CATAPULT

2020
ANNUAL REPORT

PLAY SMART

CATAPULTSPORTS.COM

1.0 IMPORTANT NOTICE

This document may contain forward looking statements including plans and objectives. Do not place undue reliance on them as actual results may differ, and may do so materially. They reflect Catapult's views as at the time made, are not guarantees of future performance and are subject to uncertainties and risks, such as those described in the Business Risk section of the Directors' Report in this document. Subject to law, Catapult assumes no obligation to update, review or revise any information in this document.

While Catapult's results are reported under IFRS, this document may also include non-IFRS information (such as EBITDA, contribution margin, free cash flow, annual recurring revenue (ARR), annualised contract value (ACV), lifetime duration (LTD), and churn). These measures are provided to assist in understanding Catapult's financial performance. They have not been independently audited or reviewed, and should not be considered an indication of, or an alternative to, IFRS measures.

The information in this document is for general information purposes only, and does not purport to be complete. It should be read in conjunction with Catapult's other market announcements. Readers should make their own assessment and take professional independent advice prior to taking any action based on the information.

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the presented figures.

2.0 CONTENTS

3.0 FY20 KEY ACHIEVEMENTS

- DELIVERED $9M OF POSITIVE FREE CASH FLOW, A YEAR EARLIER THAN EXPECTED
- FIFTH CONSECUTIVE HALF OF CONSISTENT EBITDA GROWTH, UP $9.2M TO $13.3M
- 26 CUSTOMER-FACING SOLUTIONS/ UPGRADES
- MANAGEMENT OF COVID-19 CRISIS

3.1 OPERATIONAL HIGHLIGHTS

SALES

- Major marquee team signings
- Another successful year with league-wide deals
- Growth in multi-solution customer up 39%

TECHNOLOGY

- Delivered 26 customer-led innovative solutions
- Vector take up rate of 17.4% across all customers
- COVID-19 solutions
- $9m invested in R&D to drive future growth

CORPORATE

- US appointments including CEO, COO and SVP of Product
- Moving to USD reporting currency
- New Independent Board Member with the appointment of Michelle Guthrie

3.2 FINANCIAL HIGHLIGHTS

		FY20 (AUD $M)	FY19 (AUD $M)	% CHANGE
RECURRING REVENUE	ARR	72.6	66.2	10%
	ACV	**62.5**	**55.6**	**12%**
	ACV CHURN (%)	**6.7%**	**6.3%**	**6%**
	SUBSCRIPTION REVENUE	77.6	64.0	21%
	LIFETIME DURATION (YEARS)	**6.5**	**6.7**	**(3%)**
	REVENUE	100.7	95.4	6%
EFFICIENCY AND SCALABILITY	CONTRIBUTION MARGIN (%)	**48.6**	**40.3**	**21%**
OPERATING LEVERAGE	EBITDA	13.3	4.1	225%
	FREE CASH FLOW	9.0	(17.1)	153%
GROWTH INVESTMENT	R&D AS A % OF REVENUE	9%	11%	(18%)

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4.1 CHAIRMAN AND CEO LETTERS

Dear Shareholders,

We are proud of the significant progress Catapult has made this financial year. On behalf of your Board of Directors, it is our pleasure to share with you the Catapult Group International Ltd Annual Report for the financial year ended 30 June 2020 (FY20).

Our significant progress as a global software business included the delivery of strong financial outcomes in a year of unforeseen challenges and uncertainty due to impacts of the COVID-19 global pandemic.

Catapult's SaaS business model, loyal customer base, innovation focus and effective management response held the Company in good stead during the global lockdown of professional sports through late FY20.

Catapult is experiencing the scalability typical of a successful subscription software business, with expense growth falling and revenue growth supported by strong growth in subscription revenue.

DR. ADIR SHIFFMAN
EXECUTIVE CHAIRMAN

The combination of continued growth and operating leverage means we have passed an important scalability inflection point. Catapult's positive and high growth EBITDA result and delivery of positive free cash flow, a year earlier than expected, further de-risked the business in FY20.

> **"CATAPULT'S SAAS BUSINESS MODEL, LOYAL CUSTOMER BASE, INNOVATION FOCUS AND EFFECTIVE MANAGEMENT RESPONSE HELD THE COMPANY IN GOOD STEAD DURING THE GLOBAL LOCKDOWN OF PROFESSIONAL SPORTS THROUGH LATE FY20."**

Noting more information on our FY20 achievements is provided in the CEO letter and pages following, Catapult's major FY20 financial and operating highlights included:

- EBITDA of $13.3 million, up 225%
- Positive free cash flow of $9.0 million, up $26.1 million
- $27.5 million cash balance at 30 June 2020 ($39.8 million at 14 August 2020)
- Subscription revenue of $77.6 million, up 21%
- Revenue $100.7 million, up 6%; and
- 39% growth in customers with more than one Catapult solution.

Early in the financial year the Board was delighted to welcome Will Lopes as Catapult's CEO. As the former Chief Revenue Officer of Amazon subsidiary Audible, Will brings world-class technology and growth experience from one of the world's most successful technology businesses. With the North American and European markets comprising the majority of Catapult's revenue Will is based out of Catapult's Boston office.

With Will as CEO, the Board is confident that we have a leader with global experience, huge ambition, and the proven ability to help us create the most impactful and successful technology Company in world sport.

The appointment of Will and his subsequent recruitment of high calibre leaders including Hayden Stockdale (CFO), Chris Cooper (COO) and Yana Bulva (SVP Product) enhances Catapult's capacity to scale globally.

Board capability and independence was improved during FY20 following the appointment of Michelle Guthrie as an independent non-executive director and the return of Jim Orlando to a non-executive director role.

As a high-growth software Company, with a growing global customer base and market leadership we were delighted to be included as an original constituent in the new S&P/ASX All Technology Index. We view Catapult's inclusion as a positive sign of our increasing relevance for a growing range of investors globally.

OUTLOOK

We are excited and focused on maximising the huge growth potential of Catapult. Having delivered our first full year of positive free cash flow in FY20 the Company remains committed to maintaining positive free cash flow in FY21. Catapult also expects revenue to return to growth rates consistent with the Company's history, although this is in part dependent on the duration and nature of COVID-19.

We continue to invest in innovation and R&D investment is expected to return to more historical levels compared with the low base reported in FY20. This will bring Catapult more into line with the R&D investment profiles of high growth global technology businesses.

The delays and temporary closures of many sports over recent months have shifted the Company's sales cycle, and consequently a significant proportion of sales that would otherwise have been made in 4Q20 are now expected to be made in 1H21. We believe the long-term underlying revenue growth rate of the Company has not been impacted by COVID-19. It is too early to comment on the short-term (FY21).

There is further de-risking potential for Catapult's business should professional sport continue to adjust effectively to the operational requirements of a COVID-19 affected world.

I am extremely thankful for the continued commitment of the Board, the Executive team and our employees around the world in what has been a challenging and rewarding year.

Finally, the Board is enormously grateful to athletes, teams and shareholders for their continued support in the past year. Catapult's continued growth would not be possible without your support and loyalty. Thank you.

Regards

Dr Adir Shiffman

Executive Chairman

4.2 CHAIRMAN AND CEO LETTERS

WILL LOPES
CHIEF EXECUTIVE OFFICER

Dear Shareholders,

Catapult's progress through FY20 highlights why I was so excited to join Catapult in November 2019. It demonstrates that the fundamentals of a strong recurring subscription business coupled with a low churn customer base creates amazing operating leverage.

This operating leverage allowed us to achieve positive cash flow a year ahead of plan under the extremely challenging and stressful circumstances presented by COVID-19.

Our progress in FY20 excites me even more about our prospects as we continue to innovate on behalf of our customers.

CUSTOMER FOCUS AND INNOVATION DRIVING SUBSCRIPTION REVENUE GROWTH

Despite COVID-19 impacts slowing our growth late in the year, we were able to grow subscription revenue 21% and deliver 26 new solutions to our customers.

All solution verticals contributed to subscription revenue growth with Performance & Health +29%, Tactics & Coaching +10%, Management +26% and Media and Engagement +27%.

Catapult continued to win marquee customer signings, be successful with League Wide Deals (LWD), grow multi-solution customers, secure deal renewals and extensions, and report low churn in FY20.

Catapult's global customer base expanded to 3,246 with marquee signings and renewals including Real Madrid, Chicago Bears, Stanford University and the England and Wales Cricket Board. Prominent LWDs were the signing of Dimayor (top two tiers of Colombian Football with 36 teams) and Major League Rugby.

Customers with more than one solution grew 39% YoY, and significantly contributed to continued low customer churn with ACV churn for FY20 at 6.7% compared to 6.3% in FY19.

Catapult invested $9 million in R&D in FY20 to drive future growth and build on its industry leadership position. 96% of this investment was focused on Pro segment innovation. The new 26 customer-facing solutions included COVID-19 innovations and upgrades for Pro segment customers across soccer, baseball, rugby and US college football.

> **"OUR PROGRESS IN FY20 EXCITES ME EVEN MORE ABOUT OUR PROSPECTS AS WE CONTINUE TO INNOVATE ON BEHALF OF OUR CUSTOMERS."**

Catapult's new COVID-19 innovations are now used by over 2,000 athletes and customer utilisation of our solutions is now higher than a year ago.

Catapult continues to increase its focus on its key US market with US customers now contributing 65% of revenue. In addition to myself being US-based I have made some key appointments which will help Catapult scale globally and accelerate growth. I was delighted to welcome Chris Cooper (COO) and Yana Bulva (SVP, Product) to senior US based roles at Catapult. The executive team was also strengthened by my appointment of Hayden Stockdale as Catapult's CFO.

STRONG FINANCIAL RESULTS

Catapult was pleased to deliver EBITDA of $13.3 million in FY20, an improvement of $9.2 million, driven by continued strong subscription revenue growth of 21% (total revenue growth 6%) and a decline in operating expenses.

Catapult has now delivered five consecutive half-years of consistent EBITDA growth driven by its continued focus on efficient implementation of a SaaS business model resulting in higher operating leverage and profitable growth.

The Company committed to deliver positive free cash flow into FY21 and it is pleased to achieve this goal a year earlier than planned, in spite of COVID-19.

Positive free cash flow of $9 million further de-risks the Company. This achievement includes $9 million of R&D investment for future growth.

This positive cash flow inflection point means we are becoming a great SaaS business that is well positioned to scale while delivering great service to our customers and value to our shareholders.

Catapult is in a strong financial position. At 30 June 2020 its cash position was $27.5 million ($39.8 million at 14 August 2020). This includes $7.3 million drawn from a debt facility in March 2020 at the beginning of COVID-19 lockdown restrictions.

These strong financial results were achieved despite the impacts from COVID-19. Our major 4Q (4th quarter) selling season was disrupted by COVID-19, pushing sales into the first half of next financial year.

Combined with our conscious focus on driving subscription sales, capital sales (-27.6%) were most affected and total FY20 revenue was estimated to be $14.5 million lower.

I was pleased we managed the prosumer customer segment more efficiently and to plan. It delivered strong EBITDA improvement with a loss of $0.7 million compared with a loss of $6.1 million in FY19. The improvement is attributable to the restructuring of this business delivering operating cost containment and lower marketing spend. Prosumer revenue declined 7.7% with sales impacted by COVID-19 lockdowns in key markets.

Catapult's ability to execute during such a challenging period is a great sign of our product strength, our employees' dedication to our customers, and the experience of our executive team. I am proud of what we've accomplished at Catapult since my arrival.

OUTLOOK

Further to the Chairman's commentary about the outlook FY21 will be a shorter financial year comprising nine months as a result of Catapult changing to a 31 March year end. The change of year end and switch to a USD reporting currency will better reflect the Company's underlying successful operating and earnings profile driven by its growth in the northern hemisphere market.

Finally, thank you to the Board for their support and thank you to our customers.

What attracted me to Catapult is its global technology leadership and the huge opportunity to keep innovating and redefining the performance of elite teams and athletes globally. Catapult is a business with strong financial fundamentals with the potential to become the 'Salesforce' of the sports performance technology world.

Regards,

Will Lopes

CEO

FY20
REVIEW OF OPERATIONS

5.1 CATAPULT'S CUSTOMER SOLUTION-BASED STRATEGY

PLATFORM					SEGMENTS
MANAGEMENT	PERFORMANCE & HEALTH	TACTICS & COACHING	MEDIA & ENGAGEMENT	PROFESSIONAL SERVICES	
OPPORTUNITY AMS	STRONG POSITION WEARABLES	STRONG POSITION VIDEO	OPPORTUNITY LICENSING	OPPORTUNITY	PRO
OPPORTUNITY	OPPORTUNITY WEARABLES	OPPORTUNITY	OPPORTUNITY	OPPORTUNITY	PROSUMER

Catapult's vision is to empower every athlete and team on earth with technology to perform at their best. In helping our customers Catapult aims to offer the most comprehensive set of solutions for teams and athletes to improve performance.

Catapult sees huge opportunity to create additional value for customers in the solution categories where the Company already has a strong position, for example Performance & Health and Tactics & Coaching, and in solution categories where the Company is developing new capabilities.

The Company's customer facing solution-based strategy is illustrated above.

This image highlights some of Catapult's unique suite of software and solutions

5.2 GLOBAL SCALE AND GROWING CUSTOMER BASE

The implementation of this strategy includes a focus on growing the number of customers with more than one Catapult solution. Pleasingly this cohort of customers grew by 39% in FY20 and this growth significantly contributed to continued low customer churn with ACV churn for FY20 at 6.7% compared to 6.3% in FY19.

In addition to delivering low churn and growing multi-solution customers, Catapult's customer focus enabled Catapult to win marquee customer signings, be successful with League Wide Deals (LWD), and secure deal renewals and extensions in FY20.

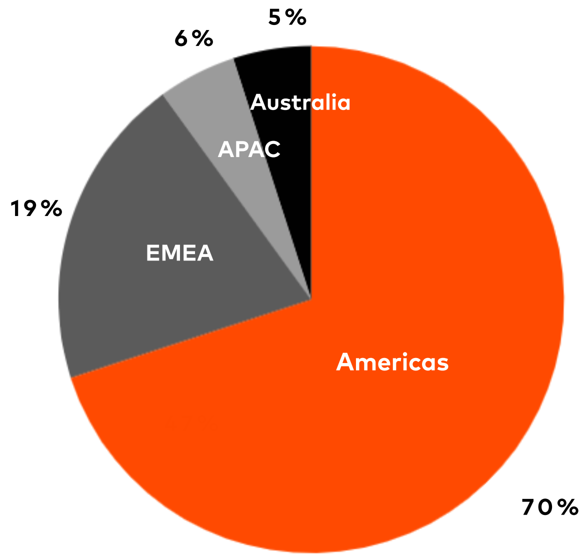
Catapult's global customer base expanded to 3,246 with marquee signings and renewals including Real Madrid, Chicago Bears, Stanford University and the England and Wales Cricket Board. Prominent LWDs were the signing of Dimayor (top two tiers of Colombian Football with 36 teams) and Major League Rugby.

This success and expansion of the customer base was achieved in spite of COVID-19 impacts.

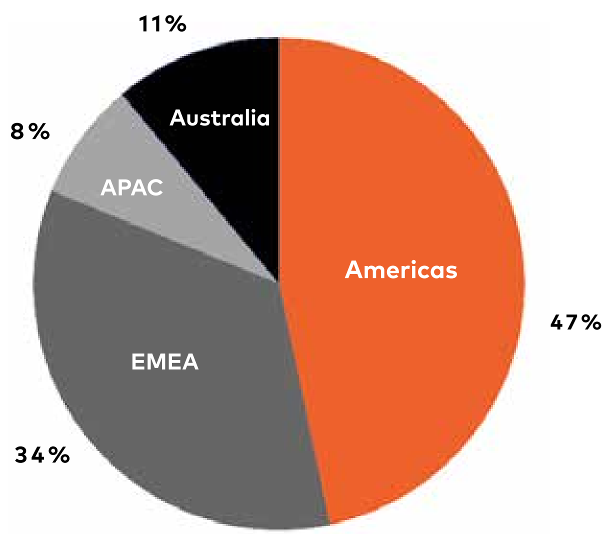
Catapult continues to increase its focus on its key US market with US customers now contributing 65% of Catapult's revenue. Senior appointments in FY20 included a US based CEO, COO and SVP of Product. The Americas comprising the USA is Catapult's highest value geographic segment providing 47% of Catapult's customer base and 70% of Catapult's revenue.

The charts following provide a more detailed analysis of the customer numbers and revenue contributions by region.

REVENUE BY REGION



TEAMS BY REGION



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5.3 INVESTMENT IN GROWTH AND 26 NEW CUSTOMER FACING SOLUTIONS

As part of its commitment to creating the platform of solutions for athletes and teams Catapult invested $9 million in R&D in FY20 to drive future growth and build on its industry leadership position. 96% of this investment was focused on Pro segment innovation. In the last year Catapult delivered 26 customer-facing solutions including COVID-19 innovations and upgrades for Pro segment customers across soccer, baseball, rugby and US college football.

