

CATAPULT 1H FY24 RESULTS MD CEO, CFO ADDRESSES

NOVEMBER 14, 2023

ALL FINANCIALS ARE IN USD UNLESS OTHERWISE INDICATED

Catapult Group International Ltd (ASX:CAT, 'Catapult' or the 'Company'), sets out below a copy of the MD & CEO, and CFO addresses that were delivered to shareholders at the the Company's 1H FY24 results briefing.

MD & CEO ADDRESS

Good morning and welcome to Catapult's conference call for the results of our first half of FY24. I have with me Bob Cruickshank, our Chief Financial Officer. This morning Bob and I will present our half year results, our strategy and outlook, and then take any questions from participants on the call.

Today I am pleased to outline another strong performance from Catapult. Before I get started, I'd like to point out that we continue to set the standard for data analytics in professional sports. We now work with more than 4,100 teams in over 100 countries, and across 40 different sports. Our customers are at the highest level of professional sports leagues and include many of the national teams that have competed in this year's soccer, rugby, and cricket world cups. And may I take this opportunity to say good luck to those teams in the semi-finals of the cricket world cup – Australia, New Zealand, India, and South Africa – who are all customers of Catapult.

The first half of FY24 sees Catapult in an incredibly strong position. All key metrics for the first half delivered or exceeded against our expectations. Our SaaS part of the business continues to be our growth engine, with our Annualized Contract Value, or ACV, growing by 21% on a constant currency basis year on year, and reaching nearly \$80M Dollars or \$124M Australian Dollars. This growth, coupled with record level retention rate, meant that our SaaS revenue grew by 25% over the past 12 months.

The result of such a strong SaaS performance meant that during the half year, our Total Revenue delivered nearly \$50 million US dollars or \$77M Australian dollars, up 21% over this time last year. More impressive, is that we were able to generate this growth while simultaneously reducing costs, significantly improving our margins, highlighting our operational leverage. This resulted in Catapult generating \$1.4M of free cash flow, a nearly \$15M improvement in just 12 months.

Let's break down the drivers of our success a bit further in Slide 7

We had several successes in technology. We launched our new Vector Core product in our Performance & Health vertical or P&H. This launch expanded our wearable solution beyond the top teams, allowing us to offer a product down to the academy level of our Pro clients. Vector Core simplified load management, with a design that enabled teams to work from anywhere via a cloud-based experience. Further, we rolled out new video solutions targeted at soccer and

football teams, enabling them to significantly save time with improved workflows. With our football solution, we introduced a new scouting software and the ability to integrate our legacy video application with our new video product, helping ease the transition of our clients to our next generation solution. We've also upgraded our heart rate monitoring capabilities with a new and improved next generation of Catapult vests, giving athletes more comfort while significantly increasing the accuracy of heart rate data.

The investment in our products is underwriting our growth. As you can see on this slide our SaaS growth came from our P&H vertical, which grew by 27%, and our new video solution in the Tactics & Coaching, or T&C, which generated 41% growth year on year. Beyond ACV, we were also pleased to see growth of new customers using our new video solution exceed 70% during this time with success coming from expansion in EMEA and North America. I'll let Bob talk more about that, but obviously we are very pleased with the performance and the recognition our new video product is beginning to gain in the market.

We have now accomplished a rare feat for any business for two consecutive reporting periods- We are driving growth while reducing costs. Our disciplined approach to costs as outlined on the right of slide 7 meant that Catapult generated positive free cash flow in the first half. This is the first time since FY21 we've generated positive free cash flow in a half, and it represents an important milestone for the inflection point I have been discussing for the past year.

Our ability to generate positive free cash flow strengthened our financial position and as such, we decided to repay some of our debt during this half. Our US\$4.7M repayment leaves us with balance of US\$11M on our US\$20M facility, leaving more than \$8 Million still available to us, and it sends a strong message on the confidence we have in our outlook and our financial position.

During this half we continued to see all our leading performance indicators move in the positive direction as you can see in Slide 8. Across the board, our leading indicators of future revenue growth remained strong and strengthened our outlook for the future.

