ASX Announcement

23 August 2023

2023 Annual Report

Attached is Corporate Travel Management Limited's 2023 Annual Report.

Authorised for release by the Board.

Contact details

Media enquiries: Alasdair Jeffrey – Rowland – Alasdair.Jeffrey@rowland.com.au / +61 404 926 768

Investor enquiries: Allison Dodd – allison.dodd@travelctm.com / +61 7 3210 3354

Corporate Travel Management Limited ABN: 17 131 207 611
Level 24, 307 Queen Street, Brisbane, QLD 4000 GPO Box 2584, Brisbane, QLD 4001
Telephone: +61 7 3211 2400 Fax: +61 7 3236 1930 Free call: 1800 663 622
info@travelctm.com **www.travelctm.com**

Elevate through experience

ANNUAL REPORT | 2023

ctm

Acknowledgement of Country

> In the spirit of reconciliation, Corporate Travel Management acknowledges the Traditional Custodians of country throughout Australia and their continued connections to land, sea and community. We pay our respect to their Elders past, present and emerging and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

Elevate through experience

Welcome to the Corporate Travel Management (CTM) 2023 Annual Report.

This year, our business, employees, customers, and industry partners have been presented with an exciting opportunity to reshape travel solutions, to benefit the industry, and meet the needs of a new era in travel, an era where knowledge, experience and, increasingly, technological innovation are critical to business success. The past year has been a transformative period, where we have invested in technology and our people, to redefine our travel solutions and emerge as leaders in the new travel environment.

Our team has broad industry experience and knowledge, and we recognise the importance of understanding the past to design for the future.

The ability to design effective and high-impact solutions fit for the future must be underpinned by a strong foundation of industry experience and knowledge, which CTM has, to enable every travel stakeholder to elevate their influence and impact on the travel management experience. We are delivering innovative solutions to our customers, who are seeking new support services via new channels and tools, presenting new booking behaviours and preferences, in an environment of new content distribution and contracting frameworks. We are supporting a new generation of travel professionals entering our business, sharing our knowledge and experience, and investing in them to ensure future success.

> "We recognise the importance of understanding the past to design for the future."

CTM is committed to elevating our business practices, employee offerings, customer solutions and our influence on the travel industry by leveraging our shared experience and expertise. In the following pages, we will share our commitments and achievements made over the past year, as we look forward to rising higher in the year ahead.

In this report

FY23 Highlights

New Client Wins[1]
$2.95bn

Client Retention
97%

30 June FTE Staff Count
3,206
(+351 v FY22)

Underlying EBITDA
$167.1m

Revenue and other income
$660.1m

Statutory NPAT attributable to owners
$77.6m

1 Based upon client assumptions of annualised spend at time of winning.

Intelligent Service Delivery

CTM recognises the significance of delivering exceptional customer experiences while ensuring internal efficiency within our operations. According to CTM's 2023 Global Customer Survey, the number one benefit our customers receive from their CTM travel program is our travel expertise and customer service[1]. Additionally, our customers' top focus for their travel programs in the year ahead are cost reduction and customer service. To achieve this delicate balance between service delivery, efficiency and cost savings, we are harnessing the power of automation and artificial intelligence (AI) to revolutionise the way we deliver service by putting fast, personalised and intuitive support in the hands of our employees and customers when and where they need it.

Through the use of chatbots, natural language processing, predictive analytics and workflow optimisation, CTM is delivering heightened personalisation and speed of service to elevate the customer experience at every stage of their journey.

By making a significant investment in our back-end automation, manual tasks such as cancellations, changes, itinerary reprints, and tech support can be streamlined, enabling our highly skilled travel consultants to focus on providing high-touch service and expertise to address more complex travel needs and provide value beyond traditional booking transactions.

Our customers play an integral role in our technology strategy, which places the users front and centre of our development roadmap. Our ongoing investment in developing proprietary technology solutions means we can deliver on our customers' new and evolving needs as a priority, while having regional tech hubs in all four markets means we can develop solutions in one market without impacting the development roadmap in others.

We communicate directly with customers at every stage of the development process where possible, helping us to move quickly from idea generation to deployment. Through our CTM User Labs, customers have early access to products in development and testing phases, providing channels for valuable user feedback to maximise user experience and adoption. This connects the people who build our products with the people who use them, providing a better understanding of our customers' specific challenges and requirements, and enabling our technology users to share ideas on how to improve our product offering. We integrate this information with the latest market and industry intelligence to deliver flexible solutions that are engineered to last, and we believe our tools are the most intuitive, responsive and easy to use on the market.

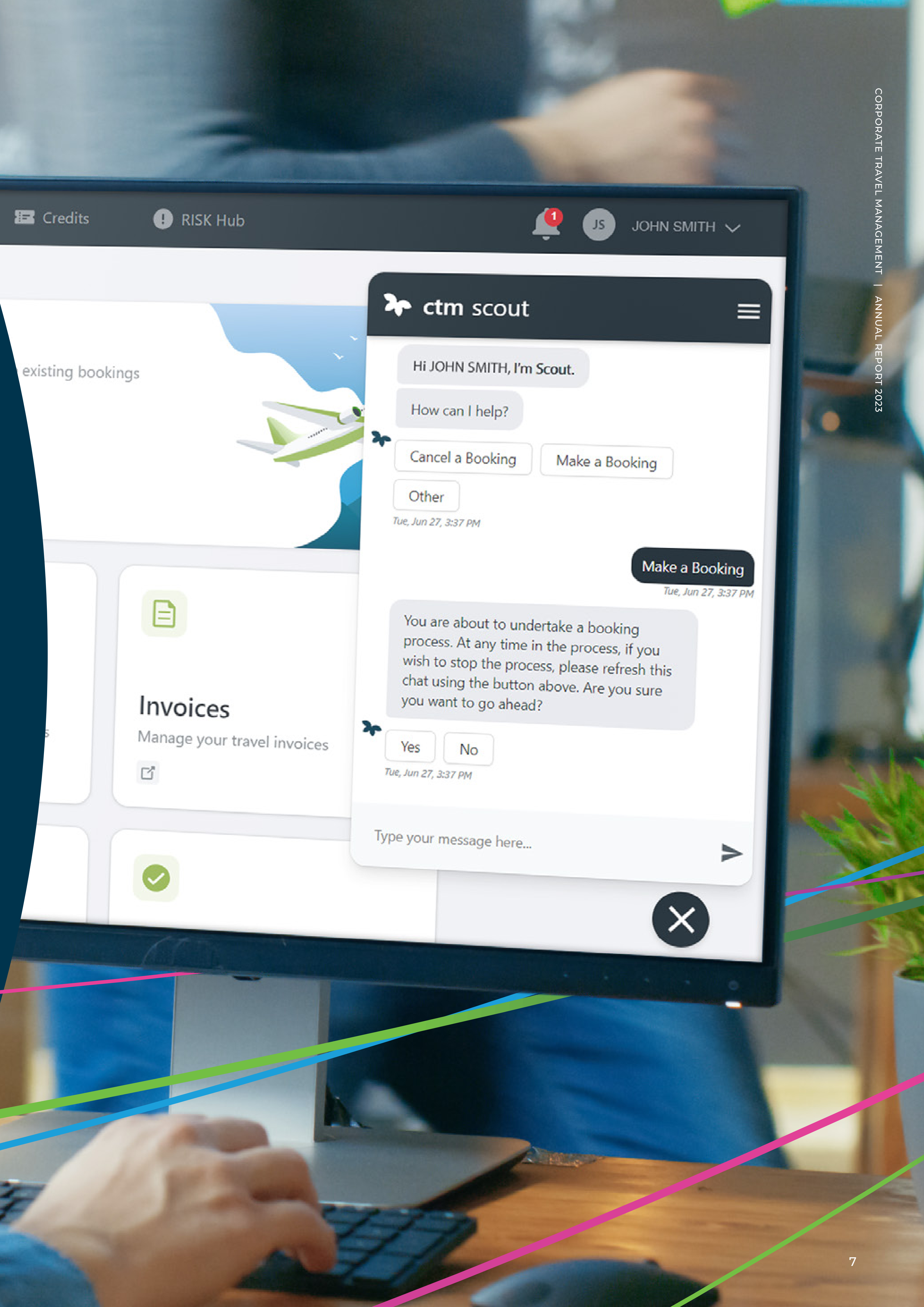
CTM's Lightning online booking tool leverages AI to make smart, personalised itinerary recommendations based on traveller preferences, historical travel patterns and corporate policy requirements, enabling travel arrangers to book the most compliant and relevant travel experiences for their business at maximum speed and cost efficiency.

To further improve efficiency and open additional booking channels for customers, in FY23 we developed a proprietary AI solution called CTM Scout. Scout is an interactive chatbot housed inside the CTM Portal and Microsoft Teams, which assists clients and travel consultants to complete common travel requests and queries that were previously handled manually. Scout uses AI technology, including natural language processing, to seamlessly integrate multiple travel systems into a single service product, resulting in improved operational productivity and a better, faster service experience for CTM customers.

Scout supports time-critical travel actions 24/7 and provides a fast track to service resolution during surges in demand, alleviating demand on travel consultants and enabling immediate outcomes for customers. For example, Scout can automate high-volume support requests such as "cancel my trip" or "send me a copy of my invoice" at any time of day. Users can also request to chat with a CTM travel consultant at any time during the process should they require. By leveraging AI, Scout is learning to solve more complex problems every day with greater speed and efficiency, to make a bigger and more positive impact on our customers and employees.

Scout will be rolled out in all CTM regions throughout FY24.

1 CTM Global Customer Survey 2023


Credits
RISK Hub
JOHN SMITH
existing bookings
ctm scout
Hi JOHN SMITH, I'm Scout.
How can I help?
Cancel a Booking
Make a Booking
Other
Tue, Jun 27, 3:37 PM
Make a Booking
Tue, Jun 27, 3:37 PM
You are about to undertake a booking process. At any time in the process, if you wish to stop the process, please refresh this chat using the button above. Are you sure you want to go ahead?
Yes
No
Tue, Jun 27, 3:37 PM
Invoices
Manage your travel invoices
Type your message here...

Chairman's Report

Dear Shareholder

Year in review

The last year highlights the significant progress and achievements of Corporate Travel Management (CTM) as the business and the travel industry recover from the impacts of the global pandemic. I take immense pride in the continued success and growth of this organisation.

The FY23 financial result was driven by a combination of effectively integrating the transformational acquisitions CTM completed in FY21 and FY22, significant new client wins and technology enabled productivity gains.

Our continued focus on developing our proprietary technology solutions and leveraging the Group's strong competitive position gave us the platform to invest in rebuilding CTM's workforce during the year. CTM's employee numbers have grown to more than 3,200 people.

> Corporate Travel Management (CTM) has made substantial strides amid pandemic recovery, driven by acquisitions, new clients, and technology gains, and recruitment initiatives.

Much of this increase was necessitated by our confidence in the global rebound in corporate travel. We invested in excess capacity during the first half of the financial year, to position the business to respond to continued growth in customer demand in the second half and beyond, reinforcing our reputation for personalised service.

The outlook continues to trend well with CTM signing significant multi-year contracts with the UK Home Office (awarded April 2023) and Australian Government (commenced 1 July 2023). These contracts utilise CTM's technology suite and relevant travel tools to realise savings benefits. Not only do these contracts complement CTM's general corporate business but also will in turn allow CTM to be more efficient in its overall service delivery.

Recruitment remains a challenge in a tight labour market, with increased competition for talent. CTM continues to implement proactive and strategic recruitment initiatives, offering competitive compensation packages, promoting employee engagement and retention, and focusing on diversity and inclusion to attract a broader range of candidates.

Our value proposition of personalised service, proprietary technology, and measurable value for clients, sees CTM primed to benefit as corporate travel activity returns to near pre-pandemic levels across all our major markets.

Financial performance

The financial performance of the Group reflects the significant increase in travel demand globally, as COVID-19 related restrictions were lifted, and operational performance benefited from client wins and the strategic acquisitions made in prior years. Revenues grew through the year, accelerating alongside the industry recovery, showing strong momentum into FY24.

The Group reported a statutory Net Profit After Tax attributable to owners of $77.6 million compared to the prior year profit of $3.1 million. Excluding one-off or non-recurring items, underlying Net Profit Before Tax was $124.8 million. This was a strong performance in the context of an industry still recovering through capacity constraints, highlighting CTM's customer wins and retention and operational leverage.

The Group maintained its strong liquidity position, finishing the year with $151.0 million in cash, no debt and committed available facilities of $100.0 million at 30 June 2023.

CTM's strong balance sheet allows investment in staff, automation and in proprietary technology.
These investments position the Company to leverage the growth in travel demand and to deliver on its value proposition – customer service, industry leading technology and Return on Investment (ROI).

Dividend

In view of the Group's strong performance throughout the 2022-23 financial year and the outlook for FY24, the Directors determined to pay a final unfranked dividend of 22 cents per share. Combined with the unfranked interim dividend of 6 cents per share, the Group paid total dividends for the year of 28 cents per share, representing 52% of the Group's Net Profit After Tax.

It remains the Board's policy to provide shareholders with returns through dividends equivalent to 50% of the Group's Net Profit After Tax in future periods.

Sustainability

CTM has invested further in its commitment to sustainability as the world moves towards net zero carbon emissions. While corporate travel is essential to economic growth and prosperity, we recognise that the energy and other resources it consumes can contribute to climate change. The Group's commitment reinforces the importance of embedding sustainable practices into all aspects of the business.

With the support of independent experts, CTM undertook its first formal Climate Change Impact Assessment during the financial year. This work identified the potential pathways of material risks and opportunities for the business and has helped to define how to effectively mitigate climate-related impacts including the introduction of carbon reduction strategies. These and other initiatives are detailed in our FY23 Sustainability Report.

Board composition

Marissa Peterson joined the Board as a Non-Executive Director on 25 October 2022. Marissa's background in technology and her experience in executive leadership development are invaluable. She makes a significant contribution to the Board's strategy direction, discussions and decision-making.

Sustainability Report FY23

Year ahead

The effective integration of acquisitions through the COVID-19 period has now been successfully completed. CTM's next phase is to leverage this scale through our people, technology solutions and systems with a renewed focus on operational excellence and productivity efficiencies.

We continue to invest in our people, enhance our technological capabilities, and explore new avenues for expansion. Our commitment to sustainability and assisting our clients to make responsible travel decisions continues to be at the forefront of our initiatives.

CTM's business model has enabled the Group's return to sustainable growth in shareholder value, and its prudent business planning and focused risk management ensures its future is bright.

On behalf of the Directors, I thank all CTM team members for their efforts throughout the year to deliver exceptional travel experiences for our customers. I also thank our clients and shareholders for your continued support.

Yours sincerely,

Ewen Crouch

Ewen Crouch AM
Chairman
Corporate Travel Management Limited

23 August 2023

Managing Director's Report

The performance of our business gathered momentum during FY23 as the corporate travel market rebounded from COVID-19 and the actions we took during the pandemic to re-position the Group began to deliver results.

Our commitment to personalised service, technology innovation and demonstrated return on travel spend has supported our customers to return to corporate travel and the benefits of connecting face-to-face with their business partners. Our ability to support our customers' complex travel needs has been rewarded with 97% client retention and new client wins which are expected to generate an additional $2.95 billion in total travel volume (TTV) into FY24.

Our May 2023 Global Customer Survey results indicate where clients expect to do the same or more travel in the next 12 months:

— customer meetings (94%)
— internal meetings (91%)
— international business trips (85%)
— same-day business trips (84%)

Strong operating performance in all regions

Our strong financial position enabled CTM to capitalise on a number of strategic opportunities during the pandemic. As a result, the Group is a larger and stronger business across all of our four global operating regions.

During the year, we completed the integration of the Helloworld corporate and entertainment businesses (Australia and New Zealand), which has been instrumental in CTM being awarded the Whole of Australian Government travel management services contract, arguably the largest corporate account in Australia, further strengthening our niche in the Government sector. This program commenced on 1 July 2023, and is for a 4-year term with 3 x 1 year options.

Our focus in the North American region is dedicated to market share growth, and capturing technology and automation gains after we completed the integration of the Travel & Transport acquisition. The corporate travel market continues to recover from the challenges experienced in the first half of FY23. Capitalising on our expanded regional presence, we experienced significant revenue improvement since March as our new clients have come online and expect to outperform in market share gains into the future.

The European business has been our largest revenue and profit contributor during FY23. This region achieved record financial performance, near doubling EBITDA compared to pre-pandemic (pro forma FY19) levels with major market share gains and customers adopting our proprietary technology platform.

CTM was awarded the UK Home Office Bridging Accommodation and Travel Services contract in April 2023, which has an estimated TTV of approximately $3 billion over 2 year term with 1 year option. This work commenced in June 2023, and involves complex services and logistics support that will be delivered by an established team with specialist skills in crisis and humanitarian management situations. Our responsibility is limited to travel-related functions including sourcing and managing accommodation allocations, transport logistics and meals.

The Asia region in which we operate, has staged a remarkable turnaround since the Chinese corporate travel market re-opened early in 2023. To address challenging market conditions in the region during the pandemic, we made the strategic decision to focus on our core businesses and close a number of non-core divisions. This enabled us to deliver record profits since March 2023 on revenue levels which are approximately 70% of pre-pandemic performance.

Strong operational performance across all of our regions has created momentum into the current financial year, with EBITDA averaging $20 million per month between February and June 2023. The business has also maintained a robust financial position with no debt and $151.0 million cash as at 30 June 2023.

Personal service and proprietary technology

At the end of FY23, the Group now employs more than 3,200 full-time equivalent people globally, approximately 25% more staff than in FY19, before the pandemic and the integration of our recent acquisitions. Staff resourcing has largely stabilised after we re-built our workforce to support the corporate travel rebound. With an expanded global team adopting flexible work practices, our focus during the year has been to establish the optimal organisation structure and technology ecosystem to deliver our unique mix of personal service and automation. Our new Global People Strategy also gives us a framework to attract and retain the best talent in the industry through innovative recruitment, staff engagement, reward and recognition, and professional development initiatives.

CTM's proprietary technology has always been a cornerstone of our business model. Having expert in-house capability and our own intellectual property allows us to rapidly develop and adapt our technology to provide tailored solutions to meet fast-changing client needs. We see AI technology as an opportunity to enable a seamless interactive experience for our customers and provide superior self-service capability at any time of day, at the same time as driving efficiencies that free our people to support our customers' more complex transactions and urgent service needs.
Over the past two years, we have embraced the opportunity to build AI solutions into our existing product suite and operating ecosystem, and we will continue to modify, learn and adapt these solutions.

Sustainability Report FY23

Sustainability

Supporting our customers to make informed sustainable travel decisions is a growing focus for our business and our people. While our carbon footprint as a service business is relatively small, we can make a positive difference in a number of ways. For customers, we provide an evolving range of sustainable travel solutions and reporting tools. For our business, we have made progress in understanding and managing our climate change impacts. The progress we have made in these areas is explained in detail in our full Sustainability Report which is available on our website.

In conclusion

The last two years have transformed CTM as we adapted to the impacts of the pandemic and took the opportunity to re-position the business. I am grateful to all of our people who have continued to deliver excellent customer service through a period of unprecedented change for the industry and the business. I would also like to thank our customers, suppliers, partners and shareholders for your continued support. I look forward to the year ahead and creating new opportunities to deliver value for all stakeholders in the continuing success of CTM.

Yours sincerely,

Jamie Pherous
Managing Director
Corporate Travel Management Limited

23 August 2023

Strategic initiatives

The Group focused on the following key strategic initiatives for FY23.

Focus on organic growth

— Enhance our value proposition to meet the needs of a new travel environment, while leveraging our expertise, scale and footprint to service customers in new travel niches (government, entertainment, SME).

Increased customer engagement

— Implement Client Advisory Boards in all regions and establish a dedicated Government travel team to service a growing specialisation.

Elevate service through automation and AI

— Deliver significant internal and customer-facing productivity gains through integration of AI and robotic process automation (RPA) within CTM's service channels.

Technology investment

— Ongoing investment in CTM's proprietary technology which underpins the majority of new customer wins.

Employee engagement

— Re-launch key employee recognition and development programs (CTM All Stars Awards and HiPo) and employee listening (CTM Pulse).

Acquisition integrations complete

— Successful integration of Helloworld acquisition and retention of key client accounts, deliver operational synergies and leverage CTM technology.

Board of Directors

Ewen Crouch AM

Chairman, Independent Non-Executive Director

Ewen Crouch was a Partner at Allens from 1988 - 2013. He served as a member of the firm's board for 11 years, including four years as Chairman of Partners. His other roles at Allens included Co-Head Mergers & Acquisitions and Equity Capital Markets from 2004 - 2010, Executive Partner - Asian Offices from 1999 - 2004 and Deputy Managing Partner from 1993 - 1996. He was a Director of Mission Australia from 1995, including as Chairman from 2009, until retiring in November 2016.

Mr Crouch is a Non-Executive Director of BlueScope Steel Limited (since March 2013) and Chair and Non-Executive Director of AnteoTech Limited (since April 2022).
He is a Fellow of the Australian Institute of Company Directors, Chair and Non-Executive Director of RSL LifeCare Ltd (since October 2022) and a Director of Jawun (since September 2015). He served as a member of the Takeovers Panel from 2010 - 2015, as a member of the Commonwealth Remuneration Tribunal from 2015 - 2019, as a Director of Sydney Symphony Orchestra from 2009 - 2020 and as a Non-Executive Director of Westpac Banking Corporation from 2013 to 2019.

Jamie Pherous

Managing Director

Jamie Pherous founded Corporate Travel Management Limited (CTM) in 1994. He has built the Group from its headquarters in Brisbane to become one of the world's largest travel management companies.

Prior to establishing CTM, Jamie was employed by Arthur Andersen, now EY, as a qualified Chartered Accountant, specialising in business services and financial consulting, notably in Australia, Papua New Guinea and the United Arab Emirates.

Sophia (Sophie) Mitchell

Independent Non-Executive Director

Sophie Mitchell has over 30 years of corporate advisory, capital markets and equity research experience. She retired from Morgans in June 2019 after over a decade as an Executive Director in Morgans' Corporate and, prior to this, she was Morgans' Head of Research.

Sophie is a Non-Executive Director of Morgans Holdings (Australia) Limited, Firstmac Limited, Myer Family Investments Limited, and Tourism Holdings Limited, and Chairman of HealthcareLogic Global Limited (retired July 2023). She was a member of the Australian Government Takeovers Panel between 2009 and 2018.

Jon Brett

Independent Non-Executive Director

Jon Brett was formerly an Executive Director of Investec Wentworth Private Equity Limited, and an executive of Investec Bank (Australia) Limited. He was also the CEO of Techway Limited which pioneered internet banking in Australia. Jon brings extensive strategic, board and management experience to CTM, particularly in the areas of finance and corporate advisory.

Jon is currently Executive Chairman of Stridecorp Equity Partners, an AFSL licensed fund manager specialising in private equity. Jon is a Non-Executive Director of Mobilicom Limited (since September 2018). His former directorships include Godfreys Group Limited, The Pas Group Limited, Deputy President of the NRMA and Vocus Group Limited since its listing on the ASX.

Marissa Peterson

Independent Non-Executive Director

Marissa Peterson is President and CEO of Mission Peak Executive Consulting, a Silicon Valley leadership coaching business. She is based in the United States and brings extensive experience in governance, technology and digital transformation, and executive development.

Marissa's extensive board experience includes past roles as Chairman of optical communications solutions company, Oclaro, between 2013 and 2018, and as a Non-Executive Director of ASX-listed Ansell, from 2006 to 2021. She has also been a Director of a range of US-based companies including Humana, Supervalu, Children's Hospital of Stanford, Quantros and Covisint, and a Board Trustee of Kettering University.

Laura Ruffles

Executive Director

Laura Ruffles is CTM's Global Chief Operating Officer and, in late 2015, was appointed an Executive Director in recognition of her leadership contribution. She has significant local, regional and global industry experience and, in a career of more than 30 years, has led teams across sales, account management, operations and technology. Laura is responsible for all aspects of CTM's business performance. She joined CTM in 2010 and has been a key contributor to its successful growth. She is also a Director of the Australian Federation of Travel Agents.

Executive Team

Jamie Pherous

Managing Director

Jamie Pherous founded Corporate Travel Management Limited (CTM) in Brisbane in 1994. He has built the Group from its headquarters in Brisbane to become one of the world's largest travel management companies.

Prior to establishing CTM, Jamie was employed by Arthur Andersen, now EY, as a qualified Chartered Accountant, specialising in business services and financial consulting, notably in Australia, Papua New Guinea and the United Arab Emirates.

Laura Ruffles[1]

Global Chief Operating Officer

Laura Ruffles is CTM's Global Chief Operating Officer and, in late 2015, was appointed an Executive Director in recognition of her leadership contribution. She has significant local, regional and global industry experience and, in a career of more than 30 years, has led teams across sales, account management, operations and technology. Laura is responsible for all aspects of CTM's business performance. She joined CTM in 2010 and has been a key contributor to its successful growth. She is also a Director of the Australian Federation of Travel Agents.

Kevin O'Malley

CEO - North America

Kevin O'Malley has more than 28 years of travel industry experience, and joined CTM from the Travel and Transport acquisition in 2020. His leadership style, industry acumen and genuine interest in the success of clients and staff make him an integral member of the CTM executive team. Kevin is committed to advancing the travel industry, acting as advisory board member among several key industry groups, and also cultivates his local community by serving on several boards for Nebraska-based educational institutions and charitable foundations. As CEO - North America, Kevin is responsible for ensuring the highest level of personal service, innovation and return on investment to our customers, while leveraging CTM's global strategy to benefit regional clients and staff. Prior to joining the travel industry, Kevin worked as a CPA for both Deloitte and Lutz.

Debbie Carling

CEO - Europe

Debbie Carling has worked in the travel industry for more than 30 years in several key strategic and senior roles, including Commercial Director at Britannic Travel. During this time Debbie led the setup of global brand FCM Travel Solutions and became the Executive General Manager of Europe. In 2011 Debbie joined Chambers Travel and became COO soon after. Debbie successfully instilled new company processes, productivity and developments in supplier relations. In December 2014 Chambers was acquired by Corporate Travel Management, during which time Debbie played a key role in the successful transition. Debbie was appointed as CEO - Europe for CTM in July 2016.

1 Laura Ruffles was appointed CEO ANZ, Asia & Europe on 1 July 2023.

Greg McCarthy

CEO - Australia & New Zealand

Greg McCarthy has extensive executive level experience in the travel industry having held several leadership positions. He founded two travel management companies in Australia, building them up from small operations to highly successful medium-sized businesses, with a strong focus on customer retention and superior service levels. Greg has worked for international airlines and held an executive directorship in a global TMC, achieving a strong track record delivering for customers. He was co-founder of Platinum Travel Corporation. CTM acquired Platinum's Brisbane and Sydney offices in 2018, with Greg commencing as CTM CEO - Australia and New Zealand on 1 July 2018.

Larry Lo

CEO - Asia

Larry Lo is responsible for the overall management, sales operations and continued development of strategic alliance partnerships across the Asia region. He started his career in 1988 as a Travel Consultant and worked in several travel companies in Hong Kong and Canada gaining an in-depth insight into the international travel industry. Today, Larry manages the CTM business in Hong Kong, Mainland China, Taiwan, Singapore and Japan. He currently serves on the Executive Committee of the Society of IATA Passenger Agents (SIPA) and IATA Agency Programme Joint Council – Hong Kong (APJC), and a Director of World Travel Agents Associations Alliance (WTAAA).

