

2CheapCars Group

ANNUAL REPORT 2026

FOR THE
YEAR ENDED
31 MARCH



CONTENTS

On behalf of the Board and management of 2 Cheap Cars Group Limited, we are pleased to present the Annual Report for the financial year ended 31 March 2026.

Approved for and on behalf of the Board of Directors

26 June 2026.



Director



Director

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★ DRIVING BETTER DEALS EVERY DAY

2CheapCars

WHO WE ARE

At 2 Cheap Cars, our commitment to delivering quality, affordable vehicles to Kiwis remains as strong as ever.

As one of New Zealand's leading used vehicle retailers, we continue to set the standard for value and reliability, with a network of 10 dealerships and a 4%¹ share of the used vehicle market. In FY26, we proudly sold 7,239 vehicles, reinforcing our position as a trusted name in automotive retail.

What truly distinguishes us is our vertically integrated supply chain. Our dedicated team in Japan meticulously sources, inspects, and selects vehicles that align perfectly with the needs of New Zealand drivers. Every car undergoes rigorous servicing, compliance checks, and preparation at our Auckland hub before being distributed across our retail network. This year, we further optimised our operations through a renewed hybrid compliance strategy, blending in-house expertise with strategic outsourcing to enhance efficiency and adaptability.

By maintaining direct oversight at every stage, we ensure operational excellence, cost-effective processes, and a consistent commitment to quality. Our mission – Driving Better Deals, Every Day – continues to guide everything we do.



DRIVING BETTER DEALS EVERY DAY



10
DEALERSHIPS

28
DAYS TO SELL A CAR

31%
FINANCE PENETRATION

44%
INSURANCE PENETRATION

83 FTE EMPLOYEES
7,239 CARS SOLD

¹ Source: Autofile – based on 2 Cheap Cars' vehicle sales as a proportion of dealer-to-public used cars sold between 1 April 2025 and 31 March 2026.

REAR VIEW MIRROR

FY26 IN REVIEW

FY26 presented a demanding landscape for the used vehicle sector, marked by rising regulatory costs, subdued consumer sentiment, and broader economic headwinds that tempered demand throughout much of the year. Despite these challenges, 2 Cheap Cars delivered a robust performance, achieving a net profit after tax (NPAT) of \$3.2 million – meeting the guidance issued in January 2026, which projected full-year NPAT to surpass \$3.0 million.

This result underscores the strength of our vertically integrated operating model and the impact of key operational initiatives implemented over the past year. Momentum gathered significantly in the second half, driven by stronger vehicle margins, improved procurement conditions, and outstanding finance and insurance performance.

Revenue and income remained steady at \$81.7 million, a slight decline of 0.3% from FY25, even as vehicle volumes softened and industry-wide pricing pressures persisted. Total vehicle sales reached 7,239, compared to 7,675 in FY25.

Profitability in FY26 was notably affected by higher carbon credit costs under the Clean Car Standard, which reduced year-on-year NPAT by approximately \$1.7 million relative to FY25. However, adjustments to carbon credit settings in the final quarter provided relief, with reduced costs supporting profitability for vehicles imported and sold under the revised framework.

The Group also delivered record-breaking finance and insurance results, with the insurance penetration rate reaching an all-time high of 44% (up from 36% in FY25) and the finance penetration rate rising to 31% (up from 27% in FY25). This success was fuelled by disciplined sales execution and a more stable consumer financing environment.

Financially, the company maintained its strong footing, generating \$4.2 million in net operating cash inflow. In line with our dividend policy, the Board declared a final gross dividend of 3.99 cents per share, bringing total FY2026 gross dividends to 6.14 cents per share.

STRATEGIC UPDATE



RETAIL FOOTPRINT

During FY26, the Group continued to refine its retail footprint by consolidating smaller or under-performing yards and reallocating volume into larger, more strategically located sites. The major addition was the opening of the new Sylvia Park flagship yard in August 2025, which quickly became a meaningful contributor to Group sales volumes. This followed the FY25 launch of Greenlane at 620 Great South Road and reinforced the Group's shift toward larger-format, higher-capacity retail locations.

This expansion was balanced by the rationalisation of smaller sites. New Lynn was closed following the expiry of its lease, Westgate was subleased from September 2025, and Botany volumes were absorbed into Sylvia Park following the earlier temporary relocation of the Botany yard. Palmerston North was also closed, with its volumes absorbed into a new, larger Wellington site located in Petone which opened in December 2025.

2 Cheap Cars now operates 10 yards, reflecting a deliberate strategy to improve network efficiency, reduce exposure to smaller under-performing sites, and drive stronger volumes through higher-quality retail locations.

STRENGTHENING BRAND AND DIGITAL ENGAGEMENT

The Group also continued to invest in initiatives to enhance long-term capability and customer engagement. Key efforts during the year included:

- Increased investment in direct-to-consumer marketing channels to build stronger customer relationships and reduce dependence on third-party platforms.
- Strengthening brand capability to reinforce our market position and differentiate our offering.
- Enhancing digital customer engagement initiatives to improve the online experience and streamline the car-buying process.

These strategic moves are expected to reduce reliance on third-party listing platforms over time, enabling us to better control our brand narrative and customer interactions.

By focusing on bigger, better-located car yards and digital innovation, we are confident in our ability to drive improved sales efficiency, customer satisfaction, and long-term profitability.

Michael Stiasny
Chair

David Sena
CEO



HIGHLIGHTS FOR FY26

FY27 PRIORITIES



A new larger **Wellington** branch opened in Petone in December 2025.



Underperforming branches (New Lynn, Westgate, Palmerston North) were closed with volumes absorbed by bigger, higher quality locations.



The new Sylvia Park site, adjacent to IKEA, opened in August 2025 and sold **849** cars in FY26 (rising to over **1,000** cars by end of May 2026). It is now consistently 2 Cheap Cars' highest-volume branch.

The Group enters FY27 with strong early trading momentum and a continued focus on disciplined execution, operational efficiency, direct-to-consumer marketing, and balance sheet strength.

Looking ahead, 2 Cheap Cars is well positioned to benefit from FY26 investments. The Sylvia Park branch will provide a full-year contribution in FY27.

We are also strengthening our operating platform, with an increased focus on Christchurch, including the establishment of dedicated refurbishment capacity and additional operational leadership in the region. In Auckland, we are rebalancing internal and external compliance and refurbishment activity through the hub to improve efficiency, control, and speed to market.

Further opportunities exist through digital capability, increased own-channel lead generation, continued finance and insurance contributions, and disciplined inventory management. The company is also exploring further network opportunities to support future volume growth and customer reach.



The Group's strong balance sheet enabled a significant shift toward direct purchasing through its Japanese subsidiary.

This has reduced reliance on third-party purchasing agent funding, while preserving the Group's direct oversight of vehicle selection, inspection and procurement quality.

FY26

SUMMARY OF KEY RESULTS

REVENUE AND INCOME

\$81.7M

▼ DOWN 0.3% from \$82.0M

FY26 UNDERLYING EBITDA

\$8.1M

▲ UP 1% from \$8.0M

CONTRIBUTION MARGIN

\$17.4M

▼ DOWN 2% from \$17.8M

NPAT

\$3.2M

▼ DOWN 3% from \$3.3M

UNDERLYING EPS

7 CPS

► UNCHANGED FROM 7 CPS

FY26 GROSS DIVIDEND

6.14 CPS

▲ UP FROM 6.03 CPS

NET OPERATING CASH INFLOW

\$4.2M

▼ DOWN \$2.5M from \$6.7M



THE BOARD AND MANAGEMENT



Michael Stiasny
Independent Director | Chair

Michael has extensive business, financial and strategic advisory experience and has enjoyed a high-profile governance career. Michael is currently the Chairman of Being AI Limited, Momentum Life Insurance Limited and a director of a number of privately held companies including Tegel Group Holdings Limited.

With a keen interest in ensuring the justice system is accessible to everyone, Michael is a Director of leading New Zealand litigation funder, LPF Group Limited. He also dedicates significant time to start ups and championing entrepreneurship through his involvement in Founders Advisory.

Michael holds both Commerce and Law degrees from the University of Auckland and is a Chartered Fellow and past President of the New Zealand Institute of Directors.



Gordon Shaw
Independent Director

Gordon is a professional director and business advisor with over 20 years' of experience in management and governance across the commercial transport, vehicle retail and regulatory, and government sectors in New Zealand and internationally.

Gordon is currently an Independent Trustee of the Nelson Bays Primary Health Trust, Chair of ProMed HR NZ Ltd, External Member of the Department of Corrections (Ara Poutama Aotearoa) Audit and Risk Committee, and Independent Deputy Chair Te Koekoē Committee for Council Controlled Organisations for the Far North District Council.

He is also a chartered member of the New Zealand Institute of Directors and a committee member of the Institute's Nelson Marlborough branch.



David Sena
Executive Director | CEO

David founded 2 Cheap Cars in 2011 with a clear vision to ensure New Zealanders could get a great deal on top quality imported used cars. From humble beginnings, David has worked tirelessly to build the contacts and relationships necessary to develop a fully integrated supply chain that could successfully deliver on that vision.

Today, 2 Cheap Cars has successfully served over 100,000 customers and David continues to leverage his extensive networks and automotive knowledge to profitably grow the business. David is proud to remain 'hands on' in the business he loves, meeting the needs of 2 Cheap Cars' customers and delivering results for his fellow shareholders.



Angus (Gus) Guerin
CFO

Gus has over two decades of finance experience, working for various global, publicly listed organisations.

After qualifying as a Chartered Accountant with Ernst and Young (EY), Gus worked within Fonterra's performance reporting division before embarking on a four-year stint in London where he held multiple finance roles within US-listed company, Wyndham Hotels. Since returning to New Zealand, Gus has held senior finance roles with Treasury Wines, British American Tobacco, and most recently as CFO at ArchiPro.

FINANCIAL SUMMARY

OPERATING REVENUE

- The 2 Cheap Cars Group's revenue is primarily generated through its automotive retail operations. Revenue is principally derived from the sale of used vehicles and from agent commissions relating to the sale of third-party finance and insurance products. The Group also receives a small amount of finance income from its residual loan book, which continues to run down.
- The Group recorded total revenue and income of \$81.7 million for the year ended 31 March 2026, broadly in line with FY25.

	2026 \$000	2025 \$000	Change %
Sale of cars	73,386	73,065	0.4%
Finance & insurance agent commissions	7,874	6,735	17%
Finance & interest income	384	370	4%
Revenue and income	81,644	80,170	2%
Other income	70	1,795	
Total revenue and income	81,714	81,965	(0.3%)

Revenue from car sales increased slightly to \$73.4 million, despite lower vehicle sales volumes, reflecting stronger average retail pricing.

Finance and insurance agent commissions increased 17% to \$7.9 million. This was a strong result in a softer retail market and reflected improved sales discipline, a more stable consumer finance environment, and record insurance penetration during the year. Finance penetration increased to 31%, while insurance penetration reached 44%, up from 36% in FY25.

Finance and interest income remained broadly stable at \$0.4 million, notwithstanding the continued run-down of the NZ Motor Finance loan book.

Other income reduced significantly from FY25, reflecting the prior year recognition of carbon credit income that did not repeat in FY26. During FY26, the Group became a net user of carbon credits, with credits utilised to offset Clean Car Standard obligations.

SALES OF EV/HEV

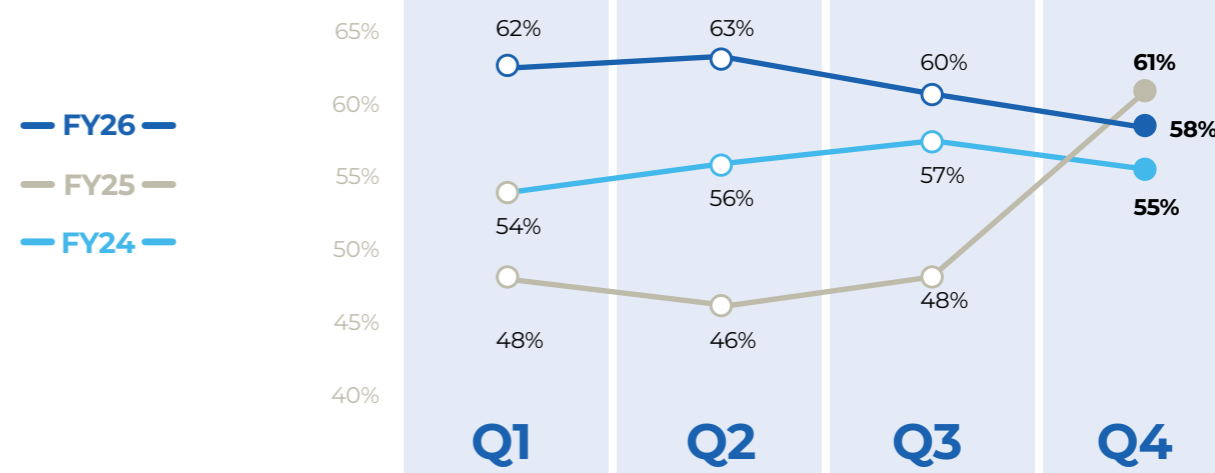
	2026	2025	Change %	2026 Mix %
Petrol vehicles	2,829	3,802	(26%)	39%
EV / HEV vehicles	4,410	3,873	14%	61%
Total vehicles sold	7,239	7,675	(6%)	100%

Hybrid and electric vehicles continued to make up a significant and growing proportion of the Group's sales mix in FY26.