In summary, the first half of FY24 has been a period of strong performance for Catapult. Our investment in R&D is supporting our current and future growth, enabling us to show the strong operating leverage we have in our business. We are now generating positive free cash flow, enabling us to support our organic growth on a sustainable basis in future. And we are just at the beginning of our cash generation journey.

With that, I'll now hand over to Bob to take you through the financial highlights for the first half in more detail.

CFO ADDRESS

Thank you Will, and good morning and afternoon everyone. Today I'll begin with an overview of our key SaaS metrics before talking through our financial performance in more detail, and then I'll hand it back to Will to talk more about our outlook. I'd like to reiterate that all the numbers we are presenting today are actual, reported numbers, and that our growth rates, which compare our performance year on year, are in constant currency, removing the impact of fluctuations in foreign exchange rates. We've done this to make it easier for our investors to both understand our results and understand the underlying performance of our business.

As Will has already mentioned, the first half of FY24 was a period of strong growth for Catapult, not only at the top line but also in the key operating metrics that we guide our

business to. I'll begin with our primary metric on slide 10, our ACV, which grew to 79.7 million dollars as we reported earlier today. Removing the negative 800 thousand dollar impact of fluctuations in foreign exchange rates, this grew by 21% on a constant currency basis, driven by the performance of both of our core SaaS verticals. This represents a consistently strong growth rate across our subscription business and as a leading indicator, demonstrates that our business is in great shape.

Turning to our two core SaaS verticals on slide 11 and you can see how our top line growth is being driven by the performance from both our P&H and T&C verticals. P&H continues to be a reliable and dependable growth engine. It yet again delivered an excellent growth rate of 27% and we've reached a milestone for our P&H vertical—it is now a 50 million dollar business in its own right.

Not to be outdone, we also saw a really great performance in T&C from our New Video Solutions, which most of you would know as the technology we acquired with SBG Sports Software in 2021. As Will mentioned, you'll see that we've broken down our T&C vertical by Legacy Video Solutions and New Video Solutions for the first time, so that our investors can better understand what is driving our T&C growth. Our New Video Solutions grew 41% year on year, driving the overall T&C ACV growth rate to 12%, a step up from 7% in the prior year. We've seen great success in selling our New Video Solutions to customers in North America and Europe in both soccer and motorsport in the last twelve months. We're early in our journey of commercialising this technology and we expect to see continued strong growth from our New Video Solutions in future.

As you can see on slide 12, Average ACV per Pro Team has also shown strong growth, increasing by 9.4% to be approaching 24 thousand dollars per Team. When we think about our Land and Expand strategy, which many of you have heard us talk about before, and something Will talks more about a little later this morning, we want to see our Pro Teams using more of our solutions—and an increasing Average ACV per Pro Team is a strong indication that we are being successful in not only upselling but also cross-selling additional products to our customers.

The chart on the right of this slide expands on that point, and we've seen a 33% increase in the number of Pro teams who are using products from two or more of our verticals. We exclude run off products from that growth rate so investors can understand the underlying growth from Pro Teams using products that we have invested in and will continue to support. We're really pleased with these year-on-year growth rates and again it's another indication that our Land and Expand strategy is working well.

The true measure of the stickiness of your product is how high your retention rates are, and Catapult has some of the best-in-class retention rates across the software sector. Slide 13 shows that in the first half, our retention rates were excellent, with ACV Churn of just 3.6%. This is at an all-time low level, and is especially pleasing given we've just been through our busiest renewal period. This shows the increasing value our customers are deriving from our products as a result of the investments we've made in our solutions. And while it's not on this slide, I think it's pretty important to call out our Lifetime Duration as well, which has increased from 6 years to 7.1 years over the last year; an 18% increase during a period in which we added hundreds of new teams-- so this is a really strong result and also demonstrates to what extent teams rely on our solutions.

Turning now to Revenue: SaaS revenue, which is derived from our ACV balance, is the engine that is driving our overall growth. As you can see on Slide 14, it impressively grew by 25% year on year, and forms the vast majority of our recurring revenue. This is outpacing our overall revenue growth as non-recurring revenue, our Capital revenue, continues to essentially flatline following our transition to a full SaaS business.