Cale Bennett[1]

Global Chief Financial Officer

Cale Bennett joined CTM in August 2019, before becoming Global CFO in March 2021. Prior to joining CTM, Cale held senior finance roles in ASX listed entities in the banking, entertainment, and transportation industries.
Cale's corporate background includes five years spent as Group Treasurer of an ASX-100 company, driving a commercial approach that resulted in significant financial outcomes. A strong interest in technology has also led Cale to both co-found and advise start-ups in the fintech industry.

1 Cale Bennett ceased to be the Global CFO on 28 July 2023. James Patterson was appointed Acting Global CFO on 28 July 2023.

Sustainability Summary

Introduction

Provided below is a summary of Corporate Travel Management's ('CTM' or 'the Company') FY23 Sustainability Report which has been produced separately to the FY23 Annual Report. The standalone report provides details on our performance against our objectives, targets and to look ahead towards FY24, as the Company continues to progress it's sustainability performance.

CTM's Sustainability Strategy is founded on four key pillars that align with the World Economic Forum reporting framework – Governance, Planet, People and Prosperity. The strategy continued to evolve in FY23 with renewed vigour and purpose. We implemented business programs to improve the environmental, social and governance (ESG) aspects of our operations that are material to the Company and its stakeholders in the markets in which we operate.

In FY23, we met our commitment to assess stakeholder needs and understand key material topics. We assessed our climate-related impacts as aligned to the Taskforce on Climate-related Financial Disclosures (TCFD), and further improved Diversity, Equality and Inclusion within our workplaces. We streamlined our Prosperity values and philanthropic activities to maximise benefits to the communities in which we operate.

During the year, our approach to measuring scoped greenhouse gas (GHG) emissions matured, including Scope 3 emissions as material to CTM. As part of our alignment with stakeholder expectations, we introduced the CTM Carbon (net) Positive Program (C(n)PP), commencing in FY24, to focus on the Company's pathway to becoming carbon (net) positive by 2030.

Delivery of our longer-term objectives depends on combining innovative thinking with planning and collaboration. Strengthening our partnerships with suppliers and other stakeholders to support our customers' goals and to improve their sustainable travel commitments is key to achieving these objectives.

In FY23, CTM introduced a revised materiality reporting methodology for ESG. As such, a number of key financial and strategic measures are included within the Sustainability Report. To provide assurance of CTM's ESG direction to meet stakeholder expectations towards sustainable development, all ESG and sustainability measures are identified and presented in this report.

CTM's Sustainability Strategy and reporting frameworks are founded on guidance from the following resources, as demonstrated throughout this report.

WORLD ECONOMIC FORUM

SASB SUSTAINABILITY ACCOUNTING STANDARDS BOARD

GRI Empowering Sustainable Decisions

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

The Sustainability Report can be accessed below:

Sustainability Report FY23

Materiality Assessment

Stakeholder engagement is vital to staying relevant in the travel industry and managing issues that may impact our stakeholders. Strong engagement provides critical foundations for short, medium and long-term strategy and performance monitoring, and allows CTM to allocate the correct resources to target key areas of material importance.

During FY23, CTM engaged internal and external stakeholders in a materiality assessment to identify the ESG topics that are most important to the business.

The assessment was completed in alignment with the Sustainability Accounting Standards Board (SASB) reporting framework, including Leadership and Governance, Human Capital, Business Model and Innovation, Social Capital, and the Environment. This approach overlays CTM's sustainability performance pillars to establish the key metrics. This is further defined by the Global Reporting Initiative (GRI) framework, which identifies the reporting principles against the standards. Full details of the outcomes of the materiality assessment are included in the FY23 Sustainability Report.

> In a challenging business environment, CTM has weathered the storm very well, and now needs to focus on business forecast and delivery. Success will be when sustainability is entrenched within the business, driving decisions.

Sustainability Performance

Sustainability is a key strategic element of how we conduct business every day. We aim to be recognised as a global leader in travel management solutions, which supports our reputation as an innovative and inspiring company of choice for our stakeholders.

During FY23, CTM achieved solid performance against the reporting pillars of our Sustainability Strategy – Leadership and Governance, Planet, People and Prosperity. We progressed several planned initiatives to address a number of sustainability gaps identified in FY22, including:

— Improving data transparency.

— Completing of our first formal Climate Change Impact Assessment.

— Calculating Scope 1, 2 and 3 emissions to establish a suitable benchmark.

— Identifying leading energy and material reduction practices.

— Engaging carbon abatement programs to maximise co-beneficial value to the environment and community.

— Enhancing values to continue to support our diverse and inclusive workforce.

— Re-launching the High Potential (HiPo) program to identify and nurture talent within the business.

Impacts of Climate Change

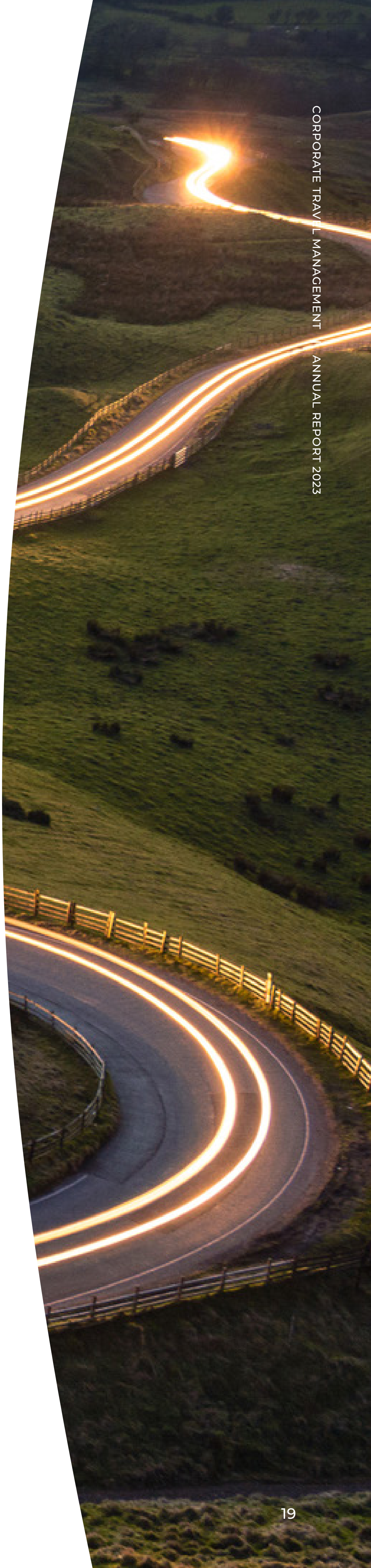
With the support of S&P Global, CTM has undertaken its first formal assessment of material risks and opportunities associated with climate-related impacts. The review aligns with the Financial Stability Board's globally accepted Taskforce on Climate-related Financial Disclosures (TCFD) standards and sets the foundation for measured climate-related impacts on CTM and its financial performance.

The Climate Impact Assessment has identified and outlined CTM's key threats and opportunities. These include technology, energy management, market, physical, and reputation risks. The key threats and opportunities, as further detailed in the FY23 Sustainability Report, provide potential pathways for our efforts in mitigating climate-related impacts, like embedding sustainability performance in the technology we provide to our clients. CTM will also implement a Carbon (net) Positive Program in FY24 to effectively meet climate change expectations and articulate the metrics and targets required to reach a net negative carbon balance by 2030.

Climate Impact Assessment Report

Climate (net) Positive Program

Sustainability Report FY23



Financial Report

Directors' Report

The Directors present their report, together with the consolidated financial statements, on the consolidated entity (referred to hereafter as the 'Group', or 'CTM') consisting of Corporate Travel Management Limited (referred to hereafter as the 'Company' or the 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2023.

Directors

The following persons were Directors of CTM during the financial year and up to the date of this Directors' Report, except as otherwise stated.

- Ewen Crouch AM (Chairman, Independent Non-Executive Director).
- Sophie Mitchell (Independent Non-Executive Director).
- Jon Brett (Independent Non-Executive Director).
- Marissa Peterson (Independent Non-Executive Director, appointed 25 October 2022).
- Jamie Pherous (Managing Director).
- Laura Ruffles (Executive Director).

Principal activities

The principal activities of the Group during the year consisted of managing the procurement and delivery of travel and accommodation agency services for its clients. There were no significant changes in the nature of the activities of the Group during the year.

Dividends

Dividends paid during the financial year were as follows:

	2023 $'000	2022 $'000
Final ordinary dividend for the year ended 30 June 2022 of 5 cents per fully paid share paid on 5 October 2022	7,316	-
Interim ordinary dividend for the year ended 30 June 2023 of 6 cents per fully paid share paid on 14 April 2023	8,780	-
Total dividends paid	**16,096**	**-**

Since 30 June 2023, the Directors have determined to pay a final ordinary dividend of 22.0 cents per fully paid share, unfranked, to be paid on 5 October 2023 out of retained earnings at 30 June 2023.

The aggregate amount of proposed dividend is expected to be paid out of retained earnings, but not recognised as a liability at year end. Amount disclosed for FY22, $7,260,000 differs from the final dividend paid amount, $7,316,000 due to shares issued between 30 June 2022 and dividend declaration date.

Review of operations

The Group continued to engage in its principal activity, managing the procurement and delivery of travel and accommodation agency services for its clients, the outcome of which is disclosed in the following financial statements.

Corporate activity

During the year, CTM acquired 1000 Mile Travel Group Pty Limited which is an Australian-based supplier of travel management solutions, with a network of independent experts specialising in providing business travel services to small-to-medium sized enterprises. This acquisition was completed during the year, and the entity has been integrated into the broader Group. Refer to note 9 'Business combinations'.

Group financial performance

The Group's statutory profit after tax of attributable to owners for the financial year amounted to $77,574,000 (FY22: 3,101,000), while underlying EBITDA increased to $167,062,000 in FY23 from $59,805,000 in FY22. Travel demand increased globally as a result of the easing of COVID-19 related travel restrictions, enabling a dramatic improvement in the Group's financial performance compared to the prior year. Increase in travel demand, coupled with capacity constraints, meant high ticket prices globally, with revenue yields continuing to be impacted, however the Group's strong operating leverage and technology drove EBITDA margins higher in FY23. Activity in the Europe region continued to build, including providing humanitarian accommodation services. The reconciliation to profit before income tax from continuing operations is set out in note 3 'Segment reporting'.

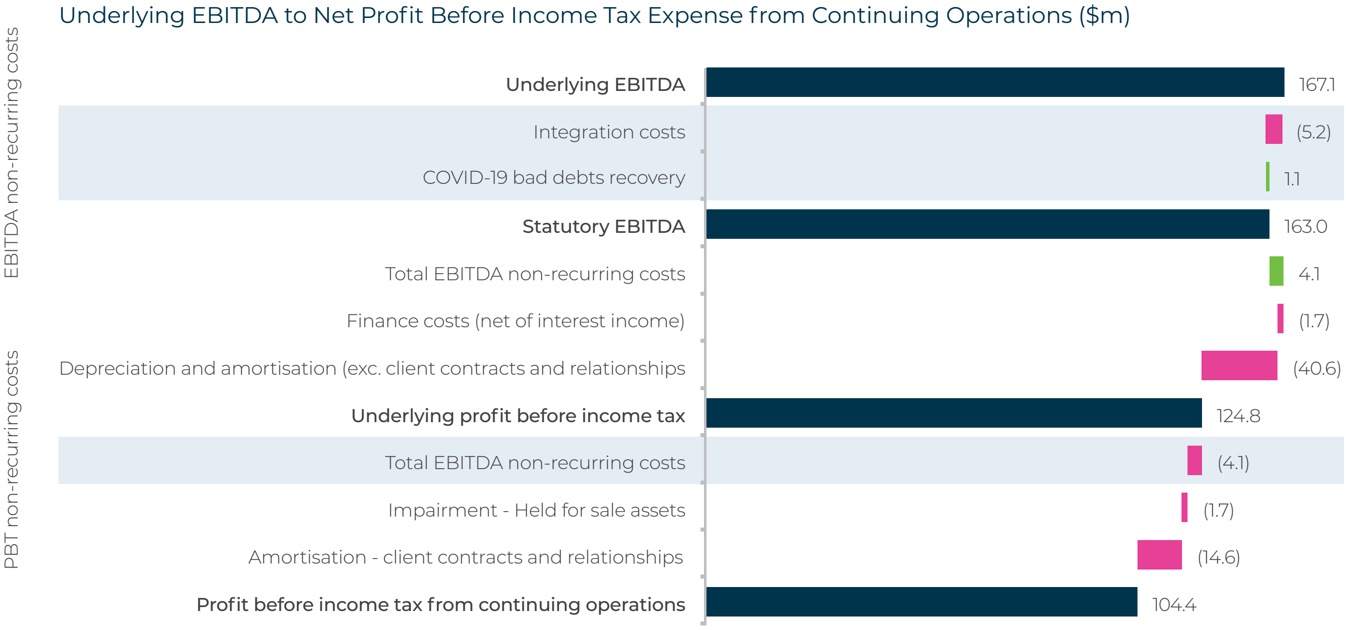
Over the past few years, transformational acquisitions, investment in technology, and strategic cost management have enabled the business to expand and grow through enhanced scale, technology, integrated automation, and an increasingly attractive value proposition for customers in a persistent complex travel environment. This will enable the Group to continue to grow strongly in future periods.

The Group maintains a strong balance sheet with no debt and cash of $150,985,000 as at 30 June 2023. Outstanding bank guarantees increased from $17,746,000 at 30 June 2022 to $18,724,000 as at 30 June 2023, driven by movements in foreign currency rates and increased business activity.

Directors' Report

Continued

Underlying EBITDA to Net Profit Before Income Tax Expense from Continuing Operations ($m)



Regional operations

The key financial results are summarised in the following tables:

Consolidated Group	2023 $'m	2022 $'m	Change %
Reported AUD			
TTV[1]	8,959.5	5,070.8	77
Revenue	653.4	377.4	73
Total revenue and other income	660.1	388.7	70
Underlying EBITDA	167.1	59.8	179
Underlying EBITDA as % of Revenue	25.6%	15.8%	
Underlying profit before income tax	124.8	22.3	460

1 Whilst TTV has been disclosed above, revenue is a more reliable measure of performance and is consistent with CTM's business model of converting revenue to profit, noting that 89% of CTM's revenues are derived from transactions, not overall price volume (TTV).

Australia and New Zealand	2023 $'m	2022 $'m	Change %
Reported AUD			
Revenue	157.8	66.5	137
Total revenue and other income	160.1	68.3	134
Underlying EBITDA	42.4	11.9	256
Underlying EBITDA as % of Revenue	26.9%	17.9%	
Underlying profit/(loss) before income tax	15.0	(3.7)	

Compared to the prior year, the removal of all travel restrictions and the acquisition of Helloworld Corporate (HLO) (owned for 3 months in FY22) led to an increase in total revenue and other income by 134% to $160,100,000 in ANZ, resulting in underlying EBITDA of $42,400,000 (FY22: $11,900,000).

Strong domestic business travel demand continued throughout the period, with spending by clients considered fully recovered despite booking activity remaining below historic levels. High prices by historic standards, particularly on the key Brisbane-Sydney-Melbourne travel triangle and in international ticketing contributed to this position. Ticket prices moderated somewhat in the second half of the period. International travel capacity continues to increase, with new carriers increasing capacity above historic levels and Asia-based carriers re-entering the market after several absent years.

Directors' Report

Continued

Late in the financial year, CTM was awarded the Whole of Australian Government (WoAG) contract for a further 4 years, with a 3-year extension option. This was a significant achievement for the ANZ region with the contract forming part of the strategic rationale behind the HLO Corporate acquisition. Management is confident that the structure of the new agreement, which enables CTM to utilise more of its technology, will enable enhanced service for the client and productivity for the business.

Management in the region was focused on client integration activities throughout the period to achieve HLO Corporate synergies. Maintaining and improving service levels has remained a priority. Additional staff onboarding and overtime costs were incurred as a result, however, these costs are considered temporary.

North America	2023 $'m	2022 $'m	Change %
Reported AUD			
Revenue	302.5	213.3	42
Total revenue and other income	303.7	217.7	40
Underlying EBITDA	44.8	27.2	65
Underlying EBITDA as % of Revenue	14.8%	12.8%	
Underlying profit before income tax	28.2	4.9	476

The easing of travel restrictions through the year drove a steady increase in total revenue and other income through the period resulting in an increase of 40% to $303,700,000 in North America. This resulted in underlying EBITDA of $44,800,000 (FY22: $27,200,000).

Despite the ongoing recovery, travel activity in the region has been slower than expected, with our client base having recovered to approximately 65% of pro-forma FY19 levels. Short-duration corporate travel demand was impacted by airline disruption and negative airport experiences across the early part of 1H23, with some persistence through 2H23.

Throughout the period, management continued to focus on new customer wins, investing in the sales team to continue to grow market share. Completing client integration activities following the Travel & Transport acquisition to achieve synergies and improve scalability in the region was also a focus and is now complete. Staff numbers in the region were maintained to ensure high client servicing standards and in recognition of staff shortages across the industry, which impacted the cost base of North America during the first half. Staff numbers fell in the North America region through 2H23, supporting the EBITDA/revenue margin which grew to 24.5%, and will continue to build as revenue recovers in FY24.

Asia	2023 $'m	2022 $'m	Change %
Reported AUD			
Revenue	50.5	14.5	248
Total revenue and other income	51.6	17.3	198
Underlying EBITDA	13.9	(3.0)	
Underlying EBITDA as % of Revenue	27.5%	(20.7%)	
Underlying profit/(loss) before income tax	9.0	(9.0)	

In Asia total revenue and other income for the period increased by 198% to $51,600,000, resulting in underlying EBITDA of $13,900,000 (FY22: loss of $3,000,000).

The easing of restrictions in Hong Kong in the latter part of the first half enabled rapid recovery in travel demand in the region, although supply remained very constrained. Mainland China's removal of restrictions in January 2023 now enables rapid recovery in the Asia region. Further gains in revenue and underlying EBITDA are expected in Asia as airline capacity increases, which is happening rapidly. While ticket prices are very high given the lack of supply, strong demand in the region is resulting in low availability of seats.

The Asia region has grown its Corporate client base significantly through the year as significant competitors in the pivotal Hong Kong market have exited from the market. This has enabled a strong revenue margin in the region. As capacity increases across the region, the China-outbound Wholesale market is also expected to rapidly recover, with the early signs of this recovery showing strong signs for future profitability.

Whilst cost management has been a strong focus for the Asia region over the last few years, retention and sourcing of staff is now the key focus to enable high levels of service for customers. The challenges are similar to those faced in the other regions, although CTM has maintained staffing levels in Asia well ahead of competitors through the impacts of the pandemic which positions the business well.

Directors' Report

Continued

Europe	2023 $'m	2022 $'m	Change %
Reported AUD			
Revenue	142.6	83.0	72
Total revenue and other income	143.0	83.9	70
Underlying EBITDA	84.1	37.4	125
Underlying EBITDA as % of Revenue	59.0%	45.1%	
Underlying profit before income tax	83.7	34.5	143

Total revenue and other income increased by 70% to $143,000,000 in Europe, resulting in underlying EBITDA of $84,100,000 (FY22: $37,400,000).

Early in the year, strong travel demand challenged supply, resulting in travel impediments. This was most visible in Heathrow's decision to limit traffic through its airport. However, this supply and demand imbalance was resolved over the year, and the Europe region's performance benefited from major new client and contract wins, with high CTM technology uptake over a significantly larger scale. Travel activity by our corporate and Government client bases grew rapidly throughout the year, alongside the Group's work relating to the UK Government's ongoing humanitarian work. The increase in the UK Government activity in FY23 had a material impact on operating cash flow as a result of invoice terms.

Major new contracts and client wins, with high adoption of automation by all clients have contributed to the region's high margins. The level of margins in the second half of FY23 are unlikely to be sustained into the future.

In April 2023, CTM was awarded its largest customer contract, to manage the accommodation needs of asylum seekers in the United Kingdom. The TTV associated with this contract is estimated to be in the vicinity of GBP 1.6 billion over 2 years. Whilst this contract only became operational in June 2023, with little impact on the FY23 results, it is expected to contribute significantly to the Europe region's results in future years.

Looking forward, driving organic growth, and developing our people and technology will remain the key focus. We expect efficiency savings as a result of scale and technology in the region, which will benefit our customers, and drive strong results in the future.

Group financial position

The Group continues to maintain a strong financial position, with net current assets of $128,281,000 and total equity of $1,187,617,000. At 30 June 2023, the Group had no interest-bearing liabilities (2022: nil), excluding lease liabilities.

Dividends

The Board determined to pay a final dividend of 22.0 cents per share, given the Group's financial performance, and the strength of its financial position.

	2023	2022
Earnings per share for profit/(loss) from continuing operations attributable to the ordinary equity holders of the Company		
Basic EPS (cents per share)	53.1	2.2
Diluted EPS (cents per share)	52.9	2.2

Directors' Report

Continued

Strategy and future performance

The Group's operating model is focused on the corporate travel market and our client value proposition combines personalised service excellence with market-leading technology. In the current period, the Group continued to focus on its key strategic drivers being:

- sustainably expanding our global operations, driving organic growth through operational excellence and leveraging our technology platforms;
- retaining current clients and winning new clients through our client value proposition;
- development and deployment of innovative technology and digital initiatives with a focus on delivering an improved customer experience and internal productivity;
- capitalising on our scale and global network to develop and optimise supplier performance for our clients;
- integrating past acquisitions and leveraging niche expertise throughout the global business; and
- staff empowerment to make service decisions that drive high staff engagement and client satisfaction outcomes.

In the financial year ending 30 June 2023, the Group executed these strategic drivers. Notwithstanding the unprecedented conditions and challenges presented by travel restrictions arising from COVID-19 and the recovery from the impact of those restrictions, the Group managed a strong client retention outcome. Further, we used our technology to drive enhanced servicing to assist and support travellers.

The Group intends to continue to pursue the opportunity to sustainably expand our global operations, drive organic growth and leverage our technology platforms. Additionally, the Group continues to seek merger and acquisition opportunities that add scale in niche travel sectors or which complement our existing business and/or geographic footprint.

Material business risks

The potential material business risks that could adversely affect the achievement of the Group's business strategies and financial prospects in future years are described below. This section does not purport to list every risk that may be associated with the Group's business now or in the future. There is no guarantee or assurance that the importance of these risks will not change, or other risks emerge. While the Group aims to manage risks in order to minimise adverse impacts on its financial and reputational standing, some risks are outside the control of the Group.

Travel industry disruption

The Group's financial prospects are dependent on the strength of the travel industry generally. A decline in the domestic and/or international travel industry, whether as a result of a particular event (such as war, terrorism, health epidemic/pandemic or a natural disaster), economic conditions (such as a decrease in business demand), geopolitical conditions or any other factors, will likely have a material adverse effect on the Group's business, financial condition, and operations.

Whilst the direct impact of COVID-19 has passed, there is no certainty that the demand for the Group's services will return to a level existing prior to the impact of COVID-19 (on a pro-forma basis), or how long such a return might take. The diversification of the Group's businesses across multiple jurisdictions and a diverse portfolio of customers, including exposure to essential travel clients, provide the Group with greater resilience when there are disruptions to the travel industry. The Group's 'capital light model' allows the Group to rapidly re-size the business and reduce costs while maintaining a high-quality product and service offering to customers through any downturn.

General economic conditions

The Group's operating and financial performance is influenced by a variety of general economic and business conditions globally. A prolonged deterioration in general economic conditions (both globally and regionally) including a decrease in consumer and business demand, are likely to have a material adverse impact on the Group's operating performance through a reduction in corporate travel, including airline, hotel, and hire car reservations and business or trade conferences. This risk is heightened in the current uncertain economic environment.

It is anticipated that many of the markets in which the Group operates will have economic downturns of differing severity and duration, which could affect the desire of people to travel in those markets, which would, in turn, impact the operating and financial performance of the Group.

There are also other changes in the macroeconomic environment that are beyond the control of CTM and may be exacerbated in an economic recession or downturn. These include, but are not limited to:

- changes in inflation, interest rates, and foreign currency exchange rates;
- changes in employment levels and labour costs, which will affect the cost structure of the Group;
- changes in aggregate investment and economic output; and
- other changes in economic conditions which may affect the revenue or costs of the Group

To mitigate these risks, the Group maintains a resilient business model with a diverse portfolio of customers across multiple jurisdictions and industries, which reduces the reliance on any one specific geography or customer.

Directors' Report

Continued

Supplier risk

The Group's business model and financial prospects and operations are reliant on mutually beneficial contractual arrangements with a number of third-party suppliers, including airlines, rail travel providers and global distribution system providers. The Group cannot be certain that contracts with third-party suppliers will be renewed or the terms on which they may be renewed. If contracts are not renewed or are renewed on terms that are less favourable than current arrangements, there is a possibility that this would diminish the attractiveness of the Group's offerings to consumers, which may result in the Group being unable to generate earnings equal to those historically generated by those contracts.

A variety of credit risks are inherent in the Group's supply chains, particularly heightened in the current economic environment. To the extent suppliers are facing financial stress, they may seek to change the terms upon which they engage with, cease or significantly reduce engagement with the Group or, in some cases, may not pay their debts as and when they fall due. Receivable balances are actively monitored on an ongoing basis and where issues are identified, appropriate actions are taken to mitigate the Group's exposure to bad debts.

Persistent global personnel shortages create a risk that supplier capacity is reduced for an extended period. Contractual arrangements with suppliers are based on the volume of transactions. Should supply capacity be impeded for an extended period, the Group may not generate earnings equal to those historically generated under supply contracts for that period.

Client risk

The Group's operating and financial performance is dependent upon client satisfaction, loyalty, and the specific markets in which the Group operates. The Group cannot be certain that clients will engage in any minimum level of activity, that contracts with clients will be renewed or the terms on which they may be renewed. If contracts that account for material activity are not renewed or are renewed on terms that are less favourable than current arrangements, there is a possibility that this would result in the Group being unable to generate earnings equal to those historically generated by those contracts which may result in impairment of the carrying value those client contracts, if any, or a reduction in profitability. Further, any diminution in client satisfaction, client experience, or client perception of the travel environment may have an adverse impact on the financial performance and position of the Group.

To mitigate this risk, the Group has a diverse spread of quality clients with exposure to a wide variety of industries. For example, many of CTM's essential travel clients, including government, healthcare, mining, fly-in fly-out (FIFO), fisheries, construction, and infrastructure continued to travel during industry downturns, such as during the COVID-19 pandemic. Further, CTM's proprietary client-facing technology delivers CTM the ability to swiftly deploy software updates to meet changing client needs and expectations.

Financing risk

The Group is exposed to risk relating to the cost and availability of funds to support its operations, including changes in interest rates and foreign currency exchange rates, counterparty credit risk, and liquidity risk, all of which could impact its financing activities.
Refer to note 20 'Financial risk management'.

