

ASX Announcement
22 April 2026

Corporate Travel Management - Update on Financial Statements

Corporate Travel Management (ASX:CTD, 'CTM' or 'The Company') refers to the announcements made to the ASX on 28 November 2025 and 26 February 2026.

CTM provides the following update in relation to the release of its financial statements for FY25 & 1HFY26 and related matters.

Overview

As announced to the ASX on 28 November 2025, during the preparation of CTM's FY25 financial statements, potential material adjustments to the revenue recognised in the financial statements of CTM UK group¹ (**CTM UK**) were identified. In response, the Board of CTM engaged KPMG LLP in the UK (**KPMG UK**) to undertake a forensic accounting review to (a) evaluate underlying contractual agreements and the application of revenue recognition principles; and (b) assess financial reporting processes and resulting year-end balances for current and historical financial years in CTM UK.

CTM today confirms:

1. CTM now expects² to reverse revenue of up to GBP 118 million in respect of FY25 and prior years (increased from the GBP 77.6 million announced on 28 November 2025). The increase arises from further forensic work and assessment across (a) earlier years (back to the start of FY19); and (b) additional impacted underlying customer contracts.
2. Through CTM's remediation process and based on information obtained in the forensic review, CTM has identified that revenue of up to approximately GBP 10 million may be required to be reversed in respect of 1HFY26 depending on the outcome of ongoing commercial discussions with certain customers. This reflects ongoing uncertainty regarding the interpretation of contractual entitlements arising from agreements entered into in 2025.
3. The entirety of these revenue reversals arise in CTM UK, and there is no impact to other regions.
4. The reversal of revenue in CTM UK is required because information identified in the forensic review confirmed customers were charged in excess of contractual entitlement and client funds were retained.

¹ The relevant entities involved are United Kingdom registered companies: Corporate Travel Management (North) Ltd and Corporate Travel Management (United Kingdom) Limited, together referred to as "**CTM UK**".

² As explained in this announcement, further work is continuing and although not expected as a result further restatements and adjustments may be required.

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5. CTM is committed to a just and proper resolution with all impacted customers in the UK. CTM has engaged with key impacted customers and is negotiating commercial agreements which, if agreed, will provide for refunds over an extended period aligned with CTM's current liquidity position and future anticipated earnings. It is expected the total net amount of cash to be paid by CTM UK will be less than GBP 118 million given amounts already refunded (approx. GBP 12.1 million), expected tax recovery³ and contractual uncertainty.
 6. In view of the issues identified in CTM UK, CTM, assisted by KPMG UK, conducted a risk based review of the entirety of the financial statements for CTM UK for FY24 and FY25. This work is approaching completion and KPMG UK continues to assist CTM.
 7. Significant changes have been implemented within the UK business, particularly across financial controls and operational processes.
 8. CTM has undertaken a review to assess whether matters similar to those identified in the UK were present in other regions. That review did not identify any issues of a similar nature outside the UK, and no new information has emerged that would change this assessment.
 9. CTM continues to target release of its audited FY25 and reviewed 1H26 financial statements in Q2 calendar year 2026, and reinstatement of its shares to trading on the ASX, subject to completion of financial reporting processes and receipt of all relevant approvals.

Background to Concluded Customer Contracts

1. In 2021, CTM UK was requested (including verbally) to rapidly source accommodation for thousands of people (**Concluded Customer Contracts**). In total, it is estimated CTM UK secured in excess of 1.4 million nights of accommodation at in excess of 60 hotels across the United Kingdom. CTM UK's process and controls environment was challenged given the rapid and large scale nature of the engagement.
2. By late 2022, CTM identified differences of GBP 54.6 million between the amounts charged to, and paid by the customer and the amounts paid to hotels by CTM (**Differences Amount**).⁴
3. During the first half of 2023, CTM undertook an exercise to understand the Differences Amount in further detail and categorise it for accounting treatment. The exercise relied on information provided by CTM UK's former Chief Executive Officer (who at that time held the role of CTM UK Chief Operating Officer) (**Former UK CEO**). The Former UK CEO was responsible for the delivery of the Concluded Customer Contracts and the relationship with the customer.
4. CTM's then auditors were consulted during the exercise.
5. Following the completion of the exercise, in July 2023 CTM prepared letter agreements for submission to the customer which sought to regularise the position by recording an agreement that:

³ CTM notes GBP 24.4 million in income tax has been paid by CTM UK across FY23 – FY25.

⁴ This amount (GBP 54.6m) represents gross monies received, inclusive of VAT. CTM's ASX announcement of 28 November 2025 referred to GBP 45.4m of revenue reversal, which is the amount recognised as revenue in the period FY23-FY25 are net of VAT and GBP 3.3m refunded to the customer through provision of services.

