

SLIDE 1 – 2CC 2025 ANNUAL SHAREHOLDERS’ MEETING

Michael Stiassny

Mōrena, good morning. My name is Michael Stiassny, Chairman of 2 Cheap Cars Group Limited. As it’s now 10.00am, I am pleased to open the 2 Cheap Cars Annual Shareholders’ Meeting.

SLIDE 2 – BOARD AND MANAGEMENT

On behalf of my fellow directors, welcome to all of you.

With me this morning are Executive Director and CEO David Sena, 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.

As we outlined in the Notice of Meeting, the Board acknowledges there are advantages to holding in person shareholder meetings. However, the associated costs are increasingly prohibitive and do not, in our opinion, deliver value to all shareholders. Hence our decision to hold this meeting online.

We appreciate your understanding and are pleased to see shareholders from around New Zealand joining us.

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 7800.

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 any of the resolutions to be considered will be answered as the relevant resolution 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.

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 all resolutions.

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. You can vote for all resolutions together, at once, or for individual resolutions. 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 resolutions 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.

Gus will provide a quick overview of last year's performance, the progress we've made in recent months and how the business is responding to tough trading conditions.

While David has overseen the operational and strategic content, he 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 resolutions 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 a total of 38,458,075 shares, have appointed proxies. The appointed proxies represent 84.42% of all shares.

In my capacity as Chairman of the meeting and in my own name I hold proxies for 15 shareholders, representing 38,334,575 shares, or 84.15% of all shares.

I intend to vote all undirected proxies I have received in favour of all 3 resolutions.

Annual Report and Notice of Meeting

The annual report was made available on 2 Cheap Cars' website on the 27th of June 2025.

The Notice of Meeting was uploaded to the NZX and sent to shareholders and other persons entitled to receive it on 28th August 2025.

I propose that we take the Annual Report and Notice of Meeting as read.

SLIDE 6 – CHAIRMAN’S ADDRESS

Michael Stiassny

It’s fair to say that FY25 was a year of challenges and lessons. It was marked by a combination of continuing recessionary economic conditions, a sharp decline in immigration – a key consumer group for our business – and the impact of an uncertain regulatory environment. Collectively, these factors created a difficult operating environment that required us to reassess our approach and become more agile.

Revenue declined by 6% to \$82 million reflecting the broader pressures facing almost every facet of New Zealand’s economy. And, while the Company was able to maintain stable finance and insurance penetration rates and to largely preserve contribution margin through increasing internal efficiencies, gross margin decreased from 24% to 22%. This decline was driven by pricing pressures and shifts in consumer behaviour which could not be fully offset.

While clearly not a stellar performance, it was pleasing to see 2 Cheap Cars remain cash flow positive and to be able to declare a total dividend for FY25 of 6.03 cents, which was no small feat.

As outlined in our annual report, we cannot ignore the significant external cost increases that also impacted our bottom line. The escalation of fees from third-party listing platforms has become a material drag on our profits. In response we are now prioritising the improvement of our direct-to-consumer digital channels to reduce our reliance on expensive intermediaries.

In FY25 the removal of the clean car discount initially led to weaker sales of hybrid and electric vehicles, but when the clean car standard fees increased, they were once again flavour of the month. The impact of the clean car standard on both new and used imports in terms of the total cost of carbon credits is – and will continue to be – significant. This has necessitated the need, to reassess our car buying strategy.

2 Cheap Cars has responded by ensuring our Japanese procurement team is even more strongly focused on buying fuel efficient and late model cars that attract fewer carbon credit costs, to maintain optimal gross margins. And we are expanding our local vehicle acquisitions through trade-ins and wholesale channels to diversify our inventory and further reduce our exposure to the regulatory risks associated with carbon credits.

Gus will talk more about the progress we have made in these areas shortly but suffice to say these are not just tactical moves, they are strategic necessities to support the Company’s long-term sustainability.

As we navigate the continued economic headwinds in FY26, our priorities are clear.