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk. The Group uses foreign exchange spot and forward contracts to manage its net risk position. The Group may at times use its multi-currency debt facility, allowing for borrowings in relevant currencies to provide an offset to the revaluation of foreign currency assets or future foreign currency earnings. However, notwithstanding these measures, the movement of foreign exchange rates could still have an adverse effect on the Group's operating and financial performance.
Refer to note 20 'Financial risk management'.

Taxation risk

Changes in tax law, or changes in the way tax law is interpreted in the various jurisdictions in which the Group operates, may impact the future tax assets and liabilities of the Group. There can be no assurance that these tax laws or their interpretation in relation to the Group will not change, or that regulators will agree with the tax position the Group has adopted.

The Group regularly reviews its operating business model and strategies to take account of changes in tax law and changes in the way tax law is interpreted, which may impact the Group.

Information technology

The Group relies on both its outsourced technology platforms and develops its own software internally. Whilst all third party systems are licensed, any failure or disruption to the supply or performance of these systems may have an immediate and a longer term impact on the Group's operations, client and supplier satisfaction and company performance, which may have an adverse impact on the financial performance of the Group.

The Group manages this risk by having system redundancy, other back-up measures, security and monitoring programs in place. However, there can be no assurance that the Group's mitigation arrangements will be sufficient to entirely prevent the risk of significant systems failure.

Directors' Report

Continued

Cybersecurity and data protection

The protection of client, employee, third party and company data is critical to the Group's operations. The Group has access to a significant amount of client, employee and third party information, including through its database of clients. There is a risk of failure in the Group's operations or material financial loss as a result of cyberattacks. Any unauthorised access to the Group's information technology systems (including as a result of cyberattacks, computer viruses, malicious code or phishing attacks) could result in the unauthorised release or misuse of confidential or proprietary information of the Group, its employees or clients, which may lead to reputational damage, regulatory breaches, financial penalties, litigation and compromised relationships with clients.
Further, cyber-attacks or disruption in relation to suppliers may impact the Group's operations. For example, a disruption in relation to airline operators could cause significant disruption to travel schedules which may result in the Group being unable to provide certain services during that period or providing a less attractive service, which may have an adverse impact on the operating and/or financial performance of the Group. The legal and regulatory environment surrounding information security and privacy is increasingly complex and demanding. The Group retains a significant amount of customer, employee and third party information and the protection of that information is critical to the Group's operations.

The Group has monitoring programs and systems in place to monitor and identify potential threats. It also utilises third party expertise from technology partners and maintains support arrangements for cyber incident response and recovery. The Group also holds a cyber breach insurance policy.

Competition

The Group operates in a competitive market, and the Group's business is subject to competition from existing and new entrants and business models at any time. Technological innovation is now challenging entire business models and causing disruption to industry structures. Technological developments have therefore increased, and will continue to increase competition to the Group's businesses. Also, current competitors or new competitors may become more effective.

If the Group does not adequately respond to competitive forces, this may have an adverse effect on operational and/or financial performance. A sustained increase in competition from new entrants may result in a material failure to grow, decline in profitability, or a loss of market share or revenues.

The Group aims to continually improve its product and service offering to attract and retain customers.

Talent

The Group relies on the talent and experience of its directors, key senior management and staff generally. The loss of any key personnel could cause disruption to the conduct of the Group's business in the short term and may have a material adverse impact on the Group's operations and/or financial performance. It may be difficult to replace key personnel or to do so in a timely manner or at a comparable expense. The Group regularly reviews its succession planning to ensure that key personnel risk is identified and managed.

Acquisitions and integration

From time to time, the Group examines new acquisition opportunities in all of the regions in which it operates. Any future acquisitions would cause a change in the sources of the Group's earnings and result in variability of earnings over time. There is a risk that the integration of new businesses may result in the Group incurring substantial costs, delays or other problems in implementing its strategy for any acquired businesses, which could negatively impact the Group's operations, profitability and/or reputation. Further, the financial performance of investments and the economic conditions they operate within may result in impairment of investments or goodwill should the recoverable amount of the investment fall below its carrying value.

Impairment risk

The Group assesses whether there is any indication that an asset may be impaired on an ongoing basis. Annually, or when an indicator of impairment exists, the Group makes a formal estimate of the recoverable amount. When the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to the recoverable amount. Adverse outcomes of some of the risk factors listed above, as well as new developments which are not currently apparent, could trigger an impairment and have a negative impact on the reported financial result of the Group.
Refer to note 25 'Impairment testing of goodwill'.

Directors' Report

Continued

Litigation risk

While the Group is not currently engaged in any material litigation or disputes, it remains exposed to possible litigation and dispute risks, and this risk may be heightened having regard to the current volatility in global economic markets. A member of the Group may be subject to litigation in the course of its business, in each of the jurisdictions in which it operates, including commercial, contractual or client claims, injury claims, employee claims, indemnity claims and regulatory disputes.

Even if the Group is ultimately successful in defending claims against it (or in pursuing claims made by it), reputational harm may be inflicted and substantial legal and associated costs may be incurred that may not be recoverable from other parties, which may have a material adverse impact on the Group's financial position and performance.

Any litigation, disputes or investigations that arise from time to time are proactively managed by the Group with a view to protecting CTM's financial position as well as its reputation and ongoing business.

Political and social risk

The Group has global operations. The ability of the Group to conduct business in the countries in which it operates long-term, is uncertain. Regional, political or social instability (including as a result of COVID-19) could negatively impact the Group's revenue streams and ultimately, its financial performance.

The diversification of the Group's businesses across multiple jurisdictions and a diverse portfolio of customers provides the Group with greater resilience if regional, political or social instability arises.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial year.

Events since the end of the financial year

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected result of operations

The Group's global footprint, diverse client pool, technology assets, and strong cost management has enabled a strong underlying EBITDA result in FY23. The Group is well-positioned to grow our business organically in FY24.

Details that could give rise to likely material detriment to the Group, for example, information that is commercially sensitive, confidential or could give a third party a commercial advantage, have not been included in this report.

Environmental regulations

The Group has determined that no particular or significant environmental regulations apply to its operations.

The Directors have considered climate-related risks and have determined there is not an associated material risk to the Group's operations or any amounts recognised in the financial statements. The Group continues to monitor climate-related and other emerging risks and their potential impact on the financial statements. Refer to the Group's sustainability report for additional information.

Sustainability Report FY23

Directors' Report

Continued

Information on Directors

Particulars of the skills, experience and special responsibilities of the Directors in office as at the date of this report are set out below:

Mr Ewen Crouch AM BEc (Hons.), LLB, FAICD

Independent Non-Executive Director – Chairman since March 2019

Experience and expertise:

Ewen Crouch was a Partner at Allens from 1988 - 2013. He served as a member of the firm's board for 11 years, including four years as Chairman of Partners. His other roles at Allens included Co-Head Mergers & Acquisitions and Equity Capital Markets from 2004 - 2010, Executive Partner - Asian Offices from 1999 - 2004, and Deputy Managing Partner from 1993 - 1996. He was a Director of Mission Australia from 1995, including as Chairman from 2009, until retiring in November 2016.

Mr Crouch is a Non-Executive Director of BlueScope Steel Limited (since March 2013) and Chair and Non-Executive Director of AnteoTech Limited (since April 2022). He is a Fellow of the Australian Institute of Company Directors, Chair and Non-Executive Director of RSL LifeCare Ltd (since October 2022) and a Director of Jawun (since September 2015). He served as a member of the Takeovers Panel from 2010 - 2015, as a member of the Commonwealth Remuneration Tribunal from 2015 - 2019, as a Director of Sydney Symphony Orchestra from 2009 - 2020 and as a Non-Executive Director of Westpac Banking Corporation from 2013 to 2019.

Other current directorships:

BlueScope Steel Limited (since March 2013)

Jawun (since September 2015)

AnteoTech Ltd (since April 2022)

RSL LifeCare Ltd (since October 2022)

Former directorships (last 3 years):

Nil

Special responsibilities:

Chair of the Board

Chair of Nomination Committee

Audit & Risk Committee member

Remuneration & Sustainability Committee member

Interests in shares:

14,100 Ordinary shares in Corporate Travel Management Limited

Mr Jamie Pherous BCom

Executive Director, Managing Director since May 2008

Experience and expertise:

Jamie Pherous founded Corporate Travel Management in 1994. He has built the Group from its headquarters in Brisbane to become one of the world's largest travel management companies.

Prior to establishing CTM, Jamie was employed by Arthur Andersen, now EY, as a qualified Chartered Accountant, specialising in business services and financial consulting notably in Australia, Papua New Guinea, and the United Arab Emirates.

Other current directorships:

Nil

Former directorships (last 3 years):

Nil

Special responsibilities:

Managing Director

Interests in shares:

17,500,000 Ordinary shares in Corporate Travel Management Limited

Directors' Report

Continued

Ms Laura Ruffles MBA, GAICD

Executive Director
since December 2015

Experience and expertise:

Laura Ruffles is CTM's Global Chief Operating Officer and, in late 2015, was appointed an Executive Director in recognition of her leadership contribution. She has significant local, regional and global industry experience and, in a career of more than 20 years, has led teams across sales, account management, operations and technology. Laura is responsible for all aspects of CTM's business performance. She joined CTM in 2010 and has been a key contributor to its successful growth.

Other current directorships:

Australian Federation of Travel Agents

Former directorships (last 3 years):

Nil

Special responsibilities:

Global Chief Operating Officer

Interests in shares:

50,000 Ordinary shares in
Corporate Travel Management Limited

Interests in rights:

125,000 Share appreciation rights
and 30,219 performance rights in
Corporate Travel Management Limited

Ms Sophia (Sophie) Mitchell B.Econ, GAICD

Independent Non-Executive Director
since September 2019

Experience and expertise:

Sophie Mitchell has over 30 years of corporate advisory, capital markets and equity research experience. She retired from Morgans in June 2019 after over a decade as an Executive Director in Morgans' Corporate and, prior to this, she was Morgans' Head of Research.

Sophie is a Non-Executive Director of Morgans Holdings (Australia) Limited, Firstmac Limited, Myer Family Investments Limited, and Tourism Holdings Limited, and Chairman of HealthcareLogic Global Limited (retired July 2023). She was a member of the Australian Government Takeovers Panel between 2009 and 2018

Other current directorships:

Morgans Holdings (Australia) Limited (since March 2018)

Myer Family Investments Limited (since December 2020)

Firstmac Limited (since November 2022)

Tourism Holdings Limited (since December 2022)

Former directorships (last 3 years):

Flagship Investments Limited (June 2008 - November 2021)

Apollo Tourism and Leisure Ltd (September 2016 - December 2022)

HealthcareLogic Global Limited (April 2022 - July 2023)

Special responsibilities:

Chair of the Remuneration & Sustainability Committee

Audit & Risk Committee member

Nomination Committee member

Interests in shares:

28,326 Ordinary shares in
Corporate Travel Management Limited

Directors' Report

Continued

Mr Jon Brett BAcc, BCom, MCom, CA(SA), Dip Datametrics

Independent Non-Executive Director since January 2020

Experience and expertise:

Jon Brett was formerly an executive Director of Investec Wentworth Private Equity Limited, and an executive of Investec Bank (Australia) Limited. He was also the CEO of Techway Limited which pioneered internet banking in Australia. Jon brings extensive strategic, board and management experience to CTM, particularly in the areas of finance and corporate advisory.

Jon is currently Executive Chairman of Stridecorp Equity Partners, an AFSL licensed fund manager specialising in private equity. His former directorships include Godfreys Group Limited, The Pas Group Limited, deputy president of the NRMA and Vocus Group Limited since its listing on the ASX.

Other current directorships:

Mobilicom Limited (since September 2018)

Former directorships (last 3 years):

Nil

Special responsibilities:

Chair of the Audit & Risk Committee

Remuneration & Sustainability Committee member

Nomination Committee member

Interests in shares:

4,500 Ordinary shares in Corporate Travel Management Limited

Ms Marissa Peterson BSME, MBA

Independent Non-Executive Director since October 2022

Experience and expertise:

Marissa Peterson is President and CEO of Mission Peak Executive Consulting, a Silicon Valley leadership coaching business. She is based in the United States and brings extensive experience in governance, technology and digital transformation, and executive development.

Marissa held a number of senior executive roles at Sun Microsystems over a 17-year period, including Executive Vice President of Sun Services, Executive Vice President of Worldwide Operations, and Chief Customer Advocate. She holds a Bachelor of Science in Mechanical Engineering and an Honorary Doctorate in Management from Kettering University, and an MBA from Harvard Business School.

Marissa's extensive board experience includes past roles as Chairman of optical communications solutions company, Oclaro, between 2013 and 2018, and as a Non-Executive Director of ASX-listed Ansell, from 2006 to 2021. She has also been a Director of a range of US-based companies including Humana, Supervalu, Children's Hospital of Stanford, Quantros and Covisint, and a Board Trustee of Kettering University

Marissa was a 2019 Honoree in the National Association of Corporate Directors (NACD) awards for the 100 most influential directors in the United States corporate governance community. She has also achieved the distinction of being an NACD Leadership Fellow and completed both the Digital Directors Network Systemic Cyber Risk Masterclass and the CERT Cybersecurity Oversight Certificate.

Other current directorships:

Employee Owned Brands (US-Based) (since April 2023)

Former directorships (last 3 years):

Ansell Limited (August 2006 - October 2021)

Humana (August 2008 - April 2021)

Special responsibilities:

Audit & Risk Committee member

Remuneration & Sustainability Committee member

Nomination Committee member

Interests in shares:

10,000 Ordinary shares in Corporate Travel Management Limited

Directors' Report

Continued

Company Secretary

Shelley Sorrenson LLB, BJUS, LLM, MAICD

Shelley Sorrenson joined CTM in November 2021 as Global Chief Legal Officer & Company Secretary. Shelley is a pragmatic and commercially driven corporate legal and governance practitioner with over 14 years of experience. She has served as General Counsel and Company Secretary of ASX-listed and unlisted financial services companies and held roles at the Australian Securities and Investments Commission and in private practice.

Shelley holds a Bachelor of Justice, Bachelor of Laws and a Master of Laws. Shelley is a Member of the Australian Institute of Company Directors and an Associate of the Governance Institute of Australia.

Meetings of Directors

The number of meetings of CTM's Board of Directors ('the Board') held during the year ended 30 June 2023, and the number of meetings attended by each Director were:

	Board A	Board B
Mr Ewen Crouch AM	10	10
Ms Sophie Mitchell	10	10
Mr Jon Brett	10	10
Ms Marissa Peterson[1]	7	7
Mr Jamie Pherous	10	10
Ms Laura Ruffles	10	10

2 Ms Marissa Peterson was appointed Independent Non-Executive Director on 25 October 2022.

Director	Audit & Risk Committee A	Audit & Risk Committee B	Remuneration & Sustainability Committee A	Remuneration & Sustainability Committee B	Nomination Committee A	Nomination Committee B
Mr Ewen Crouch AM	5	5	5	5	4	4
Ms Sophie Mitchell	5	5	5	5	4	4
Mr Jon Brett	5	5	5	5	4	4
Ms Marrisa Peterson	3	3	3	3	3	3
Mr Jamie Pherous	NM	NM	NM	NM	NM	NM
Ms Laura Ruffles	NM	NM	NM	NM	NM	NM

A = Number of meetings attended

B = Number of meetings held during the time the Director held office or was a member of the Committee

NM = Not a member of the relevant Committee

Corporate Governance

The Board of CTM recognises the importance of good corporate governance practices which assist in ensuring the accountability of the Board and management of the Group. The Group recognises that these practices are fundamental to the long-term performance and sustainability of the Group, the delivery of its strategic objectives, and contribute to the preservation of shareholder value.

Information relating to the Group's corporate governance practices and its Corporate Governance Statement can be found in the Corporate Governance section on the Group's website.

Corporate Governance FY23

Directors' Report

Continued

Remuneration Report

Introduction

This report sets out the remuneration arrangements of the Company for the year ended 30 June 2023, and is prepared in accordance with section 300A of the *Corporations Act 2001*. The information has been audited as required by section 308(3C) of the *Corporations Act 2001* (Cth).

The report is structured as follows:

Letter from the Chair of the Remuneration & Sustainability Committee and remuneration highlights

Dear Shareholders,

On behalf of the Remuneration and Sustainability Committee (the Committee), I am pleased to present you with CTM's Remuneration Report for the year ended 30 June 2023.

Response to first strike at 2022 AGM and changes to remuneration for FY23

At the 2022 AGM, we received a first strike against our 2022 Remuneration Report.

Following the AGM, the Board consulted extensively with investors and proxy advisors to understand their concerns. We received the following feedback:

— concerns around the exercise of upward discretion with regard to the FY21 share appreciation rights (SARs);

— the need for greater transparency of disclosures regarding the performance measures under the Short Term Incentive (STI) plan, particularly in terms of the relative weightings and the outcomes against performance measures; and

— in terms of the design of our incentive plans:
  (i) STI plan: no deferred component; and
  (ii) Long Term Incentive (LTI) plan: the length of the performance period and performance measures used.

The feedback provided an important perspective on our remuneration at CTM. While listening and acknowledging the feedback from stakeholders, the Board also must consider how to balance the need for remuneration plans to engage and fairly reward Executive Key Management Personnel (KMP) for their contribution to the business' long-term success. While more detailed responses to the concerns raised are contained in this Report, by way of a summary, we have:

— provided increased transparency in relation to the STI plan (including weightings and outcomes);

— not repeated the upward exercise of discretion in relation to performance SARs outcomes, noting that this was a 'one-off';

— during the COVID-19 recovery period, we temporarily changed the vesting period from three years to two years for some SARs grants, however, this does not form a part of our usual or ongoing remuneration practice; and

— as disclosed in the 2022 Remuneration Report, changed the LTI plan from FY23, with Performance Rights replacing the existing SARs plan.

FY23 Company performance that relates to remuneration outcomes

KMP performance has been assessed against FY23 Key Performance Indicators (KPIs) and considers the delivery of agreed initiatives. The STI plan considers, overall CTM profit responsibility achieved, (underlying CTM EBITDA profit gateway). In FY23, underlying EBITDA of $167.1 million, resulted in a 70% modifier to the maximum or stretch STI opportunity for all participants in the plan. Individual KMP performance is assessed at 50% financial (regional EBITDA) and 50% non-financial targets set for FY23. The European and Asian regions exceeded their stretch financial targets, which was reflected in the STI outcomes in those regions.

SARs granted as a part of CTM's Long-Term Incentive Plan (LTIP) in July 2021 that were due to vest in August 2023 (vesting date) lapsed. The EPS growth target was met, however the volume weighted average price (VWAP) of CTM's shares in the 5 trading days prior to 30 June 2023 was not met, and this tranche lapsed without vesting.

A review of the Non-Executive Director fee structure determined fees would be increased by 3.5% in FY23, in line with broader Group pay increases, and small overseas travel allowance has been introduced.

Changes to the remuneration framework in FY24

As defined in CTM's executive remuneration framework, increases will be applied to the FY24 base pay and STI opportunity for KMPs. Base pay is reviewed annually and adjusted commensurate with role, and moderated to ensure consistency with KMP accountability. Increases to the FY24 STI opportunity is set with consideration of the increase in EBITDA expectation for FY24 compared with FY23. A full remuneration review will be undertaken in FY24, including benchmarking of the total reward for all KMP and senior leaders within CTM.

On behalf of the Committee, I thank you for your ongoing support of CTM and look forward to welcoming you to the 2023 AGM.

Yours sincerely,

Sophie Mitchell
Remuneration & Sustainability Committee Chair
23 August 2023

Directors' Report

Remuneration Report (Continued)

Response to the ‘first strike’ at the 2022 Annual General Meeting (AGM)

Following the ‘first strike’ at the 2022 AGM, we engaged with our key stakeholders to understand concerns. We have outlined below the key concerns raised and the actions taken:

Key concern raised	Action taken
Short term incentive (STI) plan	
Disclosure of STI outcomes, specifically non-disclosure of specific targets at ‘threshold’, ‘target’ and ‘stretch’ performance	Increased transparency has been provided in the current remuneration report, and similar levels of transparency will be provided in future remuneration reports. For reasons of commercial sensitivity, the Board does not intend to provide actual targets for STI measures. However, we will provide greater transparency on outcomes as they relate to achieving threshold, target and stretch targets.
No deferral on STI awards	The governance of KMP remuneration and company performance has been a focus for FY23, and will continue to be reviewed annually. This will be further supported with the investment in an external benchmarking in FY24 to ensure our remuneration framework design is fit for purpose, aligned shareholder interest, and competitive among our peers. This will include a review of the STI award deferral.
Long term incentive (LTI) plan	
Exercise of ‘upward discretion’ with regard to the FY21 SARs award	The exercise of discretion was a ‘one-off’. The Board does not intend to exercise discretion (upward or downward). No discretion was exercised for grants vesting in FY23, noting these grants lapsed with no value.
The performance period for half of the LTI is only 2 years, which is not consistent with market	As flagged in the FY22 Remuneration Report, the FY22 SARs grant, which was issued in two equal tranches, with performance to be tested over two and three year periods, was a temporary arrangement. As disclosed last year, the FY23 LTI grant is subject to a three-year performance and vesting period.
Single performance measure under the FY23 LTI	From FY23 onwards, the Performance Rights under the LTI program are subject to a share price gateway and an underlying EBITDA measure. The Board is of the view that the remuneration structure supports CTM’s business strategy and aligns participants’ economic interests with shareholder interests.
The appropriateness of EBITDA as the LTI performance measures	The FY23 LTI grant is subject to an EBITDA measure as it aligns to CTM’s business strategy. The Board is comfortable that this is fit for purpose. A share price gateway is also included as part of the LTI plan to ensure shareholder alignment.

Directors' Report

Remuneration Report (Continued)

Persons covered by this report

Key Management Personnel (KMP) include Non-Executive Directors, Executive Directors and those senior executives with authority and responsibility for the planning, controlling, and directing of the activities of the Company and the Group, which includes those executives who lead business units.

For the purposes of this report, Executive KMP means Executive Directors (Managing Director and Global COO), the Global CFO, the CEO - North America, CEO - Europe, CEO - Asia and the CEO - Australia and New Zealand (ANZ).

Details of the KMP are provided in the table below:

	Name	Position	Term
Non-Executive Directors	Ewen Crouch AM	Chairman, Non-Executive Director	Full year
	Jon Brett	Non-Executive Director	Full year
	Marissa Peterson	Non-Executive Director	Part year, appointed on 25 October 2022
	Sophie Mitchell	Non-Executive Director	Full year
Executive Directors	Jamie Pherous	Managing Director	Full year
	Laura Ruffles[1]	Global COO	Full year
Other Key Management Personnel	Cale Bennett[2]	Global CFO	Full year
	Kevin O'Malley	CEO - North America	Full year
	Larry Lo	CEO - Asia	Full year
	Debbie Carling	CEO - Europe	Full year
	Greg McCarthy	CEO - ANZ	Full year

1 Executive Director, Laura Ruffles was appointed CEO ANZ, Asia and Europe on 1 July 2023 and will continue to be KMP for FY24.

2 Cale Bennett ceased to be KMP on 28 July 2023, after the reporting date and before the date the annual report was authorised for issue.

After the reporting date, James Patterson was appointed Acting Global CFO (starting 28 July 2023), and Eleanor Noonan was appointed Global COO (starting 1 July 2023). Both James and Eleanor will be KMP for FY24.

Directors' Report

Remuneration Report (Continued)

Overview of executive remuneration strategy and framework

Our vision

To be recognised as the global leader in travel management solutions – an entrepreneurial, innovative and inspiring company of choice for employees, customers, partners and shareholders.

Our mission

To be travel management leaders in all regions in which we operate, using innovative technology to improve the customer experience and bring positive change to the market.

Customer value proposition

Our commitment to our customers is:

- To deliver personalised and flexible service solutions
- To develop industry leading technologies which enhance the customer experience
- To demonstrate a ROI measured through achieved savings

Our strategic priorities for FY23

- Focus on organic growth
- Increased customer engagement
- Technology investment
- Elevate service through automation and AI
- Employee development and engagement
- Completion of acquisition integrations

Simple and Transparent: clear goals and expectations that can be easily understood by internal and external stakeholder.

Attract, motivate and retain high-caliber team members.

Incentivise and reward team members for the achievement of strategic objectives designed to deliver sustained growth in shareholder wealth.

Align remuneration design with shareholders.

Remuneration philosophy and principles

Our remuneration framework is designed to support CTM's vision, mission, customer value proposition and strategic priorities. The framework is guided by the following remuneration principles:

Executive remuneration framework structure

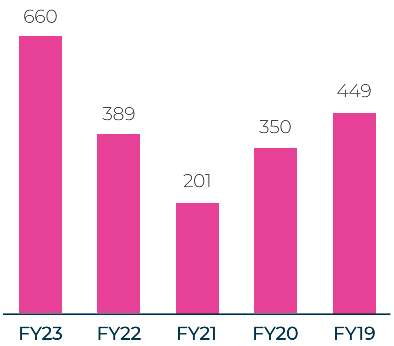
	Fixed remuneration (FAR)	STI	LTI
Purpose	To attract and retain capable and experienced leaders to deliver CTM strategy	To reward the achievement of annual performance for financial and non-financial targets	To align focus and retention of leaders to deliver long-term business strategy by creating a sense of business ownership that is directly aligned with shareholders
Award vehicle	Base salary and superannuation	Cash	Performance Rights
Performance / vesting periods	Reviewed annually commensurate with role	One year	Three years
Performance measures		Balanced scorecard comprised of profit (50%) and other strategic measures (50%)	— Share price gateway — Underlying EBITDA measure (100%)

CTM's performance and link to remuneration outcomes

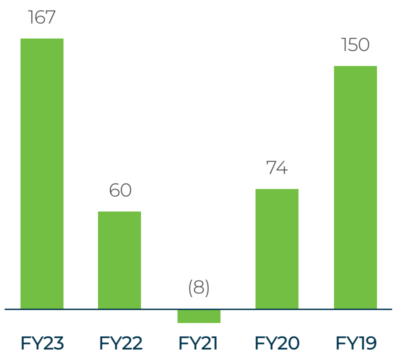
Outline of CTM's FY23 performance

The remuneration outcomes of our Executive KMPs are aligned to CTM's overall performance outcomes. The graphs and tables below outlined the Group's financial performance highlights in recent years.

Revenue and other income ($m)



Underlying EBITDA ($m)



The table below outlines the performance of the Group and shareholder returns over the last five financial years.

	FY23	FY22	FY21	FY20	FY19
Net profit/(loss) ($'000)	78,770	3,101	(55,351)	(8,185)	86,235
Basic earnings per share (cents)	53.1	2.2	(43.0)	(7.5)	79.6
Dividends paid ($'000)	16,096	-	-	23,953	42,263
Share price at 30 June ($)	17.89	18.52	21.49	9.41	21.86
Underlying EBITDA ($'000)	167,062	59,805	(7,249)	74,399	150,090
Total Executive KMP STI as percentage of net profit/(loss) (%)	2.5	55.7	0.0	0.0	1.6

Directors' Report

Remuneration Report (Continued)

FY23 incentive outcomes

STI

Company and individual KMP scorecard performance and FY23 outcomes

The STI opportunity that is awarded to Executive KMP is determined as follows:

Regional CEOs + Global COO

Individual STI opportunity (FAR[1] x %STI opportunity) × CTM EBITDA PROFIT GATEWAY (EBITDA%) × 50% Regional Profit 50% Non Financial Goals (0-100%) = STI Award for FY23

MD & Global CFO

Individual STI opportunity (FAR[1] x %STI opportunity) × [50% Financial CTM PROFIT GATEWAY (EBITDA%) + 50% Non Financial Goals (0-50%)] = STI Award for FY23

In determining the total STI award, CTM's financial performance against its underlying EBITDA target and the Executive KMP's performance against their individual scorecard is assessed.

