Freightways

# HY26 Results

Monday, 16 February 2026

HY26

FRW: NZX | ASX

# Disclaimer

Read this presentation with the financial statements: The financial results in this presentation should be read in conjunction with the financial statements for the half year ended 31 December 2025, which can be found in the Freightways half year results announcement available on the NZX and ASX platforms.

**No offer or investment advice:** This presentation is for information purposes only. It is not a product disclosure statement, prospectus or investment statement. Nothing in it constitutes an invitation to subscribe for shares, securities or financial products in Freightways, or financial product, legal, financial, investment, tax or any other advice or a recommendation. Any investor should consult their own professional advisors and conduct their own independent investigation of Freightways and the information contained in this presentation, including any statements relating to the future performance of Freightways. The information in this presentation is given in good faith and has been obtained from sources believed to be reliable and accurate at the date of this presentation.

**Our non-GAAP information:** Certain items of financial information included in this presentation are "non-GAAP" financial measures. These non-GAAP financial measures do not have a standardised meaning prescribed by New Zealand Accounting Standards and so may not be comparable to similarly named measures presented by other entities. Freightways believes that these measures provide useful information in measuring the financial position and performance of the Freightways business. However, undue reliance should not be placed on non-GAAP financial measures included in this presentation.

**Forward looking statements:** This presentation may include forward-looking statements regarding future events and the future financial performance of Freightways. Such forward-looking statements are based on current expectations and involve risks and uncertainties. Freightways cautions investors not to place undue reliance on these forward-looking statements, which reflect Freightways' views only as of the date of this presentation. Actual results may be materially different from those stated in any forward-looking statements. Freightways gives no warranty or representation as to its future financial performance or any future matter. The information in this presentation is current at the date of this presentation, unless otherwise stated. Freightways is not under any obligation to update this presentation after its release, whether as a result of new information, future events or otherwise.

**Disclaimer:** None of Freightways, its affiliates, or their respective advisers or representatives, give any warranty or representation as to the accuracy or completeness of the information contained in this presentation, and exclude their liability to the maximum extent permitted by law.

# Presenters and Agenda

**Mark Troughear**
CHIEF EXECUTIVE OFFICER

Overview, Divisional Performance, and Outlook

**Stephan Deschamps**
CHIEF FINANCIAL OFFICER

Financial Summary and Capital Management

**Aaron Stubbing**
GENERAL MANAGER
EXPRESS PACKAGE

Divisional Strategy, Express Package

**Neil Wilson**
GENERAL MANAGER
FREIGHTWAYS

Divisional Strategy, Information Management

# Overview

- Consistent performance over the HY across all businesses
- Slight lift in Q2 volumes in NZ for Express and Temperature Controlled transport as economic conditions improve
- Higher demand for economy over premium services
- Acquisition of VTFE adds a complementary B2B express service in Australia
  - Aim to grow organically and inorganically from this foothold
- Balance sheet forecast to be in the mid-range of policy by end of FY26

# Financial Highlights



**Revenue**
▲ **8.5%**
to $718.2m

*** EBITA growth**
▲ **12.2%**
to $96.5m

**NPAT growth**
▲ **17.2%**
to $52.5m

*** EBITA margin**
▲ **13.4%**
from 13.0% HY25

**Cash generated from operations**
▲ **28.3%**
to $134.2m

**Basic earnings per share**
▲ **17.2%**
to 29.3cps

**Net Debt**
▼ **(6.7%)**
to $587.1m

**Dividend (HY)**
▲ **10.5%**
to 21c ( 19c in HY25)

**Note:**
- *Non-GAAP (Generally Accepted Accounting Principles)
- cps – cents per share

# Financial Summary
# & Capital Management

Presenter:

**Stephan Deschamps**
Chief Financial Officer

# Positive Momentum In An Improving Environment

| | Notes | HY26 $m | HY25 $m | Change % |
|---|---|---|---|---|
| Operating Revenue | | 718.2 | 662.1 | 8.5 |
| EBITA (non-GAAP) | *1* | 96.5 | 86.0 | 12.2 |
| EBITA margin | | 13.4% | 13.0% | |
| NPAT | *2* | 52.5 | 44.7 | 17.2 |
| NPAT margin | | 7.3% | 6.8% | |
| Basic Earnings Per Share (cents) | | 29.3 | 25.0 | 17.2 |

**Notes:**

> Results in this table are unaudited and after adjustments for NZ IFRS16 (Leases)
> Refer to appendices for reconciliation to results before NZ IFRS16

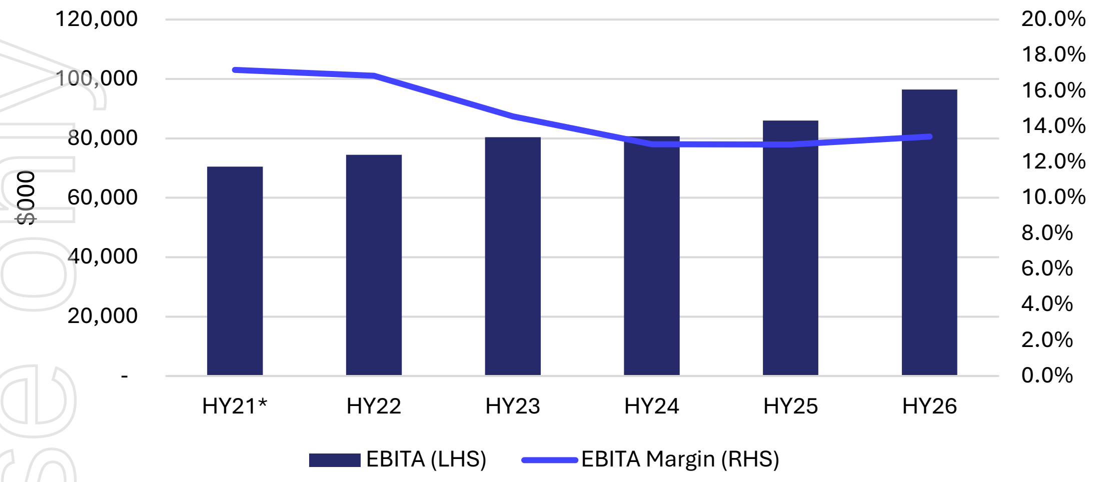
1. Operating profit before interest, tax and amortisation
2. Net profit after tax

## HY26 Performance Overview:

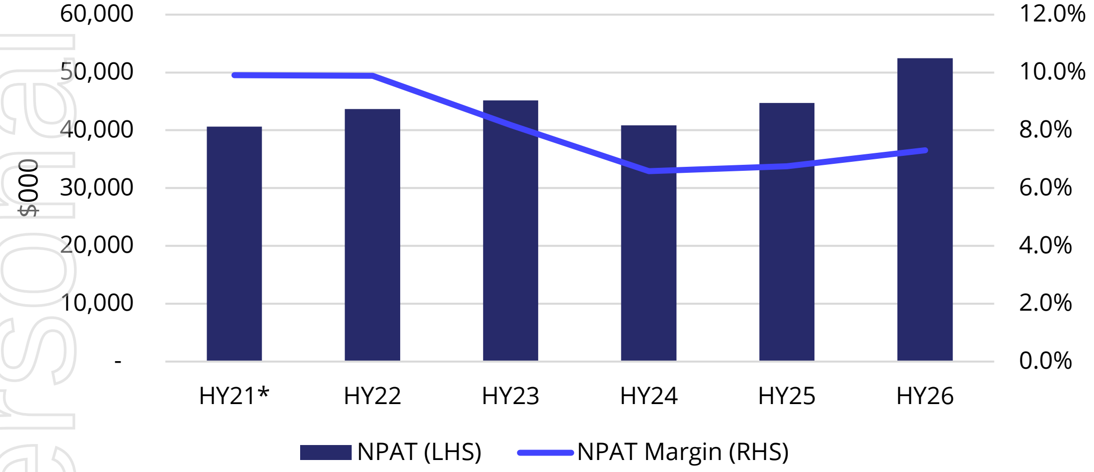
- Economic environment has slightly improved in NZ, Australia is stable
- NZ same-customer growth emerging – particularly in economy services
- Cost base is stable – particularly with regard to labour costs
- Net debt and interest spend reducing, allowing for greater increase of NPAT

# FRW EBITA Margins Improving

**Earning Before Interest, Tax & Amortisation**




**Net Profit After Tax**



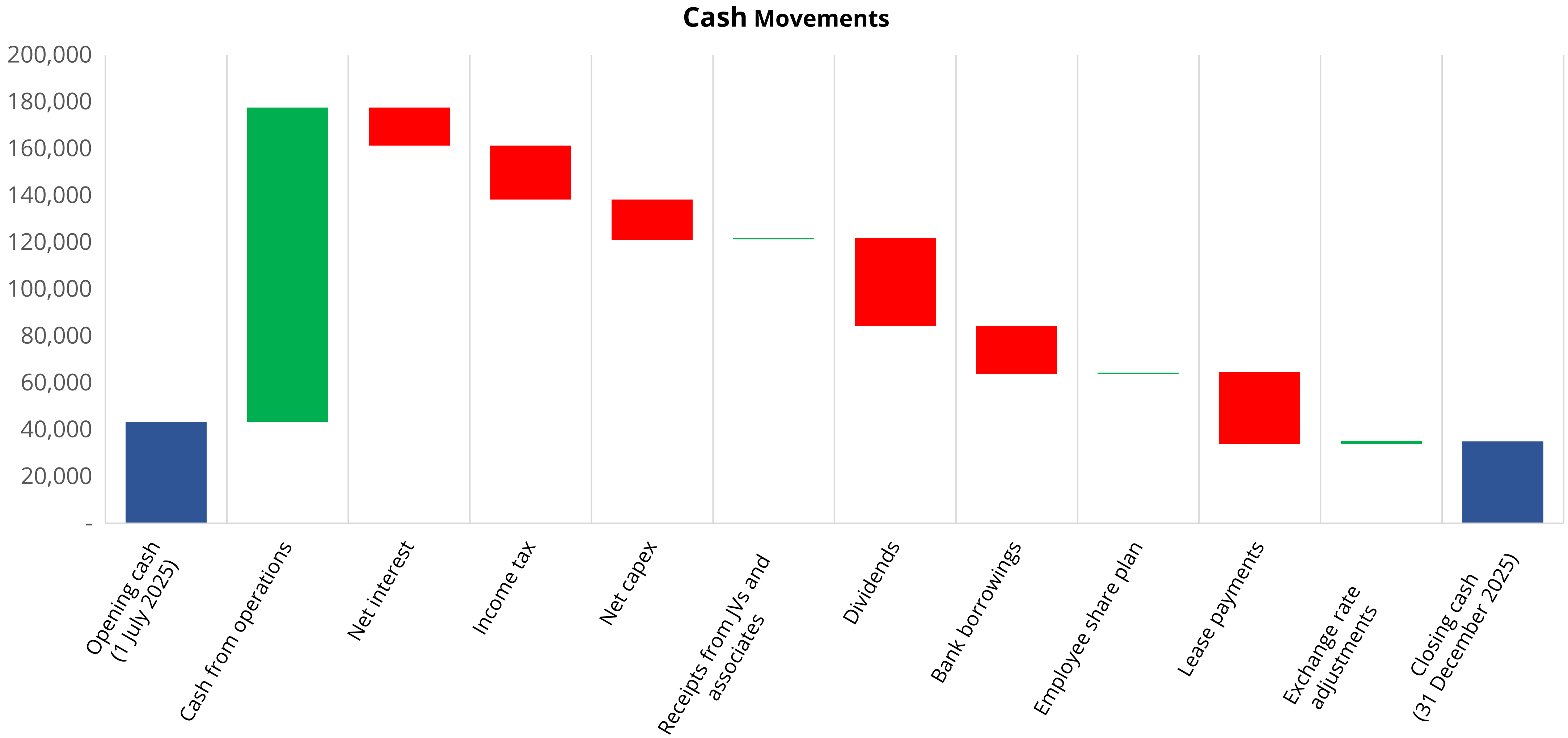

## Margin performance:

- Focus on margin re-building is gaining traction, with most businesses showing improvement
- Post Haste, DX and Allied Express particularly strong in EP, and TIMG NZ also showing good increases in margin
- Shred-X rebuilding with a number of one-off and restructuring costs temporarily impacting the margin
- Any significant improvement for BCD requires stronger economic environment translating into more transport activity
- Cost inflation remains moderate - focus continues on margin improvement

