

1. Company details

| | |
|-------------------|---|
| Name of entity: | Corporate Travel Management Limited (CTM) |
| ABN: | 17 131 207 611 |
| Reporting period: | For the half-year ended 31 December 2023 |
| Previous period: | For the half-year ended 31 December 2022 |

2. Results for announcement to the market

| | Dec 2023 \$'000 | Dec 2022 \$'000 | Change \$'000 | Change % |
|---|--------------------|--------------------|-------------------|-------------------|
| Revenue from ordinary activities | 361,489 | 290,890 | 70,599 | 24% |
| Profit before tax | 67,474 | 21,936 | 45,538 | 208% |
| Profit from ordinary activities after tax | 50,399 | 15,670 | 34,729 | 222% |
| Net Profit for the period attributable to members | 49,440 | 15,929 | 33,511 | 210% |
| | | | Dec 2023 Cents | Dec 2022 Cents |
| Basic earnings per share | | | 33.8 | 11.0 |
| Diluted earnings per share ¹ | | | 33.7 | 10.9 |

¹ Diluted earnings per share (EPS) is calculated based on EPS adjusted for shares from unvested share appreciation rights, and performance rights with a hurdle price below the prevailing share price at the period end where they are not anti-dilutive.

3. Dividends

Current period

An unfranked final ordinary dividend of 22.0 cents per share was paid on 5 October 2023 in respect of FY23.

Since 31 December 2023, the Directors determined to pay an unfranked interim ordinary dividend of 17.0 cents per fully paid share, to be paid on 5 April 2024.

Prior corresponding period

An unfranked final ordinary dividend of 6.0 cents per share was paid on 14 April 2023 in respect of 1HFY23.

4. Net tangible assets

| | Dec 2023 Cents | Dec 2022 Cents |
|---|-------------------|-------------------|
| Net tangible assets per ordinary security | 136 | 85 |

Net tangible assets per ordinary security computation excludes right-of-use assets and lease liabilities.

5. Loss of control over entities

Since FY23, the following entities were deregistered:

- Radius Travel WTT Limited (date of deregistration - 29 August 2023)
- Andrew Jones Travel Pty Ltd (date of deregistration - 10 September 2023)
- Corporate Travel Management (Denmark) ApS (date of deregistration - 18 September 2023)

6. Compliance statement

The Interim Financial Report is based on accounts which have been reviewed by the auditor of Corporate Travel Management Limited. There have been no matters of disagreement and a report of the auditor's review appears in the Interim Financial Report.

The report should be read in conjunction with the Annual Report for the year ended 30 June 2023 and any public announcements made by CTM in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001* and the *ASX Listing Rules*.

Corporate Travel Management Limited

ABN 17 131 207 611

Interim Financial Report - 31 December 2023

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ABN 17 131 207 611

Corporate Travel Management Limited is a company limited by shares, incorporated and domiciled in Australia. Its shares are listed on the Australian Stock Exchange.

Registered Office:

Level 9, 180 Ann Street

Brisbane Queensland 4000

The Directors present their report, together with the consolidated interim 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 half-year ended 31 December 2023.

Directors

The following persons were Directors of CTM during the financial half-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).
- Jamie Pherous (Managing Director).
- Laura Ruffles (Executive Director).

Review of operations

Group overview

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 interim financial statements.

Consolidated Group financial performance

The net profit after tax attributable to the owners of CTM for the financial period amounted to \$49,440,000 (Dec 2022 profit: \$15,929,000). Underlying EBITDA for the financial period was \$100,706,000 (Dec 2022: \$51,263,000).

CTM has delivered record first half revenue and EBITDA during the six months to 31 December 2023. The result was driven by customer and contract wins and strong conversion of revenue to profit. Compared to the prior corresponding period, there was a normalisation of some of the supply chain issues which were hindering the recovery in corporate travel activity. Against this backdrop, corporate travel activity was strong leading into FY24 and throughout Q1. In Q2, a decline in activity versus seasonal norms was observed, as a result of two factors;

- Negative travel sentiment as the conflict in the Middle East escalated, and
- Corporate customer budgets being fully utilised by September 2023, due to unsustainably high-ticket prices, which was most acute in the northern hemisphere, particularly in the USA.

