# 2026 Annual Shareholders Meeting Script

2 Cheap Cars Group Limited
Friday 25 September 2026 at 10 am

## Slide 1 - Annual Shareholders Meeting

**Michael Stiassny**

Mōrena, good morning. My name is Michael Stiassny, Chair of 2 Cheap Cars Group Limited. It is now 10 am, and I am pleased to open our 2026 Annual Shareholders' Meeting.

## Slide 2 - Board of Directors and Senior Management

On behalf of my fellow directors, welcome, and thank you for joining us.

With me this morning are our Executive Director and Chief Executive, David Sena; Independent Director Gordon Shaw; and our Chief Financial Officer, Angus Guerin.

Our lawyers from Minter Ellison Rudd Watts and our Auditors, UHY Haines Norton are also present online.

A few housekeeping matters:

- We ask that you follow the information provided in the Notice of Meeting regarding voting and asking questions.
- Should you require any assistance, you can type your query and one of the Computershare team will assist, or alternatively, you can call Computershare on 09 488 8700.

## Slide 3 - Questions

Please note that only shareholders and proxies can ask questions and submit votes.
You can submit questions via Computershare at any time during the meeting.

If you have a question, click the Q&A tab on the right half of your screen. Type your question into the field and press send. Your question will be submitted immediately. Specific questions on the resolution to be considered will be answered when it is put forward, while general questions will be addressed later in the meeting.

The Q&A tab can also be used for immediate help, if you need assistance, submit your query in the same way and a Computershare representative will respond directly to you.

Questions may be moderated, or if we receive multiple questions on a topic, they may be amalgamated. If we run out of time to answer all questions during this meeting, we will answer them directly via email and post the responses on our website.

We have already received a number of questions via email which will be addressed during question time.

To any media present online, please get in touch with Gus after the meeting if you have questions.

## Slide 4 - Voting process

Voting today will be by way of a poll on all items of business. To provide you with plenty of time, I will shortly open voting for the resolution.

If you are eligible to vote at this meeting, you will be able to cast your vote under the Vote tab. To vote, simply select your voting direction from the options shown on screen. When the tick appears, your vote has been cast. To change your vote after that time, simply select 'Change Your Vote'. You can do this until I declare voting closed.

I now declare voting open on all items of business. The resolution will be open in the vote tab, you may submit your votes at any time, and I will let you know in advance that voting will be closing.

## Slide 5 - Agenda

Here is today's meeting agenda.
I will begin with the Chair's address. Gus will then take you through the FY26 results, our operational progress and trading for the first five months of FY27.

David has overseen the operational and strategic content and has asked Gus to speak on his behalf to ensure the information is easily understood.

Following these presentations, we will then move to the formal resolution set out in the Notice of Meeting, followed by general business and questions.

Let's now move on to the formal part of the meeting.

**Apologies**

Are there any apologies?

*(If not:)* Thank you.

*(If yes:)* Thank you, I will ask the Secretary to record those in the minutes.

**Quorum**

The Company's constitution prescribes a quorum requirement of five shareholders present in person, or by representative participating by audio, audio and visual or electronic means.

As confirmed by Computershare, this requirement has been met.

**Proxies**

20 shareholders, holding 36,774,547 shares, have appointed proxies. Those proxies represent 80.73 percent of the shares in the Company.

As Chair, I hold proxies representing 2,040,642 shares. I intend to vote the undirected proxies I hold in favour of the resolution.

**Annual report and Notice of Meeting**

The FY26 Annual Report was released on 26 June 2026, and the Notice of Meeting was released on 28 August 2026.

I propose that we take those documents as read.

## Slide 6 - Chairman Address

**Michael Stiassny**

As you will all be aware, on 27 July 2026, founder and Director of 2 Cheap Cars, David Sena through Sena & Co, made a full offer under the Takeovers Code for all of the ordinary shares in 2CC not already owned by Sena & Co at a cash price of 80 cents per share.

A committee comprised of the Independent Directors – myself and Gordon Shaw – was formed to consider the offer and make a recommendation to all offeree shareholders, after consideration of the Independent Adviser's Report.