For the full year, EV/HEV vehicles averaged approximately 60% of total vehicle sales, up from approximately 50% in FY25. While the mix eased slightly in the final quarter, demand remained strong across the year, reflecting both a clear customer preference for more fuel-efficient vehicles and the Group's ability to adjust sourcing through its direct procurement capability in Japan.

This shift highlights the importance of maintaining a flexible sourcing model and a product mix that reflects customer affordability, fuel-efficiency preferences and the ongoing impact of Clean Car Standard settings.

2 CHEAP CARS HYBRID/ELECTRIC VEHICLE GROWTH



FINANCIAL SUMMARY

Continued

CONTRIBUTION MARGIN

	2026 \$'000	2025 \$'000	Change %
Revenue and income	81,714	81,965	(0.3%)
Contribution margin	17,442	17,791	(2%)
Gross margin %	21.3%	21.7%	(0.4%)

Contribution margin for FY26 was \$17.4 million, down 2% from \$17.8 million in FY25.

The decline reflected ongoing margin pressure across the used vehicle sector, including the impact of elevated Clean Car Standard carbon credit costs during much of the year. These costs were most pronounced in the first half and had a material impact on year-on-year profitability.

Despite these pressures, the Group delivered a stronger second-half trading performance, supported by improved procurement conditions in Japan, stronger vehicle margins, disciplined pricing and operational efficiencies.

Gross margin percentage reduced slightly from 22% to 21%, reflecting the continued impact of regulatory cost pressures. However, the modest decline in contribution margin, despite challenging market conditions, demonstrates the resilience of the Group's vertically integrated operating model.

NZ MOTOR FINANCE LOAN BOOK

	2026 \$'000	2025 \$'000	Change %
\$ Value of loan book	156	671	(76.8%)
Number of active loans	71	98	(27.6%)

The NZ Motor Finance loan book continued to run down during FY26.

The value of the loan book reduced from \$0.7 million at 31 March 2025 to \$0.2 million at 31 March 2026, while the number of active loans reduced from 98 to 71.

No new lending occurred during the year, with the business continuing to focus on collecting outstanding loan receivables and managing the remaining book through to completion.

The loan book is now small relative to the Group's overall operations and will continue to reduce over time.



FINANCIAL RESULTS

	2026 \$'000	2025 \$'000	Change %
Revenue and income	81,644	80,170	2%
Sundry income	70	1,795	
Total revenue and income	81,714	81,965	(0.3%)
Contribution margin	17,442	17,791	(2%)
Other operating expenses	9,352	9,814	(5%)
Net interest	754	739	2%
Depreciation & amortisation	2,907	2,650	10%
Non-recurring costs	-	-	N/A
Total operating expenses	13,013	13,203	(1%)
Earnings before taxation	4,429	4,588	(3%)
<i>Earnings before tax margin</i>	<i>5.4%</i>	<i>5.6%</i>	<i>(3%)</i>
Taxation	1,241	1,288	(4%)
Net profit after tax	3,188	3,300	(3%)
	<i>3.9%</i>	<i>4.0%</i>	<i>(3%)</i>
Earnings before taxation	4,429	4,588	(3%)
Net consideration from re-assignment of leases	-	-	N/A
Non-recurring costs	-	-	N/A
Underlying earnings before taxation	4,429	4,588	(3%)
Net profit after tax	3,188	3,300	(3%)
One off items net of tax	-	-	N/A
Underlying net profit after tax	3,188	3,300	(3%)
<i>Underlying net profit after tax margin</i>	<i>3.9%</i>	<i>4.0%</i>	<i>(3%)</i>

NET PROFIT AFTER TAX (NPAT)

The Group reported NPAT of \$3.2 million for FY26, down 3% from \$3.3 million in FY25.

The result was achieved in a challenging market environment, with softer consumer demand, lower vehicle volumes and elevated Clean Car Standard costs impacting profitability. Carbon credit costs had a material year-on-year impact, particularly compared with FY25, which benefited from the recognition of carbon credit income.

These headwinds were partly offset by improved second-half trading momentum, stronger vehicle margins, higher finance and insurance penetration, and continued operating cost control. Revenue and income remained steady at \$81.7 million, while contribution margin reduced by 2% to \$17.4 million. Operating expenses reduced by 5% to \$9.4 million, reflecting continued cost discipline across the business.

Depreciation and amortisation increased by 10%, reflecting the Group's investment in its retail network, systems and operating platform.

Underlying NPAT was also \$3.2 million, with no non-recurring costs or one-off items recognised during the year. Overall, the FY26 result demonstrates the resilience of the Group's operating model, with the business maintaining profitability and delivering a result in line with recent guidance.

FINANCIAL SUMMARY

Continued

EARNINGS BEFORE INTEREST, TAXATION, DEPRECIATION AND AMORTISATION (EBITDA)

	2026 \$000	2025 \$000	Change %
Earnings before taxation	4,429	4,588	(3%)
Net consideration from re-assignment of leases	-	-	
Non-recurring costs	-	-	
Underlying earnings before taxation	4,429	4,588	(3%)
Interest expense	754	739	2%
Underlying earnings before interest and taxation	5,183	5,327	(3%)
Depreciation & amortisation	2,907	2,650	10%
Underlying earnings before interest, taxation, depreciation and amortisation	8,090	7,977	1%
<i>Underlying EBITDA margin</i>	<i>9.9%</i>	<i>9.7%</i>	<i>0.2%</i>

Underlying EBITDA increased 1% to \$8.1 million in FY26, compared with \$8.0 million in FY25.

This improvement was achieved despite lower vehicle volumes and elevated regulatory cost pressure, reflecting stronger second-half vehicle margins, improved procurement conditions, higher finance and insurance income, and disciplined cost management.

The underlying EBITDA margin increased slightly to 9.9%, compared with 9.7% in FY25.

DIVIDEND

Underlying earnings per share were 7 cents per share, unchanged from FY25.

The Board declared a final gross dividend of 3.99 cents per share, bringing total FY26 gross dividends to 6.14 cents per share. The final dividend represents approximately 60% of second-half NPAT and is consistent with the Group's stated dividend policy.

The dividend reflects the Board's confidence in the Group's financial position, balance sheet strength, and ability to continue generating positive operating cash flows while maintaining sufficient liquidity for future growth.

**DRIVING
BETTER
DEALS
EVERY DAY**

CASH FLOW

	2026 \$000	2025 \$000	Change %
Proceeds from sale of goods	81,070	80,464	1%
Payments to suppliers & employees	(75,282)	(72,390)	4%
Other operating activities	(2,346)	(2,342)	0%
Underlying cash flows from retail operating activities	3,442	5,732	(40%)
Proceeds from loan receipts	732	995	(26%)
Cash flows from operating activities	4,174	6,727	(38%)
Net purchase & proceeds of property, plant & equipment	(490)	(332)	48%
Investing cash flow	(490)	(332)	48%
Free cash flow	3,684	6,395	(42%)
Borrowing repaid	(186)	(563)	(67%)
Dividends paid	(1,689)	(2,915)	(42%)
Other financing activities	(2,906)	(2,549)	14%
Cash flows from financing activities	(4,781)	(6,027)	(21%)
Net cash flow	(1,097)	368	(398%)
Effect of exchange rate	(409)	303	(235%)
Cash & cash equivalents	3,838	5,344	(28%)

Cash flow from operating activities was \$4.2 million for FY26, compared with \$6.7 million in FY25.

The reduction primarily reflected increased investment in inventory during the year, as the Group continued to take advantage of direct purchasing opportunities through its Japanese sourcing operation. Inventory increased to \$18.0 million at 31 March 2026, supporting vehicle supply and customer choice across the retail network.

Free cash flow was \$3.7 million, compared with \$6.4 million in FY25. Investing cash outflows were slightly higher than the prior year. In FY25, the Group invested \$1.3 million in its retail network; however, this was partially offset by a one-off reduction in lease guarantee deposits following the Group's new funding agreement with ANZ.

Cash and cash equivalents were \$3.8 million at year end. The Group remained compliant with all banking covenants and maintained a strong liquidity position.

EXPLANATION

The Financial Summary section should be read in conjunction with the consolidated financial statements and related notes contained within this Annual Report. This commentary may include information regarding plans and strategies that may involve risks and uncertainties.

All figures are represented in New Zealand dollars (NZD), except where indicated. References to "this period" or "FY26" are to the year ended 31 March 2026. References to the "prior period" or "FY25" are to the year ended 31 March 2025.

Non-GAAP measures have been included as management considers that they provide useful information for readers of the Annual Report to assist in understanding the Company's financial performance. Non-GAAP measures should not be viewed in isolation or considered as substitutes for measures reported in accordance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

FINANCIAL STATEMENTS

FOR THE YEAR
ENDED 31 MARCH

2026

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Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the consolidated financial statements of the current year. These matters were addressed in the context of my audit of the consolidated financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Independent Auditor’s Report

To the Shareholders of 2 Cheap Cars Group Limited

Opinion

I have audited the consolidated financial statements of 2 Cheap Cars Group Limited (“the Company”) and its subsidiaries (“the Group”), which comprise:

- the consolidated statement of financial position as at 31 March 2026;
- the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, including a summary of material accounting policies.

I am a partner with UHY Haines Norton Chartered Accountants Sydney (the Firm) and I have used the staff and resources of the Firm to perform the audit of the Group.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (“NZ IFRS”) issued by the New Zealand Accounting Standards Board and IFRS Accounting Standards (“IFRS”) issued by the International Accounting Standards Board.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (New Zealand) (“ISAs (NZ)”) issued by the New Zealand Auditing and Assurance Standards Board. My responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of my report.

I am independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)*, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion. Other than in my capacity as auditor, neither I, the firm nor the firm’s staff have a relationship with, or interests in, the Group.

Why the audit matter is significant	How my audit addressed the key audit matter
<p>Revenue recognition</p> <p>The Group has recognised revenue of \$81.6m (FY 2025: \$80.2m) (Note 4). 2CC Group’s net sales comprises revenue from the sale of cars, insurance agent commissions and finance agent commissions.</p> <p>Revenue is recognised when the control associated with a good or service (or in aggregate thereof) representing a distinct performance obligation is transferred from the Group to the customer.</p> <p>There are a number of factors that could affect this reported amount, including the risk for revenue recognition policies being incorrectly applied or recognised in an incorrect period. This presents a key audit matter due to the financial significance and nature of net sales in the financial statements.</p>	<p>To address the risk associated with revenue recognition, the following audit procedures were carried out:</p> <ul style="list-style-type: none"> • Evaluated the design of management’s internal controls related to revenue recognition. • Reviewed revenue recognition policies for appropriateness and compliance with relevant accounting standards. • Selected a sample of transactions and inspected supporting sales documentation, cash received and assessed whether all criteria related to revenue recognition have been met before being recognised as revenue. • Reviewed credit notes posted after year end to ascertain revenue recognition during the year. • Performed revenue cut off procedures by selecting revenue samples before and after year end and testing that revenue is recorded in the correct period. • Reviewed manual revenue journals as part of the journal entry testing process. • Assessed the reasonability and completeness of the revenue related disclosures to test compliance with the requirements of the accounting standards.

Information Other than the Consolidated Financial Statements and Auditor’s Report thereon

The Directors are responsible for the annual report, which includes information other than the consolidated financial statements and auditor’s report.

My opinion on the consolidated financial statements does not cover the other information and I do not express any form of audit opinion or assurance conclusion thereon.

In connection with my audit of the consolidated financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

Audit | Tax | Advisory

The Firm: UHY Haines Norton ABN 85 140 758 156 in Sydney (“the Firm”) is an independent member of UHY Haines Norton (“the Association”), an association of independent firms in Australia and New Zealand. The Association is an independent member of Urbach Hacker Young International (“UHY International”), a UK company, and is part of the UHY International network of legally independent accounting and consulting firms. Any engagement you have is with the Firm and any services are provided by the Firm and not by the Association or UHY International or any other member firm of the Association or UHY International.

“UHY” is the brand name under which members of UHY International provide their services: all rights to the UHY name and logo belong to UHY International, and the use of the UHY name and logo does not constitute any endorsement, representation or implied or express warranty by UHY International. UHY International has no liability whatsoever for services provided by the Firm nor the Association or any other members.

Liability limited by a scheme approved under Professional Standards Legislation.



If, based upon the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Directors' Responsibilities for the Consolidated Financial Statements

The Directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible on behalf of the Group for assessing the Group's ability 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 Consolidated Financial Statements

My objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) 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 these consolidated financial statements.

A further description of the auditor's responsibilities for the audit of the consolidated financial statements is located on the External Reporting Board's website at: <https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1-1/>

This description forms part of my auditor's report.