5.4 RESPONDING TO COVID-19 CHALLENGES

Catapult's SaaS business model, loyal customer base, innovation focus and effective management response held the Company in good stead during the global lockdown of professional sports through late FY20.

Our major 4Q (4th quarter) selling season was disrupted by COVID-19, pushing sales into 1H FY21. Combined with our conscious focus on driving subscription sales, capital sales (-27.6%) were most affected and total FY20 revenue was estimated to be $14.5 million lower. Cash collections were strong through the second half of FY20.

Despite COVID-19, subscriptions revenue grew strongly in 4Q within our core verticals:

- Performance & Health (wearables) up 25% and Tactics & Coaching (video solutions) up 11% on 4Q FY19.
- Catapult's new COVID-19 innovations are now used by over 2,000 athletes and customer utilisation of our solutions is now higher than a year ago.
- Management swiftly imposed cost measures in late March 2020. As the impact on the business wasn't as severe as management had prepared for, Catapult has begun lifting cost measures.

5.5 STRONG FINANCIAL RESULTS AND METRICS

		FY20 (AUD $M)	FY19 (AUD $M)	% CHANGE
RECURRING REVENUE	ARR	72.6	66.2	10%
	ACV	**62.5**	**55.6**	**12%**
	ACV CHURN (%)	**6.7%**	**6.3%**	**6%**
	SUBSCRIPTION REVENUE	77.6	64.0	21%
	LIFETIME DURATION (YEARS)	**6.5**	**6.7**	**(3%)**
	REVENUE	100.7	95.4	6%
EFFICIENCY AND SCALABILITY	**CONTRIBUTION MARGIN (%)**	**48.6**	**40.3**	**21%**
OPERATING LEVERAGE	EBITDA	13.3	4.1	225%
	FREE CASH FLOW	9.0	(17.1)	153%
GROWTH INVESTMENT	R&D AS A % OF REVENUE	9%	11%	(18%)

Catapult delivered $13.3 million of EBITDA in FY20, an improvement of $9.2 million, driven by continued strong subscription revenue growth of 21% (total revenue growth 6%) and a decline in operating expenses.

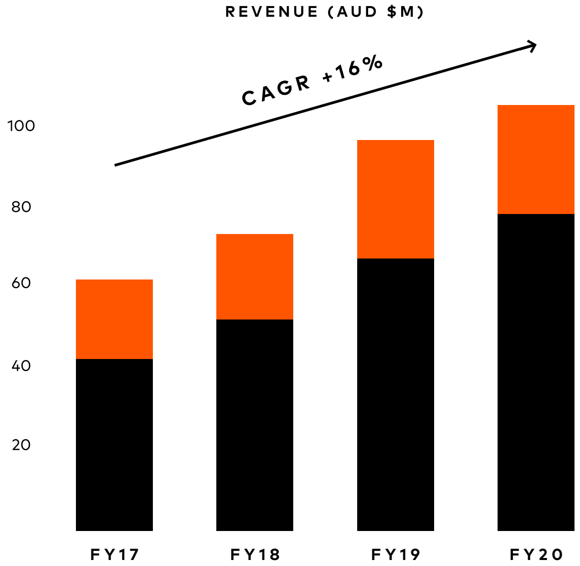
The Company committed to deliver positive free cash flow into FY21 and it is pleased to achieve this goal a year earlier than planned, in spite of COVID-19.

The driver of these strong results is Catapult's continued focus on efficient implementation of a SaaS business model resulting in higher operating leverage and profitable growth. The Company has now delivered five consecutive half-years of consistent EBITDA growth.

Catapult achieved strong growth in subscription revenue across all solution categories with contributed with Performance & Health +29%, Tactics & Coaching +10%, Management +26% and Media and Engagement +27%.

The graphs following highlight the positive multi-year trends which have emerged from the efficient implementation of a SaaS business model.

5.6 REVENUE GROWTH DRIVEN BY SUBSCRIPTION REVENUE

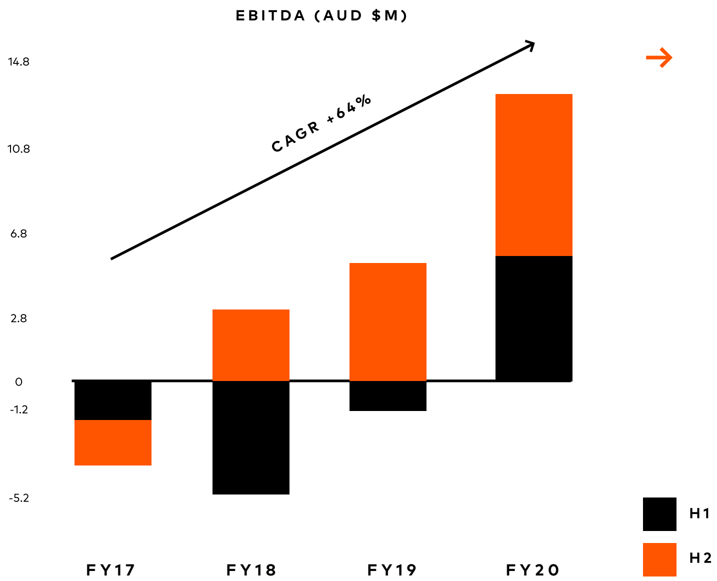


→ Subscription revenue +21%.

→ Our major Q4 selling season was disrupted by COVID-19, likely, pushing sales into H1 FY21. Capital sales (-27.6%) were most affected.

→ Our pre-COVID-19 internal estimate for FY20 revenue was approximately $14.5m higher than our reported result.

5.7 EBITDA GROWTH MOMENTUM



→ Delivered five consecutive halves of consistent EBITDA growth.

5.8 OPERATING EXPENSE CONTINUES TO DECLINE WITH SCALE

Operating expenses as a percentage of revenue is trending lower. This is an important measure of scale and efficiency highlighted by a consistently higher rate of revenue growth relative to expense growth. Cost of Goods Sold grew less than revenue due to the skew towards higher margin subscription business and variable costs were lower from scale efficiencies, reduced investment in Consumer, and savings from COVID-19 measures. Growth in fixed labour expenses was planned and supports future business and revenue growth.

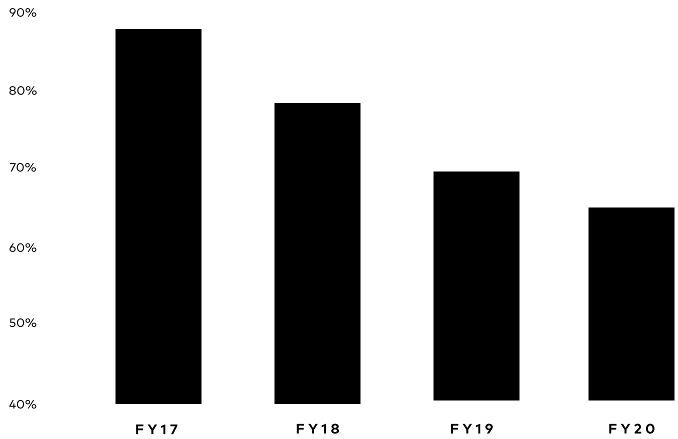
Contribution Margin is a common SaaS metric calculated as the percentage of revenue retained after all variable costs, and measures the operating leverage of the Company to revenue growth. Sustained revenue growth and scale efficiencies across variable costs have driven the improvement in Catapult's contribution margin.

Contributing to the strong results was a $5.4 million EBITDA improvement from the Prosumer division. Prosumer delivered an EBITDA loss of $0.7 million compared with a loss of $6.1 million in FY19. The improvement is attributable to the restructuring of this business delivering operating cost containment and lower marketing spend. Prosumer revenue declined 7.7% with sales impacted by COVID-19 lockdowns in key markets.

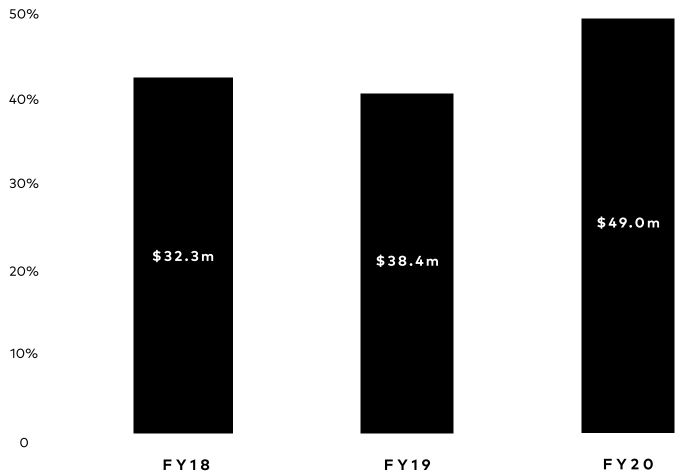
STRONG FINANCIAL POSITION

Catapult is in a strong financial position. At 30 June 2020 its cash position was $27.5 million ($39.8 million at 14 August 2020). This includes $7.3 million drawn from a debt facility in March 2020 at the beginning of COVID-19 lockdown restrictions.

OPERATING EXPENSES TO REVENUE RATIO (%)



CONTRIBUTION MARGIN (%)



5.9 2019/20 CHAMPIONS USE CATAPULT

KANSAS CITY CHIEFS **NFL**	LOUISIANA STATE UNIVERISTY **NCAA FOOTBALL**	REAL MADRID **LA LIGA**	FC PORTO **PRIMEIRA LIGA**	ROYAL ANTWERP FC **CROKY CUP**
BEERSCHOT WILRIJK **PROXIMUS LEAGUE**	DINAMO ZAGREB **PRVA LIGA**	SYDNEY ROOSTERS **NRL**	RICHMOND TIGERS **AFL**	CANTERBURY CRUSADERS **SUPER RUGBY**
RED STAR BELGRADE **SERBIAN SUPERLIGA**	FK VOJVODINA **SERBIAN CUP**	KAWASAKI FRONTALE **J.LEAGUE YBC**	FK SARAJEVO **NATIONAL CUP**	LEGIA WARSAW **EKSTRAKLASA**
STAL MIELEC **I LIGA**	SLAVIA PRAGUE **FORTUNA LIGA**	FK PARDUBICE **FNL**	FERENCVAROS **NEMZETI BAJNOKSAG I**	MTK BUDAPEST **NEMZETI BAJNOKSAG II**
FC SHAKHTAR DONETSK **UKRAINIAN PREMIER LEAGUE**	FC DYNAMO KYIV **UKRAINIAN CUP**	FK SUDUVA **NATIONAL LEAGUE**	FK QARABAG **AZERBAIJANI PREMIER LEAGUE**	SYDNEY FC **A- LEAGUE**
PERTH WILDCATS **NBL**	SUWON SAMSUNG **KOREAN FA CUP**	KASHIWA REYSOL **J-2 LEAGUE**	NIPPON TV TOKYO VERDY BELEZA **NADESHIKO LEAGUE DIV1**	KFA **EAFF E-1 CHAMPIONSHIP**

5.10 FY20 MAJOR SIGNINGS

REAL MADRID CF

MAJOR LEAGUE RUGBY (LEAGUE-WIDE)

CAROLINA PANTHERS

UNIVERSITY OF NORTH CAROLINA

UNIVERSITY OF SOUTH CAROLINA

ENGLAND AND WALES CRICKET BOARD

CHICAGO BEARS

FC RIGA

ANAHEIM DUCKS

UNIVERSITY OF MISSISSIPPI

UNIVERSITY OF IOWA

STANFORD UNIVERSITY

FC BASEL

DIMAYOR (LEAGUE-WIDE)

ZHEJIANG GREENTOWN FC

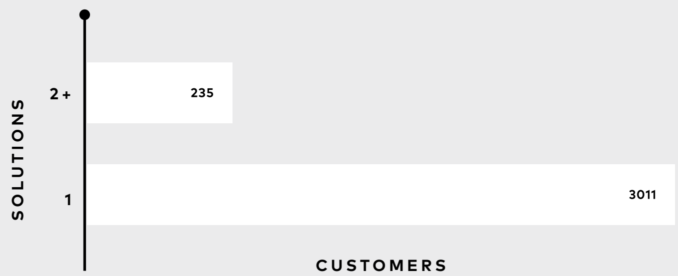
SK SLAVIA PRAGUE

LAWN TENNIS ASSOCIATION

UNIVERSITY OF NEVADA LAS VEGAS

5.11 MULTI-SOLUTION CUSTOMERS

Catapult saw growth in customers with two or more solutions increase by 39%, and growth in total customers of over 20% since June 2019.



CATAPULT

REPORT OF THE DIRECTORS AND FINANCIAL REPORT

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7.0 DIRECTORS' REPORT

The Directors of Catapult Group International Ltd ('Catapult' or 'The Company') present their Report together with the financial statements of the consolidated entity, being Catapult Group International Ltd and its controlled entities ('the Group') for the year ended 30 June 2020 ('FY20').

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 Nomination and Remuneration 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 several 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):
iBuyNew Group Limited (ASX:IBN)

MR SHAUN HOLTHOUSE

B.E. (Hon), Mechanical Engineering, GAICD

Founder, Non-Executive Director (previously CEO until 30 April 2017)

Shaun co-founded Catapult in 2006 and served as CEO up until 30 April 2017. During that time, he played a central role in developing Catapult's wearable technology and is the author of many of its patents. Under his leadership Catapult launched and expanded sales into more than 15 countries - including establishing subsidiaries in the US and UK and becoming the dominant elite wearable company globally.

Shaun was responsible for raising early capital, listing on the ASX, acquiring GPSports, XOS and Kodaplay (Playertek) and developing Catapult's strategy to grow from a wearable only company to building out the technology stack for elite sport and leveraging this into consumer team sports.

Prior to Catapult, Shaun had extensive experience in new technology transitioning into commercial products, including biotechnology, MEMS, fuel cells, and scientific instrumentation.

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. He also works as a professional director as well as providing advisory services for technology start-ups.

Other current Directorships:
None

Previous Directorships (last 3 years):
None

7.0 DIRECTORS' REPORT

MR IGOR VAN DE GRIENDT

B.E. Electrical Engineering
Founder, Non-Executive Director
Member of Audit and Risk Committee

Mr Igor van de Griendt has served as Chief Operating Officer, Chief Technology Officer (CTO) and as an Executive Director before moving into a Non-Executive Director role in July 2019.

In his capacity as CTO, he was responsible for providing strategic direction and leadership in the development of Catapult's products, both in the analytical and cloud space, as well as with respect to Catapult's various wearable product offerings. Igor also provided guidance and operational support to Catapult's R&D, software and cloud development teams during that time.

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 several sensor platforms and technologies ultimately leading to the founding of Catapult.

Prior to joining the CRC for MicroTechnology, Igor ran his own 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, Siemens, NEC Australia and Telstra.

Igor holds a Bachelor of Electrical Engineering from Darling Downs Institute of Advanced Education (now University of Southern Queensland). Igor is also the author of numerous patents and patent applications in athlete tracking, and other sensor technologies.

Other current Directorships:
None

Previous Directorships (last 3 years):
None

MR BRENT SCRIMSHAW

Independent Non-Executive Director
Appointed 24 November 2014
Chair of Nomination and Remuneration Committee

Mr Brent Scrimshaw has over 25 years of experience in consumer innovation, executive business leadership and brand management within the global sports industry.

Brent had an 18-year career at Nike Inc, where he held senior leadership roles in Australia, Europe and the United States, including Vice President and Chief Executive of Nike 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 also served on Nike's Global Corporate Leadership Team, where he helped lead the creation of Nike's overall brand and global operating strategy, as well as playing a senior role as a key member of the Global Commercial Operations Executive Team, responsible for sales and distribution strategies worldwide.

Brent is also a Non-Executive Director at Rhinomed Ltd, an ASX listed medical technology company focused on enhancing human efficiency through innovative respiratory technologies and also a Non-Executive Director at ASX listed Kathmandu Holdings Ltd, a specialty outdoor clothing and equipment retailer with over 160 stores in AUS, NZ and the UK.

Brent was formerly a Director of Fox Head Inc, the world's largest manufacturer and marketer of performance Moto-X and actions sports lifestyle products, and Founder and CEO of Unscriptd Ltd which was acquired by New York media company The Players Tribune in Dec 2018.