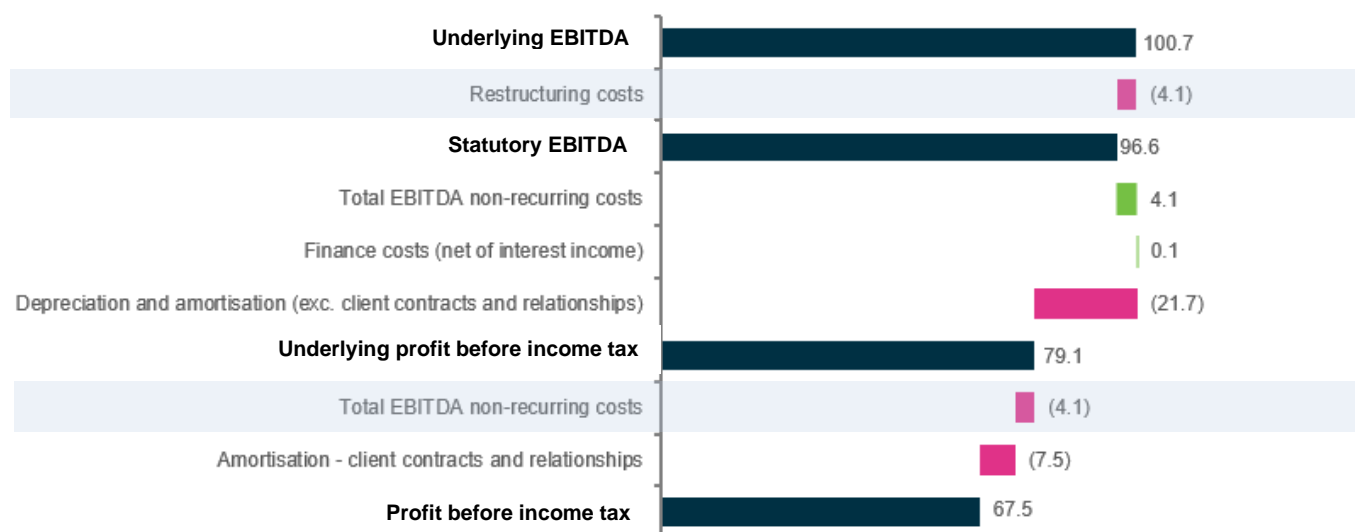
These Q2 factors led to a softer than expected 1H revenue and EBITDA result. It is expected that activity will recover in the second half as budgets are re-set and travellers adjust to the macro environment. January activity supported this assumption, with an encouraging rebound in corporate travel implying that both issues above have dissipated.

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 persistently complex travel environment. CTM continues to identify and invest where there is an appropriate return on investment.

The reconciliation to profit before income tax from continuing operations is set out in note 2 'Segment reporting'.

The Group's balance sheet remains strong with no drawn debt and cash holdings of \$131,342,000 at 31 December 2023.

Underlying EBITDA to Statutory Net Profit Before Tax Reconciliation (\$m)



Consolidated Group financial results

| | Dec 2023 \$'m | Dec 2022 \$'m | Change % |
|--|------------------|------------------|-------------|
| Reported AUD | | | |
| Total revenue and other income | 363.7 | 291.9 | 25 |
| Underlying EBITDA | 100.7 | 51.3 | 96 |
| Underlying EBITDA as % of revenue and other income | 27.7% | 17.6% | |

Group Financial Position

The first half was a record financial result for the company.

Group total revenue and other income of \$363,700,000 was up 25% due largely to market share gains. The Group continues to execute on improving efficiency and controlling costs, evidenced by translating the 25% gain in revenue into 96% uplift in underlying EBITDA to \$100,700,000.

The Group continues to maintain its strong balance sheet, with net current assets of \$147,624,000 (30 June 2023: \$128,281,000) and total equity of \$1,188,217,000 (30 June 2023: \$1,187,617,000). At 31 December 2023, the Group had no drawn debt (30 June 2023: nil), and a cash balance of \$131,342,000 (30 June 2023: \$150,985,000).

Dividends

The final unfranked dividend for the financial year ended 30 June 2023 of 22.0 cents per share was paid on 5 October 2023. Since 31 December 2023, the Directors have determined to pay an unfranked interim ordinary dividend out of retained earnings, of 17.0 cents per fully paid share, to be paid on 5 April 2024.

Regional operations financial results

The regional financial results are summarised in the following section.

North America

| | Dec 2023 \$'m | Dec 2022 \$'m | Change % |
|--|------------------|------------------|-------------|
| Reported AUD | | | |
| Total revenue and other income | 150.7 | 145.8 | 3 |
| Underlying EBITDA | 20.5 | 16.6 | 23 |
| Underlying EBITDA as % of revenue and other income | 13.6 | 11.4 | |

New client wins transacting improved during the half-year ended 31 December 2023 and led to an increase in total revenue and other income of 3% to \$150,700,000 in North America. Management's focus on productivity and technology positively impacted the overall cost structure, resulting in strong conversion of revenue to EBITDA growth and a resulting increase to underlying EBITDA of 23% to \$20,500,000.

Travel activity in the region started out strongly in the first quarter. In Q2, a decline in activity versus seasonal norms was observed, as a result of two factors:

- Negative travel sentiment as the conflict in the Middle East escalated, and
- Corporate customer budgets being fully utilised by September 2023 due to unsustainably high-ticket prices. Ticket prices have since experienced a double digit decline, particularly for international travel which has the highest dollar value. This is a positive for customer travel budgets which are typically reset on 1 January of each calendar year.