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- a. CTM would refund the customer GBP 28.0million (by provision of further services, with an entitlement for CTM to retain any amounts not satisfied by the further services); and
 - b. CTM would retain other amounts.
6. The Former UK CEO was responsible for discussing the letter agreements with the customer, obtaining agreement to the content of the letters and having them signed. The Former UK CEO provided CTM with copies of the signed letter agreements.
 7. Based on the exercise undertaken by CTM and the signed letter agreements held by CTM, CTM recognised revenue associated with the Differences Amount in CTM's FY23 and FY24 audited financial statements.
 8. In performance of the letter agreements, CTM provided some services to the customer during FY24 and FY25, however these were insufficient to discharge the refund, which was then retained by CTM in accordance with the letter agreements.
 9. In late November 2025 (in the forensic review discussed below), CTM became aware of a suggestion that the letter agreements may not, in fact, be authentic. This contradicted the position understood and relied on by the Board.

Forensic review by KPMG UK of CTM UK

Concluded Customer Contracts in the UK

KPMG UK's forensic review identified:

1. Erroneous billing activity occurred given the challenges the rapid and large scale nature of the engagement posed for CTM UK's process and controls environment.
2. There was no identified evidence of any irregular intention to charge in excess of contractual entitlement.
3. Following the detection of the Differences Amount by CTM, the exercise undertaken by CTM in 2023 (described above) was compromised because of (a) omissions and misunderstandings regarding the facts and contract terms in place with the customer; and (b) conduct by the Former UK CEO. This led to misrepresentations (by the Former UK CEO) to the customer regarding the Differences Amount and the refund of part of it.
4. Further, there was no independent corroboration that the letter agreements with the customer were in fact signed by the customer and the customer has subsequently informed CTM that it has no record of the letter agreements.
5. As a result, there was significant misjudgment by CTM that resulted in an overstatement of revenue recognition in the FY23 and FY24 consolidated financial statements.

Other forensic findings in the UK

In view of the adverse findings in relation to the Former UK CEO regarding the Concluded Customer Contracts, CTM (at the direction of the Board) immediately undertook further forensic investigation (with the assistance of KPMG UK) to determine whether other misconduct or irregular transactions had occurred unrelated to the Concluded Customer Contracts.

Given the seriousness of the issues, the time period for further investigation was enlarged by CTM to FY19.

The investigation identified, unrelated to the Concluded Customer Contracts, concerns regarding misconduct by the Former UK CEO including (a) the non-return of refunds to customers; (b) the retention of overpayments by customers; (c) the amendment of contractual material and audit evidence; and (d) the charging of amounts in excess of contractual entitlement and the use of inappropriate justifications for retaining such amounts.

In the circumstances, CTM, assisted by KPMG UK, conducted a risk based review of the entirety of the financial statements for CTM UK for FY24 and FY25. This work is approaching completion and KPMG UK continues to assist CTM.

In undertaking this work and the forensic review, KPMG UK identified that a methodology adopted by CTM UK, in which differences between sales and purchases were recognised as revenue, was not appropriate as it led to recognition of revenue items which were not in alignment with the underlying contract terms. This methodology was not adopted in other regions, so the issues arise only in respect of CTM UK.

As a result, between 1 July 2018 and 30 June 2025, unrelated to the Concluded Customer Contracts, other instances of amounts being charged in excess of contractual entitlement and retention of client funds occurred across other customers in the UK, which led to overstatement of revenue.

These findings contradicted the position understood and relied on by the Board of CTM.

Given the nature the issues identified, appropriate notifications to relevant authorities have, and will continue to be made. CTM intends to co-operate fully with authorities in relation to these investigations.

1HFY26 potential adjustments

Through CTM's remediation process and based on information obtained in the forensic review, CTM identified contractual uncertainty in a limited number of current contracts entered into by CTM UK in 2025. As a result, CTM anticipates that revenue of up to approximately GBP 10 million of revenue may be required to be reversed in respect of 1HFY26 depending on the outcome of ongoing commercial discussions with certain customers.

Termination

As announced to the ASX on 19 December 2025, the Former UK CEO's employment was terminated, effective immediately.

Remediation

Since November 2025, CTM has engaged, and will continue to engage, with representatives of key impacted UK customers. This dialogue has been collaborative and co-operative and is well advanced.

CTM is committed to a just and proper resolution with impacted customers in the UK and is in the process of negotiating commercial arrangements.

CTM UK alone is the relevant counterparty to these contractual arrangements.

Consequences

CTM now expects to reverse revenue of up to GBP 118 million in respect of FY25 and prior years on account of all of the above issues (the entirety of which arises in CTM UK Group).