We must continue to improve execution. That means identifying further operational efficiencies and ensuring our business is aligned with our strategic goals.

Secondly, we need to reduce our reliance on high cost third party platforms and invest in our own digital capabilities to build a scalable and sustainable sales engine.

And finally, we must have a razor-sharp focus on safeguarding margins in what is an increasingly competitive and expensive environment.

We are confident that the core ethos of 2 Cheap Cars – providing affordable, quality vehicles – remains as relevant as ever. However, FY25 served as a reminder that profitability is not guaranteed, even when the product meets market needs. To protect and grow earnings, we must innovate, control costs and strengthen our digital engagement if we are to continue developing a direct, scalable and sustainable sales model that positions us for success in the years ahead.

Before Gus takes you through our FY25 results and updates, on behalf of the Board I'd like to thank the 2 Cheap Cars team for their hard work. In a tough environment, our balance sheet is strong, and our business remains resilient to navigate the challenges ahead.

SLIDE 7 – OPERATIONAL UPDATE

Angus Guerin

Thanks Michael.

It's a pleasure to be here today as CFO and to share David's presentation on the operational aspects of 2 Cheap Cars.

SLIDE 8 – FY25 SUMMARY

FY25 was a challenging year for the company. The cost-of-living crisis and persistently high interest rates significantly impacted our customer base while external costs to the business also continued to rise.

Revenue for the year was **\$82.0 million**, a **6% decrease** from FY24's **\$86.8 million**, reflecting industry-wide affordability pressures, lower sales volumes, and retail pricing.

Net profit after tax was **\$3.3 million**, down **47%** from last year's **\$6.2 million**. While this result is below FY24's record performance, it demonstrates resilience in a difficult economic environment.

The Board declared total gross dividends of **6.03 cents per share**, consistent with our dividend policy but down from **11.56 cents** in FY24.

Underlying earnings per share were **7 cents**, compared to **14 cents** in FY24. Operating cash flow, excluding lending, remained stable at **\$6.7 million**, slightly below last year's **\$6.9 million**, supported by efficient working capital management.

Contribution margin declined **14%** to **\$17.8 million**, and gross margin reduced by **2 percentage points** to **22%**, primarily due to competitive pricing pressures. These challenges were partly offset by further efficiency gains in our vertically integrated supply chain.

These results reflect the tough trading conditions. As Michael highlighted, we are adjusting our strategy to ensure we are managing costs and protecting margins as tightly as possible, in order to position the business to fully capitalise as market conditions improve.

SLIDE 9 – MARKET DYNAMICS

While market conditions remain difficult, there are several positive trends that are supporting us.

First, **interest rates**: The Reserve Bank has cut the Official Cash Rate to 3%, the lowest in three years, and signalled a possible further reduction to 2.5% by year-end. This is making car finance more accessible, with average finance sell rates down over 3% in the past year, which materially reduces customer borrowing costs and improves affordability.

Second, **foreign exchange**: The New Zealand dollar remains strong against the Japanese yen, currently trading in the ¥86–¥88 range. This strength helps our vehicle acquisition costs, benefiting our largely import-based business.

Third, **public-to-dealer sales**: Across New Zealand, we continue to see strong volumes of private sellers supplying stock directly to dealers. While this source has not historically been a major part of the 2 Cheap Cars procurement strategy, it will play an increasingly important role to improve our resilience.

However, we also face three key challenges.

First, **carbon tax**: The Clean Car Standard continues to impact both new and used imports. In FY25, carbon credit costs reached \$1.1 million. For FY26, despite a growing hybrid mix, we expect these costs to exceed \$2 million.

Second, **immigration**: Net migration has slowed sharply. The net gain for the year to March 2025 was 26,400, down from 100,400 the previous year, and fell further to just 13,700 by June, excluding COVID, the lowest in over a decade. Fewer migrants mean fewer new customers.

Finally, **cost of living**: While inflation is now within the Reserve Bank's 1–3% target, household budgets remain under pressure. Rising costs for essentials like food, energy, housing, and insurance are limiting discretionary spending across all sectors.