Other current Directorships:
Rhinomed Ltd (ASX:RNO)
Kathmandu Ltd (ASX:KAT)

Previous Directorships (last 3 years):
Unscriptd Ltd

7.0 DIRECTORS' REPORT

MR JAMES ORLANDO

BSc, MBA, GAICD
Independent Non-Executive Director
Appointed 24 October 2016
Chair of Audit and Risk Committee
Member of Nomination and
Remuneration 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 earnings as well as divesting its non-core consumer business. He also served as the CFO of PowerTEL Ltd, an 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:
360 Capital Digital Infrastructure Fund

Previous Directorships (last 3 years):
None

MS MICHELLE GUTHRIE

BA/Law (Hons)
Independent Non-Executive Director
Appointed 1 December 2019
Member of the Audit and Risk Committee

Over the last 25 years Michelle has held senior management roles at leading media and technology companies in Australia, the UK and Asia, including BSkyB, Star TV and Google. She has extensive experience and expertise in media management, and content development, with deep knowledge of traditional broadcasting, the digital media landscape and the transformation necessary to embrace the digital consumer.

From 2003 to 2007, Michelle was based in Hong Kong as Chief Executive Officer of STAR TV, responsible for pay TV platforms and content development in India, China, Indonesia and across Asia. She then spent several years as an equity adviser and investor for Providence Equity covering Asia Pacific from Hong Kong, before moving to Singapore for a senior role at Google Asia Pacific. In her role at Google as Managing Director for Agencies, Michelle developed business partnerships with key global advertising agencies.

From 2016 to 2018, Michelle was the Managing Director of the Australian Broadcasting Corporation where she led the transformation of the organisation, increasing the efficiency and effectiveness of work across the ABC as well as investing in investigative journalism, regional journalism and innovative Australian content.

Michelle holds a Bachelor of Arts and Law (Honours) from the University of Sydney, Australia and serves on the board of Starhub, a leading telco, in Singapore.

Other current Directorships:
Hoppr Ltd
StarHub Ltd

Previous Directorships (last 3 years):
Australian Broadcasting Corporation (ABC)
Auckland Airport

7.0 DIRECTORS' REPORT

COMPANY SECRETARY

Markus Ziemer is a lawyer and was previously employed in legal and commercial roles including as General Manager Corporate Services at Pacific Hydro Pty Ltd., Ashton Mining Ltd., and Senior Counsel Newcrest Mining Ltd., He received his undergraduate LLB and BA degrees from the University of Melbourne and an MBA from Melbourne Business School. Markus was appointed Company Secretary of Catapult Group International Ltd on 28 September 2017, and resigned effective 12 August 2020.

Jonathan Garland commenced as Company Secretary on 12 August 2020. Jonathan's career includes extensive ASX-listed general counsel and Company secretarial experience, as well as a wide-ranging international corporate legal background. Jonathan graduated with honours degrees in both Law and Commerce from the University of Melbourne.

PRINCIPAL ACTIVITIES

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

→ the development and sale of performance and health technology solutions, including wearable tracking and analytics, to elite sporting teams, leagues and associations;

→ the development and sale of tactical and coaching technology solutions, including digital video and analytics, to elite sporting teams, leagues and associations;

→ the development and sale of performance and health technology solutions, including wearable tracking and analytics, to prosumer athletes, sporting teams and associations; and

→ the development and sale of an athlete management platform and analytics to elite sporting teams, leagues 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. Catapult is the global leader in wearable tracking technology and analytics solutions for the sports performance market with more than 3,200 teams. Catapult is also a market leader in providing innovative digital and video analytic software solutions to elite sports teams in the United States.

With major offices in Australia, the United States and the United Kingdom and over 330 staff in 24 countries, Catapult is a global technology success story that is committed to advancing the way data is used in elite sports.

REVIEW OF OPERATIONS & FINANCIAL RESULTS

- Total revenue grew by 6% to $100,732,503
- EBITDA increased by 225% to $13,277,214
- The Group delivered net free cash flow of $9,018,328; an improvement of 153% on the year ended 30 June 2019 ('FY19')
- The Group has recorded a decreased loss of $7,673,672, compared to a net loss of $12,580,990 in FY19
- Loss per share for the year was ($0.04) (2019: ($0.07)) and no dividend will be paid or declared
- Net assets decreased to $118,117,688 compared to the previous years' position of $120,683,169
- Surpassed the key milestone of over 1,000 North American teams during FY20
- Despite COVID-19, subscription revenue grew strongly in 4Q FY20 with Performance & Health up 25% and Tactics & Coaching up 11% on 4Q FY19
- Our major 4Q selling season was disrupted by COVID-19, pushing sales into 1HFY21. Capital sales were mostly impacted with capital revenue down 28% on FY19
- The overall impact of COVID-19 was not as severe as expected, and cost measures that were imposed at the start of the pandemic were lifted in July
- COVID-19 innovations developed by Catapult are now being used by over 2,000 athletes globally

7.0 DIRECTORS' REPORT

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The following significant changes occurred during FY20:

- Will Lopes was appointed Chief Executive Officer on 11 November 2019
- Hayden Stockdale was appointed Chief Financial Officer on 27 January 2020
- Calvin Ng resigned from the Board on 30 November 2019
- Michelle Guthrie was appointed to the Board as an Independent Non-Executive Director on 1 December 2019
- Catapult was included as an original constituent of the new S&P/ASX All Technology Index

EVENTS ARISING SINCE THE END OF THE REPORTING PERIOD

- Chris Cooper was appointed Chief Operating Officer on 16 July 2020
- Catapult announced that with effect from the 2021 financial year its year end was changing to 31 March and its presentation currency was changing to United States dollar in order to better reflect the Company's underlying successful operating and earnings profile driven by its northern hemisphere market

Aside from the above, the Directors are not aware of any matter or circumstance that has arisen since the end of the financial year that, in their opinion, has significantly affected, or may significantly affect in future years, Catapult's operations, the results of those operations or the state of Catapult's affairs.

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 has broadened its suite of athlete analytics solutions through organic growth and through acquisitions, resulting in a substantially larger addressable market opportunity across a wider range of customers in both elite and prosumer sporting leagues. Catapult expects to benefit in these and other segments with increasing sales and brand loyalty.

BUSINESS RISK

In executing its growth plans, Catapult is subject to the market, operational and acquisition risks including those outlined below:

COVID-19 RISKS

The COVID-19 crisis is causing significant disruption in sports. As Catapult announced on 27 March 2020, the Company acted decisively to ensure the safety of all employees and customers, while minimally impacting the business. Catapult also implemented operating cost mitigation measures. As announced on 13 July 2020, pleasingly Catapult commenced lifting its COVID-19 cost mitigation measures as the negative impact to Catapult's business was less than anticipated. Despite this, COVID-19 remains a risk for the Company. A resurgence of COVID-19 may cause the closure or disruption of sporting events, reduce customer demand, adversely affect supply chain management, cause people movement disruptions and financial market volatility (including currency markets) and otherwise adversely affect the business. COVID-19 may affect the ability of Catapult's customers or suppliers to comply with their obligations under their agreements and influence renewal or subsequent contracting decisions. Catapult continues to assess the impact of COVID-19 on the business and ways to mitigate any risks to the Company.

ECONOMIC RISK

Catapult may be affected by general economic conditions. Changes in the broader economic and financial climate may adversely affect the conduct of Catapult's operations.

7.0 DIRECTORS' REPORT

In particular, sustained economic downturns in key geographies or sectors (in particular sports business and consumer sectors), where Catapult is focused, may adversely affect its financial performance. Changes in economic factors affecting general business cycles, global health risks such as the pandemic which commenced during the reporting period, 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 new technologies or 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 third-party hosting providers 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.

CYBER SECURITY

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 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 improve the quality of its global cyber security review, including ongoing external cyber threat assessments 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, profitability and growth prospects. The loss of client data could have severe impacts to clientservice, reputation, and the ability for clients to use the products

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 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.

7.0 DIRECTORS' REPORT

As a manufacturer, importer and supplier of products, product liability risk, 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 outside Australia. 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 protect, develop and commercialise its intellectual property successfully could 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 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.

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 software products and continues to invest in further systems and product development.

Catapult cannot be certain that further development of its video and athlete tracking technology and software 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.

7.0 DIRECTORS' REPORT

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 Catapult's business and its future growth and profitability.

LITIGATION

Catapult may in the ordinary course of business be involved in disputes. These disputes could give rise to litigation which 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 Ltd.

DIRECTOR'S 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		NOMINATION AND REMUNERATION COMMITTEE	
	A	B	A	B	A	B
Adir Shiffman	9	9	-	-	3	3
Shaun Holthouse	9	9	-	-	-	-
Igor van de Griendt	9	9	5	5	-	-
Calvin Ng	4	4	1	1	-	-
Brent Scrimshaw	9	9	-	-	3	3
James Orlando	9	9	5	5	3	3
Michelle Guthrie	5	5	4	4	-	-

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

7.0 DIRECTORS' REPORT

UNISSUED SHARES UNDER OPTION AND RIGHTS

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

DATE OPTIONS GRANTED	EXPIRY DATE	EXERCISE PRICE OF OPTIONS	NUMBER UNDER OPTIONS
14 April 2016	14 April 2021	$2.20	388,756
14 April 2016	1 January 2021	$2.31	50,000
14 April 2016	1 January 2021	$1.55	300,000
14 April 2016	14 April 2021	$1.68	90,000
22 September 2016	22 September 2020	$2.50	33,333
22 September 2016	30 July 2021	$2.50	15,234
22 September 2016	1 February 2022	$2.50	67,281
30 November 2016	1 November 2021	$3.00	197,875
1 November 2017	30 October 2022	$1.72	90,000
19 December 2017	30 September 2020	$2.08	229,000
19 December 2017	31 December 2020	$2.08	100,000
19 December 2017	31 December 2020	$2.08	164,700
19 December 2017	29 March 2021	$2.50	50,000
19 December 2017	30 July 2022	$2.13	54,000
19 December 2017	18 December 2022	$1.83	565,000
23 January 2019	30 June 2023	$1.42	2,189,451
20 August 2019	31 August 2024	$1.26	2,759,691
1 November 2019	31 August 2024	$1.50	17,452
11 November 2019	31 August 2024	$1.50	557,105
27 November 2019	24 March 2022	$0.78	611,112
28 January 2020	31 August 2024	$1.50	78,071
			8,608,061

During the financial year ending 30 June 2020 the Company issued 4,801,639 options as part of the Employee Share Plan. The options were issued at an average exercise price of $1.2294 and an average fair value of $0.5948.

Unissued ordinary shares of Catapult Group International Ltd under rights at the date of this report are as follows:

7.0 DIRECTORS' REPORT

DATE RIGHTS GRANTED	EXPIRY DATE	EXERCISE PRICE OF RIGHTS	NUMBER UNDER RIGHTS
23 January 2019	31 August 2021	$0.00	25,555
20 August 2019	20 August 2021	$0.00	49,605
20 August 2019	31 August 2022	$0.00	331,679
1 November 2019	31 August 2022	$0.00	7,143
11 November 2019	31 August 2022	$0.00	234,984
27 November 2019	31 March 2021	$0.00	154,412
28 January 2020	31 August 2022	$0.00	42,277
21 April 2020	20 October 2021	$0.00	1,852,102
21 April 2020	31 August 2022	$0.00	414,548
			3,112,305

All options and rights expire on their expiry date.

All options and rights are issued in accordance with the CSESP, as approved by shareholders.

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

During the 12 months to 30 June 2020 the Company allocated 1,690,957 treasury shares as part of options and rights exercised under the Employee Share Plan. The options and rights were exercised at an average exercise price of $0.64 and $0.00 respectively.

8.0 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 ('KMP'), prepared in accordance with the Corporations Act 2001 and the Corporations Regulations 2001.

OVERVIEW

The Board's Nomination and Remuneration Committee, which operates in accordance with its charter as approved by the Board, is responsible for determining and reviewing compensation arrangements for the Directors' and the Executive Team.
Catapult's current remuneration policy, adopted in 2018, emphasises the Board's desire to align executive remuneration and shareholder interests and includes the following components:

- long term incentive equity grant terms to include a total shareholder return hurdle, with a nil award where compounding annual growth rate is below 12.5% per annum;
- benchmarking of executive remuneration performed by an independent remuneration consultant to ensure market competitiveness;
- transition to equity based STI awards with deferrals to create increased shareholder alignment, motivate retention and preserve cash (this transition completed in FY20);
- incentives focused on key metrics of revenue, EBITDA and free cash flow as Catapult continues to drive for growth and sustained financial performance over time; and
- executive remuneration comprised of a market competitive mix of remuneration consisting of fixed and 'at risk' components. The 'at risk' components consist of short-term incentives (STI) and long-term incentives (LTI) under a clearly defined framework.

Catapult's current target mix of remuneration is as follows:

REMUNERATION STRATEGY MIX	FAR	STI	LTI	TAR
CEO	33%	Up to 33%[1]	Up to 34%	100%
Other executive KMP	50%	Up to 25%[1]	Up to 25%	100%
Other executives	70%	Up to 30%[1]	0%[2]	100%
Other employees	80%	Up to 20%[1]	0%[2]	100%

[1]STI may be awarded part in cash and part in equity with deferral
[2]CSESP participation may be considered

The terms and participation in both STI and LTI are decided on an annual basis.
The criteria for earning short and long-term incentives are reviewed by the Nomination and Remuneration Committee annually, consistent with the remuneration policy and as part of the review of executive remuneration. The Committee's recommendation is put to the full Board for approval.
Catapult's current remuneration strategy relating specifically to Key Management Personnel can be further illustrated as set out in the following diagram.

8.0 REMUNERATION REPORT (AUDITED)

CATAPULT EXECUTIVE KMP REMUNERATION OBJECTIVES

Shareholder value creation through equity components	An appropriate balance of 'fixed' and 'at risk' components	Creation of award differentiation to drive performance culture and behaviours	Attract, motivate and retain executive talent required at stage of development

Total Annual Remuneration (TAR) or Total Target Remuneration (TTR) is set by reference to relevant market benchmarks

FIXED	AT RISK	
FIXED ANNUAL REMUNERATION (FAR) Fixed remuneration is set based on relevant market relativities reflecting responsibilities, performance, qualifications, experience and geographic location	**SHORT-TERM INCENTIVES (STI)** STI performance criteria are set by reference to Company, Business Unit and Individual performance targets appropriate to the specific position and set each performance year	**LONG-TERM INCENTIVES (LTI)** Targets are linked to Catapult company objectives such as TSR CAGR or other specified metrics as determined by the Board each performance year

Remuneration to be delivered as:

Base salary plus any allowances (includes superannuation for Australian Executives)	Awarded predominantly in equity (performance rights) on completion of the relevant performance period, with deferral. Cash STI to be considered for some individual roles	Awarded as equity and vest (or not) at the end of the performance period

TOTAL ANNUAL REMUNERATION (TAR) OR TOTAL TARGET REMUNERATION (TTR)

TAR or TTR is intended to be positioned in the 3rd quartile compared to relevant market-based comparisons. 4th quartile TAR or TTR may be derived if demonstrable out performance is achieved by Catapult Group

These remuneration objectives and the structure of Executive and KMP remuneration are reviewed annually by the Board. Variations from these objectives are considered on a case by case basis to ensure Catapult retains flexibility in the various international markets in which it operates.

Following the appointment of a new CEO and CFO, and the evolution of our strategy and operating plans, we are currently undertaking a review of all incentive plans globally. The objectives of the review are to ensure such plans drive a sense of collective ownership in the Company's short, medium and long-term success at all levels in the organisation, emphasised through greater use of equity as opposed to cash. We will also review and seek to update plans such that they remain aligned with shareholder interests, are reflective of a modern technology company at Catapult's stage of evolution, and are consistent with competitive market practice. We anticipate completing the review in FY21 and the Committee will then review and consider any proposals for changes to the plan before tabling it to the full Board for approval.

8.0 REMUNERATION REPORT (AUDITED)

SHORT TERM INCENTIVE (STI) – FY20

The FY20 criteria for STI awards was reviewed by the Nomination and Remuneration Committee and adopted by the Board. STI awards continue to be measured against business critical, financial, enterprise-wide Company objectives. Performance gates are set annually to determine the threshold standard to be met for eligibility. The performance gates emphasise and drive executive performance alignment with shareholder interests. In setting the KPIs, metrics and performance gates, the Board has applied measurable and controllable objectives which align with strategic objectives and enhance shareholder value.

The measures target areas the Board believes mark the greatest value-add.

For FY20, the Key Performance Indicators ('KPIs') for the Executive team included a free cash flow hurdle with a range of target outcomes between $0 and $5 million, an ARR hurdle with a range of target outcomes between $70.2 million and $75.3 million, as well as revenue and EBITDA hurdles which were not met. These hurdles were adjusted following the Covid-19 crisis.

Some key financial performance measures are highlighted in the following table.

ITEM	2020	2019	2018	2017	2016
EPS (dollars)	(0.04)	(0.07)	(0.10)	(0.09)	(0.05)
Dividends (cents per share)	-	-	-	-	-
Revenue ($'000)	100,733	95,375	76,793	60,783	17,368
Underlying EBITDA* ($'000)	14,110	5,461	955	2,858	(4,400)
Statutory EBITDA ($'000)	13,277	4,081	(1,945)	(3,713)	(6,789)
Net loss ($'000)	(7,674)	(12,581)	(17,360)	(13,581)	(5,871)
Share price ($)	1.125	1.095	1.225	2.330	3.080

*Underlying EBITDA is statutory EBITDA, adding back employee share plan costs and severance costs. In previous years acquisition and integration costs have also been added back to underlying EBITDA.

