the equity instruments of Kodaplay Ltd ('PlayerTek'), an Ireland based business, thereby obtaining control. The acquisition was made to expedite the Group's position in the emerging prosumer space for wearable athlete monitoring globally. PlayerTek is an emerging business in the Group's targeted expansion market of prosumer.

The details of the business combination are as follows:

	$'000
Fair value of consideration transferred:	
Amount settled in cash	3,642
Amount settled in shares	1,673
	5,315
Recognised amounts of Identifiable net assets	**$'000**
Property, plant and equipment	14
Identifiable Intangible Assets	1,015
Total non-current assets	**1,029**
Cash and cash equivalents	91
Trade and other receivables	284
Inventories	80
Other current assets	150
Total current assets	**605**
Trade and other payables	(77)
Taxes payable	(1,434)
Other liabilities (current)	(16)
Liabilities	**(95)**
Identifiable Net Assets	**1,539**
Goodwill recognised on acquisition	**3,776**
Consideration transferred settled in cash	3,642
Cash acquired	(91)
Net cash outflow on acquisition	**3,551**

Acquisition related costs amounting to $70,002 are not included as part of consideration transferred and have been recognised as an expense in the consolidated statement of profit or loss and other comprehensive income, as part of 'other expenses'.

35. ACQUISITION OF XOS TECHNOLOGIES INC

On 12 August 2016, the Group acquired 100% of the equity instruments of XOS Digital Inc ('XOS'), a Wilmington, MA (USA) based business, thereby obtaining control. The acquisition of XOS was made to compliment the Group's business operations increasing the offering to the elite sports market, initially focused on the US market.

	$'000
Fair value of consideration in cash	81,909
Recognised amounts of identifiable net assets	**$'000**
Property, plant and equipment	499
Identifiable Intangible Assets	37,811
Deferred tax asset	3,677
Other non-current assets	184
Total non-current assets	**42,171**
Cash and cash equivalents	3,259
Trade and other receivables	10,393
Inventories	597
Other current assets	576
Total current assets	**14,825**
Trade and other payables	(2,168)
Royalties accrued	(1,086)
Deferred revenue	(16,203)
Taxes payable	64
Other liabilities (current)	(1,782)
Deferred tax liability	(1,959)
Liabilities	**(23,134)**
Identifiable Net Assets	**33,862**
Goodwill recognised on acquisition	**48,047**
Consideration transferred settled in cash	81,909
Cash acquired	(3,259)
Net cash outflow on acquisition	**78,650**

Acquisition related costs amounting to $789,911 are not included as part of consideration transferred and have been recognised as an expense in the consolidated statement of profit or loss and other comprehensive income, as part of 'other expenses'.

Notes to the Consolidated Financial Statements

35. ACQUISITION OF XOS TECHNOLOGIES INC (continued)

At the date of acquisition XOS Digital Inc. had US$15.4 million of carry-forward tax losses. $3.7m of these losses have been recognised as a deferred tax asset as at 30 June 2017. Goodwill recognised on acquisition is not tax deductible.

Trade and other receivables are recorded at the expected fair value of contractual cash flows and best estimate of amounts expected to be collected.

Contribution to revenue and operating profit during the period are shown in Video Analytics segment reporting refer to Note 7.

Had the business combination occurred at the start of the year, Group revenue and net loss would be stated as $64,464,332 and $10,411,618 respectively.

36. PARENT ENTITY INFORMATION

Information relating to Catapult Group International Ltd ('the Parent Entity'):

	2017 $'000	2016 $'000
Statement of financial position		
Current assets	8,317	1,226
Total assets	133,436	24,293
Current liabilities	176	876
Total liabilities	936	1,159
Net assets	132,500	23,134
Issued capital	138,740	23,626
Foreign currency reserve	(2,045)	–
Retained earnings	(8,927)	(1,269)
Share option reserve	4,033	777
Total equity	**131,802**	**23,134**
Statement of profit and loss and other comprehensive income		
Loss for the year	(7,659)	(359)
Other comprehensive income/(loss)	(2,045)	–
Total comprehensive income/(loss)	**(9,704)**	**(359)**

The Parent Entity has no capital commitments at year end (2016: $Nil).

Parent entity guarantees in respect of debts of its subsidiaries

The parent entity has entered into the following guarantee on the 26 June 2017:

A Deed of cross Guarantee with the effect that the Company guarantees debts in respect of one of its subsidiaries. Further details to the Deed Cross Guarantee and the subsidiaries subject to the deed, are disclosed in Note 37.

