

2 Cheap Cars Group Limited

Interim financial statements

For the 6 month period ended 30 September 2025

2 Cheap Cars Group Limited
Consolidated statement of profit or loss and other comprehensive income
For the 6 month period ended 30 September 2025

	Note	Unaudited SEP 2025 \$'000	Unaudited SEP 2024 \$'000
Revenue			
Revenue and income		39,750	41,978
Sundry income		20	35
Expenses			
Cost of sales		(31,914)	(32,950)
Administration expenses		(1,475)	(1,670)
Advertising expenses		(1,265)	(1,106)
Depreciation & amortisation expenses		(1,429)	(1,279)
Employee benefits		(1,542)	(1,907)
Finance expenses		(311)	(368)
Property expenses		(437)	(409)
Profit before income tax	3	1,397	2,324
Income tax expense		(391)	(651)
Profit for the period		1,006	1,673
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Translation of foreign operations		(122)	5
Total other comprehensive income		(122)	5
Total comprehensive income for the period		884	1,678
Earnings per share			
Basic earnings per share		0.02	0.04
Diluted earnings per share		0.02	0.04
The accompanying notes form part of these interim consolidated financial statements			

2 Cheap Cars Group Limited
Interim consolidated statement of financial position
As at 30 September 2025

	Note	Unaudited SEP 2025 \$'000	Audited MAR 2025 \$'000
Equity			
Share capital		39,344	39,344
Amalgamation reserve		(35,956)	(35,956)
Foreign currency translation reserve		26	148
Retained earnings		17,550	17,525
Total equity		20,964	21,061
Current liabilities			
Trade and other payables		1,992	3,214
Employee benefit liabilities		819	862
Borrowings		133	114
Income tax payable		(80)	459
Derivative financial liabilities		(3)	(38)
Related party payable		10	10
Lease liability		2,313	2,084
Other current liabilities		8	14
Total current liabilities		5,192	6,719
Non-current liabilities			
Lease liability		6,965	5,598
Borrowings		732	823
Total non-current liabilities		7,697	6,421
Total equity and liabilities		33,853	34,201
Current assets			
Cash and cash equivalents		4,577	5,344
Trade and other receivables		283	192
Other current assets		1,609	882
Loans receivable	4	177	385
Inventories		14,150	14,932
Total current assets		20,796	21,735
Non-current assets			
Other non current assets		951	896
Plant, property and equipment		2,692	2,708
Intangible assets		682	1,589
Loans receivable	4	212	286
Deferred tax asset		133	133
Right-of-use assets		8,387	6,854
Total non-current assets		13,057	12,466
Total assets		33,853	34,201

Approved on behalf of the Board on 12th November 2025

Director		Date	12-Nov-25
Director		Date	12-Nov-25

The accompanying notes form part of these interim consolidated financial statements

2 Cheap Cars Group Limited
Consolidated statement of changes in equity
For the 6 month period ended 30 September 2025

	Share Capital	Retained Earnings	Foreign Currency Translation Reserve	Amalgamation Reserve	Total Equity/ (Accumulated Losses)
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 01 April 2024	39,344	17,140	(155)	(35,956)	20,373
Profit for the period	-	3,300	-	-	3,300
Translation of foreign operations	-	-	303	-	303
Total comprehensive income for the period	-	3,300	303	-	3,603
Dividend paid	-	(2,915)	-	-	(2,915)
Total transactions with owners of the group	-	(2,915)	-	-	(2,915)
Balance as at 31 March 2025	39,344	17,525	148	(35,956)	21,061
Balance as at 01 April 2025	39,344	17,525	148	(35,956)	21,061
Profit for the period	-	1,006	-	-	1,006
Translation of foreign operations	-	-	(122)	-	(122)
Total comprehensive income for the period	-	1,006	(122)	-	884
Dividend paid	-	(981)	-	-	(981)
Total transactions with owners of the group	-	(981)	-	-	(981)
Balance as at 30 September 2025	39,344	17,550	26	(35,956)	20,964

The accompanying notes form part of these interim consolidated financial statements

2 Cheap Cars Group Limited
Interim Consolidated Statement Of Cash Flows
For the 6 month period ended 30 September 2025

	Unaudited SEP 2025 \$'000	Unaudited SEP 2024 \$'000
Cash flows from operating activities		
Cash receipts from customers	39,664	41,988
Cash paid to suppliers and employees	(35,835)	(39,602)
Interest received	51	62
Interest paid - retail operations	(24)	(57)
Tax paid / received	(1,939)	(1,567)
Net cash inflow from operating activities before Changes in Operating Assets and Liabilities	1,917	824
Proceeds from loan receivables	242	628
Net cash inflow from operating activities	2,159	1,452
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	-	28
Purchase of property, plant and equipment	(200)	(288)
Purchase of Intangible Assets	(91)	-
Decrease / (increase) in lease guarantee deposits	(55)	(242)
Net cash outflow from investing activities	(346)	(502)
Cash flows from financing activities		
Dividend paid	(981)	(1,907)
Interest paid - finance operations	(268)	(275)
Net (repayment) /proceeds of borrowings	(73)	-
Principal elements of lease payments	(1,136)	(905)
Net cash outflow from financing activities	(2,458)	(3,087)
Net increase/(decrease) in cash and cash equivalents	(645)	(2,137)
Cash and cash equivalents at beginning of period	5,344	4,673
Effect of exchange rate	(122)	5
Cash and cash equivalents at end of period	4,577	2,541

The accompanying notes form part of these interim consolidated financial statements

Notes to the financial statements

1. Reporting entity

2 Cheap Cars Group Limited (the Company) is a company domiciled in New Zealand.

The Company is incorporated in New Zealand, registered under the Companies Act 1993 and is publicly traded on the New Zealand Stock Exchange.