The Board determined that the best alignment with company strategy was to build revenue through growth in sales and market share. The Executive team was accordingly set financial targets relating to revenue and underlying EBITDA.

As outlined in previous Remuneration Reports, an important change to Catapult's remuneration policy was the transition to equity based STI. This transition is now complete, with FY20 being the final year in which Executives could elect to receive any portion of their STI in cash. It should also be noted that the majority of executives elected to receive 100% of any earned STIP as equity, one year ahead of the required deadline to do so. The STI Program for Executives in FY20 is therefore predominantly equity-based, with the exception of one final transition arrangement which was 50% cash and 50% equity. STI for employees below Executive level are currently cash-based, but this is being reassessed as part of the global review mentioned previously.

8.0 REMUNERATION REPORT (AUDITED)

STI CRITERIA	REVISED TERMS ADOPTED EFFECTIVE 1 JULY 2018
Participants	KMP and other employees as determined by the Board
STI $ Value	Based on remuneration strategy intention
Performance Criteria and Weightings	For disclosed executives (KMP) STI awards will be weighted towards financial outcomes and/or be subject to a financial performance gate or cap. KPIs consist of a mix of financial, customer, talent and businesses unit objectives.
Performance Period	1 July to 30 June
STI Payment Date	On or before 30 September each year
STI Deferral	STI deferral will apply to the CEO, designated executive KMP and selected others in FY20, with grants vesting in August 2021. In subsequent years the deferral period will be at least one (one) year after vesting and be contingent on future service only. Deferred STI will be awarded as RSU, performance rights or similar. The Board will determine the percentage of any STI to be awarded as cash, as an exception to standard deferred equity awards.
STI $ value 'trade-off'	The number of equity units (RSU, performance rights or similar) will be determined as at 1 July in the year after the completion of the performance period based on the 5 day VWAP applicable on that date.
Service restriction	Any STI deferral provided will be forfeited if the participant leaves before the vesting date. The Board has the discretion to waive this restriction, in exceptional circumstances.
Clawback	STI to executive KMP will be subject to a Clawback and Malus policy that may apply from time to time.
Date of Offer – STI & Equity	On or before 30 September once the STI $ value has been determined and the number of equity units for STI deferral is calculated.

8.0 REMUNERATION REPORT (AUDITED)

In accordance with the above policy, the following STI awards were made in relation to the performance of Executive Directors and KMP during FY20:

	TOTAL AT RISK AMOUNT ($)	EARNED DURING YEAR ($)	PERCENTAGE VESTED DURING THE YEAR	PERCENTAGE UNDETERMINED AT 30 JUNE	PERFORMANCE CRITERIA
EXECUTIVE DIRECTORS					
Adir Shiffman	200,000	156,800	78.4%	0%	As above
James Orlando (i)	0	0	0%	0%	N/A
OTHER KEY MANAGEMENT PERSONNEL					
Will Lopes (ii)	305,568	239,565	78.4%	0%	As above
Hayden Stockdale (ii)	84,153	65,976	78.4%	0%	As above
Matt Bairos	286,580	224,679	78.4%	0%	As above

(i) James Orlando was not eligible for an STI award per his employment contract and appointment as Interim CFO

(ii) Amounts for Will Lopes and Hayden Stockdale are pro-rata based on length of service during FY20

LONG TERM INCENTIVE (LTI)

The following table sets out the revised criteria for LTI awards, reviewed by the Nomination and Remuneration Committee and adopted by the Board. Current LTI awards are comprised of premium-priced share options, as outlined below, with a hurdle rate to be achieved of a minimum compounding annual growth rate (CAGR) of 12.5% in Total Shareholder Return (TSR). If that hurdle is met at the relevant vesting date, 50% of the options become exercisable. The proportion of options vesting increases to 100% if a 17.5% TSR CAGR is achieved, with a pro rata entitlement between 12.5% and 17.5% TSR CAGR.

LTI TERMS FY20	APPLICABLE FROM 1 JULY 2019
Participants	KMP and other employees as determined by the Board
LTI $ Value	Based on remuneration strategy intention, as approved by the Board
Equity type	Options
Exercise Price	15% above the VWAP as at 1 July

8.0 REMUNERATION REPORT (AUDITED)

LONG TERM INCENTIVE (LTI) - CONTINUED

Number	The number of Options will be determined by dividing the LTI $ value (in accordance with the remuneration strategy) by the Option value determined using the 'Contract Life' value of the option at the date of pricing of the Option
Issue Price	None
Performance Criteria	TSR absolute
Hurdle Rates	TSR CAGR <12.5% p.a. (0% vesting); 12.5% p.a. to 17.5% p.a. (50% to 100% pro-rata)
Service and Performance Period	From FY20 a 3-year term applies for service and TSR measurement
Last Exercise Date	5 years after grant
Dilution	Total dilutive impact and Prospectus relief calculation to be determined once final allocations approved
Clawback	Unexercised LTI will be subject to any Clawback Policy that may apply from time to time
Minimum Shareholding	No minimum shareholding guidelines or policies are in place
Change of Control	100% of unvested options will vest on a Change of Control

The relative proportions of remuneration, earned by Executive Directors and KMP during FY20, that are linked to performance and those that are fixed are as follows:

NAME	FIXED REMUNERATION	AT RISK - STI	AT RISK - OPTIONS
DIRECTORS			
Adir Shiffman	65%	35%	N/A
James Orlando (i)	25%	N/A	75%
OTHER KEY MANAGEMENT PERSONNEL			
Will Lopes (ii)	51%	37%	12%
Hayden Stockdale (ii)	66%	28%	6%
Matt Bairos	61%	29%	10%

(i) James Orlando was not eligible for an STI award per his employment contract and appointment as Interim CFO

(ii) Amounts for Will Lopes and Hayden Stockdale are pro-rata based on length of service during FY20

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

8.0 REMUNERATION REPORT (AUDITED)

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 agreements with persons occupying such roles as at 30 June 2020 and which relates to remuneration are set out below:

	BASE SALARY ($ AUD)	TERM OF AGREEMENT	NOTICE PERIOD	ANNUAL DIRECTOR'S FEES NOT INCLUDED IN BASE SALARY
Adir Shiffman	$300,000	Permanent	1 month	-
Will Lopes	$616,147	Permanent	6 months	-
Hayden Stockdale	$400,000	Permanent	6 months	-
Matt Bairos	$480,022	Permanent	12 months	-

DETAILS OF REMUNERATION

Details of the nature and amount of each element of the remuneration of each KMP of Catapult Group International Ltd shown in the table below:

	YEAR	SHORT-TERM EMPLOYEE BENEFITS			POST-EMPLOYMENT BENEFITS	LONG-TERM BENEFITS	SHARE-BASED PAYMENTS	TOTAL	PERFORMANCE BASED PERCENTAGE OF REMUNERATION
		CASH SALARY AND FEES	BONUS	OTHER (I)	PENSION	LONG SERVICE LEAVE	OPTIONS AND PERFORMANCE RIGHTS		
EXECUTIVE DIRECTORS									
Adir Shiffman Executive Chairman	2020	285,000	156,800	-	-	-	(57,306)	384,494	40.8%
	2019	300,000	129,000	-	-	-	29,978	458,978	28.1%
Shaun Holthouse (ii)	2020	149,177	-	-	13,675	-	(57,306)	105,546	0.0%
	2019	191,892	29,563	-	18,508	-	29,978	269,941	11.0%
James Orlando (iii)	2020	374,456	-	(6,721)	28,166	(77)	1,121,209	1,517,033	n/a
	2019	160,721	-	-	15,269	-	41,258	217,248	n/a
NON-EXECUTIVE DIRECTORS									
Igor van de Griendt (iv)	2020	97,697	-	-	12,286	-	(57,306)	52,678	n/a
	2019	268,827	79,335	(56,199)	20,531	(44,960)	29,978	297,512	26.7%
Brent Scrimshaw	2020	90,176	-	-	8,567	-	(57,306)	41,437	n/a
	2019	86,758	-	-	8,242	-	29,978	124,978	n/a
Calvin Ng (v)	2020	43,397	-	-	4,123	-	(57,306)	(9,786)	n/a
	2019	79,918	-	-	7,592	-	142,736	230,246	n/a
Michelle Guthrie (vi)	2020	41,871	-	-	3,978	-	-	45,849	n/a
	2019	-	-	-	-	-	-	-	n/a

(i) Other remuneration includes annual leave and company benefits such as health insurance

(ii) Shaun Holthouse reverted to a Non-Executive Director role following the appointment of Will Lopes on 11 November 2019

(iii) James Orlando reverted to a Non-Executive Director role following the appointment of Hayden Stockdale on 27 January 2020. As disclosed to the ASX on 30 May 2019, Mr Orlando was granted 611,112 options as part of his remuneration as Interim CFO (which was calculated as $165,000 divided by the indicative option value determined at the time), however the Company determined that these options should more appropriately be cancelled and put to the shareholders for approval at the AGM on 27 November 2019. These options were subsequently approved, and the charge in the financial statements reflects the final value of the options at the shareholder approval date ($1.37 per option), not the value at the date of the initial grant ($0.33 per option)

(iv) Igor van de Griendt became a Non-Executive Director on 1 July 2019

(v) Calvin Ng resigned from the Board as a Non-Executive Director with effect 27 November 2019

(vi) Michelle Guthrie was appointed to the Board as an Independent Non-Executive Director on 1 December 2019

8.0 REMUNERATION REPORT (AUDITED)

	YEAR	SHORT-TERM EMPLOYEE BENEFITS			POST-EMPLOYMENT BENEFITS	LONG-TERM BENEFITS	SHARE-BASED PAYMENTS	TOTAL	PERFORMANCE BASED PERCENTAGE OF REMUNERATION
		CASH SALARY AND FEES	BONUS	OTHER (I)	PENSION	LONG SERVICE LEAVE	OPTIONS AND PERFORMANCE RIGHTS		
OTHER KEY MANAGEMENT PERSONNEL									
Joe Powell	2020	132,675	-	(73,034)	5,251	(1,093)	(519,307)	(455,509)	n/a
Chief Executive Officer	2019	529,735	-	52,100	20,726	600	(4,510)	598,651	0.0%
Will Lopes (vii)	2020	324,614	239,565	12,958	-	-	79,185	656,322	36.5%
Chief Executive Officer	2019	-	-	-	-	-	-	-	n/a
Mark Hall	2020	-	-	-	-	-	-	-	n/a
Chief Financial Officer	2019	245,145	-	(14,987)	14,173	-	(81,875)	162,456	0.0%
Hayden Stockdale (viii)	2020	156,783	65,976	15,374	9,148	-	13,030	260,311	25.3%
Chief Financial Officer	2019	-	-	-	-	-	-	-	n/a
Barry McNeill	2020	196,141	-	-	2,563	-	(16,422)	182,281	n/a
Chief Operating Officer	2019	371,993	49,808	31,297	10,417	-	92,773	556,288	9.0%
Matt Bairos	2020	468,327	224,679	20,733	32,277	-	73,106	819,122	27.4%
Chief Commercial Officer	2019	423,344	-	17,372	15,377	-	339,758	795,851	0.0%
2020 Total	2020	2,360,314	687,020	(30,690)	120,032	(1,170)	464,272	3,599,778	19.1%
2019 Total	2019	2,658,333	287,706	29,583	130,835	(44,360)	650,052	3,712,149	7.8%

(vii) Will Lopes appointed Chief Executive Officer on 11 November 2019
(viii) Hayden Stockdale appointed Chief Financial Officer on 27 January 2020
(ix) During the previous reporting period Adir Shiffman, Shaun Holthouse, Igor van de Griendt, Brent Scrimshaw and Calvin Ng each voluntarily relinquished 100,000 options issued in accordance with shareholder resolutions passed at the 2016 AGM, and part of the accounting charge for these options has been reversed in the current reporting period

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 review and approval by the Nomination and Remuneration Committee and Board.

OPTIONS	ROLE	OPENING BALANCE	GRANTED DURING THE YEAR	VESTED DURING THE YEAR	EXERCISED DURING THE YEAR	LAPSED/ FORFEITED DURING THE YEAR	CLOSING BALANCE
Joe Powell	Former CEO	337,500	-	-	-	337,500	-
Mark Hall	Former CFO	150,000	-	-	60,000	-	90,000
Barry McNeill	Former COO	1,261,805	-	-	960,000	-	301,805
Matt Bairos	CCO	838,180	672,902	166,000	-	137,000	1,374,082
James Orlando (i)	Former Interim CFO	611,112	611,112	611,112	-	611,112	611,112
Will Lopes	CEO	-	557,105	-	-	-	557,105
Hayden Stockdale	CFO	-	78,071	-	-	-	78,071

(i) James Orlando reverted to a Non-Executive Director role following the appointment of Hayden Stockdale on 27 January 2020. As disclosed to ASX on 30 May 2019, Mr Orlando was granted 611,112 options as part of his remuneration as Interim CFO (which was calculated as $165,000 divided by the indicative option value determined at the time), however the Company determined that these options should more appropriately be cancelled and put to the shareholders for approval at the AGM on 27 November 2019. These options were subsequently approved.

8.0 REMUNERATION REPORT (AUDITED)

SHARE-BASED REMUNERATION - CONTINUED

PERFORMANCE RIGHTS	ROLE	OPENING BALANCE	GRANTED DURING THE YEAR	VESTED DURING THE YEAR	EXERCISED DURING THE YEAR	LAPSED/ FORFEITED DURING THE YEAR	CLOSING BALANCE
Joe Powell	Former CEO	80,645	-	-	-	80,645	-
Calvin Ng	Former NED	100,000	-	-	100,000	-	-
Barry McNeill	Former COO	25,555	-	-	-	-	25,555
Matt Bairos	CCO	47,130	289,960	143,851	124,528	19,323	193,239
James Orlando	Former Interim CFO	-	154,412	154,412	-	-	154,412
Will Lopes	CEO	-	412,861	-	-	-	412,861
Hayden Stockdale	CFO	-	113,720	-	-	-	113,720

OPTIONS VESTING SCHEDULE

OPTIONS	ROLE	BALANCE HELD AT 30 JUNE 2020	VESTING DATE	EXPIRY DATE	VALUE PER OPTION/ RIGHT AT GRANT DATE	TOTAL VALUE OF OPTION/ RIGHT AT GRANT DATE	EXERCISE PRICE PER OPTION
Mark Hall	Former CFO	90,000	31-Oct-18	30-Oct-22	$ 0.75	67,500	$ 1.72
Barry McNeill	Former COO	100,000	12-Apr-19	14-Apr-21	$ 0.99	98,800	$ 2.20
		201,805	31-Aug-20	30-Jun-23	$ 0.22	43,428	$ 1.42
Matt Bairos	CCO	100,000	30-Jun-17	30-Sep-20	$ 0.77	76,820	$ 2.08
		70,000	30-Jun-18	30-Sep-20	$ 0.83	57,771	$ 2.08
		59,000	30-Jun-19	30-Sep-20	$ 0.88	51,985	$ 2.08
		100,000	30-Jun-20	31-Dec-20	$ 0.93	93,320	$ 2.08
		372,180	31-Aug-20	30-Jun-23	$ 0.22	81,880	$ 1.42
		672,902	31-Aug-22	31-Aug-24	$ 0.42	285,714	$ 1.26
James Orlando (i)	Former Interim CFO	611,112	25-Mar-20	24-Mar-22	$ 1.37	838,201	$ 0.78
Will Lopes	CEO	557,105	31-Aug-22	31-Aug-24	$ 0.76	420,614	$ 1.50
Hayden Stockdale	CFO	78,071	31-Aug-22	31-Aug-24	$ 1.08	84,317	$ 1.50

8.0 REMUNERATION REPORT (AUDITED)

PERFORMANCE RIGHTS VESTING SCHEDULE

PERFORMANCE RIGHTS	ROLE	BALANCE HELD AT 30 JUNE 2020	VESTING DATE	EXPIRY DATE	VALUE PER OPTION/ RIGHT AT GRANT DATE	TOTAL VALUE OF OPTION/ RIGHT AT GRANT DATE	EXERCISE PRICE PER OPTION
Barry McNeill	Former COO	25,555	31-Aug-20	31-Aug-21	$ 1.24	31,688	-
Matt Bairos	CCO	130,582	31-Aug-21	31-Aug-22	$ 1.20	156,046	-
		62,657	31-Aug-21	31-Aug-22	$ 0.96	60,151	
James Orlando	Former Interim CFO	154,412	31-Mar-20	31-Mar-21	$ 2.10	324,265	-
Will Lopes	CEO	234,984	31-Aug-21	31-Aug-22	$ 1.66	390,073	-
		177,877	31-Aug-21	31-Aug-22	$ 0.96	170,762	
Hayden Stockdale	CFO	42,277	31-Aug-21	31-Aug-22	$ 2.07	87,513	-
		71,443	31-Aug-21	31-Aug-22	$ 0.96	68,585	-

OTHER NOTABLE ACTIVITY DURING FY20

In response to the Covid-19 global pandemic and the associated economic downturn related to a shutdown of sport around the world, the Executive team, with the support of the Board, implemented a range of temporary measures to control costs, preserve cash and maintain a strong balance sheet. These measures included material reductions in the use of contractors, a hiring freeze, salary reductions across the global organization, changes to working schedules, and in some cases, furlough. In recognition of our employees' commitment and contribution, and in an effort to retain talent and stabilize the organisation through an exceptionally challenging period, the Board approved a grant of 1.9m service rights to our employees. This grant, equivalent to approximately 1% of the total ownership in our business, is further evidence of our commitment to aligning employee and shareholder interests. As with other equity allocations, it is subject to service conditions and employees who leave Catapult before the vesting date forfeit their eligibility for this award.