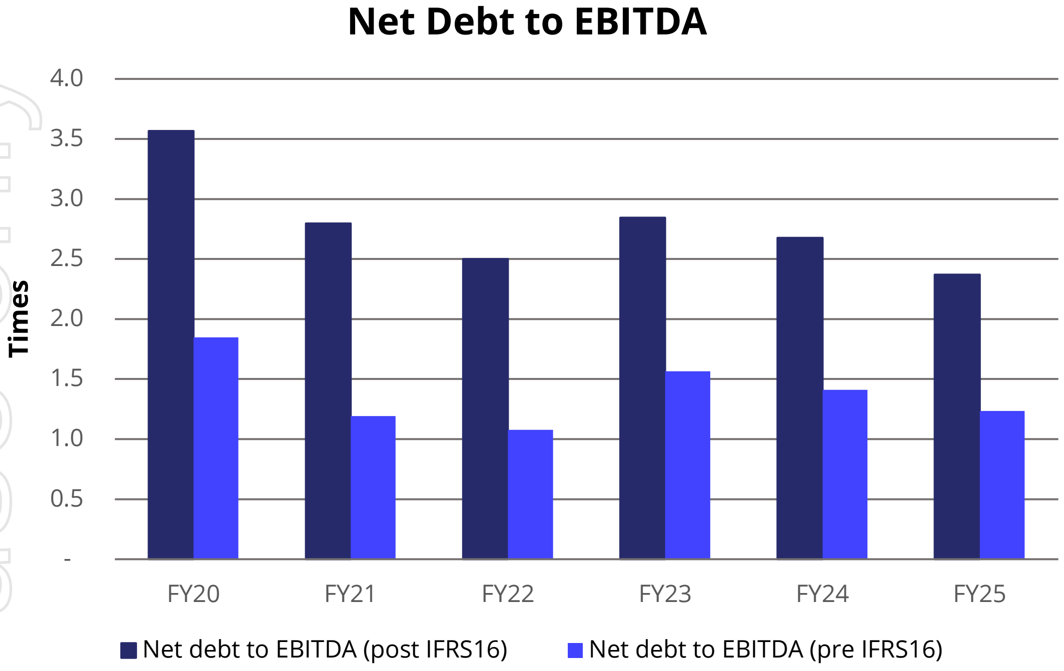
**Note:**

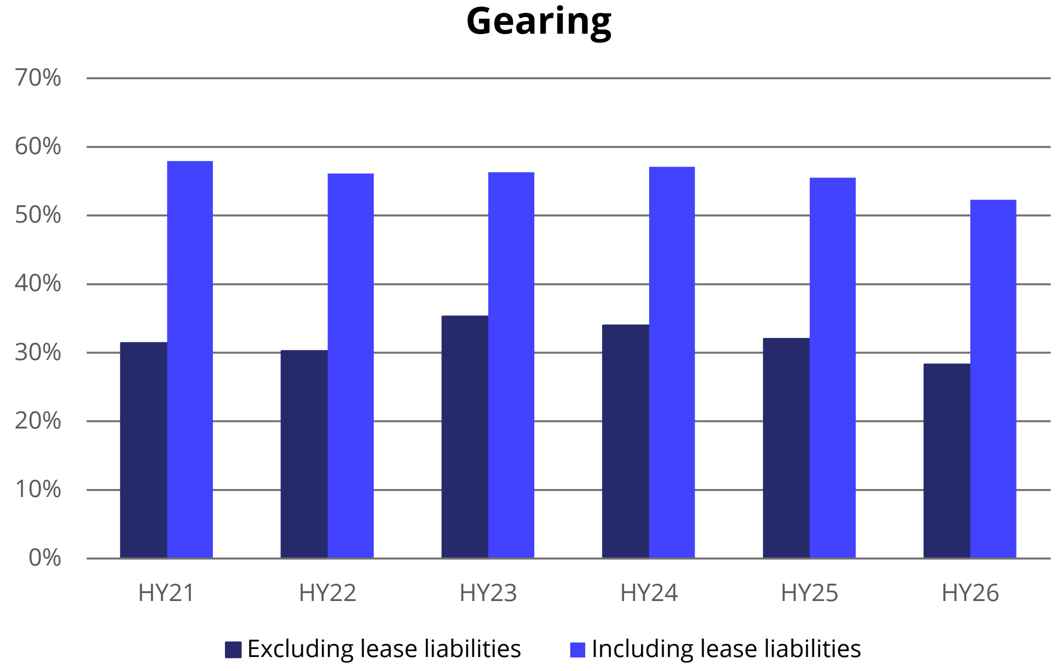
* For consistent comparison, EBITA and NPAT for HY21 on this page exclude change in fair value of contingent consideration for Big Chill Distribution Limited of $19.5m.

# Strong Cash Flow generation supported debt reduction



# BAU cash generation delivers gearing improvement



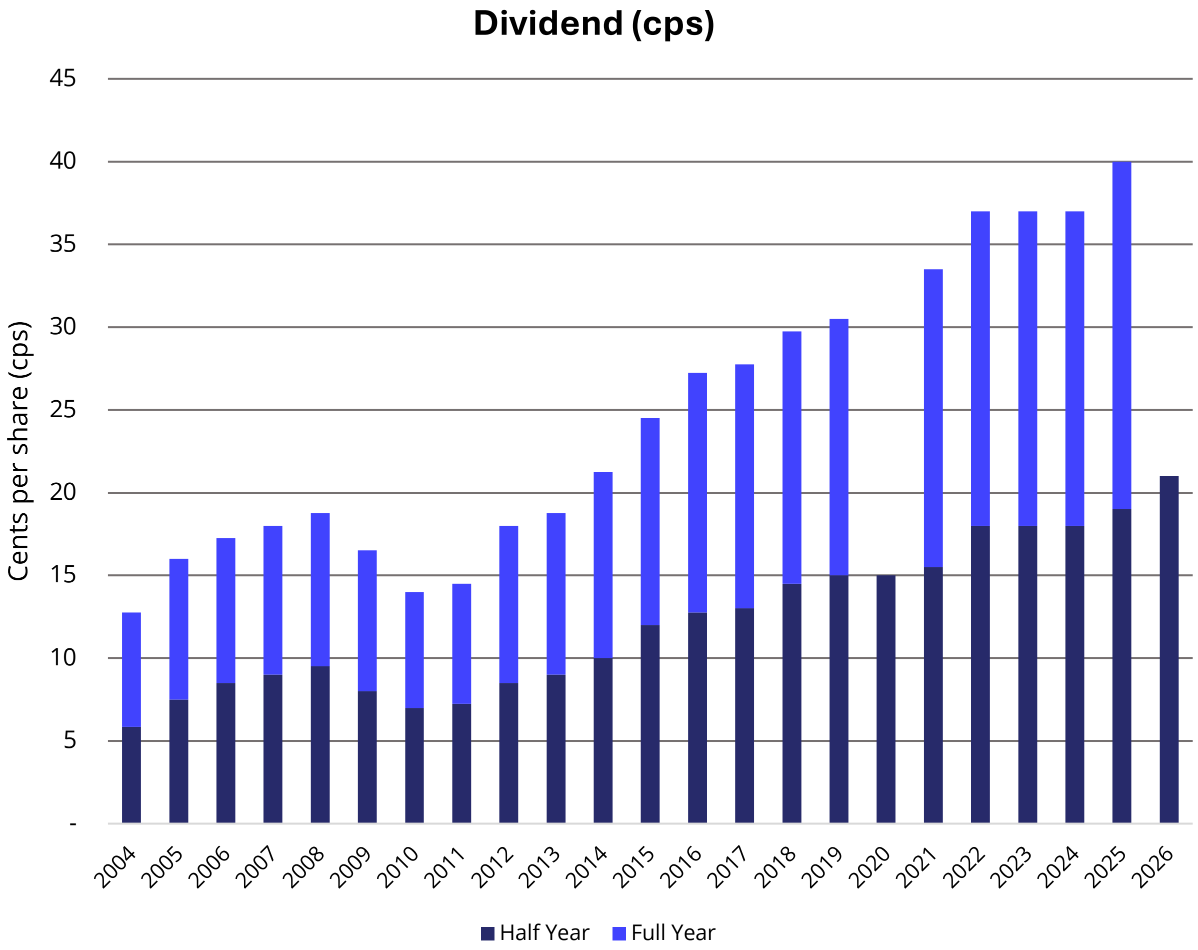

**Note:**
For consistent comparison, EBITDA for FY20, FY21 and FY22 in the graph above exclude net non-recurring expenses of approximately \$9m, \$23m and \$4m, respectively. The non-recurring expenses include items such as change in fair value of contingent considerations (earn-out accruals), impairment of intangible assets and inventory write-down.

**Note:**
The graph above excludes the impact of the recently completed acquisition of VT Freight Express (VTFE). Including the acquisition, the gearing, both excluding and including lease liabilities, is expected to be approximately 35% and 55%, respectively.

