
The Colonial Motor Company Limited
108th Annual General Meeting
6 November 2026

The Colonial Motor Company Limited

Report from the Group Chief Executive

Alex Gibbons

108th Annual Meeting

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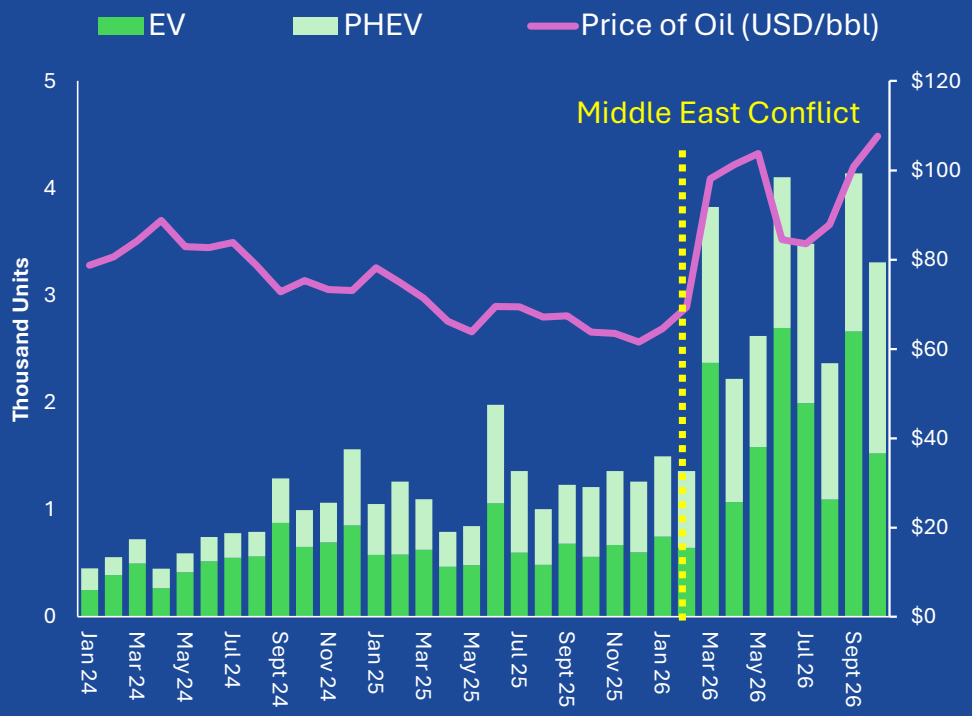
Market Impacts 2026

The light vehicle industry has encountered significant disruption and change this year.

- The Middle East conflict caused global oil supply constraints and prices remain elevated.
- Consumer demand sharply accelerated for vehicles with a plug (EV and PHEV).
- Mild hybrid demand steadily increased.
- Registrations remained 'relatively' steady for current top selling models from leading brands.