8.0 REMUNERATION REPORT (AUDITED)

DETAILS OF SHAREHOLDINGS

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

NAME	HELD AT 1 JULY 2019	RECEIVED ON EXERCISE OF OPTIONS/ RIGHTS	PURCHASED OR SOLD DURING YEAR	NET CHANGE OTHER*	HELD AT 30 JUNE 2020
Adir Shiffman	7,292,100	-	(750,000)	-	6,542,100
Shaun Holthouse	21,275,000	-	(2,500,000)	-	18,775,000
Igor van de Griendt	20,508,000	-	-	-	20,508,000
James Orlando (a)	80,000	-	-	-	80.000
Brent Scrimshaw (b)	15,150	-	-	-	15,150
Calvin Ng (c)	621,100	100,000	-	-	721,100
Michelle Guthrie	-	-	-	-	-

(a) James Orlando holds a relevant interest in 80,000 shares by way of his relationship with Kimberly Ann Foltz.
(b) Brent Scrimshaw holds a relevant interest in 15,150 shares held by B&A Scrimshaw Superannuation Fund which is controlled by Mr Scrimshaw.
(c) Calvin Ng holds a relevant interest in another 2,000 shares held by Aura Funds Management 1 Pty Ltd Ltd by virtue of him being the sole shareholder in Ng Capital Management Pty Ltd which is a 24% shareholder in Aura Group Holdings Pte Ltd, which is the ultimate shareholder of entities owning a 100% shareholding in Aura Funds Management Pty Ltd.

Refer to note 29 in the financial statements for details regarding related party transactions and transactions with key management personnel, summarised as follows:

Calvin Ng is a director of Aura Group Pty Ltd (a subsidiary of Aura Group Services Ltd). During the year Catapult rented office space from Aura Group Services Ltd in Singapore for a total cost of $2,700 (2019: $27,716) and had no amount payable as at 30 June 2020 (2019: $3,618).

END OF AUDITED RENUMERATION REPORT

9.0 DIRECTORS' 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 & INSURANCE PREMIUMS PAID TO AUDITORS & 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 25 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 31 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.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 relating to the 'rounding off' of amounts in the Directors' Report and, in accordance with that instrument, amounts in the Directors' Report have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar. Signed in accordance with a resolution of the Directors.

Dr Adir Shiffman, Executive Chairman (19 August 2020)

10.0 AUDITORS' INDEPENDENCE DECLARATION

GrantThornton

Collins Square, Tower 5
727 Collins Street
Melbourne VIC 3008

Correspondence to:
GPO Box 4736
Melbourne VIC 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

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 2020, 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 Audit Pty Ltd
Chartered Accountants

B A Mackenzie
Partner – Audit & Assurance

Melbourne, 19 August 2020

11.0 CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	Note	2020 $'000	2019 $'000
Revenue	**7**	100,733	95,375
Other income	**8**	1,319	313
Cost of goods sold		(26,461)	(25,784)
Employee benefits expense	**19**	(42,959)	(43,086)
Employee share option compensation expense	**19**	(2,149)	(1,184)
Capital raising and listing expenses		(225)	(196)
Travel, marketing and promotion		(5,375)	(9,192)
Occupancy		(1,103)	(2,935)
Professional fees		(2,351)	(2,602)
Other expenses		(8,152)	(6,628)
Operating profit before depreciation and amortisation		**13,277**	**4,081**
Depreciation and amortisation		(21,495)	(17,043)
Operating loss		**(8,218)**	**(12,962)**
Finance costs	**22**	(493)	(35)
Finance income	**22**	67	290
Other financial items	**23**	416	211
Loss before income tax benefit/(expense)		**(8,228)**	**(12,496)**
Income tax benefit/(expense)	**24**	554	(85)
Loss after income tax expense for the year attributable to the owners of Catapult Group International Ltd		**(7,674)**	**(12,581)**
Earnings per share			
Basic and diluted earnings per share (cents per share)	**26**	**(4.0)**	**(6.6)**
Loss for the year from continuing operations		**(7,674)**	**(12,581)**

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

PLAY SMART

11.0 CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	Note	2020 $'000	2019 $'000
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations, net of tax		2,076	4,703
Other comprehensive income for the year, net of tax		**2,076**	**4,703**
Total comprehensive loss for the year attributable to the owners of Catapult Group International Ltd		**(5,598)**	**(7,878)**

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

12.0 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	2020 $'000	2019 $'000
Assets			
Current assets			
Cash and cash equivalents	**9**	27,522	11,747
Trade and other receivables	**10**	33,263	38,056
Contract assets	**10**	105	402
Inventories	**11**	7,319	6,101
Total current assets		**68,209**	**56,306**
Non-current assets			
Receivables	**10**	488	599
Property, plant and equipment	**12**	12,247	8,934
Goodwill	**13**	60,754	59,554
Intangible assets	**14**	34,403	40,826
Deferred tax assets	**15**	10,533	10,433
Total non-current assets		**118,425**	**120,346**
Total assets		**186,634**	**176,652**
Liabilities			
Current liabilities			
Trade and other payables	**16**	6,949	8,834
Contract liabilities	**17**	31,898	29,634
Other liabilities	**17**	1,929	1,804
Employee benefits	**19**	7,721	7,557
Borrowings	**18**	7,434	108
Other financial liabilities	**21**	1,993	-
Total current liabilities		**57,924**	**47,937**
Non-current liabilities			
Contract liabilities	**17**	2,435	1,775
Other liabilities	**17**	-	562
Employee benefits	**19**	60	41
Deferred tax liabilities	**15**	4,470	5,466
Borrowings	**18**	-	188
Other financial liabilities	**21**	3,627	-
Total non-current liabilities		**10,592**	**8,032**
Total liabilities		**68,516**	**55,969**
Net assets		**118,118**	**120,683**
Equity			
Share capital	**20**	166,705	165,002
Share option reserve		6,695	5,365
Foreign currency translation reserve		7,304	5,228
Accumulated losses		(62,586)	(54,912)
Total equity		**118,118**	**120,683**

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

13.0 CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2020 12 months $'000	2019 12 months $'000
Cash flows from operating activities			
Cash receipts from customers		108,853	96,009
Cash paid to suppliers and employees		(87,796)	(98,494)
Cash generated from operations		**21,057**	**(2,485)**
Interest received		67	385
Government grants and other income		1,431	2
Income taxes paid		(327)	(98)
Net cash flows from operating activities	**28**	**22,228**	**(2,196)**
Cash flows from investing activities			
Payments for property, plant and equipment		(3,656)	(3,875)
Purchase of intangible assets		(9,517)	(10,988)
Deferred consideration paid		(37)	(25)
Net cash flows used in investing activities		**(13,210)**	**(14,888)**
Cash flows from financing activities			
Loans paid		(184)	(3,537)
Loans received		8,027	188
Repayments of leasing liabilities		(1,655)	-
Interest paid		(417)	(22)
Proceeds from share options		883	33
Net cash flows from financing activities		**6,654**	**(3,338)**
Net increase/(decrease) in cash and cash equivalents		15,670	(20,422)
Cash and cash equivalents at the beginning of the financial period		11,747	31,715
Effect of exchange rate fluctuations on cash held		105	454
Cash and cash equivalents at the end of the financial period		**27,522**	**11,747**

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

14.0 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Option Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2018	**164,324**	**4,847**	**525**	**(42,625)**	**127,071**
Adoption of AASB15	**-**	**-**	**-**	294	294
Restated total equity at the beginning of the financial year	**164,324**	**4,847**	**525**	**(42,331)**	**127,365**
Comprehensive income for the year:					
Loss after income tax expense for the year	-	-	-	(12,581)	(12,581)
Other comprehensive income for the year, net of tax	-	-	4,703	-	4,703
Total comprehensive income/(loss) for the year	**-**	**-**	**4,703**	**(12,581)**	**(7,878)**
Transactions with owners in their capacity as owners					
Share-based payments	678	518	-	-	1,196
Total transactions with owners	**678**	**518**	**-**	**-**	**1,196**
Balance at 30 June 2019	**165,002**	**5,365**	**5,228**	**(54,912)**	**120,683**

	Share Capital	Share Option Reserve	Foreign Currency Translati on Reserve	Accumulated Losses	Total Equity
	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2019	**165,002**	**5,365**	**5,228**	**(54,912)**	**120,683**
Comprehensive income for the year:					
Loss after income tax benefit for the year	-	-	-	(7,674)	(7,674)
Other comprehensive income for the year, net of tax	-	-	2,076	-	2,076
Total comprehensive loss for the year	**-**	**-**	**2,076**	**(7,674)**	**(5,598)**
Transactions with owners in their capacity as owners					
Share-based payments	1,703	1,330	-	-	3,033
Total transactions with owners	**1,703**	**1,330**	**-**	**-**	**3,033**
Balance at 30 June 2020	**166,705**	**6,695**	**7,304**	**(62,586)**	**118,118**

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

15.0 NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. NATURE OF OPERATIONS

Catapult Group International Ltd and its controlled entities (the 'Group') principal activities are the development and supply of innovative technologies that improve the performance of athletes and sports teams. These technologies include wearable tracking devices, athlete monitoring system and software and video analytics solutions.

NOTE 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 Securities Exchange. The address of its registered office and its principal place of business is 75 High Street, Prahran, Victoria, Australia.

The consolidated financial statements for the year ended 30 June 2020 were approved by the Board of Directors and authorised for issue on 19 August 2020.

NOTE 3. NEW STANDARDS ADOPTED AS AT 1 JULY 2019

AASB 16 'Leases'

AASB 16 'Leases' replaces AASB 117 'Leases'. The new Standard has been applied using the modified retrospective approach, with the cumulative effect of adopting AASB 16 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Following the adoption of AASB 16, there have been no adjustments made to opening retained earnings at 1 July 2019.

The Group has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of AASB 16, being 1 July 2019. At this date, the Group has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Group has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of AASB 16.

Following the adoption of AASB 16, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets, the Group has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

15.0 NOTES TO THE FINANCIAL STATEMENTS

For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under AASB 117 immediately before the date of initial application.

Following the adoption of AASB 16, the weighted average incremental borrowing rate applied to lease liabilities recognised was 5.5%.

The Group has benefited from the use of hindsight for determining lease term when considering options to extend and terminate leases.

The adoption of AASB 16 has resulted in the following impacts to the financial statements for the year ended 30 June 2020:

Income Statement
- A decrease in occupancy costs of $1.9m;
- An increase in depreciation charge of $1.7m; and
- An increase in interest paid of $0.3m.

Statement of Financial Position
- An increase in property, plant and equipment of $4.7m;
- An increase in current liabilities of $1.6m; and
- An increase in non-current liabilities of $3.1m

Statement of Cashflows
- An increase in net cashflows from operating activities of $2.0m; and
- A decrease in net cashflows from financing activities of $2.0m.

The following is a reconciliation of total operating lease commitments at 30 June 2019 to the lease liabilities recognised on 1 July 2019	**$'000**
Total operating lease commitments disclosed at 30 June 2019	6,596
Leases with remaining lease term of less than 12 months	(139)
Operating lease liabilities before discounting	**6,457**
Discounted using incremental borrowing rate	(424)
Operating lease liabilities	6,033
Total lease liabilities recognised under AASB 16 at 1 July 2019	**6,033**

NOTE 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

15.0 NOTES TO THE FINANCIAL STATEMENTS

2020. 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 with the exception of Kodaplay Limited (based in Ireland), which has a reporting date of 31 March, and Catapult Sports Technology Beijing Co Ltd (based in China) which has a reporting date of 31 December.

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 is 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 acquiree, 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.

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.

15.0 NOTES TO THE FINANCIAL STATEMENTS

Non-monetary items are not re-translated 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 the Group is entitled to, 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.
To determine whether to recognise revenue, the Group follows a five-step process:
1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

When the Group enters into transactions involving its products and services, the total transaction price for a contract is allocated amongst the various performance obligations. Revenue is recognised either at a point in time or over time, when the Group satisfied performance obligations by transferring the promised goods or services to customers.

Capital
Capital Revenue is the sale of good to third parties and is recognised at a point in time when the Group has transferred to the buyer the significant risks and rewards of ownership, and control of the goods. The timing of the transfer of risks and rewards/control varies depending on the individual terms of the sales agreement. For sales of wearable units and sale of hardware in the video analytics business the transfer usually occurs on dispatch of the goods from Catapult's premises.

Subscription and Services
Subscription revenue comprises the recurring monthly billing from wearables subscription sales, rendering of services and content licensing. Unbilled revenue at the year end is recognised in the Consolidated Statement of Financial Position as accrued revenue and included within trade and other receivables & contract assets. Unearned revenue at the year end is recognised in the Consolidated Statement of Financial Position as deferred revenue and included within contract liabilities.

15.0 NOTES TO THE FINANCIAL STATEMENTS

Revenue is recognised as performance obligations under customer contracts are met. Performance obligations consist of the provisioning of the software/cloud/SaaS subscription and related maintenance and support services over the term of the contract.

(i) Wearables Subscription sale
The Group generates revenues from subscription sales typically whenever the goods have been dispatched from Catapult's premises and the software has been activated for the customer. 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 the wearable subscription agreement constitutes an operating lease under AASB 16 the Group considers the nature and 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) 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.

(iv) Multiple Element contracts
The Group may enter into a contract or multiple contracts with customers that may include multiple performance obligations. Where multiple contracts are entered into, the Group determines whether it is required to be measured with another pre-existing contract by determining whether the performance obligations promised are being sold at their stand-alone selling price (SASP). Where pricing is equal to SASPO, the contract is treated as a stand-alone contract. Where pricing is not equal to SASP, the contract is combined with the pre-existing contract with the customer as a multiple-performance obligation (multi-PO) arrangement.

Where a multi-PO arrangement is entered into, each performance obligation is allocated a proportional amount of revenue based on the transaction price of the contract and the relative SASP of each performance obligation.

(v) 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.

Other Revenue
Other revenue is additional revenue related to the sale of hardware, consisting of media, shipping, training and installation income. Revenue is recognised either at a point in time or over time, when the Group satisfies performance obligations by transferring the promised goods or services to customers.

4.6 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

15.0 NOTES TO THE FINANCIAL STATEMENTS

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 22).

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 13.1 for a description of impairment testing procedures.

4.9 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 & hardware IP

Expenditure on the research phase of projects to develop new customised software and 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 software/hardware; and
- the software/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 software & 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.

15.0 NOTES TO THE FINANCIAL STATEMENTS

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
- 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 which is recognised in profit or loss within other income or other expenses.

4.10 Property, plant and equipment

Plant and office equipment and fixtures and fittings 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 and office equipment as well as fixtures and fittings 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 and office equipment and fixtures and fittings. The following useful lives are applied:

- plant and office equipment 2-20 years
- fixture and fittings life of lease
- property improvements - life of lease
- Right of use assets - life of lease

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.

15.0 NOTES TO THE FINANCIAL STATEMENTS

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 if they do not meet the criteria to be recognised under AASB16 Leases.

The Group has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred (see Note 21). Associated costs, such as maintenance and insurance, are expensed as incurred.

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

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 de-recognised 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 de-recognised when it is extinguished, discharged, cancelled or expires.

15.0 NOTES TO THE FINANCIAL STATEMENTS

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:

- Amortised cost;
- Financial assets at Fair Value Through Profit or Loss ('FVTPL');
- Financial assets reported through Other Comprehensive Income ('FVOCI');

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.

Amortised cost

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.

15.0 NOTES TO THE FINANCIAL STATEMENTS

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.