37. DEED OF CROSS GUARANTEE

A consolidation income statement and consolidation balance sheet comprising the Company and controlled entity which are a party to the Deed of Gross Guarantee (members of the 'Closed Group'), after eliminating all transactions between parties to the Deed of Gross Guarantee are as follows.

	Closed Group	
	2017 $'000	2016 $'000
Summarised income statement and statement of comprehensive income and accumulated losses		
Profit/(Loss) before income tax expense	(13,860)	(4,330)
Income tax benefit/(expense)	699	1,325
Profit after income tax	(13,161)	(3,005)
Accumulated losses at the beginning of the financial year	(5,305)	(2,300)
Dividends Paid	–	–
Accumulated losses at the end of the financial year	**(18,466)**	**(5,305)**
Statement of Financial position		
Current assets		
Cash and cash equivalents	9,818	1,844
Trade and other receivables	11,391	11,673
Inventories	1,937	1,882
Other current assets	3,261	5,486
Total current assets	**26,407**	**20,885**
Non current assets		
Property, plant and equipment	5,136	3,358
Intangible assets	4,911	3,024
Deferred tax assets	3,548	3,347
Other non current assets	93,338	2,207
Total non current assets	**106,933**	**11,936**
Total assets	**133,340**	**32,821**

Notes to the Consolidated Financial Statements

37. DEED OF CROSS GUARANTEE

	Closed Group	
	2017 $'000	2016 $'000
Statement of Financial position (continued)		
Current liabilities		
Trade and other payables	6,427	6,227
Employee benefits	1,982	1,182
Other current liabilities	1,698	5,874
Total current liabilities	**10,107**	**13,283**
Non current liabilities		
Employee benefits	51	67
Other non current liabilities	760	373
Total non current liabilities	**811**	**440**
Total Liabilities	**10,918**	**13,723**
Net assets	**122,422**	**19,098**
Shareholders' equity		
Issued capital	138,740	23,626
Share option reserve	4,033	777
Foreign currency reserve	(1,885)	–
Accumulated losses	(18,466)	(5,305)
Total Shareholders' equity	**122,422**	**19,098**

The members of the Closed Group comprise Catapult Group International Limited and Catapult Sports Pty Ltd.

38. POST-REPORTING DATE EVENTS

Acquisition of athlete management system:

On 4 August 2017, Catapult acquired the SportsMed Elite and Baseline Athlete Management System (AMS) products and clients and recruited key personnel, from SMG Technologies Pty Ltd (SMG) for consideration ranging between $1.4m and $3.9m depending on performance metrics and incremental revenue generated in the two years following the acquisition.

The acquisition involved the transfer of six employees, customer contracts and intangible assets for developed software to Catapult. The modularised cloud-based platform acts as a store of team data and information, including player wellness metrics, injury and medical records, wearable data and video.

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 30 June 2017 and of its performance for the year ended on that date; and

      (ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

   (b) there are reasonable grounds to believe that Catapult Group International Ltd will be able to pay its debts as and when they become due and payable.

2. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2017.

3. Note 2 confirms that the consolidated financial statements also comply with International Financial Reporting Standards.

4. At the date of the declaration, there are reasonable grounds to believe that the members of the extended closed group identified in note 36 will be able to meet any obligations or liabilities to which that are, or may become, subject by virtue of the deed of cross guarantee described in note 37.

Signed in accordance with a resolution of the Directors:

Adir Shiffman
Director

Dated the 31st day of August 2017

Independent Auditor's Report

Grant Thornton

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CATAPULT GROUP INTERNATIONAL LIMITED

Report on the audit of the financial report

Opinion

We have audited the financial report of Catapult Group International Limited (the "Company") and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a Giving a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the year ended on that date; and

b Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Grant Thornton

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition **Note 8**	
Revenue recognition was considered a key audit matter, as Software as a Service ("SaaS") arrangements inherently contain multiple elements for which the determination of revenue recognition can be complex and involve management judgement. These judgements include: • identification of each element in the arrangements; • determining the appropriate allocation of the amount of revenue to each element in particular as many of the Group's arrangements involve the delivery of goods, software licences and other services; and • determining when each element of revenue should be recognised.	Our procedures included, amongst others: • documenting our understanding of the various SaaS arrangements used by the Group and evaluating management's revenue recognition of the elements they contained to assess compliance with *AASB 118: Revenue*; • testing a sample of sales transactions recorded in the general ledger and agreeing these to the contracts with customers to assess whether; revenue is being recognised in accordance with the Group's revenue recognition policies, agreeing receipt of the revenue to the bank and the delivery of the hardware components to proof-of-delivery; • assessing sales selected in our sample above, where applicable, for the accuracy of revenue to be deferred at year end; • testing a sample of deferred revenue balances at reporting period end against agreements to ensure the amounts were appropriately deferred; • substantiating sales transactions around reporting date and agreeing transactions to supporting documents to assess whether revenue is recognised in the correct periods; and • assessing the adequacy of financial statement disclosures.