Restriction on use of my report

This report is made solely to the Group's shareholders, as a body. My audit work has been undertaken so that I might state to the Group's shareholders, as a body those matters which I am required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Group and the Group's shareholders, as a body, for my audit work, for this report or for the opinion I have formed.

Vikas Gupta
Audit Partner - UHY Haines Norton Chartered Accountants Sydney
Signed at Sydney, Australia on 26 June 2026

2 CHEAP CARS GROUP LIMITED

Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 March 2026

	Note	MAR 2026 \$'000	MAR 2025 \$'000
Revenue			
Revenue and income	4	81,644	80,170
Sundry income	5	70	1,795
Expenses			
Cost of sales		(64,272)	(64,174)
Administration expenses		(2,699)	(3,155)
Advertising expenses		(2,552)	(2,339)
Depreciation & amortisation expenses		(2,907)	(2,650)
Employee benefits		(3,202)	(3,390)
Finance expenses	8	(754)	(739)
Property expenses		(899)	(930)
Profit before income tax		4,429	4,588
Income tax expense	18	(1,241)	(1,288)
Profit for the period		3,188	3,300
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Translation of foreign operations		(409)	303
Total other comprehensive income		(409)	303
Total comprehensive income for the period		2,779	3,603
Earnings per share			
Basic earnings per share	10	0.07	0.07
Diluted earnings per share	10	0.07	0.07

The accompanying notes form part of these consolidated financial statements.

2 CHEAP CARS GROUP LIMITED

Consolidated statement of financial position
As at 31 March 2026

	Note	MAR 2026 \$'000	MAR 2025 \$'000
Equity			
Share capital	21	39,344	39,344
Amalgamation reserve		(35,956)	(35,956)
Foreign currency translation reserve		(260)	148
Retained earnings		19,024	17,525
Total equity		22,152	21,061
Current liabilities			
Trade and other payables	15	2,880	3,214
Employee benefit liabilities	17	909	862
Borrowings	20	126	114
Income tax payable		671	459
Related party payable	22	-	10
Lease liability	16	2,288	2,084
Other current liabilities		5	14
Total current liabilities		6,879	6,757
Non-current liabilities			
Lease liability	16	6,689	5,598
Borrowings	20	625	823
Total non-current liabilities		7,314	6,421
Total equity and liabilities		36,345	34,239
Current assets			
Cash and cash equivalents	12	3,838	5,344
Derivative financial assets		7	38
Trade and other receivables	14	289	192
Other current assets	14	1,762	882
Loans receivable		106	385
Inventories	13	18,041	14,932
Total current assets		24,043	21,773
Non-current assets			
Other non-current assets		947	896
Plant, property and equipment	24	2,573	2,708
Intangible assets	26	141	1,589
Loans receivable		50	286
Deferred tax asset	18	633	133
Right-of-use assets	16	7,958	6,854
Total non-current assets		12,302	12,466
Total assets		36,345	34,239

Approved on behalf of the Board on 28th May 2026

Director

Director

Date 28 May 2026

Date 28 May 2026

The accompanying notes form part of these consolidated financial statements.

2 CHEAP CARS GROUP LIMITED

Consolidated statement of changes in equity
For the year ended 31 March 2026

	Share capital \$'000	Retained earnings \$'000	Foreign currency translation reserve \$'000	Amalgamation reserve \$'000	Total equity/ (accumulated losses) \$'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	-	3,188	-	-	3,188
Translation of foreign operations	-	-	(409)	-	(409)
Total comprehensive income for the period	-	3,188	(409)	-	2,779
Dividends paid	-	(1,689)	-	-	(1,689)
Total transactions with owners of the Group	-	(1,689)	-	-	(1,689)
Balance as at 31 March 2026	39,344	19,024	(260)	(35,956)	22,152

The accompanying notes form part of these consolidated financial statements.

2 CHEAP CARS GROUP LIMITED

Consolidated statement of cash flows
For the year ended 31 March 2026

	MAR 2026 \$'000	MAR 2025 \$'000
Cash flows from operating activities		
Cash receipts from customers	81,070	80,464
Cash paid to suppliers and employees	(75,282)	(72,390)
Interest received	120	133
Interest paid - retail operations	(38)	(80)
Tax paid / received	(2,428)	(2,395)
Net cash inflow from operating activities before changes in operating assets and liabilities	3,442	5,732
Proceeds from loan receivables	732	995
Net cash inflow from operating activities	4,174	6,727
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	-	36
Purchase of property, plant and equipment	(320)	(1,312)
Purchase of intangible assets	(120)	(3)
Decrease / (increase) in lease guarantee deposits	(50)	947
Net cash outflow from investing activities	(490)	(332)
Cash flows from financing activities		
Dividend paid	(1,689)	(2,915)
Interest paid - finance operations	(685)	(550)
Net (repayment) /proceeds of borrowings	(186)	(563)
Principal elements of lease payments	(2,221)	(1,999)
Net cash outflow from financing activities	(4,781)	(6,027)
Net increase/(decrease) in cash and cash equivalents	(1,097)	368
Cash and cash equivalents at beginning of period	5,344	4,673
Effect of exchange rate	(409)	303
Cash and cash equivalents at end of period	3,838	5,344

The accompanying notes form part of these consolidated financial statements.

Notes to the financial statements

1. Reporting entity

2 Cheap Cars Group Ltd (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 consolidated financial statements comply with the requirements of the Companies Act 1993 and the Financial Markets Conduct Act 2013.

These consolidated financial statements as at 31 March 2026 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 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.

These financial statements comply with New Zealand equivalents of International Financial Reporting Standards (NZ IFRS). As such, they also comply with International Financial Reporting Standards (IFRS).

(b) Basis of measurement

The 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 (Note 23)

(c) Functional and presentation currency

These 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 ongoing 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

No changes in accounting policies were made this financial year.

(g) Changes in accounting estimates

During the year management updated its estimates of expected loss provisions and the discount rate applied to loans.

(h) New / amended accounting standards

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the External Reporting Board ('XRB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. New Zealand equivalents to International Financial Reporting Standards ('NZ IFRS') that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 31 Mar 2026. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

3. Material accounting policies

The Group has applied the same accounting policies and methods of computation in these financial statements as its previous annual financial statements, except for those detailed in note 2(f) and (g) above.

Details of the Group's material accounting policies are provided below.

In preparing the consolidated financial statements, all intercompany balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends have been eliminated in full.

a) Basis of consolidation

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences.

The consolidated financial statements present the results of the Company and its subsidiaries ("the Group") as if they formed a single entity. Intra-group transactions and balances are therefore eliminated in full.

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

Subsidiaries

The subsidiaries of 2 Cheap Cars Group Ltd, all of which have been included in these consolidated financial statements, are as follows:

Name	Country of incorporation and principal place of business	Proportion of ownership interest	
		MAR 2026	MAR 2025
2 Cheap Cars Limited	New Zealand	100%	100%
NZ Motor Finance Limited	New Zealand	100%	100%
2CC International Limited	New Zealand	100%	100%
2 Cheap Rental Cars Limited	New Zealand	100%	100%
Car Safety NZ Limited	New Zealand	100%	100%
Car Plus K.K.	Japan	100%	100%

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Foreign currency differences arising from settlement at a different exchange rate are recognised in profit or loss.

(ii) Foreign currency monetary assets and liabilities

At balance date, foreign monetary assets and liabilities are translated to the functional currency at the closing rate and exchange variations are recognised in profit or loss.

(iii) Foreign currency non-monetary assets and liabilities

Foreign non-monetary assets and liabilities that are measured based on historical costs are translated using the exchange rate at the date of the transactions. Any foreign currency difference arising due to translating to functional currency are recognised in profit or loss.

(c) Revenue

The specific revenue recognition policies associated with the Group's distinct performance obligations (as presented in Note 4) are detailed below:

(i) Vehicles sold

Revenue is recognised at a point-in-time, with the transfer of control determined as the point the purchaser takes final physical possession of the vehicle.

(ii) Insurance policies

Commission revenue is recognised on an agent basis at a point-in-time, with the transfer of control determined at the point the end customer enters into a signed insurance policy with the insurance provider (principal). As the uncertainty associated with any commission clawbacks is resolved, previously deferred revenue recognised as contract liabilities is released and recognised as revenue.

(iii) Sale of scrap parts

Revenue is recognised at a point-in-time, with the transfer of control determined as the point that the purchaser takes final physical possession of the scrap parts.

(iv) Commissions received (booking fee, sales, finance)

Revenue is recognised on an agent basis at a point-in-time, with the transfer of control determined as the point the end customer enters into a signed finance agreement with the finance provider (principal). As the uncertainty associated with any commission clawbacks is resolved, previously deferred revenue recognised as contract liabilities is released and recognised as revenue.

(v) Interest revenue calculated using the effective interest method

Interest revenue comprises interest on loans receivable and cash and cash equivalents. Interest revenue is recognised based on the effective interest method.

Performance obligations and timing of revenue recognition

"Revenue is measured based on the consideration to which the Group expects to be entitled to, excluding amounts collected on behalf of third parties and net of rebates, discounts and payments to customers that are not in consideration for separate goods or services provided. This represents the fair value of total consideration payable, including both cash and in the case of vehicles sold, any vehicle trade-ins.

Where the ultimate transaction price receivable is subject to variability (such as in the case of vehicle returns or clawbacks on commissions) revenue is recognised only to the extent that it is highly probable that the revenue recognised would not be subsequently reversed.

Revenue is recognised when the control associated with a good or service (or in aggregate thereof) representing a distinct performance obligation is transferred from the Group to the customer.

Where a single contract contains two or more distinct performance obligations, the total transaction price of the contract is allocated between the separate performance obligations based on their stand-alone sales prices, and represents the revenue to be recognised with respect to that separate performance obligation.

Revenue is recognised on an over-time basis subject to meeting specific criteria, otherwise, revenue is recognised at a point-in-time, being the point that the customer obtains control of the good or service subject to various indicators.

Payment received from customers before revenue is recognised and presented as a "Contract liability" in the consolidated statement of financial position.

Receivables resulting from revenue being recognised before the Company is able to contractually invoice for the goods or services provided is recognised and presented as a "Other current asset" in the consolidated statement of financial position.

The Group recognises revenue on a net basis as an "Agent" (rather than on a gross basis as "Principal") when

- (i) it is not the party primarily responsible for fulfilling to provide goods or services to the end customer,
- (ii) when it does not assume the (inventory) risk of the goods or services, and/or
- (iii) it does not have discretion in setting the price payable by the end customer.

(d) Insurance contracts

NZ IFRS 17 Insurance contracts provides a scope exception for certain contracts that provide waivers (forgiveness) of loan balances upon the occurrence of specified events. Rather than accounting for these waivers as insurance contracts, the scope exemptions permits the Group to elect to account for such loans entirely as financial instruments.

The Group has elected to apply this scope exemption.

(e) Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss, except to the extent that they relate to items recognised directly in equity or in other comprehensive income. In such cases, the tax is also recognised directly in equity or in other comprehensive income, respectively.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- (i) temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss,
- (ii) temporary differences arising on the initial recognition of goodwill; and
- (iii) temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that the timing of the reversal of the temporary differences is controlled by the Group and it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(f) Employee benefits

(i) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits and accumulating annual leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

These include salaries and wages accrued up to the reporting date and annual leave earned, but not yet taken at the reporting date. The Group recognises a liability and an expense for bonuses where they are contractually obliged or where there is a past practice that has created a constructive obligation.

(ii) Defined contribution plans (Kiwisaver etc.)

Contributions to defined contribution plans are recognised in the consolidated statement of profit or loss and other comprehensive income in the year to which they relate.

(g) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance is expensed as incurred.

(iii) Depreciation

For plant and equipment, depreciation is based on the cost of an asset less its residual value. Significant components of individual assets that have a useful life that is different from the remainder of those assets are depreciated separately. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

The useful lives and depreciation method used for significant items of property, plant and equipment are as follows:

Leasehold improvements	6.0% - 30.0% SL
Furniture and fittings	6.0% - 30.0% SL
Motor vehicles	7.0% - 40.0% SL
Computer equipment	7.0% - 67.0% SL
Workshop equipment	7.0% - 67.0% SL

Depreciation methods, useful lives and residual values are reviewed at reporting date and adjusted if appropriate.

(h) Inventories

Inventories are measured at the lower of cost and net realisable value with due allowance for any damaged and obsolete stock items. The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Vehicles acquired via trade-in from car sales with customers are initially measured at their trade-in date fair value.

(i) Financial instruments

The Group recognises financial instruments when it becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value. For those financial instruments that are classified as amortised cost this includes directly attributable transaction costs. For those financial instruments classified as at fair value through profit or loss, any directly attributable transaction costs are expensed in profit or loss as incurred. Financial liabilities are measured net of transaction costs.

(i) Financial assets – classification and subsequent measurement

Financial assets are classified based on whether their repayments represent solely payments of principal and interest (SPPI), and whether the instrument is held to collect those repayments, and/ or to be sold.

