



NZX LISTING PROFILE

Issued by NZ Automotive Investments Limited

Dated 25 February 2021

Prepared in connection with the initial quotation of ordinary shares in NZ Automotive Investments Limited on the NZX Main Board

Prepared pursuant to Listing Rule 7.3.1(b)



1. KEY INFORMATION SUMMARY

1.1 What is this?

This profile document ("Profile") has been prepared in accordance with the NZX Listing Rules to support the initial quotation of ordinary shares ("Shares") in NZ Automotive Investments Limited ("NZAI" or the "Company") on the NZX Main Board.

No Shares are being offered as part of the Listing. Shares may become available for purchase on market after the Listing. Shares give you a stake in the ownership of NZAI. You may receive a return if dividends are paid or NZAI increases in value and you are able to sell your Shares at a higher price than you paid for them.

If NZAI runs into financial difficulties and is wound up, you will be paid only after all creditors have been paid. You may lose some or all of your investment.

1.2 About the NZAI Group

NZAI is an integrated automotive group operating throughout New Zealand via two divisions: Automotive Retail and Vehicle Finance.

Its Automotive Retail division operates under the "2 Cheap Cars" brand through NZAI's subsidiary 2 Cheap Cars Limited ("2CC"). 2CC has sold (on average) over 11,000 cars per annum for the last three years. It encompasses 12 retail dealerships nationwide and an integrated procurement office based in Japan, where it sources almost all its cars for resale. The division focuses on providing quality used cars at affordable prices for the average New Zealander, through a cost-efficient supply chain and a "no-frills" retail approach.

The Vehicle Finance division operates under the "NZ Motor Finance" brand through NZAI's subsidiary NZ Motor Finance Limited ("NZMF"). This division was established in 2019 to diversify earnings and provide a further growth opportunity for the Company. It originates loans entirely from cross-selling to Automotive Retail customers, which allows NZMF to grow its finance book with minimal acquisition and administrative costs.

For more information, see Section 2 (The NZAI Group and what it does).

1.3 About NZAI's Shares

Following completion of the Listing, NZAI will have 45,554,500 Shares on issue, all of which will be quoted on the NZX Main Board. Each Share gives the holder the right to:

- attend and vote at a meeting of the Company, including the right to cast one vote per Share on a poll (subject to any voting prohibitions under the NZX Listing Rules which may apply);
- an equal share with all other Shares in any dividends authorised by the Company;
- an equal share with all other Shares in the distribution of surplus assets of the Company in any liquidation of the Company;
- receive certain information from the Company (including its financial statements and its annual report); and
- other rights as a shareholder conferred by the Companies Act and the Company's Constitution.

1.4 Listing statistics and key dates

Financial year end	31 March
Expected Listing and Quotation date	25 February 2021
Expected payment of first dividend	June 2021

1.5 How you can get your money out

NZAI intends to quote these Shares on the NZX Main Board. This means you may be able to sell them on the NZX Main Board if there are interested buyers. You may get more or less than you invested. The price will depend on the demand for the Shares. The only way in which a holder of Shares can realise their investment is to sell their Shares. If you sell your Shares, you may be required to pay brokerage or other sale expenses. You may also be liable for tax on the sale of your Shares. You should seek your own tax advice in relation to your Shares.

1.6 Key drivers of returns

Drivers of financial performance	Key strategies and plans
Supply Chain NZAI's Automotive Retail strategy relies on its own Japan-based purchasing network which allows it to keep the cost of its vehicles low, manage quality and buy at scale.	<ul style="list-style-type: none"> • Established a subsidiary in Japan employing local staff to attend vehicle auction sites in Japan and personally inspect all vehicles. • Utilises sales data from our Automotive Retail division to select models that it considers popular with New Zealand consumers, as opposed to relying on third party agent's stock. • 2CC has a direct vehicle supply agreement with a Japan-based vehicle logistics operator that allows for volume discounts in the shipping process, agents fees, and the ability to pay in Japanese Yen. This approach is different from some other importers who use agents for their purchases, and NZAI believes that it provides the Company with a competitive advantage. • The Company manages currency fluctuations in line with NZAI's formal treasury policy which requires forward hedging. Cars are purchased at auction in Japan with full payment in Japanese Yen generally 60 days after auction. Generally, NZAI purchases the required currency within seven days of the auction to mitigate the risk of foreign currency movement. • Leverages the scale of NZAI's operations to achieve competitive rates for New Zealand re-conditioning costs. • Operates NZAI's own mechanical workshop for cost-efficient pre-market servicing¹.
Retail Distribution The Automotive Retail business model focuses on delivering high-volume sales and vehicle turnover.	<ul style="list-style-type: none"> • Helps to control customer experience because all dealerships are Company owned with internally trained and incentivised staff. • Optimises dealership volume and profit by sending high selling brands, to each region based on established sales history. • Maximises total return on each sale by offering appropriate finance and insurance solutions to customers. • Controls vehicle dispatches through NZAI's central hub model. • Leverages a digital-first marketing approach to reduce salespeople's time per customer and increase turnover per dealership. • Developed capability for customers to reserve and partially pay for a vehicle online, minimising the disruption of future lockdowns (or other disruptions) and improve the ability to operate a retail storefront.
Finance Book Growth NZAI's Vehicle Finance division is relatively new and is intended to be a growth area for future financial performance.	<ul style="list-style-type: none"> • Leverages NZAI's customer base to cross-sell its finance offering to eligible customers. • Utilises data on customer behaviour to prioritise the best risk / return loans. • Will adopt a staged approach by focusing on one sub-segment of customer at a time, to maintain a level of commissions from existing finance partners that help fund the growth of the Vehicle Finance division. • Utilises bank funding lines to support future growth in the book.

You should read this table in conjunction with Section 2 (The NZAI Group and what it does), Section 4 (The NZAI Group's financial information) and Section 10 (Glossary).

¹ Except for Christchurch where vehicles go to a third-party compliance centre before being sent to the dealership.

1.7 Key risks affecting this investment

Investments in shares can be risky. You should consider if the degree of uncertainty about NZAI Group's future performance and returns is suitable for you. The price of these Shares should reflect the potential returns and the particular risks of these Shares. NZAI considers that the most significant risk factors that could affect the value of the Shares are:

Risk Factors	Description
Import Concentration Risk	Almost all NZAI's vehicles are imported from Japan. NZAI is therefore fully reliant on the auction and export process as it stands in Japan, and is exposed to fluctuations in foreign exchange rates, border restrictions and regulation changes. If NZAI could no longer source most of its cars from Japan, it may need to set up a similar process in one or more other countries, incurring costs in doing so. While NZAI takes forward cover on currency exchange rates, long-term trends in the Japanese Yen to New Zealand dollar exchange rate cannot be fully hedged and may affect margins. Japan is also exposed to typhoons and is home to marmorated stink bugs, an invasive pest to New Zealand, which present a level of specific risk to importing from Japan.
Finance Book Establishment Risk	As NZMF's finance book grows and moves away from third party finance partners, NZAI may dilute its existing revenue streams in its Automotive Retail division. These funding partners currently pay 2CC commissions for directing vehicle loan origination, and if they reduce their support of 2CC, the commission revenue received may decline as fewer finance options are available to its customers.
Key Person Risk	NZAI's operation is reliant on certain key personnel, including its two founders. If any of the key personnel were to leave NZAI suddenly without a suitable transition period, its financial performance could be materially affected.
Regulatory Risk	NZAI's importation costs may increase from 2023 if the government introduces a vehicle fuel efficiency standard for used light vehicles that requires vehicle importers to lower the carbon dioxide emissions of the vehicles they are importing or pay a fine.
NZMF Credit Quality Risk	Growing NZMF's vehicle finance loan book will increase the exposure of NZAI's balance sheet to poor performing loans. If a significant number of NZMF loans default, then NZAI's financial performance could be materially affected.

This summary does not cover all of the risks of investing in the Shares. You should also read Section 5 (Risks to the NZAI Group's business and plans).

1.8 Where can you find the NZAI Group's financial information

The financial position and performance of the NZAI Group are essential to an assessment of this investment. You should also read Section 4 (The NZAI Group's financial information).

Capitalisation Table	
Number of Shares on issue at Listing	45,554,500
Listing Price	\$1.30 per Share
Implied market capitalisation	\$59.2 million
Net cash as of 31 January 2021 ¹	\$6.1 million
Implied enterprise value (excluding lease liabilities under NZ IFRS 16)	\$53.1 million
Lease liabilities under NZ IFRS 16 as of 31 January 2021	\$6.7 million
Implied enterprise value (including lease liabilities under NZ IFRS 16)	\$59.8 million
Implied Listing Multiples	
FY2020	
Implied EV (including lease liabilities under NZ IFRS 16) / Pro forma EBITDA	6.9x
Implied EV / Pre-NZ IFRS 16 Pro forma EBITDA	7.7x

1. Comprises cash and cash equivalents. The ASB trade finance facility has been treated as working capital consistent with the industry treatment for automotive retail companies.

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LETTER FROM THE CHAIR



Dear Investor,

On behalf of the Board, it is my pleasure to invite you to read our Profile for the direct listing of NZAI and quotation of its shares on the NZX Main Board.

NZAI is an integrated automotive group, operating a nationwide network of 12 dealerships selling (on average) over 11,000 cars per annum for the last three years. With its Automotive Retail division, founded in 2011 by Eugene Williams and David (Yusuke) Sena, the Company has grown to have an estimated 8% market share of all imported used cars sold in New Zealand², and generating \$76m of revenue in FY20. The Company has recently established a vehicle finance division that provides an additional revenue stream, and a significant growth opportunity to leverage its existing sales channels to cross-sell consumer finance products.

The four main elements of NZAI's strategy are as follows:

1. The Company will continue driving its vertical integration by leveraging the Automotive Retail division and the Vehicle Finance division, growing NZMF's loan book by offering Automotive Retail customers finance directly from NZMF.
2. NZAI will continue to leverage off its position of having its Japan-based procurement team on the ground, selecting, and closely managing control over quality, standards, and visibility of pricing from that marketplace, to secure on-going vehicle volumes from the auctions and reducing costs.
3. NZAI will continue to improve its digital offering, including upgrading the digital platform to achieve pre-approval of customers' credit and eventually allow customers to pay for vehicles directly online.
4. Drive increased profitability of current dealerships by leveraging the understanding of our customer demographics to maximise sales.