And I know that the next slide, slide 15, is something that you will all be interested in. We are in a great position today, such that I can re-confirm what we've consistently said this year, that we are on track to generate positive free cash flow for FY24. For the first time since FY21, our SaaS growth and disciplined approach to our cost base has meant that Catapult has generated positive free cash flow of 1.4 million dollars for the half, a significant 14.8 million turnaround from the free cash outflow of 13.4 million we experienced in the first half of FY23. We are at an inflection point at Catapult after a period of investing in our business—We have laid the foundations for sustainable ACV growth and are now delivering on our commitment to generate positive free cash flow.

For those of you who have followed Catapult for a while, you'll know that Contribution Margin, the measurement of profitability after Variable Costs, is one of our most important metrics. Variable Costs are made up of COGS, Delivery, and Sales & Marketing expenses—and these are the costs that will continue to grow in absolute dollars as revenue grows, while also declining as a percentage of revenue as we gain efficiencies. On slide 16 you'll see our variable cost buckets as they contribute to our Contribution Margin percentage. We've shown significant progress on this metric in the last twelve months, and our Contribution Margin has increased from 23% to 44% in that period. This significant improvement was driven by a 4.1 million dollar reduction in our variable costs, while also maintaining strong revenue growth of 21%. This result reflects the decisions we made a year ago to re-prioritize our investment programs, and concentrate on key product verticals that are fundamental to our growth. Looking ahead, investors should take confidence in the fact that we expect variable costs to continue to grow at a slower rate than revenue, as we continue to progress toward our long-term 55% Contribution Margin target.

Now that we're at scale, our fixed costs will decline as a percentage of revenue toward our long-term target of 25%— and that's exactly what we are beginning to show, as slide 17 demonstrates. Fixed costs are made up of our G&A and R&D expenses – and it's important to note that our measurement of R&D costs here are prior to any capitalized development. As a result of the re-prioritization of investments we made a year ago, Fixed Costs declined in absolute terms by 2.1 million dollars, or 8.9%, to 21.6 million at the end of the half. Our fixed costs are now at a level to support the business at scale and you should expect to see these costs rise modestly in terms of absolute dollars, and continue to decline as a percentage of our growing revenue number.

Moving onto the P&L on slide 18 and given what we've just discussed I'll go straight to Management EBITDA, which we want everyone to understand is the way in which we measure our operating performance. And it's important to highlight that this does not reflect any capitalized development, so it is a measurement that is close to a cash EBITDA. We delivered a significant improvement in the first half, generating positive Management EBITDA of 200 thousand dollars—a 13.5 million dollar improvement from last year. We've made enormous progress toward profitability. And without stealing too much of Will's thunder in a moment,

you'll see we are doing pretty well on our target of incremental profitability now that we have exited a period of investment and reached an inflection point in the business.

Further down this table, we've provided a reconciliation to reported EBITDA and Net Profit after Taxes, which includes accounting for capitalized development, severance, and share based payments.

In closing, the First Half of FY24 has seen a strong performance across the operating and financial metrics we benchmark ourselves against, reflecting the strength of our business model and our scalable, predictable subscription business. We are delivering returns on our investments, and we are in a strengthened financial position which will enable us to generate long term sustainable growth and generate positive free cash flow.

We are in an incredibly strong position and with that, I'll hand back to Will to discuss our outlook further.

MD & CEO ADDRESS

Thanks, Bob, and I agree we are in an incredibly strong position. Now, before I talk to our second half outlook, I want to spend some time focusing on our opportunity, how we win, our go-to-market approach, and the unit economics of our strategy.

There is a substantial market opportunity for Catapult as slide 20 outlines. The Pro Sports technology market is expected to reach more than US\$40B in size in the next three years, with over 20K Elite teams using many different types of sports technology. With live sports becoming one of the last vestiges of live entertainment, we expect continued growth and investment into our industry. Catapult, being an established global leader, is extremely well placed to benefit from this increased investment and market growth.

Despite our global leadership, our current penetration of the 20K teams is just 16%, making our greenfield very healthy. And it is important to know that our opportunity expands well beyond teams in major sporting leagues, such as the NFL and Premier League. It is much larger than that.