# HY26 Dividend increases by 10.5%

| HY26 Dividend | HY25 Dividend |
|---|---|
| **21**cps | **19**cps |

post IFRS16




**Notes:**

- cps = Cents Per Share - Interim dividend of 21cps, fully imputed in NZ, 46% franked in Australia

# Divisional Performance
# Express Package & Business Mail

Presenters:

**Mark Troughear**
Chief Executive Officer

**Aaron Stubbing**
General Manager, Express Package

# HY26 Express Package & Business Mail Result

| | Notes | HY26 $m | HY25 $m | Change % |
|---|---|---|---|---|
| Operating Revenue | | 604.0 | 547.2 | 10.4 |
| EBITA (non-GAAP) | 1 | 91.2 | 80.0 | 14.0 |
| EBITA margin | | 15.1% | 14.6% | |
| NPAT | 2 | 56.6 | 49.6 | 14.0 |

**Notes:**

- Results in this table are unaudited and after adjustments for NZ IFRS16 (Leases)
- Refer to appendices for reconciliation to results before NZ IFRS16

1. Operating profit before interest, tax and amortisation
2. Net profit after tax

## HY26 Performance Overview:

- Revenue growth driven by:
  - > Same-customer growth
  - > Net market share gains
  - > Price increases executed at the start of the FY
- Allied and Post Haste performed particularly well through the period with strong demand for their oversize and economy services respectively
- Pleasing uplift in margin despite the *Evolve* costs in the half year ($1.8m incremental cost vs the pcp)
- DX Mail continued their momentum in Q2
- Big Chill revenue and earnings both up even though the recovery appears slower in the food / hospitality sector

**Temperature Controlled**

3PL Utilisation

Auckland **96%**

Ruakura **78%**

Christchurch **86%**

at Dec 2025

Same-Customer Transport Volume Growth

**2.9%**

For HY26

# HY26 NZ Express Package Volume (excl BCD)

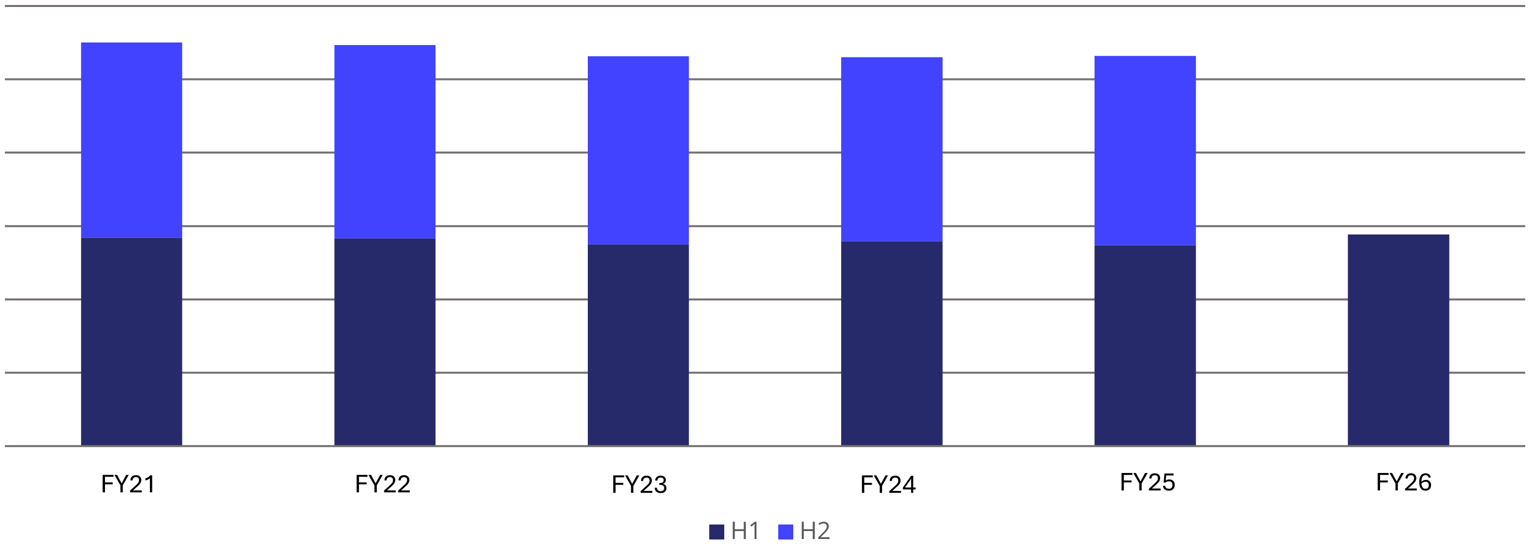
## New Zealand:

- Item growth of 3% from net market share gains (wins – losses)
- Same customer volumes increased by 2.5%
- Underpinned by cross boarder e-commerce work
- NZ EP economy services have benefited from a cost conscious market
- Premium (overnight, same day) services experiencing more modest demand

**HY26 Network Items v pcp**

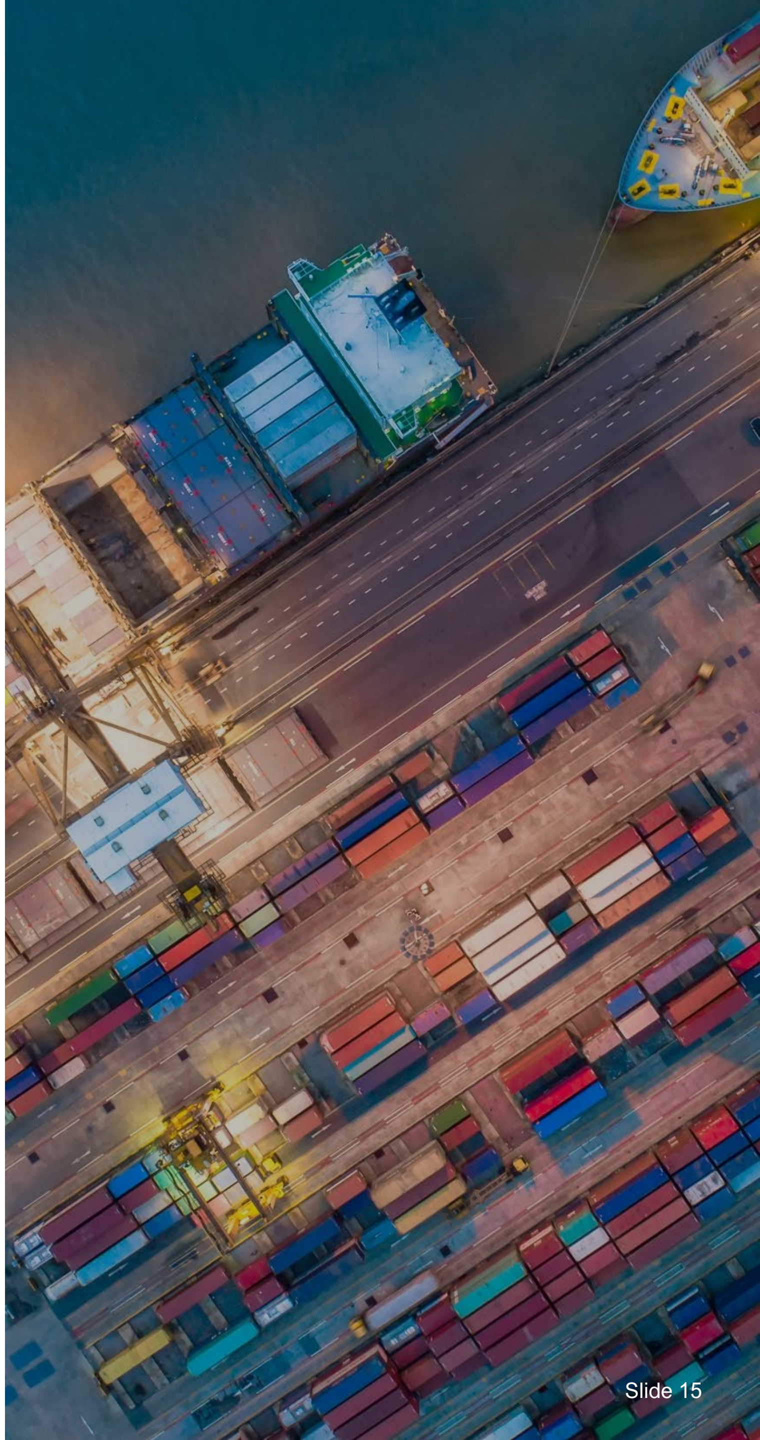
▲ **5.5%**

**NZ Express Package - Items**



# Freightways Global

- Facilitates international freight and e-commerce into NZ EP brands
- Provides ~5% of the NZ EP volume each week (albeit at lower margin)
- From 1 April a new tariff commences, altering the cost structure for customs clearance
- Items consigned as express commercial shipments will incur a $2.21/ item charge (400 grams)
- “Mail” items will incur a $1.28/kg charge
- Unknown at this stage as to whether some volume will migrate from express to mail to avoid the higher fees
- Pursuing mitigation strategy that includes; clearance via a FRW UPU/postal channel to access the mail levy



# Air Network Update

- Airwork, our JV partner in Parcelair, was placed in receivership last July
- The business is operating as a going concern and the receivers are currently undertaking a sale process which we expect to be finalised in the first quarter of 2026
- Both air network suppliers continued to perform as expected during the peak volume period in the last quarter of 2025
- It is anticipated that 2 of the remaining 737-400 aircraft will be retired from our network in late 2026 and be replaced with 2x 737-800s to provide a core 3x 737-800 network
- 737-800s are more fuel efficient with additional payload capability
- We expect the change to be cost neutral for FRW other than incurring $2.4m of provisioned one-off transition costs

# HY26 AU Express Package Volume

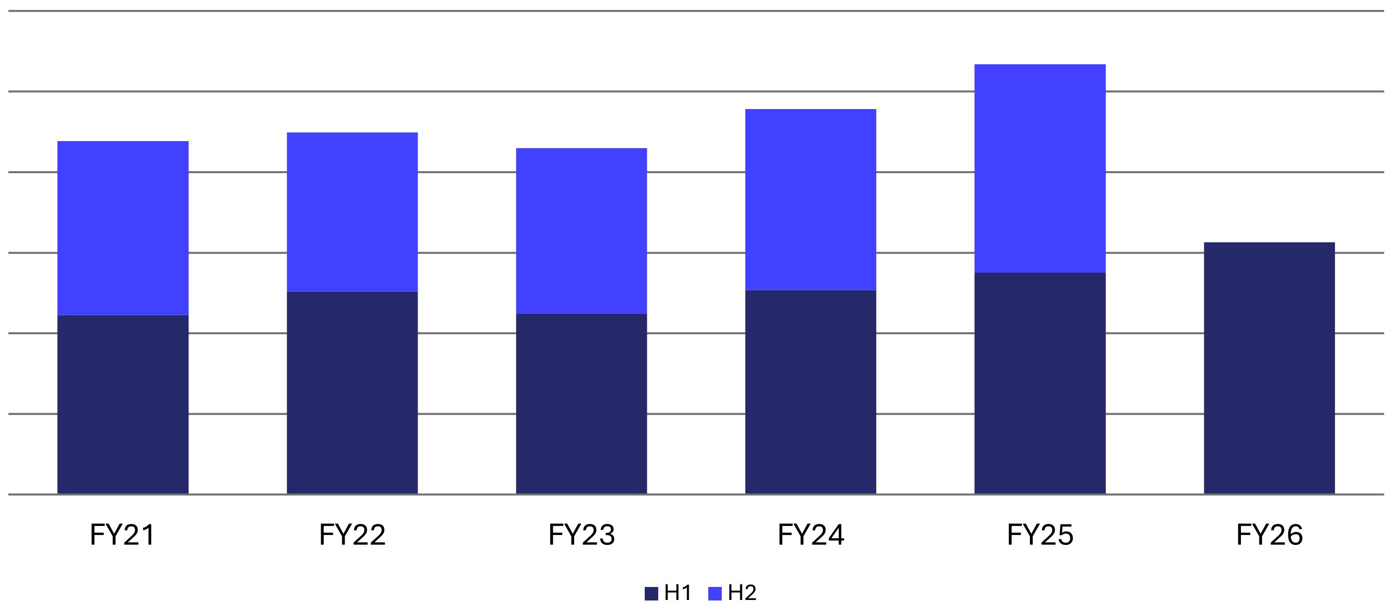
## Australia

- Allied delivered strong volume growth in H1 FY26
- Improved share of wallet, same-customer organic growth and new business wins all contributed
- Black Friday sales were particularly strong through November and December
- Focus is on customer experience and DIFOT