The Listing will provide the following benefits to NZAI:

- Provide access to capital to help fund its recently established Vehicle Finance division, NZMF.
- Support the growth of the Company's digital platform model, building market intelligence and thus improving our understanding of the New Zealand driver demographics.
- Position the Company to consolidate key geographic markets throughout New Zealand where it does not have a physical presence.
- Permit Eugene Williams and David Sena to achieve some liquidity after building the business to its current scale over nearly 10 years of operation.

It is appropriate to note that both Eugene Williams and David Sena will remain cornerstone shareholders of the Company, owning more than 40% of shares outstanding at the conclusion of their escrow commitments as the Company moves to its next stage of growth.

NZAI has established a dividend policy with a target pay-out ratio of 50% to 60% of annual underlying Net Profit After Tax ("NPAT"). The Company has a healthy track record of paying dividends with 61% (on average) of NPAT paid as dividends during the last three financial years.

This Profile contains detailed information about NZAI, as well as the key drivers of profitability and the key risks associated with an investment in NZAI. I encourage you to read this document carefully and in its entirety.

The Board of Directors looks forward to NZAI becoming listed on the NZX Main Board, and we welcome your participation in NZAI in the future.

Yours sincerely

A handwritten signature in black ink, appearing to read "Karl D. Smith". The signature is fluid and cursive, with a horizontal line underneath the name.

Karl Smith

Chair, NZ Automotive Investments Limited

² Based on the 12 months ended 31 March 2020. Calculated from 2CC's motor central sales data of 11,020 cars divided by 137,016 total imported passenger sales for the same period published by Autofile magazine.

2. THE NZAI GROUP AND WHAT IT DOES

2.1 Overview of NZAI

NZAI is an integrated Automotive group headquartered in Auckland. Its Automotive Retail division was founded in 2011 by Eugene Williams and David (Yusuke) Sena and has grown to become a major Japanese used car importer in New Zealand. NZAI comprises two operating divisions:

Automotive Retail

Operated under the “2 Cheap Cars” brand, the Automotive Retail division operates 12 dealerships across the country. The division has sold (on average) over 11,000 cars annually for the past three years and is responsible for approximately 8% of all used car import sales in New Zealand³.

Vehicle Finance:

NZMF was incorporated as a subsidiary of NZAI and began operating in 2019 to internalise the margin opportunity that NZAI was forgoing by utilising third parties to provide finance to NZAI’s retail customers. NZMF represents a key growth area for the Company, allowing it to cross-sell high value products to 2CC’s Automotive Retail customer base.

The Automotive Retail division is vertically integrated from procurement to the point of sale. Staff from NZAI’s Japanese subsidiary, Car Plus Kabushiki Kaisha (“**Car Plus**”), directly attend Japanese car auctions, visually inspect stock, and select which vehicles to buy. Having a presence in Japan provides NZAI greater control over its supply chain, improves vehicle quality, allows NZAI to select cars that the Company believes will appeal to New Zealand consumers and achieve lower price points.

The Automotive Retail business operates its own workshop to groom and perform mechanical checks on cars before they are customer ready. It owns all 12 of its dealerships, providing greater control over the customer experience, business processes and operational costs compared to the typical franchise model that is common for car dealerships in New Zealand.

The Automotive Retail business has historically partnered with third parties to provide finance and insurance solutions for its retail customers, on which it receives a commission for each loan or policy originating from its network. All partner solutions are non-recourse, so 2CC does not bear any risk. The success of the Automotive Retail business has meant that NZAI is generating an increasing level of financing opportunities, with 2CC’s customers subscribing to circa \$31m of vehicle finance as part of their retail purchases in FY20.

NZAI decided in 2019 to create its own finance book (to be administered through NZMF) as a way of growing overall profitability without incurring further selling or market development costs. NZMF focuses on providing Tier 2 loans (see Section 2.6 (Vehicle Finance Operations) for more details on loan types) and NZAI intends to continue to use partners to provide Tier 1 and 3 loans. This allows a balance of shorter-term cash generation (via finance commissions received) and longer-term value creation annuities (NZMF loan book). As of 31 January 2021, NZMF had established a loan book with total receivables of \$3.1m.

NZAI was formerly known as 2CC Holdings Limited and was incorporated on 14 October 2016 as a holding company for the NZAI Group’s subsidiaries. The company was renamed to NZAI on 19 November 2020 to more accurately reflect that the NZAI Group’s operations have broadened across the automotive industry.

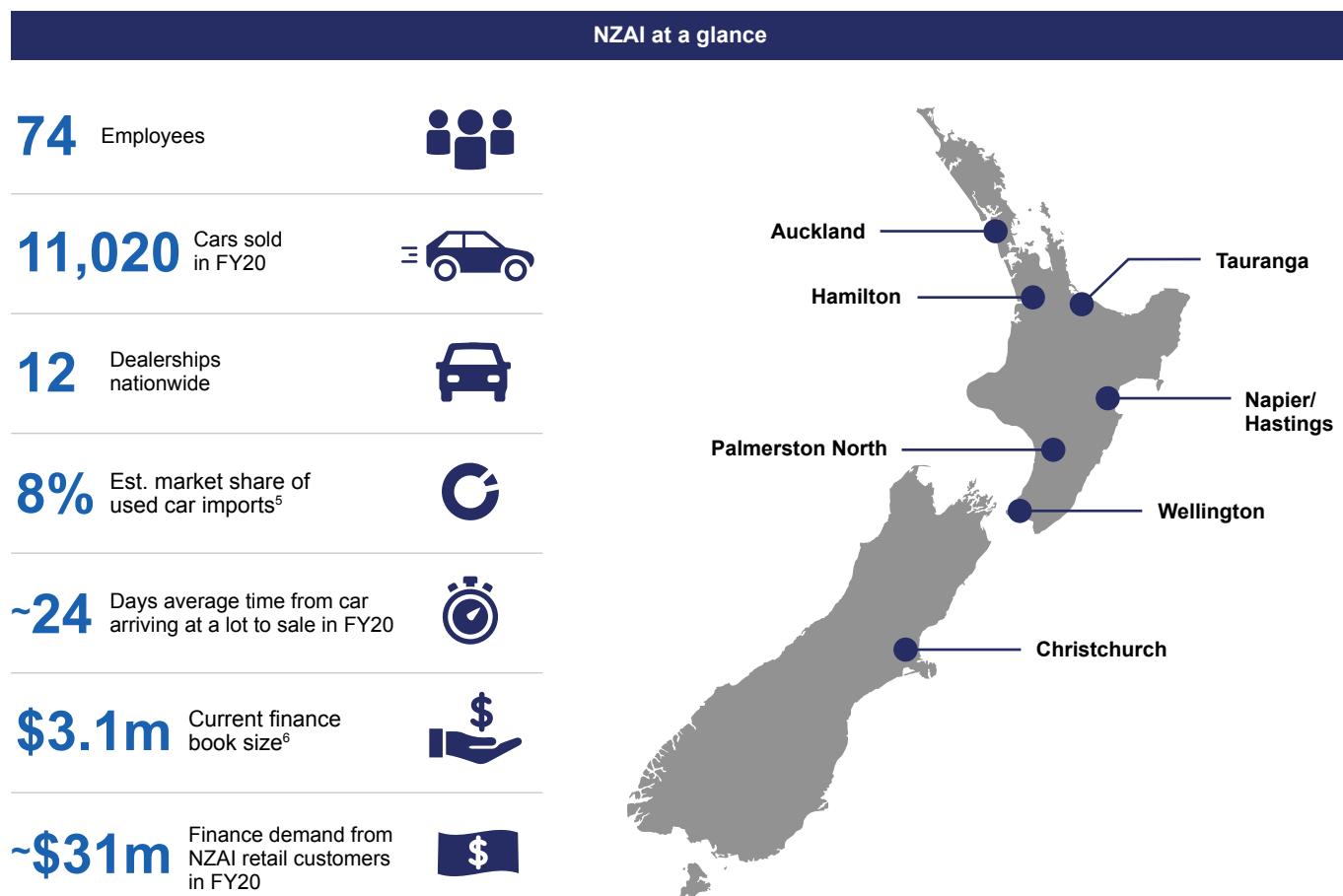
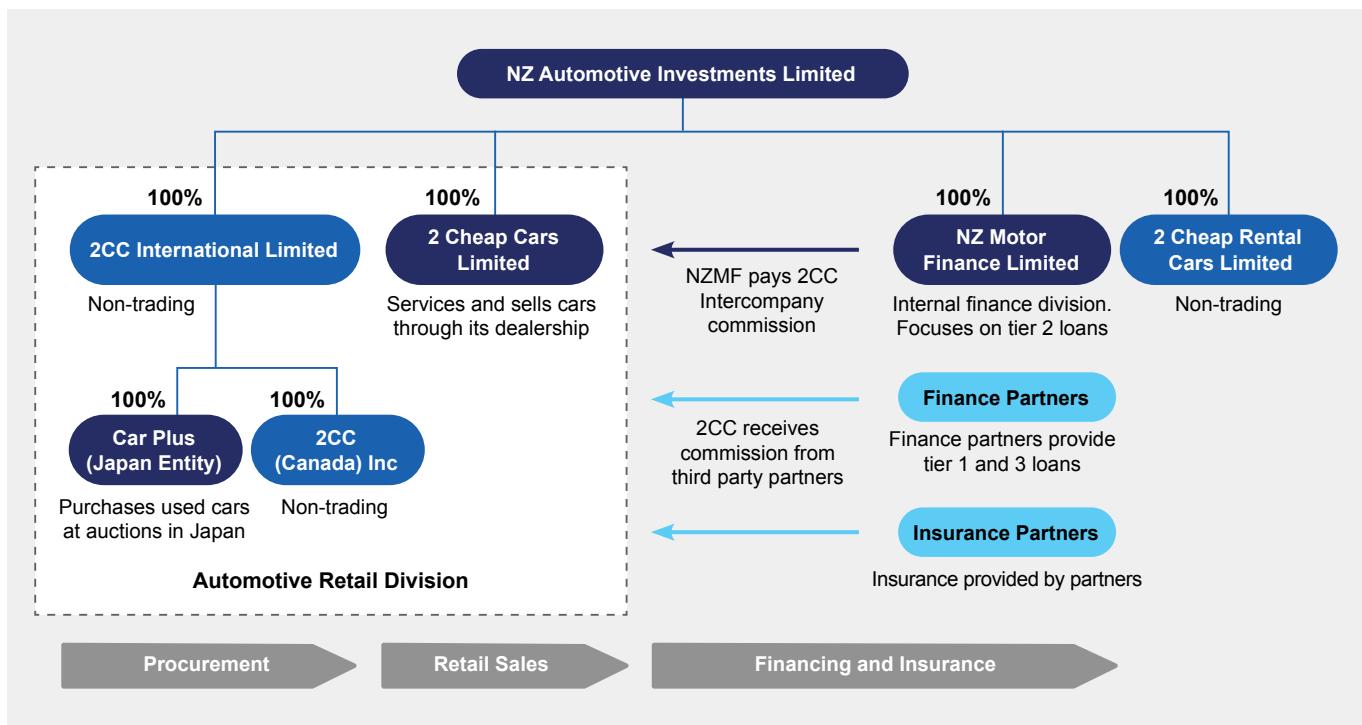
NZAI has two non-trading subsidiaries - 2 Cheap Rental Cars Limited (“**2CC Rentals**”) and 2CC (Canada) Inc (“**2CC Canada**”). These companies are in the process of being wound up at the date of this Profile. 2CC Rentals was established to enter the tourist rental car market in New Zealand. Covid-19 severely impacted the commercial viability of this opportunity and consequently NZAI has not pursued the opportunity. 2CC Canada was established to enter the Canadian market to sell Japanese imported used cars. 2CC Canada operated for six months before the decision was made to exit the market and close operations.