At amortised cost

These financial assets represent those held to collect SPPI, and include: Trade and other receivables; Loans receivable (those that do not include waiver clauses); Cash and cash equivalents (including cash in hand, deposits held at call with banks).

These financial assets are subsequently measured at amortised cost using the effective interest rate method, less impairment.

Impairment allowances for trade receivables

Are recognised based on the simplified approach within NZ IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. On confirmation that the trade receivable will not be collectible, the gross carrying value of the asset is written off against the associated impairment allowance.

Impairment allowances for loans receivable

Are recognised based on a forward-looking expected credit loss (“ECL”) model. The methodology used to determine the amount of the allowance is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset.

For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised (“Stage 1”).

For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised (“Stage 2”). The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

For those that are determined to be credit impaired (in default), lifetime expected credit losses along with interest income on a net basis are recognised (“Stage 3”). The Group considers a financial asset to be in default when the financial asset is more than 90 days past due, as well as observable evidence with respect to:

- significant financial difficulty of the borrower;
- a breach of contract, such as a default or being more than 90 days past due;
- granting to the borrower a concession for economic or contractual reasons relating to the borrower’s financial difficulty; that the Group would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

When determining whether there has been a significant increase in credit risk since initial recognition of the financial asset, and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort.

This includes both qualitative and quantitative information and analysis, based on the Group’s historical experience and informed credit assessment and includes forward looking information.

The gross carrying amount of Loans receivable is written off when the Group has no reasonable expectation of recovering the balance in its entirety or a portion thereof.

At fair value through profit or loss (non-derivatives)

These financial assets represent Loans receivable (that include waiver clauses). In applying the scope exemption in NZ IFRS 17 Insurance Contracts to these contracts, such that they are accounted for as financial assets in their entirety, the presence of the waiver clauses results in repayments not representing SPPI. Loans receivable includes loans on which customers voluntarily elect to opt for additional Asset Waiver and/or Income Waiver products which are offered by the Group.

Accordingly, these balances are classified and measured subsequently as at fair value through profit or loss.

Repayments of these loans are recognised as reductions in the carrying amount, with fair value gains or losses at each reporting date recognised in profit or loss.

At fair value through profit or loss (derivatives)

Derivative financial assets represent “in the money” derivative contracts that are classified and measured subsequently as at fair value through profit or loss, with fair value gains or losses at each reporting date recognised in profit or loss.

(ii) Financial liabilities - classification and subsequent measurement

Financial liabilities are classified as at fair value through profit or loss if it is held-for-trading, it is a derivative or it is designated as such on initial recognition, otherwise it is classified as At Amortised cost.

At amortised cost

Includes; Trade and other payables; Borrowings; Lease liabilities.

These financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

At fair value through profit or loss (derivatives)

Derivative financial liabilities represent “out of the money” derivative contracts that are classified and measured subsequently as At Fair value through profit or loss, with fair value gains or losses at each reporting date recognised in profit or loss.

(iii) Derecognition of financial assets and financial liabilities**Financial assets**

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Impairment of non-financial assets

The carrying amounts of the Group’s non-financial assets, other than deferred tax assets and inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in profit or loss.

The estimated recoverable amount of non-financial assets is the greater of their fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting these to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

A cash-generating unit is the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of the other assets or groups of assets.

Impairment losses are reversed when there is a change in the estimate used to determine the recoverable amount and there is an indication that the impairment loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. All impairment losses are reversed through profit or loss.

(j) Share capital**Ordinary shares**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(k) Goods and services tax

With the exception of trade payables and receivables, all items are stated exclusive of Goods and Services Tax.

(l) Reserves**Amalgamation reserve**

The amalgamation reserve represents the difference between the fair value of consideration paid and the carrying amount of net assets in a business combination where the acquirer and acquiree are controlled by the same (ultimate) party (business combination under common control).

(m) Leases

All leases in which the Group is a lessee are accounted for by recognising a Right-of-use asset and a Lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Payments associated with all leases of low-value assets and short-term leases of equipment and vehicles are recognised on a straight-line basis as an expense in profit or loss.

(i) Initial measurement

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate, however in such cases the initial present value determination assumes that the variable element will remain unchanged throughout the lease term.

Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to exercise that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the Lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset (typically make-good provisions on buildings).

(ii) Subsequent measurement

Subsequent to initial measurement Lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.

Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term. Right-of-use assets are also subject to impairment assessment at reporting date.

(iii) Remeasurement

When the Group revises its determination of the use (or non-use) of renewal and/or termination options, the carrying amount of the lease liability is adjusted to reflect the payments to make over the revised term, which are discounted at the revised discount rate.

The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, however this is discounted at the original discount rate.

In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

(iv) Modifications to lease agreements

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

Increases in scope:

· If the renegotiation results in one or more additional assets being leased for an amount commensurate with the stand-alone price (i.e. market rate) for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.

· In all other cases (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the revised discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.

Decreases in scope:

· Both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss.

· The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date.

· The right-of-use asset is adjusted by the same amount.

(n) Government grants

Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the periods in which the associated expenses are recognised.

(o) Finance income and finance expenses

Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance expenses comprise interest expense on borrowings.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(p) Intangible assets

Finite intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

The estimated useful lives for the current and comparative periods are as follows:

- Trademarks 10 years
- Software 5 years

Amortisation methods and useful lives are reviewed at each reporting date and adjusted if appropriate.

- Carbon credits were initially recognised at cost, representing the value attributed to the credits at the time they were earned or incurred.

The credits were originally generated while the Group participated in the Fleet Average Scheme, under which credits were earned based on fleet-wide emissions performance relative to regulatory thresholds.

During the current financial year, all remaining carbon credits were utilised to offset the cost of import credits required under the scheme. As a result, no carbon credit intangible asset remains recognised at balance date.

(q) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

Notes to and forming part of the consolidated financial statements

4. Revenue from contracts with customers

	MAR 2026 \$'000	MAR 2025 \$'000
Sale of cars	73,386	73,065
Fair value gain/(loss) on revaluation	125	(105)
Interest on bank accounts, short term deposits and investments	120	202
Loan fees and interest	139	273
Agent commissions received	-	-
- Interest agent commissions	5,179	4,379
- Insurance agent commissions	2,695	2,356
Total revenue from contracts with customers	81,644	80,170
Timing of transfer of goods and services		
Point of sale income	81,372	79,735
Over time income	272	435
Total revenue	81,644	80,170

5. Sundry income

	MAR 2026 \$'000	MAR 2025 \$'000
Carbon Credit Income ¹	-	1,713
Rental Income	28	-
Other	42	82
Total sundry income	70	1,795

¹During the prior financial year, the Group recognised a gain relating to carbon credits generated and retained in prior reporting periods but not previously recognised as assets due to uncertainty regarding the measurement of their future economic benefits at the time.

In the 2024 calendar year, the Group became a net purchaser of carbon credits. This change has provided sufficient certainty that the retained credits from prior years will be utilised to offset future fixed price obligations, thereby meeting the recognition and measurement criteria under NZ IAS 38 Intangible Assets. Consequently, an intangible asset was recognised in respect of these credits.

The carbon credits were initially measured at their redemption value, being the fixed charge avoided for used vehicles under the Fleet Average scheme (NZ ETS), reflecting the value attributable to the economic benefits expected to flow to the Group.

6. 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 and Japan

Reportable segments have been identified as follows:

Operating segments

As at 31 March 2026	Automotive retail \$'000	Automotive supply chain \$'000	Other entities \$'000	Inter-entity transactions \$'000	Total \$'000
Revenue including interest	81,185	31,670	1,576	(32,787)	81,644
Sundry income	51	19	-	-	70
Cost of sale	(66,213)	(30,036)	(810)	32,787	(64,272)
Operating expense	(9,217)	(1,327)	(1,715)	-	(12,259)
Operating profit	5,806	326	(949)	-	5,183
Dividend received	-	-	1,689	(1,689)	-
Interest expense - trading	(700)	(22)	(44)	12	(754)
Net profit before tax	5,106	304	696	(1,677)	4,429

As at 31 March 2025	Automotive retail \$'000	Automotive supply chain \$'000	Other entities \$'000	Inter-entity transactions \$'000	Total \$'000
Revenue including interest	79,928	8,727	2,340	(10,825)	80,170
Sundry income	1,795	30	-	(30)	1,795
Cost of sale	(66,801)	(7,164)	(1,079)	10,870	(64,174)
Operating expense	(9,437)	(1,210)	(1,817)	-	(12,464)
Operating profit	5,485	383	(556)	15	5,327
Dividend received	-	-	4,792	(4,792)	-
Interest expense - trading	(623)	(6)	(135)	25	(739)
Net profit before tax	4,862	377	4,101	(4,752)	4,588

7. Determination of fair values

Face value versus carrying amounts

The carrying amount of financial assets and liabilities has been determined to be a reasonable approximation of their fair value.

8. Finance expenses

	Note	MAR 2026 \$'000	MAR 2025 \$'000
Interest expense on financial liabilities measured at amortised cost		(39)	(79)
Interest expense on lease liabilities	16	(685)	(550)
Other		(30)	(110)
Finance expenses		(754)	(739)

9. Key operating expenses

	Note	MAR 2026 \$'000	MAR 2025 \$'000
Key operating expenses includes the following:			
Audit fees		(145)	(139)
Amortisation		(42)	(14)
Depreciation - property, plant and equipment	24	(451)	(356)
Depreciation - right-of-use assets	16	(2,412)	(2,280)
Wages and salaries		(2,848)	(3,092)
Kiwisaver contributions		(98)	(158)

10. Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit attributable to shareholders of the Group by the weighted average number of ordinary shares on issue during the year, excluding shares held as treasury stock.

Diluted earnings per share assumes conversion of all dilutive potential ordinary shares in determining the denominator.

	MAR 2026 \$'000	MAR 2025 \$'000
Numerator		
Profit for the period	3,188	3,300
Denominator		
Weighted average number of shares	45,554,500	45,554,500
EPS basic	0.07	0.07
EPS diluted	0.07	0.07

11. Dividends

	MAR 2026 \$'000	MAR 2025 \$'000
Final dividend	981	1,907
Interim dividend	708	1,008
Total	1,689	2,915

12. Cash and cash equivalents

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash at bank and short term deposits with an original maturity of three months or less which are subject to an insignificant risk of changes in value.

	Held with credit rating 31 Mar 2026	Credit rating	Interest 31 March 2026	Interest 31 Mar 2025	MAR 2026 \$'000	MAR 2025 \$'000
Cash at Bank	ANZ Bank	AA-	1.95%	1.75%	3,132	4,123
	ASB Bank	AA-	2.11%	3.61%	26	67
	Mizuho Bank	A	0.02%	0.02%	679	1,116
	Xe		-	-	1	38

As cash and cash balances are held with counterparties with "investment grade" credit ratings, there is not deemed to be a significant increase in credit risk associated with the Group's Cash and cash equivalents balance. Credit rating is as per Standard & Poor.

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours' notice with no loss of interest. See note 3(q) for the group's other accounting policies on cash and cash equivalents.

13. Inventories

	MAR 2026 \$'000	MAR 2025 \$'000
Gross stock on hand	18,182	15,138
Inventory provision	(141)	(206)
Total inventories	18,041	14,932

The cost of inventory recognised in the period 31 March 2026 is \$55,108,735.

The carrying value of inventory pledged as security as the groups borrowings as at 31 March 2026 is \$16,156,425.

14. Trade and other receivables

	MAR 2026 \$'000	MAR 2025 \$'000
Trade receivables	450	350
Less: Impairment allowance	(161)	(158)
Net trade receivables	289	192

Trade receivables generally have terms of 30 days and are interest free. Trade receivables of a short-term duration are not discounted.

These financial assets are subsequently measured at amortised cost using the effective interest rate method, less impairment.

	MAR 2026 \$'000	MAR 2025 \$'000
Prepayments	700	678
Car credits receivable	357	-
Other current assets	705	204
Other receivables	1,762	882

15. Trade and other payables

	MAR 2026 \$'000	MAR 2025 \$'000
Trade payables	1,931	2,686
Financial liabilities at amortised cost	1,931	2,686
Contract liabilities	152	175
Other payables	797	353
Total trade and other payables	2,880	3,214

Trade payables generally have terms of 30 days and are interest free. Trade payables of a short-term duration are not discounted.

16. Leases

The Group leases a number of properties and equipment in the jurisdiction from which it operates.

(i) Right of use assets	MAR 2026 \$'000	MAR 2025 \$'000
Opening balance	6,854	6,702
Additions and modifications	3,516	3,244
Less:		
Depreciation	(2,412)	(2,280)
Terminations	-	(812)
Closing Balance	7,958	6,854
(ii) Lease liabilities		
Opening balance	7,682	7,306
Additions and modifications	3,517	3,244
Interest	685	550
Less:		
Terminations	-	(867)
Repayments	(2,906)	(2,549)
Effects of movements in exchange rates	(1)	(2)
Closing balance	8,977	7,682
Current portion	2,288	2,084
Non-current portion	6,689	5,598
Total lease liabilities	8,977	7,682
(iii) Balance sheet and cash flow statement	MAR 2026 \$'000	MAR 2025 \$'000
Carrying amount of RoU asset (by asset class)		
• Premises	7,958	6,854
• Equipment		
Total cash outflow related to leases (principal repayments)	(2,221)	(1,999)
Total cash outflow related to leases (interest)	(685)	(550)

(i) Lease term – use of renewal and termination options

The Group's property leases typically include renewal and termination options. The Group must assess whether it reasonably expects (or not) to exercise these when determining the lease term.