Our opportunity expands to the lower divisions and academy teams, that feed into these major sporting leagues. Our opportunity also includes not just men's teams but women's teams across the entire professional ecosystem, along with National teams and Olympic federations who take athletes from all levels.

Another large opportunity for Catapult exists within the NCAA Athletics, which stands for the National College Athletic Association in the United States and Canada. The NCAA organises college sports for more than 500K students annually in North America. College sports is big business there, with Division 1 athletics generating nearly 16 billion US dollars of revenue in 2020.

Lastly, while they are not part of our strategy today, there is also exciting adjacent market with use cases for our technology as shown on this slide.

We have this huge opportunity, so let's talk about how we win on slide 21. We win because we have a strong value proposition to help teams make better decisions through our comprehensive all-in-one technology platform. We save our clients valuable time, and we help identify meaningful insights that improve the quality of their decisions. This is a strong and unique value proposition in our industry. And it is this differentiated technology, along with its purpose-built for sports design, that enables us to win, as you can see on slide 22.

Whether it be with our athlete monitoring solutions or our video products, or both, our integrated platform, driving unique insights, differentiates us from everyone else in the industry.

Now let's talk through our focused go-to-market approach and we've created slide 23 to outline our strategy. I'll caveat that these are all mid-term targets:

1. First, we land new clients with our P&H solutions where we are uniquely differentiated and the global leader. We see a midterm opportunity to land 5K Pro teams.
2. Secondly, we expand the contract value of our relationships by cross selling integrated solutions within our platform. Our video products represent our most attractive opportunity, with an excellent gross margin of above 90% and a typical contract value 2 times the size of our athlete monitoring solution. We aim to cross sell to 50% of our Pro customers in the midterm.
3. Further, our aim is to retain our clients at a world class retention rate of greater than 95%, and you can see today we're already doing exceptionally well with a retention rate above 96%. This retention is supported by our innovation and the dedication to customers support and success teams.
4. Lastly, we aim to do all of this at scale and deliver a profit margin of 30%, which reflects the benefits of a more productive work force and the value of offering more integrated solutions to our customers over time.

Our business model is focused on a scalable unit economic design that generates sustainable profit, as you can see on slide 24. As Bob has walked you through, we think about our cost base in two different buckets variable and fixed, and how we perform in these two areas determines both our Contribution Margin and our Management EBITDA margin (this is a cash-based margin that is inclusive of CAPEX). Our long-term target is to achieve a Contribution Margin of 55%, by continually improving the Variable costs of growth through product innovation and sales productivity, and having now established a G&A and R&D cost base that can support our growth at scale, we expect our Fixed cost to rise modestly and not linear with our growth rate helping us reach our long-term margin targets. Strong SaaS business will typically reach an inflection point where the fixed cost to run the business begins to quickly taper and the business begins to drive incredible profit margin on its incremental revenue.

As you can see on slide 25, we have crossed our inflection point, and we are doing very well in delivering profits against our incremental revenue. While we are targeting an annual incremental profit margin of 30%, our first half delivered an incremental profit margin of 19%. It is key to note, that during our first half our variable costs are seasonally higher, and we expect this incremental profit margin to improve during the second half of FY24. This strong performance on incremental profit margin, highlights Catapult's ability to now generate sustainable and profitable growth at scale.

Now onto our outlook. On slide 26, and as we said in our announcement today, our outlook for FY24 remains unchanged.

- We continue to expect ACV growth to remain strong with high retention rates;
- We will maintain a disciplined approach to our cost base, driving our contribution and incremental profit margins towards our long-term targets; and

- We remain committed to generating positive free cash flow for the full year without the need to raise equity capital, and as our first half has shown we are delivering on this commitment.

So, let's recap. Catapult is in an incredibly strong position. Our investment in our products is driving growth. Our operating leverage, with our strong unit economics design, means our business is now generating cash. And we are just at the beginning of our cash generation journey.

With that, I would like to thank everyone for listening and I will now hand back to the operator for any questions on the call today.

Authorized for release to ASX by the Catapult MD & CEO, Mr Will Lopes.