Independent Auditor's Report

Grant Thornton

Key audit matter	How our audit addressed the key audit matter
Impairment of goodwill and other intangible assets **Note 14 & Note 15**	
At 30 June 2017, the Group's balance sheet included goodwill of $53.127 million and other intangible assets amounting to $41.181 million, contained within multiple cash generating units (CGUs). The assessment of impairment of the Group's goodwill and other intangible assets requires significant judgement in determining the value-in-use. These judgements include: • the existence of impairment indicators; • determination of appropriate CGUs; • forecast future cash flows; and • assumptions such as discount and growth rates. This area was determined to be a key audit matter due to the use of a value-in-use model for determining recoverable amount in management's impairment assessments.	Our procedures included, amongst others: • assessing management's identification of each of the Group's CGUs based on our understanding of the nature of the Group's business and cash flows; • engaging our valuation specialists to compare the key assumptions with external benchmarks (for example discount rates) and to consider the assumptions based on our knowledge of the Group and its industry; • assessing the accuracy of management forecasts against relevant historical information to evaluation to inform our evaluation of the value-in-use model; • testing the mathematical accuracy of the cash flow models and agreeing relevant data to the latest forecasts; • challenging the Group's assumptions and estimates used to determine the recoverable value of its CGUs, including those relating to forecast revenue, forecast costs, and discount rates and where available, corroborating the key market related assumptions to external data; and • assessing the adequacy of financial statement disclosures.

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Key audit matter	How our audit addressed the key audit matter
Business combinations **Note 34 & Note 35**	
During the year ended 30 June 2017 the Group acquired XOS Technologies Inc. for purchase consideration of $81.9 million and Kodaplay Limited for purchase consideration of $5.3 million. Accounting for these transactions is a complex and judgemental exercise, requiring management to determine the fair value of acquired assets and liabilities, in particular determining the allocation of purchase consideration to goodwill and separately identifiable intangible assets. It is due to the size of the acquisition and the estimation process involved in accounting for these business combinations that this is a key audit matter. The Group engaged an Independent Expert to value the intangible assets acquired in these business combinations.	Our procedures included, amongst others: • reading the sale and purchase agreements to understand key terms and conditions; • assessing the qualifications and experience of the Independent Expert engaged by management and their suitability to perform the valuation engagement; • working with our valuation specialists to assess the work contained in the Independent Expert's Purchase Price Allocation Reports to determine whether the appropriate intangible assets had been identified, whether the appropriate valuation methodologies had been used and to determine whether assumptions used were reasonable compared with external benchmarks (for example discount rates) and to consider the assumptions based on our knowledge of the Group and its industry; • testing the mathematical accuracy of the underlying calculations; • evaluating the forecasts provided by management upon which the valuations were based by assessing forecast revenues, operating costs and capital expenditure based on our knowledge of the Group and market and sector trends; and • assessing the adequacy of the Group's disclosures in respect of the business acquisitions against the requirements of *AASB 3: Business Combinations*.

Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors' for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Independent Auditor's Report

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 28 to 38 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Catapult Group International Limited, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A R J Nathanielsz
Partner - Audit & Assurance

Melbourne, 31 August 2017

ASX Additional Information

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below.

SHAREHOLDINGS (AS AT 30 JUNE 2017)

1. CORPORATE GOVERNANCE STATEMENT

Catapult's corporate governance statement for the financial year ended 30 June 2017 is available at the following URL: www.catapultsports.com/au/investors/corporate-governance/

2. SUBSTANTIAL SHAREHOLDERS

Substantial holder	Shares held	Notice date
Disruptive Capital Pty Ltd; Aura Group Pty Ltd, Ng Capital Management Pty Ltd; Calvin Ng; Daring Investments Pty Ltd; John Kolenda; Milenka Kolenda; Caveau Capital Investments Pty Ltd; Eric King Wai Chan	21,434,420	28 July 2016
Manton Robin Pty Ltd; Manton Robin Pty Ltd <Shaun Holthouse Family A/C>; Shaun Holthouse	24,775,000	8 June 2017
Charlaja Pty Ltd; Charlaja Pty Ltd <Van De Griendt Family A/C>; Igor Van De Griendt	23,008,000	7 June 2017
BBHF Pty Ltd; A & R Shiffman Superannuation Pty Ltd <ATF A & R Shiffman Super Fund>; Adir Shiffman	28,239,600	9 May 2017

3. NUMBER OF HOLDERS OF EACH CLASS OF EQUITY SECURITY

Equity security class	Number of holders
Ordinary shares	4,505
Employee options and performance rights	59

4. VOTING RIGHTS ATTACHED TO EACH CLASS OF EQUITY SECURITY

At a general meeting, every Shareholder present in person or by proxy, body corporate representative, or attorney has one vote on a show of hands and one vote for each Share held on a poll.