NZAI’s Corporate Structure and Business Model

At listing, NZAI will be 45.91% owned by the E & Co Trust, a trust associated with Executive Director Eugene Williams, 45.91% owned by Sena Family Trust, a trust associated with Executive Director David Sena and 8.18% owned by other shareholders⁴.

³ Based on the 12 months ended 31 March 2020. Calculation based on 2CC’s motor central sales data of 11,020 cars divided by 137,016 total imported passenger sales for the same period published by Autofile magazine.

⁴ The other shareholders in NZAI comprise (a) NZAI staff members (b) close business associates and (c) wholesale investors.



⁵ Based on the 12 months ended 31 March 2020. Calculation based on 2CC's motor central sales data of 11,020 cars divided by 137,016 total imported passenger sales for the same period published by Autofile magazine.

⁶ As of 31 January 2021.

2.2 Key Business Strengths

1) Growth-Orientated Automotive Platform

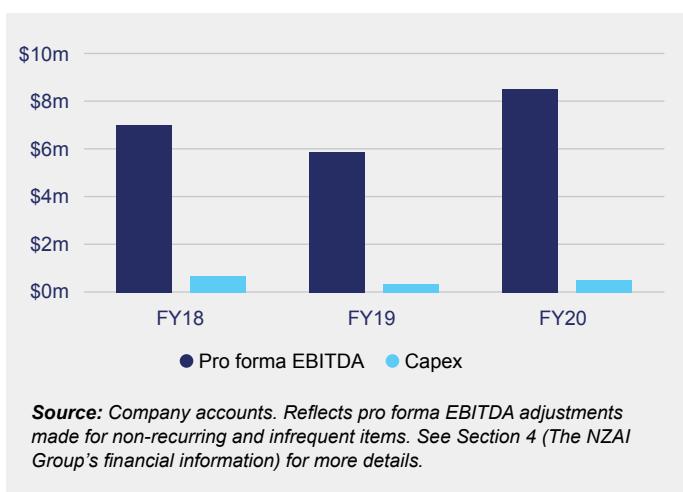
NZAI's long-term strategy is to leverage its retail business to build a diversified automotive group. The Company's existing position in the used car market provides a base from which to grow its Vehicle Finance division in line with NZAI's plans. Approximately one third of the Automotive Retail division's customers require vehicle finance at point of sale. By cross-selling to these customers, NZAI's Vehicle Finance can originate its loans with effectively no marketing or acquisition costs.

Over its decade of automotive retail experience, 2CC has gained a significant amount of knowledge around its customers' purchasing behaviour and their conduct around financing. This knowledge allows NZAI's Vehicle Finance division to identify and prioritise customers which provide the best risk to return trade-off.

The close relationship between the divisions means that the NZAI finance business has a competitive advantage of being able to operate with a lower overhead cost base than an independent finance company of equivalent size. The risk and cost of acquiring sufficient business to grow the finance book is also minimised due to the ability of NZAI to cross-sell to its retail customer base.

2) Track Record of Cash Generation

- NZAI has historically been highly cash generative as the only major asset required by its Automotive Retail division is inventory.
- Pro forma EBITDA increased from FY18 (\$7.1m) to FY20 (\$8.6m).
- Over the same time, annual capital expenditure has remained relatively steady at between \$0.4m and \$0.8m.
- This strong cash conversion has allowed NZAI to pay dividends (on average) of approximately 61% of NPAT during the last three financial years.
- NZAI has a dividend policy with a target pay-out ratio of 50%-60% of underlying NPAT, as it retains some of its earnings to grow its Vehicle Finance division.



3) Focused and Efficient Business Model

NZAI's mission is to deliver quality cars and financing solutions to the average New Zealander. Key tenets of its business model that enable this include:

Internal Procurement	Capital-Efficient Arrangements
<ul style="list-style-type: none">• NZAI understands that it is one of a few used car dealerships from New Zealand that has a Japanese based procurement team selecting cars directly in Japan, rather than relying entirely on agents.• Not only does NZAI save on agent costs, but internal procurement allows NZAI to directly inspect the quality and standard of its vehicle purchases and choose only those cars that it believes will sell quickly.• This price and inventory advantage mean higher gross margins are achieved.	<ul style="list-style-type: none">• The Company has focused on ensuring that its capital is deployed effectively in higher return areas.• All dealership sites are leased, with an average lease tenure of 3.3 years (see Section 2.5 (Automotive Retail Operations) for more information on 2CC's dealerships).• Inventory purchases are financed via a \$8m trade facility with ASB Bank.• NZAI has avoided entering the capital-intensive vehicle finance space until recently, when it could leverage its established retail base to maximise returns.

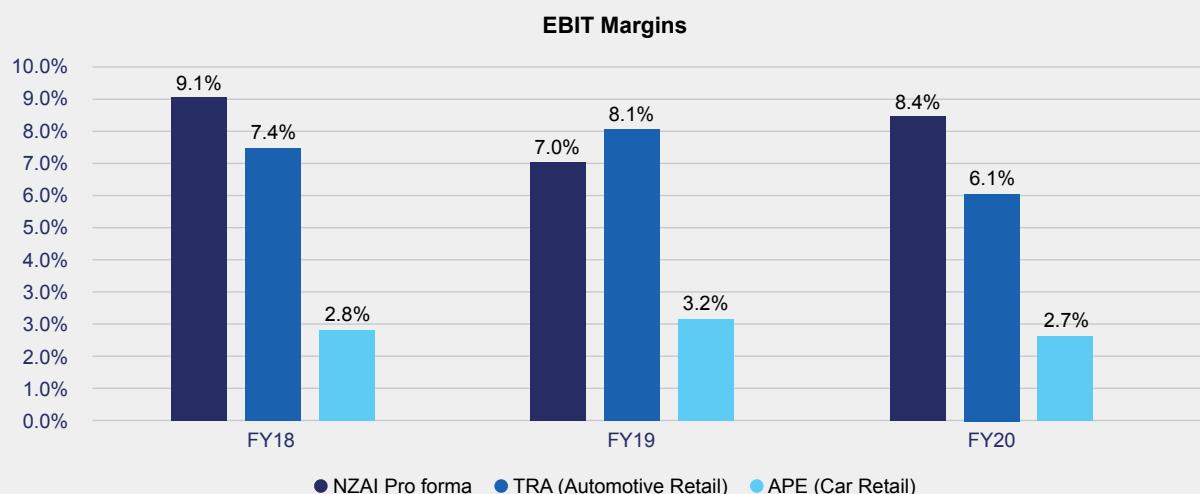
Company-owned Dealerships

- NZAI owns all its dealerships.
- This allows the Company to have greater control over the customer experience, which the Company believes has been a key driver of NZAI's success.
- Dealerships are located in industrial areas with lower lease costs.

Sales-Driven Approach backed by Excellent Service

- All administration is centralised, so each dealership focuses only on sales.
- Cars are priced to encourage quick turnover.
- Significant focus on social media promotion.
- 24 days (on average) to sell a car from its arrival on yard⁷.
- Focus on providing excellent customer service. 2CC was awarded the Reader's Digest's silver quality service award in the used car dealership category for excellent customer service (voted by NZ consumers).

The benefits of NZAI's business model can be seen in the margins NZAI has achieved against NZX-listed Turners Automotive Group ("TRA") and ASX-listed Eagers Automotive Limited ("APE").



Source: Companies' Annual Reports. NZAI and TRA reflect financial years ending 31 March 2018-20. APE reflects financial years ending 31 December 2017-2019. NZAI includes loss-making finance division NZMF.

4) Digital First Customer Experience

NZAI was an early adopter of social media and digital advertising, which caters strongly to its target market of 20 – 45-year-olds. The key benefit of the digital-first approach is that customers can arrive at its dealerships ready to purchase a car that they have already viewed and agreed to a price online. This reduces the time salespeople spend with each customer, increases inventory turnover, and minimises the need for a large dealership footprint. It also allows 2CC's dealerships to be based largely in industrial locations with lower lease costs.

This marketing strategy has enabled 2CC to build a brand identity with over 130,000 followers on Facebook and Instagram 2CC has promotional activities over its social media platforms, which are managed by its internal marketing team. 92% of customers surveyed would recommend 2CC or would purchase from 2CC again⁸. As these consumers age over time and continue through multiple vehicle life cycles, their brand affinity with 2CC provides a broad customer base for used car purchases and cross-selling of ancillary products.

Buyer Score Rating⁸

4.18 / 5.00

based on 11,859 reviews
from January 2017 to
November 2020



⁷ For the 12 months ended 31 March 2020.

⁸ 2CC's BuyerScore dashboard for Jan 2017 to Nov 2020. BuyerScore is an independent rating and review collection service for vehicle dealers in New Zealand.