Interpretation 23 requires the assessment of whether the effect of uncertainty over income tax treatments should be included in the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The interpretation outlines the requirements to determine whether any entity considers uncertain tax treatments separately, the assumptions an entity makes about the examination of tax treatments by taxation authorities, how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates and how an entity considers changes in facts and circumstances.

The Group has adopted Interpretation 23 from 1 July 2019, based on an assessment of whether it is "probable" that a taxation authority will accept and uncertain tax treatment. There has been no financial reporting impact from the adoption of Interpretation 23 in this reporting period.

15.0 NOTES TO THE 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)

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 employees to require 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).

15.0 NOTES TO THE FINANCIAL STATEMENTS

All share-based remuneration is ultimately recognized 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 recognized in the current period. No adjustment is made to any expense recognized 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.

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.

15.0 NOTES TO THE FINANCIAL STATEMENTS

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 Group 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 they must return the unit to the Group at the end of the subscription period. Management have considered various factors under AASB 16 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.
- 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).

15.0 NOTES TO THE FINANCIAL STATEMENTS

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.

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 $7,673,672 and had net cashflows from operating activities of $22,228,129.

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 secure sale arrangements with many leading sporting organisations across the world for which revenue and cash inflows will be recognised in future periods;
- The business delivered positive free cashflow of $9.0m in FY20, a year ahead of its commitment to be free cash flow positive in FY21;
- The business had cash on hand of $27.5m at 30 June 2020 (2019: $11.7m), and $20.2m excluding the debt facility;
- In the early stages of COVID-19, Catapult management adopted a conservative approach by instituting cost control measures and managing working capital. This ensured that the business maintained a strong cash position, while minimising disruption to the business. Subsequent to 30 June 2020 Catapult commenced lifting these cost measures as the negative impact of COVID-19 was less than anticipated; and
- The business has substantially delivered on its new product investment program launched in FY20 which will deliver growth and improved profitability in the future.

15.0 NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. INTERESTS IN SUBSIDIARIES

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

Parent Entity

Catapult Group International Ltd (i),(iii)

Name of the Subsidiary	Principal Place of Business / Principal Activity	Group Ownership Interest 2020 %	2019 %
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	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	100
Collegiate Images LLC	United States of America - Content Licensing	100	100
Catapult Sports Limited (iii)	United Kingdom - European sales operations	100	100
Catapult Sports Godo Kaisha	Japan - Asia sales operations	100	100
Catapult Sports Europe Limited	Ireland - holding company	100	100
Kodaplay Ltd (iii)	Ireland - manufacturing and selling for Catapult sub-elite and consumer products	100	100
Catapult Sports SAS	Argentina - South American sales operations	100	100
Catapult Sports Technology Beijing Co Ltd	China - Asia sales operations	100	100

(i) Catapult Group International Ltd (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 34.

(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 5,000,000 granted to XOS Technologies Inc and Collegiate Images LLC.

15.0 NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. SEGMENT REPORTING

For the year ended 30 June 2020
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 three main operating segments are:

- Wearables: design, development and supply of wearable technology and analytic software to athletes and sports teams
- Video Analytics: develops and provides innovative digital and video analytic software solutions to elite sports teams
- New Products: development of the prosumer product and entry into the prosumer market

These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

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	New Products $'000	Total $'000
12 months to 30 June 2020				
Revenue - external customers	48,170	47,737	4,826	100,733
Segment EBITDA	14,546	15,143	(742)	28,947
Segment Operating profit/(loss)	6,559	3,360	(1,899)	8,020
Segment Assets	58,546	118,158	9,930	186,634
Segment Liabilities	30,766	35,672	2,078	68,516

	Wearables $'000	Video Analytics $'000	New Products $'000	Total $'000
12 months to 30 June 2019				
Revenue - external customers	45,257	44,845	5,273	95,375
Segment EBITDA	12,436	12,545	(6,118)	18,863
Segment Operating profit/(loss)	6,070	3,443	(7,513)	2,000
Segment Assets	56,235	110,408	10,009	176,652
Segment Liabilities	27,332	26,989	1,648	55,969

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

	2020 12 months $'000	2019 12 months $'000
Total reporting segment operating EBITDA	**28,947**	**18,863**
Depreciation and amortisation for the segments	(21,495)	(17,043)
Segment finance expenses	(30)	(20)
Segment finance income	39	26
Other segment financial income	559	174
Total reporting segment operating profit	**8,020**	**2,000**

15.0 NOTES TO THE FINANCIAL STATEMENTS

Corporate Costs		
Other income	1,319	-
Employee benefits expense	(8,207)	(7,396)
Employee share option compensation expense	(1,833)	(1,116)
Capital raising and listing expenses	(225)	(196)
Travel, marketing and promotion	(411)	(534)
Occupancy	(489)	(887)
Professional fees	(2,511)	(2,571)
Other expenses	(3,313)	(2,091)
Total corporate costs	**(15,670)**	**(14,791)**
Finance expenses	(463)	(14)
Finance income	28	264
Other financial (expenses)/income	(143)	45
Group loss before tax	**(8,228)**	**(12,496)**

Revenue by Geography

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

	Wearables 2020 $'000	**Video Analytics 2020 $'000**	**New Products 2020 $'000**	**Total 2020 $'000**
Revenue - external customers				
Australia	4,585	6	467	5,058
APAC	5,621	43	100	5,764
EMEA	16,286	179	2,632	19,097
Americas	21,678	47,509	1,627	70,814
Total	**48,170**	**47,737**	**4,826**	**100,733**

	Wearables 2019 $'000	**Video Analytics 2019 $'000**	**New Products 2019 $'000**	**Total 2019 $'000**
Revenue - external customers				
Australia	4,823	2	615	5,440
APAC	4,846	5	122	4,973
EMEA	16,576	25	2,956	19,557
Americas	19,012	44,813	1,580	65,405
Total	**45,257**	**44,845**	**5,273**	**95,375**

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

Revenues from external customers in the Group's domicile, Australia, as well as its major markets, Europe and the Middle East (EMEA), Asia-Pacific (APAC) and the Americas, have been identified on the basis of the customer's geographical location.

15.0 NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. REVENUE

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

	2020 $'000	2019 $'000
Capital revenue	21,877	30,197
Subscription and service	77,566	64,005
Other revenue	1,290	1,173
Revenue	**100,733**	**95,375**

NOTE 8. OTHER INCOME

Other income has been generated from the following sources:

	2020 $'000	2019 $'000
Government grants and assistance*	678	311
Other income	641	2
Other Income	**1,319**	**313**

*Government grants represents the JobKeeper and cash flow boost payments received from the Federal Government in response to the ongoing novel coronavirus (COVID-19) pandemic. Government grants are recognised in the financial statements at their fair values when there is a reasonable assurance that the Consolidated Entity will comply with the requirements and that the grant will be received.

NOTE 9. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components:

Cash at bank and in hand

	2020 $'000	2019 $'000
AUD	2,144	5,449
EUR	3,164	821
GBP	2,090	1,033
USD	18,666	4,172
JPY	297	272
CNY	1,034	-
ARS	127	-
Total cash and cash equivalent	**27,522**	**11,747**

The amount of cash and cash equivalents inaccessible to the Group as at 30 June 2020 amounts to $538,892 (2019: $647,875) relating to Letter of Credit for rental leases held by the Group.

15.0 NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES & CONTRACT ASSETS

Trade and other receivables & contract assets consist of the following:

	2020 $'000	2019 $'000
Trade receivables, gross	28,585	29,924
Accrued revenue	2,777	5,109
Allowance for credit losses	(1,984)	(747)
Trade receivables	**29,378**	**34,286**
Taxes receivable	350	371
Other receivables	1,218	1,266
Prepayments	2,317	2,133
Non-financial assets	**3,885**	**3,770**
Trade and other receivables	**33,263**	**38,056**
Contract assets	105	402
Current trade and other receivables	**33,368**	**38,458**
Other long-term financial assets	488	599
Total trade and other receivables	**33,856**	**39,057**

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. Trade receivables are written-off when there is no reasonable expectation of recovery. Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written-off are credited against the same line item. During the year ended 30 June 2020, an amount of $680,504 (2019: $328,281) was found to be impaired and subsequently these bad debts were written off.

NOTE 11. CURRENT ASSETS - INVENTORIES

	2020 $'000	2019 $'000
Raw materials and consumables	1,320	1,257
Work in progress	1	4
Finished goods	5,998	4,840
Total inventories	**7,319**	**6,101**

In 2020, total cost of $16,880,445 associated with inventories was included in the Consolidated Statement of Profit and Loss and Other Comprehensive Income as an expense (2019: $17,190,177). At 30 June 2020 the provision for obsolete stock was $1,416,233 (2019: 982,795).

15.0 NOTES TO THE FINANCIAL STATEMENTS

NOTE 12. NON-CURRENT ASSETS - 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 & Office Equipment $'000	Furniture & Fittings $'000	Leasehold Improve-ments $'000	Leased Assets $'000	Total $'000
Gross carrying amount						
Balance 1 July 2019	9,129	6,058	297	2,122	-	17,606
Additions	2,877	726	3	52	6,335	9,993
Disposals	(1,862)	(18)	-	-	-	(1,880)
Transfer		117	(117)			
Net exchange difference	27	132	-	51	-	210
Balance 30 June 2020	**10,171**	**7,015**	**183**	**2,225**	**6,335**	**25,929**
Depreciation and impairment						
Balance 1 July 2019	(4,348)	(3,273)	(8)	(1,043)	-	(8,672)
Depreciation	(1,808)	(1,506)	(2)	(488)	(1,729)	(5,533)
Disposals	509	2	-	-	-	511
Net exchange difference	10	(32)	(1)	(4)	39	12
Balance 30 June 2020	**(5,637)**	**(4,809)**	**(11)**	**(1,535)**	**(1,690)**	**(13,682)**
Carrying amount 30 June 2020	**4,534**	**2,206**	**172**	**690**	**4,645**	**12,247**

	Rental & Demo Units $'000	Plant & Office Equipment $'000	Furniture & Fittings $'000	Leasehold Improve-ments $'000	Total $'000
Gross carrying amount					
Balance 1 July 2018	7,556	4,136	278	2,072	14,042
Additions	2,087	1,792	-	-	3,879
Disposals	(516)	(31)	-	-	(547)
Transfer	-	(16)	-	-	(16)
Net exchange difference	2	177	19	50	248
Balance 30 June 2019	**9,129**	**6,058**	**297**	**2,122**	**17,606**
Depreciation and impairment					
Balance 1 July 2018	(2,706)	(2,120)	(4)	(529)	(5,359)
Depreciation	(1,920)	(1,149)	(4)	(510)	(3,583)
Disposals	278	6	-	-	284
Transfer	-	5	-	-	5
Net exchange difference	-	(15)	-	(4)	(19)
Balance 30 June 2019	**(4,348)**	**(3,273)**	**(8)**	**(1,043)**	**(8,672)**
Carrying amount 30 June 2019	**4,781**	**2,785**	**289**	**1,079**	**8,934**

15.0 NOTES TO THE FINANCIAL STATEMENTS

All depreciation and amortisation charges are included within depreciation and amortisation expense.

During the year the Group wrote off rental and demo units with a net book value of $1,352,750 (2019: $177,818) pertaining to the return of devices that had been upgraded to a new device in line with Catapult's subscription agreements. These devices were transferred from Rental & Demo Units back into inventory upon return, and after review were deemed to be obsolete and subsequently written-off.

During FY19 the Group also conducted a review of the loan unit register and disposed of old rental units on the register that were no longer reconciled to existing subscription contracts. These units had a net book value of $60,150 (2020: Nil)

There were no material contractual commitments to acquire property, plant and equipment at 30 June 2020 (2019: Nil).

The net book value of assets held under Finance Leases at 30 June 2020 was $85,053 (2019: 269,440) and are included in Office Equipment.

On a review of plant and equipment and office equipment the Group has considered the categories to be one asset class and combined them in FY20.

NOTE 13. NON-CURRENT ASSETS - GOODWILL

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

	2020 $'000	2019 $'000
Balance at 1 July 2019	59,554	56,730
Foreign exchange effect on goodwill	1,200	2,824
Balance at 30 June 2020	**60,754**	**59,554**

13.1 Impairment Testing

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

	2020 $'000	2019 $'000
Elite Wearables	2,354	2,354
Sub-Elite Wearables	4,258	4,216
Video Analytics	54,142	52,984
Goodwill allocation at 30 June 2020	**60,754**	**59,554**

The recoverable amounts of the cash-generating units were determined based on value-in-use calculations, covering the 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.

15.0 NOTES TO THE FINANCIAL STATEMENTS

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.

	Terminal Growth Rate		Discount Rates	
	2020	2019	2020	2019
Elite Wearables	2.9%	2.9%	10.7%	10.5%
Sub-Elite Wearables	2.9%	-	10.7%	10.0%
Video Analytics	2.9%	2.9%	10.7%	10.8%

Impact of possible changes in key assumptions

The Directors and management have considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amount of the CGUs above to exceed its recoverable amount.

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

	2020 $'000	2019 $'000
Elite Wearables	250	250
Video Analytics	5,243	5,130
Brand names at 30 June 2020	**5,493**	**5,380**

13.2 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.

– 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.

– Continued investment in core product development to underpin revenue growth particularly in video and tactical products.

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

13.3 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.

15.0 NOTES TO THE FINANCIAL STATEMENTS

NOTE 14. NON-CURRENT ASSETS - INTANGIBLE ASSETS

	Acquired Software Licences $'000	Hardware IP $'000	Brand Name $'000	Distributor Relationshi-ps $'000	Distributor Contracts $'000	Customer Relationshi-ps $'000	Internally Developed Software $'000	Total $'000
Gross carrying amount balance at 1 July 2019	1,087	9,689	5,380	425	96	21,392	36,301	74,370
Additions	47	1,538	-	-	-	-	7,266	8,851
Net exchange difference	2	83	113	-	-	457	288	943
Balance at 30 June 2020	**1,136**	**11,310**	**5,493**	**425**	**96**	**21,849**	**43,855**	**84,164**
Amortisation and impairment								
Balance at 1 July 2019	(539)	(3,389)	-	(213)	(96)	(8,844)	(20,463)	(33,544)
Amortisation and impairment	(174)	(2,140)	-	(42)	-	(3,178)	(10,428)	(15,962)
Net exchange difference	(2)	(17)	-	-	-	(115)	(121)	(255)
Balance at 30 June 2020	**(715)**	**(5,546)**	**-**	**(255)**	**(96)**	**(12,137)**	**(31,012)**	**(49,761)**
Carrying amount 30 June 2020	**421**	**5,764**	**5,493**	**170**	**-**	**9,712**	**12,843**	**34,403**

	Acquired Software Licences $'000	Hardware IP $'000	Brand Name $'000	Distributor Relationshi-ps $'000	Distributor Contracts $'000	Customer Relationshi-ps $'000	Internally Developed Software $'000	Total $'000
Gross carrying amount balance at 1 July 2018	485	7,046	5,117	425	96	20,324	27,400	60,893
Additions	586	2,443	-	-	-	-	7,544	10,573
Transfer	16	-	-	-	-	-	-	16
Net exchange difference	-	200	263	-	-	1,068	1,357	2,888
Balance at 30 June 2019	**1,087**	**9,689**	**5,380**	**425**	**96**	**21,392**	**36,301**	**74,370**
Balance at 1 July 2018	(92)	(2,015)	-	(168)	(96)	(5,395)	(11,030)	(18,796)
Amortisation and impairment	(195)	(1,468)	-	(45)	-	(2,990)	(8,762)	(13,460)
Transfer	(252)	-	-	-	-	-	247	(5)
Net exchange difference	-	94	-	-	-	(459)	(918)	(1,283)
Balance at 30 June 2019	**(539)**	**(3,389)**	**-**	**(213)**	**(96)**	**(8,844)**	**(20,463)**	**(33,544)**
Carrying amount 30 June 2019	**548**	**6,300**	**5,380**	**212**	**-**	**12,548**	**15,838**	**40,826**

In addition, other operating research costs of $63,348 (2019: $219,862) were recognised as other expenses.