**HY26 Network Items v pcp**

▲ **13.8%**

**AU Express Package Items**



# Divisional Performance Information Management & Waste Renewal

Presenters:

**Mark Troughear**
Chief Executive Officer

**Neil Wilson**
General Manager, Freightways



# HY26 Information Management & Waste Renewal Result

| | Notes | HY26 $m | HY25 $m | Change % |
|---|---|---|---|---|
| Operating Revenue | | 117.1 | 117.6 | (0.4) |
| EBITA (non-GAAP) | 1 | 15.7 | 15.5 | 1.3 |
| EBITA margin | | 13.4% | 13.2% | |
| NPAT | 2 | 8.8 | 8.5 | 3.6 |

**Notes:**

- Results in this table are unaudited and after adjustments for NZ IFRS16 (Leases)
- Refer to appendices for reconciliation to results before NZ IFRS16

1. Operating profit before interest, tax and amortisation
2. Net profit after tax

### HY26 Performance Overview:

- Positive revenue growth from pricing improvement and waste renewal
  - Secure Destruction grew 5%
  - Medical waste grew 8%
- Offset by TIMG digital revenue declining by 14% due to the conclusion of a key government project during the H1 period.
- LitSupport bureau revenues grew by 7%. Retaining a state legislative print contract for a further 3 years helped underpin this performance
- $1.6m of one-off and restructuring net costs for SRX in the HY

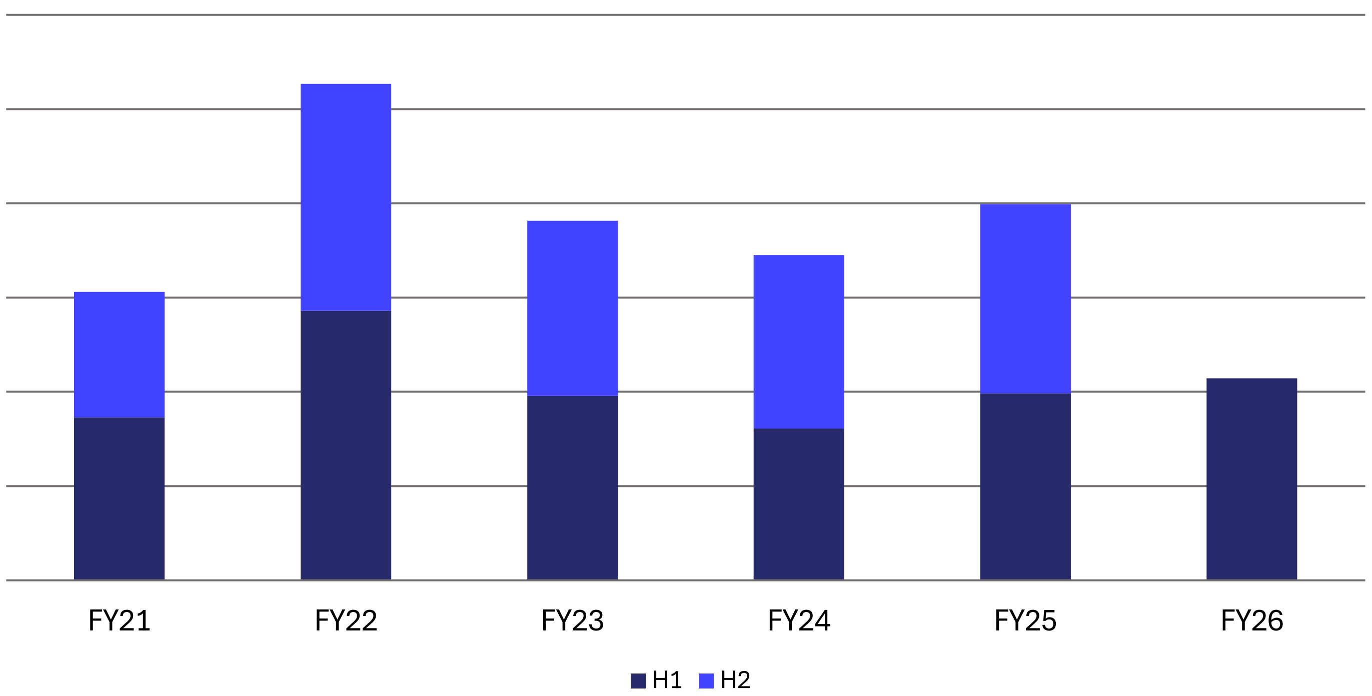
# Shred-X Profit Improvement Initiatives

**Initiatives:**

- Right size the network following the exiting of unprofitable revenue steams
  - > Assess the regional operating model for efficiencies
  - > Improve fleet efficiency

- Reducing overhead costs

**Medical Waste Revenue**



# Mergers & Acquisitions

Presenter:

**Mark Troughear**
Chief Executive Officer

# Disciplined Approach to M&A | AU Opportunity

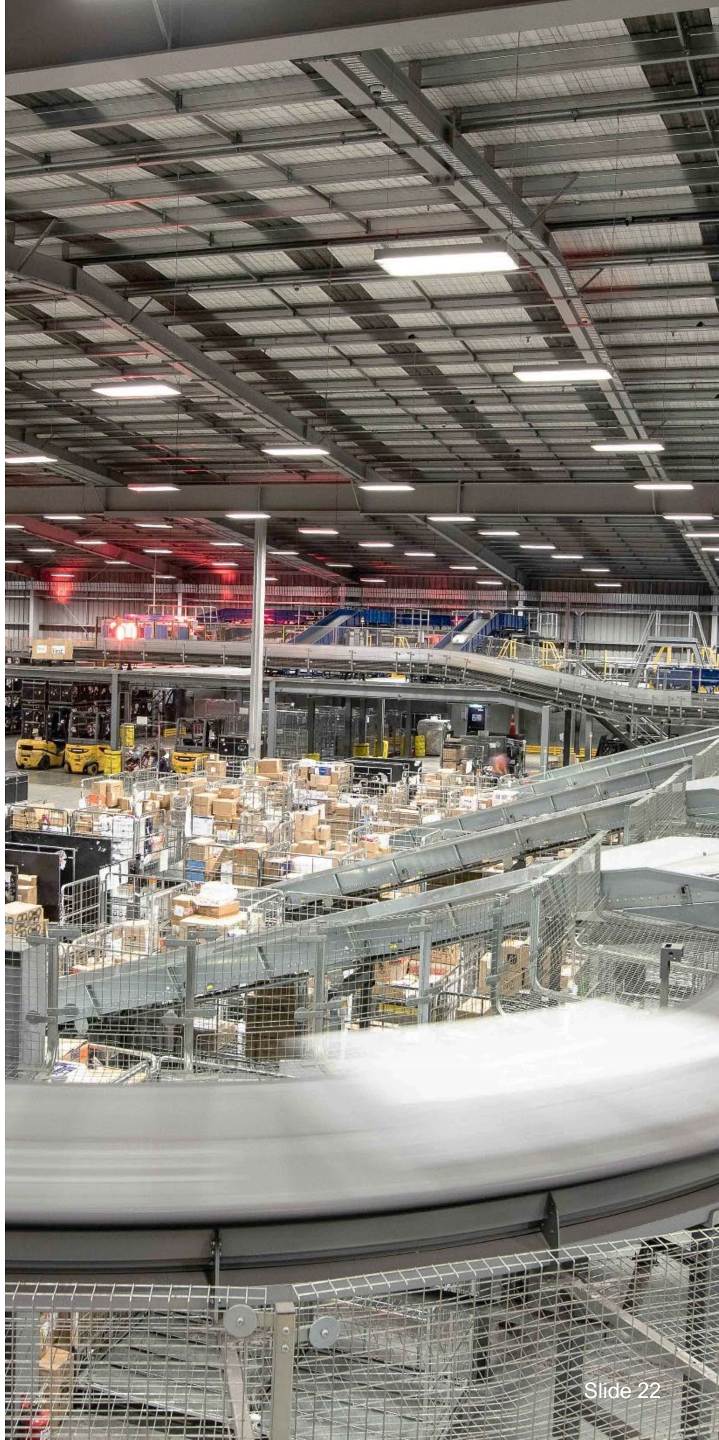
**Acquisition Strategy and Investment Criteria:**

- Our primary focus will be proactively targeting acquisitions which either add to Allied Express or VTFE by either:
  - Expanding their geographic footprint, or
  - Providing an adjacent service

- We would expect these targets to be closely complementary (e.g. add a state or city to either network), or synergistic with existing operations (bolt-on with an existing state operation)

- We will maintain a disciplined approach to acting on opportunities

- Balance sheet remains strong with additional debt headroom; we remain committed to our Capital Management policy



# VT Freight Express

**About:**

- B2B services for a wide range of industries including the building, healthcare, retail and plumbing sectors
- Strong presence in Victoria and a growing volume of interstate freight
- Track record of revenue and profit growth
- Asset light model using a contractor fleet and leased facilities
- Very similar service and customer profile to Post Haste

**Strategy:**

The acquisition builds Freightways' presence and capability in the express market in Australia in a niche that is complementary to the existing Allied Express B2C niche

We expect to be able to build market share both organically and through further M&A off the initial density that VTFE provides

**The Acquisition:**

- A$71m purchase price
- VTFE recorded A$77m revenue in the 12 months to October 2025
- The transaction is expected to be 6% EPS accretive to Freightways from the first year

**VTFE BY THE NUMBERS:**

- Services most states and territories in Australia
- **87** Contractors
- **49** Staff
- **350+** clients (range SME to large multi-national corporates)

# VT Freight Express

## Benefits for Freightways

- Leveraging Freightways' core capabilities in express pick up, processing and delivery which currently represents the majority of its earnings
- Providing an entry point for the growth of B2B services in Australia
- Complementary to Allied Express (which is focused on B2C deliveries)
- Consistent with Freightways’ multi brand strategy:
  - > VTFE will maintain their own leadership and remain focussed on their niche
  - > The businesses will share resources with Allied where it makes sense to do so

## Next Steps

- Early alignment underway across safety, operational systems, reporting, and commercial disciplines
- Assess expansion of operations into NSW to help build a truly national service offering
- Network optimisation and operational efficiency, improving utilisation across linehaul and depot operations