Encouraging January activity implies that both issues above have dissipated. In addition to the strong market share growth and continued execution of automation, the region grew underlying EBITDA by 60% versus January 2023. As a result, management expects this momentum to continue into calendar year 2024.

Management's focus is on implementing new clients, and continued market share gains, whilst streamlining operations to ensure the cost base remains relatively steady as revenue grows.

Europe

| | Dec 2023 \$'m | Dec 2022 \$'m | Change % |
|--|------------------|------------------|-------------|
| Reported AUD | | | |
| Total revenue and other income | 98.5 | 45.2 | 118 |
| Underlying EBITDA | 63.0 | 17.0 | 271 |
| Underlying EBITDA as % of revenue and other income | 64.0 | 37.6 | |

Total revenue and other income increased by 118% to \$98,500,000 in Europe, resulting in underlying EBITDA of \$63,000,000, up 271% for the half-year ended 31 December 2023.

Europe's performance in the period continued to benefit from strong activity across both its corporate and Government customer base. Activity relating to the humanitarian work for the UK Government under the Bridging contract was materially lower than the customer's initial expectations, but this was more than offset by other projects not limited to but including Ukraine, Afghanistan, Israel and Sudan extractions. New client and contract wins from prior periods, with high CTM technology uptake over increasing scale and automation, is supporting high revenue conversion to profit.

Management in Europe is focussed upon driving organic growth and developing CTM technology. The region is expected to continue to realise efficiency savings as a result of scale and technology, which benefits our customers and will continue to support strong results in the future.

Australia and New Zealand

| | Dec 2023 \$'m | Dec 2022 \$'m | Change % |
|--|------------------|------------------|-------------|
| Reported AUD | | | |
| Total revenue and other income | 81.4 | 80.7 | 1 |
| Underlying EBITDA | 18.6 | 23.5 | (21) |
| Underlying EBITDA as % of revenue and other income | 22.9 | 29.1 | |

Compared to the prior comparative period, total revenue and other income increased by 1% to \$81,400,000 in ANZ, resulting in underlying EBITDA of \$18,600,000.

Whilst domestic travel activity has returned to pre-COVID levels, international is still yet to fully recover, due to the ongoing recovery in supply, and lack of competition amongst suppliers. This is expected to improve during calendar year 2024.

Revenue increased by 1% in ANZ compared to 1H FY23, however, activity in ANZ during the second quarter was impacted by negative travel sentiment as the conflict in the Middle East escalated, which drove a softer than expected revenue outcome. Since December, the region has seen a strong rebound in travel demand, with revenue up more than 11% in January 2024 versus January 2023.

Significant additional costs were incurred through the first half of FY24 supporting both the legacy Government framework, and costs associated with preparing new systems and processes for the new client framework. This framework is now in place, as of early February 2024, including the implementation of CTM's proprietary hotel platform, CTM Sleep Space. This will allow both additional revenue and the removal of costs supporting the legacy system. As a result, the region expects EBITDA margins to now move towards historical averages.

The region continues to focus on eliminating costs associated with supporting dual system for the Whole of Australian Government (WoAG), expanding CTM Sleep Space across its client base and winning new clients. The first half of FY24 was the region's best result in new client win performance since pre-COVID, which will provide a tailwind for performance in future periods.

Asia

| | Dec 2023 \$'m | Dec 2022 \$'m | Change % |
|--|------------------|------------------|-------------|
| Reported AUD | | | |
| Total revenue and other income | 32.5 | 19.9 | 63 |
| Underlying EBITDA | 9.1 | 3.4 | 168 |
| Underlying EBITDA as % of revenue and other income | 28.0 | 17.1 | |

For the half-year ended 31 December 2023, total revenue and other income increased by 63% to \$32,500,000, resulting in underlying EBITDA of \$9,100,000, up 168%.

Asia has delivered a strong first half result driven by customer wins and the continued recovery in airline capacity, which remains constrained and is a key impediment to the post-pandemic recovery in travel volumes. The region's revenue result in the second quarter softened as a result of negative travel sentiment, as the conflict in the Middle East escalated. This second quarter macro impact appears to have dissipated, with January 2024 underlying EBITDA up 196% versus January 2023. Additionally, further gains in revenue and EBITDA are expected in the second half as airline capacity increases in the region.

The Asia business continues to grow its corporate client base. This has enabled strong revenue margins in the region. As capacity increases, the China-outbound wholesale market which is still a recovery laggard, is expected to rapidly recover, providing a tailwind to profits.

Events after the reporting period

No matter or circumstance has arisen since 31 December 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.

Rounding of amounts

Amounts in the consolidated interim financial statements and the Directors' Report have been rounded to the nearest thousand dollars (unless otherwise indicated) in accordance with the Australian Securities and Investments Commission Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this Directors' Report.