SLIDE 10 – FOCUSED STRATEGY

The 2 Cheap Cars strategy is simple. It's comprised of five distinct areas, all interconnected, and each playing a role in driving sustainable profit growth. It continues to serve us well.

However, to meet the challenges of the current market and drive growth, we understand the need to be more flexible. We are required to adapt to thrive.

While the headlines have not changed, we have been responsive and have tweaked the strategy to ensure that where gains can be made, they will be.

In our supply chain, the new funding arrangements we announced in FY25 are enabling us to increase volumes through our Japanese subsidiary. We are also continuing to systemise the buying process and as touched on earlier, we are expanding local vehicle sourcing activity.

Trade-ins and purchasing NZ vehicles will provide a competitive source of stock, complement our imports, increase flexibility across our network and assist in reducing carbon credit costs.

For our retail footprint, we're concentrating on high-traffic yards with maximum visibility and consolidating smaller underperforming sites to strengthen the network. Our flagship dealerships in Greenlane and Sylvia Park are the blueprint for the future.

On gross margin, we're managing mix and pricing carefully to ensure we can pass on carbon credits. Improving productivity and lifting finance and insurance penetration rates will also help enhance profitability.

Our rebuilt website is now our core digital asset. Reducing our reliance on expensive third-party platforms, it is helping us to drive sales, deepen engagement and fundamentally improve customer experience. We're also working towards unlocking more value from our strong 140,000+ social following.

As a business 2 Cheap Cars remain disruptors at heart. We will continue to challenge conventions, test new ideas, and remain agile to meet the market.

And finally, we're building capability from within, strengthening our people, systems, and leadership to support sustainable growth and performance.

SLIDE 11 – FLAGSHIP YARDS OPEN

Our newly opened sites are already proving their worth.

Our Greenlane site opened in March 2025, and has sold 242 cars, generating year-to-date revenue of \$3.4 million.

Importantly, Greenlane is leading the group with the highest per-car margin, showing both the strength of the location and the efficiency of the team.

Our Sylvia Park site opened on the 1st of August 2025 and in its first month of trading, sold 136 cars and achieved \$1.5 million in revenue.

Looking ahead, we are projecting sales volumes to continue to grow as the site is fully ramped up, particularly with the added foot traffic expected when IKEA opens nearby in December.

In summary both Greenlane and Sylvia Park demonstrate the success of our strategy to expand into high-traffic, high-profile locations.

They are not only contributing strong revenue today but also positioning us well for future growth.

SLIDE 12 – VEHICLE SOURCING

Turning now to vehicle supply

In Japan, our subsidiary Car Plus now employs seven specialist buyers and a dedicated logistics manager. Over the past year, we've grown direct purchases from just 25% to more than 80%. That scale of progress simply wouldn't have been possible without our new banking arrangements with ANZ.

While competition from other global regions is putting pressure on prices, the skills and local knowledge of our team on the ground give us a clear competitive edge over other NZ importers

Over the past quarter, we've placed a much greater focus on domestic purchasing. Our Purchasing Centre at Sylvia Park will become a key part of this strategy, making it easier for New Zealanders to sell their vehicles directly to us.

We've also strengthened our online platform, making it easier and more transparent for customers to complete transactions. To drive awareness, we've increased our advertising, highlighting the convenience and value of selling cars to 2 Cheap Cars.

Together, while still in their infancy, these initiatives are building a stronger local supply base to complement our offshore purchasing.

SLIDE 13 – DIGITAL FOOTPRINT

As we signalled last year, we have recently completed a full rebuild of the 2 Cheap Cars website. This wasn't just about design, it's about speed, usability, and putting us in control of our digital future.

With the rebuild, we've moved to best practice standards, creating a site that is much faster, more reliable, and delivers a seamless experience for our customers.

Our homepage is cleaner, faster, and mobile-first. Customers can now access vehicles, deals, finance, and dealership information in just a couple of clicks.