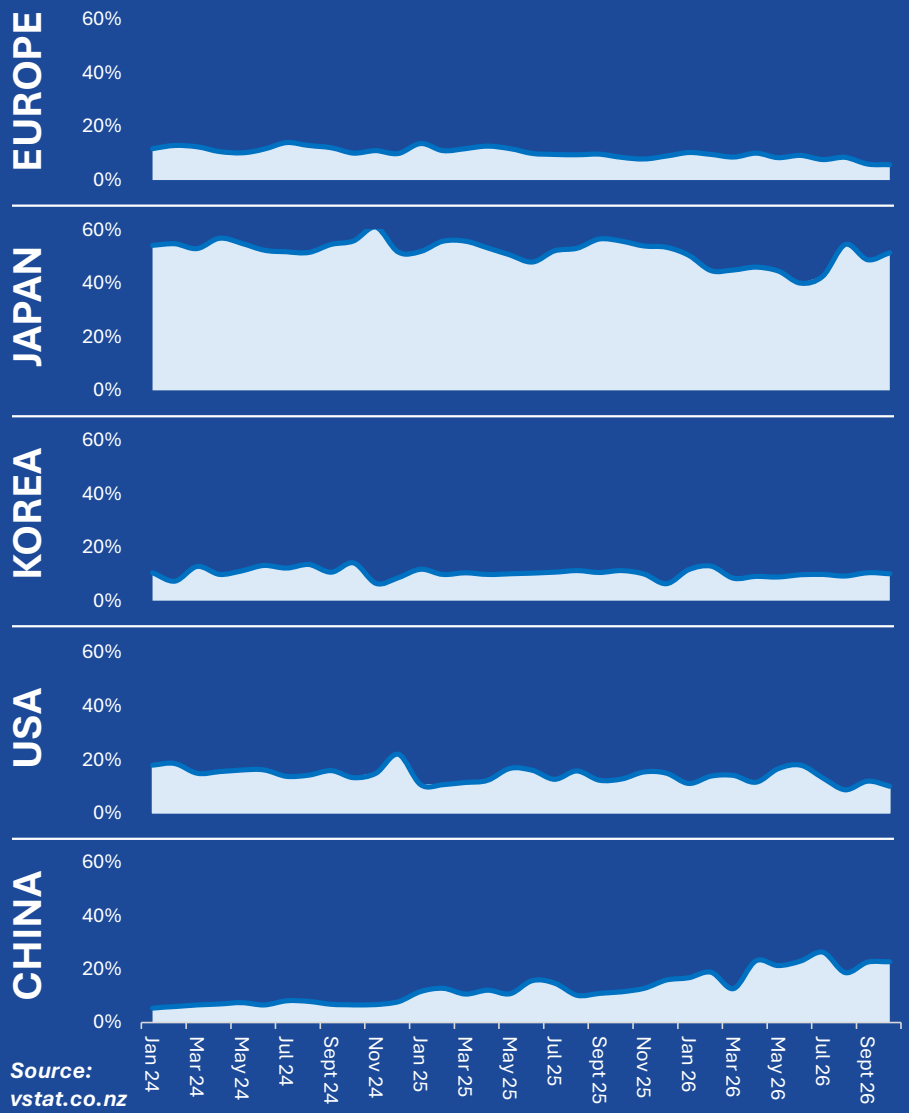
These supply and demand dynamics are anticipated to bring lasting change to buyer behaviour.

Monthly new registrations (vehicles with a plug)



Source: data.govt.nz (top) vstat.co.nz, tradingeconomics.com/commodity/brent-crude-oil

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Source: vstat.co.nz

Market Impacts 2026

Japanese brands remain the primary source of new cars in New Zealand, although China is the fastest growing.

- New brands have challenged the value equation for both new and used vehicles
- 69 vehicle brands now in NZ (55 in 2024)
- Over 50% of EV and PHEV sales are Chinese
- 46 brands have less than 1% share (37 in 2024)

Monthly share of new light vehicle registrations by region of brand headquarters (2024 – 2026)

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Strategic Direction

CMC will continue to evolve to ensure our business reflects current and future market conditions.

- Prepare to weather an intense period of competition and potential for consolidation in the light vehicle industry.
- Support core partnerships.
- Diversify risk through new strategic relationships.
- Recycle capital to unlock new opportunities.
- Continue to invest in and support our people.
- Reward shareholders with dividends.

What does this mean from an operational perspective going forward.

- Stand behind long-term core partnerships and work with dealers to support a wave of next generation vehicles.
- Diversification through new strategic relationships with Chinese NEV brands/distributors.
- New team bringing together marketing, data analytics, customer retention and AI integration - providing expert automotive support for all CMC dealerships.
- Continue to empower and provide local leadership with autonomy to get on with the job.

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Focusing on the Basics

Car Dealerships

- Customer retention
- Stock control
- Efficiencies of scale
- Process & Policy
- Used car resilience

Trucks

- Truck Related Parts
- New DAF launch
- Light trucks

Tractors

- Core brands
- Supporting customers
- Adapting product mix

Support & Tech

- AI integration and capability
- Expanding internal Marketing and IT expertise
- Building on class leading dealer analytics

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NEV PRODUCTS



FORD Bronco and Transit City join the Hybrid Ranger in 2027

MAZDA Just arrived - Mazda 6e & CX-6e



JAC



BYD New Dealerships



We cannot avoid challenging market forces but we are positioning the Company to compete in the NEV space.

This is just the beginning and we expect to have more to share as FY 2027 unfolds.

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Balanced Approach

Strong and well-established business continue to provide immediate returns.

New ventures require patience and vision, even with a strong brand partner.