This report is made in accordance with a resolution of Directors.

On behalf of the Directors



Mr Ewen Crouch AM
Chairman



Mr Jamie Pherous
Managing Director

21 February 2024
Brisbane



Auditor's Independence Declaration

As lead auditor for the review of Corporate Travel Management Limited for the half-year ended 31 December 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 review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

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

A handwritten signature in black ink, appearing to read 'K Challenor'.

Kim Challenor
Partner
PricewaterhouseCoopers

Brisbane
21 February 2024

Corporate Travel Management Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023



| | Note | Dec 2023 \$'000 | Dec 2022 \$'000 |
|--|------|--------------------|--------------------|
| Revenue | 2 | 361,489 | 290,890 |
| Other income | | 2,224 | 968 |
| Total revenue and other income | | 363,713 | 291,858 |
| Operating expenses | | | |
| Employee benefits | | (209,085) | (187,471) |
| Information technology and telecommunications | | (31,942) | (28,710) |
| Occupancy | | (3,036) | (2,656) |
| Purchases and other direct costs | | (5,334) | (5,215) |
| Administrative and general | | (16,495) | (17,360) |
| Depreciation and amortisation | | (29,159) | (27,227) |
| Total operating expenses | | (295,051) | (268,639) |
| Operating profit | | 68,662 | 23,219 |
| Finance costs | | (1,188) | (1,283) |
| Profit before income tax expense | | 67,474 | 21,936 |
| Income tax expense | | (17,075) | (6,266) |
| Profit after income tax expense for the half-year | | 50,399 | 15,670 |

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

Corporate Travel Management Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023



| | Note | Dec 2023 \$'000 | Dec 2022 \$'000 |
|---|------|--------------------|--------------------|
| Other comprehensive income/(loss) | | | |
| Items that may be reclassified subsequently to profit or loss: | | | |
| Exchange differences on translation of foreign operations | | (17,679) | 10,025 |
| Other comprehensive income/(loss) for the half-year, net of tax | | (17,679) | 10,025 |
| Total comprehensive income for the half-year | | 32,720 | 25,695 |
| Profit for the half-year is attributable to: | | | |
| Non-controlling interest | | 959 | (259) |
| Ordinary Equity Holders of Corporate Travel Management Limited | | 49,440 | 15,929 |
| Profit after Income tax expense for the half-year | | 50,399 | 15,670 |
| Total comprehensive income for the half-year is attributable to: | | | |
| Non-controlling interest | | 659 | (98) |
| Owners of Corporate Travel Management Limited | | 32,061 | 25,793 |
| | | 32,720 | 25,695 |
| Earnings per share for profit attributable to the Ordinary Equity Holders of Corporate Travel Management Limited | | Cents | Cents |
| Basic earnings per share | | 33.8 | 11.0 |
| Diluted earnings per share | | 33.7 | 10.9 |

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

Corporate Travel Management Limited
Consolidated statement of financial position
As at 31 December 2023



| | Note | Dec 2023 \$'000 | Jun 2023 \$'000 |
|---|------|--------------------|--------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 4 | 131,342 | 150,985 |
| Trade and other receivables | 6 | 387,630 | 464,541 |
| Inventory | | 1,419 | 1,867 |
| Other assets | | 15,354 | 9,745 |
| | | 535,745 | 627,138 |
| Non-current assets classified as held for sale | | 1,468 | 1,501 |
| Total current assets | | 537,213 | 628,639 |
| Non-current assets | | | |
| Investments accounted for using the equity method | | 776 | 762 |
| Financial assets at fair value through profit or loss | 10 | 6,659 | 6,774 |
| Property, plant and equipment | | 10,757 | 10,811 |
| Right-of-use assets | | 37,893 | 34,476 |
| Intangible assets | 5 | 992,865 | 1,009,598 |
| Deferred tax assets | | 29,047 | 31,530 |
| Other assets | | 211 | 261 |
| Total non-current assets | | 1,078,208 | 1,094,212 |
| Total assets | | 1,615,421 | 1,722,851 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 7 | 339,856 | 443,384 |
| Borrowings | 8 | - | - |
| Lease liabilities | | 10,105 | 10,164 |
| Income tax payable | | 3,502 | 11,442 |
| Provisions | | 36,126 | 35,368 |
| Total current liabilities | | 389,589 | 500,358 |
| Non-current liabilities | | | |
| Trade and other payables | 7 | 62 | 106 |
| Borrowings | 8 | - | - |
| Lease liabilities | | 30,895 | 28,245 |
| Deferred tax liabilities | | 2,885 | 3,078 |
| Provisions | | 3,773 | 3,447 |
| Total non-current liabilities | | 37,615 | 34,876 |
| Total liabilities | | 427,204 | 535,234 |
| Net assets | | 1,188,217 | 1,187,617 |
| Equity | | | |
| Contributed equity | 9 | 926,442 | 929,400 |
| Reserves | | 76,365 | 90,714 |
| Retained earnings | | 169,821 | 152,573 |
| Equity attributable to the Ordinary Equity Holders of Corporate Travel Management Limited | | 1,172,628 | 1,172,687 |
| Non-controlling interests - equity | | 15,589 | 14,930 |
| Total equity | | 1,188,217 | 1,187,617 |