# Allied Express Post-Investment Review



**Revenue**

**10.8%**

3 Year CAGR

*** EBITA growth**

**16.5%**

3 Year CAGR

**Cashflow**

**16.6%**

Average cashflow return over 3 years

**ROI**

**15.8%**

Average return on invested capital over the last 3 years

**Note:**

- *Non-GAAP (Generally Accepted Accounting Principles)


- Strong revenue growth since acquisition enabled by:
  - > new sales teams
  - > Increased share of wallet
  - > market share gains
- Investment in automated sortation systems in the larger depots (NSW and VIC) have enabled the handling of peak period volume without caps on customer volume
- Margins have improved as scale has built
- Firmly established in the Oversize market

# Outlook

Presenter

**Mark Troughear**
Chief Executive Officer

# FY26 Outlook



- We continue to expect a steady improvement in same-customer volumes in H2 of FY26 in NZ - where economic recovery has been gradual
- We will continue our efforts to drive margin improvement in the second half of the year
- Our focus is on leveraging our service quality to retain our customers and attract new business for all of our brands. This has yielded positive results across our network
- We will have a proactive focus on M&A that is directly complementary to growing our Australian express network

- Volumes expected to increase as the NZ economy strengthens
- Focus on improving margins continues
- Disciplined M&A approach, with complementary opportunities being explored

Freightways

ersonal use only

# Questions

HY26

FRW: NZX | ASX

# Appendix – Reconciliation of Post-IFRS16 to Pre-IFRS16 (unaudited)

| FREIGHTWAYS GROUP | | HY26 ($m) | | | HY25 ($m) | | |
|---|---|---|---|---|---|---|---|
| | Notes | Post NZ IFRS16 | NZ IFRS16 adjustment | Pre NZ IFRS16 (non-GAAP) | Post NZ IFRS16 | NZ IFRS16 adjustment | Pre NZ IFRS16 (non-GAAP) |
| Operating Revenue | | 718.2 | - | 718.2 | 662.1 | - | 662.1 |
| EBITDA (non-GAAP) | 1 | 143.4 | (39.0) | 104.4 | 130.5 | (36.4) | 94.1 |
| EBITA (non-GAAP) | 2 | 96.5 | (7.1) | 89.3 | 86.0 | (6.1) | 79.9 |
| NPATA (non-GAAP) | 3 | 58.6 | 1.3 | 59.9 | 51.0 | 1.8 | 52.8 |
| NPAT | 4 | 52.5 | 1.3 | 53.8 | 44.7 | 1.8 | 46.5 |

**NOTES**

- *Results in this table are unaudited*

1. Operating profit before interest, tax, depreciation and amortisation.
2. Operating profit before interest, tax and amortisation.
3. Net profit after tax before amortisation.
4. Net profit after tax.

# Appendix – Reconciliation of Post-IFRS16 to Pre-IFRS16 (unaudited)

| EXPRESS PACKAGE & BUSINESS MAIL | Notes | HY26 ($m) | HY25 ($m) |
|---|---|---|---|
| Operating Revenue | | 604.0 | 547.2 |
| | | | |
| EBITDA (after NZ IFRS16) | 1 | 123.4 | 110.6 |
| Less: NZ IFRS16 adjustment | | (27.3) | (25.5) |
| EBITDA (before NZ IFRS16) | 1 | 96.1 | 85.1 |
| | | | |
| EBITA (after NZ IFRS16) | 2 | 91.2 | 80.0 |
| Less: NZ IFRS16 adjustment | | (4.8) | (4.0) |
| EBITA (before NZ IFRS16) | 2 | 86.4 | 76.0 |

**NOTES**
- *Results in this table are unaudited*

1. Operating profit before interest, tax, depreciation and amortisation (non-GAAP).
2. Operating profit before interest, tax and amortisation (non-GAAP).

# Appendix – Reconciliation of Post-IFRS16 to Pre-IFRS16 (unaudited)

| INFORMATION MANAGEMENT & WASTE RENEWAL | Notes | HY26 ($m) | HY25 ($m) |
|---|---|---|---|
| Operating Revenue | | 117.1 | 117.6 |
| | | | |
| EBITDA (after NZ IFRS16) | 1 | 29.6 | 28.6 |
| Less: NZ IFRS16 adjustment | | (11.6) | (10.8) |
| EBITDA (before NZ IFRS16) | 1 | 18.0 | 17.8 |
| | | | |
| EBITA (after NZ IFRS16) | 2 | 15.7 | 15.5 |
| Less: NZ IFRS16 adjustment | | (2.3) | (2.2) |
| EBITA (before NZ IFRS16) | 2 | 13.4 | 13.3 |

**NOTES**

- *Results in this table are unaudited*

1. Operating profit before interest, tax, depreciation and amortisation (non-GAAP).
2. Operating profit before interest, tax and amortisation (non-GAAP).

Freightways

| Results for announcement to the market | | |
|---|---|---|
| Name of issuer | FREIGHTWAYS GROUP LIMITED | |
| Reporting Period | 6 months to 31 December 2025 | |
| Previous Reporting Period | 6 months to 31 December 2024 | |
| Currency | New Zealand dollars | |
| | **Amount (000s)** | **Percentage change** |
| Revenue from continuing operations | $718,155 | 8.5% |
| Total Revenue | $718,155 | 8.5% |
| Net profit/(loss) from continuing operations | $52,459 | 17.2% |
| Total net profit/(loss) | $52,459 | 17.2% |
| **Interim Dividend** | | |
| Amount per Quoted Equity Security | $0.29166667 | |
| Imputed amount per Quoted Equity Security | $0.08166667 | |
| Record Date | 6 March 2026 | |
| Dividend Payment Date | 1 April 2026 | |
| | **Current period** | **Prior comparable period** |
| Net tangible assets per Quoted Equity Security | $(0.68) | $(0.84) |
| A brief explanation of any of the figures above necessary to enable the figures to be understood | Refer to the section “Half Year Review” for commentary | |
| **Authority for this announcement** | | |
| Name of person authorised to make this announcement | Stephan Deschamps | |
| Contact person for this announcement | Stephan Deschamps | |
| Contact phone number | +64 27 562 5666 | |
| Contact email address | stephan.deschamps@freightways.co.nz | |
| Date of release through MAP | 16 February 2026 | |

Unaudited financial statements accompany this announcement.

# FREIGHTWAYS GROUP LIMITED

Half Year Report
December 2025

# HALF YEAR REVIEW
## From the Chairman and Chief Executive Officer

**Building resilience and momentum**

Freightways delivered a strong first half performance in FY26. Economic conditions in New Zealand showed modest improvement through the period, while trading conditions in Australia remained stable. The Group maintained its focus on service quality, pricing discipline and operational efficiency, supporting continued margin recovery.

**Business performance**

Group revenue increased by 8.5% to $718.2 million for the half year. Earnings before interest, tax and amortisation (EBITA) increased by 12.2% to $96.5 million, with EBITA margin improving to 13.4% from 13.0% in the prior corresponding period. Net profit after tax (NPAT) increased by 17.2% to $52.5 million, and basic earnings per share increased to 29.3 cents per share.

Cash generation remained strong and supported further balance sheet strengthening. Net debt reduced during the period, lowering interest costs and supporting the larger growth in NPAT.

**Divisional performance**

The Express Package and Business Mail division delivered revenue growth, EBITA growth and margin improvement during the half year. Performance was supported by same-customer volume growth, net market share gains and pricing actions implemented at the start of the financial year. Margin improvement was achieved despite incremental IT costs on development of a new billing platform (Project Evolve) incurred during the period.

In New Zealand, demand was focused more heavily on our economy services at the expense of overnight express services. In Australia, Allied Express delivered strong volume growth and improved EBITA performance, reflecting improved utilisation, share-of-wallet gains and new business wins.

The Information Management and Waste Renewal division delivered a mixed performance. Revenue was broadly flat for the half year, while EBITA grew modestly, reflecting lower digitisation activity and the exit of unprofitable Product Destruction revenue streams. There was A$1.6 million of net one-off costs in the half year that are not expected to be repeated. Pricing initiatives and operational improvements contributed to margin improvement across several parts of the division, with Secure Destruction and Medical Waste both delivering volume growth.

**Dividends and capital management**

An interim dividend of 21 cents per share has been declared for the half year, representing an increase of 10.5% on the prior corresponding period. The dividend is fully imputed in New Zealand and c. 46% franked in Australia.

The Group's balance sheet remains well positioned, providing capacity to fund investment, pursue disciplined and complementary acquisitions, and remain within capital management policy settings. This is the case even after the acquisition of VTFE in the Australian state of Victoria, which was finalised after half year.

*Note: EBITA is a non-GAAP (Generally Accepted Accounting Practice) measure. Refer to the Income Statement and Note 3 within the financial statements in the following pages for a reconciliation from EBITA to NPAT. NPAT is GAAP compliant.*

**Strategy, systems and outlook**

Margin improvement remains a priority. Cost inflation remains moderate and the Group's cost base has stabilised, particularly with respect to labour. The implementation of a new billing platform for the New Zealand Express Package businesses continues and is expected to support improved billing capability, pricing discipline and longer-term margin outcomes.

We expect a steady improvement in same-customer volumes in the second half of FY26, particularly in New Zealand, driven by a level of economic recovery. Excluding one-off air network transition costs, margin improvement is expected to continue. The Group remains focused on retaining customers through service quality, attracting new business and pursuing disciplined mergers and acquisitions that are directly complementary to growing the Australian express network.

We would like to thank all of our teams, across both New Zealand and Australia, for their efforts in moving our customers and shareholders to a better place.

**Mark Cairns**
**Chairman**

**Mark Troughear**
**Chief Executive Officer**

**16 February 2026**

# Independent auditor's review report

**To the shareholders of Freightways Group Limited**

## Report on the consolidated financial statements

### Our conclusion

We have reviewed the consolidated financial statements of Freightways Group Limited (the Company) and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2025, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six-month period ended on that date and selected explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 31 December 2025, and its financial performance and cash flows for the six-month period then ended, in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34) and New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* (NZ IAS 34).

### Basis for conclusion

We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410 (Revised)). Our responsibilities are further described in the *Auditor's responsibilities for the review of the consolidated financial statements* section of our report.

We are 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 (PES 1), as applicable to audits and reviews of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with PES 1.

In our capacity as auditor and assurance practitioner, our firm also provides audit and other assurance services. Our firm carried out an other assignment in the area of executive long term incentives market practice benchmarking. In addition, certain partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business. The firm has no other relationship with, or interests in, the Group.

PwC New Zealand, 15 Customs Street West, Private Bag 92162,
Auckland 1142, New Zealand
T: +64 9 355 8000, F: +64 9 355 8001

## Responsibilities of Directors for the consolidated financial statements

The Directors of the Company are responsible on behalf of the Company for the preparation and fair presentation of these consolidated financial statements in accordance with IAS 34 and NZ IAS 34 and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's responsibilities for the review of the consolidated financial statements

Our responsibility is to express a conclusion on the consolidated financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the consolidated financial statements, taken as a whole, are not prepared in all material respects, in accordance with IAS 34 and NZ IAS 34.