(ii) Short term leases

As at 31 March 2026 Short-term lease expense (excluding leases of 1 month or less) being \$101,577 (2025: 154,496).

These are all leases that exclude 1 month or less in duration, which management has assessed do not qualify as a lease under NZ IFRS16 leases and have not been capitalised as a result.

17. Employee benefit liabilities

	MAR 2026 \$'000	MAR 2025 \$'000
Liability for annual leave	792	661
Wages payables	117	201
Total	909	862

18. Income tax

(a) Income tax recognised in profit or loss and other comprehensive income	MAR 2026 \$'000	MAR 2025 \$'000
Income tax recognised in profit or loss		
Current tax	1,741	947
Deferred tax	(500)	341
Total income tax expense	1,241	1,288

(b) Reconciliation of income tax expense	MAR 2026 \$'000	MAR 2025 \$'000
Income tax recognised in profit or loss		
Profit before income tax expense	4,429	4,588
Tax expense at the domestic tax rate (28%)	1,240	1,285
Permanent differences	10	(1)
Prior year adjustment	(9)	-
Effects of tax rate in foreign jurisdictions	-	4
Income tax expense	1,241	1,288

(c) Deferred tax	MAR 2026 \$'000	MAR 2025 \$'000
Income tax recognised in profit or loss		
Balance at the beginning of the period	133	474
Current period movement	500	(341)
Deferred tax asset	633	133
Made up of:		
Deferred tax asset	3,499	2,645
Deferred tax liability	(2,866)	(2,512)
Net balance as per above	633	133

Deferred tax assets are attributable to the following:	MAR 2026	MAR 2025
	\$'000	\$'000
Inventory provision	40	58
Employee benefits	233	168
Doubtful debt	45	44
Others	3	25
Contract liabilities	27	34
Carbon credits	-	(427)
Lease liabilities	2,512	2,146
Right-of-use asset	(2,227)	(1,914)
Total	633	133

19. Imputation credits

	MAR 2026	MAR 2025
	\$'000	\$'000
Imputation credits at 1 April	(873)	340
Prior period adjustments	-	(22)
New Zealand Tax payments, net of refunds	(1,442)	(2,252)
RWT attached to interest received	(24)	(48)
Imputation credits attached to dividends paid	646	1,109
	(1,693)	(873)

During FY26, the Company identified that shareholder continuity requirements for imputation purposes were inadvertently breached in October 2023, resulting in the forfeiture of imputation credits accumulated prior to 30 May 2023. Accordingly, the comparative FY25 Imputation Credit Account opening balance has been adjusted to remove approximately \$3.7 million of imputation credits. The adjustment is non-cash in nature and does not impact reported profit, net assets, cash flows, or the validity of imputation credits attached to dividends already paid.

20. Borrowings

	MAR 2026	MAR 2025
	\$'000	\$'000
Opening balance	937	-
Proceeds from borrowings	-	1,406
Repayments of borrowings	(125)	(469)
Effects of fx	(61)	-
Closing balance	751	937
Current		
Mizuho bank ¹	126	114
	126	114
Non- current		
Mizuho bank ¹	625	823
	625	823

¹During FY25, the Company secured a JPY 80 million term loan from its Japanese banking partner. The loan is structured as a principal and interest facility, repayable over 7 years, with an initial annual interest rate of 2.375%. Proceeds were used to support general working capital requirements.

The loan is guaranteed by the Osaka Credit Guarantee Corporation, a public institution that facilitates SME lending in Japan.

The Group has not pledged any direct assets as security to Mizuho Bank.

To enable the guarantee arrangement, David Sena, a director of the Company, has provided a personal guarantee to the Osaka Credit Guarantee Corporation, supported by a charge over residential property owned in his personal capacity.

21. Share capital

	MAR 2026	MAR 2025
Number of ordinary shares		
Opening balance	45,554,500	45,554,500
Total issued and authorised capital	45,554,500	45,554,500
Dollar value of ordinary shares		
	\$'000	\$'000
Opening balance	39,344	39,344
Total issued and authorised capital	39,344	39,344

All issued shares are fully paid and have no par value. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Group and rank equally with regard to the Group's residual assets.

22. Related parties

Identity of related parties

The group has a related party relationship with its key management personnel being the Directors and Executive Officers.

Key management personnel

Key management personnel represent the Board of Directors, and the Senior Leadership team including the Managing Directors, Chief Executive Officer and Chief Financial Officer.

	Transactions for the period		Balance outstanding at balance date	
	MAR 2026	MAR 2025	MAR 2026	MAR 2025
	\$'000	\$'000	\$'000	\$'000
Short-term employee benefits	727		827	
Director fees	324		324	
Defined contribution plans	21		23	
Termination benefits	-		109	
Total key management personnel remuneration	1,072		1,282	
Transactions with related parties				
	MAR 2026	MAR 2025	MAR 2026	MAR 2025
	\$'000	\$'000	\$'000	\$'000
Yusuke Sena	(10)		-	10
	(10)	-	-	10

Indemnities

During FY25, the Company entered into a Deed of Indemnity with Mr. Yusuke Sena, a related party, in respect of a personal guarantee he provided to Mizuho Bank for a JPY 80 million loan facility extended to Car Plus KK, a subsidiary of the Group. Under the deed, the Company has agreed to indemnify Mr. Sena for any liabilities incurred under the guarantee, up to the full facility amount plus associated penalties, costs, and interest. The company considers the fair value of the guarantee to be immaterial and it has not been recognised in the financial statements.

23. Financial instruments - risk management

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives monthly reports from the Chief Financial Officer through which it reviews the effectiveness of the processes in place and the appropriateness of the objectives and policies it sets. The Group's internal finance team also reviews the risk management policies and processes and report their findings to the Audit Committee.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies as they relate to the specific financial risks that the Group is exposed to are set out below.

Through its operations, the Group is exposed to the following financial risks:

- (a) Credit risk
- (b) Market risk
- (c) Liquidity risk
- (d) Currency risk

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial asset fails to meet their contractual obligations.

The Group's exposure to credit risk is represented by the carrying amount of cash and cash equivalents, investments and fx contracts.

As cash and cash balances are held with counterparties with "investment grade" credit ratings, there is not deemed to be a significant increase in credit risk associated with the Group's Cash and cash equivalents balance. Credit rating is as per Standard & Poor.

The Group has an Audit & Risk Committee that monitors credit risk as part of its wider duties.

Cash and cash equivalents held with financial institutions are presented in the table below:

31 March 2026	Credit rating *	Cash and cash equivalents \$'000	Total \$'000
ANZ Bank	AA-	3,132	3,132
ASB Bank	AA-	26	26
Mizuho Bank	A	679	679
Xe		1	1
		3,838	3,838

31 March 2025	Credit rating *	Cash and cash equivalents \$'000	Total \$'000
ANZ Bank	AA-	4,123	4,123
ASB Bank	AA-	67	67
Mizuho Bank	A	1,116	1,116
Xe		38	38
		5,344	5,344

* Standard & Poor's

Interest rates on interest bearing cash and cash equivalents and investments range between 0.02% - 2.11% (2025: 0.02% - 3.61%).

(b) Market risk

Market risk arises from the Group's:

- Use of interest-bearing borrowings (interest rate risk); and
- Purchases in foreign currencies (foreign currency exchange risk).

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is exposed to interest rate risk from its variable rate borrowing and lease liabilities, with rates between 1.65% - 11.30% (2025: 2.40% - 11.30%).

ii. Foreign currency exchange risk

The Group currently does not have any sales transactions denominated in foreign currencies, however, the Group has purchase transactions denominated in foreign currencies.

During the current reporting period, the Group has purchased used cars with purchase prices denominated in foreign currencies (YEN).

To mitigate foreign exchange risk on significant purchases, the Group enters into forward exchange contracts to match the timing and amount of payments due. Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period.

The Group does not apply hedge accounting to these transactions, and they are classified as held for trading for accounting purposes and are accounted for at fair value through profit or loss. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period. They are considered level 2 fair value measurements being based on the present value of future cash flows based on the forward exchange rates at the reporting date.

There are open forward exchange contracts of \$0.9m at the end of the reporting period (2025: \$2.3m).

The net foreign exchange loss recognised for the year was \$0.50m (2025: \$0.44m loss).

(c) Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this the Group maintains a monthly forecast on its future cash position to ensure it can meet financial obligations when they fall due.

The Board receives monthly financial statements which include statements of financial position, performance and cash flows, as well as budget/forecast variance reports, to ensure it holds or will hold cash equivalents to meet its obligations.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

As at 31 March 2026	Up to 3 months \$'000	Between 3-12 months \$'000	Between 1-2 years \$'000	Between 2- 5 years \$'000	Over 5 years \$'000	Total \$'000
Trade and other payables	2,555	2	16	90	-	2,663
Borrowings	32	94	250	375	-	751
Lease liabilities	565	1,723	3,662	2,901	126	8,977
Total	3,152	1,819	3,928	3,366	126	12,391

As at 31 March 2025	Up to 3 months \$'000	Between 3-12 months \$'000	Between 1-2 years \$'000	Between 2- 5 years \$'000	Over 5 years \$'000	Total \$'000
Trade and other payables	3,106	19	23	66	-	3,214
Borrowings	28	86	236	375	213	937
Lease liabilities	158	1,925	1,442	4,156	-	7,682
Total	3,293	2,030	1,701	4,597	213	11,833

24. Property, plant and equipment

	Leasehold improvements	Motor vehicles	Furniture & fittings	Computer equipment	Workshop equipment	Total
Cost	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2025	2,011	890	763	671	215	4,550
Additions	165	80	17	3	45	310
Disposals		(29)				(29)
Effect of exchange rate		(5)				(5)
Balance at 31 March 2026	2,176	936	780	674	260	4,826
Accumulated depreciation						
Balance at 1 April 2025	(308)	(410)	(432)	(610)	(82)	(1,842)
Depreciation	(212)	(122)	(48)	(43)	(26)	(451)
Disposals		36				36
Effect of exchange rate		4				4
Balance at 31 March 2026	(520)	(492)	(480)	(653)	(108)	(2,253)
Net book value						
Balance at 31 March 2026	1,656	444	300	21	152	2,573

The Group has reviewed each item of property, plant and equipment and no impairment charge was recognised for the year ended 31 March 2026 (March 2025: Nil).

	Leasehold improvements	Motor vehicles	Furniture & fittings	Computer equipment	Workshop equipment	Total
Cost	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2024	889	857	737	649	203	3,335
Additions	1,122	156	27	22	12	1,339
Disposals		(119)	(1)		-	(120)
Effect of exchange rate		(4)				(4)
Balance at 31 March 2025	2,011	890	763	671	215	4,550
Accumulated depreciation						
Balance at 1 April 2024	(213)	(345)	(382)	(551)	(57)	(1,548)
Depreciation	(95)	(127)	(50)	(59)	(25)	(356)
Disposals		65				65
Effect of exchange rate		(3)				(3)
Balance at 31 March 2025	(308)	(410)	(432)	(610)	(82)	(1,842)
Net book value						
As at 31 March 2025	1,703	480	331	61	133	2,708

Depreciation methodology

The Group recognises depreciation on a straight line basis.

25. Notes supporting statement of cash flows

Reconciliation of profit after tax with net cash flow from operating activities

	MAR 2026 \$'000	MAR 2025 \$'000
Net profit for the year	3,188	3,300
Non-cash items:		
Depreciation & amortisation expenses	2,907	2,650
Carbon credits	1,526	(1,526)
Provisions and fair value gains	31	(24)
Loss/(gain) on sale of property, plant and equipment	-	(56)
Finance expense	685	550
	5,149	1,594
Movements in working capital:		
(Increase)/decrease in trade and other receivables	418	1,472
(Increase)/decrease in other current assets	(880)	1,720
Increase/(decrease) in trade and other payables	(304)	955
(Increase)/decrease in Inventory	(3,109)	(1,059)
Increase/(decrease) in deferred tax	(500)	341
	(4,375)	3,429
Cash generated from operations	3,962	8,323
Movement in income tax payable	212	(1,596)
Net cash flows from operating activities	4,174	6,727

26. Intangible assets

	Other Intangibles \$'000	Carbon Credits ¹ \$'000	Total \$'000
Cost			
Balance at 1 April 2025	79	1,526	1,605
Additions	128	169	297
Transfer to inventory		(1,695)	(1,695)
Disposals	(5)		(5)
Effect of exchange rate	(5)		(5)
Balance at 31 March 2026	197	-	197
Accumulated amortisation			
Balance at 1 April 2025	(15)		(15)
Amortisation	(43)		(43)
Effect of exchange rate	2		2
Balance at 31 March 2026	(56)	-	(56)
Net Book Value			
As at 31 March 2026	141	-	141

¹The Group previously recognised carbon credits as intangible assets in accordance with NZ IAS38. These credits were generated under the Fleet Average Scheme based on the Group's fleet-wide emissions performance relative to regulatory thresholds.