That recommendation, outlined in our Target Company Statement (which includes the Independent Adviser's Report) both released on 27 July 2026, was to accept the offer as it was, in summary, within the Independent Adviser's valuation range of 71 cents to 90 cents per share; represented a premium to the pre-announcement trading price of 2 Cheap Cars shares of 21%, and a premium to various volume weighted average prices up to 12 months; that 2CC is substantively under the control of Sena & Co; that trading in its shares is illiquid and the offer presented a certain opportunity to sell; and no competing offer has emerged.

On the 16th of September, Sena & Co increased its offer to 90 cents per share. As at 5.00pm on 22 September 2026, the level of acceptances received pursuant to the Offer in respect of the Shares is **12.525%**.

The Offer remains conditional on, amongst other things, Sena & Co receiving, by 11:59pm on Wednesday, 30 September 2026, acceptances that would give it (together with its existing shareholding in 2CC) 90% or more of 2CC's voting rights.

Your independent directors continue to recommend that shareholders accept the Offer for the reasons laid out in our Target Company Statement.

Back to the business as it currently stands … It is fair to say that over FY26 and into FY27, 2 Cheap Cars has continued to ride the roller coaster that is the New Zealand economy. While there have been periodic improvements to economic data, these have often been short-lived or inconsistent and any green shoots, shallow rooted.

Our strategic operational priorities – namely to improve execution, strengthen sourcing, and continue to develop our retail network in a challenging market – have largely been implemented and saw the business deliver a credible result.

The FY26 financial results – NPAT of $3.2 million and steady revenue of $81.7 million – demonstrate resilience. And the improvement from a first-half NPAT of $1.01 million to a full-year result exceeding our January guidance of at least $3 million, was indicative of just how volatile the market was and remains.

The Clean Car Standard remained a bone of contention, adversely impacting NPAT by approximately $1.7 million relative to FY25. The Company did what it could in an uncertain regulatory environment, adjusting our compliance model and sourcing strategies, which did provide some relief as revised settings took effect in the final quarter.

We also made targeted investments in retail locations and buying capabilities, decisions carefully evaluated by the Board for their long-term growth potential. Our gross dividend of 6.14 cents per share, up from 6.03 cents in the previous year, balanced shareholder returns with the need to fund strategic initiatives – always a key governance consideration.

Early FY27 trading has been encouraging, though as you will have noted through our recent market updates, it remains variable. We do not expect conditions to stabilise or improve markedly in the short-term, particularly with the General Election only weeks away.

Our fundamental mission remains unchanged: to provide quality, affordable vehicles to New Zealanders while generating sustainable returns for shareholders. On behalf of the Board, I thank our staff in New Zealand and Japan, and our customers, suppliers, and shareholders for their continued support.

Gus, over to you.

## Slide 7 - Operational update

**Angus Guerin**

Thanks, Michael.

I will cover the FY26 result, the changes we have made across the business, and our performance through to August.

Our focus has been on improving operational efficiency, protecting margins and making better use of our retail network.

## Slide 8 - FY26 summary

Revenue and income for FY26 were $81.7 million, down just 0.3 percent from $82 million. NPAT was $3.2 million, compared with $3.3 million in FY25, and underlying earnings per share remained at 7 cents.

Contribution margin was $17.4 million, compared with $17.8 million. As a percentage of revenue, gross margin was 21.3 percent, down 0.4 percentage points from 21.7 percent.

Operating cash flow was $4.2 million, compared with $6.7 million in FY25. Cash generation and the amount tied up in inventory remain important measures alongside accounting profit.

Total gross dividends increased to 6.14 cents per share.

The result reflects two quite different halves. The first half was affected by higher carbon costs and subdued demand. The second half benefited from firmer margins and better trading conditions. That improvement allowed us to finish the year close to the previous year's profit despite the pressures Michael has outlined.

## Slide 9 – A year of two halves

This slide shows how profitability developed through FY26, alongside interest rates and Clean Car Standard costs.

Quarterly NPAT increased from approximately $200,000 in the first quarter to $800,000 in the second, before reaching around $1.1 million in each of the final two quarters.

Over the same period, the OCR fell from 3.25 percent to 2.25 percent. Lower interest rates helped improve finance affordability, although household budgets and consumer confidence remained under pressure.