A review of consolidated financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and consequently does not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on these consolidated financial statements.

## Who we report to

This report is made solely to the Company's shareholders, as a body. Our review work has been undertaken so that we might state those matters which we are required to state to them in our review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our review procedures, for this report or for the conclusion we have formed.

The engagement partner on the review resulting in this independent auditor's review report is Richard Day.

For and on behalf of:

PricewaterhouseCoopers

PricewaterhouseCoopers Auckland
16 February 2026

**FREIGHTWAYS GROUP LIMITED**
**CONSOLIDATED INCOME STATEMENT**
**for the half year ended 31 December 2025 (unaudited)**

| | Note | 6 mths ended 31 Dec 2025 $000 | 6 mths ended 31 Dec 2024 $000 |
|---|---|---|---|
| **Operating revenue** | 3 & 4 | **718,155** | **662,105** |
| Transport and logistics expenses | | (304,116) | (272,169) |
| Employee benefits expenses | | (195,640) | (190,976) |
| Occupancy expenses | | (7,074) | (6,768) |
| General and administrative expenses | | (67,877) | (61,710) |
| Depreciation and software amortisation | | (46,972) | (44,478) |
| Amortisation of intangibles | | (6,118) | (6,221) |
| **Operating profit before interest and income tax** | 3 | **90,358** | **79,783** |
| Net interest and finance costs | | (15,907) | (17,122) |
| **Profit before income tax** | | **74,451** | **62,661** |
| Income tax | | (21,992) | (17,914) |
| **Profit for the period** | | **52,459** | **44,747** |
| Profit for the period attributable to: | | | |
| Owners of the parent | | 52,348 | 44,637 |
| Non-controlling interests | | 111 | 110 |
| | | **52,459** | **44,747** |
| **Earnings per share for the period:** | | | |
| Basic earnings per share (cents) | | 29.3 | 25.0 |
| Diluted earnings per share (cents) | | 29.2 | 25.0 |

The above Income Statement should be read in conjunction with the accompanying notes.

FREIGHTWAYS GROUP LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the half year ended 31 December 2025 (unaudited)

| | Note | 6 mths ended 31 Dec 2025 $000 | 6 mths ended 31 Dec 2024 $000 |
|---|---|---|---|
| **Profit for the period** | | **52,459** | **44,747** |
| **Other comprehensive income** | | | |
| Items that may be reclassified subsequently to profit or loss: | | | |
| Exchange differences on translation of foreign operations | 5 | 18,340 | 1,449 |
| Cash flow hedges taken directly to equity, net of tax | | 1,020 | (1,222) |
| **Total other comprehensive income after income tax** | | **19,360** | **227** |
| **Total comprehensive income for the period** | | **71,819** | **44,974** |
| Total comprehensive income for the period is attributable to: | | | |
| Owners of the parent | | 71,708 | 44,864 |
| Non-controlling interests | | 111 | 110 |
| | | **71,819** | **44,974** |

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

## FREIGHTWAYS GROUP LIMITED
## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
### for the half year ended 31 December 2025 (unaudited)

| | Note | Contributed equity | Retained earnings | Cash flow hedge reserve | Foreign currency translation reserve | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|
| | | **$000** | **$000** | **$000** | **$000** | **$000** | **$000** |
| **Balance at 1 July 2025** | | **310,431** | **202,463** | **(954)** | **(12,400)** | **427** | **499,967** |
| Profit for the period | | - | 52,348 | - | - | 111 | 52,459 |
| Exchange differences on translation of foreign operations | | - | - | - | 18,340 | - | 18,340 |
| Cash flow hedges taken directly to equity, net of tax | | - | - | 1,020 | - | - | 1,020 |
| **Total Comprehensive Income** | | **-** | **52,348** | **1,020** | **18,340** | **111** | **71,819** |
| Dividend payments | | - | (37,566) | - | - | - | (37,566) |
| Shares issued | 5 | 1,480 | - | - | - | - | 1,480 |
| **Balance at 31 December 2025** | | **311,911** | **217,245** | **66** | **5,940** | **538** | **535,700** |
| | | | | | | | |
| **Balance at 1 July 2024** | | **308,386** | **190,476** | **1,024** | **(8,021)** | **404** | **492,269** |
| Profit for the period | | - | 44,637 | - | - | 110 | 44,747 |
| Exchange differences on translation of foreign operations | | - | - | - | 1,449 | - | 1,449 |
| Cash flow hedges taken directly to equity, net of tax | | - | - | (1,222) | - | - | (1,222) |
| **Total Comprehensive Income** | | **-** | **44,637** | **(1,222)** | **1,449** | **110** | **44,974** |
| Dividend payments | | - | (33,962) | - | - | - | (33,962) |
| Shares issued | | 1,210 | - | - | - | - | 1,210 |
| **Balance at 31 December 2024** | | **309,596** | **201,151** | **(198)** | **(6,572)** | **514** | **504,491** |

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**FREIGHTWAYS GROUP LIMITED**
**CONSOLIDATED BALANCE SHEET**
**as at 31 December 2025 (unaudited)**

| | Notes | As at 31 Dec 2025 $000 | As at 31 Dec 2024 $000 (restated)* | As at 30 Jun 2025 $000 (audited) |
|---|---|---|---|---|
| **Current assets** | | | | |
| Cash and cash equivalents | | 34,986 | 33,994 | 43,261 |
| Trade and other receivables | | 199,797 | 186,634 | 166,320 |
| Inventories | | 13,430 | 12,007 | 12,358 |
| Contract assets | | 3,223 | 3,950 | 3,057 |
| Derivative financial instruments | | 368 | 317 | - |
| **Total current assets** | | **251,804** | **236,902** | **224,996** |
| | | | | |
| **Non-current assets** | | | | |
| Other non-current assets | | 4,156 | 4,823 | 4,212 |
| Loans to related parties | | 180 | 180 | 180 |
| Property, plant and equipment | | 168,057 | 163,642 | 160,722 |
| Right-of-use assets | | 324,343 | 344,774 | 325,199 |
| Intangible assets | 6 | 667,484 | 665,813 | 651,466 |
| Investment in associates and joint venture | | 14,724 | 14,626 | 14,024 |
| Derivative financial instruments | | 355 | - | - |
| **Total non-current assets** | | **1,179,299** | **1,193,858** | **1,155,803** |
| **Total assets** | | **1,431,103** | **1,430,760** | **1,380,799** |
| | | | | |
| **Current liabilities** | | | | |
| Trade and other payables | | 172,429 | 150,791 | 144,840 |
| Borrowings | 7 | 21,573 | 22,077 | 21,538 |
| Lease liabilities | | 61,608 | 56,612 | 57,758 |
| Income tax payable | | 26,642 | 29,681 | 22,412 |
| Provisions | | 4,465 | 3,283 | 3,506 |
| Contract liabilities | | 14,740 | 18,874 | 20,500 |
| Derivative financial instruments | | - | - | 71 |
| **Total current liabilities** | | **301,457** | **281,318** | **270,625** |
| | | | | |
| **Non-current liabilities** | | | | |
| Borrowings | 7 | 224,442 | 249,400 | 236,943 |
| Deferred tax liability | | 40,367 | 47,412 | 43,586 |
| Provisions | | 14,097 | 12,256 | 12,476 |
| Lease liabilities | | 314,418 | 335,290 | 315,931 |
| Derivative financial instruments | | 622 | 593 | 1,271 |
| **Total non-current liabilities** | | **593,946** | **644,951** | **610,207** |
| **Total liabilities** | | **895,403** | **926,269** | **880,832** |
| **NET ASSETS** | | **535,700** | **504,491** | **499,967** |
| | | | | |
| **EQUITY** | | | | |
| Contributed equity | 5 | 311,911 | 309,596 | 310,431 |
| Retained earnings | | 217,245 | 201,151 | 202,463 |
| Cash flow hedge reserve | | 66 | (198) | (954) |
| Foreign currency translation reserve | | 5,940 | (6,572) | (12,400) |
| | | 535,162 | 503,977 | 499,540 |
| Non-controlling interests | | 538 | 514 | 427 |
| **TOTAL EQUITY** | | **535,700** | **504,491** | **499,967** |

The above Balance Sheet should be read in conjunction with the accompanying notes.

* Refer to Note 1 for further details on the restated balances, which relates to the reclassification of contract liabilities.

**FREIGHTWAYS GROUP LIMITED**
**CONSOLIDATED STATEMENT OF CASH FLOWS**
**for the half year ended 31 December 2025 (unaudited)**

| | Note | 6 mths ended 31 Dec 2025 $000 | 6 mths ended 31 Dec 2024 $000 |
|---|---|---|---|
| | | Inflows (Outflows) | Inflows (Outflows) |
| **Cash flows from operating activities** | | | |
| Receipts from customers | | 690,540 | 640,489 |
| Payments to suppliers and employees | | (556,327) | (535,901) |
| **Cash generated from operations** | | **134,213** | **104,588** |
| Interest received | | 826 | 496 |
| Interest and other costs of finance paid | | (17,043) | (18,647) |
| Income taxes paid | | (23,049) | (10,116) |
| **Net cash inflows from operating activities** | | **94,947** | **76,321** |
| **Cash flows from investing activities** | | | |
| Payments for property, plant & equipment | | (15,106) | (14,338) |
| Payments for software | | (2,172) | (1,882) |
| Proceeds from disposal of property, plant & equipment | | 169 | 314 |
| Payments for businesses acquired (net of cash acquired) | | - | (4,298) |
| Dividends received from joint venture | | 650 | 400 |
| **Net cash outflows from investing activities** | | **(16,459)** | **(19,804)** |
| **Cash flows from financing activities** | | | |
| Dividends paid | | (37,566) | (33,962) |
| (Decrease) increase in bank borrowings | | (20,475) | 4,687 |
| Principal elements of lease payments | | (30,600) | (28,983) |
| Proceeds from issue of ordinary shares | | 645 | 400 |
| **Net cash outflows from financing activities** | | **(87,996)** | **(57,858)** |
| **Net decrease in cash and cash equivalents** | | (9,508) | (1,341) |
| Cash and cash equivalents at the beginning of the period | | 43,261 | 35,653 |
| Exchange rate adjustments | | 1,233 | (318) |
| **Cash and cash equivalents at the end of the period** | | **34,986** | **33,994** |

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

## 1. Basis of Preparation

The interim financial statements are those of Freightways Group Limited (the 'Company') and its subsidiary companies (together with the Company, referred to as the 'Group'). The Company is registered under the Companies Act 1993 and is an FMC Reporting Entity under Part 7 of the Financial Markets Conduct Act 2013. The financial statements of the Group have been prepared in accordance with the requirements of the Financial Markets Conduct Act 2013 and the NZX Main Board Listing Rules.

The financial statements are stated in New Zealand dollars and rounded to the nearest thousand, unless otherwise indicated.