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

Corporate Travel Management Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2023



| | Contributed equity \$'000 | Reserves \$'000 | Retained earnings \$'000 | Non- controlling interest \$'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 half-year | - | - | 15,929 | (259) | 15,670 |
| Other comprehensive income for the half-year, net of tax | - | 9,864 | - | 161 | 10,025 |
| Total comprehensive income/(loss) for the half-year | - | 9,864 | 15,929 | (98) | 25,695 |
| Transactions with Ordinary Equity Holders in their capacity as Ordinary Equity Holders: | | | | | |
| Contributions of equity, net of transaction costs | 2,003 | - | - | - | 2,003 |
| Share-based payments | - | 3,948 | - | - | 3,948 |
| Dividends paid (note 3) | - | - | (7,316) | - | (7,316) |
| Balance at 31 December 2022 | 929,400 | 63,266 | 99,708 | 13,341 | 1,105,715 |
| | Contributed equity \$'000 | Reserves \$'000 | Retained earnings \$'000 | Non- controlling interest \$'000 | Total equity \$'000 |
| Balance at 1 July 2023 | 929,400 | 90,714 | 152,573 | 14,930 | 1,187,617 |
| Profit after income tax expense for the half-year | - | - | 49,440 | 959 | 50,399 |
| Other comprehensive (loss) for the half-year, net of tax | - | (17,379) | - | (300) | (17,679) |
| Total comprehensive income/(loss) for the half-year | - | (17,379) | 49,440 | 659 | 32,720 |
| Transactions with Ordinary Equity Holders in their capacity as Ordinary Equity Holders: | | | | | |
| Contributions of equity, net of transaction costs (note 9) | - | - | - | - | - |
| Share-based payments | - | 3,030 | - | - | 3,030 |
| On-market buy-back (note 9) | (2,958) | - | - | - | (2,958) |
| Dividends paid (note 3) | - | - | (32,192) | - | (32,192) |
| Balance at 31 December 2023 | 926,442 | 76,365 | 169,821 | 15,589 | 1,188,217 |

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

Corporate Travel Management Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2023



| | Note | Dec 2023 \$'000 | Dec 2022 \$'000 |
|--|------|--------------------|--------------------|
| Cash flows from operating activities | | | |
| Receipts from customers (inclusive of consumption tax) | | 504,090 | 233,400 |
| Payments to suppliers and employees (inclusive of consumption tax) | | (436,878) | (233,342) |
| Transaction costs relating to acquisitions | | - | (1,119) |
| Interest received | | 1,258 | 303 |
| Finance costs | | (1,035) | (1,115) |
| Income tax received/(paid) | | (23,407) | 2,317 |
| Net cash from in operating activities | | 44,028 | 444 |
| Cash flows from investing activities | | | |
| Payments for property, plant and equipment | | (3,026) | (2,170) |
| Payments for intangibles | 5 | (18,846) | (14,146) |
| Proceeds from sale of property, plant and equipment | | 1 | 13 |
| Payment of deferred consideration | | (700) | - |
| Payments relating to purchase of controlled entities, net of cash acquired | | - | (2,088) |
| Net cash (used) in investing activities | | (22,571) | (18,391) |
| Cash flows from financing activities | | | |
| On-market buy-back | 9 | (2,958) | - |
| Dividends paid to company's shareholders | 3 | (32,192) | (7,316) |
| Principal elements of lease payments | | (5,625) | (6,173) |
| Net cash (used) in financing activities | | (40,775) | (13,489) |
| Net (decrease) in cash and cash equivalents | | (19,318) | (31,436) |
| Cash and cash equivalents at the beginning of the financial half-year | | 150,985 | 142,054 |
| Effects of exchange rate changes on cash and cash equivalents | | (325) | (338) |
| Cash and cash equivalents at the end of the financial half-year | | 131,342 | 110,280 |

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

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Note 1. Basis of preparation

Basis of preparation

This condensed interim financial report for the half-year reporting period ended 31 December 2023 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* (Cth). The condensed interim financial report has been prepared on a going concern basis.

This condensed interim financial report does not include all the notes normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2023 and any public announcements made by Corporate Travel Management Limited ('CTM' or 'the Group') during the interim reporting period, in accordance with the continuous disclosure requirements of the *Corporations Act 2001* (Cth) and the *ASX Listing Rules*.