These interim consolidated financial statements comply with the requirements of the Companies Act 1993 and the Financial Markets Conduct Act 2013.

These interim consolidated financial statements as at 30 September 2025 comprise the Company and its subsidiaries:

2 Cheap Cars Limited, NZ Motor Finance Limited, 2CC International Limited, 2 Cheap Rental Cars Limited, Car Safety NZ Limited and Car Plus K.K. (collectively, the Group).

2. Basis of preparation

(a) Statement of compliance

These unaudited interim consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (GAAP) and the requirements of the Financial Markets Conduct Act 2013. They have been prepared in accordance with IAS 34 'Interim financial reporting'. They do not include all of the required information in annual financial statements in accordance with IFRS and should be read in conjunction with the consolidated financial statements for the year ended 31 March 2025.

(b) Basis of measurement

The interim consolidated financial statements have been prepared on the historical cost basis except that certain assets and liabilities are measured at fair value where stated under their specific accounting policies.

- Derivative financial instruments
- Loans receivable (Note 4)

(c) Functional and presentation currency

These interim consolidated financial statements for the Group are presented in New Zealand dollars (\$), which is the Group's functional and the Group's presentation currency. All financial information presented has been rounded to the nearest thousand dollars.

(d) Going Concern

The Directors consider that the Group is a going concern and the consolidated financial statements have been prepared on that basis.

(e) Critical accounting estimates and judgements

The preparation of the consolidated financial statements, requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(f) Changes in accounting policies

There were no accounting policy changes during the period.

3. Segment reporting

Description of segments

Management has determined the operating segments based on the components of the Group that engage in business activities, which have discrete financial information available and whose operating results are regularly reviewed by the Group's chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors. The Board of Directors makes decisions about how resources are allocated to the segments and assesses their performance. Geographically the Group's business activities are located in New Zealand.

Reportable segments have been identified as follows:

Operating Segments

As at 30 September 2025	Automotive retail \$'000	Finance \$'000	Other entities \$'000	Inter-entity transactions \$'000	Total \$'000
Revenue including interest	39,551	70	13,273	(13,144)	39,750
Sundry Income	14	-	6	-	20
Cost of sale	(33,414)	-	(11,644)	13,144	(31,914)
Operating expense	(4,580)	(54)	(1,514)	-	(6,148)
Operating profit	1,571	16	121	-	1,708
Dividend received	-	-	981	(981)	-
Interest expense - trading	(279)	(27)	(13)	8	(311)
Net profit before tax	1,292	(11)	1,089	(973)	1,397

As at 30 September 2024	Automotive retail \$'000	Finance \$'000	Other entities \$'000	Inter-entity transactions \$'000	Total \$'000
Revenue including interest	41,788	169	5,406	(5,385)	41,978
Sundry Income	35	-	26	(26)	35
Cost of sale	(34,387)	-	(3,948)	5,385	(32,950)
Operating expense	(4,667)	(91)	(1,613)	-	(6,371)
Operating profit	2,769	78	(129)	(26)	2,692
Interest expense - trading	(331)	(51)	-	14	(368)
Net profit before tax	2,438	27	(129)	(12)	2,324

4. Loans Receivable

Determination of fair values

Loans and receivables – At amortised cost book value

Book value

Loans and receivables – At fair value through profit and loss

Discounted cash flow

	<i>Amortised cost</i>	<i>Fair value through profit and loss</i>	Total
Opening balance (1 April 2024)			
Gross carrying value	1,113	816	1,930
Less: Impairment allowance	(109)	-	(109)
Total Loans receivable	1,005	816	1,821
Movements during the period			
Advances of loans to customers	-	-	-
Repayments of loans by customers	(728)	(550)	(1,278)
Movement in accrued interest	119	113	232
Other accrued repayments	22	29	51
Movement in Impairment Allowance	(50)	-	(50)
Fair value gain/(loss) on revaluation	-	(104)	(104)
Total Movements	(637)	(512)	(1,150)
Gross carrying value	526	304	830
Less: Impairment allowance	(159)	-	(159)
Total Loans receivable	367	304	671
Closing balance (31 March 2025)			
Current portion	305	239	544
Non-current portion	221	65	286
Less: Impairment allowance	(159)	-	(159)
Total Loans receivable	367	304	671

	<i>Amortised Cost</i>	<i>Fair value through profit and loss</i>	Total
Opening balance (1 April 2025)			
Gross carrying value	526	304	830
Less: Impairment allowance	(159)	-	(159)
Total loans receivable	367	304	671
Movements during the period			
Repayments of loans by customers	(177)	(112)	(289)
Movement in accrued interest	37	-	37
Other accrued repayments	6	4	10
Movement in Impairment Allowance	(27)	-	(27)
Fair value gain/(loss) on revaluation	-	(13)	(13)
Total movements	(161)	(121)	(283)
Gross carrying value	392	183	575
Less: Impairment allowance	(186)	-	(186)
Total loans receivable	206	183	389
Closing balance (30 September 2025)			
Current portion	225	138	363
Non-current portion	168	44	212
Less: Impairment allowance	(186)	-	(186)
Total loans receivable	207	182	389

The effective interest rate on loans receivable at amortised cost are 9.95% - 17.95%.

Loans receivable measured at amortised cost (financial assets which represent solely payments of principal and interest) have been impaired at 47.4%, using the expected credit loss model.

Loans receivable measured at fair value (financial instruments that include waiver based clauses) are modelled at fair value and include an effective default risk impairment rate of 31.9% which is factored into the valuation inputs.

The Company ceased additional lending in July 2022 with the remaining loan book now being wound down.

5. Subsequent events

No significant events have occurred subsequent to the balance date.