Total Clean Car Standard fees increased through the first three quarters, reaching approximately $600,000 in the third quarter, before falling to around $300,000 in the fourth as the revised settings flowed through.

The timing is important. Profitability was already improving before carbon costs reduced, supported by better vehicle margins, procurement and finance and insurance performance. The reduction in carbon costs then provided additional support in the final quarter.

The stronger second-half result reflects both the operational improvements we made and the benefit of easing cost pressures. While encouraging, it also highlights how sensitive our earnings remain to market conditions.

## Slide 10 - FY26 market dynamics

While market conditions remained mixed, several factors continued to support the business.

First, interest rates. Falling interest rates through FY26 helped improve vehicle finance affordability, providing some relief for customers despite continued pressure on household budgets.

These conditions, together with improved sales execution, supported our finance and insurance performance. Finance penetration increased to 31 percent, while stronger insurance penetration also contributed to a 17 percent increase in finance and insurance commission income, to $7.9 million.

Second, foreign exchange. The New Zealand dollar traded above 90 yen for much of FY26, supporting our purchasing power in Japan. It has weakened recently, however, highlighting how quickly that benefit can change. Japanese monetary policy and possible currency intervention remain risks we need to monitor.

Turning to the challenges, Carbon costs materially affected FY26 profitability. The reduced charges introduced in January did provide some relief, but future government policy will remain important to our purchasing decisions and earnings. In short, the regulatory uncertainty around implementation of the Clean Car Standard remains one of the most significant external influences on our margins.

Immigration did show some recovery, but remained subdued. Net migration was 17,600 in the year to June 2026, compared with 10,300 a year earlier. While that is an improvement, looking ahead migration remains a much weaker source of additional customer demand than it was several years ago.

Finally, household budgets remained under pressure throughout FY26. Annual inflation was 3.1 percent in the March 2026 quarter, slightly above the Reserve Bank's 1–3 percent target range. Higher living costs continued to affect what customers could afford and their willingness to commit to a vehicle purchase.

As FY27 plays out, we will need to remain flexible, responding quickly to changes in purchasing costs and customer demand, while maintaining our focus on product mix, finance performance and operating efficiency.

## Slide 11 - Stabilising the footprint

We have continued to reshape the network around larger, more productive locations. This includes the new Wellington branch and securing a dedicated vehicle refurbishment hub in Christchurch. We have also closed underperforming branches in New Lynn, Westgate and Palmerston North.

Sylvia Park is developing into a flagship location, and Henderson opened in early August ahead of the upcoming closure of our Penrose site.

The priority now is to make better use of the network and give customers a consistent experience, including the presentation and layout of our branches.

The Company will continue to review its retail footprint having regard to market conditions, operational capacity, and expected returns.

## Slide 12 - Operational efficiency

We are also improving the way vehicles move through the business, from purchasing to preparation and sale.

We continue to fine-tune the balance between work completed in-house and services provided by external suppliers. The right balance depends on cost, capacity and the volume moving through the operation at any given time.

Our digital tools give us better visibility over stock, operational output and potential bottlenecks. That allows managers to see where work is building up and where resources need to be directed.

Direct purchasing through Car Plus in Japan gives us greater involvement in vehicle selection and procurement along with the cost savings of avoiding intermediaries.

The Auckland hub has also been reconfigured to improve vehicle flow and refurbishment speed. The objective is to get sale-ready vehicles onto our yards sooner, while maintaining quality and keeping preparation costs under control.

## Slide 13 - Building the 2 Cheap Cars brand

Last year, our main marketing initiative was rebuilding the website. This year, we are building the capability and brand presence around it.

We have strengthened our in-house marketing capability and are working towards a more consistent look, tone and message across our website, advertising, social channels and branches.

We are also working with a creative agency on a new brand campaign. The aim is to reach more potential customers and give them a clear reason to consider 2 Cheap Cars when they next need a vehicle.

The campaign will build on our affordable positioning and support the sales activity already taking place across the network. We want our marketing to create familiarity with the brand as well as generate enquiries today.

Over time, the objective is to attract more customers directly and improve the value we get from our marketing spend. The new campaign is still being developed, so we are not attributing sales or profit gains to it at this stage.