We've introduced smart search with four ways to find cars, from quick keywords to full advanced filters like price, odometer, and location.

Finance applications, test drives, and trade-ins are simpler than ever. -

Each branch now has its own landing page with maps, consultant contacts, and stock on site.

In short, the new website is far more customer-friendly, faster and smarter. It strengthens our brand, reduces reliance on third-party platforms, and drives more traffic directly to 2 Cheap Cars.

SLIDE 14 – FY26 YTD

Turning now to YTD trading

In the five months to the 31st of August, we sold 3,058 vehicles, down 12% on the prior year.

Revenue declined 5% to \$33.4 million, reflecting lower sales volumes, partially offset by improved retail prices and stronger finance and insurance penetration.

Finance penetration rose to 31%, up four percentage points, and average insurance penetration reached 40%. These gains reflect both the benefit of lower interest rates and the strong efforts of our sales staff.

Gross margin eased by two percentage points to 19%, primarily due to the carbon tax impact. Net profit after tax was \$0.8 million, down \$0.7 million on the prior year. Again, it is important to note that the carbon tax contributed \$0.5 million to this decline.

Operating cash flow was \$1.5 million, compared with \$0.1 million last year, though this improvement primarily reflects lower provisional tax payments rather than underlying trading.

Outlook

Our Greenlane and Sylvia Park sites are now fully operational and expected to ramp up sales as they establish themselves. Lower interest rates are improving affordability, while a strong New Zealand dollar is helping to mitigate cost pressures. Local purchasing is also becoming a more significant part of our sourcing strategy.

Despite challenges such as the carbon tax, subdued immigration, and increased competition for Japanese stock, we remain confident in our ability to deliver improved performance over the medium term. Higher finance and insurance penetration, fully operational new sites, and stronger in-house capabilities support this view.

The company will provide further updates with the release of its half-year results.

SLIDE 15 – RESOLUTIONS

Michael Stiassny

Thanks Gus. I will briefly open the floor to questions specifically regarding the presentations, the Annual Report and Financial Statements only. We will take all **general** questions at the conclusion of the general business.

I remind you that this is a shareholders' meeting, and only shareholders and proxy holders may speak.

Thank you. We will now move to voting on the resolutions laid out in the Notice of Meeting.

SLIDE 16 – ORDINARY RESOLUTIONS

Each 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. You can vote for all resolutions at once or by individual resolution.

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 7800.

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

As the first resolution concerns the re-election of myself as a Director of 2 Cheap Cars Limited, I will hand over to Gordon Shaw.

Gordon Shaw

Thank you, Michael

The first resolution concerns the re-election of Michael Stiassny as a Director of 2 Cheap Cards Limited. Michael retires by rotation and is offering himself for re-election.

I now move that resolution 1 is put to shareholders.

Is there any discussion?

If shareholders could please cast their votes on resolution 1.

Thank you ... over to Michael.

Michael Stiassny

Thank you, Gordon. I now turn to resolution 2.

Resolution 2 concerns the re-election of Gordon Shaw as a Director of 2 Cheap Cars Group Limited. Gordon retires by rotation and is offering himself for re-election.

I now move that resolution 2 is put to shareholders.

Is there any discussion?

If shareholders could please cast their votes on resolution 2.

I now turn to resolution 3.

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 3 is put to shareholders – that the Board be authorised to fix the auditor's remuneration.

Is there any discussion?

If shareholders could please cast their votes on resolution 3.

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

SLIDE 17 – PROXIES

As at 10.00am Wednesday 24th September, Computershare advises that the following proxy votes had been received. With 84.42% of votes cast, and subject to verification by the scrutineers, all resolutions have 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 18 – GENERAL BUSINESS & QUESTIONS

I will now ask Gus to read out questions we've received from shareholders.

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 19 – THANK YOU FOR ATTENDING

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 Limited. We wish you a great rest of your Friday and weekend ahead.

I declare the meeting closed. Thank you.