15.0 NOTES TO THE FINANCIAL STATEMENTS

NOTE 15. NON-CURRENT ASSETS - DEFERRED TAX ASSETS

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

Deferred Tax Liabilities/(Assets)	1 July 2019 $'000	Recognised directly in equity $'000	Recognised in Business Combination $'000	Recognised in Profit & Loss $'000	Exchange Differences $'000	30 June 2020 $'000
Deferred Tax Assets						
Provision for annual leave	253	-	-	(9)	-	244
Provision for long service leave	30	-	-	12	-	42
Other employee obligations	368	-	-	(26)	-	342
Professional fees and doubtful debts	216	-	-	154	-	370
Other provisions	(13)	-	-	287	-	274
Tax losses	8,670	-	-	-	100	8,770
Section 40-880 Expenditure	909	-	-	(490)	-	419
Adoption of AASB 16	-	-	-	72	-	72
	10,433	**-**	**-**	**-**	**100**	**10,533**
Deferred Tax Liabilities						
Other intangible assets	(4,209)	-	-	-	-	(4,209)
Capitalised R&D	(1,244)	-	-	967	16	(261)
Foreign exchange	(13)	-	-	13	-	-
	(5,466)	**-**	**-**	**980**	**16**	**(4,470)**
Deferred Tax Movement	**-**	**-**	**-**	**980**	**116**	**-**

Deferred Tax Liabilities/(Assets)	1 July 2018 $'000	Recognised directly in equity $'000	Recognised in Business Combination $'000	Recognised in Profit & Loss $'000	Exchange Differences $'000	30 June 2019 $'000
Deferred Tax Assets						
Provision for annual leave	259	-	-	(6)	-	253
Provision for long service leave	16	-	-	14	-	30
Other employee obligations	519	-	-	(151)	-	368
Professional fees and doubtful debts	110	-	-	106	-	216
Other provisions	236	-	-	(123)	-	113
Tax losses	7,637	-	-	646	387	8,670
Section 40-880 Expenditure	1,395	-	-	(486)	-	909
Adoption of AASB 15	-	(126)				(126)
	10,172	**(126)**	**-**	**-**	**387**	**10,433**
Deferred Tax Liabilities						
Other intangible assets	(2,981)	-	-	(1,066)	(161)	(4,209)
Capitalised R&D	(2,127)	-	-	883	-	(1,244)
Foreign exchange	(29)	-	-	16	-	(13)
	(5,137)	**-**	**-**	**(167)**	**(161)**	**(5,466)**
Deferred Tax Movement	**-**	**(126)**	**-**	**(167)**	**226**	**-**

15.0 NOTES TO THE FINANCIAL STATEMENTS

The amounts recognised in other comprehensive income relate to exchange differences on translating foreign operations. See Note 24 for the amount of income tax relating to these components of other comprehensive income.

The Group has accumulated tax losses across multiple jurisdictions of $94,527,000 (rounded to the nearest $'000) (FY19: 95,431,000). The amount of tax losses and other tax credits recognised in the statement of financial position is $31,930,000 (rounded to the nearest $'000) (FY19: 31,930,000).

NOTE 16. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

Trade and other payables consist of the following:

	2020 $'000	2019 $'000
Current		
Trade payables and other payables	6,949	8,834

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

15.0 NOTES TO THE FINANCIAL STATEMENTS

NOTE 17. CURRENT LIABILITIES - CONTRACT LIABILITIES AND OTHER LIABILITIES

Contract liabilities and other liabilities consist of the following:

	2020 $'000	2019 $'000
Contract liabilities	**31,898**	**29,634**

	2020 $'000	2019 $'000
Advances received for future service work	398	403
Deferred gain (lease incentive)	-	356
Other	1,531	1,045
Other liabilities - current	**1,929**	**1,804**
Deferred gain (lease incentive)	-	562
Other liabilities - non - current	**-**	**562**
Contract liabilities	2,435	1,775
Contract liabilities – non - current	**2,435**	**1,775**

The deferred gain relates to the lease incentives associated with the Chicago and Prahran premises commencing May 2016 and August 2017 respectively. The excess of proceeds received over fair value was deferred and is being amortised over the lease term of each lease. In 2019, deferred gain of $73,000 was recognised in profit or loss relating to this transaction. As part of the adoption of AASB 16 Leases during FY20, lease incentives have been recognised as part of the cost of Right of Use assets.

All amounts recognised relating to contract liabilities 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 $31,897,945 (FY19: $29,633,977) of contract liabilities during the next 12 months following 30 June 2020, with the balance falling into FY22 and FY23.

NOTE 18. FINANCIAL ASSETS AND LIABILITIES

18.1 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 2020	Notes	Loans and receivables $'000 (carried at amortised cost)	Other assets $'000 (carried at amortised cost)	Total $'000 (carried at amortised cost)
Financial assets				
Other long-term financial assets	**10**	488	-	488
Trade and other receivables	**10**	29,378	-	29,378
Cash and cash equivalents	**9**	-	27,522	27,522
		29,866	**27,522**	**57,388**

15.0 NOTES TO THE FINANCIAL STATEMENTS

30 June 2020	Notes	Other Liabilities $'000 (carried at amortised cost)	Other Liabilities at FVTPL $'000 (carried at amortised cost)	Total $'000 (carried at amortised cost)
Financial liabilities				
Trade and other payables	**16**	6,949	-	6,949
Borrowings	**18.2**	7,434	-	7,434
Other financial liabilities	**18.2**	1,993	-	1,993
Non-current other financial liabilities	**18.2**	3,627	-	3,627
		20,003	**-**	**20,003**

30 June 2019	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	**10**	599	-	599
Trade and other receivables	**10**	34,286	-	34,286
Cash and cash equivalents	**9**	-	11,747	11,747
		34,885	**11,747**	**46,632**

30 June 2019	Notes	Other Liabilities $'000 (carried at amortised cost)	Other Liabilities at FVTPL $'000 (carried at amortised cost)	Total $'000 (carried at amortised cost)
Financial Liabilities				
Trade and other payables	**16**	8,834	-	8,834
Borrowings	**18.2**	108	-	108
Non-current borrowings	**18.2**	188	-	188
Contingent consideration on business combination		-	413	413
		9,130	**413**	**9,543**

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
- trade and other payables

18.2 Borrowings & other financial liabilities

Borrowings include the following financial liabilities:

15.0 NOTES TO THE FINANCIAL STATEMENTS

	Current		Non-Current	
	2020 $'000	**2019 $'000**	**2020 $'000**	**2019 $'000**
Financial Liabilities				
At amortised cost:	9,300	-	3,627	-
Finance loans	127	108	-	188
	9,427	**108**	**3,627**	**188**

Borrowings & other financial liabilities at amortised cost

Bank borrowings are secured by all property of XOS Technologies Inc. and Collegiate Images LLC, while finance loans are secured against the computer equipment purchased. The Group's US Subsidiary, XOS Technologies Inc, entered into a secured loan facility with Western Alliance Bank in April 2017. At 30 June 2020, the total facility is for AUD $8.7 million (USD $6.0 million). Of this amount, AUD $7.3 million (USD $5.0 million) was drawn down at 30 June 2020. (note - the AUD:USD exchange rate applied to reported amounts in AUD is 0.686).Current interest rates on the bank borrowing are variable and average 5.00% (2019: 5.50%) while the Finance loans are fixed at 5.50%. The carrying amount of the other bank borrowings and finance loans are considered to be a reasonable approximation of the fair value. In FY20 the Group adopted AASB16 Leases which, at the 30 June 2020 had the effect of increasing current other financial liabilities by $1,993,000 (rounded $'000) and non-current other financial liabilities by $3,627,000 (rounded $'000).

NOTE 19. CURRENT LIABILITIES - EMPLOYEE REMUNERATION

19.1 Employee benefits expense

Expenses recognised for employee benefits are analysed below:

	2020 $'000	**2019 $'000**
Wages and salaries	37,916	39,306
Social security costs	3,289	2,268
Share-based payments	2,149	1,184
Superannuation - Defined Contribution Plans	1,754	1,512
Employee benefit expenses	**45,108**	**44,270**

19.2 Share-based 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:

15.0 NOTES TO THE FINANCIAL STATEMENTS

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.

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 are more fully described in the Remuneration Report contained in the Director's Report above.

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 659,396 Shares on behalf of participants and for the purposes of the Employee Plan.

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.

15.0 NOTES TO THE FINANCIAL STATEMENTS

Options, Performance Rights and other Awards will not be quoted on the 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 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.

15.0 NOTES TO THE FINANCIAL STATEMENTS

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 exercise price ($)	Number of Shares	Weighted average exercise price ($)
Outstanding at 1 July 2019	8,714,371	1.7583	405,116	-
Granted	4,801,639	1.2291	3,495,006	-
Forfeited	(3,206,949)	1.8235	(477,860)	-
Exercised	(1,381,000)	0.6391	(309,957)	-
Expired	(320,000)	3.5781	-	-
Outstanding at 30 June 2020	**8,608,061**	**1.5054**	**3,112,305**	-
Exercisable at 30 June 2020	**2,441,291**	**1.7894**	**154,412**	-

	Options Program		Performance Rights	
	Number of Shares	Weighted average exercise price ($)	Number of Shares	Weighted average exercise price ($)
Outstanding at 1 July 2018	8,879,091	2.2954	100,000	-
Granted	4,237,426	1.3300	446,245	-
Forfeited	(3,842,146)	2.3299	(60,484)	-
Exercised	(60,000)	0.5500	(80,645)	-
Expired	(500,000)	4.8430	-	-
Outstanding at 30 June 2019	**8,714,371**	**1.7583**	**405,116**	-
Exercisable at 30 June 2019	**2,931,682**	**1.4764**	**100,000**	-

15.0 NOTES TO THE FINANCIAL STATEMENTS

19.3 Employee benefits

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

	2020 $'000	2019 $'000
Wages and salaries	5,080	4,793
Social security costs & payroll taxes	800	193
Defined contribution plans	356	1,111
Accrued leave entitlements	1,485	1,460
Total current employee benefits	**7,721**	**7,557**

Note 19. Current liabilities - Employee remuneration (continued)

Non-current		
Accrued leave entitlements	60	41

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.

NOTE 20. EQUITY - 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.

	Notes	30 June 2020 Shares	30 June 2019 Shares	30 June 2020 $'000	30 June 2019 $'000
Shares issued and fully paid for:		190,895,116	190,895,116	165,002	164,324
Beginning of the year		190,895,116	190,895,116	165,002	164,324
Exercise of performance options and equity options		-	-	1,703	678
Total contributed equity at		190,895,116	190,895,116	166,705	165,002
Treasury Shares	20. (a)	(659,296)	(2,350,253)	-	-
Total contributed equity		**190,235,820**	**188,544,863**	**166,705**	**165,002**

During the financial year the Group awarded:

- 3,537,899 options as part of the Employee Share Plan. The options were issued at an average exercise price of $1.26 and a fair value of $0.42
- 557,105 options as part of the Employee Share Plan. The options were issued at an average exercise price of $1.50 and a fair value of $0.76
- 17,452 options as part of the Employee Share Plan. The options were issued at an average exercise price of $1.50 and a fair value of $0.62
- 611,112 options as part of the Employee Share Plan. The options were issued at an average exercise price of $0.78 and a fair value of $1.37

15.0 NOTES TO THE FINANCIAL STATEMENTS

- 78,071 options as part of the Employee Share Plan. The options were issued at an average exercise price of $1.50 and a fair value of $1.08
- 741,644 performance rights as part of the Employee Share Plan. The rights were issued at an average exercise price of $0.00 and a fair value of $1.20
- 154,412 performance rights as part of the Employee Share Plan. The rights were issued at an average exercise price of $0.00 and a fair value of $2.10
- 1,899,998 service rights as part of the Employee Share Plan. The rights were issued at an average exercise price of $0.00 and a fair value of $0.96
- 234,984 performance rights as part of the Employee Share Plan. The rights were issued at an average exercise price of $0.00 and a fair value of $1.66
- 7,143 performance rights as part of the Employee Share Plan. The rights were issued at an average exercise price of $0.00 and a fair value of $1.66
- 42,277 performance rights as part of the Employee Share Plan. The rights were issued at an average exercise price of $0.00 and a fair value of $2.07
- 414,548 performance rights as part of the Employee Share Plan. The rights were issued at an average exercise price of $0.00 and a fair value of $0.96

20(a) Treasury Shares

Treasury shares are shares in Catapult Group International Ltd 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:

	2020 Shares	2019 Shares
Opening Balance at 1 July 2019	**2,350,253**	**2,490,898**
Transactions during the year	(1,690,957)	(140,645)
Closing balance at 30 June 2020	**659,296**	**2,350,253**

During the financial year a number of shares were issued under the Employee Share Plan:

The number of shares exercised under the performance right plan was 309,957 at an average exercise price of $0.00 per share. The amount raised was $Nil.

The number of shares exercised under the option plan was 960,000 at an average exercise price of $0.605 per share. The amount raised was $580,800.

The number of shares exercised under the option plan was 361,000 at an average exercise price of $0.55 per share. The amount raised was $198,550.

The number of shares exercised under the option plan was 60,000 at an average exercise price of $1.72 per share. The amount raised was $103,200.

20. (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):

15.0 NOTES TO THE FINANCIAL STATEMENTS

	Weighted average exercise price
Outstanding at the beginning of the year	**1.7583**
Outstanding at the end of the year	**1.5054**
Exercisable at the end of the year	**1.7894**

NOTE 21. CURRENT LIABILITIES - LEASES

21.1 Finance leases as lessee

The Group has certain computer equipment held under finance lease arrangements. As of 30 June 2020, the net carrying amount of the computer equipment held under finance lease arrangements (included as part of Office Equipment) is $85,053 (2019: 269,440).

The Group's finance lease liabilities, which are secured by the related assets held under finance leases, are classified as follows:

	2020 $'000	2019 $'000
- AASB 16 lease liabilities (current)	1,993	-
- AASB 16 lease liabilities (non-current)	3,627	-
- Lease liabilities - (current)	127	108
- Lease liabilities - (non-current)	-	188

Future minimum finance lease payments at the end of each reporting period under review were as follows:

Minimum lease payments due

	Within 1 year $'000	1-5 years $'000	After 5 years $'000	Total $'000
30 June 2020				
Lease payments	2,315	3,657	194	6,166
Finance charges	(195)	(195)	(29)	(419)
Net present values	2,120	3,462	165	5,747
30 June 2019				
Lease payments	108	188	-	296
Finance charges	2	10	-	12
Net present values	98	108	-	206

Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

The expense relating to payments not included in the measurement of a lease liability is as follows:

	$'000
Short-term leases:	337

15.0 NOTES TO THE FINANCIAL STATEMENTS

21.2 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	1-5 years $'000	After 5 years $'000	Total $'000
30 June 2020	25,156	21,875	-	47,031
30 June 2019	23,881	17,951	-	41,832

Lease revenues during the period amounted to $33,716,671 (2019: $27,638,813) representing the minimum subscription payments for these lease units.

Subscription agreements are in place with a number of clients across 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 Rental and Demo Units and are depreciated over their useful life of 4 years (see Note 12).

NOTE 22. FINANCE COSTS AND FINANCE INCOME

Finance costs for the reporting periods consist of the following:

	2020 $'000	2019 $'000
Interest expenses for borrowings and other financial liabilities at amortised cost:		
Interest expense	**493**	**35**

	2020 $'000	2019 $'000
Finance income for the reporting periods consists of the following:		
Interest income from cash and cash equivalents	**67**	**290**

NOTE 23. OTHER FINANCIAL ITEMS

Other financial items consist of the following:

	2020 $'000	2019 $'000
Other financial items consist of the following:		
Gain/(loss) on exchange differences on payables and receivables	**416**	**211**

15.0 NOTES TO THE FINANCIAL STATEMENTS

NOTE 24. CURRENT LIABILITIES - INCOME TAX

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% (2019: 30%) are:

	2020 $'000	2019 $'000
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax	**(8,228)**	**(12,496)**
Expected tax expense at the domestic rate for parent at 30%	**(2,468)**	**(3,749)**
Overseas tax rate differential	(482)	491
Change in tax rate in foreign jurisdictions	1	-
Tax losses not recognised	494	2,034
Prior year tax losses utilised in the current period	(1,337)	(370)
Adjustments for prior periods	201	(287)
Net R&D tax offset	-	(447)
Other non-deductible expenses	3,037	2,413
Actual tax (benefit)/expense	**(554)**	**85**
Adjustments for prior periods	201	(287)
Current tax	382	235
Deferred tax	(1,137)	137
Income tax (benefit)/expense	**(554)**	**85**

Accounting policy for income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

- Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or

- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

15.0 NOTES TO THE FINANCIAL STATEMENTS

NOTE 25. AUDITOR REMUNERATION

	2020 $	2019 $
Assurance Services		
Audit and review of the Financial Statements	214,560	200,424
Overseas Grant Thornton Network firms:	22,812	21,495
	237,372	**221,919**
Other services		
Taxation compliance and general accounting advice	25,500	-
Other review services	7,504	8,651
	33,004	**8,651**
Total auditor remuneration	**270,376**	**230,570**

NOTE 26. 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 2018 or 2019). 11,720,366 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:

	2020 Shares '000	2019 Shares '000
Weighted average number of shares used in basic and diluted earnings per share	189,757	188,439

NOTE 27. EQUITY - DIVIDENDS

Nil paid in the period.