5) Favourable Market Dynamics

New Zealand is an attractive automotive market. New Zealanders own approximately 0.8 light motor vehicles per person⁹, which is amongst the highest level of private vehicle ownership in the world¹⁰. The vehicle ownership rate has been increasing steadily since 2000, apart from a temporary decline between 2007 and 2011 due to the global recession at the time¹¹. This has driven used car sales in New Zealand to an average annual growth rate of 8.7% over the seven years to 2019¹².

The automotive retail sector is also expected to benefit from a one-off opportunity in the next few years due to a high number of vehicles in New Zealand's light used vehicle fleet approaching the average scrapping age of 19.8 years¹³. Of the 3.4 million light passenger vehicles that made up the national fleet as at the end of 2019, 808,000 (24%) were at least 20 years of age and a further 623,000 (18%) were between 15 and 19 years¹⁴.

Apart from the short-term impact of the Covid-19 lockdowns (refer to Section 2.5 (Automotive Retail Operations)), it is NZAI's opinion the used car sector is positioned to benefit from a number of long-term favourable trends:

- **Increased Migration:** Strong migration has historically been a driver of light vehicle fleet growth in New Zealand¹⁵, and the attractiveness of the country in the global context should continue to support interest in inbound immigration.
- **Number of dealers contracting:** The number of vehicle dealers in New Zealand has declined over the last two years, from 3,435 in November 2018 to 3,094 at October 2020¹⁶. NZAI expects that the lower number of dealers will result in a lower level of competition and a stronger position for large multi-dealership companies like 2CC.
- **Shift towards electric vehicles:** As a multi-brand dealership, NZAI is not beholden to a single manufacturer and is able to offer any range of vehicles based on consumer demand. As such, it is indifferent to the gradual increase in consumers considering electric vehicles. In fact, in the Board's view the shift towards electric vehicles will potentially increase the rate at which people want to replace their cars, and therefore enhance overall sector demand. Approximately 17% of the total sales made by 2CC in October 2020 were electric or hybrid vehicles, and the Company is well placed to service the growing demand for this type of vehicle.
- **Increased Health Concern:** NZAI believes that the increased concern over individual health resulting from the Covid-19 pandemic may drive consumers to favour private vehicles over public transport, supporting higher levels of car ownership and demand over the medium-term.

6) Highly experienced management team

NZAI's management has significant experience relevant to building a diversified automotive business. Co-founders and Executive Directors Eugene Williams and David Sena have built a major automotive retail business focused on the imported used car market in less than a decade. This collective skillset across the automotive value chain has enabled NZAI to grow and maintain its competitive business model. As owner-operators, they have managed the business with a focus on shareholder value creation and efficient capital allocation, objectives which will continue to guide NZAI's strategy.

NZMF Managing Director Martin Blockley has previously built up a vehicle finance business while at Auto Finance Direct, where he oversaw the growth in the finance book from \$12m to circa \$50m. Martin has the appropriate skillset and experience to lead NZAI's internal finance business as it develops in a sustainable manner.

NZAI CEO David Page has over 25 years of asset finance and banking experience, with an in-depth understanding of consumer, motor vehicle and commercial asset finance. He also provides the appropriate general management and corporate governance skillset to drive the Company.

2.3 NZAI's Story

Having grown up and lived between New Zealand and Japan, co-founders Eugene Williams and David Sena concluded that New Zealanders were paying too much for their cars, the majority of which were sourced from Japan. They saw that a car was a necessity that the average New Zealander required for their work, life and family, and that access to affordable, quality vehicles was an essential need.

Previously, the used car market primarily revolved around a low volume and high cost / margin approach. Buying a car often involved interacting and haggling with a salesman on price, which often resulted in poor customer experiences and negative consumer sentiment against the sector.

⁹ Ministry of Transport, Annual Fleet Statistics 2019.

¹⁰ <https://ourworldindata.org/grapher/road-vehicles-per-1000-inhabitants-vs-gdp-per-capita>.

¹¹ Ministry of Transport, Annual Fleet Statistics 2019.

¹² Motor Industry Association, Vehicle Sales data accessed as at 9 Nov 2020.

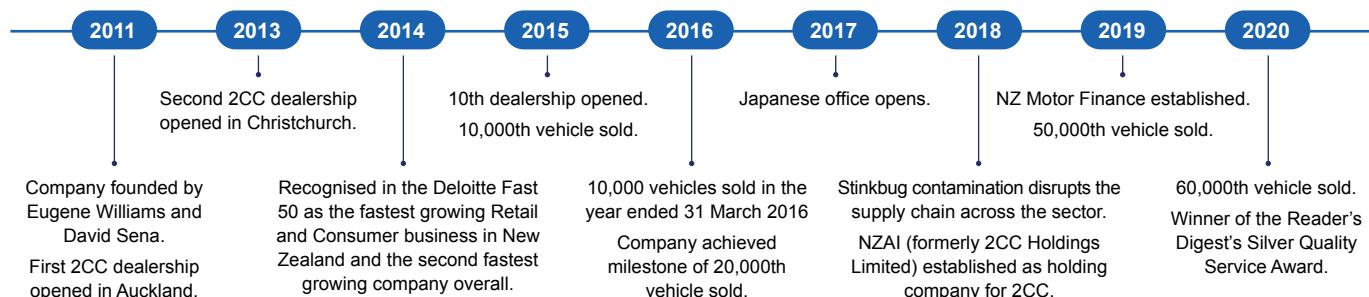
¹³ Ministry of Transport, Annual Fleet Statistics 2019.

¹⁴ Ministry of Transport, Annual Fleet Statistics 2019.

¹⁵ Ministry of Transport, The NZ Vehicle Fleet Report 2019.

¹⁶ Motor Vehicle Traders Register.

2CC was founded in 2011 to disrupt the sector by introducing a high volume, low-cost model where everyone could simply receive the same affordable price and a consistent customer experience. As 2CC has grown, it has implemented further measures such as direct procurement to maintain prices affordable to the average New Zealander.



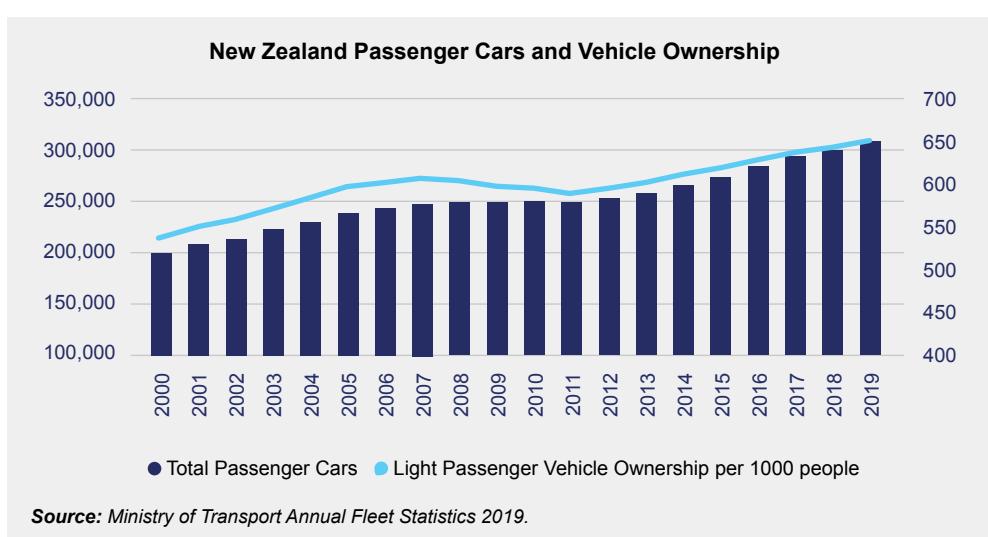
2.4 Industry Overview

NZ Passenger Car Sales

Over the five years from 2015 to 2019, an average of 250,000 passenger vehicles were sold into the New Zealand market per annum. Approximately 60% of these were used imports, with the remainder being new cars. A total of 140,590 used import cars were sold in 2019, representing a compound annual growth rate ("CAGR") of 8.7% since 2012.



A key driver of the increase in passenger car sales is an increasing level of vehicle ownership amongst New Zealanders. From 2000 to 2019, the number of privately owned passenger cars in New Zealand increased 56.6% to 3.4 million, while the overall population increased only by 27.5% over the same period.



Source of New Zealand Vehicles

The majority of vehicles that enter the New Zealand light passenger vehicle fleet come from Japan. In 2019, used cars comprised 57% of all additions to the New Zealand light passenger vehicle fleet (compared to new cars) and used imports from Japan made up 96% of all used cars¹⁷.

Compliance and Regulation

All cars imported from Japan must adhere to New Zealand's safety and environmental standards. These include standards set by New Zealand Transport Agency ("NZTA"), Ministry for Primary Industries ("MPI") and NZ Customs.

NZTA requires evidence of proof of ownership, emissions standards, frontal impact standards, overall standards, fuel consumption and brake standards. These standards are independently assessed by a third-party compliance agent, a process known as entry certification.

MPI requires compliance with import health standards, the meeting of commercial and government agency requirements, consignment details, and the inspection of vehicles upon arrival.

NZ Customs requires electronic import entry / electronic cargo entry lodgement and the payment of applicable Customs duties, Goods and Services Tax and the payment of other applicable charges and levies.

Market Channels and Position

The New Zealand automotive retail market includes dealerships primarily engaged in selling new or used motor vehicles. These businesses also offer finance brokerage to facilitate purchases by customers, along with after sale services and parts sales for motor vehicles. The New Zealand automotive retail market segment is highly fragmented, with 3,094¹⁸ registered car dealers as of 30 October 2020, varying in size and structures. NZAI believes it is one of the larger importers of used cars with an estimated market share of 8% of all imported used passenger cars sales in New Zealand¹⁹. Other significant used car dealers include TRA.

The number of dealers in the used car market is steadily declining. Dealer numbers have declined by 10% in the two years ended 30 October 2020²⁰, partly due to larger industry players focusing on acquisitions to ensure they retain or increase their market share and achieve a scale that allows them to be price competitive.