It is expected the total net amount of cash to be paid by CTM UK will be less than GBP 118 million given amounts already refunded (approx. GBP 12.1 million), tax recovery⁵ and contractual uncertainty. The total refund amounts to be provided and the timing for such payment over future financial years is subject to CTM reaching commercial agreements with customers.

A further amount of up to approximately GBP 10 million of revenue may be required to be reversed in respect of 1H FY26, as identified above.

There is also expected to be material impairment of the Europe segment goodwill,⁶ the amount of which remains under consideration.

Corrective actions in respect of CTM UK

In view of the findings in respect of CTM UK, CTM has taken, and is taking the following steps:

1. The appointment of Ms Eleanor Noonan as Interim Chief Executive Officer of CTM UK, providing dedicated leadership and oversight of remediation and operational delivery.
2. Strengthening financial controls, reporting processes and documentation standards, including the implementation of supporting systems to improve accuracy, transparency and auditability of financial reporting.
3. Undertaking a comprehensive review of customer contracts across the UK region, extending beyond impacted or concluded contracts, to address ambiguity and ensure alignment between contractual terms, operational delivery and revenue recognition.
4. Strengthening controls over current contract delivery.
5. Implementing operational process improvements, including enhanced contract governance, improved end-to-end process visibility and strengthened review and assurance mechanisms.
6. Completing a cultural and organisational review of UK operations, informing a broader uplift in process discipline, documentation standards and governance frameworks.

⁵ CTM notes GBP 24.4 million in income tax has been paid by CTM UK across FY23 – FY25.

⁶ Goodwill in the Europe cash generating unit is currently GBP 92.0 million.

Cash

As at 31 March 2026, CTM had A\$115.7million⁷ in cash and A\$75 million⁸ in undrawn debt.⁹

As previously announced, CTM entered into arrangements with IATA during December 2025, which involved the provision of security and implementation of shortened BSP settlement periods. These arrangements caused a working capital impact to the group's cash position during December 2025 and through January 2026, as the arrangements were implemented.

CTM continues regular and productive engagement with key stakeholders including IATA and its banking partners, who remain supportive as CTM works to finalise the financial statements.

Ewen Crouch AM, Chairman said:

"The ongoing trading suspension and its impact on shareholders is deeply disappointing and a matter of serious concern for the Board. We sincerely apologise to our shareholders and to affected clients in the UK for the circumstances that led to this situation.

The length of the suspension reflects the Board's determination to fully investigate the issues identified in the UK and to address them decisively and completely. Today's announcement marks an important step forward, and we continue to work constructively to finalise our work to allow the auditors to complete their procedures.

Following a Board-mandated review, significant changes have been implemented within the UK business, particularly across financial controls and operational processes. These actions were necessary, and they are progressing well. It is important to note the review has confirmed these issues are isolated to the UK.

We are targeting the completion of the audited FY25 and reviewed 1HFY26 financial statements in Q2 2026 and the reinstatement of the Company's shares, and we look forward to providing further updates as progress continues."

Ana Pedersen, Acting Group CEO said:

"The issues identified within the UK business and the impact of the trading suspension on our investors, clients and employees remain my highest priority, and I recognise how disappointing this period has been for all involved.

I am continually reassured by the strength and professionalism of our teams, who continue to deliver outstanding and uninterrupted service for clients every day across our global operations. Importantly, these matters are isolated to the UK business, and we continue to support our clients, including those in the UK, with their travel programs.

⁷ Including restricted cash of \$A12 million.

⁸ A\$40 million unrestricted and A\$35 million subject to lender consent.

⁹ In addition to A\$65 million bank guarantee facility.

As I meet with customers and partners around the world, it is clear that our offering remains strong, and we are committed to maintaining their confidence through the substantive action we are taking. Working closely with the Board and the executive team, I am fully committed to resolving these matters as quickly and responsibly as possible. The measures we have taken in the UK business to-date have been extensive and thorough, and we will continue to take the necessary action.

We are focused on emerging from this period as a stronger, more resilient business, underpinned by materially improved governance, financial discipline and operational processes.”

Investor and Analyst Conference Call

A briefing for investors and analysts will be held today at 10.30am (AEST) Wednesday, 22 April 2026.

The briefing will be hosted by Ewen Crouch AM, Chairman, Ana Pedersen, Acting Group CEO and James Spence, Group CFO.

Investors and Analysts can pre-register for the call at the link below;

<https://registrations.events/direct/MCM638830>

Participants will receive a calendar invite and unique code which is to be quoted when dialling into the call

Authorised for release by the Board.

Ends

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