## Slide 14 - FY27 year to date through August

For the five months ended 31 August (unaudited), we sold 3,010 vehicles, down 2% year-on-year, while revenue rose 5% to $35.1 million. Gross margin improved to 25% from 19%, and finance penetration increased to 39% from 31%. NPAT rose to approximately $2.3 million from $0.8 million a year earlier, with operating cash flow stable at $1.5 million. The improvement reflects better margins and higher finance penetration, not increased volumes.

Economic volatility remains a key theme in FY27. After a strong first quarter ($1.7 million NPAT), July and August each contributed around $0.3m. This brings unaudited NPAT for the first five months of FY27 to approximately $2.3 million.

## Slide 15 - FY27 outlook

Looking ahead, we see opportunities to improve performance while remaining realistic about market conditions.

We will better utilise our existing footprint through increased stock availability, faster preparation, and more consistent execution. External factors, such as interest and exchange rates, may support customer financing and procurement, though both remain uncertain.

We continue developing AI tools for vehicle selection, pricing, and operational decisions, and our new brand campaign aims to increase awareness and attract more customers directly.

However, challenges persist, including price-sensitive customers, strong competition for stock in Japan, lower-priced new vehicles from Chinese manufacturers, and ongoing margin pressure from Clean Car Standard charges. We must also address finance and insurance conduct requirements.

Our priorities are clear: protect margins, manage cash and inventory carefully, and ensure operational improvements translate into consistent results. While encouraged by our progress, we recognise that trading conditions remain volatile.

Thank you. I will hand back to Michael.

## Slide 16 - Resolution

**Michael Stiassny**

Thanks, Gus. Before we move to the resolution, we will take questions specifically about the presentations, Annual Report and financial statements. We will take other questions under general business.

Thank you. We will now consider the resolution set out in the Notice of Meeting.

## Slide 17 - Shareholder resolution

The resolution to be voted on, as outlined in the Notice of Meeting, is an Ordinary Resolution. This means it can be passed by a simple majority of eligible shareholder votes. As required by the NZX Listing Rules, the chairperson requires a poll on all resolutions. Therefore, votes on each resolution will be counted based on the number of shares each voting shareholder holds.

The resolution and voting options should now appear on your screen. Please make sure you have signed in with your CSN number to ensure your vote is valid.

To vote, simply select your voting direction from the options shown on the screen.

Please note that your vote has been cast when the green tick appears, and you can change your vote by selecting 'Change your Vote'.

Should you require any technical assistance, please type your query in the Q&A tab or chat function and one of the Computershare team will assist or call 09 488 8700.

All voting will remain anonymous. Votes will be collated by Computershare, and the verified results will be announced to the NZX later today.

There is one ordinary resolution for consideration today. It concerns the Board's authority to fix the auditor's fees and expenses.

Section 207S of the Companies Act provides that the fees and expenses of the auditors are to be fixed in such manner as the company determines at the Annual Meeting. The Board proposes that, consistent with past practice, the auditor's fees be fixed by the directors.

I therefore move that resolution 1 is put to shareholders – that the Board be authorised to fix the auditor's fees and expenses.

Is there any discussion?

If shareholders could please cast their votes on resolution 1.

If all shareholders have now voted, I declare that voting is closed.

## Slide 18 - Proxy voting results

As at 10.00am Wednesday 23rd September, Computershare advises that the following proxy votes had been received. With 80.73% of votes cast, and subject to verification by the scrutineers, the resolution has passed.

Final verified results will be posted on the NZX later today.

Right, let's move on. The final item on our agenda is General Business:

## Slide 19 - General business and questions

We will now move to general business. Gus, please take us through the remaining shareholder questions.

The Board recognises that a limitation of an online meeting can be the difficulty shareholders may have in asking supplementary questions. If anyone believes they have not received a satisfactory answer to a question they asked here today, they are welcome to write to us, and we will respond.

## Slide 20 - Thank you

That brings us to the conclusion of our business today. We thank you for joining us and for your ongoing support of 2 Cheap Cars Group Limited. We wish you a great rest of your Friday and weekend ahead.

I declare the meeting closed. Thank you.