The New Zealand passenger car market can be classified as follows:

Channel	Overview
Multi-brand dealership	Physical dealerships selling new or used cars from a combination of different manufacturers. The majority of multi-brand dealerships operate a single car yard. Prominent competitors include Automotive Holdings Group (a subsidiary of APE) and TRA.
Franchised dealership	Branded dealerships which sell one major manufacturer's brand, such as Toyota, Ford, BMW, etc. Each dealership is granted a licence to use the brand and import the manufacturer's cars.
Auction Houses	Cars sold by scheduled auctions at a physical lot, though bidding may also occur online. TRA is the largest company in this category.
Private Sales	Private individuals transacting independently of an automotive retailer. Private car sales are often done on a "buyer beware" basis with a great deal of variability in terms of price and quality.
Online	Purchases of cars via an online platform, from both dealerships and private sales. Trade Me is the largest facilitator of online sales in New Zealand and is used by most dealerships, including 2CC.

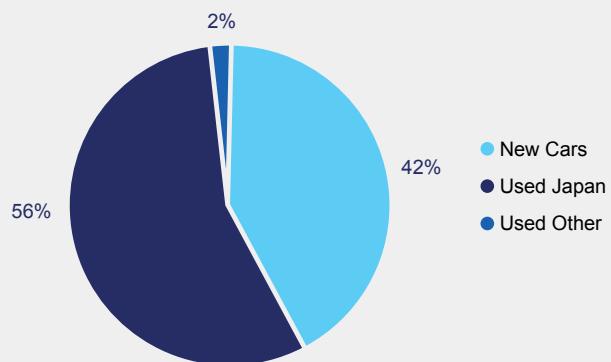
¹⁷ Ministry of Transport, Annual Fleet Statistics 2019.

¹⁸ Motor Vehicle Traders Register.

¹⁹ Based on the 12 months ended 31 March 2020. Calculation based on 2CC's motor central sales data of 11,020 cars divided by 137,016 total imported passenger sales for the same period published by Autofile magazine.

²⁰ Motor Vehicle Traders Register.

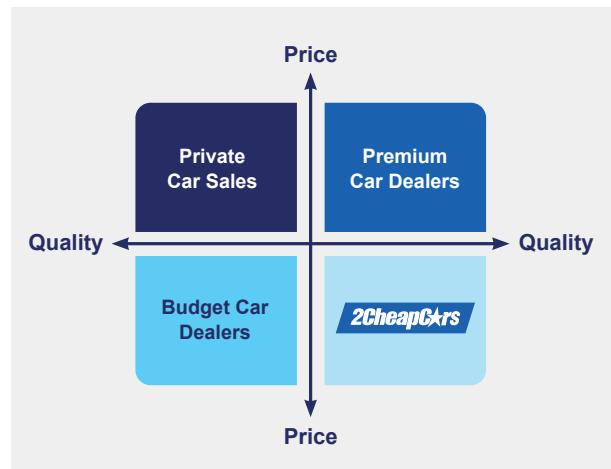
Sources of Additions to NZ Light Passenger Fleet



Source: Ministry of Transport Annual Fleet Statistics 2019.

The multi-brand and franchised dealerships can be further differentiated between those servicing the premium and budget segments of the markets. Premium dealerships offer cars of high quality but can charge customers a premium for a high-end customer experience (e.g. luxurious premises). Budget dealerships focus on providing the lowest price to customers but may result in lower quality.

Most used car dealers are multi-branded dealerships, meaning the dealer sells more than one brand either on the same physical location or spread across multiple geographical locations. The Board believes NZAI is one of the largest multi-branded used car import dealerships in New Zealand selling (on average) over 11,000 cars per annum for the last three years. Dealers primarily compete based on product range, price, branding, and location. Service, after sale assistance and financing can also provide a point of difference between dealers. Intense price competition is common in the sector with motor vehicle pricing being one of the key drivers of a consumer's purchasing decision.



2.5 Automotive Retail Operations

Supply Chain

The supply chain for the majority of 2CC's vehicle stock, which is imported from Japan, is outlined below. 2CC also sources a small number of vehicles from trade-ins of New Zealand used cars.



1) Procurement

The ability to attend Japanese car auctions and bid on vehicles is limited to registered dealers and exporters, who act as agents on behalf of parties wishing to purchase and import cars. 2CC contracts with a local agent and pays a per vehicle agency fee²¹.

The difference with 2CC's agency relationship is that rather than relying on the agent to choose which cars to buy, it has six local procurement staff (employed by NZAI's Japanese subsidiary, Car Plus) who attend auctions, physically inspect cars, and make the purchasing decisions which are then passed onto its Japan based agent for execution.

This allows 2CC to ensure that the vehicles it purchases comply with New Zealand standards, and helps to reduce the cost and timing delays associated with having to remediate substandard vehicles. Additionally, as 2CC undertakes the core procurement work itself, it pays a lower agency fee than importers who are fully reliant on Japanese agents.

All cars are purchased in Japanese Yen and 2CC takes forward cover on the contracted price to lock-in the NZD landed price.

2) Logistics and Import

The Japanese agent is also responsible for the entire logistics process of bringing a car from the Japan auction house to New Zealand, including deregistration of vehicles in Japan, customs clearance, and shipping. 2CC pays the Japanese agent a logistics facilitation fee on a per vehicle basis.

Payment to the Japanese agent, including the auction purchase price, is made three days before the vehicle arrives in New Zealand and after 2CC receives evidence that the vehicle is cleared for entry. This means that 2CC does not pay for its stock until it is under its control in New Zealand.

Imports to New Zealand must undergo pre-shipping inspections at a Japanese centre approved by the New Zealand Transport Agency (for vehicle structural requirements) and the Ministry for Primary Industries (for biosecurity purposes). Shipping to New Zealand takes approximately 21 days after the departure.

3) Independent Compliance

Once it has arrived in New Zealand, each imported car is independently tested by a third

party approved by the New Zealand Transport Agency to ensure it adheres to the country's safety and environmental standards. This process is known as entry certification.

4) Internal Checks

After receiving entry certification, the car goes to 2CC's main hub at Mt Wellington, Auckland ("Hub"). The vehicle undergoes a further round of mechanical checks by 2CC's own mechanics to ensure its quality. Third party contractors groom the car at the Hub to present it in a customer-ready condition²².

The Hub can process up to 250 cars a week and its capacity can be extended by hiring more mechanics.

5) Distribution to Yard

Vehicles are transported from the Hub to 2CC's 12 dealerships across the country. It takes approximately 53 days from the time the car arrives in New Zealand for it to arrive at a 2CC retail yard.

6) Car Sold

It takes (on average) 24 days from the day the car arrives on-yard for it to be sold.

²¹ 2CC occasionally purchases a small number of vehicles directly from auction houses without a local Japanese agent. The Japanese agent is still contracted as the logistics and import agent in these cases.

²² Except for Christchurch where vehicles go to a third party compliance centre as NZAI can ship the vehicles directly from Japan to Christchurch, which has associated cost savings that outweigh those vehicles going through the Hub.

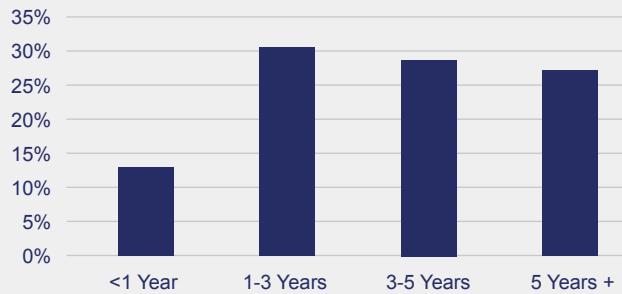
Dealership Locations

The Automotive Retail division operates 12 sites around New Zealand, all under the 2 Cheap Cars brand. It also operates a Hub at Mt Wellington, Auckland where administrative functions and mechanical servicing are carried out. When deciding on a site location, 2CC considers aspects that promote high accessibility to its target market such as proximity to motorway access and relevant demographics. Dealerships are designed to be functional rather than luxurious to minimise costs. 2CC's sites are shown to the right.



NZAI does not initially intend to invest significantly in expanding its retail footprint or the number of dealerships sites. NZAI's 12 dealership sites have an evenly distributed lease expiry profile, with a weighted average (by volume of vehicles sold) lease term of 3.3 years as of 31 December 2020. This allows the business to reassess its retail footprint in a staged manner and renegotiate its lease arrangements accordingly.

Lease Expiry Profile (weighted by scale volumes)



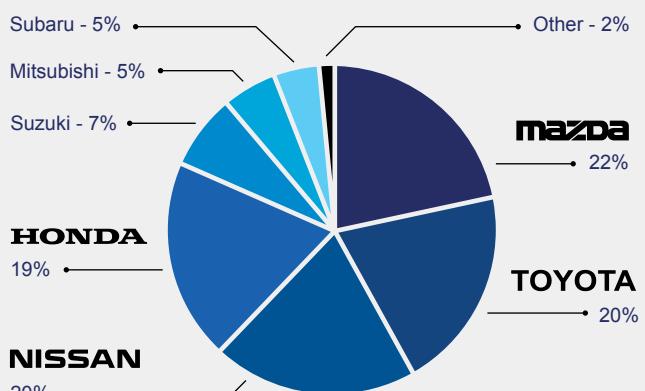
Source: Company information. Based on final lease expiry dates.

Brands and Vehicles

As a multi-brand dealership, NZAI sells a wide range of makes and models that reflect New Zealand consumer demand. Four brands comprise over 80% of its sales, highlighting their appeal to New Zealand consumers.

The average age of vehicles sold by 2CC during FY20 was 12 years old. This is expected to decrease slightly due to the requirement that vehicles imported into New Zealand must have electronic stability control pursuant to new regulations (Land Transport Rule: Light-vehicle Brakes 2002²³). This requirement was first introduced in 2015 and phased in for different classes of used vehicle over five years. The new regulations saw 2CC move to import compliant cars prior to the enforcement date. Following the enforcement date, 2CC has slightly changed its target stock to ensure that all vehicles imported are compliant and this has resulted in a slightly different mix of cars. 2CC has not had any sourcing issues due to the new regulations.

Sales Volume by Brand, FY20



Source: Motor central sales data for FY20.

²³ <https://www.nzta.govt.nz/resources/rules/light-vehicle-brakes-amendment-2014-qa.html>.

Finance and Insurance Cross-selling Partners

Based on FY20 sales, approximately 34% of 2CC's customers required finance to complete their purchases. Aggregate financing for the year amounted to \$31m. 2CC presently refers most of these customers to third party finance companies in return for an upfront commission. In FY20, total finance commissions amounted to \$5.9m.