For further information, please contact:

Investors: investors@catapult.com

Media: media@catapult.com

ABOUT CATAPULT

Catapult exists to unleash the potential of every athlete and team on earth. Operating at the intersection of sports science and analytics, Catapult products are designed to optimize performance, avoid injury, and improve return to play. Catapult works with more than 4,100 teams in over 40 sports across more than 100 countries globally. To learn more about Catapult and to inquire about accessing performance analytics for a team or athlete, visit us at catapult.com. Follow us at @CatapultSports on social media for daily updates.

FORWARD-LOOKING STATEMENTS

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 Catapult's most recent financial report. Subject to law, Catapult assumes no obligation to update, review or revise any information in this document.

DEFINED TERMS AND CALCULATION METHODOLOGIES

In this document, unless otherwise indicated:

"ACV" or "Annualized Contract Value" is the annualized value of all active subscription contracts in effect using an average exchange rate to US\$ over a 1-month period ending on the ACV Effective Calculation Date;

"ACV (CC)" or "ACV constant currency" is ACV calculated on a "constant currency" basis, which is calculated using an average exchange rate to US\$ over a 1-month period ending on March 31, 2023;

"ACV Effective Calculation Date" for ACV is, unless otherwise stated September 30, 2023. The ACV Effective Calculation Date for ACV denoted as "Opening ACV" or "Closing ACV" is ACV calculated as at, respectively, the start or end of the relevant period. Therefore, for example, the Opening ACV 1H FY24 Effective Calculation Date is April 1, 2023 and the Closing ACV 1H FY23 Effective Calculation Date is September 30, 2022. ACV denoted as "1H" is calculated as at the end of the relevant period. Therefore, for example, the ACV 1H22 Effective Calculation Date is September 30, 2021, and the ACV 1H24 Effective Calculation Date is September 30, 2023;

"ACV Churn" is the reduction in ACV from the loss of customers over a period, which is calculated as the quotient (expressed as a percentage) of (x) the reduction in ACV from the loss of customers over the 12-month period prior to the Effective Calculation Date; divided by (y) the total ACV calculated as at the date that is 12 months prior to that Effective Calculation Date;

"ACV Growth" is the growth in ACV (including on a "constant currency"), which is calculated as the quotient (annualized and expressed as a percentage) of (x) the ACV calculated as at the Effective Calculation Date; divided by (y) the ACV calculated as at, unless otherwise stated, the date which is 6 months prior to that Effective Calculation Date;

"ACV YoY" is the growth in ACV (including on a "constant currency"), which is calculated as the quotient (expressed as a percentage) of (x) the ACV calculated as at the Effective Calculation Date; divided by (y) the ACV calculated as at the date which is 12 months prior to that Effective Calculation Date;

"Free Cash Flow" or "FCF" is cash flows from operating activities less cash flows used for investing activities, excluding cash used for acquisitions of, and investments into, businesses and strategic assets. FCF excludes AASB16 lease payments;

"Incremental profit margin" over a period is calculated as the quotient (expressed as a percentage) of (x) the incremental Management EBITDA over that period; divided by (y) the incremental revenue over that period.

"Lifetime Duration" or "LTD" is the average length of time that customers have continuously subscribed for Catapult's products or services as at the effective calculation date, weighted by each customer's ACV as at that date;

"Management EBITDA" is EBITDA excluding share based payments, severance, purchase consideration, and including capitalized development expense;

"Multi-Vertical customers" is the number of customers that, as at the effective calculation date, use a product from more than one of Catapult's verticals; and

"SaaS (ACV) Revenue" is revenue attributable to ACV.

NON-IFRS INFORMATION

While Catapult's results are reported under IFRS, this document may also include non-IFRS information such as the pro forma information referred to above, EBITDA, Management EBITDA, Gross Margin, Contribution Margin, free cash flow, Annualized Contract Value (ACV), ACV Churn, Lifetime Duration (LTD), and Future Revenue Under Contract (FRUC). These measures are provided to assist in understanding Catapult's financial performance given that it is a SaaS business. They have not been independently audited or reviewed, and should not be considered an indication of, or an alternative to, IFRS measures.

GENERAL

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.