Performance against Company performance modifier

Group underlying EBITDA performance for the year of $167.1 million resulted in a modifier score of 70% to the Group maximum STI opportunity, noting that the modifier range is 60% - 115%.

Performance against Individual scorecards

Each individual KMP has an individual scorecard that is customised according to their role and responsibilities with varying performance measures, weighting and targets. The table below provides an overview of how each individual Executive KMP performed against their individual scorecard in FY23.

		Financial measures (50%)	Non-financial measures[2] (50%)		
		EBITDA Gateway	People	Client	PPI[3]
Jamie Pherous	Managing Director	70%+	70%+	70%+	70%+
Cale Bennett	Global CFO	70%+	70%+	N/A	70%+
Kevin O'Malley	CEO – North America	50-69%	70%+	70%+	70%+
Laura Ruffles	Global COO	70%+	70%+	70%+	70%+
Debbie Carling	CEO – Europe	70%+	70%+	70%+	70%+
Larry Lo	CEO – Asia	70%+	50-69%	70%+	70%+
Greg McCarthy	CEO – ANZ	50-69%	70%+	70%+	70%+

<50% 50-69% 70%+ N/A

1 Fixed Annual Remuneration (FAR).
2 Non-financial weightings differ for each KMP.
3 Product, process and innovation.

Directors' Report

Remuneration Report (Continued)

Following the assessment of the Executive KMP against their KPI, short term incentives awarded to KMPs are summarised in the table below:

Name	Maximum STI Potential (FY23) $	FY23 Awarded %	FY23 Forfeited %	Maximum STI Potential (FY22)[1] $	FY22 Awarded %	FY22 Forfeited %
Jamie Pherous	650,000	59.5	40.5	500,000	80.0	20.0
Laura Ruffles	875,000	62.3	37.7	1,050,000	55.0	45.0
Cale Bennett	300,000	59.5	40.5	200,000	75.0	25.0
Kevin O'Malley[1]	893,000	55.3	44.7	689,180	30.0	70.0
Larry Lo[1]	266,018	64.6	35.4	264,919	-	100.0
Debbie Carling[1]	329,195	60.4	39.6	366,636	100.0	-
Greg McCarthy	50,000	56.0	44.0	50,000	50.0	50.0

1 Maximum STI potential is determined in local currency and converted at average exchange rates.

LTI

LTI FY21 Tranche (lapsed subsequent to 30 June 2023)

SARs granted as a part of CTM's LTI plan in July 2021 were due to vest in August 2023 (vesting date) subject to vesting conditions.

The vesting conditions for this tranche had two conditions, EPS growth target and share price hurdle ("base price"). The EPS growth target was met, however the volume weighted average price (VWAP) of CTM's shares in the 5 trading days prior to 30 June 2023 had to be higher than $21.19 (the base price). The VWAP was $17.92, and therefore the vesting conditions were not met, and this tranche lapsed without vesting.

FY23 Executive KMP remuneration received

The table below provides actual amounts received by the Executive KMP for FY23. This table is an additional disclosure to those required under the Australian Accounting Standards and the *Corporations Act 2001* (Cth), and is provided to assist shareholders in understanding realised outcomes. This differs from the KMP remuneration disclosures on page 46, which represents remuneration in accordance with accounting standards (i.e. on an accruals basis).

Executive KMP	Total FAR[1] $	Other benefits[2] $	FY22 STI[3] $	Vested SARs[4] $	Total $
Jamie Pherous	619,439	10,632	400,000	-	**1,030,071**
Laura Ruffles	908,652	10,380	577,500	1,114,982	**2,611,514**
Cale Bennett	583,625	8,758	150,000	356,788	**1,099,171**
Greg McCarthy	434,867	-	25,000	668,996	**1,128,863**
Debbie Carling	514,928	4,160	366,636	668,996	**1,554,720**
Kevin O'Malley	868,662	46,591	206,754	1,211,232	**2,333,239**
Larry Lo	612,148	-	-	668,996	**1,281,144**

1 Comprises base salary, leave, superannuation, and pension.

2 Comprises cost to the Group of providing parking, health, and communication benefits.

3 STI paid during the financial year. For example, the amount disclosed for FY23 reflects the FY22 STI paid in September 2022 following the release of the FY22 results of the Group.

4 Intrinsic value of LTI that vested during the financial year.

Directors' Report

Remuneration Report (Continued)

Detailed overview of Executive Remuneration Framework

Fixed Annual Remuneration

Fixed annual remuneration (FAR) comprises base pay and superannuation. Executive KMP are offered a competitive FAR that targets the desired skills and experience for their roles. FAR is reviewed annually, allowing it to remain competitive with the market as well as upon promotion.

STI

Term	Detail
1. Eligibility	Leaders who influence and contribute to the profitable operation of the Group, including all Executive KMP.
2. Plan overview	An individual Executive KMP's STI award is based on the Group performance, regional performance (where applicable) and their individual performance.
3. Performance measures	**Company performance modifier** Underlying EBITDA is a key external and internal measure that reflects the Company's focus on operational earnings performance and has been set as the key financial measure for the Company scorecard. In FY23, performance against the target underlying EBITDA will determine the opportunity that is available. **Individual scorecard** Individual performance is assessed against a balanced scorecard comprising of both financial and non-financial measures with varying weightings, measures and targets based on an individual's role and responsibilities. **1. Financial measures (50%)** Financial measures comprise half of the scorecard, to ensure the overall focus of Executive KMP is achieving sustainable profit growth and delivering shareholder value. **2. Non-financial measures (50%)** The non-financial performance measures provide an avenue for CTM's people, client and product, process and innovation objectives to be reflected in an Executive KMP's remuneration outcomes. — People – CTM's ability to attract, retain, develop and reward our people. — Client – measures CTM's ability to win, retain and grow customers and revenue. — Product, process and innovation – measures CTM's ability to develop, deploy and enhance our tools and processes.
4. Award opportunity	Each individual's incentive opportunity is determined by annually, and typically range from 10% to 100% of FAR. The opportunity for each eligible Executive is determined at the beginning of each financial year.
5. Performance period	One year
6. Award vehicle	Cash
7. Malus and clawback	Incentive opportunities may be required to be repaid where the participant's actions have been found to be fraudulent, dishonest, in breach of their duties, contrary to CTM's values and behavioural standards or would bring CTM into disrepute.
8. Treatment on cessation of employment	Employee must remain employed at 30 June of each relevant financial year.
9. Change of control provisions	Nil.
10. Governance	Performance is assessed by the Managing Director and considered for approval by the Remuneration and Sustainability Committee and Board annually. Performance for the Managing Director is assessed and approved by the Board annually.
11. Changes in FY24	No changes are proposed for FY24.

Directors' Report

Remuneration Report (Continued)

LTI

Term	Detail
1. Eligibility	Senior leaders who have a significant potential impact on share price and long-term value creation, including all Executive KMP. The Managing Director has chosen not to participate, despite being an eligible recipient.
2. Award opportunity	The value of the Performance Rights issued each year to an eligible Executive will typically be set between 5% and 50% of FAR. The opportunity for each eligible executive is determined at the beginning of each financial year.
3. Award vehicle	Performance Rights, where each Performance Right entitles the eligible Executive to the right to one ordinary share of Corporate Travel Management Limited for nil consideration, upon vesting.
4. Performance period	Performance is measured over three financial years.
5. Performance measures and weighting	**Gateway** A share price gateway (determined at the outset of the performance period) applies to the LTI. Where VWAP in the 20 business days prior to 1 July in the vesting year is below the gateway, no Performance Rights will vest. **EBITDA measure** Where the share price gateway has been met, the Performance Rights will be tested against an EBITDA vesting schedule (which is determined at the time of grant).
6. Allocation methodology	The number of Performance Rights awarded is calculated by dividing the opportunity by the fair value of the Performance Right, with no discount for the likelihood of non-market linked performance conditions being met.
7. Malus and clawback	Unvested Performance Rights may be reduced where the participant's actions have been found to be fraudulent, dishonest, in breach of his or their duties, contrary to CTM's values and behavioural standards or would bring CTM into disrepute.
8. Treatment on cessation of employment	Performance Rights will be forfeited upon cessation of employment with the Group with forfeited awards lapsing. The Board has discretion in exceptional circumstances to determine that Performance Rights remain on foot subject to the terms and conditions of the award. Exceptional circumstances include events such as retirement, redundancy, death, contractual obligations, and permanent disability.
9. Change of control provisions	Should a Change of Control Event occur, or the Board determines in its absolute discretion that a Change of Control Event may occur, the Board has absolute discretion to determine the appropriate treatment regarding any unvested awards.
10. Voting and dividends	Recipients of Performance Rights are not entitled to dividends until shares are allocated (based on vesting and meeting the relevant performance hurdles, employment condition, and conduct expectations).
11. Governance	Shares issued under the Group's Omnibus Incentive Plan were approved by the shareholders in the 2020 Annual General Meeting. This is inclusive of shares that may be issued in respect of each outstanding offer of shares, options or rights if accepted or exercised under other equity plans. Executive KMP are not permitted to hedge LTI awards. CTM have the following Black-out periods that apply to all Company Personnel for: (a) half year results, from 1 January to (and including) the day of the results announcement; (b) full year results, from 1 July to (and including) the day of the results announcement; (c) Annual General Meeting, from 1 October (and including) the day of the Annual General Meeting; and (d) any other period designated as a Black-out Period by the Board.
12. Changes in FY24	No changes proposed for FY24.

Directors' Report

Remuneration Report (Continued)

Overview of Non-Executive Director remuneration

Non-Executive Directors receive a base fee for Board and Committee membership and, where applicable, an additional fee from chairing a Board Committee in recognition of the higher workload and extra responsibilities. The Chairman receives an all-inclusive fee as Chairman of the Board and as a member of all Board Committees (including as Chairman of the Nomination Committee).

Board fees are not paid to Executive Directors. Executive KMP do not receive fees for directorships of any subsidiaries.

Fee Structure

Following a review of the Non-Executive Director fee structure, it was determined that effective 1 September 2022 the fees would be increased by approximately 3.5% in line with broader Group pay increases. The Board determined an inclusive fee payable in US dollars would apply to Marissa Peterson as a US resident Director for Board and Committee membership. Fees paid to Non-Executive Directors are set out in the table below and are inclusive of superannuation, where applicable. Fees are reviewed annually by the Board.

	Fee
Chairman	$251,000
Committee Chair	$23,500
Board member - Australian resident Directors	$127,500
Board member - US resident Director	US$ 100,000

As part of the Non-Executive Director fee review and in line with industry practice, a travel allowance was introduced effective 1 September 2022. For any overseas travel to a Board meeting away from a Non-Executive Director's country of residence, a travel allowance of $2,000 is paid to that Non-Executive Director. Total Non-Executive Director travel allowances paid in FY23 were $20,000. Non-Executive Directors do not receive incentive payments, nor are they entitled to participate in any Group employee equity plans. They receive no non-monetary benefits and do not participate in any retirement benefits scheme, other than statutory superannuation contributions, where applicable. Non-Executive Directors are reimbursed for expenses properly incurred in performing their duties as a Director of the Group. This policy is consistent with Non-Executive Directors being responsible for objective and independent oversight of the Group.

As part of the Non-Executive Director fee review for FY24 it has been determined that effective 1 September 2023 the fees will increase by approximately 4% in line with broader Group pay increases.

Remuneration governance and employment contracts

Remuneration policy and governance oversight

The Board, the Remuneration and Sustainability Committee, management and remuneration advisors work closely to apply CTM's remuneration principles such that CTM's remuneration framework supports our business strategy and supports sustainable shareholder value.

Board

- Reviews and approves remuneration outcomes, framework, strategy and policy.
- Approves targets, goals or funding pools.

Remuneration and Sustainability Committee

- Consists of all the Non-Executive Directors, with one performing the role of Chair. The Managing Director and Global COO are invited to attend but are not present when their remuneration are discussed.
- Reviews and recommends to the Board the remuneration framework, strategy and policy.
- Reviews and recommends to the Board remuneration review outcomes for Non-Executive Directors and Executive KMP.
- The Committee also advises the Board on talent development succession planning and sustainability, social, environmental and governance issues relevant to the Group.

Stakeholders

- Consult with shareholders, proxy advisors and other relevant stakeholders to provide input to the remuneration framework.

Management

- Recommendations on remuneration outcomes for Executive KMPs.
- Annual performance review for Executive KMP.
- Implement remunerations policies.

Remuneration advisors

- Extend advisors to provide independent remuneration advice and information.

Directors' Report

Remuneration Report (Continued)

Other information

Minimum Shareholding Guidelines for Non-Executive Directors

To align the Non-Executive Directors' interests with the interests of shareholders, the Board has established guidelines to encourage Non-Executive Directors to progressively acquire and hold shares within three years of their appointment, with a value equal to 100% of base fees. Direct and indirect holdings count towards the minimum shareholding target.

Minimum Shareholding Guidelines for Executive KMP

Executive KMP are encouraged to progressively, through participation in the Group's equity incentive program, acquire and hold shares over a reasonable period from the date of their appointment. Similar to Non-Executive Directors, Executive KMP's are expected to acquire and hold shares within three years of their appointment, with a value equal to 100% of base salary (as appropriate and excluding superannuation). Direct and indirect holdings together with unvested equity will count towards the minimum shareholding target. It is expected that executives would sell no more than 60-70% of any shares awarded to them under any share plan until they reach the relevant threshold.

Securities Trading Policy

The Group's Securities Trading Policy prohibits employees from dealing in CTM securities while in possession of material non-public information relevant to CTM. It also prohibits entry into transactions in associated products that limit the economic risk of participating in unvested entitlements under equity-based remuneration schemes.

Contractual arrangements for Executive KMP

Each Executive KMP, including the Managing Director, has a formal contract, known as an employment agreement. There were no changes to the employment agreements for Executive KMP in FY23.

Executive KMP	Contract duration	Notice period by KMP	Notice period by Group	Performance incentive weighting as a percentage of fixed remuneration %	Termination payment
Jamie Pherous	No fixed duration	6 months	6 months	100	Combination of notice and payment in lieu totalling no less than 6 months
Laura Ruffles	No fixed duration	24 weeks	24 weeks	100	Combination of notice and payment in lieu totalling no less than 24 weeks
Cale Bennett	No fixed duration	12 weeks	12 weeks	50	Combination of notice and payment in lieu totalling no less than 12 weeks
Kevin O'Malley	30 June 2026	6 months	Nil	100	Combination of notice and payment in lieu totalling no less than 52 weeks
Larry Lo	No fixed duration	6 months	6 months	43[1]	Combination of notice and payment in lieu totalling no less than 6 months
Debbie Carling	No fixed duration	3 months	3 months	58	Combination of notice and payment in lieu totalling no less than 3 months
Greg McCarthy	No fixed duration	12 weeks	12 weeks	12[2]	Combination of notice and payment in lieu totalling no less than 12 weeks

1 Incentive weighting lower due to COVID-19 recovery delay in Asia compared to rest of the segments.

2 Adjusted for earn-out as part of the SCT Travel Group Pty Ltd acquisition.

Directors' Report

Remuneration Report (Continued)

Other statutory disclosures

This section provides additional statutory disclosures that have not been reported earlier in the Remuneration Report.

KMP Remuneration

The following table sets out the statutory executive remuneration disclosures as required by the Corporations Act and its regulations, including the relevant Australian Accounting Standards principles.

		Fixed Remuneration				Variable Remuneration			
Name	Year	Cash Salary and fees[1] $	Non-cash benefits[1] $	Leave[2] $	Superannuation $	STI[1] $	Equity incentive[3] $	Total $	Performance related %
Non-Executive Directors									
Ewen Crouch AM	FY23	232,084	-	-	23,641	-	-	255,725	-
	FY22	242,500	-	-	-	-	-	242,500	-
Sophie Mitchell	FY23	141,658	-	-	14,244	-	-	155,902	-
	FY22	131,818	-	-	13,182	-	-	145,000	-
Jon Brett	FY23	141,658	-	-	14,244	-	-	155,902	-
	FY22	131,818	-	-	13,182	-	-	145,000	-
Marissa Peterson	FY23	104,927	-	-	-	-	-	104,927	-
	FY22	-	-	-	-	-	-	-	-
Sub-Total	**FY23**	**620,327**	**-**	**-**	**52,129**	**-**	**-**	**672,456**	**-**
	FY22	**506,136**	**-**	**-**	**26,364**	**-**	**-**	**532,500**	**-**
Executive Directors									
Jamie Pherous	FY23	595,095	10,632	(948)	25,292	386,750	-	1,016,821	38
	FY22	472,308	8,790	1,816	23,568	400,000	-	906,482	44
Laura Ruffles	FY23	820,480	10,380	62,880	25,292	545,125	390,524	1,854,681	50
	FY22	699,396	9,426	18,827	23,568	577,500	741,092	2,069,809	64
Sub-Total	**FY23**	**1,415,575**	**21,012**	**61,932**	**50,584**	**931,875**	**390,524**	**2,871,502**	**-**
	FY22	**1,171,704**	**18,216**	**20,643**	**47,136**	**977,500**	**741,092**	**2,976,291**	**-**
Other Key Management Personnel									
Cale Bennett[4]	FY23	537,633	8,758	20,700	25,292	178,500	(385,222)	385,661	-
	FY22	378,306	7,500	11,642	23,568	150,000	364,640	935,656	55
Larry Lo	FY23	617,192	-	(8,455)	3,411	171,864	198,237	982,249	38
	FY22	575,228	-	11,984	3,179	-	223,625	814,016	27
Debbie Carling	FY23	503,856	4,160	(4,089)	15,161	198,660	198,237	915,985	43
	FY22	350,893	-	12,581	10,904	366,636	223,625	964,639	61
Greg McCarthy	FY23	397,210	-	12,365	25,292	28,000	198,237	661,104	34
	FY22	374,551	-	16,396	23,688	25,000	223,625	663,260	37
Kevin O'Malley	FY23	878,113	46,591	(17,137)	7,686	493,920	305,514	1,714,687	47
	FY22	1,256,280	25,166	13,916	6,901	206,754	533,865	2,042,882	36
Sub-Total	**FY23**	**2,934,004**	**59,509**	**3,384**	**76,842**	**1,070,944**	**515,003**	**4,659,686**	**-**
	FY22	**2,935,258**	**32,666**	**66,519**	**68,240**	**748,390**	**1,569,380**	**5,420,453**	**-**
Total	**FY23**	**4,969,906**	**80,521**	**65,316**	**179,555**	**2,002,819**	**905,527**	**8,203,644**	**-**
	FY22	**4,613,098**	**50,882**	**87,162**	**141,740**	**1,725,890**	**2,310,472**	**8,929,244**	**-**

1 Short-term benefits as per *Corporations Regulations 2001* 2M.3.03(1) Item 6.

2 Other long-term benefits as per *Corporations Regulations 2001* 2M.3.03(1) Item 8. The amounts disclosed in this column represent the increase in the associated provisions.

3 Equity-settled share-based payments as per *Corporations Regulations 2001* 2M.3.03(1) Item 11. These include negative amounts for rights forfeited.

4 Cale Bennett ceased to be KMP on 28 July 2023 and forfeited all his unvested SARs and PRs as a result. Any share based payment expense previously recognised under AASB 2 in respect of unvested SARs and PRs has been reversed in the year ended 30 June 2023.

Directors' Report

Remuneration Report (Continued)

Equity instruments held by Key Management Personnel

The tables below show the number of shares, performance rights and share appreciation rights held by Non-Executive Directors and Executive KMP at the beginning and end of the financial year.

Common equity	Balance at 30 June 2022	Acquired	Received on vesting of rights	Disposed	Other changes during the year	Balance at 30 June 2023
Non-Executive Directors						
Ewen Crouch AM	13,196	904	-	-	-	14,100
Jon Brett	1,499	3,001	-	-	-	4,500
Sophie Mitchell	28,326	-	-	-	-	28,326
Marissa Peterson	-	10,000	-	-	-	10,000
Executive Directors						
Jamie Pherous	17,500,000	-	-	-	-	17,500,000
Laura Ruffles	50,000	-	59,276	(59,276)	-	50,000
Other Key Management Personnel						
Cale Bennett	10,665	-	18,968	(26,935)	-	2,698
Kevin O'Malley	50,429	-	64,393	(31,931)	-	82,891
Larry Lo	121,629	-	17,783	-	-	139,412
Debbie Carling	50,575	150	35,566	-	-	86,291
Greg McCarthy	84,696	-	35,566	-	-	120,262

Performance Rights	Balance as at 30 June 2022	Awarded during the year	Vested during the year	Lapsed / forfeited	Other changes during the year	Balance as at 30 June 2023
Executive Director						
Laura Ruffles	-	30,219	-	-	-	30,219
Other Key Management Personnel						
Cale Bennett[1]	-	30,219	-	(30,219)	-	-
Kevin O'Malley	-	30,219	-	-	-	30,219
Larry Lo	-	22,664	-	-	-	22,664
Debbie Carling	-	22,664	-	-	-	22,664
Greg McCarthy	-	22,664	-	-	-	22,664

Share Appreciation Rights	Balance as at 30 June 2022	Awarded during the year	Vested during the year	Lapsed / forfeited	Other changes during the year	Balance as at 30 June 2023
Executive Directors						
Laura Ruffles	250,000	-	(125,000)	-	-	125,000
Other Key Management Personnel						
Cale Bennett[1]	240,000	-	(40,000)	(200,000)	-	-
Kevin O'Malley	312,500	-	(187,500)	-	-	125,000
Larry Lo[2]	150,000	-	(75,000)	-	-	75,000
Debbie Carling	150,000	-	(75,000)	-	-	75,000
Greg McCarthy	150,000	-	(75,000)	-	-	75,000

1 Cale Bennett ceased to be KMP on 28 July 2023 and forfeited all his unvested SARs as a result.

2 75,000 SARs granted to Larry Lo on 1 July 2021 with a performance period of 30 June 2022 vested in August 2022 resulting in 35,566 exercisable shares. Larry only exercised 17,783 shares leaving a balance of 17,783 vested and exercisable shares at 30 June 2023.

The following table sets out details of the PRs and SARs granted to persons in their capacity as Executive KMP that have not yet vested or been cancelled as at 30 June 2023. Additionally, movements during the period are noted.

Executive Directors	Grant Date	Vesting date[1]	No. of rights granted	Value per right at grant date	No. of rights vested during the year	Vested %	Forfeited/ Lapsed %	Maximum value yet to vest
Laura Ruffles	**27 October 2022**	**August 2025**	**30,219**	**9.72**	**-**	**-**	**-**	**195,908**
	28 October 2021	August 2024	62,500	6.05	-	-	-	126,364
	28 October 2021	August 2023	62,500	5.33	-	-	-	-
	18 August 2020	August 2022	125,000	7.18	125,000	100	-	-
Cale Bennett[2]	**27 July 2022**	**August 2025**	**30,219**	**9.89**	**-**	**-**	**100**	**-**
	1 July 2021	August 2024	50,000	4.39	-	-	100	-
	1 July 2021	August 2023	50,000	3.66	-	-	100	-
	21 May 2021	August 2024	100,000	6.00	-	-	100	-
	18 August 2020	August 2022	40,000	2.67	40,000	100	-	-
Kevin O'Malley	**27 July 2022**	**August 2025**	**30,219**	**9.89**	**-**	**-**	**-**	**199,335**
	1 July 2021	August 2024	62,500	4.39	-	-	-	91,611
	1 July 2021	August 2023	62,500	3.66	-	-	-	-
	1 November 2020	August 2022	187,500	3.50	187,500	100	-	-
Larry Lo	**27 July 2022**	**August 2025**	**22,664**	**9.89**	**-**	**-**	**-**	**149,499**
	1 July 2021	August 2024	37,500	4.39	-	-	-	54,966
	1 July 2021	August 2023	37,500	3.66	-	-	-	-
	18 August 2020	August 2022	75,000	2.67	75,000	100	-	-
Debbie Carling	**27 July 2022**	**August 2025**	**22,664**	**9.89**	**-**	**-**	**-**	**149,499**
	1 July 2021	August 2024	37,500	4.39	-	-	-	54,996
	1 July 2021	August 2023	37,500	3.66	-	-	-	-
	18 August 2020	August 2022	75,000	2.67	75,000	100	-	-
Greg McCarthy	**27 July 2022**	**August 2025**	**22,664**	**9.89**	**-**	**-**	**-**	**149,499**
	1 July 2021	August 2024	37,500	4.39	-	-	-	54,996
	1 July 2021	August 2023	37,500	3.66	-	-	-	-
	18 August 2020	August 2022	75,000	2.67	75,000	100	-	-

1 SARs and PRs will vest in August of the stated year shortly after the full-year results are announced to the Australian Securities Exchange (ASX).

2 Cale Bennett ceased to be KMP on 28 July 2023 and forfeited all his unvested SARs and PRs.

Shares under options

There are currently no unissued ordinary shares of CTM under options. No share options were granted as equity compensation benefits during the financial year (FY22: nil).

Loans to KMP

There have been no loans granted to Non-Executive Directors and Executive KMP of the Company or their related entities (FY22: nil).

Other transactions and balances with KMP

Contingent consideration of $700,000 in relation to the acquisition of SCT Travel Group Pty Ltd was earned during the financial year and will be paid to Greg McCarthy in FY24.

In the normal course of business, the Group may enter into transactions with various entities that have Directors in common with CTM. Transactions with these entities are made on commercial arm's length terms and conditions. The relevant Directors do not participate in any decisions regarding these transactions.

Non-Executive Directors and Executive KMP can acquire travel and event management services from the Group. All transactions are made on normal commercial terms and conditions and at market rates. There are no amounts outstanding in relation to these transactions at 30 June 2023.

<End of Remuneration Report>

Directors' Report

Continued

Insurance of officers and indemnities

The Company has entered into directors' and officers' insurance policies and paid an insurance premium in respect of the insurance policies, to the extent permitted by the *Corporations Act 2001* (Cth). The insurance policies cover former Directors of the Company along with the current Directors of the Company. Executive officers and employees of the Company and its related bodies corporate are also covered.

In accordance with Rule 24 of its Constitution, the Company, to the maximum extent permitted by law, must indemnify any current or former Director or Company Secretary and current or former executive officers of the Company or any of its related bodies corporate, against all liabilities incurred in those capacities. For the year ended 30 June 2023, no amounts have been paid pursuant to indemnities (FY22: nil).

A Deed of Indemnity, Access and Insurance is in place between the Company and Directors, the Company Secretary and some other current and former executives. The deed indemnifies those persons, to the extent permitted by law, against liabilities, including costs and expenses, incurred as a result of acting in their capacity as officers of the Company or its related bodies corporate.