The finance book is held entirely by the finance partners and the Automotive Retail division itself does not carry any credit risk. NZAI's Vehicle Finance division, NZMF, now operates as one of these partners as a preferred partner for Tier 2 loans but otherwise transacts on an arms-length basis.

NZAI's key finance partners are summarised below:



- Finance Now is 2CC's largest finance partner and has been providing finance options to 2CC's customers since July 2014.
- Primarily provides finance for Tier 1 loans.
- Finance Now is a subsidiary of SBS Bank, a registered member-owned bank.
- Provides financing for approximately 70% of loans generated by 2CC.



- NZAI's Vehicle Finance division is 2CC's preferred partner for Tier 2 loans.
- Operates at an arms-length basis with separation from Automotive Retail.



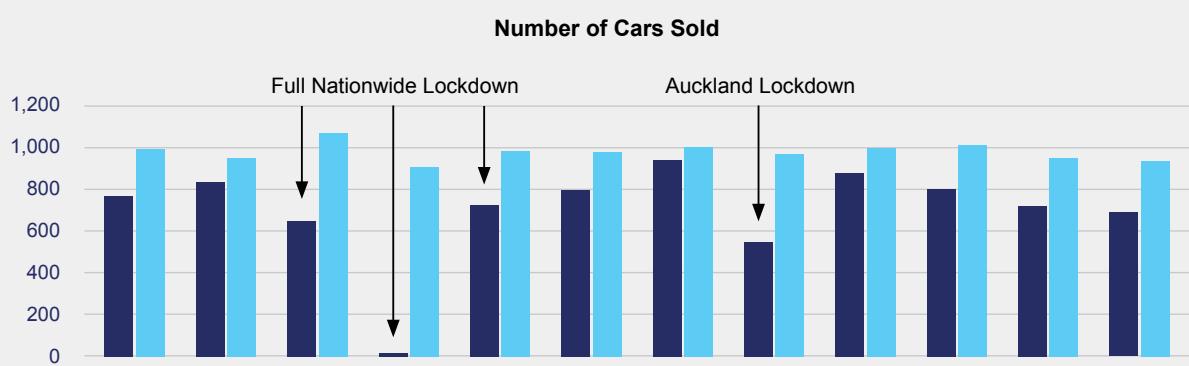
- A range of smaller finance partners provide solutions for Tier 2 and Tier 3 loans.
- Having multiple finance partners helps 2CC provide the best available product to its customers.

2CC also sells its customers a range of insurance products on behalf of its insurance partners, including mechanical breakdown insurance, guaranteed asset protection, payment protection and motor vehicle insurance. 2CC receives an upfront commission and the insurance partners take all the risk and management of the insurance book in a non-recourse arrangement.

2CC's key insurance partner has been Protecta Insurance. Approximately 10,560 insurance policies were sold in FY2020²⁴.

Impact of Covid-19 and Outlook

Like other retail businesses, NZAI and the general automotive sector were significantly impacted by the shutdowns relating to Covid-19 which occurred from 23 March 2020 to 13 May 2020 and 12 August 2020 to 23 September 2020²⁵. The first lockdown applied to all 2CC sites and affected the business significantly, with only 11 cars sold in April 2020 (compared to 911 cars in April 2019). The second lockdown primarily only affected Auckland sites but still had a significant impact on the business given 56% of NZAI's sales in FY20 were from Auckland based dealerships. A total of 554 cars were sold during August 2020 compared to 970 cars in August 2019. After each lockdown, trading recovered strongly back to normal levels, reflecting the nature of NZAI's car sales as necessary purchases for its customers.



Source: Motor central sales data.

● Cars Sold in 2020 ● Cars Sold in 2019

²⁴ Note that a single vehicle may have multiple policies associated with it.

²⁵ Based on the approximate days when New Zealand and / or Auckland moved in and out of alert level 2.

Based on the impact of Covid-19, management expects that Automotive Retail EBITDA for FY21 will be lower than FY20.

In the longer term, NZAI believes that health concerns relating to Covid-19 may support greater demand for private vehicles, as opposed to public transport or other shared transport options. Also, given the nature of NZAI's cars as necessities for its customers, the Company believes it will be well positioned to weather any extended economic downturn.

2.6 Vehicle Finance Operations

The non-bank vehicle finance market in New Zealand is currently estimated at \$5.2 billion²⁶. There are several long established first tier finance companies such as UDC Finance, MARAC and MTF Finance as well as the various vehicle manufacturer-owned entities such as Toyota Financial Services and Nissan Finance Services. On the next level down there are numerous companies operating in the sub-1st to 2nd tier and underneath that, there is a smaller number of companies lending into the subprime or 3rd tier market.

Compliance and Regulation Frameworks

NZMF's consumer lending operations are principally regulated by the Credit Contracts and Consumer Finance Act 2003 ("CCCFA"). Obligations on lenders under the CCCFA include:

- disclosure obligations owed to borrowers and guarantors, including the provision of documentation containing all prescribed information, as and when required under the CCCFA; and
- compliance with the lender responsibility principles set out in section 9C of the CCCFA, as elaborated on and further explained in the Responsible Lending Code, including assessment of unforeseen hardship applications and the setting of its credit and default fees.

NZMF must also comply with general consumer protection legislation including the Fair Trading Act 1986 (which prohibits misleading and deceptive conduct in trade), the Consumer Guarantees Act 1993 (which implies statutory guarantees in respect of services provided to consumers) and with the Financial Service Providers (Registration and Dispute Resolution) Act 2008 (which provides for the registration of financial service providers and mandates that financial services providers must be members of an approved dispute resolution scheme). It is subject to the Anti Money Laundering and Countering Financing of Terrorism Act 2009 and the Privacy Act 2020 and may be subject to the financial advisers regime in the Financial Markets Conduct Act 2013²⁷ (which regulates the conduct of financial advisers) if any financial advice is given.

NZMF's loan documentation has been drafted to comply with applicable legislation. NZMF has engaged Financial Services Complaints Ltd to assist in resolving customer complaints arising in relation to loan transactions.

Product and Target Customers

NZMF offers only secured car loans²⁸, and does not provide any form of personal loans. All loans are originated from the Automotive Retail division. This focus enables NZMF to operate with a minimal level of costs as it does not require a sales team and can simplify its credit and administrative requirements. The key characteristics of NZMF's loan product is summarised below:

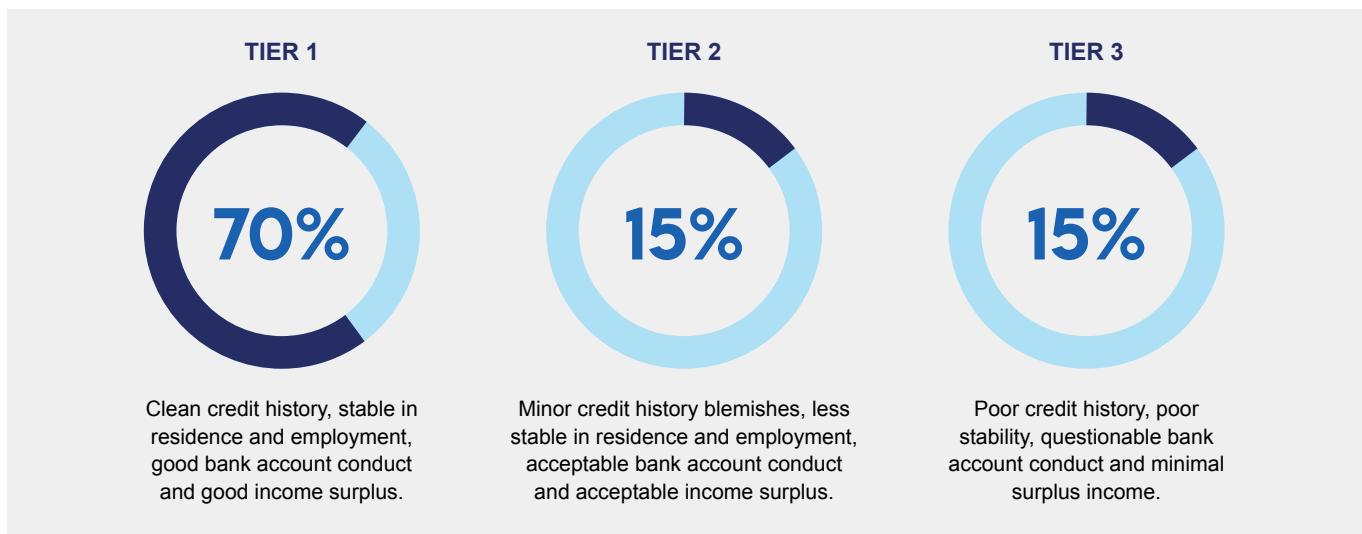
Characteristic	NZMF Parameters
Principal	Depending on vehicle value and customer characteristics, average \$8,400
Term	Between 12 and 60 months, most commonly 36 months
Interest Rate	Up to 16.95%
Repayment options	Weekly, fortnightly, monthly

NZMF understands that the typical vehicle finance consumer originated by 2CC channels will fall in one of three tiers, as outlined on page 19. NZMF currently provides loans to Tier 2 customers (a segment which attracts a good risk premium (interest rate) whilst still being of generally sound credit risk) and some Tier 1 customers. In the longer-term, NZMF plans to move towards further Tier 1 lending. As NZMF's loan book is currently small relative to the finance requirement generated from 2CC customers, it is being selective with Tier 2 customers to maximise the quality of its book. This selection is supported by the data collected by 2CC on its customers including credit history and income verification.

²⁶ Based on KPMG's Non-bank Financial Institutions Performance Survey – Review of 2020 report, available at <https://assets.kpmg/content/dam/kpmg/nz/pdf/2020/12/fips-non-banks-2020.pdf>. The estimate of \$5.2 billion is derived from the gross loans and advances in 2020, shown in page 24 of the report, and by aggregating all loan and advances amount by vehicle finance companies and assuming that 20% of the general finance companies' loan book comprises of vehicle loans.

²⁷ With effect from 15 March 2021.

²⁸ Security is taken against the purchased vehicle only and not over the customer's other assets.