The accounting policies adopted are consistent with those policies of the previous financial year and corresponding interim period. The consolidated Interim Financial Report is presented in Australian dollars with all values rounded to the nearest thousand dollars unless otherwise stated, in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

New and amended standards adopted by the Group

A number of amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

Note 2. Segment reporting

(a) Description of segments

The operating segments are based on the reports reviewed by the Chief Operating Decision Makers ('CODMs'), a group of key senior managers who assess performance and determine resource allocation.

The CODMs for the half year ended 31 December 2023 were the Managing Director, Jamie Pherous (MD), Acting Global Chief Financial Officer, James Patterson (CFO), Chief Executive Officer ANZ, Asia & Europe, Laura Ruffles (CEO), and Chief Executive Officer North America, Kevin O'Malley (CEO).

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 CODMs

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 period.

The segment information provided to the CODMs for the reportable segments for the half-year ended 31 December 2023 is as follows.

| December 2023 | Australia and New Zealand \$'000 | North America \$'000 | Asia \$'000 | Europe \$'000 | Other ¹ \$'000 | Total \$'000 |
|--|--|----------------------------|----------------|------------------|------------------------------|------------------|
| Transactional revenue | 76,734 | 123,565 | 30,669 | 92,205 | - | 323,173 |
| Volume based incentive revenue | 2,084 | 17,393 | 1,585 | 4,027 | - | 25,089 |
| Revenue from sale of inventory | - | 6,647 | - | - | - | 6,647 |
| Licensing revenue | 1,553 | 1,819 | - | 484 | - | 3,856 |
| Other revenue | 804 | 233 | 106 | 1,581 | - | 2,724 |
| Total revenue from external parties | 81,175 | 149,657 | 32,360 | 98,297 | - | 361,489 |
| Other Income | 179 | 1,051 | 148 | 169 | 677 | 2,224 |
| Total revenue and other income | 81,354 | 150,708 | 32,508 | 98,466 | 677 | 363,713 |
| Underlying EBITDA | 18,636 | 20,538 | 9,070 | 63,021 | (10,559) | 100,706 |
| Total segment assets | 407,186 | 569,421 | 185,366 | 410,696 | 42,752 | 1,615,421 |
| Total segment liabilities | 104,953 | 48,641 | 95,646 | 174,389 | 3,575 | 427,204 |

Note 2. Segment reporting (continued)

| December 2022 | Australia and New Zealand \$'000 | North America \$'000 | Asia \$'000 | Europe \$'000 | Other ¹ \$'000 | Total \$'000 |
|--|--|----------------------------|----------------|------------------|------------------------------|-----------------|
| Transactional revenue | 77,520 | 120,315 | 18,981 | 42,169 | - | 258,985 |
| Volume based incentive revenue | 961 | 16,707 | 524 | 1,755 | - | 19,947 |
| Revenue from sale of inventory | - | 6,500 | - | - | - | 6,500 |
| Licensing revenue | 1,418 | 2,137 | - | 540 | - | 4,095 |
| Other revenue | 615 | 65 | 6 | 677 | - | 1,363 |
| Total revenue from external parties | 80,514 | 145,724 | 19,511 | 45,141 | - | 290,890 |
| Other income | 218 | 68 | 438 | 81 | 163 | 968 |
| Total revenue and other income | 80,732 | 145,792 | 19,949 | 45,222 | 163 | 291,858 |
| Underlying EBITDA | 23,513 | 16,595 | 3,396 | 16,985 | (9,226) | 51,263 |
| June 2023 | | | | | | |
| 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 |

¹ The Other segment represents the cost of the Group's support service, created to support the operating segments.

(c) Other information

Underlying EBITDA

The reconciliation of underlying statutory EBITDA to underlying and statutory profit/(loss) before income tax is provided as follows:

| | Dec 2023 \$'000 | Dec 2022 \$'000 |
|--|--------------------|--------------------|
| Underlying EBITDA | 100,706 | 51,263 |
| EBITDA non-recurring items | | |
| Acquisition costs | - | (185) |
| Integration costs | - | (1,345) |
| Restructuring costs | (4,143) | - |
| COVID-19 bad debts recovery | - | 411 |
| Total EBITDA non-recurring items | (4,143) | (1,119) |
| Statutory EBITDA | 96,563 | 50,144 |
| Underlying EBITDA to underlying and statutory profit before tax | | |
| Underlying EBITDA | 100,706 | 51,263 |
| Interest revenue | 1,258 | 302 |
| Finance costs | (463) | (500) |
| Interest on lease liabilities | (725) | (783) |
| Depreciation - plant and equipment | (3,090) | (2,770) |
| Depreciation - right of use assets | (5,654) | (5,770) |
| Amortisation - intangibles | (12,955) | (11,360) |
| Underlying profit before income tax expense | 79,077 | 30,382 |
| Pre-tax non-recurring items | | |
| Total EBITDA non-recurring items | (4,143) | (1,119) |
| Amortisation - client contracts and relationships | (7,460) | (7,327) |
| Profit before income tax expense | 67,474 | 21,936 |