The Company's Constitution also allows the Company to pay insurance premiums for contracts insuring the officers of the Company in relation to any such liabilities and legal costs. The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability insurance contract, as, in accordance with normal commercial practice, such disclosure is prohibited under the terms of the contract.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, PwC, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit. No payment has been made to PwC during or since the end of the financial year in respect of this indemnification (FY22: nil).

Proceedings on behalf of the Company

During the period, 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, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

During the period, no proceedings have been brought or intervened in on behalf of the Company with the lease of the Court under section 237 of the *Corporations Act 2001*.

Non-Audit Services

PwC provided $282,257 of non-audit services during the year ended 30 June 2023, comprising:

— Tax compliance services - $161,821

— Tax advisory services - $83,005

— Other advisory services - $37,431

The Directors are satisfied that the provision of these
non-audit services is compatible with the general standard of independence for auditors in accordance with the *Corporations Act 2001* (Cth). The nature, value and scope of each type of non-audit service provided is considered by the Directors not to have compromised auditor independence.

Auditor's independence declaration

The Auditor's Independence Declaration for the year ended 30 June 2023 has been received from PwC.
This is set out on page 51 of the Directors' Report.

Directors' Report

Continued

Rounding of amounts

Amounts in the Directors' Report are presented in Australian dollars (unless otherwise indicated) with values rounded to the nearest thousand dollars, or in certain cases, the nearest dollar, in accordance with the Australian Securities and Investments Commission Corporations (Rounding in Financial/Directors' Reports) instrument 2016/191.

This Report is made in accordance with a resolution of the Directors and is signed for and on behalf of the Board.

Ewen Crouch AM
Chairman

Jamie Pherous
Managing Director

23 August 2023
Brisbane

Independent Auditor's Declaration

pwc

Auditor's Independence Declaration

As lead auditor for the audit of Corporate Travel Management Limited for the year ended 30 June 2023, 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.

This declaration is in respect of Corporate Travel Management Limited and the entities it controlled during the period.

Michael Crowe
Partner
PricewaterhouseCoopers

Brisbane
23 August 2023

PricewaterhouseCoopers, ABN 52 780 433 757
480 Queen Street, BRISBANE QLD 4000, GPO Box 150, BRISBANE QLD 4001
T: +61 7 3257 5000, F: +61 7 3257 5999, www.pwc.com.au

Consolidated Financial Statements

General information

Corporate Travel Management Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 24,
307 Queen Street,
Brisbane Queensland 4000

The report is structured as follows:

Consolidated Statement of Profit or Loss and other Comprehensive Income

For the year ended 30 June 2023

	Note	2023 $'000	2022 $'000
Revenue	4	653,402	377,360
Other income	5	6,679	11,322
Total revenue and other income		**660,081**	**388,682**
Operating expenses			
Employee benefits		(391,585)	(256,534)
Information technology and telecommunications		(58,305)	(41,502)
Occupancy		(6,215)	(5,094)
Travel and entertainment		(6,093)	(1,990)
Cost of goods sold		(9,524)	(9,539)
Administrative and general		(24,452)	(25,762)
Depreciation and amortisation	10,16,27	(55,229)	(44,425)
Impairment	26	(1,703)	-
Total operating expenses		**(553,106)**	**(384,846)**
Operating profit		106,975	3,836
Finance costs	18	(2,556)	(2,303)
Profit before income tax expense		**104,419**	**1,533**
Income tax expense	8	(25,649)	(771)
Profit after income tax expense for the year		**78,770**	**762**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss Exchange differences on translation of foreign operations		35,656	35,576
Other comprehensive income for the year, net of tax		35,656	35,576
Total comprehensive income for the year		**114,426**	**36,338**
Profit for the year is attributable to			
Non-controlling interest	30	1,196	(2,339)
Ordinary Equity Holders of Corporate Travel Management Limited	24	77,574	3,101
		78,770	**762**
Total comprehensive income for the year is attributable to			
Non-controlling interest		1,491	(1,959)
Ordinary Equity Holders of Corporate Travel Management Limited		112,935	38,297
		114,426	**36,338**

	Note	2023 cents	2022 cents
Earnings per share for profit attributable to the ordinary equity holders of Corporate Travel Management Limited			
Basic earnings per share	6	53.1	2.2
Diluted earnings per share	6	52.9	2.2

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

For the year ended 30 June 2023

	Note	2023 $'000	2022[1] $'000
Assets			
Current assets			
Cash and cash equivalents	11	150,985	142,054
Trade and other receivables	12	464,541	276,324
Inventories	13	1,867	1,422
Income tax receivable		-	3,890
Other assets		9,745	9,832
		627,138	433,522
Non-current assets classified as held for sale	26	1,501	3,311
Total current assets		**628,639**	**436,833**
Non-current assets			
Investments accounted for using the equity method	14	762	577
Financial assets at fair value through profit or loss	15	6,774	6,998
Property, plant and equipment	27	10,811	11,592
Right-of-use assets	16	34,476	42,422
Intangible assets	10	1,009,598	975,197
Deferred tax assets	8	31,530	34,916
Other assets		261	469
Total non-current assets		**1,094,212**	**1,072,171**
Total assets		**1,722,851**	**1,509,004**
Liabilities			
Current liabilities			
Trade and other payables	17	443,384	343,305
Borrowings	18	-	-
Lease liabilities	19	10,164	10,751
Income tax payable		11,442	-
Provisions	21	35,368	27,165
Total current liabilities		**500,358**	**381,221**
Non-current liabilities			
Trade and other payables	17	106	2,171
Borrowings	18	-	-
Lease liabilities	19	28,245	37,601
Deferred tax liabilities	8	3,078	3,206
Provisions	21	3,447	3,420
Total non-current liabilities		**34,876**	**46,398**
Total liabilities		**535,234**	**427,619**
Net assets		**1,187,617**	**1,081,385**
Equity			
Contributed equity	22	929,400	927,397
Reserves	23	90,714	49,454
Retained earnings	24	152,573	91,095
Equity attributable to the ordinary equity holders of Corporate Travel Management Limited		**1,172,687**	**1,067,946**
Non-controlling interests	30	14,930	13,439
Total equity		**1,187,617**	**1,081,385**

1 Comparative information has been restated to reflect the prior period adjustments detailed in note 9 'Business combinations'.

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2023

Consolidated	Contributed equity $'000	Reserves $'000	Retained earnings $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 July 2021	744,581	3,484	87,994	15,398	851,457
Profit/(loss) after income tax expense for the year	-	-	3,101	(2,339)	762
Other comprehensive income for the year, net of tax	-	35,196	-	380	35,576
Total comprehensive income/(loss) for the year	**-**	**35,196**	**3,101**	**(1,959)**	**36,338**
Transactions with ordinary equity holders in their capacity as ordinary equity holders					
Contributions of equity, net of transaction costs (note 22 'Contributed equity')	182,816	-	-	-	182,816
Share-based payments (note 29 'Share-based payments')	-	10,774	-	-	10,774
Balance at 30 June 2022	**927,397**	**49,454**	**91,095**	**13,439**	**1,081,385**

Consolidated	Contributed equity $'000	Reserves $'000	Retained earnings $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 July 2022	927,397	49,454	91,095	13,439	1,081,385
Profit/(loss) after income tax expense for the year	-	-	77,574	1,196	78,770
Other comprehensive income for the year, net of tax	-	35,361	-	295	35,656
Total comprehensive income/(loss) for the year	**-**	**35,361**	**77,574**	**1,491**	**114,426**
Transactions with ordinary equity holders in their capacity as ordinary equity holders					
Contributions of equity, net of transaction costs (note 22 'Contributed equity')	2,003	-	-	-	2,003
Share-based payments (note 29 'Share-based payments')	-	5,899	-	-	5,899
Dividends paid (note 7 'Dividends paid and proposed')	-	-	(16,096)	-	(16,096)
Balance at 30 June 2023	**929,400**	**90,714**	**152,573**	**14,930**	**1,187,617**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 30 June 2023

	Note	2023 $'000	2022 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of consumption tax)		544,158	417,313
Payments to suppliers and employees (inclusive of consumption tax)		(459,089)	(333,898)
Transaction costs relating to acquisitions		-	(4,403)
Interest received		918	102
Finance costs		(2,171)	(2,929)
Income taxes paid		(3,514)	(2,270)
Net cash from operating activities	11	**80,302**	**73,915**
Cash flows from investing activities			
Payments for property, plant and equipment	27	(4,272)	(4,278)
Payments for intangibles	10	(32,544)	(21,686)
Proceeds from sale of property, plant and equipment		13	9
Payments of contingent/deferred consideration relating to acquisitions	9	(6,814)	(700)
Payments relating to purchase of controlled entities, net of cash acquired	9	(2,088)	(88,171)
Proceeds from sale of subsidiary		-	113
Net cash (used) in investing activities		**(45,705)**	**(114,713)**
Cash flows from financing activities			
Proceeds from issue of new shares	22	-	100,000
Share issue transaction costs	22	-	(2,108)
Release of secured deposits		-	331
Dividends paid to company's shareholders	7	(16,096)	-
Principal elements of lease payments		(11,639)	(9,302)
Net cash from/(used in) financing activities		**(27,735)**	**88,921**
Net increase in cash and cash equivalents		6,862	48,123
Cash and cash equivalents at the beginning of the financial year		142,054	99,018
Effects of exchange rate changes on cash and cash equivalents		2,069	(5,087)
Cash and cash equivalents at the end of the financial year		**150,985**	**142,054**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

Notes to the Consolidated Financial Statements

Note 1. Basis of preparation

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of Corporate Travel Management Limited and its controlled entities ("CTM" or "the Group").

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has ability to affect those returns through its power to direct the activities of the entity.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. For subsidiaries acquired within the current financial year, financial statements will be prepared from the date control is transferred to the Group through to the end of the current reporting period. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-Group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and deconsolidated from the date that control ceases.

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in each of the Group entities' financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the transaction dates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, except when deferred in equit as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary financial assets and liabilities, such as equities held at fair value through profit or loss, are recognised in profit or loss in the Consolidated Statement of Profit or Loss and Other Comprehensive Income as part of the fair value gain or loss.

(iii) Foreign operations

The results and financial position of all the foreign operations that have functional currencies different to the presentation currencies are translated into the presentation currency as follows:

- Assets and liabilities for each Consolidated Statement of Financial Position item presented are translated at the closing rate at the date of that statement;
- Income and expenses for each profit and loss item in the Consolidated Statement of Profit or Loss and Other Comprehensive Income are translated at average exchange rates; and
- All resulting exchange differences are recognised as a separate component of equity.

Exchange differences arising from the translation of any net investment in foreign operations and of borrowings and other financial instruments designated as hedges of such investments are recognised in other comprehensive income. When a foreign operation is sold, deregistered, or liquidated, or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences is recognised in the profit and loss in the Consolidated Statement of Profit or Loss and Other Comprehensive Income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as the foreign operations' assets and liabilities and translated at the closing rate.

Notes to the Consolidated Financial Statements

Note 2. Critical accounting judgements, estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are considered to be reasonable under the circumstances.

In the process of applying the Group's accounting policies, management is required to exercise judgement. Those judgements involve estimations that may have an effect on the amounts recognised in the financial statements.

The Group makes estimates, assumptions and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in this report, as follows:

- Value of intangible assets relating to acquisitions:
  - Refer to note 9 'Business combinations'.
  - Refer to note 10 'Intangible assets'.
- Software developed or acquired not as part of a business combination:
  - Refer to note 10 'Intangible assets'.
- Impairment testing of goodwill:
  - Refer to note 25 'Impairment testing of goodwill'.
- Expected credit losses:
  - Refer to note 20 'Financial risk management'.
- Provisions:
  - Refer to note 21 'Provisions'.
- Share based payments:
  - Refer to note 29 'Share-based payments'.
- Value of investments:
  - Refer to note 14 'Investments accounted for using the equity method'.
  - Refer to note 15 'Financial assets at fair value through profit or loss'.
  - Refer to note 26 'Non-current assets classified as held for sale'.
- The recognition and recoverability of a net deferred tax asset relating to income tax losses:
  - Refer to note 8 'Income tax'.

Notes to the Consolidated Financial Statements

Note 3. Segment reporting

(a) Description of segments

The operating segments are based on the reports reviewed by the group of key senior managers who assess performance and determine resource allocation.

The Chief Operating Decision Makers ("CODMs") for the year ended 30 June 2023 were the Managing Director, Jamie Pherous (MD), Global Chief Financial Officer, Cale Bennett (CFO), and Global Chief Operating Officer, Laura Ruffles (COO).

The CODMs consider, organise and manage the business from a geographic perspective. The CODMs have identified four operating Travel and related service segments being Australia and New Zealand, North America, Asia, and Europe. There are currently no non-reportable segments.

(b) Segment information provided to the Chief Operating Decision Makers

The CODMs assess the performance of the operating segments based on a measure of underlying EBITDA. This measurement basis excludes the effects of the costs of acquisitions, acquisition related adjustments, and other non-recurring items during the year.

The segment information provided to the CODMs for the reportable segments for the year ended 30 June 2023 is as follows:

	Australia and New Zealand $'000	North America $'000	Asia $'000	Europe $'000	Other[1] $'000	Total $'000
June 2023						
Total revenue from external parties	157,761	302,486	50,542	142,613	-	653,402
Other income	2,377	1,216	1,038	391	1,657	6,679
Total revenue and other income	**160,138**	**303,702**	**51,580**	**143,004**	**1,657**	**660,081**
Underlying EBITDA	42,404	44,789	13,945	84,085	(18,161)	167,062
Total segment assets	422,856	592,817	200,174	453,631	53,373	1,722,851
Total segment liabilities	115,746	63,093	93,281	258,076	5,038	535,234

	Australia and New Zealand[2] $'000	North America $'000	Asia $'000	Europe $'000	Other[1] $'000	Total $'000
June 2022						
Total revenue from external parties	66,514	213,270	14,536	83,040	-	377,360
Other income	1,835	4,433	2,772	871	1,411	11,322
Total revenue and other income	**68,349**	**217,703**	**17,308**	**83,911**	**1,411**	**388,682**
Underlying EBITDA	11,864	27,178	(3,012)	37,416	(13,641)	59,805
Total segment assets	376,359	576,945	165,658	355,269	34,773	1,509,004
Total segment liabilities	107,437	73,342	57,893	185,316	3,631	427,619

1 The other segment represents the Group's support service, created to support the operating segments and growth of the global business.

2 Comparative information has been restated to reflect the prior year period adjustments detailed in note 9 'Business combinations'.

Notes to the Consolidated Financial Statements

Note 3. Segment reporting (continued)

(c) Other segment information

Underlying EBITDA

The reconciliation of underlying EBITDA to profit before income tax is provided as follows:

	2023 $'000	2022 $'000
Underlying EBITDA from Continuing Operations	167,062	59,805

	2023 $'000	2022 $'000
Underlying EBITDA	**167,062**	59,805
Interest revenue	918	102
Finance costs	(1,020)	(903)
Interest on lease liabilities	(1,536)	(1,400)
Depreciation - Property, plant and equipment	(5,800)	(5,240)
Depreciation - Right-of-use assets	(11,173)	(9,513)
Amortisation - Intangibles	(23,649)	(20,517)
Underlying profit before income tax expense from continuing operations	**124,802**	**22,334**
Non-recurring items		
Acquisition costs	-	(3,293)
Integration costs	(5,179)	(8,925)
Bad and doubtful debts	1,107	570
	(4,072)	**(11,648)**
Impairment - Held for sale assets	**(1,703)**	**-**
Amortisation - client contracts and relationships	**(14,608)**	**(9,153)**
Profit before income tax from continuing operations	**104,419**	**1,533**

Accounting policy

AASB 8 Operating Segments requires a *'management approach'*, under which segment information is presented on the same basis as that used for internal reporting purposes.

Operating segments are reported in a manner that is consistent with the internal reporting provided to the Chief Operating Decision Makers. The CODMs have been identified as a group of executives, which is the committee that makes strategic decisions.

Goodwill is allocated by management to groups of cash-generating units on a segment level.

Notes to the Consolidated Financial Statements

Note 4. Revenue

(a) Disaggregation of revenue from contracts with customers

Consolidated	Australia and New Zealand $'000	North America $'000	Asia $'000	Europe $'000	Total $'000
2023					
Transactional revenue	148,677	252,262	49,009	134,844	584,792
Volume based incentive revenue	4,780	34,324	1,509	5,254	45,867
Revenue from sale of inventory	-	11,693	-	-	11,693
Licensing revenue	2,908	4,032	-	1,104	8,044
Other revenue	1,396	175	24	1,411	3,006
Total revenue from external parties	157,761	302,486	50,542	142,613	653,402

Consolidated	Australia and New Zealand $'000	North America $'000	Asia $'000	Europe $'000	Total $'000
2022					
Transactional revenue	61,796	175,153	13,987	78,459	329,395
Volume based incentive revenue	778	20,551	528	2,594	24,451
Revenue from sale of inventory	-	12,470	-	-	12,470
Licensing revenue	3,162	4,857	-	992	9,011
Other revenue	778	239	21	995	2,033
Total revenue from external parties	66,514	213,270	14,536	83,040	377,360

(b) Assets and liabilities related to contracts with customers

(i) The Group has contract assets related to contracts with suppliers:

	2023 $'000	2022 $'000
Contract assets	14,917	11,877

Contract assets represent only current balances for amounts outstanding from suppliers for volume based incentive revenue.

(ii) The Group has contract liabilities related to contracts with customers:

	2023 $'000	2022 $'000
Contract liabilities	16,025	16,217

Contract liabilities are amounts received from third parties that are subsequently recognised as revenue in line with the performance obligations attached to the relevant contract.

	2023 $'000	2022 $'000
Revenue recognised that was included in the contract liability balance at the beginning of the period	6,791	5,438

Notes to the Consolidated Financial Statements

Note 4. Revenue (continued)

Accounting policy

Transactional revenue

Transactional revenue is revenue derived from clients and suppliers generated from the provision of travel and accommodation agency services to clients.
The performance obligation is the facilitation of travel and accommodation related services on behalf of clients. Transactional revenue is the fixed amount per client transaction and is recognised at either the ticketed date of the travel booking or on the date of travel, depending on the terms of the contract, or as earned per the contract.

Transactional revenue also includes Pay Direct Commission, which is recognised when the performance obligation has been satisfied and the amount of the commission is highly probable, which is either upon receipt from the supplier or when it is confirmed commissionable by the supplier.

In addition, the Group manages projects and events for clients, including the provision of accommodation services. Revenue is earned in the form of management fees as well as any margin earned on securing accommodation and travel services. Revenue is recognised over the duration of the project or event as activities are performed, individual performance obligations are satisfied or when amounts are confirmed commissionable by the client.

Volume based incentive revenue

Volume based incentive revenue is revenue derived from contracts with suppliers. The revenue is variable and is dependent upon the achievement of contractual performance criteria specific to each supplier. Revenue is recognised over time and is measured as the amount that is deemed highly probable to be received, which has been determined using the most likely amount method and the Group's experience with the contracts.

Revenue from sale of inventory

Revenue from sale of inventory is revenue derived from the sale of gift cards for loyalty programs within the US market. This revenue is recognised at the time the order is dispatched to the customer.

Licencing Revenue

Licencing revenue is revenue derived from the right to use CTM's software and travel supply network. This revenue is recognised over time in-line with the satisfaction of the performance obligation, being the provision of access to software and the travel supply network.

Other Revenue

Other revenue is recognised when the transfer of the promised goods or service to the customer has been completed.
Other revenue includes interest revenue, rental income, and other minor operating revenue.

Notes to the Consolidated Financial Statements

Note 5. Other income

This note provides a breakdown of the items included in other income.

	2023 $'000	2022 $'000
Net foreign exchange gains	1,728	2,450
Net fair value gain/(loss) on investments	(15)	2,148
Government grants	663	3,942
Other	4,303	2,782
Other income	6,679	11,322

In FY23, the Group received government assistance to support staff costs in Singapore.

There are no unfulfilled conditions or other contingencies attached to these grants. The Group did not benefit directly from any other forms of government assistance. Government grant income offsets the cost of retaining additional staff.

Accounting policy

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. If conditions are attached to the grant that must be satisfied before the Group is eligible to receive the contribution, the recognition of the grant as revenue is deferred until those conditions are satisfied.

Notes to the Consolidated Financial Statements

Note 6. Earnings per share

The following information reflects the income and share data used in the basic and diluted earnings per share computations:

Earnings per share for profit from continuing operations	2023 $'000	2022 $'000
Profit after income tax	78,770	762
Non-controlling interest	(1,196)	2,339
Profit after income tax attributable to the ordinary equity holders of Corporate Travel Management Limited	77,574	3,101

	Number	Number
Weighted average number of ordinary shares used as a denominator in calculating basic earnings per share	146,173,544	140,059,733
Adjustments for calculation of diluted earnings per share	599,037	3,558
Weighted average number of ordinary shares used as a denominator in calculating diluted earnings per share	146,772,581	140,063,291

Accounting policy

Basic earnings per share

Basic earnings per share is calculated as net profit/(loss) attributable to owners of the Group, adjusted to exclude any costs of servicing equity (other than dividends) divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share

Diluted earnings per share is calculated as net profit/(loss) attributable to members of the parent, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element, and adjusted for:

— Costs of servicing equity (other than dividends);

— The after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and

— Other non-discretionary changes in revenues or expenses during the period that would result from the conversion into potential ordinary shares.

Notes to the Consolidated Financial Statements

Note 7. Dividends paid and proposed

Dividends paid during the financial year were as follows:

	2023 $'000	2022 $'000
Final ordinary dividend for the year ended 30 June 2022 of 5 cents per fully paid share paid on 5 October 2022	7,316	-
Interim ordinary dividend for the year ended 30 June 2023 of 6 cents per fully paid share paid on 14 April 2023	8,780	-
Total dividends paid	16,096	-

Dividends not recognised at the end of the reporting period

	2023 $'000	2022 $'000
Approved by the Board of Directors in August but not recognised as a liability as at 30 June	32,192	7,260

The aggregate amount of proposed dividend is expected to be paid out of retained earnings, but not recognised as a liability at year end. Amount disclosed for FY22, $7,260,000 differs from the final dividend paid amount, $7,316,000 due to shares issued between 30 June 2022 and dividend declaration date.

	2023 $'000	2022 $'000
Franking credits available for subsequent reporting periods based on a tax rate of 30% (2022: 30%)	-	-

Franking credits are calculated from the balance of the franking account at the end of the reporting period, adjusted for franking credits and debits that will arise from the settlement of liabilities or of receivables for income tax and dividends after the end of the year.

Accounting policy

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at balance dates. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Notes to the Consolidated Financial Statements

Note 8. Income tax

Current income tax	2023 $'000	2022 $'000
Current tax on profits for the year	19,222	7,835
Adjustments for current tax of prior periods	435	1,407
Deferred income tax	-	-
(Increase)/decrease in deferred tax assets	10,848	(13,660)
Increase/(decrease) in deferred tax liabilities	(4,856)	5,189
Aggregate income tax expense	25,649	771
Numerical reconciliation of income tax expense to prima facie tax payable		
Profit before income tax expense	104,419	1,533
Tax at the statutory tax rate of 30%	31,326	460
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible amounts	7,705	2,172
Other amounts	(6,114)	(426)
	32,917	2,206
Adjustments for current tax of prior periods	435	1,407
Recognition of temporary differences previously not brought to account	(2,778)	(299)
Difference in overseas tax rates	(4,354)	(1,257)
Research and development tax credit	(382)	(401)
Utilisation of previously unrecognised tax losses	(189)	(885)
Income tax expense	25,649	771

Deferred income tax

Deferred tax assets	2023 $'000	2022 $'000
The balance comprises temporary differences attributable to		
Provisions	14,830	12,715
Employee benefits (SARs)	2,356	6,232
Lease liabilities	8,531	11,285
Tax losses	42,514	45,934
Other	444	-
	68,675	76,166
Set-off of deferred tax liabilities pursuant to set-off provisions	(37,145)	(41,250)
Net deferred tax assets	31,530	34,916

Deferred tax liabilities	2023 $'000	2022 $'000
The balance comprises temporary differences attributable to		
Depreciation and amortisation	35,430	34,328
Contract assets	(1,636)	(101)
Right-of-use assets	7,742	10,044
Other	(1,313)	185
	40,223	44,456
Set-off of deferred tax assets pursuant to set-off provisions	(37,145)	(41,250)
Net deferred tax liabilities	3,078	3,206

Notes to the Consolidated Financial Statements

Note 8. Income tax (continued)

Deferred tax assets	At 1 July $'000	(Charged)/ credited in year via P&L $'000	(Charged)/ credited in year via equity $'000	Acquisition of subsidiaries $'000	Change in FX rates $'000	At 30 June $'000
2023						
Provisions	12,715	1,894	-	38	183	14,830
Employee benefits (SARs)	6,232	(5,351)	1,475	-	-	2,356
Lease liabilities	11,285	(3,041)	-	-	287	8,531
Tax losses	45,934	(4,850)	-	-	1,430	42,514
Other	-	500	-	-	(56)	444
	76,166	**(10,848)**	**1,475**	**38**	**1,844**	**68,675**

Deferred tax assets	At 1 July $'000	(Charged)/ credited in year via P&L $'000	(Charged)/ credited in year via equity $'000	Acquisition of subsidiaries $'000	Change in FX rates $'000	At 30 June $'000
2022						
Provisions	7,115	3,907	103	1,095	495	12,715
Employee benefits (SARs)	5,620	(1,888)	2,500	-	-	6,232
Lease liabilities	10,825	(1,674)	-	1,706	428	11,285
Tax losses	30,495	13,315	-	-	2,124	45,934
	54,055	**13,660**	**2,603**	**2,801**	**3,047**	**76,166**

Deferred tax liabilities	At 1 July $'000	(Charged)/ credited in year via P&L $'000	(Charged)/ credited in year via equity $'000	Acquisition of subsidiaries $'000	Change in FX rates $'000	At 30 June $'000
2023						
Depreciation and amortisation	34,328	(275)	-	632	745	35,430
Contract assets	(101)	(1,765)	-	-	230	(1,636)
Right-of-use assets	10,044	(2,572)	-	-	270	7,742
Other	185	(244)	(1,236)	-	(18)	(1,313)
	44,456	**(4,856)**	**(1,236)**	**632**	**1,227**	**40,223**

Deferred tax liabilities	At 1 July $'000	(Charged)/ credited in year via P&L $'000	(Charged)/ credited in year via equity $'000	Acquisition of subsidiaries $'000	Change in FX rates $'000	At 30 June $'000
2022						
Depreciation and amortisation	17,345	5,963	-	9,291	1,729	34,328
Contract assets	281	184	-	(591)	25	(101)
Right-of-use assets	9,122	(1,169)	-	1,706	385	10,044
Other	(98)	211	72	-	-	185
	26,650	**5,189**	**72**	**10,406**	**2,139**	**44,456**

The Group has tax losses that arose in foreign subsidiaries of $41,568,000 (2022: 40,719,000) that are available for offsetting against future taxable profits of the companies in which the losses arose. In most cases, the unused tax losses have no expiry date. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group and there is insufficient evidence to support recoverability in the near future. If the Group were able to recognise all unrecognised deferred tax assets, the profit would increase by $7,621,000 (2022: $7,510,000).