Votes are cast by a show of hands unless a poll is demanded. A poll may be demanded by the chairperson or at least five Shareholders entitled to vote on the resolution or Shareholders with at least 5% of the votes that may be cast on the resolution on a poll.

Option and performance rights holders do not have voting rights.

ASX Additional Information

5. DISTRIBUTION SCHEDULE IN EACH CLASS OF EQUITY SECURITIES

Ordinary shares

Range (size of holding)	Total holders	Number of shares	%
1 – 1,000	1,477	803,078	0.48
1,001 – 5,000	2,263	6,045,869	3.60
5,001 – 10,000	730	5,448,888	3.24
10,001 – 100,000	649	15,553,191	9.26
100,001 and over	63	140,072,641	83.41

Employee options and performance rights

Range (size of holding)	Total holders	Number of shares	%
1 – 1,000	0	0	0.000
1,001 – 5,000	0	0	0.000
5,001 – 10,000	19	185,001	2.608
10,001 – 100,000	33	1,669,282	23.530
100,001 and over	6	5,240,000	73.862

6. UNMARKETABLE PARCELS

Number of holders holding less than a marketable parcel of the Company's main class of securities (in this case, fully paid ordinary shares) based on the closing market price at $1.635.

	Number of holders
Minimum $500.00 parcel (at $1.635 per share)	425

7. 20 LARGEST SHAREHOLDERS

The 20 largest holders of ordinary shares and number of ordinary shares and percentage of capital held by each are follows:

Rank	Shareholder	Shares held	% held
1	Manton Robin Pty Ltd	24,775,000	14.74
2	Charlaja Pty Ltd	23,008,000	13.69
3	One Managed Investment Funds	21,363,600	12.72
4	Citicorp Nominees Pty Limited	11,219,318	6.68
5	HSBC Custody Nominees (Australia) Limited	7,846,366	4.67
6	J P Morgan Nominees Australia Limited	7,426,358	4.42
7	B B H F Pty Ltd	6,859,000	4.08
8	National Nominees Limited	5,960,178	3.55
9	AET SFS Pty Ltd <Catapult ESP Unallocated AC>	3,658,898	2.18
10	One Managed Investment Funds Limited <Lakehouse Small Companies A/C>	3,625,290	2.16
11	BNP Paribas Nominees Pty Ltd <Agency Lending DRP A/C>	3,543,632	2.11
12	BNP Paribas Noms Pty Ltd <DRP>	2,168,727	1.29
13	Sandhurst Trustees Ltd <JMFG Consol A/C>	1,520,303	0.91
14	ACK Pty Ltd <Markoff Super NO 2 A/C>	881,244	0.52
15	Mr Schwin Chiaravanont	880,926	0.52
16	UBS Nominees Pty Ltd	804,033	0.48
17	BNP Paribas Nominees Pty Ltd <IB AU NOMS Retailclient DRP>	780,346	0.46
18	Perle Ventures Pty Ltd <877 Cap Investments 2 A/C>	775,917	0.46
19	Radical Investments LP	763,800	0.45
20	Mr Mark Cuban	727,272	0.43

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Corporate Directory

SHAREHOLDER INFORMATION

Shareholder enquiries

Shareholders with queries should contact the Group's share registry, Computershare, on phone 1300 850 505 (investors within Australia), +61 (0)3 9415 4000 (investors) or fax +61 (0)3 9473 2500, or through its website (www.computershare.com.au) or write to:

Computershare Investor Services Pty Limited

452 Johnston Street
Abbotsford, VIC, 3067

Securities exchange listing

The Group's shares are listed on the Australian Securities Exchange (ticker: CAT)

General enquiries

Company Secretary:

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+61 (0)3 9095 8410

The address and telephone of the Company's registered office is:

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Docklands, Victoria, Australia

Telephone: +61 (0)3 9095 8401

The postal address is:

T47B Collins Square, 727 Collins Street
Docklands, VIC, 3008

Website:

www.catapultsports.com.


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CARTER