Note 2. Segment reporting (continued)

Assets and liabilities related to contracts with customers

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

| | Dec 2023 \$'000 | Consolidated Jun 2023 \$'000 |
|------------------------|--------------------|------------------------------------|
| Contract assets | 15,481 | 14,917 |

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:

| | Dec 2023 \$'000 | Consolidated Jun 2023 \$'000 |
|-----------------------------|--------------------|------------------------------------|
| Contract liabilities | 43,625 | 16,025 |

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. Where modifications to existing agreements have occurred, they have been assessed based on the facts and substance of the individual contractual arrangements in accordance with AASB 15. Judgement is applied to determine performance obligations, standalone selling price and progress towards satisfaction of the performance obligations, and therefore the timing and amount of revenue recognised.

| | Dec 2023 \$'000 | Consolidated Jun 2023 \$'000 |
|--|--------------------|------------------------------------|
| Revenue recognised that was included in the contract liability balance at the beginning of the period | 8,118 | 6,791 |

(d) Other income

| | Dec 2023 \$'000 | Dec 2022 \$'000 |
|---|--------------------|--------------------|
| Net foreign exchange gains | 388 | (9) |
| Net fair value gain/(loss) on investments | - | (15) |
| Government grants | 6 | 283 |
| Other | 1,830 | 709 |
| Other income | 2,224 | 968 |

Note 3. Dividends paid and proposed

| | Dec 2023 \$'000 | Dec 2022 \$'000 |
|---|--------------------|--------------------|
| Dividends provided for or paid during the half-year ended 31 December | 32,192 | 7,316 |

Note 4. Cash and cash equivalents

| | Dec 2023 \$'000 | Jun 2023 \$'000 |
|--|--------------------|--------------------|
| Cash at bank and on hand | 118,736 | 138,646 |
| Client cash | 12,606 | 12,339 |
| Total cash and cash equivalents | 131,342 | 150,985 |

Note 5. Intangible assets

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

| | Client contracts and relationships \$'000 | Software \$'000 | Goodwill \$'000 | Other Intangible assets \$'000 | Total \$'000 |
|------------------------------------|---|--------------------|--------------------|---|-----------------|
| Balance at 1 July 2023 | 50,213 | 53,354 | 901,364 | 4,667 | 1,009,598 |
| Additions | - | 18,846 | - | - | 18,846 |
| Amortisation expense | (7,460) | (12,945) | - | (10) | (20,415) |
| Exchange differences | (309) | (781) | (14,028) | (46) | (15,164) |
| Balance at 31 December 2023 | 42,444 | 58,474 | 887,336 | 4,611 | 992,865 |

There is no impairment of intangible assets in the period ended 31 December 2023.

Note 6. Trade and other receivables

| | Dec 2023 \$'000 | Jun 2023 \$'000 |
|--|--------------------|--------------------|
| Current assets | | |
| Trade receivables ¹ | 71,851 | 76,924 |
| Client receivables ¹ | 290,430 | 364,749 |
| Contract assets | 15,481 | 14,917 |
| Less: Allowance for expected credit losses | (7,190) | (10,474) |
| | 370,572 | 446,116 |
| Deposits ² | 5,589 | 5,935 |
| Other receivables | 11,469 | 12,490 |
| Total current trade and other receivables | 387,630 | 464,541 |

¹ Trade and client receivables are non-interest bearing and are generally on terms ranging from 7 to 30 days.

² Deposits balance represents advanced deposits to suppliers and deposits made on behalf of clients for travel which will occur at a future date.

Note 7. Trade and other payables

| | Dec 2023 \$'000 | Jun 2023 ² \$'000 |
|---|--------------------|---------------------------------|
| Current liabilities | | |
| Trade payables ¹ | 52,065 | 31,718 |
| Client payables ¹ | 186,196 | 316,747 |
| Other payables and accruals | 57,970 | 78,194 |
| Contract liabilities | 43,625 | 16,025 |
| Acquisition payable | - | 700 |
| Total current trade and other payables | 339,856 | 443,384 |
| Non-current liabilities | | |
| Other payables and accruals | 62 | 106 |
| Total trade and other payables | 339,918 | 443,490 |

¹ Trade payables and client payables are non-interest bearing and are normally settled on terms ranging from 7 to 30 days.

² The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Note 8. Borrowings

| | Dec 2023 \$'000 | Jun 2023 \$'000 |
|-------------------------|--------------------|--------------------|
| Total borrowings | - | - |

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

Capitalised establishment costs relating to the debt facility recognised as other assets are amortised over the life of the facility. As at 31 December 2023, the establishment costs recognised as current and non-current assets are \$139,000 and \$211,000 respectively.