Current Loan Book

NZMF made its first loan in June 2019. As of 31 January 2021, the value of NZMF's loan book was \$3.1m across 390 customers. As at the date of this Profile, the book has had minimal write-offs across its 19-month life, which management believes is due to NZMF's careful selection and management of borrowers.

To support the growth of the loan book, NZMF is undertaking the following initiatives:

- complete the implementation of NZMF as the automatic "second option" finance provider for all opportunities originated by 2CC;
- ensure that NZMF is reintroduced to any Tier 1 applications that 2CC's other finance partners have declined;
- develop a system to market to 2CC's database of customers for refinance and future purchase opportunities; and
- introduce a lending product for small business vans and light commercial vehicles.

Finance Now Recourse

NZMF has a recourse arrangement with Finance Now relating to approximately 56 loans with a book value of \$0.4m that were transacted through Finance Now during May and June of 2020. These loans were written under a negotiated arrangement between NZMF and Finance Now to allow NZMF to continue to support the 2CC network at a time NZMF was not sufficiently funded to write the loans on its own balance sheet.

The loans in question are held on the Finance Now loan system but are "full recourse" back to NZMF. This means if any of these loans default and reach 60 days in arrears, NZMF must buy them back and repay Finance Now for the specific loan. To date NZMF has not had to repurchase any loans from Finance Now. If NZMF purchases the entire group of loans (as is allowed for under the Option Agreement in place) the recourse position with Finance Now is extinguished as all loans would then be held on NZMF's balance sheet.

Funding Structure

Since its inception until November 2020, NZMF has been funded from the retained earnings of the Automotive Retail division. However, the following two additional sources of funding have recently been secured to support on-going growth in the NZMF book:

- NZAI raised approximately \$3.5m of new equity funding in November 2020 (from 68 non-affiliated investors, with each investor investing at least \$1,000 at a price of \$1.00 per share); and
- NZMF secured a \$5.0m funding line from ASB Bank in February 2021. The funding line provides capital to grow the finance book and improve its profitability as it leverages the existing equity capital in the book. As the book grows, NZMF will seek to extend this funding line or explore further sources of funding. The facility has an initial term of two years unless extended. The facility is guaranteed by 2CC, 2CC Rentals, NZMF, NZAI and 2CC International. The interest rate under the facility is the Bank Bill Benchmark Rate for the relevant interest period plus 1.45% per annum. The facility has a line fee of 1.00% per annum of the funding line limit (being \$5.0m). At the date of this Profile, the funding line from ASB Bank was undrawn.

As NZMF's business develops, management expects that the finance book will be increasingly driven by external funding lines as opposed to retained earnings.

Credit Risk Management

Based on data from the historical financing opportunities generated by 2CC and its own strong understanding of vehicle finance, NZMF has developed a robust framework for credit approval. Key elements of NZMF's lending guidelines include:

- Conducting appropriate checks on applicant's credit history, Personal Property Securities Register, and drivers' licences.
- Ensuring the customer has sufficient uncommitted monthly income based on a proprietary calculator NZMF has developed.

NZMF has an established Credit Policy and Lending Guideline process which it adheres to. The Credit Policy and Lending Guideline have been prepared in accordance with Credit Contracts and Consumer Finance Act 2003, Responsible Lending Code and meet stringent Anti-Money Laundering regulations. NZMF's loan documentation has been prepared by NZAI's legal advisors, Lowndes Jordan, and its loans are originated on the FinConnect loan management system.

Responsible Lending Code

NZMF adheres to the requirements of the Responsible Lending Code, with specific emphasis on the customers' ability to repay the requested loan and whether the loan is suitable for each customer's specific needs. Our loan documentation has been written in accordance with all regulatory requirements in this regard.

2.7 Historical Legal Breaches and Fines

2CC has previously been investigated by the Labour Inspectorate and the Commerce Commission for employment law compliance issues, breaches of the Fair Trading Act 1986 and the Consumer Guarantees Act 1993. These investigations related to activities primarily occurring from 2014 to 2017, when the Company was growing significantly but without the governance resources, rigour and discipline it has now. The background and outcomes for these are summarised below:

	Background	Outcome	Response
Labour Inspectorate investigation	<ul style="list-style-type: none">• In 2015, the Labour Inspectorate commenced an investigation into 2CC's compliance with employment law obligations.	<ul style="list-style-type: none">• Labour Inspectorate determined in November 2016 that some practices of 2CC were not in compliance with employment law.• An improvement notice was issued, and a \$70,000 penalty fine was sought in FY17.	<ul style="list-style-type: none">• 2CC amended its practices and procedures to better ensure compliance, including changing its payroll provider and engaging an HR consultancy.• Salary/wage arrears were paid out to both current and former employees.• A follow-up investigation in October 2019 by the Labour Inspectorate determined that 2CC had taken significant steps and was complying with its employment law obligations.
Commerce Commission investigation	<ul style="list-style-type: none">• The Commerce Commission investigated 2CC in 2017 on two aspects.• The first related to advertising campaigns that promoted discounts or referenced "liquidation".• The second related to a warranty waiver form used between 2014 and 2017.	<ul style="list-style-type: none">• The Commerce Commission found that the advertising campaigns were misleading and breached the Fair-Trading Act, and that the warranty waivers breached the Consumer Guarantees Act.• 2CC pleaded guilty to the charges brought and paid a \$438,000 fine.	<ul style="list-style-type: none">• 2CC updated its advertising guidelines and training procedures for its marketing team.• 2CC has also updated its complaints processes and invested in people to help prevent further regulatory issues.• The board has been strengthened by the appointment of independent directors to support better governance and rigour in respect of compliance with all relevant legislation and regulations.

2.8 Directors, senior managers, and individual related parties

Board of Directors



Karl Smith | Independent Non-Executive Chairman

Karl is a professional independent director who has over 40 years' extensive executive and governance experience. His current directorships include Halls Group Limited (Chair), Hamilton Jet, FortHill Property Limited (Chair) and VetNZ Limited. Karl previously held directorships in Ports of Auckland, Lyttleton Port Company and the Crusaders Franchise Limited. Prior to becoming a professional director, Karl served as Chief Executive Officer of Gough Group Limited and previously held senior executive positions in PDL Holdings, Progressive Enterprises, Crane Group and Citibank N.A. Karl was appointed as Director and Chairman of NZAI in September 2020. Karl holds a Bachelor of Commerce from the University of Canterbury, is a graduate of the Advanced Management Program at Harvard Business School, is a Fellow of Chartered Accountants Australia and New Zealand and is a chartered member of the Institute of Directors.



Charles Bolt | Independent Director

Charles has a background in corporate law and as a senior executive in a major listed company. Beginning his career in capital markets regulation with the NZX, he then worked for New Zealand law firm Bell Gully before joining Fletcher Building where he most recently held the role of Group General Counsel and Company Secretary until 2019. He is currently General Counsel for TIL Logistics Group Limited. Charles holds an LLB from Victoria University and has completed the Senior Executive Programme at Columbia University, New York. Charles has been a Director of NZAI since December 2020.



Michele Kernahan | Independent Director

Michele is the Managing Director of New Zealand's largest temperature-controlled transport and logistics business, Hall's Group. Prior to joining Hall's Group in 2019 she held various Executive roles at Fletcher Building over 21 years, including as Chief Executive of the Building Products division. She holds a Master of Business Administration and Bachelor of Arts from the University of Canterbury and has completed the Advanced Management Programme at Harvard Business School and other Executive programmes at Wharton Business School, Stanford School of Business and Melbourne Business School. Michele has been a Director of NZAI since February 2021.



Tracy Rowsell | Director

Tracy is an advisory partner at BDO Auckland, with more than 20 years of experience in providing business advisory and taxation services to a wide array of local and overseas clients. She has provided advice to 2CC since 2012 and has a close understanding and knowledge of the business. Tracy has been a Director of NZAI since December 2020.



Eugene Williams | Executive Director and Co-Founder

Prior to founding 2CC in 2011 with David Sena, Eugene had been a successful small business owner in the education and FMCG sectors. Eugene is responsible for sales and marketing and overall strategy of NZAI. He has been a Director of NZAI since its inception.



David (Yusuke) Sena | Executive Director, Co-Founder

David founded 2CC in 2011 with Eugene Williams. He is responsible for all procurement and supply chain aspects of the Company including compliance, re-conditioning, and logistics. David was born in Japan and has been influential in developing and maintaining relationships with vehicle suppliers. He has been a Director of NZAI since its inception.

Senior Management



David Page | Chief Executive Officer

David has worked across a diverse range of industries, holding a range of large-scale general management roles and corporate governance responsibilities. David has over 25 years' asset finance and banking experience, which includes a comprehensive knowledge of consumer, motor vehicle and commercial asset finance. David recently spent 10 years at ASB, where he was responsible for setting up the Asset Finance business and growing the Specialist Industries business which included Asset Finance, Franchise Banking, Healthcare Banking, Professional Services Banking, Maori Financial Solutions, Industry Development and Strategic Partnerships. David joined NZAI as CEO in December 2020.



Haydn Marks | Chief Financial Officer

Haydn has over 20 years of financial management and leadership experience across financial services and technology sectors, including most recently four years as CFO with a listed technology company, Straker Translations (ASX:STG), where he took the company to IPO on the ASX in 2018. After starting his career in advisory services in New Zealand, Haydn spent 10 years working in London, most notably, in a commercial group finance role with banking software company Temenos (TEMN:SWX) and prior to that held finance roles at Credit Suisse and Visa card. Haydn is a member of Chartered Accountants Australia and New Zealand and holds a Bachelor of Business from Massey University. Haydn joined the NZAI Group in November 2020.



Martin Blockley | Managing Director, NZ Motor Finance

Martin has over 25 years of experience in banking and finance, including seven years as General Manager of Auto Finance Direct. He is responsible for day-to-day management of all aspects of NZMF's operations including pricing, credit policies and responsible lending. Martin joined NZAI in March 2019 and was responsible for the establishment and implementation of NZMF.



Zhi'kun (Michael) Yang | National Sales Manager, 2 Cheap Cars

Michael joined 2CC in 2014 as a branch manager and was promoted to National Sales Manager in 2017. Michael's responsibilities include managing the sales team to ensure projected sales targets are achieved.