Established Business

- Ongoing brand investment
- Existing customer database
- Balanced revenue streams
- Name recognition
- Resilient but enduring competitive market forces

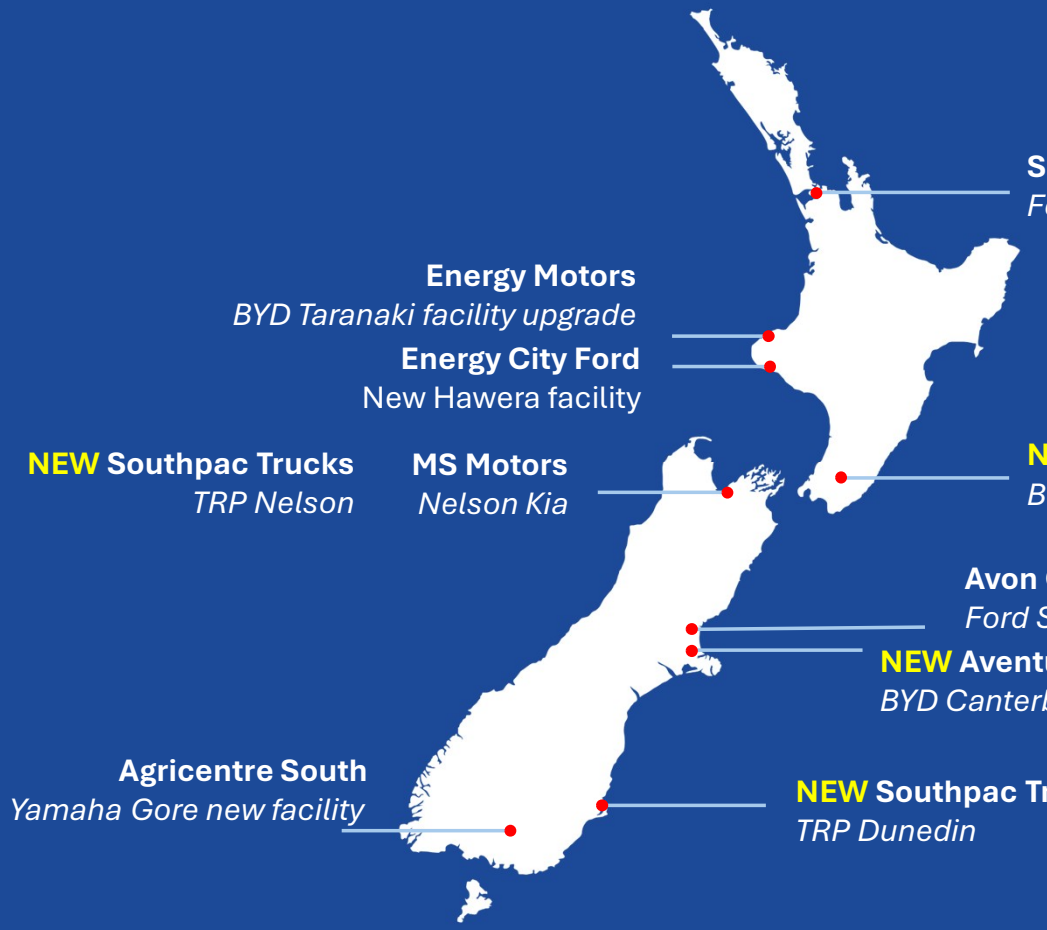


New Business

- Set-up costs
- Time to grow a customer base
- Front-end sales focus
- Scale up over time
- Profitable in the medium-long term

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Recent Dealership Investment



CMC continues to invest in our franchise representation.

In the previous financial year, the Company continued to invest in upgrading existing and developing new dealership facilities across car, truck and tractor dealerships.

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FY 2026/27

Q1 – Headwinds

- Challenging economic and market conditions have significantly impacted Q1 earnings relative to the prior year.
- The Middle East conflict remains unresolved and with it the price of oil is elevated. Consequently we would expect to see a continued trend of NEV adoption.
- We cannot avoid the realities of operating in an extremely competitive light vehicle market, but there should be confidence in the fact CMC Dealerships represent a range of top performing brands, across a diversified automotive portfolio.
- While the outlook remains uncertain, the Company is well positioned to weather current headwinds and capitalise on future opportunities.