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

Liquidity

The table below shows the outstanding balance of liquidity facilities utilised and available to the Group at 31 December 2023:

| | Dec 2023 \$'000 | Jun 2023 \$'000 |
|---|--------------------|--------------------|
| Bank loans | | |
| Used | - | - |
| Unused | 100,000 | 100,000 |
| Total bank loans available | 100,000 | 100,000 |
| Credit cards | | |
| Used | 60,145 | 76,884 |
| Unused | 104,581 | 88,197 |
| Total credit cards limit | 164,726 | 165,081 |
| Overdraft facilities | | |
| Used | - | - |
| Unused | 9,376 | 9,554 |
| Total overdraft facilities available | 9,376 | 9,554 |

Note 8. Borrowings (continued)

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

Bank Guarantees/letters of credit

The Group provides bank guarantees primarily for the benefit of certain suppliers in accordance with state travel agency licensing and International Air Travel Association (IATA) regulations. The table below shows the outstanding balance of guarantees issued by the Group at 31 December 2023:

| | Dec 2023 \$'000 | Jun 2023 \$'000 |
|------------------------|--------------------|--------------------|
| Bank guarantees | 21,840 | 18,724 |

Note 9. Contributed equity

Ordinary shares entitle the holders to receive dividends as declared and, in the event of winding up the Company, 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 Group does not have a limited amount of authorised capital.

Movements in ordinary share capital

| | Date | Number of shares | Average issue Price | \$'000 |
|--------------------|-------------------------|---------------------|------------------------|----------------|
| Balance | 1 July 2023 | 146,325,746 | | 929,400 |
| On-market buy-back | | (158,592) | \$18.65 | (2,958) |
| Balance | 31 December 2023 | 146,167,154 | | 926,442 |

During the half-year ended 31 December 2023, the Company executed its ordinary share on-market buy-back for a consideration of \$2,958,000 (including transaction costs). A total of 158,592 shares (representing 0.11% of the Company's issued share capital) were bought back at an average price of \$18.65 per share. This resulted in 158,592 shares being cancelled during the half-year ended 31 December 2023.

The current on-market buy-back program announced on 25 October 2023 will end on 13 November 2024.

Note 10. Fair value measurement

The following table presents the Group's financial assets and financial liabilities measured and recognised at fair value at 31 December 2023 on a recurring basis. The level 3 balances relate to a minority interests in unlisted equity investments held in the North America region. The change in fair value relates to the revaluation of CTM's proportional share of the net assets of the investments.

| | Level 1 \$'000 | Level 2 \$'000 | Level 3 \$'000 | Total \$'000 |
|---|-------------------|-------------------|-------------------|-----------------|
| At 31 December 2023 | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Minority interest investments | - | - | 6,659 | 6,659 |
| At 30 June 2023 | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Minority interest investments | - | - | 6,774 | 6,774 |

Note 10. Fair value measurement (continued)

The following table presents the changes in level 3 instruments for the half-year ended 31 December 2023:

| | Unlisted equity securities \$'000 | Total \$'000 |
|---|--|-----------------|
| Balance at 1 July 2023 | 6,774 | 6,774 |
| (Losses)/gains recognised in other comprehensive income | (115) | (115) |
| Balance at 31 December 2023 | 6,659 | 6,659 |

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 market 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.

Note 11. Events after the reporting period

No matter or circumstance has arisen since 31 December 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.

Refer to Appendix 4D for dividends recommended since the end of the reporting period.

Note 12. Related party transactions

Transactions with other related parties

Directors of the Group hold other directorships as detailed in the Directors' Report section of the Annual Report for the year ended 30 June 2023. 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 31 December 2023.

The Group is a lessee in a lease arrangement with 2120 Tower LLC (North America), an entity in which the Group's ownership interest is 37.78% and accounted for using the equity method. The arrangement is on normal commercial terms and conditions and at market rates.

Transactions with key management personnel

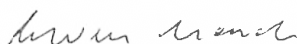
During the half-year ended 31 December 2023, a deferred consideration amount of \$700,000 was paid to Greg McCarthy (CEO of Australia and New Zealand) in relation to the acquisition of SCT Travel Group Pty Ltd, trading as Platinum Travel Corporation.

In the Directors' opinion:

- the financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the CTM will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Mr Ewen Crouch AM
Chairman



Mr Jamie Pherous
Managing Director

21 February 2024
Brisbane



Independent auditor's review report to the members of Corporate Travel Management Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Corporate Travel Management Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of changes in equity, consolidated statement of cash flows and consolidated statement of profit or loss and other comprehensive income for the half-year ended on that date, selected explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Corporate Travel Management Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

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Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A stylized, handwritten signature of 'PricewaterhouseCoopers' in a cursive script.

PricewaterhouseCoopers

A handwritten signature of 'Kim Challenor' in a cursive script.

Kim Challenor
Partner

Brisbane
21 February 2024