Carbon credits were initially recognised at cost, representing the value attributed to the credits at the time they were earned. The credits were carried at cost less any accumulated impairment losses.

During the current financial year, the Group fully utilised the remaining carbon credit balance to offset charges incurred on imported vehicles under the Clean Car Standard Scheme. Upon utilisation, the carrying value of the credits was recognised through cost of goods sold.

Accordingly, no carbon credit intangible asset remains recognised at balance date. The carbon credits were not amortised, as they are consumed in the ordinary course of business and effectively form part of inventory when applied to offset charges on imported vehicles. At the point of utilisation, their cost will be reclassified through cost of goods sold.

27. Contingent liabilities

ANZ Bank Limited has given a guarantee to the landlord on behalf of the Group to secure premises.

The maximum guarantee is for \$1,876,700 (March 2025: \$1,576,196).

28. Subsequent events

No significant events have occurred subsequent to the balance date.

STATEMENT OF CORPORATE GOVERNANCE

This statement of Corporate Governance is correct as of 31 May 2026 and was approved by the Board on 26 June 2026.

This statement outlines the principles, practices, and policies that guide the Company's operations and decision-making including the roles and responsibilities of its Board of Directors, management team, and various committees. It also outlines the Company's approach to key issues such as risk management, ethical conduct, and transparency.

The Board has set the Company's corporate governance arrangements having regard to the NZX Corporate Governance Code (Code) recommendations. The Company believes that its corporate governance practices in FY26 are materially in line with the Code published on 31 January 2025. This governance statement summarises:

- the Company's corporate governance practices;
- the areas where the recommendations of the Code are not fully complied with; and
- those areas where further work is being undertaken to reach full compliance.

The Company takes a continuous improvement approach to corporate governance such that its policies are reviewed on a regular basis. Key governance policies and charters can be viewed on the Company's website at www.2cheapcars.co.nz/investors/

Principle 1: Culture and ethical behaviour

The Company has adopted a written Code of Culture and Ethical Behaviour (CCEB) that outlines the Company's core values. It sets out explicit expectations for ethical decision-making and personal behaviour for the Board of Directors (Directors, and the Board) and employees. The CCEB is available to all Directors, volunteers, employees and contractors of the Company and its subsidiaries (2CC personnel), and is publicly available on the Company's website.

Previously incorporated in the CCEB, in November 2023 the company formally adopted a standalone 'Whistle Blower' policy. This policy outlines a framework for whistle blower protection if Company personnel report a breach or suspected breach of law, regulation, Company policy or other serious wrongdoing.

The Company's Financial Products Dealing Policy, along with the Financial Markets Conduct Act 2013, imposes limitations and requirements on Directors and employees in dealing in the Company's shares.

These limitations prohibit dealing in shares while in possession of inside information and impose requirements for seeking consent to trade.

Principle 2: Board composition and performance

Board composition and performance

As at 31 March 2026 and 31 May 2026, the Board has three Directors, two of whom are Independent Directors – Michael Stiasny and Gordon Shaw, and an Executive Director David Sena.

In order for a Director to be independent, the Board has determined that he or she must not be an employee (as defined in the NZX Listing Rules) of the Company or any of its subsidiaries and have no disqualifying relationships (as defined in the NZX Listing Rules). Independence is determined by the Board in accordance with the independence requirements of the NZX Listing Rules; and having regard to the factors described in the Code.

Each Director has experience, skills and expertise that are of value to the Company. Profiles of Directors are available on the Company's website and on page 12 - 13 of this Annual Report, and Directors' interests are disclosed on pages 63 - 64 of the Company's 2026 Annual Report.

The roles and responsibilities of the Board are detailed in the Board Charter, which was most recently reviewed and approved in November 2023, and is available on the Company's website. The Board's primary objective is to act at all times in a manner designed to create and grow sustainable value for our shareholders. The Directors are expected to be cognisant of the duties and obligations imposed on them by the Company's Constitution, the NZX Listing Rules and by law.

The Board has delegated authority for day-to-day leadership and management of the business to the CEO, who in turn has sub-delegated authority to other Company management with specified financial and non-financial limits.

The Company's Delegations of Authority Policy is reviewed annually by the Board.

The number of elected Directors, and the procedure for their retirement and election at annual meetings, is determined in accordance with the Company's Constitution and the NZX Listing Rules.



The Company has not established a separate nominations committee to recommend Director appointments to the Board, as this function is carried out by the whole Board, as permitted by recommendation 3.4. All Directors are involved in the consideration of Board composition and nominations and take into account a number of factors including qualifications, capability, experience, judgment and skills, and the ability to work with other Directors. Shareholders may also nominate candidates for election to the Board. Reference checks are carried out on all candidates and key information about candidates is provided to shareholders to assist their decision as to whether or not to elect or re-elect a candidate. Board members enter into written agreements with the Company, outlining the terms of their appointment.

Directors are encouraged to undertake appropriate training and education to ensure they remain up-to-date on best practice to perform their duties. In addition, management provide regular updates on relevant industry and Company issues such as briefings from Senior Executives.

All Directors have access to Executives to discuss issues, get information on specific areas in relation to matters to be discussed at Board meetings and for other areas as they consider appropriate. Subject to the approval of the Board Chair, Committees and Directors have the right to seek independent professional advice where the Committee or individual deems it necessary to carry out its, his or her functions. This advice is at the Company's expense.

The Company has arranged a policy of Director and Officer' liability insurance with Vero Liability Insurance Limited. This policy covers Directors and Officers so that any monetary loss suffered by them, as a result of actions undertaken by them as a Director or Officer, is insured to specified limits (and subject to legal requirements and/or restrictions).

The Chair meets regularly with Directors to discuss and assess individual performance of the Directors.

In accordance with its Charter, the Board will review and assess its performance as a whole and committee performance on an annual basis, and in such manner as the Board deems appropriate.

Diversity

The Company is committed to equal employment opportunities and treating all individuals fairly and with respect. The Company has a diverse workforce and recognises that everyone has individual differences which can be leveraged to create stronger teams and drive stronger business performance.

The Company's approach to diversity is outlined in the Company's Diversity and Inclusion Policy, which is available on the Company's website. Key areas of focus are:

- Recruitment and retention of a diverse workforce
- Creating a supportive working environment
- People development
- Recognition and reward based on merit.

The Company did not comply with Recommendation 2.5 of the NZX Corporate Governance Code during the 2026 financial year. Specifically:

(i) The recommendation that the board should have a diversity policy with measurable objectives and report on progress.

(ii) This non-compliance applied for the full financial year ending 31 March 2026.

(iii) The Company has not yet implemented systems to track progress against measurable objectives under its Diversity Policy due to a lack of resource to effectively collect and analyse the required data.

(iv) In lieu of measurable objectives, the Company adopted alternative practices including monitoring gender diversity and promoting inclusive hiring practices, which are reviewed internally.

(v) These alternative practices have been approved by the Board as interim steps while systems and resources are developed to allow future tracking and disclosure of measurable diversity objectives.

The Board is committed to all objectives detailed in the Diversity and Inclusion Policy. The Board discusses diversity and inclusion with management and is confident the Company is meeting its commitments and objectives in this regard. Any issues arising through non-adherence to the Policy are discussed by the Board and resolved to ensure all Company personnel act in accordance with - and in the spirit of - the Policy.

The Company's workforce composition was as follows:

As At 31 March 2026:	Male	Female	Gender diverse
	61 (73%)	22 (27%)	-
Total employees			83

The Board has reviewed its required diversity profile and considers the make-up of the Board is currently sufficiently diverse for the purposes of forming a strong team, providing specialised knowledge and expertise in relevant markets and driving business performance.

As at 31 March 2026 the composition of Directors and Officers of the Company were all male.

(An Officer is a person who is concerned or who takes part in the management of the Company's business and reports directly to the Board or the CEO).

As At 31 March 2026:	Male	Female	Gender diverse
Directors	3	-	-
Officers	1	-	-

As At 31 March 2025:	Male	Female	Gender diverse
Directors	3	-	-
Officers	1	-	-

STATEMENT OF CORPORATE GOVERNANCE

Continued

Principle 3: Board Committees

The Board has delegated a number of its responsibilities to Committees to assist in the execution of the Board's responsibilities. The use of Committees allows issues requiring detailed consideration to be dealt with separately by members of the Board who have specialist knowledge and experience, thereby enhancing the efficiency and effectiveness of the Board. However, the Board retains ultimate responsibility for Committee functions, and determines their responsibilities. Copies of relevant Committee Charters can be found on the Company's website.

Although recommendation 3.1 of the Code recommends that the Audit Committee should be majority independent and comprise solely of non-executive Directors, the current composition of the Board means that all Directors are currently members of all committees including David Sena who is an Executive Director (as Listing Rule 2.13.2 requires a minimum of three members in the Audit Committee).

Members of the Board can attend any Committee meeting and minutes of Committee meetings are available to all members. Each Committee is empowered to seek any information it requires from the Company's personnel to undertake their duties. Committees can also get independent legal or other professional advice (with Chair approval).

Special purpose Committees may be formed to review and monitor specific projects together with senior management. In the case of a takeover offer, the Company would engage expert legal and financial advisors to provide advice.

Takeover protocols have been developed and formally adopted by the Board in compliance with Recommendation 3.6 of the Code. The Company's Takeovers Code can be found on the Company's website.

The Board Committees as at 30 May 2026 were:

Committee	Role	Members
Audit, Finance and Risk Management Committee	The main purpose of this Committee is to assist the Board in providing oversight of matters relating to the quality and integrity of financial reporting, independence and performance of the external auditors, effectiveness and objectivity of the internal audit programme and oversight of business risks and compliance activities.	Gordon Shaw (Chair) Michael Stiassny David Sena
Remuneration Committee	This Committee has been established to assist the Board in fulfilling its responsibilities in relation to the following matters: 1. Formal and transparent method for determining Directors' remuneration. 2. Remuneration of the CEO. 3. Review of the remuneration recommendations made by the CEO for the senior management team. 4. Consideration and review of any incentive plans or payment targets and calculations for the CEO and senior management team. 5. Review of the overall Company-wide salary and incentive policies.	Gordon Shaw (Chair) Michael Stiassny David Sena

STATEMENT OF CORPORATE GOVERNANCE

Continued

The Audit, Finance and Risk Management Committee is comprised of a majority of Independent Directors but it includes the Executive Director. The Chair of the Audit, Finance and Risk Management Committee is not the Chair of the Board.

The Audit & Risk Management Committee Charter sets out the policies and practices of the Board of Directors regarding the financial audit and risk management processes and is available on the Company's website.

Employees of the Company only attend meetings of the Audit, Finance and Risk Management Committee at the invitation of the Committee.

The Remuneration Committee is comprised of a majority of Independent Directors. Management attendance at meetings of the Remuneration Committee is by invitation of the Committee, noting that the Executive Director is a member.

Attendance at Board and Committee meetings during FY26 was:

Attendee	Board	Audit, Finance and Risk Management Committee	Remuneration Committee
Michael Stiassny	13	3	1
Gordon Shaw	13	3	1
David Sena	13	3	1
Total meetings held	13	3	1

Principle 4: Reporting and disclosure

The Company is committed to keeping investors and the market informed of all material information about the Company and its performance in a timely manner. In addition to all information required by law, the Company seeks to provide sufficient meaningful information to ensure stakeholders and investors are well informed.

The Company's Continuous Disclosure Policy sets out the principles and requirements of this commitment to timely and balanced disclosures.

For the financial year ended 31 March 2026, the Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Company and facilitate compliance of the financial statements with the Financial Markets Conduct Act 2013.

The CEO and the CFO are required to provide a letter of representation to the Board confirming that:

- The 2CC Group's financial statements have been prepared in accordance with accepted accounting standards in New Zealand, are free of material misstatements, including omissions, give a true and fair view of the financial performance and position of the 2CC Group and the financial records have been properly prepared;
- The representations are based on a sound system of risk management, internal compliance and controls that provide for the implementation of the policies adopted by the Board; and
- 2CC Group's risk management and internal control systems are operating effectively in all material respects.

A letter of representation confirming those matters was received in relation to the FY26 financial statements.

The Board has given due consideration to the importance of non-financial disclosure and recognises the importance of non-financial disclosure including environmental, economic and social and governance (ESG) considerations.

However, given the size of the Company it has elected to not yet implement a formal ESG policy or provide the level of reporting on environmental, economic and social sustainability factors and processes to the level recommended in principle 4.4 of the Code, including as to how operational or non-financial targets are measured. The Company's Annual Report does discuss the role the Company is playing with respect to the implementation of lower emission vehicles in the 'FY26 in Review' section, and in the commentary provided on page 59 of this Annual Report.

STATEMENT OF CORPORATE GOVERNANCE

Continued

Principle 5: Remuneration

Remuneration of Directors and the senior management team is the key responsibility of the Remuneration Committee. External advice has been sought to ensure remuneration is benchmarked to the market for senior management positions.