27.1 Dividends paid and proposed
Nil.

27.2 Franking credits

	2020 $'000	2019 $'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)	(3,841)
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)

15.0 NOTES TO THE FINANCIAL STATEMENTS

NOTE 28. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES

	2020 $'000	2019 $'000
Loss after income tax expense for the year	(7,674)	(12,581)
Adjustments for:		
Depreciation and amortisation	21,495	17,043
Share-based payments	2,149	1,184
Foreign exchange differences	(209)	(233)
Net interest and dividends received included in investing and financing	417	(255)
Impairment losses on obsolete stock, receivables and other items	2,689	-
Gain on deferred consideration	(311)	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	5,201	(7,933)
(Increase) in inventories	(1,218)	(2,282)
(Increase)/decrease in current tax assets	(100)	89
(Decrease) in trade and other payables	(1,885)	(2,365)
Increase/(decrease) in provision for income tax	60	(220)
(Decrease)/increase in deferred tax liabilities	(996)	68
Increase/(decrease) in employee benefits	183	(1,253)
Increase in other provisions	2,427	6,542
Net cash generated from/(used in) operating activities	**22,228**	**(2,196)**

NOTE 29. 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.

	2020 $	2019 $
Transactions with key management	2,700	27,716

Calvin Ng is a director of Aura Group Pty Ltd (a subsidiary of Aura Group Services Ltd). During the year Catapult rented office space from Aura Group Services Ltd in Singapore for a total cost of $2,700 (2019: $27,716) and had no amount payable as at 30 June 2020 (2019: $3,618).

29.1 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.

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.

15.0 NOTES TO THE FINANCIAL STATEMENTS

	2020 $	2019 $
Short term employee benefits:		
Salaries including bonuses and leave accruals	3,016,644	2,975,621
Social security costs	120,032	130,836
Total short-term employee benefits	**3,136,676**	**3,106,457**
Long service leave	(1,170)	(44,360)
Total other long-term benefits	**(1,170)**	**(44,360)**
Share based payments	464,272	650,052
Total remuneration	**3,599,778**	**3,712,149**

NOTE 30. FINANCIAL INSTRUMENT RISK

30.1 Risk management objectives and 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 18.1. 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.

30.2 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

	USD $'000	GBP $'000	EUR $'000	JPY $'000	AED $'000	Other Currencies $'000
Short term exposure						
30 June 2020						
Financial assets	23,112	1,423	2,602	-	-	128
Financial liabilities	(4,418)	(182)	(575)	(3)	-	(56)
Total exposure	**18,694**	**1,241**	**2,027**	**(3)**	**-**	**72**

	USD $'000	GBP $'000	EUR $'000	JPY $'000	AED $'000	Other Currencies $'000
Long term exposure						
30 June 2020						
Financial assets	-	-	-	-	-	-
Financial liabilities	-	-	-	-	-	-
Total exposure	**-**	**-**	**-**	**-**	**-**	**-**

15.0 NOTES TO THE FINANCIAL STATEMENTS

	USD $'000	GBP $'000	EUR $'000	JPY $'000	AED $'000	Other Currencies $'000
Short Term Exposure						
30 June 2019						
Financial assets	27,394	2,860	4,045	272	-	-
Financial liabilities	(2,719)	(450)	(109)	(10)	-	(6)
Total exposure	**24,675**	**2,410**	**3,936**	**262**	**-**	**(6)**

	USD $'000	GBP $'000	EUR $'000	JPY $'000	AED $'000	Other Currencies $'000
Long term exposure						
30 June 2019						
Financial assets	-	-	-	-	-	-
Financial liabilities	-	-	-	-	-	-
Total exposure	-	-	-	-	-	-

The following table illustrates the sensitivity of profit and equity regarding 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 2020 (2019:10%).

30.3 Market risk analysis

Foreign currency sensitivity

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

Foreign currency risk

	USD $'000	GBP $'000	EUR $'000	JPY $'000	Other currencies $'000	Total $'000
30 June 2020	(2,422)	(245)	(436)	(27)	(112)	(3,242)
30 June 2019	(2,243)	(219)	(358)	4	(1)	(2,817)

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	Other currencies $'000	Total $'000
30 June 2020	2,961	299	533	33	137	3,963
30 June 2019	2,742	268	437	29	1	3,477

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.

30.4 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:

	2020 $'000	2019 $'000
Classes of financial assets		
· cash and cash equivalents	27,522	11,747
· trade receivables	29,378	34,286
· other long-term financial assets	488	599
	57,388	**46,632**

15.0 NOTES TO THE FINANCIAL STATEMENTS

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:

	2020 $'000	2019 $'000
Not more than (3) months	25,520	27,066
More than three (3) months but not more than six (6) months	1,295	1,528
More than six (6) months but not more than one (1) year	1,133	633
More than one (1) year	636	697
Total	**28,585**	**29,924**

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.

30.5 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. The Group's US Subsidiary, XOS Technologies Inc, entered into a secured loan facility with Western Alliance Bank in April 2017. At 30 June 2020, the total facility is for AUD $8.7 million (USD $6.0 million). Of this amount, AUD $7.3 million (USD $5.0 million) was drawn down at 30 June 2020. (note - the AUD:USD exchange rate applied to reported amounts in AUD is 0.686).

As at 30 June 2020, the Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

	Within 6 months $'000	Current 6-12 months $'000	1-5 years $'000	Non-current 5+ years $'000
30 June 2020				
US- Dollar loans	7,434	-	-	-
Other financial liabilities	1,008	985	3,462	165
Trade and other payables	6,949	-	-	-
	15,391	**985**	**3,462**	**165**

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

	Within 6 months $'000	Current 6-12 months $'000	1-5 years $'000	Non-current 5+ years $'000
30 June 2019				
US- Dollar loans	108	-	188	-
Trade and other payables	8,834	-	-	-
	8,942	**-**	**188**	**-**

15.0 NOTES TO THE FINANCIAL STATEMENTS

NOTE 31. 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. The Group was fully compliant with all bank facility covenants during the financial year.

NOTE 32. CONTINGENT LIABILITIES

There were no contingent liabilities at 30 June 2020.

NOTE 33. PARENT ENTITY INFORMATION

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

	2020 $'000	2019 $'000
Statement of financial position		
Current assets	2,487	355
Total assets	154,454	153,557
Current liabilities	559	392
Total liabilities	1,639	2,678
Net assets	**152,815**	**150,879**
Issued capital	166,705	165,002
Foreign currency reserve	(3,881)	(4,038)
Retained earnings	(16,704)	(15,450)
Share option reserve	6,695	5,365
Total equity	**152,815**	**150,879**
Statement of profit and loss and other comprehensive income		
Loss for the year	(1,254)	(2,356)
Other comprehensive income/(loss)	158	(206)
Total comprehensive income/(loss)	**(1,096)**	**(2,562)**

The parent entity has no capital commitments at year end (2019: $Nil).

As outlined in the statement of changes in equity there was an adjustment in the 2019 financial statements relating to the adoption of AASB 15. This resulted in an adjustment of $126,000 to retained earnings for the parent entity.

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

A Deed of Cross Guarantee with the effect that the Group 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 34.

15.0 NOTES TO THE FINANCIAL STATEMENTS

NOTE 34. 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	
	2020 $'000	**2019 $'000**
Summarised income statement and statement of comprehensive income and accumulated losses		
Profit/(Loss) before income tax expense	(7,063)	(5,399)
Income tax benefit/(expense)	1,075	(38)
Profit after income tax	**(5,988)**	**(5,437)**
Accumulated losses at the beginning of the financial year	(34,929)	(29,786)
Adoption of AASB15 Revenue	-	294
Accumulated losses at the end of the financial year	**(40,917)**	**(34,929)**
Statement of Financial position		
Current assets		
Cash and equivalents	6,733	7,048
Trade and other receivables	14,840	14,858
Inventories	3,436	2,414
Other current assets	1,799	1,904
Total current assets	**26,808**	**26,224**
Non-current assets		
Property, plant and equipment	6,409	5,929
Intangible assets	10,597	11,005
Investments	12,383	12,383
Deferred tax assets	3,717	3,717
Other non-current assets	89,566	100,521
Total non-current assets	**122,672**	**133,555**
Total assets	**149,480**	**159,779**
Current liabilities		
Trade and other payables	1,968	11,517
Employee benefits	3,321	3,168
Other current liabilities	8,352	7,333
Total current liabilities	**13,641**	**22,018**
Non-current liabilities		
Employee benefits	60	41
Other non-current liabilities	3,371	3,088
Total non-current liabilities	**3,431**	**3,129**
Total Liabilities	**17,072**	**25,147**
Net assets	**132,408**	**134,632**
Shareholders' equity		
Issued capital	166,705	165,002
Share option reserve	6,695	5,365
Foreign currency reserve	(75)	(806)
Accumulated losses	(40,917)	(34,929)
Total Shareholders' equity	**132,408**	**134,632**

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

15.0 NOTES TO THE FINANCIAL STATEMENTS

NOTE 35. EVENTS AFTER THE REPORTING PERIOD

Other than those events described on page 10 of the Directors' Report, no matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

16.0 DIRECTORS' DECLARATION

In the opinion of the Directors of Catapult Group International Ltd:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note four to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's and Consolidated Entity's financial position as at 30 June 2020 and of their performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 34 to the financial statements.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001 from the Chief Executive Officer and the Chief Financial Officer for the financial year ended 30 June 2020.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

Adir Shiffman
Executive Chairman

19 August 2020

17.0 AUDITORS' REPORT

Collins Square, Tower 5
727 Collins Street
Melbourne VIC 3008

Correspondence to:
GPO Box 4736
Melbourne VIC 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

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 2020, the consolidated statement of profit or loss and 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 2020 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 auditor 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.

17.0 AUDITORS' REPORT

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.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition of long-term contracts which contain multiple element arrangements – Notes 4 and 7	
There is significant judgement relating to revenue recognition for long term contracts which contain hardware and Software as a Service ("SaaS") multiple element arrangements. Revenue recognition for multiple element arrangements can be complex and involve management judgement. These judgements include: • identification of each element in the arrangements; • determination of the appropriate allocation of the amount of revenue to each element in particular as many of the Group's arrangements involve the delivery of hardware, software licences and other services; and • determining when the performance obligation of each element is satisfied and the associated revenue can be recognised. This area is a key audit matter due to the complexity surrounding the long-term contract revenue recognition.	Our procedures included, amongst others: • considering the appropriateness of management's assessment of revenue streams in accordance with accounting standard AASB 15 *Revenue from Contracts with Customers*; • 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 15; • sample testing revenue recorded to contracts with customers to assess whether revenue is being recognised in accordance with the Group's revenue recognition policies; • assessing the sales selected in our sample above, where applicable, for the accuracy of revenue to be deferred at year end; • analytically reviewing deferred revenue balances at reporting period end for exceptions and anomalies against expectations; • 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 disclosures for compliance with the revenue recognition requirements of Australian Accounting Standards (AASBs).

17.0 AUDITORS' REPORT

Key audit matter	How our audit addressed the key audit matter
Impairment of Goodwill and Other Intangible Assets – Notes 4, 13 and 14	
Given the nature of the industry in which the Group operates, there is a risk that there could be a material impairment to goodwill and intangible asset balances. Determination as to whether an impairment exists relating to an asset or Cash Generating Unit (CGU) involves significant judgement about the future cash flows and plans for these assets and CGUs. These judgements include: • determination of appropriate CGUs; • identifying the existence of impairment indicators; • forecasting future cash flows; and • determination of assumptions such as discount and growth rates. This area was determined to be a key audit matter due to the abovementioned judgements involved in preparing 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; • involving an auditors expert to assess the impairment models and evaluated the reasonableness of key assumptions including the discount rate, terminal growth rates and forecast growth assumptions; • assessing the reasonableness of the Board approved cash flow projections used in the impairment models as well as the Group's historical ability to forecast accurately; • challenging management's assumptions and estimates used to determine the recoverable value of its CGUs, including those relating to forecast revenue, costs, and discount rates, and where available, corroborating the key market-related assumptions to external data; and • assessing the adequacy of disclosures for compliance in accordance with the Australian Accounting Standards.

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 2020, 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.

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.

18.0 AUDITORS' REPORT

Grant Thornton

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: https://www.auasb.gov.au/auditors_responsibilites/ar1_2020.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 the Directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Catapult Group International Limited, for the year ended 30 June 2020 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 Audit Pty Ltd
Chartered Accountants

B A Mackenzie
Partner – Audit & Assurance

Melbourne, 19 August 2020

19.0 SHAREHOLDER INFORMATION

(AS AT 11 AUGUST 2020)

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

1. CORPORATE GOVERNANCE STATEMENT

Catapult's corporate governance statement for the financial year ended 30 June 2020 will be available at the following URL:

www.catapultsports.com/investor/corporate-governance/

2. SUBSTANTIAL SHAREHOLDERS

As at 11 August 2020, there are four substantial shareholders that the Group is aware of:

Substantial holder	Shares Held	Date of last notice
Charlaja Pty Ltd; Charlaja Pty Ltd < Van De Griendt Family A/C >; Igor Van De Griendt	20,508,000	7 June 2017
Manton Robin Pty Ltd; Manton Robin Pty Ltd < Shaun Holthouse Family A/C >; Shaun Holthouse	18,775,000	8 June 2017
One Managed Investment Funds Limited	17,867,096	1 October 2019
Quest Asset Partners	15,400,811	27 March 2020

3. NUMBER OF HOLDERS OF EACH CLASS OF EQUITY SECURITY

Equity security class	Number of holders
Ordinary shares	9,819
Employee options and performance rights	306

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.

5. DISTRIBUTION SCHEDULE IN EACH CLASS OF EQUITY SECURITIES

Ordinary shares

Range (size of holding)	Total holders	Number of Shares	%
1 - 1,000	3,608	2,069,816	1.084
1,001 -10,000	5,321	19,267,951	10.094
10,001 - 100,000	838	20,599,244	10.791
100,001 and over	52	148,958,105	78.031
	9,819	190,895,116	100.00

19.0 SHAREHOLDER INFORMATION

Range (size of holding)	Total holders	Units	%
1 - 5,000	122	376,914	3.22
5,001 -10,000	54	383,404	3.27
10,001 - 100,000	115	3,275,719	27.95
100,001 and over	15	7,684,329	65.56
	306	11,720,366	100.00

6. UNMARKETABLE PARCELS

Number of holders holding less than a marketable parcel of the Group’s main class of securities (in this case, fully paid ordinary shares) based on the closing market price on 11 August 2020 of $1.74.

	Number of holders
Minimum $500 parcel (at 11.08.20 closing price $1.74 per share)	497

7. 20 LARGEST SHAREHOLDERS As at 11 August 2020

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

Rank Shareholder	Share held	% held
1. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	29,437,124	15.421
2. CHARLAJA PTY LTD	20,490,000	10.734
3. MANTON ROBIN PTY LTD	18,775,000	9.835
4. ONE MANAGED INVESTMENT FUNDS	16,123,096	8.446
5. BNP PARIBAS NOMINEES PTY LTD < AGENCY LENDING DRP A/C >	15,442,416	8.089
6. J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	12,620,766	6.611
7. CITICORP NOMINEES PTY LIMITED	7,346,921	3.849
8. BBHF PTY LTD	6,109,000	3.200
9. BNP PARIBAS NOMS PTY LTD <DRP>	3,072,926	1.610
10. NATIONAL NOMINEES LIMITED	1,860,878	0.975
11. 3rd WAVE INVESTIRS PTY LTD	1,000,000	0.524
12. ROBERTS PIKE FOUNDATION PTY LTD <ROBERTS PIKE FOUNDATION A/C>	971,553	0.509
13. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	936,676	0.491
14. LEHAMLET PTY LTD < LEHAMLET SUPERANNUATION A/C>	881,244	0.462
15. SUPER PROPERTIES PTY LTD < THE SHAYNE SMYTH A/C >	769,231	0.403
16. RADICAL INVESTMENTS LP	763,800	0.400
17. MR MARK CUBAN	727,272	0.381
18. BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	727,008	0.381
19. SARGON CT PTY LTD <CATAPULT ESP UNALLOCATED AC	659,296	0.345
20. HEZI INVESTMENTS PTY LTD <HEZI INVESTMENTS A/C)	646,667	0.339
	139,360,874	**73.004**

20.0 CORPORATE DIRECTORY

General Enquiries
Company Secretary:

Jonathan Garland
General Counsel and Company Secretary
company.secretary@catapultsports.com

Registered Office
Catapult Group International Ltd
ABN 53 164 301 197

75 High Street,
Prahran, VIC, 3181
Australia

Telephone: +61 (0)3 90958401

Website:
www.catapultsports.com

Auditor
Grant Thornton
Collins Square, Tower 5/727
Collins Street
Melbourne
VIC 3008

Investor Relations
Investor.relations@catapultsports.com
+61 400 400 380

SHAREHOLDER INFORMATION

Shareholder enquiries
Shareholders with queries should contact the Group's share registry, Boardroom Pty Limited, phone 1300 737 760 or fax +61 (0)2 9279 0664, email enquiries@boardroomlimited.com.au, through its website (www.boardroomlimited.com.au) or write to:

Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

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


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