Notes to the Consolidated Financial Statements

Note 8. Income tax (continued)

Accounting policy

Tax consolidation

Corporate Travel Management Limited and its 100% owned Australian resident subsidiaries have formed a tax consolidated group with effect from 1 July 2008. Corporate Travel Management Limited is the head entity of the tax consolidated group. Members of the Group have entered into a tax sharing agreement in order to enable Corporate Travel Management Limited to allocate income tax expense to the wholly owned subsidiaries on a pro-rata basis. In addition, the agreement provides for the allocation of income tax liabilities amongst the entities should the head entity default on its tax payment obligations.

Tax effect accounting by members of the tax consolidated group

Members of the tax consolidated group have entered into a tax funding agreement. The tax funding agreement provides for the allocation of current taxes to members of the tax consolidated group in accordance with their accounting profit for the period, while deferred taxes are allocated to members of the tax consolidated group in accordance with the principles of AASB 112 Income Taxes. Allocations under the tax funding agreement are made at the end of each quarter.

The allocation of taxes under the tax funding agreement is recognised as an increase/decrease in the subsidiaries' intercompany accounts with the tax consolidated group head company, Corporate Travel Management Limited.

The income tax expense (or benefit) for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries and associates operate and generate taxable income. It includes adjustments for tax expected to be payable or recoverable in respect of previous periods. Where the amount of tax payable or recoverable is uncertain, management establishes provisions based on either: the Group's judgment of the most likely amount of the liability or recovery or; where there is a range of possible non-binary outcomes, the expected value calculated under a probability weighted approach.

Deferred income tax is provided for in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted, or substantially enacted, by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Consolidated Statement of Financial Position. Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Notes to the Consolidated Financial Statements

Note 9. Business combinations

1000 Mile Travel Group

CTM acquired 100% of the shares of 1000 Mile Travel Group Pty Limited ("1000 Mile") with effect from 1 July 2022 for consideration of $6,787,000, with $4,784,000 paid in cash and the remaining paid via the issuance of 106,336 CTM shares at an issue price of $18.84. 1000 Mile is an Australian-based supplier of travel management solutions, with a network of independent experts specialising in providing business travel services to small-to-medium sized enterprises.

Trade and other receivables approximate the gross contractual amounts receivable, adjusted for any balances expected to be uncollectible.

The acquired business contributed revenues of $9,574,000 and a net profit after tax of $1,094,000 to the Group for the period 1 July 2022 to 30 June 2023. As the acquisition occurred on 1 July 2022, the Group's consolidated revenue and net profit after tax for the year ended 30 June 2023 reflects owning 1000 Mile for the full reporting period.

Fair value acquisition consideration and reconciliation to cash flow	1000 Mile $'000
Initial consideration - cash	4,804
Initial consideration - equity	2,003
Working capital adjustment	(20)
Total acquisition date fair value consideration	**6,787**
Cash paid	4,784
less: cash balances acquired	(2,696)
Total outflow of cash - investing activities	**2,088**

The provisional fair values of the assets and liabilities of the acquired businesses, as at the date of acquisition, are as follows:

	1000 Mile $'000
Current assets	-
Cash and cash equivalents	2,696
Trade and other receivables	1,860
Non-current assets	-
Deferred tax assets	38
Current liabilities	-
Trade and other payables	(3,465)
Income tax payable	(175)
Provisions	(129)
Net identifiable assets acquired	**825**
Goodwill on acquisition	4,489
Intangible assets - client contracts and relationships	1,228
Intangible assets - brands	877
Deferred tax liabilities	(632)
Net assets acquired	**6,787**

Notes to the Consolidated Financial Statements

Note 9. Business combinations (continued)

Prior period business combinations

HLO Corporate

On 31 March 2022, the Group acquired 100% of Helloworld Travel Limited's (ASX: HLO) corporate and entertainment travel businesses ('HLO Corporate'). In the Group's FY22 Financial Statements, provisional acquisition disclosures were made detailing the fair value of consideration paid, and the net assets acquired for HLO Corporate. For the year ended 30 June 2023, the fair value of consideration and net assets acquired have been updated resulting in the following adjustments:

Fair value acquisition consideration and reconciliation to cash flow	Fair value on acquisition 31 March 2022 $'000	Adjustments[1] $'000	Updated fair value on acquisition 31 March 2022 $'000
Initial consideration - cash	100,000	-	100,000
Initial consideration - equity	84,821	-	84,821
Working capital adjustment	4,078	6,074	10,152
Total acquisition date fair value consideration	**188,899**	**6,074**	**194,973**
Cash paid and payable	104,078	6,074	110,152
less: cash balances acquired	(20,034)	-	(20,034)
Total outflow of cash - investing activities	**84,044**	**6,074**	**90,118**

Net assets acquired	Fair value on acquisition 31 Mar 2022 $'000	Adjustments[1] Dec 2022 $'000	Updated fair value on acquisition 31 Mar 2022 $'000
Cash and cash equivalents	20,034	-	20,034
Trade and other receivables	19,613	(4,738)	14,875
Other assets	1,430	-	1,430
Property and equipment	366	-	366
Right-of-use assets	5,685	-	5,685
Intangible assets	1,959	-	1,959
Deferred tax assets	1,686	-	1,686
Trade and other payables - current	(22,928)	4,236	(18,692)
Lease liabilities - current	(1,237)	-	(1,237)
Provisions - current	(2,711)	-	(2,711)
Lease liabilities - non-current	(4,449)	-	(4,449)
Provisions	(80)	-	(80)
Net Identifiable assets acquired	**19,368**	**(502)**	**18,866**
Goodwill on acquisition	148,038	6,576	154,614
Intangible assets - client contracts and relationship	30,300	-	30,300
Intangible assets - brands	250	-	250
Deferred tax liabilities	(9,057)	-	(9,057)
Net assets acquired	**188,899**	**6,074**	**194,973**

1 The change to the business combination value relates to the additional working capital adjustment as a result of calculations in accordance with the process outlined in the Share Purchase Agreement. This has also increased the Goodwill balance by the corresponding amount.

Notes to the Consolidated Financial Statements

Note 9. Business combinations (continued)

Prior period business combinations

During the year ended 30 June 2023, $700,000 of contingent consideration relating to the achievement of performance conditions in FY22 was paid for prior year business combinations. The payment is associated with the acquisition of SCT Travel Group Pty Ltd ("Platinum Travel").

Accounting policy

The purchase method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. The consideration transferred is measured as the fair value of the assets acquired, shares issued or liabilities incurred or assumed at the date of exchange. Acquisition-related costs are expensed in the period in which the costs are incurred.

Where equity instruments are issued in a business combination, the fair value of the instruments is their published market price as at the date of exchange. Transaction costs arising on the issue of equity instruments are recognised directly in equity. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

With limited exceptions, all identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, over the net fair value of the Group's share of the identifiable net assets acquired is recognised as goodwill. If the consideration transferred for the acquisition is less than the Group's share of the net fair value of the identifiable net assets of the subsidiary, the difference is recognised as a gain in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of the cash consideration is deferred, the amounts payable in the future are discounted to their present value, as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified as a financial liability at acquisition. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in other income or other expenses, and interest expense resulting from discounting is recognised within finance costs in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Any subsequent adjustment to the final contingent consideration, based on actual results as at 30 June 2023, has been reflected in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the noncontrolling interests' proportionate share of the acquired entity's net identifiable assets.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position and Consolidated Statement of Changes in Equity.

Critical estimates, assumptions and judgements

Value of intangible assets relating to acquisitions

The Group has allocated portions of the cost of acquisitions to client contracts and relationships, software and other intangibles. Client contracts and relationships were valued using the multi-period excess earnings method. These calculations require the use of assumptions including future customer retention rates and cash flows.

Acquired software has been valued using the cost to re-create method. These calculations require the use of assumptions including the period of time it would take to rebuild the software, the number of people it would take to rebuild the software and the cost per person to rebuild the software.

Acquired other intangible assets were valued using the relief from royalty method. These calculations require the use of assumptions including the projection of financial performance and the estimation of a suitable royalty rate, useful life and discount rate.

Value of financial assets held at fair value through profit or loss and investments accounted for under the equity method

The Group has allocated portions of the cost of acquisitions to financial assets held at fair value through profit or loss. As these minority interests are unlisted securities, significant inputs used to calculate the fair value of these interests are unable to be based upon observable market data and assumptions must be used. The Group relies upon financial information provided by the controlling interest for measurement purposes.

The Group has allocated portions of the cost of acquisitions to investments accounted for under the equity method. Whilst the Group has significant influence over the investee, it does not have a controlling interest and relies upon financial information provided by the investee to calculate the value of these investments.

Notes to the Consolidated Financial Statements

Note 10. Intangible assets

	2023 $'000	2022[1] $'000
Goodwill - at cost	924,497	888,684
Less: Accumulated amortisation & impairment	(23,133)	(22,915)
	901,364	**865,769**
Customer contracts - at cost	139,680	133,659
Less: Accumulated amortisation	(89,467)	(71,368)
	50,213	**62,291**
Software - at cost	139,012	108,867
Less: Accumulated amortisation & impairment	(85,658)	(65,393)
	53,354	**43,474**
Other intangible assets - at cost	6,855	5,765
Less: Accumulated amortisation	(2,188)	(2,102)
	4,667	**3,663**
	1,009,598	**975,197**

1 Comparative information has been restated to reflect the prior period adjustments detailed in note 9 'Business combinations'.

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Client contracts and relationships $'000	Software $'000	Goodwill[1] $'000	Other intangible assets $'000	Total $'000
Balance at 1 July 2021	37,055	38,347	678,253	3,263	**756,918**
Additions	-	21,686	-	-	**21,686**
Additions through business combinations (note 9 'Business combinations')[1]	31,829	1,959	156,918	885	**191,591**
Amortisation expense	(9,153)	(19,903)	-	(614)	**(29,670)**
Exchange differences	2,560	1,385	30,598	129	**34,672**
Balance at 30 June 2022 (restated)[1]	62,291	43,474	865,769	3,663	**975,197**
Additions	-	32,544	-	-	**32,544**
Additions through business combinations (note 9 'Business combinations')	1,228	-	4,489	877	**6,594**
Disposals	-	(50)	-	-	**(50)**
Amortisation expense	(14,608)	(23,629)	-	(20)	**(38,257)**
Exchange differences	1,302	1,015	31,106	147	**33,570**
Balance at 30 June 2023	**50,213**	**53,354**	**901,364**	**4,667**	**1,009,598**

1 Comparative information has been restated to reflect the prior period adjustments detailed in note 9 'Business combinations'.

Notes to the Consolidated Financial Statements

Note 10. Intangible assets (continued)

Accounting policy

Client contracts and relationships

Client contracts and relationships are acquired as part of a business combinations (refer to note 9 'Business combinations' for details). They are recognised at their fair value at the date of acquisition and amortised based on a straight line basis.

Software developed or acquired not as part of a business combination

Costs incurred in developing software products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised as software and systems assets.

Software acquired as part of a business combination

Identifiable intangible software assets acquired through a business combination, which are expected to contribute future period financial benefits through revenue generation and/or cost reduction are capitalised as software and systems assets.

Other

Other intangible assets are recognised at fair value and are amortised over their useful life.
Other intangible assets with an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that the intangible asset may be impaired.

Amortisation expense

The useful lives of the below intangible assets are assessed to be finite.

A summary of the amortisation policies applied to the Group's intangible assets is as follows:

Item	Years	Method	Acquired/Internally generated
Client contracts and relationships	3 - 6	Straight-line	Acquired
Software developed and acquired	3 - 5	Straight-line	Acquired/Internally generated
Other intangible assets	2 - 10	Straight-line	Acquired

Where amortisation is charged on assets with finite lives, this expense is recognised in the Consolidated Statement of Profit and Loss and Other Comprehensive Income in the expense category 'depreciation and amortisation'.

Impairment expense

Goodwill and indefinite life intangibles are tested for impairment annually, or whenever facts and circumstances indicate possible impairment. An impairment loss is recognised when the carrying amount exceeds recoverable amount.
The recoverable amount is the higher of fair value less costs of disposal or value-in-use.

Goodwill

Goodwill is reviewed for impairment, annually, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired (refer to note 25 'Impairment testing of goodwill').

Critical estimates, assumptions and judgements

Client contracts and relationships

The Group recognises customer contracts and relationships arising from business combinations. Estimates and judgements are used in determining the fair value of future benefits of contracts and relationships acquired.

Software developed or acquired not as part of a business combination

The Group recognises internally generated software assets arising from development once they meet the criteria set out in the Australian Accounting Standards. Estimates are used in determining the useful life for amortisation. There is also judgement involved in assessing how the assets will deliver probable future economic benefit to the Group.

Goodwill

Refer to note 25 'Impairment testing of goodwill'.

Software acquired as part of a business combination

Refer to note 9 'Business combinations'.

Notes to the Consolidated Financial Statements

Note 11. Cash and cash equivalents

	2023 $'000	2022 $'000
Cash at bank and on hand	138,646	126,531
Client cash	12,339	15,523
Total cash and cash equivalents	**150,985**	**142,054**

Cash at bank and on hand and client cash earns interest at floating rates. The range of deposit rates as at 30 June 2023 was: 0.00% to 4.5% (2022: -0.50% to 2.20%).

Accounting policy

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash at bank and on hand and short-term deposits, with an original maturity of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Client cash represents amounts contributed by clients that the Group is required by regulation or contract to hold separately before payment to suppliers.

For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents consists of cash and cash equivalents as defined, net of outstanding bank overdrafts.

	2023 $'000	2022 $'000
Reconciliation of profit after income tax to net cash inflow/(outflow) from operating activities		
Profit/Loss for the year	78,770	762
Adjustments for:	-	-
Depreciation and amortisation	55,229	44,425
Impairment expense	1,703	-
Net exchange differences	5	(1,827)
Non-cash interest	381	111
Non-cash employee benefits expense - share-based payments	4,575	8,386
Net (gain)/loss on disposal of non-current assets	(1,545)	23
Unrealised (gain)/loss on financial assets held at fair value	803	(2,150)
(Increase)/decrease in trade and other receivables	(162,240)	(73,002)
(Increase)/decrease in prepayments	299	(1,854)
Increase/(decrease) in deferred tax balances	6,686	(8,539)
Increase/(decrease) in income tax payable	15,449	7,039
Increase/(decrease) in payables and provisions	80,631	100,997
(Increase)/decrease in inventory	(444)	(456)
Net cash flow from operating activities	**80,302**	**73,915**

Note 12. Trade and other receivables

Current assets	2023 $'000	2022[1] $'000
Trade receivables[2]	76,924	36,352
Client receivables[2]	364,749	224,747
Contract assets	14,917	11,877
Less: Allowance for expected credit losses	(10,474)	(9,781)
	446,116	**263,195**
Deposits[3]	5,935	6,926
Other receivables	12,490	6,203
	18,425	**13,129**
Total current trade and other receivables	464,541	276,324

1 Comparative information has been restated to reflect the prior year period adjustments detailed in note 9 'Business combinations'.

2 Trade and client receivables are non-interest bearing and are generally on terms ranging from 7 to 30 days.

3 Deposits balance represents advanced deposits to suppliers and deposits made on behalf of clients for travel which will occur at a future date.

Accounting policy

Trade and client receivables are recognised initially at fair value and, subsequently, measured at amortised cost using the effective interest method, less a provision for impairment in accordance with the simplified approach permitted by AASB 9 Financial Instruments (AASB 9).

The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected credit loss provision for all trade and client receivables and contract assets (refer to note 20 'Financial risk management').

Notes to the Consolidated Financial Statements

Note 13. Inventories

A reconciliation of the values of inventory at the beginning and end of the current and previous financial year is set out below:

Current assets	2023 $'000	2022 $'000
Inventory	1,867	1,422

Amounts recognised in profit or loss

Inventories recognised as an expense during the year ended 30 June 2023 amounted to $9,524,000 (2022: $9,539,000). These were included in cost of goods sold in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Inventory represents gift cards for a loyalty program in the US market.

Accounting policy

Inventory is valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

Revenue from the sale of inventory is recognised at the time the order is fulfilled and sent to the customer. Cost of goods sold is recognised as an expense of the value of inventory sold.

Notes to the Consolidated Financial Statements

Note 14. Investments accounted for using the equity method

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting.

The following table presents the Group's investments accounted for using the equity method at 30 June 2023:

Name of company	Principal activity	Ownership Interest Jun 2023 %	Ownership Interest Jun 2022 %	Investment in associates Jun 2023 $'000	Investment in associates Jun 2022 $'000
2120 Tower LLC (North America)	Commercial real estate	37.78	37.78	-	-
MFG Reisen (Europe)	Travel services	40.00	40.00	762	577

The owner collective of 2120 Tower LLC are currently undertaking to sell the building to which this investment relates, resulting in this asset being classified as an asset held for sale at 30 June 2023. Refer to note 26 'Non-current assets classified as held for sale' for more information.

Accounting policy

Associates

Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the Consolidated Statement of Financial Position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Notes to the Consolidated Financial Statements

Note 15. Financial assets at fair value through profit or loss

Minority interest Investments are investments in entities over which the Group does not have significant influence or joint control. This is generally the case where the Group holds less than 20% share capital. These investments are accounted for at fair value through profit or loss.

The following table presents the Group's financial assets measured and recognised at fair value at 30 June 2023:

	2023 $'000	2022 $'000
Minority interest investments	6,774	6,998

Refer to note 28 'Fair value measurement' for further information on fair value measurement.

Notes to the Consolidated Financial Statements

Note 16. Right-of-use assets

	2023 $'000	2022 $'000
Buildings - right-of-use	63,195	65,375
Accumulated depreciation	(28,011)	(22,341)
Accumulated impairment	(938)	(868)
Total right-of-use assets (buildings)	**34,246**	**42,166**
Motor vehicles - right-of-use	424	399
Less: Accumulated depreciation	(194)	(143)
Total right-of-use assets (motor vehicles)	**230**	**256**
Total right-of-use assets	**34,476**	**42,422**

	2023 $'000	2022 $'000
Opening net book value	42,423	40,526
Additions	6,391	3,607
Additions through the acquisition of businesses (refer to note 9 'Business combinations')	-	7,111
Disposals	(4,250)	(445)
Depreciation	(11,172)	(9,513)
Exchange differences	1,084	1,136
Closing net book value	**34,476**	**42,422**

	2023 $'000	2022 $'000
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in operating expenses)	162	422
Expense relating to variable lease payments not included in lease liabilities (included in operating expenses)	735	966

Accounting policy

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Extension and termination options are included in a number of building leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of the extension and termination options held and exercisable only by the Group and not by the respective lessors.
Most extension options have been included in the lease liabilities. Extension options are only included in the lease term if the lease is reasonably certain to be extended. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Notes to the Consolidated Financial Statements

Note 17. Trade and other payables

	2023 $'000	2022[1] $'000
Current liabilities		
Trade payables[2]	31,718	32,816
Client payables[2]	316,747	244,909
Other payables and accruals[3]	78,194	42,589
Contract Liabilities	16,025	16,217
Acquisition payable	700	6,774
Total current trade and other payables	443,384	343,305
Non-current liabilities		
Other payables and accruals	106	2,171
Total trade and other payables	443,490	345,476

1 Comparative information has been restated to reflect the prior year period adjustments detailed in note 9 'Business combinations'.

2 Trade payables and client payables are non-interest bearing and are normally settled on terms ranging from 7 to 30 days.

3 The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Accounting policy

Client payables result from the provision of travel services and products to clients, and which may also include payables to clients, where clients did not use the travel services and products, or where services were not rendered. Trade payables result from other activities required to provide those travel services, such as corporate services.

Trade and other payables represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Other payables and accruals primarily represent liabilities for goods and services received and amounts recognised as redundancy payments.

Contract liabilities represent amounts received from third parties that are subsequently recognised as revenue in line with the performance obligations attached to the relevant contract.

Acquisition payables are recognised where contingent consideration hurdles have been satisfied, or where there are subsequent working capital adjustments, in relation to previously acquired entities.

Notes to the Consolidated Financial Statements

Note 18. Borrowings

Borrowings

The carrying amounts of the Group's borrowings were as follows at 30 June:

	2023 $'000	2022 $'000
Total borrowings	-	-

The Group has an unsecured syndicated bank loan facility with a total available limit of $100,000,000 and an availability period until 1 July 2025.

Capitalised establishment costs relating to the debt facility are amortised over the life of the facility. As at 30 June 2023, the establishment costs paid which are recognised as current and non-current assets are $189,000 and $261,000 respectively.

The Group has remained in compliance with requirements under its bank facilities throughout the period.

Bank guarantees/letters of credit

The Group provides bank guarantees and letters of credit primarily for the benefit of suppliers in accordance with the requirements of state travel agency licensing, the UK based Rail Delivery Group (RDG), the Airline Reporting Corporation (ARC), and the International Air Transport Association (IATA). The bank guarantee requirements represent a barrier to entry for competitors in these markets and provide a cost advantage for the Group. The table below shows the outstanding balance of guarantees issued by the Group at 30 June. This balance is not expected to grow materially in future years.

	2023 $'000	2022 $'000
Bank guarantees	18,724	17,746

Finance costs

	2023 $'000	2022 $'000
Bank loans including commitment fees	883	820
Interest expense - leases	1,542	1,400
Other finance costs	131	83
Total finance costs	**2,556**	**2,303**

Accounting policy

Borrowings

Borrowings are initially recognised at fair value and are then subsequently measured at amortised cost using the effective interest rate method. Establishment costs are capitalised and are amortised over the life of the related borrowing unless there are no borrowings noted in which case capitalised establishment costs are recognised as Other Assets.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Finance costs

This expense is recognised as interest accrues, using the effective interest method for bank loans and an incremental borrowing rate for lease liabilities. These methods calculate the amortised cost of a financial liability and allocate the interest expense over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount of the financial liability.

Notes to the Consolidated Financial Statements

Note 19. Lease liabilities

	2023 $'000	2022 $'000
Current liabilities		
Lease liabilities - buildings	10,125	10,716
Lease liabilities - vehicles	39	35
	10,164	10,751
Non-current liabilities		
Lease liabilities - buildings	28,186	37,509
Lease liabilities - vehicles	59	92
	28,245	**37,601**
Total lease liabilities	**38,409**	**48,352**

Reconciliation of lease liabilities at 30 June was as follows:

	2023 $'000	2022 $'000
Opening net book value	48,352	46,381
Additions	6,352	2,818
Additions through acquisition of entities (refer to note 9 'Business combinations')	-	7,114
Disposals	(5,845)	(511)
Repayment of principal element of lease liabilities	(11,639)	(9,302)
Exchange differences	1,189	1,852
	38,409	**48,352**

Accounting policy

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 20. Financial risk management

The Group is exposed to market risk (interest rate risk and foreign exchange risk), credit risk, and liquidity risk in the normal course of business. The Group's financial risk management is controlled by a central treasury department under policies approved by the Board. Group Treasury identifies, evaluates, and hedges financial risks in co-operation with the Group's operating units and in accordance with the Board-approved Treasury Policy. The Treasury Policy provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk

Interest rate risk

The Group's income and financial cash flows are impacted by changes in market interest rates, as the Group holds both interest bearing assets and liabilities.

The Group's main interest rate exposure during the period arose from interest receivable on cash deposited with banks. As at 30 June 2023, the Group had no outstanding variable rate borrowings (refer to note 18 'Borrowings').

Interest rate risk is managed using natural hedges, borrowing terms available under facility documents or using interest rate derivatives. As at the balance date, the Group had no interest rate derivatives outstanding. The Group has considered its exposure to interest rate movements and notes that significant changes in interest rates would not result in a material impact to finance costs.

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk. Foreign exchange risk arises from future transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant Group entity.

When managing its net risk position, the Group uses foreign exchange spot and forward contracts. The Group's multi-currency debt facility also allows for borrowings in relevant currencies to provide an offset to revaluation of foreign currency assets where funding is also required.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars, was as follows:

	Cash and cash equivalents $'000	Trade and other receivables $'000	Related party loans $'000	Trade and other payables $'000	Borrowings $'000	Total $'000
2023						
EUR	3,118	4,575	(4,112)	660	-	**4,241**
HKD	5,055	7	(7,103)	(48)	-	**(2,089)**
NZD	3	15	3,262	-	-	**3,280**
USD	61	237	243	(789)	-	**(248)**
CHF	319	1,022	(184)	(789)	-	**368**
SEK	3,402	647	2,485	(2,757)	-	**3,777**
Other	79	21	203	(424)	-	**(121)**
Total foreign exchange risk	**12,037**	**6,524**	**(5,206)**	**(4,147)**	**-**	**9,208**

Based on the 30 June 2023 balances, a 10% stronger and 10% weaker Australian dollar against the currencies held, would result in a loss of $837,000 and a gain of $1,023,000 respectively.

Notes to the Consolidated Financial Statements

Note 20. Financial risk management (continued)

	Cash and cash equivalents $'000	Trade and other receivables $'000	Related party loans $'000	Trade and other payables $'000	Borrowings $'000	Total $'000
2022						
EUR	1,872	3,006	1,063	(2,070)	-	**3,871**
HKD	-	1	932	-	-	**933**
NZD	3	18	746	-	-	**767**
USD	483	227	43	(270)	-	**483**
CHF	143	525	216	(448)	-	**436**
SEK	204	18	125	(73)	-	**274**
Other	412	297	(142)	(394)	-	**173**
Total foreign exchange risk	3,117	4,092	2,983	(3,255)	-	6,937

Based on the 30 June 2022 balances, a 10% stronger and 10% weaker Australian dollar against the currencies held, would have resulted in a loss of $631,000 and a gain of $771,000 respectively.

The following table summarises the foreign exchange rates for the key currencies used in the preparation of the annual report.

	AUD/USD	AUD/GBP	AUD/HKD
2023			
Spot rate	0.6664	0.5249	5.2235
Average rate	0.6733	0.5595	5.2771

	AUD/USD	AUD/GBP	AUD/HKD
2022			
Spot rate	0.6903	0.5669	5.4178
Average rate	0.7255	0.5455	5.6621

(b) Credit risk

Credit risk arises from cash and cash equivalents placed on deposit with counterparties and balances owing from clients and suppliers.

The Group's exposure to credit risk relating to cash and cash equivalents arises from the ability of the counterparty to repay funds placed on deposit. The Group's cash and cash equivalent investments are held on deposit with counterparties holding an investment grade credit rating.

The Group's policy is that all clients which wish to trade on credit terms are subject to credit verification procedures, and subsequent risk limits, which are set for each individual client in accordance with the Group's policies. For some client receivables, the Group may also obtain security in the form of deposits. In addition, receivable balances are actively monitored on an ongoing basis, with the result that the Group's exposure to bad debts has been historically negligible.

Trade and other receivables are subject to the expected credit loss model. The Group has applied the AASB 9 Financial Instruments simplified approach to measuring the expected credit loss, which uses a lifetime expected loss allowance for all receivables and contract assets.

Contract assets represent balances earned which are not yet unconditional and have the same characteristics as trade receivables. The Group has, therefore, concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for contract assets.

To measure the expected credit losses, receivables and contract assets have been grouped based on shared credit risk characteristics (by client industry or supplier type) and the days past due. Based on the grouping of clients, an expected loss rate has been applied. Any individual receivable or contract asset which had significantly increased credit risk, were individually assessed and allowed for. Historic loss events and forward-looking assumptions have been factored into the expected loss allowance calculation for these assets as at 30 June 2023.