The Company has adopted a Remuneration Policy which relates to Non-Executive Directors and senior managers. The Remuneration Policy is designed to ensure that remuneration practices of the Company are fair and appropriate, and that there is a clear link between remuneration and performance.

At present, the weightings of remuneration for senior management are geared towards a fixed basis remuneration with a short-term incentive scheme in place for select senior management. No equity-based incentive scheme is currently in place. Fixed remuneration is determined having regard to the scale and complexity of the relevant employee's role. It includes all benefits, allowances and deductions. Adjustments to fixed remuneration are not automatic, they are based on performance and reviewed annually by the Remuneration Committee.

Remuneration of the Non-Executive Directors is determined by the Board on the recommendation of the Remuneration Committee.

There is no requirement for the Directors to hold shares.

Details of Director and Executive remuneration (including remuneration arrangements for the CEO) in FY26 are provided on pages 64-65 of this Annual Report.

Principle 6: Risk management

The Board has overall responsibility for the Company's system of risk management and internal controls, and procedures are in place to provide control within the management and reporting structure.

In addition, the Audit, Finance and Risk Management Committee provides an additional and more specialised oversight of Company risks. The Audit, Finance and Risk Management Committee Charter provides detail around the specific responsibilities of the Committee related to risk management.

The Committee reviews and recommends to the Board for approval the Company's half year and annual financial statements. The Committee also advises the Directors as to whether the Company's financial statements comply with applicable laws and regulations.

Monthly management reporting is provided to the Board in order to monitor the Company's performance against budget and other objectives. The responsibilities of the Audit, Finance and Risk Management Committee include:

- Ensuring that management is implementing, and reporting to the Committee, the Company's risk management framework (including the maintenance of the risk register) and policies.
- Reporting to the Board on the development of existing risks and the emergence of new risks.
- Reporting to the Board on the main risks to the Group's performance, how these main risks are being managed under the Group's risk management framework and on any incident involving fraud or other breakdown of internal controls.

A structured framework is in place for capital expenditure. This includes appropriate authorisation and approval levels that place an emphasis on the commercial logic for an investment. Under a formal Delegation of Authority policy, the Board has set limits on management's ability to incur expenditure, enter into contracts and acquire or dispose of assets.

Risk profiles that identify, assess, monitor and report the Company's key business risks are formally reviewed by the Board annually as part of the Board's risk assessment process. Risk profiles also identify key risk mitigation strategies which are in place.

STATEMENT OF CORPORATE GOVERNANCE

Continued

Key risk	Description of risk	Impact	Mitigation
Supply chain + logistics risk	Reliance on Japanese used vehicle supply, auction availability, export processes, and shipping. Exposure to weather events, biosecurity, or border restrictions.	Reduced vehicle supply, delayed inventory, higher sourcing costs, inability to meet customer demand.	Maintain buffer stock, monitor logistics partners, and use alternative sourcing (e.g., local trade-ins and wholesale channels).
Regulatory + compliance risk	Proposed or future changes in NZ import settings, vehicle safety standards, or biosecurity requirements.	Restricted importation of vehicles, non-compliance penalties, reduced product availability, or misalignment with customer demand	Active monitoring of regulatory environment, engagement with industry bodies (e.g., VIA), refine procurement criteria, and align with NZ standards.
Foreign exchange risk	Volatility in NZD/JPY or other currencies affecting import costs.	Increased cost of imported vehicles, margin erosion, or pricing pressure.	Use forward exchange contracts, hedge exposure, and adjust pricing strategies.
Product mix + demand volatility	Shifts in customer preference (e.g., petrol vs. hybrid/EV) due to fuel prices, emissions charges, or affordability.	Holding wrong inventory mix, increased discounting, slower stock turn, and margin compression.	Monitor sales mix, enquiry trends, and aged stock. Adjust procurement and allocation dynamically. Focus on fuel-efficient vehicles where demand supports it.
Cost inflation risk	Rising costs in compliance, refurbishment, labour, transport, property, digital advertising, and third-party services.	Reduced gross margin, operating leverage, and overall profitability if costs cannot be passed on.	Internalise key activities, rebalance capacity, review supplier pricing, and continued focus on operational efficiency.
Pricing + margin risk	Inability to pass on cost increases due to competitive or price-sensitive market conditions	Margin compression, reduced profitability, and potential loss of market share.	Enforce pricing discipline, focus on value proposition, and optimise inventory controls.
Economic + consumer demand risk	Weak consumer confidence, cost-of-living pressure, tighter credit conditions, or immigration changes.	Reduced demand for used vehicles, lower sales volumes, finance/insurance income pressure, and margin erosion.	Maintain value-focused positioning, review pricing/finance penetration, and develop own-channel lead generation.
Key person risk	Reliance on founder/CEO (David Sena) and senior leadership team.	Operational performance and strategic execution disruption if key personnel leave without effective transition.	Develop senior leadership, delegate authority, ensure Board oversight, and implement succession planning. The founder's significant equity stake continues to mitigate this risk.
Cybersecurity risk	Data breaches, system outages, or ransomware attacks on digital platforms (sales, inventory, customer data).	Operational disruption, reputational damage, regulatory penalties, and loss of customer trust.	Invest in cybersecurity infrastructure, conduct regular audits, and train staff.
Technology disruption risk	Competitors or new technologies (e.g., online marketplaces, AI-driven sales) outpacing 2CC's digital capabilities.	Loss of market share, reduced competitiveness, and lower sales efficiency.	Invest in digital innovation, monitor industry trends, and enhance direct-to-consumer channels.
Reputation risk	Negative publicity (e.g., vehicle quality issues, compliance failures, or customer disputes).	Erosion of customer trust, reduced sales, and long-term brand damage.	Proactive quality control, transparent communication, and crisis management planning.

STATEMENT OF CORPORATE GOVERNANCE
Continued

Health and safety

The Board is directly responsible for monitoring corporate risk assessment processes and is committed to ensuring a high quality, safe and healthy environment for everyone who works at the Company, its visitors, customers and partners.

The Company is committed to developing, improving and reinforcing its safety culture. Key to this commitment is continuously improving leadership capacity and simplifying tools and systems. Paragraph 2.3.3 of the Board Charter describes how the Company manages its health and safety risks.

The Board receives monthly updates on health and safety performance, including performance against plan and 'near miss' reporting.

The Company seeks to provide a healthy and safe workplace with a KPI goal of zero serious harm accidents and incidents. No serious harm accidents occurred in FY26. The Company strives to create an environment where employees report all near miss accidents and incidents, however minor, with the objective to identify potential harm and promote continuous improvement.

Vehicles are the biggest risk area for our staff. This includes risks associated with vehicle movements at our dealerships as well as in our logistics and vehicle processing Hub.

The Company engages a third-party specialist to perform health and safety reviews, ensuring staff are working in the safest possible environment. These reviews identify site hazards, ensure full compliance and recommend any appropriate corrective actions. The latest review was presented to the Board in March 2024, with agreed improvement actions completed by 30 April 2024.

All staff are provided with the Company handbook which contains the risk management policy, health and safety policy and guidelines for keeping safe while at work. Staff are required to confirm that they have received and read this.

Principle 7: Auditors

For the year ended 31 March 2026, UHY Haines Norton Sydney was the external auditor of the Company.

The Audit, Finance and Risk Management Committee monitors the ongoing independence, quality and performance of the external auditors and audit partner rotation. The Audit, Finance and Risk Management Committee Charter establishes a framework for the Company's relationship with its external auditors in accordance with Recommendation 7.1 of the Code.

The Committee pre-approves any non-audit work undertaken by UHY Haines Norton Sydney. UHY Haines Norton Sydney did not provide any non-audit services to the Company or its subsidiaries during FY26.

The fees paid for audit services in FY26 are identified on page 40 of the Company's 2026 Annual Report. The Company's external auditors are expected to attend the 2026 Annual Shareholders' Meeting.

For the purposes of recommendation 7.3 of the Code, given the comparatively small Company size, there is no discrete internal audit function. However, a number of controls are embedded within the Company's normal operations, including but not limited to: risk management; information systems; security; health and safety; conflicts of interest; and fraud prevention and detection.

Principle 8: Shareholder rights and relations

The Company maintains open channels of communication with shareholders and interested stakeholders. It also seeks to encourage effective participation at Company shareholder meetings, distributing shareholder communications in accordance with the NZX Listing Rules and any relevant legislation.

The Company uses a variety of channels and technologies to keep its shareholders informed. Information is available via market announcements through NZX, the Company's share registry, the Company's website, results conference calls, annual reports and annual shareholder meetings. Shareholders are also able to communicate electronically with both the Company and its share registry.

All market releases carry the Company's contact details and the Company undertakes to respond to all shareholder communications within a reasonable timeframe.

Shareholders are encouraged to attend the annual meeting and may raise matters for discussion at this event. They can also vote on major decisions which affect the Company. Voting is by poll, upholding the 'one share, one vote' philosophy. Shareholders can also vote by proxy ahead of meetings.

Notices of annual or special shareholder meetings are posted on the Company's website and to the NZX as soon as possible, and at least 20 working days prior to the meeting.

The Company has moved to holding an online only annual meeting, given the very low historic turnout and the disproportionate cost involved given the Company's size. However, shareholders can still engage with the Company through various means, as noted above.

In addition to shareholders, the Company has a wide range of stakeholders and maintains open channels of communication for all audiences such as brokers, the investing community and the New Zealand Shareholders' Association, as well as its staff, suppliers and customers.

The Company has a number of policies which uphold stakeholder interests, including but not limited to the Continuous Disclosure Policy and Financial Products Dealing Policy.

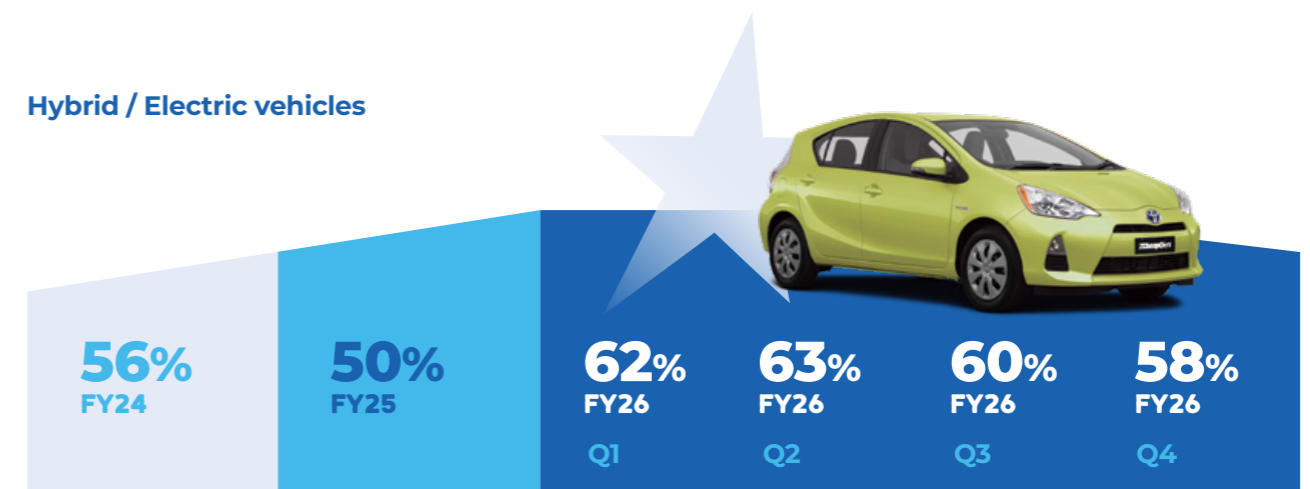
ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONSIDERATIONS

Environmental

2 Cheap Cars' core business continues to support the transition to lower-emission transport in New Zealand through the sourcing, promotion and sale of hybrid and electric vehicles, alongside the Company's own environmentally responsible operational practices.

As a recognised participant in New Zealand's low-emission used vehicle market, 2 Cheap Cars continues to sell significant volumes of electric and hybrid vehicles. In FY26, EV/HEV vehicles represented 61% of total vehicle sales, with 4,410 EV/HEV vehicles sold during the year, compared with 3,873 in FY25.

This result reflects both strong consumer demand for more fuel-efficient vehicles and the Group's ability to adjust its sourcing mix through its direct procurement capability in Japan. While the EV/HEV sales mix eased slightly in the final quarter, demand remained strong across the year, highlighting the importance of maintaining a flexible sourcing model and a product mix that responds to customer affordability, fuel-efficiency preferences and the ongoing impact of Clean Car Standard settings.



Reducing the Company's internal emissions

2 Cheap Cars acknowledges the importance of environmental preservation and values the benefits of a clean, pollution-free environment.

The Company's emissions are primarily generated by vehicle transportation, including shipping between Japan and New Zealand, and national distribution from the processing hub in Auckland to dealerships across the country.

The Company is committed to reducing emissions from national road transportation of our vehicles by selecting fuel efficient and alternative fuel carriers wherever possible.