The consolidated financial statements of the Group have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with New Zealand Equivalent to the International Accounting Standard 34: Interim Financial Reporting (NZ IAS 34) and International Accounting Standard 34: Interim Financial Reporting (IAS 34) and consequently, do not include all the information required for full financial statements. These condensed Group interim financial statements should be read in conjunction with the annual report for the year ended 30 June 2025.

The Group is designated as a for-profit entity for the purposes of complying with NZ GAAP.

The Group has negative working capital of $49.7 million. This is mostly due to contract liability for deferred revenue (prepaid ticket liability) of $14.7 million and borrowings repayable within 12-months of $21.6 million which are classified as current liabilities (June 2025: $45.6 million due partly to contract liability and borrowings; December 2024: $44.6 million due to contract liability and borrowings). The Group has undrawn bank loan facilities as at 31 December 2025 totalling $209.8 million to fund short term cash requirements.

<u>Reclassification of comparatives</u>
The Group previously included revenue received in advance in Trade and other payables. It has now been determined that revenue received in advance should be classified as Contract liabilities. The comparative consolidated balance sheet as at 31 December 2024 has been restated by moving $5.5 million of revenue received in advance from Trade and other payables to Contract liabilities. There was no change to total current liabilities or total liabilities and no changes to any other reported balances as a result of this reclassification.

## 2. Material Accounting Policy Information

The accounting policies and methods of computation are consistent with those used in the most recent annual report.

## 3. Segment Reporting

### (a) Description of segments

A segment is a component of the Group that can be distinguished from other components of the Group by the products or services it sells, the primary market it operates in and the risks and returns applicable to it. Operating segments are reported upon in a manner consistent with the internal reporting used by the Chief Executive Officer, as the chief operating decision maker, and the Board for allocating resources, assessing performance and strategic decision making.

The Group is organised into the following reportable operating segments:

**Express package & business mail**
Comprises network (hub & spoke) courier, express freight, refrigerated transport, point-to-point courier and postal services.

**Information management**
Comprises secure paper-based and electronic business information management services. This segment also comprises secure handling, treatment and disposal of clinical waste, waste renewal, and related services.

**Corporate and other**
Comprises corporate, financing and property management services.

The Group has no individual customer that represents more than 10% of external sales revenue.

**(b) Segment analysis**

| | Express package & business mail $000 | Information management $000 | Corporate $000 | Inter-segment elimination $000 | Consolidated operations $000 |
|---|---|---|---|---|---|
| **Half year ended 31 December 2025** | | | | | |
| Sales to external customers | 601,352 | 116,803 | - | - | 718,155 |
| Inter-segment sales | 2,646 | 287 | 2,607 | (5,540) | - |
| Total revenue | 603,998 | 117,090 | 2,607 | (5,540) | 718,155 |
| Operating profit (loss) before interest, income tax, depreciation and software amortisation and amortisation of intangibles | 123,374 | 29,629 | (9,555) | - | 143,448 |
| Depreciation and software amortisation | (32,167) | (13,963) | (842) | - | (46,972) |
| Operating profit (loss) before interest, income tax and amortisation of intangibles | 91,207 | 15,666 | (10,397) | - | 96,476 |
| Amortisation of intangibles, excluding software amortisation | (5,401) | (717) | - | - | (6,118) |
| Operating profit (loss) before interest and income tax | 85,806 | 14,949 | (10,397) | - | 90,358 |
| Net interest and finance costs | (6,432) | (2,526) | (6,949) | - | (15,907) |
| Profit (loss) before income tax | 79,374 | 12,423 | (17,346) | - | 74,451 |
| Income tax | (22,796) | (3,613) | 4,417 | - | (21,992) |
| Profit (loss) for the period | 56,578 | 8,810 | (12,929) | - | 52,459 |

## Segment Reporting (continued)

| **Half year ended 31 December 2024** | **Express package & business mail $000** | **Information management $000** | **Corporate $000** | **Inter-segment elimination $000** | **Consolidated operations $000** |
|---|---|---|---|---|---|
| Sales to external customers | 544,758 | 117,347 | - | - | 662,105 |
| Inter-segment sales | 2,475 | 222 | 2,573 | (5,270) | - |
| Total revenue | 547,233 | 117,569 | 2,573 | (5,270) | 662,105 |
| Operating profit (loss) before interest, income tax, depreciation and software amortisation and amortisation of intangibles | 110,569 | 28,610 | (8,697) | - | 130,482 |
| Depreciation and software amortisation | (30,556) | (13,152) | (770) | - | (44,478) |
| Operating profit (loss) before interest, income tax and amortisation of intangibles | 80,013 | 15,458 | (9,467) | - | 86,004 |
| Amortisation of intangibles, excluding software amortisation | (5,336) | (885) | - | - | (6,221) |
| Operating profit (loss) before interest and income tax | 74,677 | 14,573 | (9,467) | - | 79,783 |
| Net interest and finance costs | (6,019) | (2,509) | (8,594) | - | (17,122) |
| Profit (loss) before income tax | 68,658 | 12,064 | (18,061) | - | 62,661 |
| Income tax | (19,051) | (3,563) | 4,700 | - | (17,914) |
| Profit (loss) for the period | 49,607 | 8,501 | (13,361) | - | 44,747 |

## 4. Revenue from Contracts with Customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines:

| | Express Package and Refrigerated Transport & Storage | Postal | Storage & Handling | Destruction Activities | Other including Digital Services | Total |
|---|---|---|---|---|---|---|
| **Half year ended 31 December 2025** | **\$000** | **\$000** | **\$000** | **\$000** | **\$000** | **\$000** |
| Revenue from external customers | 561,039 | 40,313 | 36,003 | 58,873 | 21,927 | 718,155 |
| Timing of revenue recognition: | | | | | | |
| At a point in time | - | 1,591 | - | 17,037 | 2,344 | 20,972 |
| Over time | 561,039 | 38,722 | 36,003 | 41,836 | 19,583 | 697,183 |
| | 561,039 | 40,313 | 36,003 | 58,873 | 21,927 | 718,155 |
| **Half year ended 31 December 2024** | | | | | | |
| Revenue from external customers | 512,842 | 31,916 | 35,878 | 56,324 | 25,145 | 662,105 |
| Timing of revenue recognition: | | | | | | |
| At a point in time | - | 1,620 | - | 15,610 | 3,527 | 20,757 |
| Over time | 512,842 | 30,296 | 35,878 | 40,714 | 21,618 | 641,348 |
| | 512,842 | 31,916 | 35,878 | 56,324 | 25,145 | 662,105 |

## 5. Equity

**Contributed equity**

Fully paid ordinary shares
As at 31 December 2025, there were 178,935,673 fully paid ordinary shares on issue (2024: 178,789,356). All fully paid ordinary shares have equal voting rights and share equally in dividends and surplus on winding up.

Share rights
On 20 August 2025, 96,317 share rights vested upon achievement of certain financial hurdles set by the Board and each of the share rights converted to one Freightways fully paid ordinary share (2024: 33,537). The issue price per share was $10.17 (2024: $12.85).

On 20 August 2025, 55,843 share rights were redeemed and cancelled as the performance hurdles were not met at the end of the 3-year vesting period (2024: 55,789).

No share rights were issued during the period to senior executives under the rules of the Freightways Long Term Incentive Scheme (2024: 241,230).

As at 31 December 2025, there were 466,537 share rights on issue (2024: 618,697). Share rights do not carry a dividend entitlement and are non-transferable.

Employee share plan

On 22 December 2025, the Company issued 50,000 fully paid ordinary shares at $12.95 each to Freightways Trustee Company Limited, as Trustee for the Freightways Employee Share Plan (2024: 43,000 fully paid ordinary shares at $9.18 each). In total, participating employees were provided with interest-free loans of $0.6 million to fund their purchase of the shares in the Share Plan (2024: $0.4 million). The loans are repayable over three years and repayment commenced in December 2025.

Exchange differences on translation of foreign operations

Exchange differences on translation of foreign operations comprise all foreign exchange differences arising from the translation of the financial statement of foreign operations into New Zealand dollars.

## 6. Intangible Assets

**(i) Goodwill**

Goodwill represents the excess of the consideration transferred in an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired business at the date of acquisition. Goodwill is not amortised but is tested for impairment annually or whenever events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

**(ii) Brand names**

Acquired brand names are recognised at cost, being their fair value at the date of acquisition if acquired in a business combination. Brand names with indefinite useful lives are not subject to amortisation but are tested for impairment annually or whenever events or changes in circumstances indicate that they might be impaired and are carried at cost less amortisation and impairment losses. Brand names with finite useful lives are amortised over their expected useful lives. The useful lives and amortisation methods are reviewed and adjusted, if appropriate, at each balance sheet date.

Brand names are allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the brand names.

**Impairment tests for indefinite life intangible assets**

On an annual basis or whenever events or changes in circumstances indicate potential impairment, the recoverable amount of goodwill and brand names is determined based on the greater of value-in-use and fair value less costs of disposal calculations specific to the cash-generating units (CGU) or group of CGUs associated with both goodwill and brand names.

The financial performance of the Big Chill and Shred-X CGUs for the half-year ended 31 December 2025 was below budget. As a result of this and the limited headroom identified in the 30 June 2025 impairment assessment, value-in-use calculations were prepared at 31 December 2025 to confirm that the recoverable amounts of goodwill and brand names for these CGUs exceed their respective carrying amounts.

The value-in-use calculations have been prepared using pre-tax cash flow projections based on financial forecasts prepared by management for the year ended 30 June 2026 and financial projections for the years ended 30 June 2027 and 2028. Cash flows beyond June 2028 have been extrapolated using growth rates which align with long-term inflation rates in New Zealand and Australia. In addition, the sensitivity of the main financial variables was tested and considered in the final estimation. No adjustments were made to forecast cash flows for the unknown impacts of future climate change.

Revenue growth rates and a consistent EBITDA margin, assuming costs increase in line with revenue and reflecting both historical and expected growth rates, have been applied to the value-in-use calculations with the same scenarios and sensitivities applied as described in Section (i) Significant estimate – sensitive to changes in assumptions below. Pre-tax discount rates, reflecting the current environment in financial markets and countries each CGU operates in, have been used.

The growth rates and pre-tax discount rates applied are:

| | **2025** | | **2024** | |
|---|---|---|---|---|
| | **Revenue Growth Rate FY26-FY28** | **Pre-tax Discount Rate** | **Revenue Growth Rate FY25-FY27** | **Pre-tax Discount Rate** |
| Big Chill | 5.8% - 9.1% | 13.3% | 5.1% – 9.5% | 13.4% |
| Shred-X | 2.1% - 7.2% | 15.8% | 4.3% - 15.4% | 15.7% |

(i) Significant estimate - Sensitivity to changes in assumptions

The financial performance of Big Chill for the half year ended 31 December 2025 is behind budget, as it continues to be impacted by the economic downturn in New Zealand and the company's exposure to higher value food, indicating risk of a potential impairment. A value-in-use calculation has been prepared for Big Chill at the half year to ensure that the recoverable amount of goodwill and brand name of Big Chill is greater than the carrying value.