Notes to the Consolidated Financial Statements

Note 20. Financial risk management (continued)

On this basis, the loss allowance as at 30 June 2023 and 30 June 2022 was determined as follows:

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
2023					
Expected loss rate (%)	1	2	6	7	2
Carrying amount – client receivables ($'000)	268,483	31,917	29,745	42,135	372,280
Carrying amount – trade receivables ($'000)	38,026	304	3,589	3,303	45,222
Carrying amount – contract assets ($'000)	14,917	-	-	-	14,917
Loss allowance ($'000)	4,390	714	2,121	3,249	10,474

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
2022					
Expected loss rate (%)	2	3	9	21	4
Carrying amount – client receivables ($'000)	183,761	12,823	10,063	18,433	225,080
Carrying amount – trade receivables ($'000)	32,345	726	2,377	886	36,334
Carrying amount – contract assets ($'000)	11,877	-	-	-	11,877
Loss allowance ($'000)	4,156	340	1,107	4,077	9,680

The loss allowances for receivables and contract assets as at 30 June reconcile to the opening loss allowances as follows:

	Client Receivables $'000	Trade Receivables $'000	Contract Assets $'000
Opening loss allowance as at 1 July 2022	**5,703**	**3,190**	**787**
Increase in loss allowances recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income	1,557	(682)	37
Receivables written-off during the year as uncollectible	(119)	-	-
Additions through acquisitions	-	-	-
Closing loss allowance as at 30 June 2023	**7,141**	**2,508**	**824**

	Client Receivables $'000	Trade Receivables $'000	Contract Assets $'000
Opening loss allowance as at 1 July 2021	**4,218**	**1,306**	**258**
Increase/(decrease) in loss allowances recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income	818	1,884	529
Receivables written off during the year as uncollectible	(179)	-	-
Additions through acquisitions	846	-	-
Closing loss allowance as at 30 June 2022	**5,703**	**3,190**	**787**

Receivables and contract assets are written-off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a client or supplier to engage in a repayment plan.

Losses on client and trade receivables and contract assets are presented as bad and doubtful debts for client receivables and transactional overrides or a write-back of revenue for volume-based overrides. Subsequent recoveries will be recognised against the same line items.

Notes to the Consolidated Financial Statements

Note 20. Financial risk management (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting the obligations associated with its financial liabilities. The Group's approach to managing liquidity is to ensure sufficient cash and credit facilities are available to meet its liabilities when due, under both normal and stressed conditions.

In addition to the cash position outlined in note 11 'Cash and cash equivalents', the Group has the following credit facilities available at 30 June 2023. The bank loan amounts in FY23 include the Group's $100,000,000 multi-currency revolving loan facility which matures in July 2025.

	2023 $'000	2022 $'000
Bank loans		
Used	-	-
Unused	100,000	100,000
Total bank loans available	**100,000**	**100,000**
Credit cards		
Used	76,884	45,851
Unused	88,197	66,529
Total credit cards limit	**165,081**	**112,380**
Overdraft facilities		
Used	-	-
Unused	9,554	9,065
Total overdraft facilities available	**9,554**	**9,065**

The Group's credit card facilities are primarily used for client bookings via virtual credit cards.

The following table summarises the contractual timing of undiscounted cash flows of financial liabilities, expressed in AUD as at 30 June 2023. No derivative financial instruments were held as at the reporting date. Cash flows for financial liabilities without a fixed amount or timing are based on the conditions existing at 30 June 2023.

Contractual maturities of financial liabilities	Less than 6 months $'000	6 - 12 months $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount of liabilities $'000
June 2023							
Trade and other payables	428,245	15,139	106	-	-	443,490	443,490
Lease liabilities	5,764	4,854	8,325	16,186	3,944	39,073	38,409
Total non-derivative financial liabilities	**433,309**	**19,993**	**9,131**	**16,186**	**3,944**	**482,563**	**481,899**

Contractual maturities of financial liabilities	Less than 6 months $'000	6 - 12 months $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount of liabilities $'000
June 2022							
Trade and other payables[1]	333,049	10,256	2,171	-	-	345,476	345,476
Lease liabilities	6,306	5,857	10,500	22,399	7,561	52,623	48,352
Total non-derivative financial liabilities	**339,355**	**16,113**	**12,671**	**22,399**	**7,561**	**398,099**	**393,828**

1 Comparative information has been restated to reflect the prior year period adjustments detailed in note 9 'Business combinations'.

Notes to the Consolidated Financial Statements

Note 21. Provisions

Movements in provisions	Employee entitlements $'000	Provisions for other liabilities and charges $'000	Total $'000
At 1 July 2022	10,146	20,439	30,585
Acquisition of subsidiary	129	-	129
Arising during the year	15,624	56,989	72,613
Utilised	(13,483)	(47,214)	(60,697)
Write back of provision	(285)	(3,724)	(4,009)
Transfer to acquisition payable	-	(700)	(700)
Exchange differences	36	858	894
At 30 June 2023	**12,167**	**26,648**	**38,815**
At 1 July 2021	7,304	14,463	21,767
Acquisition of subsidiary	2,745	677	3,422
Arising during the year	13,007	55,550	68,557
Utilised	(12,323)	(45,986)	(58,309)
Write back of provision	(910)	(4,499)	(5,409)
Transfer to acquisition payable	-	(700)	(700)
Exchange differences	323	934	1,257
At 30 June 2022	**10,146**	**20,439**	**30,585**

2023			
Current	11,237	24,131	35,368
Non-current	930	2,517	3,447
	12,167	**26,648**	**38,815**

2022			
Current	9,219	17,946	27,165
Non-current	927	2,493	3,420
	10,146	**20,439**	**30,585**

Accounting policy

Provisions 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 resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. At the end of the reporting period, provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, net of any reimbursement.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Notes to the Consolidated Financial Statements

Note 21. Provisions (continued)

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries including non-monetary benefits, expected to be settled within 12 months of the reporting period, are recognised in other payables and accruals in respect of employees' services up to the reporting date. Liabilities for annual leave and accumulated sick leave, expected to be settled within 12 months of the reporting period, are recognised in the provision for employee benefits in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulated sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Other long-term employee benefits

Liabilities for long service leave are recognised in the provision for employee benefits and measured at the present value of expected future payments to be made in respect of services provided by the employees up to the reporting date, using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on government bonds, with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the Consolidated Statement of Financial Position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Retirement benefit obligations

Contributions to defined contribution funds are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in the future payments are available.

Bonus plans

The Group recognises a provision for future bonus payments where it is contractually obliged or where there is a past practice that has created a constructive obligation.

Provision for other liabilities and charges

Provision for unclaimed charges

The Group recognises a provision for unclaimed charges, arising from the sale of travel services. Based on historical data and past experience, management considers the possibility of claims and, if appropriate, it is written back to the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Note 22. Contributed equity

	2023 $'000	2022 $'000
Ordinary shares - fully paid	929,400	927,397

Ordinary shares entitle the holder to receive dividends as declared and, in the event of winding up the Group, to participate in the proceeds from the sale of all surplus assets in proportion to the number of, and amounts paid up on, shares held.

On a show of hands, every holder of ordinary shares present at a meeting, in person or by proxy, is entitled to one vote and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Movements in ordinary share capital

Details	Date	Shares	Issue price	$'000
Balance	1 July 2021	136,425,516		744,581
Share appreciation rights vested	20 August 2021	431,786		-
Institutional share placement - proceeds used for the acquisition of HLO Corporate	23 December 2021	3,571,429	$21.00	75,000
Share purchase plan - proceeds used for the acquisition of HLO Corporate	28 January 2022	1,190,477	$21.00	25,000
Shares issued as part of HLO Corporate acquisition consideration	31 March 2022	3,571,429	$23.75	84,821
Less: transaction costs arising on share issue				(2,108)
Deferred tax credit recognised directly in equity				103
Balance	**30 June 2022**	**145,190,637**		**927,397**
Shares issued as consideration for the acquisition of 1000 Mile Travel Group	1 July 2022	106,336	$18.84	2,003
Share appreciation rights vested	24 August 2022	1,028,773		-
Balance	30 June 2023	146,325,746		929,400

Accounting policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Capital management

The Group maintains a conservative funding structure that allows it to meet its operational and regulatory requirements, while providing sufficient flexibility to fund future strategic opportunities.

The Group's optimal capital structure includes a mix of debt (refer to note 18 'Borrowings'), cash (refer to note 11 'Cash and cash equivalents') and equity attributable to the parent's equity holders.

When determining dividend returns to shareholders the Board considers a number of factors, including the Group's anticipated cash requirements to fund its growth, operational plan, and current and future economic conditions. There were no dividends paid, recommended or determined during, or for, the current reporting period.

Notes to the Consolidated Financial Statements

Note 23. Reserves

The following table shows a breakdown of the 'reserves' line item as per the Consolidated Statement of Financial Position, and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided in the following table:

	Foreign currency translation $'000	Share-based payments $'000	Total $'000
At 30 June 2021	21,009	(17,525)	3,484
Currency translation difference	35,429	(112)	35,317
Deferred tax	(233)	-	(233)
Other comprehensive Income	**35,196**	**(112)**	**35,084**
Share-based payments			
Expense for the year	-	8,386	8,386
Effect of tax	-	2,500	2,500
At 30 June 2022	**56,205**	**(6,751)**	**49,454**
Currency translation difference	34,125	(150)	33,975
Deferred tax	1,236	-	1,236
Other comprehensive income	**35,361**	**(150)**	**35,211**
Share-based payments			
Expense for the year	-	4,574	4,574
Effect of tax	-	1,475	1,475
At 30 June 2023	**91,566**	**(852)**	**90,714**

Nature and purpose of reserves

Foreign currency translation

Exchange differences arising on translation of foreign controlled entities are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income when the net investment is sold or disposed.

Share-based payments

The share-based payments reserve is used to recognise an expense for the grant date fair value of deferred shares granted to employees but not yet vested over the vesting period, as well as deferred tax associated with future tax deductions.

Notes to the Consolidated Financial Statements

Note 24. Retained earnings

	2023 $'000	2022 $'000
Retained earnings at the beginning of the financial year	91,095	87,994
Profit after income tax expense for the year	77,574	3,101
Dividends paid (refer to note 7 'Dividends paid and proposed')	(16,096)	-
Retained earnings at the end of the financial year	**152,573**	**91,095**

Notes to the Consolidated Financial Statements

Note 25. Impairment testing of goodwill

For goodwill impairment testing, a cash-generating unit (CGU) for the Group, has been defined as the lowest level of travel services operations to which goodwill relates, where individual cash flows can be identified.

	2023 $'000	2022 $'000
The carrying amount of goodwill to the cash generating unit		
Travel services - Australia and New Zealand	215,026	203,664
Travel services - North America	453,063	437,377
Travel services - Asia	57,940	55,801
Travel services - Europe	175,334	162,351
Total goodwill	**901,363**	**859,193**

The recoverable amount of each cash-generating unit (CGU) has been determined based on forecast cash flows, with the value-in-use (VIU) basis being used for all valuations. Forecasts were determined by management using both internal and external data. The forecasts for all regions with the exception of Europe assume the return of activity to pre-COVID-19 Pro-forma levels by FY26 or earlier. For Europe, which is currently trading above pre-COVID-19 Pro-forma levels, the cash flow forecast assumes earnings relating to project work continue through to the end date of existing contracts. Cash flows upon the return to pre-COVID-19 pro forma levels (in ANZ, Asia and North America) or upon the end of project contracts (in Europe) are extrapolated using the annual growth rates in the table below up to year 5, and the long term growth rates in the table below beyond year 5.

The following table sets out the remaining key assumptions for those cash-generating units that have goodwill allocated to them.

	ANZ %	NA %	Asia %	Europe %
2023				
Pre-tax nominal discount rate applied to the cash flow projection	13.79	13.41	13.35	15.31
Cash flows upon the return to pre-COVID-19 pro forma levels (in ANZ, Asia and North America) or upon the end of project contracts (in Europe) are extrapolated using an average nominal growth rate of				
Revenue	3.50	3.50	3.50	3.50
Operating expenses	3.50	3.50	3.50	3.50
Long-term growth rate	2.00	2.00	2.00	2.00

	ANZ %	NA %	Asia %	Europe %
2022				
Pre-tax nominal discount rate applied to the cash flow projection	13.94	12.11	13.27	12.18
Cash flows beyond FY24 (FY25 in Asia), up to year 5, are extrapolated using an average nominal growth rate of				
Revenue	3.50	3.50	3.50	3.50
Operating expenses	3.50	3.50	3.50	3.50
Long-term growth rate	2.00	2.00	2.00	2.00

Notes to the Consolidated Financial Statements

Note 25. Impairment testing of goodwill (continued)

The following key assumptions were used in the modelling:

- Pre-tax discount rates - reflect specific risks and conditions relating to the relevant cash-generating units and the countries in which they operate.
- Revenue - the basis used to determine the amount assigned to sales volume is based on historical experience, expected client retentions and wins, and adjusted for growth and other known circumstances
- Operating expenses - the basis used to determine the amount assigned to the forecast costs are based on historical margins and patterns of revenue, adjusted for growth and other known circumstances.
- Long term growth rates - the growth rate used to extrapolate cash flows beyond the current period is based on historical experience and future expectations for growth in the context of inflation expectations in the countries in which the cash-generating units operate.

Sensitivity to changes in key assumptions

Management recognises that there are various reasons the estimates used in these assumptions may vary. Management does not believe that there are reasonably possible changes in any one key assumption that would result in an impairment charge in any of the CGUs.

Accounting policy

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. To assess impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that have suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

In assessing value in use, estimated cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Notes to the Consolidated Financial Statements

Note 26. Non-current assets classified as held for sale

Through a wholly owned subsidiary (TTRE Inc) CTM holds a 37.78% interest in 2120 Tower LLC. 2120 Tower LLC is a limited liability company that owns an equity interest in the building of CTM's North America headquarters. The investment in 2120 Tower LLC has been accounted for based on the equity method of accounting from its inception (refer to note 14 'Investments accounted for using the equity method'). The asset is periodically compared to commercial real estate market rates equivalents to support the underlying value of the investment to assess the recoverable amount of the investment. As a result of evidence that the market price for commercial real estate has deteriorated, the carrying value of asset has decreased and CTM has recognised an impairment expense.

As at 30 June 2023, 2120 Tower LLC is in the process to market and sell the building by engaging with a real estate agent experienced in such matters.

Current assets	2023 $'000	2022 $'000
Investments	1,501	3,311

Accounting policy

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write-down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Notes to the Consolidated Financial Statements

Note 27. Property, plant and equipment

	Furniture, fixtures and equipment $'000	Computer equipment $'000	Leasehold improvements $'000	Other $'000	Total $'000
Year ended 30 June 2023					
Cost	6,896	19,021	11,061	1,746	38,724
Accumulated depreciation	(4,572)	(14,127)	(8,047)	(1,167)	(27,913)
	2,324	**4,894**	**3,014**	**579**	**10,811**
Opening net book amount	2,089	5,314	3,603	586	11,592
Additions	952	2,554	766	402	4,674
Disposals	(27)	(14)	(17)	-	(58)
Depreciation charge	(924)	(3,030)	(1,475)	(371)	(5,800)
Transfers	87	(87)	-	-	-
Exchange differences	147	157	137	(38)	403
Closing net book amount	**2,324**	**4,894**	**3,014**	**579**	**10,811**

	Furniture, fixtures and equipment $'000	Computer equipment $'000	Leasehold improvements $'000	Other $'000	Total $'000
Year ended 30 June 2022					
Cost	8,911	18,182	11,780	1,648	40,521
Accumulated depreciation	(6,822)	(12,868)	(8,177)	(1,062)	(28,929)
	2,089	**5,314**	**3,603**	**586**	**11,592**
Opening net book amount	1,707	4,261	4,479	708	11,155
Additions	646	3,431	200	226	4,503
Additions through the acquisition of entities	434	-	-	-	434
Disposals	(18)	(5)	(10)	(80)	(113)
Depreciation charge	(591)	(2,793)	(1,472)	(384)	(5,240)
Exchange differences	(89)	420	406	116	853
Closing net book amount	**2,089**	**5,314**	**3,603**	**586**	**11,592**

Accounting policy

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the item. All other repairs and maintenance costs are charged to the profit and loss in the Consolidated Statement of Profit or Loss and Other Comprehensive Income during the reporting period in which they are incurred.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset, calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the year the asset is derecognised.

Depreciation expense

Depreciation is calculated on property, plant and equipment using the following estimated useful lives and methods:

Item	Years	Method
Leasehold improvements	3 - 15	Straight line
Computer equipment	3 - 5	Straight line
Furniture, fixtures and equipment	4 - 10	Straight line

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Notes to the Consolidated Financial Statements

Note 28. Fair value measurement

Fair value hierarchy

The following table presents the Group's financial assets and financial liabilities measured and recognised at fair value at 30 June 2023 on a recurring basis.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
At 30 June 2023				
Financial assets at fair value through profit or loss	-	-	6,774	6,774

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
At 30 June 2022				
Financial assets at fair value through profit or loss	-	-	6,998	6,998

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted marked price used for financial assets and liabilities held by the Group is the closing bid or ask price as appropriate. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over–the–counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Accounting policy for fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Notes to the Consolidated Financial Statements

Note 29. Share-based payments

The Group currently operates an Omnibus Incentive Plan (Incentive Plan) for equity-settled compensation. The Incentive Plan enables CTM to offer a range of different awards, including share appreciation rights (SARs), options, performance rights (PRs) and tax exempt shares. The grant of awards under the Incentive Plan forms an integral part of effectively rewarding executive management, and serves a number of positive purposes, including acting as a retention tool for key employees as well as linking the award of management incentives to shareholder value creation and aligning the interests of senior executives with those of shareholders to encourage the long-term sustainable growth of CTM.

Participation in the Incentive Plan is at the Board's absolute discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Performance Rights

In FY23, PRs were awarded under the Incentive Plan. PRs granted under the Incentive Plan carry no dividend or voting rights.

The PRs only vest if certain criteria are met, the employee remains in service through to the vesting date, and upon the achievement of vesting conditions over the performance period. In the case of PRs issued in FY23, vesting conditions include share price and EBITDA hurdles.

There is no consideration payable by the participant upon exercising vested PRs. The number of shares to be issued is the same as the number of PRs held.

Further details can be found in the Remuneration Report.

The following table summarises the movement in PRs granted under the plan:

	2023 Number of PRs	2022 Number of PRs
As at 1 July	-	-
Granted during the year	737,200	-
Vested during the year	-	-
Forfeited or lapsed during the year	(71,016)	-
As at 30 June	666,184	-
Vested and exercisable at 30 June	-	-

During FY23, 71,016 PRs granted were subsequently forfeited in the year.

PRs outstanding at the end of the year have the following performance period:

Grant date	Performance period	Vesting date	Base Price $	Number of PRs 30 June 2023	Number of PRs 30 June 2022
27 July 2022	1 July 2022 - 30 June 2025	30 June 2025	18.81	592,146	-
27 October 2022	1 July 2022 - 30 June 2025	30 June 2025	18.81	61,950	-
22 November 2022	1 July 2022 - 30 June 2025	30 June 2025	18.81	12,088	-
As at 30 June				666,184	-

Notes to the Consolidated Financial Statements

Note 29. Share-based payments (continued)

Fair value of PRs granted

The assessed weighted average fair value at grant date of the PRs granted during the year ended 30 June 2023 was $9.86. The fair value at grant date was determined using a pricing model that assess the present value of the probability weighted share price upon vesting of the PRs at the vesting date. The model takes into account key inputs such as the share price at the time of the grant, the term of the performance right, the expected price volatility of the underlying share and the risk free interest rate for the term of the PR.

The fair value model inputs for PRs granted during the year ended 30 June 2023 included:

	Price hurdle $	Grant date	Vesting date	Share price at grant date $	Expected price volatility of CTM's shares %	Expected dividend yield %	Risk-free interest rate %
PRs are granted for no consideration and Group's share price growth over a 3 year vesting period	18.81	27 July 2022	August 2025[1]	17.72	35.00	1.00	3.00
PRs are granted for no consideration and Group's share price growth over a 3 year vesting period	18.81	27 October 2022	August 2025[1]	17.47	35.00	1.00	3.00
PRs are granted for no consideration and Group's share price growth over a 3 year vesting period	18.81	22 November 2022	August 2025[1]	16.47	35.00	1.00	3.00

1 Vesting date: The Performance Rights will vest in August of the stated year shortly after the full-year results are announced to the Australian Securities Exchange (ASX).

The expected volatility is based on the historic share price volatility aligned with the remaining life of the PRs, adjusted for any expected changes to the future volatility due to publicly available information.

SARs

Prior to FY23, SARs were awarded under the Incentive Plan. SARs granted under the Incentive Plan carry no dividend or voting rights.

The SARs only vest if certain criteria are met, the employee remains in service through to the vesting date, and upon the achievement of earnings per share growth targets over the performance period.

There is no consideration payable by the participant upon exercising vested SARs. The number of shares to be issued upon vesting of SARs is calculated by reference to an increase in the price of CTM's shares from a base price determined by the Board and the five-day volume weighted average price of CTM's shares immediately preceding the date that the Board determines that the vesting conditions are satisfied or waived.

Further details can be found in the Remuneration Report.

Notes to the Consolidated Financial Statements

Note 29. Share-based payments (continued)

The following table summarises the movement in SARs granted under the plan:

	2023 Number of SARs	2022 Number of SARs
As at 1 July	**4,812,500**	**5,814,750**
Granted during the year	-	2,400,500
Vested during the year	(2,417,000)	(809,750)
Forfeited or lapsed during the year	(512,500)	(2,593,000)
As at 30 June	**1,883,000**	**4,812,500**
Vested and exercisable at 30 June	**939,741**	**304,004**

SARs outstanding at the end of the year have the following performance periods.

Grant date	Performance period	Number of SARs 30 June 2023	Number of SARs 30 June 2022
18 August 2020	1 July 2020 – 30 June 2022	-	1,519,500
1 November 2020	1 November 2020 - 30 June 2022	-	897,500
21 May 2021	17 February 2021 - 30 June 2024	-	100,000
1 July 2021	1 July 2021 - 30 June 2023	879,000	1,085,250
1 July 2021	1 July 2021 - 30 June 2024	879,000	1,085,250
28 October 2021	1 July 2021 - 30 June 2023	62,500	62,500
28 October 2021	1 July 2021 - 30 June 2024	62,500	62,500
		1,883,000	**4,812,500**

1,519,500 and 897,500 SARs granted on 18 August 2020 and 1 November 2020, respectively, with a performance period ending 30 June 2022 vested in August 2022 resulting in the issuance of 1,028,773 shares. 879,000 and 62,500 SARs granted on 1 July 2021 and 28 October 2021, respectively, with a performance period ending 30 June 2023, lapsed without value as the volume weighted average price (VWAP) of CTM's shares in the 5 trading days prior to 30 June 2023, $17.92, was not higher than $21.19 (the base price), which was a vesting condition.

Fair value of SARs granted

There were no SARs issued in FY23. The assessed weighted average fair value at grant date of the SARs granted during the year ended 30 June 2022 was $4.11. The fair value at grant date was determined using the Black-Scholes pricing model that takes into account the share price at the time of the grant, the base price, the term of the SAR, the expected dividend yield, the expected price volatility of the underlying share and the risk free interest rate for the term of the SAR.

Notes to the Consolidated Financial Statements

Note 29. Share-based payments (continued)

The fair value model inputs for SARs granted during the year ended 30 June 2022 included:

	Base price $	Grant date	Vesting date	Share price at grant date $	Expected CTM share price volatility %	Expected dividend yield %	Risk-free interest rate %
SARs are granted for no consideration and vest based on the Group's Earnings per Share growth over a 2 year vesting period	21.19	1 July 2021	August 2023[1]	21.32	32.00	1.00	0.25
SARs are granted for no consideration and vest based on the Group's Earnings per Share growth over a 3 year vesting period	21.19	1 July 2021	August 2024[1]	21.32	32.00	1.00	0.25
SARs are granted for no consideration and vest based on the Group's Earnings per Share growth over a 2 year vesting period	21.19	28 October 2021	August 2023[1]	24.00	32.00	1.00	0.25
SARs are granted for no consideration and vest based on the Group's Earnings per Share growth over a 3 year vesting period	21.19	28 October 2021	August 2024[1]	24.00	32.00	1.00	0.25

1 Vesting date: The Share Appreciation Rights will vest in August of the stated year shortly after the full-year results are announced to the Australian Securities Exchange (ASX).

The expected volatility is based on the historic share price volatility aligned with the remaining life of the SARs, adjusted for any expected changes to future volatility due to publicly available information.

Expenses arising from SARs and PRs

An expense for the year of $4,574,000 has been recognised in the consolidated statement of profit or loss and other comprehensive income with a corresponding amount recognised in the share based payment reserve (refer to note 23 'Reserves'). The expense recognised is based on the number of unvested SARs and PRs on issue that are expected to vest.

Accounting policy

Share-based compensation benefits are provided to employees by way of Share Appreciation Rights (SARs) and Performance Rights (PRs). The fair value of SARs and PRs granted is recognised as an employee benefits expense, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the rights granted, which includes any market performance conditions and the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of SARs and PRs that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, CTM revises its estimates of the number of SARs and PRs that are expected to vest based on the non-market vesting conditions. CTM recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Notes to the Consolidated Financial Statements

Note 30. Interest in other entities

(a) Subsidiary entities

The Group's subsidiary entities at 30 June 2023 are set out in the following table. Unless otherwise stated, each entity has share capital consisting solely of ordinary shares that are held by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Company	Region	Country	Ownership 2023 %	Ownership 2022 %
Corporate Travel Management Group Pty Ltd[1]	ANZ	Australia	100	100
Floron Nominees Pty Ltd	ANZ	Australia	100	100
WA Travel Management Pty Ltd[4]	ANZ	Australia	-	100
Sainten Pty Ltd	ANZ	Australia	100	100
ETM Travel Pty Ltd	ANZ	Australia	100	100
Travelcorp Holdings Pty Ltd[4]	ANZ	Australia	-	100
Travelogic Pty. Limited	ANZ	Australia	100	100
Andrew Jones Travel Pty Ltd	ANZ	Australia	100	100
SCT Travel Group Pty Ltd[4]	ANZ	Australia	-	100
Travelcorp (Aust) Pty Ltd	ANZ	Australia	100	100
Tramada Holdings Pty Ltd	ANZ	Australia	100	100
Tramada International Pty Ltd	ANZ	Australia	100	100
Tramada Systems Pty Ltd	ANZ	Australia	100	100
Corporate Travel Management (New Zealand) Limited	ANZ	New Zealand	100	100
Tramada Systems (USA) Inc[4]	ANZ	United States of America	-	100
CTM Finance Pty Ltd	ANZ	Australia	100	100
QBT Pty Ltd[1]	ANZ	Australia	100	100
TravelEdge Pty Ltd	ANZ	Australia	100	100
Inspire Travel Management Pty Ltd	ANZ	Australia	100	100
Quay Services Pty Ltd[4]	ANZ	Australia	-	100
Show Group Pty Ltd	ANZ	Australia	100	100
STA Travel Academic Pty Ltd	ANZ	Australia	100	100
Nexus Point Travel Pty Ltd	ANZ	Australia	100	100
Granted Worldwide Pty Ltd	ANZ	Australia	100	100
GSS Travel NZ Pty Ltd[4]	ANZ	Australia	-	100
Communico Services Pty Ltd	ANZ	Australia	100	100
1000 Mile Travel Group Pty Ltd[3]	ANZ	Australia	100	-
CTMNZ Holdings Ltd	ANZ	New Zealand	100	100
Atlantic & Pacific Business Travel Ltd	ANZ	New Zealand	100	100
Atlas Ltd	ANZ	New Zealand	100	100
Show Group (NZ) Ltd	ANZ	New Zealand	100	100
CTMNA Holdings Limited[1]	North America	United States of America	100	100
Corporate Travel Management North America Inc[1]	North America	United States of America	100	100
Travefy Incorporated	North America	United States of America	10.00	10.00
TTRE Inc	North America	United States of America	100	100
TTINV Inc	North America	United States of America	100	100
2120 Tower LLC	North America	United States of America	37.78	37.78

1 These subsidiary entities have been granted relief from the necessity to prepare financial reports in accordance with Class Order 2016/785 issued by the Australian Securities and Investments Commission. For further information refer to note 33 'Deed of cross guarantee'.