The Company continues to review the most efficient way to manage operational activities, including the balance between in-house capability and the use of external suppliers. Where vehicles are landed in Auckland, compliance procedures, panel and paint, and mechanical repairs are managed through a mix of internal resources and trusted external partners. This approach supports operational flexibility while helping to reduce unnecessary vehicle movements where practicable.

The Company notes that internal carbon offset initiatives will remain a significant part of our sustainability efforts:

- 70% of the company-owned vehicles are hybrid.
- The vehicle processing hub has been upgraded with energy-efficient LED lighting and day/night sensors to minimise power consumption.
- We adhere to best practices for waste disposal and the use of chemical substances.
- Recycling is an integral part of our waste management programme. We collect used oil from the vehicle service process and provide it to an external company for eco-friendly recycling. We also recycle old vehicle batteries.
- To reduce paper usage, we encourage the use of electronic filing.
- Energy usage at the vehicle processing hub is regularly audited to enable us to consistently improve energy and water consumption wherever possible.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONSIDERATIONS

Social

We understand that our people are the heart of our business. Therefore, 2 Cheap Cars is dedicated to providing employees with a safe working environment, good conditions and ensuring their wellbeing.

As an industrial business, we prioritise health and safety. In FY23, we conducted an external Health and Safety review, focusing on our Auckland Hub operations, and implemented a clear action plan to maintain high workplace health and safety standards. These standards are extended to our car yards and other operational sites. Our commitment is to ensure a safe and healthy workplace culture is maintained and that we achieve zero serious harm accidents and incidents each year. We are pleased to report this goal was successfully achieved in the FY26 period.

The safety of our team members, visitors, and customers remains our highest priority, and we are dedicated to ensuring everyone returns home safely each day.

2 Cheap Cars is an equal opportunity employer that benefits from having a diverse employee base. We have people from a range of different cultures and backgrounds and we are committed to providing equal opportunities for all staff.

Governance

2 Cheap Cars is committed to maintaining strong governance practices that promote transparency, accountability, and ethical conduct. We have established a robust governance framework that includes clear policies and procedures, regular board and management oversight, and ongoing engagement with stakeholders.

Our governance practices are designed to ensure that we operate in a responsible and sustainable manner, and we regularly review them.



STATUTORY DISCLOSURES

Top 24 shareholders

The names of the largest 24 shareholders of 2 Cheap Cars shares as at 29 May 2026 are listed below:

	Name	Number of shares held	% of issued capital
1	SENA & CO LIMITED	34,586,927	75.9%
2	NEW ZEALAND DEPOSITORY NOMINEE LIMITED	1,466,169	3.2%
3	FORSYTH BARR CUSTODIANS LIMITED	1,442,133	3.2%
4	ACCIDENT COMPENSATION CORPORATION - NZCSD	1,235,419	2.7%
5	AUSTEN HERBERT STEWART KYLE	755,000	1.7%
6	LORRAINE MARY MCCAFFREY	500,000	1.1%
7	HUMI SENA	250,000	0.5%
7	IAN ARCHIBALD HURST & GLORIA FAYE HURST	250,000	0.5%
9	BLACK DUCK INVESTMENTS LIMITED	205,714	0.5%
10	MARK HENRY PUMPHREY	201,830	0.4%
11	HONG REINER	200,000	0.4%
12	JONATHAN MICHAEL ALAN PURDEY & WITHERS TSANG AND CO TRUSTEES LIMITED	170,000	0.4%
13	NICHOLAS DAVID SANDLANT	150,000	0.3%
14	ERIC ANTHONY FREDERICK BENNIK	147,417	0.3%
15	ALAN DAVID WHITE	105,516	0.2%
16	MARTIN JOHN WATSON & KARIN CAROLINE WATSON	105,000	0.2%
17	MICHAEL PETER STIASSNY	102,139	0.2%
18	ZHEN CHEN	101,459	0.2%
19	JAMES ALAN GRAHAM	100,500	0.2%
20	DAVID ROY COOPER & KAREN ANN COOPER & COOPER FAMILY NOMINEES LIMITED	100,000	0.2%
20	DESMOND ANTHONY PENDER & KATHLEEN MARIE PENDER	100,000	0.2%
20	PHILIP BOWMAN	100,000	0.2%
20	SIMON WILLIAM PERVAN & JANE PERVAN & BANCO TRUSTEES LIMITED	100,000	0.2%
20	XU XIAO	100,000	0.2%
	Total top 24 shareholders	42,575,223	93.5%
	Remaining shareholders	2,979,277	6.5%
	Total shares on issue	45,554,500	100%

STATUTORY DISCLOSURES

Spread of 2 Cheap Cars Group security holders

As at 29 May 2026 the spread of shareholders is set out in the table below:

Range	Number of holders	Shares	% of holders	% of shares
1 to 1000	39	21,888	17%	0%
1001 to 5000	55	165,908	24%	0%
5001 to 10,000	40	344,522	17%	1%
10,001 to 100,000	79	2,923,502	34%	6%
100,001 and over	19	42,098,680	8%	92%
Totals	232	45,554,500	100%	100%

Substantial product holders

The following substantial product holder information is given pursuant to section 293 of the Financial Markets Conduct Act 2013. The table below sets out the names of the persons who as at 31 March 2026 were registered as substantial product holders in the company. The total number of voting securities (fully paid ordinary shares) of the Company as at 31 March 2026 was 45,554,500.

Substantial product holder	Number of ordinary shares in which relevant interest is held
Yusuke Sena	34,586,927
	34,586,927

Directors' shareholdings

As at 31 March 2026, the Directors(s) of the company had the following relevant interests in the Company's shares:

Directors	Number of ordinary shares in which relevant interest is held
Yusuke Sena	34,586,927
Michael Stiassny	102,139
Gordon Shaw	10,181
	34,699,247

Disclosure of Directors' interests

The Company maintains an interests register in accordance with the Companies Act 1993 in which Directors interests are recorded.

The following are particulars of general disclosures of interest by Directors holding office as at 31 March 2026 under section 140(2) of the Companies Act 1993. The Director will be regarded as interested in any and all transactions between the Company or any of its subsidiaries with the disclosed entity. Particulars of entries made during the year are noted in brackets for the purposes of section 211(1)(e) of the Companies Act 1993. In addition to the information set out below, the following other interests were disclosed in the Company's interest register: the authorisation of Directors' remuneration; and entry into the Directors and officers liability insurance policies, both as further detailed on page 65.



STATUTORY DISCLOSURES

Continued

Director / Entity	Relationship
Gordon Shaw	
2 Cheap Cars Group Limited	Director
2 Cheap Cars Limited	Director
2 Cheap Rental Cars Limited	Director
2CC International Limited	Director
Car Safety New Zealand	Director
NZ Motor Finance Ltd	Director
Institute of Directors (IoD) - Nelson Marlborough Branch	Committee Member
Nelson Bays Primary Health Trust	Independent Trustee
ProMed HR New Zealand Ltd (Department of Corrections)	Chair and Independent Director (Committee Member)
(Far North District Council)	(Committee Member)

Director / Entity	Relationship
Michael Stiassny	
2 Cheap Cars Group Limited	Chair
2 Cheap Cars Limited	Director
2 Cheap Rental Cars Limited	Director
2CC International Limited	Director
Car Safety New Zealand	Director
NZ Motor Finance Ltd	Director
Car Plus KK	Director
Being AI Limited	Chair
Founders Advisory Ltd	Director
LPF Group Ltd	Director
MS10 Ltd	Director
Momentum Life Insurance Limited	Chair
Tegel Group Holdings Limited	Director

Director / Entity	Relationship
Yusuke Sena	
2 Cheap Cars Group Limited	Shareholder/Director
2 Cheap Cars Limited	Director
2 Cheap Rental Cars Limited	Director
2CC International Limited	Director
Car Plus KK	Director
Car Safety New Zealand	Director
Sena & Co Ltd	Director

Share dealings of Directors during the financial period

Directors disclosed under section 148(2) of the Companies Act 1993 that there were no acquisitions or disposals of relevant interests in the Company's shares by Directors during the year ended 31 March 2026. Accordingly, no transactions were entered in the Company's interests register for the period.

Directors' remuneration

The total pool of Directors fees available to Non-Executive Directors for the year ended 31 March 2026 was \$650,000, which was approved by shareholders. Of this, \$324,000 was paid to Non-Executive Directors in FY26. The table below sets out the total of the remuneration and the value of other benefits received by each Director during the year.

STATUTORY DISCLOSURES

Continued

Board remuneration per annum	
Board Chair	\$208,000
Non Executive Director	\$80,000
Board Committee Chair	\$12,000
Board Committee Member	\$6,000

Board remuneration for the Company and its subsidiaries in FY26:

Director	Directors fees	Salary	Other benefits	Subtotal
Yusuke Sena		399,295	11,462	410,757
Michael Peter Stiassny	220,000			220,000
Gordon Shaw	104,000			104,000
	324,000	399,295	11,462	734,757

Salary payments to Mr. Sena are for his executive role within the company, and the other benefits relate to KiwiSaver contributions

Directors' insurance

In accordance with the Companies Act 1993, 2CC has taken out an insurance policy to insure its directors and officers against potential liabilities and costs incurred in any proceeding, except to the extent prohibited by law.

Employee remuneration

The following table shows the number of current and former employees of the company (not being Directors of the Company) who received remuneration and other benefits in their capacity as employees during FY26, the value of which exceeded \$100,000. The remuneration amounts include all monetary amounts and benefits actually paid during the year, including the face value of any long term incentive vested during the year (which for FY26 was nil).

Remuneration range	FY26	FY25
	Number of employees	Number of employees
100,000 - 109,999	3	3
110,000 - 119,999	8	5
120,000 - 129,999	3	3
130,000 - 139,999	4	3
140,000 - 149,999	1	2
150,000 - 159,999	1	1
170,000 - 179,999	1	2
190,000 - 199,999	1	0
210,000 - 219,999	1	0
220,000 - 229,999	0	1
330,000 - 339,999	1	0
360,000 - 369,999	0	1
410,000 - 419,999	1	1
	25	22

CEO remuneration

The CEO's remuneration as at 31 March 2026 consisted of a base salary, KiwiSaver contributions, and a one-off payment relating to the cashing out of accrued annual leave. The CEO's remuneration is reviewed annually by the Remuneration Committee and approved by the Board.

David Sena's remuneration during the FY26 year consisted of a base salary of \$360,000, which did not increase during the year. In addition, David received a one-off payment of \$20,769 relating to the cashing out of accrued annual leave.

STATUTORY DISCLOSURES

Continued

Subsidiaries of 2 Cheap Cars Group Limited contained within the group

The following persons held office as directors of 2CC Group's six subsidiaries as at 31 March 2026.

Subsidiary	Jurisdiction	Directors
2 Cheap Cars Limited	New Zealand	Michael Peter Stiasny Yusuke Sena Gordon Shaw
NZ Motor Finance Limited	New Zealand	Michael Peter Stiasny Gordon Shaw
Car Safety NZ Limited	New Zealand	Michael Peter Stiasny Yusuke Sena Gordon Shaw
2CC International Limited	New Zealand	Michael Peter Stiasny Yusuke Sena Gordon Shaw
Car Plus KK	Japan	Michael Peter Stiasny Yusuke Sena Humi Sena
2 Cheap Rental Cars Limited (ceased trading)	New Zealand	Michael Peter Stiasny Yusuke Sena Gordon Shaw

Other information**Directors**

As at 31 March 2026 the Company's Board comprised the following Directors: Michael Peter Stiasny, Yusuke Sena and Gordon David Shaw.

Transactions directors are interested in

No disclosures were made of interests in transactions under s 140(1) of the Companies Act.

Use of Company information

No disclosures were made in the Company's interests register under sections 145(2) and 145(3) of the Companies Act 1993.

NZX waivers

No waivers were granted by NZX or relied on by the Company during FY26.

Exercise of NZX disciplinary powers

The NZX did not take any disciplinary action against the Company during FY26. In particular, there was no exercise of powers by NZX under NZX Listing Rule 9.9.3 (relating to powers to cancel, suspend or censure an issuer) with respect to the Company.

Donations

No donations in FY26.

Credit rating

2 Cheap Cars Group Limited does not have a credit rating.

Auditor remuneration

UHY Haines Norton is the appointed auditor of the 2 Cheap Cars Group. During FY26, the Group paid audit fees of \$145k, as detailed in note 9 of the financial statements. Zero non-audit service fees were paid to UHY Haines Norton during the year.



COMPANY DIRECTORY

Nature of business

Used automotive vehicle retailer and motor vehicle finance provider

Registered office

102 Mays Road
Onehunga
Auckland 1061

Head office

102 Mays Road
Onehunga
Auckland 1061

Directors

Michael Stiasny
Gordon Shaw
Yusuke Sena

Bankers

ANZ Bank

Solicitors

MinterEllisonRuddWatts

Independent auditors

UHY Haines Norton Sydney

Share register

Computershare



2CheapCars Group

2 Cheap Cars Group Limited

102 Mays Road
Onehunga
Auckland 1061
Ph: 09 869 3330