From the value-in-use assessment for Big Chill and Shred-X, the indefinite-life intangible assets are not impaired.

The recoverable amount of Big Chill would equal its carrying amount if any of the key assumptions were to change as follows:

| | **2025** | | **2024** | |
|---|---|---|---|---|
| | **From** | **To** | **From** | **To** |
| Achievement of FY26-FY28 revenue | 100% | 93% | 100% | 94% |
| Terminal EBITDA growth rate | 2.5% | 0.3% | 2.5% | 0.7% |
| Pre-tax discount rate | 13.3% | 15.6% | 13.4% | 15.3% |

Shred-X financial performance for the half year ended 31 December 2025 was impacted by net one-off adjustments of A$1.6 million. Excluding the one-off adjustments, Shred-X financial performance for the half year would have exceeded budget and last year.

The recoverable amount of Shred-X would equal its carrying amount if any of the key assumptions were to change as follows:

| | **2025** | | **2024** | |
|---|---|---|---|---|
| | **From** | **To** | **From** | **To** |
| Achievement of FY26-FY28 revenue | 100% | 93% | 100% | 88% |
| Terminal EBITDA growth rate | 3.0% | 1.6% | 3.0% | 0.4% |
| Pre-tax discount rate | 15.8% | 17.3% | 15.7% | 18.4% |

## 7. Borrowings

In December 2025, the Group negotiated an increase of A$50 million to its existing syndicated bank facilities to fund the acquisition of VT Freight Express (refer Note 13). This increase became effective from 22 December 2025 and matures in June 2027.

As at 31 December 2025, the Group's debt facilities with its banking syndicate comprised NZ$175 million and A$130 million (2024: NZ$150 million and A$80 million), of which NZ$117 million and A$14.2 million (2024: NZ$104 million and A$33.6 million) had been drawn, respectively.

The Group has a finance facility with a US-based lender on the same terms as the banking syndicate. Of this facility, the US dollar equivalent of NZ$20 million and A$80 million were drawn as at 31 December 2025 (2024: NZ$20 million and A$100 million).

The Group had undrawn bank overdraft facilities of NZ$12 million and A$5 million available as at 31 December 2025 (2024: NZ$12 million).

The Group was in compliance with all its banking covenants throughout this financial period.

## 8. Transactions with Related Parties

**Trading with related parties**: The Group has not entered into any material external related party transactions which require disclosure. The Group does trade, on normal commercial terms, with certain companies in which there are common directorships.

**Payments to associates:** During the period, the following transactions occurred with Sweetspot Group Limited (GSS), an entity incorporated in New Zealand and is 33.3% owned by the Group:

| | **2025** | **2024** |
|---|---|---|
| | **$000** | **$000** |
| Sale of courier services to GSS | 6,424 | 6,362 |
| Purchase of goods and services from GSS | 1,240 | 841 |
| Receivables from GSS at end of period | 2,855 | 1,290 |

**Payments to joint venture:** During the period, the Group paid Parcelair Limited $6.5 million (2024: $7.9 million) for the provision of airfreight linehaul services to the express package businesses on normal commercial terms. Parcelair Limited is incorporated in New Zealand and is jointly controlled by the Group.

**Key management compensation:** Compensation paid during the period (or payable as at 31 December 2025 in respect of the half year) to key management, which includes senior executives of the Group and non-executive independent directors, is as follows:

| | 2025 $000 | 2024 $000 |
|---|---|---|
| Short-term employee benefits | 7,294 | 6,246 |
| Share-based payments | 938 | 275 |

## 9. Financial Risk Management

The Group has a treasury policy which is used to assist in managing foreign exchange and interest rate risks. The interim financial statements do not include all financial risk management information and disclosures and should be read in conjunction with the Group's annual financial statements as at 30 June 2025 contained in its Annual Report, which can be obtained from the Company's registered office or www.freightways.co.nz.

There have been no significant changes in the Group's risk management objectives and policies since 30 June 2025.

In the period to 31 December 2025 there were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities.

Fair values and valuation techniques

The Group uses various methods in estimating the fair value of financial instruments. The methods comprise:

**Level 1 -** Quoted prices (adjusted) in active markets for identical assets or liabilities at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

**Level 2 -** Inputs that are observable for the asset or liability, either directly (i.e., as prices; other than quoted prices referred to in Level 1 above) or indirectly (i.e., derived from prices). The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives and US Private Placement (USPP)) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the fair value of an instrument is included in Level 2.

**Level 3 -** Inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs). In these cases, the fair value of an instrument would be included in Level 3.

Specific valuation techniques used to value financial instruments include:

- In respect of interest rate swaps, the fair value is calculated as the present value of the estimated future cash flows based on observable yield curves;
- In respect of forward foreign exchange contracts, the fair value is calculated using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value;
- In respect of USPP, the fair value is calculated on a discounted cash flow basis using the USD Bloomberg curve and applying discount factors to the future USD interest payment and principal payment cash flows; and
- discounted cash flow analysis for other financial instruments.

Specific valuation techniques used to value contingent consideration in a business combination and estimated purchase price adjustments include:

- fair value is calculated as the present value of the estimated future cash flows based on management's assessment of future performance; and
- management's knowledge of the business and the industry it operates in.

The Group's derivative financial instruments and USPP are all Level 2 financial instruments. Contingent consideration in a business combination and estimated purchase price adjustments are all Level 3 financial instruments. There have been no transfers between levels of the fair value hierarchy used in measuring the fair value of financial instruments in the period to 31 December 2025.

There have been no reclassifications of financial assets and finance liabilities since 30 June 2025.

The carrying value of the following financial assets and liabilities approximate their fair value:
- cash and cash equivalents
- trade and other receivables
- trade and other payables
- bank borrowings

## 10. Climate Change

There is no material change to the Group's climate change risk from the Group's Climate Statement for the year ended 30 June 2025 which was released on 22 September 2025.

## 11. Capital Commitments and Contingent Liabilities

As at 31 December 2025, the Group had capital commitments to purchase equipment of $10.4 million (2024: $8.1 million).

As at 31 December 2025, the Group had outstanding letters of credit and bank guarantees issued by its lenders totalling approximately $14.8 million (2024: $14.3 million). The letters of credit and bank guarantees predominantly relate to security given to various landlords in respect of leased operating facilities.

There were no other contingent liabilities as at 31 December 2025 (2024: nil).

## 12. Net Tangible Assets per security

Net tangible assets (liabilities) per security at 31 December 2025 was ($0.68) (2024: ($0.84)).

## 13. Post Balance Date Events

Dividend declared
On 16 February 2026, the Directors declared a fully imputed interim dividend of 21 cents per share (approximately $38 million) in respect of the half year ended 31 December 2025. The dividend will be paid on 1 April 2026. The record date for determination of entitlements to the dividend is 6 March 2026. A supplementary dividend of 3.71 cents per share will be paid to overseas shareholders when the interim dividend is paid. The Freightways Dividend Reinvestment Plan will not operate for this dividend.

Acquisition of VT Freight Express
On 17 December 2025, Freightways announced that it has entered into an agreement to purchase the business and assets of VT Freight Express Pty Ltd (VTFE), subject to customary conditions precedent. The purchase price of VTFE is A$71 million. The acquisition was completed on 2 February 2026.

VTFE is an Australian company, based in Victoria, that provides express delivery of parcels and palletised freight. VTFE recorded A$77m revenue in the 12 months to October 2025.

The acquisition builds Freightways' presence and capability in the express market in Australia in a niche that is complementary to the existing Allied Express business.

The acquisition accounting for this acquisition will be included in the Freightways annual report for the year ended 30 June 2026.

At the date of this report, there have been no other significant events subsequent to the reporting date.

Freightways

www.freightways.co.nz



| | | | | |
|---|---|---|---|---|
| **Section 1: Issuer information** | | | | |
| Name of issuer | Freightways Group Limited | | | |
| Financial product name/description | Fully Paid Ordinary Shares | | | |
| NZX ticker code | FRW | | | |
| ISIN (If unknown, check on NZX website) | NZFREE0001S0 | | | |
| Type of distribution (Please mark with an X in the relevant box/es) | Full Year | | Quarterly | |
| | Half Year | X | Special | |
| | DRP applies | | | |
| Record date | 6 March 2026 | | | |
| Ex-Date (one business day before the Record Date) | 5 March 2026 | | | |
| Payment date (and allotment date for DRP) | 1 April 2026 | | | |
| Total monies associated with the distribution[1] | $37,576,000 | | | |
| Source of distribution (for example, retained earnings) | Retained earnings | | | |
| Currency | NZD | | | |
| **Section 2: Distribution amounts per financial product** | | | | |
| Gross distribution[2] | $0.29166667 | | | |
| Gross taxable amount [3] | $0.29166667 | | | |
| Total cash distribution[4] | $0.21000000 | | | |
| Excluded amount (applicable to listed PIEs) | $- | | | |
| Supplementary distribution amount | $0.03705882 | | | |
| **Section 3: Imputation credits and Resident Withholding Tax[5]** | | | | |
| Is the distribution imputed | Fully imputed | | | |
| | ~~Partial imputation~~ | | | |
| | ~~No imputation~~ | | | |
| If fully or partially imputed, please state imputation rate as % applied[6] | 28% | | | |

[1] Continuous issuers should indicate that this is based on the number of units on issue at the date of the form

[2] "Gross distribution" is the total cash distribution plus the amount of imputation credits, per financial product, before the deduction of Resident Withholding Tax (**RWT**).

[3] "Gross taxable amount" is the gross distribution minus any excluded income.

[4] "Total cash distribution" is the cash distribution excluding imputation credits, per financial product, before the deduction of RWT. This should *include* any excluded amounts, where applicable to listed PIEs.

[5] The imputation credits plus the RWT amount is 33% of the gross taxable amount for the purposes of this form. If the distribution is fully imputed the imputation credits will be 28% of the gross taxable amount with remaining 5% being RWT. This does not constitute advice as to whether or not RWT needs to be withheld.

[6] Calculated as (imputation credits/gross taxable amount) x 100. Fully imputed dividends will be 28% as a % rate applied.

| | | |
|---|---|---|
| Imputation tax credits per financial product | $0.08166667 | |
| Resident Withholding Tax per financial product | $0.01458333 | |
| **Section 4: Distribution re-investment plan (if applicable)** | | |
| DRP % discount (if any) | N/A | |
| Start date and end date for determining market price for DRP | N/A | N/A |
| Date strike price to be announced (if not available at this time) | N/A | |
| Specify source of financial products to be issued under DRP programme (new issue or to be bought on market) | N/A | |
| DRP strike price per financial product | N/A | |
| Last date to submit a participation notice for this distribution in accordance with DRP participation terms | N/A | |
| **Section 5: Authority for this announcement** | | |
| Name of person authorised to make this announcement | Stephan Deschamps | |
| Contact person for this announcement | Stephan Deschamps | |
| Contact phone number | +64 27 562 5666 | |
| Contact email address | stephan.deschamps@freightways.co.nz | |
| Date of release through MAP | 16 February 2026 | |