2 These subsidiary entities were new entities registered during the period

3 These entities were acquired during the period

4 These entities were deregistered during the period

Notes to the Consolidated Financial Statements

Note 30. Interest in other entities (continued)

Company	Region	Country	Ownership 2023 %	Ownership 2022 %
Corporate Travel Management (CAN) Limited	North America	Canada	100	100
QBT USA Inc[4]	North America	United States of America	-	100
Corporate Travel Management (UK) Limited	Europe	United Kingdom	100	100
USD Treasury Coy (UK) Limited	Europe	United Kingdom	100	100
Corporate Travel Management (Europe) Limited	Europe	United Kingdom	100	100
Corporate Travel Management (North) Limited	Europe	United Kingdom	100	100
Portall Travel Limited	Europe	United Kingdom	100	100
Corporate Travel Management (United Kingdom) Ltd	Europe	United Kingdom	100	100
Radius Travel WTT Limited	Europe	United Kingdom	100	100
Travel and Transport UK Limited	Europe	United Kingdom	100	100
Statesman Travel Limited	Europe	United Kingdom	100	100
Statesman Travel Services Limited	Europe	United Kingdom	100	100
Corporate Travel Management (France) SAS	Europe	France	100	100
Corporate Travel Management (Germany) GmbH	Europe	Germany	100	100
Corporate Travel Management (Netherlands) BV	Europe	Netherlands	100	100
Corporate Travel Management (Switzerland) GmbH	Europe	Switzerland	100	100
Corporate Travel Management (Sweden) AB	Europe	Sweden	100	100
Corporate Travel Management s.r.o (Czech Republic)	Europe	Czech Republic	100	100
Corporate Travel Management (Norway) AS	Europe	Norway	100	100
Corporate Travel Management (Denmark) Aps	Europe	Denmark	100	100
Corporate Travel Management (Hungary) Kft	Europe	Hungary	100	100
Corporate Travel Management (Poland) SP. z.o.o	Europe	Poland	100	100
MFG Riesen	Europe	Germany	40.00	40.00
Travellinspector GmbH Schweiz	Europe	Switzerland	40.00	40.00
Statesman Travel Services Private Limited	Europe	India	99.99	99.99
Wealthy Aim Investments Limited	Asia	British Virgin Islands	75.10	75.10
Westminster Travel Limited	Asia	Hong Kong	75.10	75.10
Far Extent Investments Limited	Asia	Hong Kong	75.10	75.10
Profit Shine Holdings Limited	Asia	British Virgin Islands	75.10	75.10
Bees.Travel Limited	Asia	Hong Kong	75.10	75.10
Corporate Travel Management Limited	Asia	Hong Kong	75.10	75.10
CTM Overseas Education Centre Limited	Asia	Hong Kong	75.10	75.10
Lotus Travel Group Limited	Asia	British Virgin Islands	75.10	75.10
Lotus Tours Limited	Asia	Hong Kong	75.10	75.10
Memory Holidays Limited	Asia	Hong Kong	75.10	75.10
Westminster Travel Limited (Taiwan)	Asia	Taiwan	75.10	75.10
Westminster Travel Consultancy (Guangzhou) Limited	Asia	People's Republic of China	75.10	75.10
Guangzhou Anlu Travel Service Co Ltd	Asia	People's Republic of China	75.10	75.10
Global Travel Support Service Co., Ltd (Japan)	Asia	Japan	75.10	75.10
Corporate Travel Management (S) Pte. Ltd	Asia	Singapore	75.10	75.10
Universal Advisory Pte Ltd	Asia	Singapore	75.10	75.10
Safe2travel Pte Ltd	Asia	Singapore	72.47	72.47
Yesrooms Pte Ltd	Asia	Singapore	72.47	72.47
Holiday House Pte Ltd	Asia	Singapore	72.47	72.47

4 These entities were deregistered during the period

Notes to the Consolidated Financial Statements

Note 30. Interest in other entities (continued)

(b) Non-controlling interests (NCI)

The following table summarises the financial information for entities which have a non-controlling interest which is material to the Group.

The amounts disclosed are before intercompany eliminations.

	2023 $'000	2022 $'000
Summarised Statement of Financial Position		
Current assets	122,977	79,050
Current liabilities	(81,774)	(44,976)
Current net assets	41,203	34,074
Non-current assets	76,415	76,741
Non-current liabilities	(10,807)	(12,045)
Non-current net assets	65,608	64,696
Net assets	**106,811**	**98,770**
Accumulated NCI of the subsidiary	**14,930**	**13,439**
Summarised Statement of Profit or Loss and Other Comprehensive Income		
Revenue and other income	51,379	16,892
Loss for the year	4,796	(9,169)
Other comprehensive income for the year	3,256	6,604
Total other comprehensive gain/(loss) for the year	**8,052**	**(2,565)**
Loss for the year allocated to NCI	1,196	(2,339)
Summarised Statement of Cash Flows		
Cash flows from operating activities	10,608	(22,086)
Cash flows from investing activities	(2,467)	(1,455)
Cash flows from financing activities	(11,624)	(2,418)
Net increase/(decrease) in cash and cash equivalents	**(3,483)**	**(25,959)**

Notes to the Consolidated Financial Statements

Note 31. Related party transactions

(a) Parent entities

The ultimate parent entity within the Group is Corporate Travel Management Limited.

(b) Subsidiary entities

Interests in subsidiary entities are set out in note 30 'Interest in other entities'.

(c) Key management personnel compensation

	2023 $'000	2022 $'000
Short-term	6,352	5,884
Post-employment	127	115
Long-term benefits	65	87
Share-based payments	906	2,310
Total KMP compensation	**7,450**	**8,396**

Detailed remuneration disclosures are provided in the Remuneration Report.

(d) Transactions with other related parties

During FY23, a deferred consideration amount of $700,000 was paid to Greg McCarthy (CEO - Australia and New Zealand) in relation to the acquisition of SCT Travel Group Pty Ltd, trading as Platinum Travel acquisition.

(e) Outstanding balances with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	2023 $'000	2022 $'000
Contingent consideration		
Key management personnel[1]	-	646

1 The FY22 balance represented the present value of the contingent consideration to Greg McCarthy, as a part of the acquisition of SCT Travel Group Pty Ltd, trading as Platinum Travel Corporation, refer to note 21 'Provisions'. The final contingent consideration hurdles in relation to the Platinum Travel Corporation have been satisfied in FY23 and $700,000 is to be settled in FY24, refer to note 17 'Trade and other payables'.

(f) Terms and conditions

Directors of the Group hold other directorships as detailed in the Directors' Report. Where any of these related entities are clients of the Group, the arrangements are on normal commercial terms and conditions and at market rates.

Directors and executives can acquire travel and event management services on normal terms and conditions and at market rates. There are no amounts outstanding in relation to these transactions at 30 June 2023.

Notes to the Consolidated Financial Statements

Note 32. Parent entity information

(a) Summary financial information

The individual financial statements of the parent entity show the following aggregate amounts:

Statement of profit or loss and other comprehensive income	2023 $'000	2022 $'000
Profit after income tax	71,669	27,252
Total comprehensive income	**71,669**	**27,252**

Statement of financial position	2023 $'000	2022 $'000
Total current assets	38,112	14,684
Total assets	1,135,928	1,009,201
Total current liabilities	16,643	3,876
Total liabilities	96,497	32,250
Net assets	**1,039,431**	**976,951**

Equity	2023 $'000	2022 $'000
Contributed equity	949,804	947,801
General reserve	-	(6,712)
Share-based payments reserve	(1,809)	-
Retained earnings	91,436	35,862
Total equity	**1,039,431**	**976,951**

(b) Guarantees entered into by the parent entity

The parent entity is party to, and acts as guarantor under the Group's overall financing arrangements as detailed in note 18 'Borrowings'.

(c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2023 or 30 June 2022.

(d) Contractual commitments

The parent did not have any contractual commitments as at 30 June 2023 or 30 June 2022.

Notes to the Consolidated Financial Statements

Note 32. Parent entity information (continued)

Accounting policy

The financial information for the parent entity, Corporate Travel Management Limited, has been prepared on the same basis as the consolidated financial statements, except as follows:

(i) Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial statements of Corporate Travel Management Limited.

(ii) Tax consolidation legislation

Corporate Travel Management Limited and its wholly-owned Australian controlled entities have implemented tax consolidation legislation. The head entity, Corporate Travel Management Limited and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Corporate Travel Management Limited also recognises the current tax liabilities or assets and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

These entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Corporate Travel Management Limited for any current tax payable assumed and are compensated by Corporate Travel Management Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Corporate Travel Management Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts, to assist with its obligations to pay tax installments.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the Group. Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to or distribution from wholly-owned tax consolidated entities.

(iii) Financial guarantees

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for in the parent company and consolidated financial statements.

Notes to the Consolidated Financial Statements

Note 33. Deed of cross guarantee

Corporate Travel Management Limited, Corporate Travel Management Group Pty Ltd, QBT Pty Ltd, Corporate Travel Management (New Zealand), CTMNA Holdings Limited, and Corporate Travel Management North America, Inc, are parties to a deed of cross guarantee, under which each company guarantees the debts of the other companies.

By entering into the deed, the wholly owned Australian entities have been relieved from the requirement to prepare a financial report and Directors' Report under Class Order 2016/785 (as amended) issued by the Australian Securities and Investments Commission.

These companies represent a 'closed group' for the purposes of the Class Order and, as there are no other parties to the deed of cross guarantee that are controlled by Corporate Travel Management Limited, they also represent the 'extended closed group'.

During the year, no new entities were added or removed from the deed of cross guarantee.

The following table presents a Consolidated Statement of Profit or Loss and Other Comprehensive income, Summary of movements in consolidated retained earnings and Consolidated Statement of Financial Position for the year ended 30 June 2023 of the closed group.

Statement of profit or loss and other comprehensive income	2023 $'000	2022 $'000
Revenue	454,827	263,809
Other income	77,804	43,191
Cost of goods sold	(9,524)	(9,539)
Employee benefits	(312,935)	(202,247)
Depreciation and amortisation	(39,301)	(31,602)
Information technology and telecommunications	(49,755)	(34,613)
Travel and entertainment	(4,431)	(1,565)
Occupancy	(3,237)	(2,211)
Administrative and general	(21,530)	(19,904)
Operating profit	**91,918**	**5,319**
Finance costs	(127)	(2,538)
Profit before income tax	**91,791**	**2,781**
Income tax (expense)/benefit	(8,311)	5,444
Profit after income tax	**83,480**	**8,225**
Other comprehensive loss		
Exchange differences on translation of foreign operations	(2,172)	(18,471)
Other comprehensive loss for the year, net of tax	**(2,172)**	**(18,471)**
Total comprehensive income/(loss) for the year	**81,308**	**(10,246)**

Summary of movements in retained earnings	2023 $'000	2022 $'000
Retained earnings at the beginning of the financial year	102,526	94,301
Profit after income tax	83,480	8,225
Dividends paid	(16,096)	-
Retained earnings at the end of the financial year	**169,910**	**102,526**

Notes to the Consolidated Financial Statements

Note 33. Deed of cross guarantee (continued)

Statement of financial position	2023 $'000	2022[1] $'000
Current assets		
Cash and cash equivalents	73,941	34,527
Trade and other receivables	148,404	104,527
Inventories	1,867	1,422
Income tax receivable	543	4,715
Other assets	4,757	6,262
Total current assets	229,512	151,453
Non-current assets		
Financial assets at fair value through profit or loss	1,050	1,014
Investments	874,665	311,822
Property, plant and equipment	6,901	7,861
Right-of-use assets	21,623	28,759
Intangible assets	697,730	689,970
Deferred tax assets	24,841	36,331
Total non-current assets	1,626,810	1,075,757
Total assets	1,856,322	1,227,210
Current liabilities		
Trade and other payables	129,624	114,922
Lease liabilities	6,442	6,863
Related party payables	22,254	9,410
Provisions	12,852	10,099
Total current liabilities	171,172	141,294
Non-current liabilities		
Trade and other payables	106	2,818
Lease liabilities	17,043	25,258
Related party payables	76,385	26,976
Deferred tax liabilities	-	6,920
Provisions	1,011	871
Total non-current liabilities	94,545	62,843
Total liabilities	265,717	204,137
Net assets	1,590,605	1,023,073
Equity		
Contributed equity	1,432,302	932,958
Reserves	(11,607)	(12,411)
Retained earnings	169,910	102,526
Total equity	1,590,605	1,023,073

1 Comparative information has been restated to reflect the prior year period adjustments detailed in note 9 'Business combinations'.

Notes to the Consolidated Financial Statements

Note 34. Auditors' remuneration

The auditor of the Group is PricewaterhouseCoopers.	2023 $	2022 $
Audit services - PricewaterhouseCoopers		
Audit or review of the financial statements	602,904	385,668
Other services - PricewaterhouseCoopers		
Assurance services	-	-
Tax compliance services	71,825	45,350
Tax advisory services	46,000	62,475
Other advisory services	-	-
Total remuneration of other services	117,825	107,825
Total remuneration of PricewaterhouseCoopers Australia	720,729	493,493
Other PricewaterhouseCoopers network firms **Other services in relation to the entity and any other entity in the consolidated group**		
Audit and review of the financial reports	1,428,690	1,206,731
Other assurance services	37,431	45,370
Tax compliance services	89,996	39,453
Tax advisory services	37,005	16,752
Total remuneration of PricewaterhouseCoopers network firms	1,593,122	1,308,306
Non-PricewaterhouseCoopers firms **Services in relation to the entity and any other entity in the consolidated group**		
Audit and review of the financial report	192,018	14,786
Total remuneration of Non-PricewaterhouseCoopers firms	192,018	14,786

Notes to the Consolidated Financial Statements

Note 35. Summary of significant accounting policies

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Corporate Travel Management Limited is a for-profit entity for the purpose of preparing the consolidated financial statements.

The consolidated financial statements have been prepared on a going concern basis.

Compliance with IFRS

The consolidated financial statements of the Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities, fair value through Consolidated Statement of Profit or Loss and Other Comprehensive Income.

(b) Rounding of amounts

Amounts in the Consolidated Financial Statements are presented in Australian Dollars with values rounded to the nearest thousand dollars, or in certain circumstances, the nearest dollar, in accordance with the Australian Securities and Investments Commission Corporations (Rounding in Financial/Directors' Report) instrument 2016/191.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2 'Critical accounting judgements, estimates and assumptions'.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Notes to the Consolidated Financial Statements

Note 36. Events after the reporting period

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Directors' Declaration

30 June 2023

In the Directors' opinion:

— 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 35 'Summary of significant accounting policies' to the financial statements;

— the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2023 and of its 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 33 'Deed of cross guarantee' to the financial statements.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

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

On behalf of the Directors,

Ewen Crouch

Ewen Crouch AM
Chairman

Jamie Pherous
Managing Director

23 August 2023
Brisbane

Independent auditor's report

To the members of Corporate Travel Management Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Corporate Travel Management Limited (the Company) and its controlled entities (together 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 2023 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 30 June 2023
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

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

Independence

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 & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

PricewaterhouseCoopers, ABN 52 780 433 757
480 Queen Street, BRISBANE QLD 4000, GPO Box 150, BRISBANE QLD 4001
T: +61 7 3257 5000, F: +61 7 3257 5999

Independent Auditor's Report

To the members of Corporate Travel Management Limited (Continued)

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

The Group provides travel management and accommodation agency services and operates in four broad geographic regions, being Australia & New Zealand, North America, Asia and Europe. The regional finance functions report to the Group finance function in Brisbane, Australia where the consolidation is performed.

Materiality

- For the purpose of our audit we used overall Group materiality of $6.5 million, which represents approximately 1% of the Group's revenue.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose Group revenue because, in our view, it is reflective of the Group's operating activities during the year and provides a level of materiality which, in our view, is appropriate for the audit having regard to the users of the Group's financial report.
- We utilised a 1% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.

Audit Scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- In establishing the overall approach to the Group audit, we determined the type of audit work that needed to be performed by us, as the Group engagement team, and by component auditors in the USA, Hong Kong and the UK operating under our instruction. We structured our audit as follows:

- – We performed audit procedures over the Australia & New Zealand region, in addition to auditing the consolidation of the Group's regional reporting units into the Group's financial report.
- – Component auditors in the USA, Hong Kong and the UK performed audit procedures over the North America, Asia and Europe regions respectively.

- For the work performed by component auditors in the USA, Hong Kong and the UK, we determined the level of involvement we needed to have in the audit work at these locations to be satisfied that sufficient audit evidence had been obtained as a basis for our opinion on the Group financial report as a whole. This included active dialogue throughout the year through discussions, issuing written instructions, receiving formal interoffice reporting, as well as attending meetings with local management.

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 for the current period. The key audit 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. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

Key audit matter	*How our audit addressed the key audit matter*
Impairment assessment of the Group's goodwill *(Refer to note 25)* At 30 June 2023, the Group recorded $1,009.6m of intangible assets, of which $901.4m related to goodwill. The goodwill is allocated to four cash generating units ("CGUs"), being Australia & New Zealand ("ANZ"), North America, Europe and Asia. As required by Australian Accounting Standards, the Group performed an annual impairment assessment over the goodwill balances by calculating the recoverable amount for each CGU. The assessment was performed as at 30 June 2023, using discounted cash flow models (the "models") prepared on a 'value in use' basis. Given the degree of judgement involved in estimating the key assumptions in the models, including forecast performance, growth rates and discount rates, and the financial significance of the goodwill recognised on the Group's consolidated statement of financial position, we determined that this was a key audit matter.	Our procedures in relation to the impairment assessment of goodwill included, amongst others: • Assessing the appropriateness of the Group's determination of its CGUs • Developing an understanding of the process undertaken by the Group in the preparation of the models used to assess the recoverable amount of the Group's CGUs • Assessing the arithmetical accuracy of the models • Assessing whether the allocation of assets, including goodwill, to CGUs, was consistent with our knowledge of the Group's operations and internal Group reporting • Evaluating the Group's estimated timing of a return to pre-COVID-19 performance (pro-forma) levels for the ANZ, North America and Asia regions, by comparison to external industry forecasts

Independent Auditor's Report

To the members of Corporate Travel Management Limited (Continued)

Key audit matter	How our audit addressed the key audit matter
	• For the Europe region, evaluating the timing of cash flows relating to project work, with reference to relevant signed agreements • Evaluating the Group's historical ability to forecast future cash flows by comparing FY23 forecast performance with reported actual results for the year • Comparing the cash flow forecasts for FY24 used in the models to Board approved budgets for FY24 • Assessing that the discount rates applied in the models reflect the risks of the CGU, with the assistance of PwC valuation experts • Assessing the long-term growth rates, by comparing to external economic forecasts, with the assistance of PwC valuation experts • Assessing the Group's consideration of the sensitivity to a change in key assumptions that either individually or collectively would be required for assets to be impaired and considered the likelihood of such a movement in those key assumptions arising • Evaluating the reasonableness of the disclosures made in Note 25, including those regarding the key assumptions, in light of the requirements of Australian Accounting Standards • Comparing the Group's net assets as at 30 June 2023 of $1,187.6m to its market capitalisation of $2,617.8m at 30 June 2023, noting the $1,430.2m of implied headroom in the comparison.

Key audit matter	How our audit addressed the key audit matter
Recognition and presentation of the Group's revenue *(Refer to note 4)* The Group's provision of travel management and accommodation agency services to clients drives several different revenue streams. The recognition of revenue from each of these streams is dependent upon the terms of the underlying contracts with customers and suppliers. Judgement is involved in the recognition of "Volume based incentive revenue", as revenue is accrued over the contract period based on the expected achievement of contractual performance criteria specific to each supplier. The Group provides accommodation agency services, which operate under specific contractual frameworks that outline the nature of revenue to be earned in connection with these services. We considered the recognition and presentation of revenue to be a key audit matter due to the financial significance of the Group's revenue, the judgement and complexity involved in assessing the entitlement to "Volume based incentive revenue" and revenue recognised for the provision of accommodation agency services, as well as the disclosure considerations per the requirements of Australian Accounting Standards.	Our procedures in relation to the recognition and presentation of the Group's revenue included, amongst others: • Developing an understanding of the Group's revenue streams and recognition criteria • Obtaining the contractual frameworks relating to the provision of accommodation agency services for which revenue has been recognised during the year to develop an understanding of the key terms and performance obligations • Agreeing a sample of revenue transactions for the "Transactional revenue", "Sale of Inventory" and "Licencing revenue" streams to supporting documents, such as customer agreements, invoices, remittances and bank statements • Assessing the Group's entitlement to revenue recognised for the provision of accommodation agency services by inspecting confirmations provided to the Group and reading relevant legal interpretations of contractual frameworks • Comparing on a sample basis, "Volume based incentive revenue" recognised by the Group to supporting documents, including performance summaries and bank statements • Evaluating the reasonableness of the Group's revenue disclosures in light of the requirements of Australian Accounting Standards.

Independent Auditor's Report

To the members of Corporate Travel Management Limited (Continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2023, 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 accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

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 on the other information that we obtained prior to the date of this auditor's report, 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 ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Independent Auditor's Report

To the members of Corporate Travel Management Limited (Continued)

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 33 to 48 of the directors' report for the year ended 30 June 2023.

In our opinion, the remuneration report of Corporate Travel Management Limited for the year ended 30 June 2023 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.

PricewaterhouseCoopers

PricewaterhouseCoopers

Michael Crowe

Michael Crowe
Partner

Brisbane
23 August 2023

Shareholder Information

The shareholder information set out below was applicable as at 20 July 2023.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	Securities	% of Total Securities
1 to 1,000	11,184	4,109,156	2.81
1,001 to 5,000	4,767	10,479,030	7.16
5,001 to 10,000	604	4,189,060	2.86
10,001 to 100,000	403	9,195,363	6.28
100,001 and over	47	118,353,137	80.89
Total	**17,005**	**146,325,746**	**100.00**

Holding less than a marketable parcel	490	4,516	

Based on the Company's closing share price on 20 July 2023 ($19.82), there were 490 holders of less than a marketable parcel of ordinary shares and together they hold 4,516 shares.

Equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Number held	Ordinary shares % of total shares issued
1. Citicorp Nominees Pty Limited	28,727,797	19.63
2. J P Morgan Nominees Australia Pty Limited	22,904,869	15.65
3. HSBC Custody Nominees (Australia) Limited	21,407,856	14.63
4. Pherous Holdings Group Pty Ltd	16,500,000	11.28
5. National Nominees Limited	5,919,852	4.05
6. BNP Paribas Noms Pty Ltd (DRP)	5,179,976	3.54
7. BNP Paribas Nominees Pty Ltd (Agency Lending DRP A/C)	3,190,735	2.18
8. Helloworld Group Pty Ltd	1,840,659	1.26
9. Matimo Pty Ltd (Matimo A/C)	1,451,807	0.99
10. Ms Helen Logas	1,000,497	0.68
11. LJP2 Pty Ltd	1,000,000	0.68
12. HSBC Custody Nominees (Australia) Limited (Nt-Comnwlth Super Corp A/C)	874,594	0.60
13. HSBC Custody Nominees (Australia) Limited (A/C 2)	730,260	0.50
14. Citicorp Nominees Pty Limited (Colonial First State Inv A/C)	628,771	0.43
15. Shamiz Pty Ltd (Sami Superfund A/C)	567,107	0.39
16. Mirrabooka Investments Limited	494,000	0.34
17. BNP Paribas Nominees Pty Ltd BUB24 Custodial Serv Ltd (DRP A/C)	479,643	0.33
18. BNP Paribas Nominees Pty Ltd IB AU Noms (Retail Client DRP A/C)	363,272	0.25
19. Amalfi Trading Pty Ltd (Michael Pherous Family)	355,334	0.24
20. Ms Karen Ann Shaw	278,514	0.19
Top 20 Holders	**113,895,543**	**77.84**
Remaining Holders balance	**32,430,203**	**22.16**
Grand Total	**146,325,746**	**100.00**

Unquoted equity securities	Number on issue	Number of holders
Share Appreciation Rights	1,883,000	66
Performance Rights	666,184	93

Shareholder Information

Substantial holders

As at 2 August 2023, the Company has been notified of the following substantial holders (including associate holdings):

	Number held	Ordinary shares % of total shares issued
Pherous Holdings Group	17,500,000	11.96
Bennelong Funds Management Group Pty Ltd	15,924,691	10.88

Voting rights

The voting rights attaching to each class of equity securities are set out below:

Ordinary shares voting rights

On a show of hands, every member present at a meeting in person or by proxy shall have one vote. Upon a poll, each share shall have one vote. There are currently no options held.

Share Appreciation Rights

Share appreciation rights have no voting rights.

Performance Rights

Performance rights have no voting rights.

Securities purchased on-market

During FY23, a total of 6,054 ordinary shares were acquired on market for the purposes of the Company's employee equity plans and the average price per share purchased was $16.54.

Corporate Directory

As at 30 June 2023

Directors	Ewen Crouch AM Jamie Pherous Sophie Mitchell Jon Brett Marissa Peterson Laura Ruffles
Secretary	Shelley Sorrenson
Annual General Meeting	The Annual General Meeting of Corporate Travel Management Limited is scheduled to be held on 25 October 2023 at 11:00am (AEST)
Registered office in Australia	Level 24, 307 Queen Street Brisbane QLD 4000 Telephone: +61 7 3211 2400
Share registrar	Computershare Investor Services Pty Limited Level 1, 200 Mary Street Brisbane, QLD 4000 Telephone: 1300 787 272 Outside Australia: +61 3 9415 4000
Auditor	PricewaterhouseCoopers Australia 480 Queen Street Brisbane QLD 4000
Stock exchange listing	Corporate Travel Management shares are quoted on the Australian Securities Exchange (ASX).
Website address	travelctm.com
ABN	17 131 207 611

Registered Office:
Corporate Travel Management Limited
Level 24, 307 Queen Street, Brisbane QLD 4000

investor.travelctm.com.au