Haiying (Xindy) Yan | National Finance and Insurance Manager, 2 Cheap Cars

Xindy joined 2CC in 2014 as a branch manager. She was subsequently promoted to National Finance and Insurance Manager in 2018 where her responsibilities include managing the finance and insurance team to achieve the finance penetration targets for 2CC's retail branch network. Xindy has a bachelor's degree in foreign studies and management from Guangdong University of Foreign Studies and is currently in the process of completing her Authorised Financial Advisers certificate.



Masaki Ono | Buying Manager, Car Plus

Masaki joined Car Plus in 2017. He has extensive knowledge and experience in buying vehicles specific for the New Zealand market for the last 13 years. Masaki is responsible for managing the Japan-based procurement staff and ensuring quality standards and volume targets are maintained.

2.9 Substantial shareholders and relevant interests held by directors and senior managers

Existing substantial shareholdings

As at the date of this Profile, the following Shareholders have a relevant interest in 5% or more of the Shares in NZAI:

Shareholder and the nature of relevant interest	Number of Shares	% of Shares
Eugene Williams and TLR Williams Trustee Company Limited as trustees of the E & Co Trust ("Williams Trustees") are joint registered holders of Shares in NZAI. <ul style="list-style-type: none"> Eugene Williams is both a registered holder and beneficial owner of these jointly held Shares in NZAI. Tracy Rowsell is the sole director and shareholder of TLR Williams Trustee Company Limited (which is an independent trustee company with no beneficial interest) and has the power to exercise, or to control the exercise of, a right to vote attached to 20% or more of the voting products in TLR Williams Trustee Company Limited. As a result, Tracy Rowsell has a relevant interest in TLR Williams Trustee Company Limited's jointly held NZAI Shares. 	20,915,000 Shares	45.91%
David (Yusuke) Sena and TLR (Sena) Trustee Service No.2 Limited as trustees of the Sena Family Trust ("Sena Trustees") are joint registered holders of Shares in NZAI. <ul style="list-style-type: none"> David (Yusuke) Sena is both a registered holder and beneficial owner of these jointly held Shares in NZAI. Tracy Rowsell is the sole director and shareholder of TLR (Sena) Trustee Service No.2 Limited (which is an independent trustee company with no beneficial interest) and has the power to exercise, or to control the exercise of, a right to vote attached to 20% or more of the voting products in TLR (Sena) Trustee Service No.2 Limited. As a result, Tracy Rowsell has a relevant interest in TLR (Sena) Trustee Service No.2 Limited's jointly held NZAI Shares. 	20,915,000 Shares	45.91%
The Williams Trustees and the Sena Trustees have reached an understanding in respect of the potential sell down of Shares which each of them respectively hold and which are not subject to, or are to be released from, the escrow obligations referred to in section 3.4 of this Profile. As a result, the Williams Trustees have a relevant interest in 55% of the Shares held by the Sena Trustees.	11,503,250 Shares	25.25%
The Sena Trustees and the Williams Trustees have reached an understanding in respect of the potential sell down of Shares which each of them respectively hold and which are not subject to, or are to be released from, the escrow obligations referred to in section 3.4 of this Profile. As a result, the Sena Trustees have a relevant interest in 55% of the Shares held by the Williams Trustees.	11,503,250 Shares	25.25%

Shareholdings held by directors and senior managers

The table below sets out the Shares in NZAI that the directors and senior managers of NZAI have a relevant interest in as at the date of this Profile:

Director or senior manager and the nature of relevant interest	Number of Shares	% of Shares
Eugene Williams is both a joint registered holder, as a trustee of the E & Co Trust, and beneficial owner of these jointly held Shares in NZAI.	20,915,000 Shares	45.91%
Eugene Williams, as a Williams Trustee, has a relevant interest in 55% of the Shares held by the Sena Trustees for the reasons set out in the table on page 23.	11,503,250 Shares	25.25%
David (Yusuke) Sena is both a joint registered holder, as a trustee of the Sena Family Trust, and beneficial owner of these jointly held Shares in NZAI.	20,915,000 Shares	45.91%
David (Yusuke) Sena, as a Sena Trustee, has a relevant interest in 55% of the Shares held by the Williams Trustees for the reasons set out in the table on page 23.	11,503,250 Shares	25.25%
Tracy Rowsell as the sole director and shareholder of TLR Williams Trustee Company Limited (which is an independent trustee of the E & Co Trust with no beneficial interest) which jointly holds 20,915,000 NZAI Shares.	41,830,000 Shares	91.82%
Tracy Rowsell as the sole director and shareholder of TLR (Sena) Trustee Service No.2 Limited (which is an independent trustee of the Sena Family Trust with no beneficial interest) which jointly holds 20,915,000 NZAI Shares.		
Martin Blockley is both a joint registered holder, as a co-trustee of the Nicsam Trust along with Jonathan Michael Purdey and Withers Tsang and Co Trustees Limited, and beneficial owner of the 170,000 jointly held Shares in NZAI. Martin is also the registered holder and beneficial owner of 30,000 Shares.	200,000 Shares	0.44%
Neil Saunders	85,000 Shares	0.19%
Xindy Yan	45,000 Shares	0.10%
Michael Yang	30,000 Shares	0.07%
Haydn Marks	10,000 Shares	0.02%

2.10 Options to acquire securities and other equity securities of NZAI

As at the date of this Profile, there are no other classes of NZAI equity securities other than the Shares.

Under the Constitution, any other class of equity securities of NZAI that ranks equally with, or in priority to, the Shares may be issued without a special resolution of the holders of the Shares. However, the issue of new equity securities in NZAI is governed by the Listing Rules, which requires the approval by ordinary resolution of the holders of the Shares to the issue of new equity securities, except in certain circumstances set out in the Listing Rules.

2.11 Directors remuneration and other benefits

The table below sets out the total remuneration and value of other benefits received by each director of NZAI during FY2020 and expected to be received in FY2021, as well as the nature of the services to which that remuneration, of those other benefits, relates (other than services provided in a person's capacity as director):

Director	Remuneration and value of other benefits received in FY2020	Expected remuneration and value of other benefits expected to be received in FY2021			
		Total	Base Fee ²⁹	Committee Work ³⁰	Other remuneration
Karl Smith	Nil	\$46,169	Nil	Nil	\$46,169
Eugene Williams ³¹	\$321,923	Nil	Nil	\$309,000	\$309,000
David Sena ³²	\$321,923	Nil	Nil	\$309,000	\$309,000
Tracy Rowsell ³³	Nil	\$20,000	\$1,000	Nil	\$21,000
Charles Bolt ³⁴	Nil	\$15,000	\$1,000	Nil	\$16,000
Michele Kernahan ³⁵	Nil	\$5,000	\$1,000	Nil	\$6,000
David Page ³⁶	Nil	\$10,137	Nil	\$108,150	\$118,287

The remuneration paid to the directors in FY2021 will be higher than that paid in FY2020. This reflects the appointment of additional directors and, as a result of the Listing on the NZX Main Board, the directors will have increased responsibilities and will be required to devote more time to the performance of their duties as directors. Director appointments were made at different times during the financial year which is reflected in the table. The fees for directors of NZAI that apply from Listing have been fixed as a total pool of \$650,000 per annum. Under Listing Rule 2.11.3, if the total number of Directors subsequently increases, the Directors are permitted (without seeking shareholder authorisation) to increase the total remuneration payable to all Directors by the amount necessary to enable NZAI to pay the additional Director or Directors remuneration not exceeding the average amount then being paid to each of the non-executive Directors (other than the Chair).

The directors are entitled to be reimbursed for reasonable travel, accommodation and other expenses incurred by them in connection with their attendances at meetings, or otherwise in connection with the Business. No retirement benefits will be paid to any director on their retirement.

NZAI has granted indemnities, as permitted by the Companies Act and the FMC Act, in favour of each of its directors. NZAI also maintains Directors & Officer liability insurance for its directors and officers.

²⁹ With effect from 26 February 2021, the base fee for directors (other than the Chair) has been set at \$60,000 per annum. The base fee for the Chair has been set at \$150,000 per annum.

³⁰ With effect from 26 February 2021, the base fee for being a Board committee chair has been set at \$12,000 per annum and the base fee for being a Board committee member has been set at \$6,000 per annum.

³¹ Remuneration received in Eugene Williams executive role in FY2020 comprised a salary of \$309,000 and holiday pay-out of \$12,923.

³² Remuneration received in David Sena executive role in FY2020 comprised a salary of \$309,000 and holiday pay-out of \$12,923.

³³ Tracy Rowsell was appointed as a director of NZAI on 1 December 2020, with fees in connection with her role as director being paid with effect from 1 December 2020.

³⁴ Charles Bolt was appointed as a director of NZAI on 16 December 2020, with fees in connection with his role as director being paid with effect from 16 December 2020.

³⁵ Michele Kernahan was appointed as a director of NZAI on 15 February 2021, with fees in connection with her role as director being paid with effect from 15 February 2021.

³⁶ David Page was initially appointed as a director of NZAI in September 2020. He subsequently was offered, and accepted, the Chief Executive Officer position with NZAI in November 2020 with that role commencing from December 2020.

2.12 Employee remuneration

The number of employees or former employees of NZAI who, not being directors, received remuneration and any other benefits in their capacity as employees in respect of FY2020 that in value was or exceeded \$100,000 per annum are shown in the table to the right.

NZAI does not expect the remuneration or benefits of its employees during FY2021 to be materially different from the details shown in the table to the right.

Remuneration and other benefits	Number of employees
\$100,000 to \$109,999	3
\$110,000 to \$119,999	6
\$120,000 to \$129,999	3
\$150,000 to \$159,999	2
\$200,000 to \$209,999	1

2.13 Other material interests in the NZAI Group

Each of NZAI's senior managers (including Eugene Williams and David Sena) have entered into employment agreements with NZAI.

For the employees and agents of Car Plus to attend and participate in vehicle auctions in Japan, personal guarantees need to be provided to the Japanese auction yards as security for Car Plus's purchases. David (Yusuke) Sena and Humi Sena, David's mother, have provided such personal guarantees to the auction yards which include a security interest against Humi Sena's real estate in Japan. Car Plus continues to rely on these guarantees which permit it to bid on motor vehicles at the auctions. 2CC has provided an indemnity to David and Humi Sena in respect of these security arrangements.

2.14 Other material governance disclosures

On Listing, the Board will have in place the following board policies, charters and other governance documents that are typical for a company listed on the NZX Main Board:

- Board Charter.
- Audit, Finance and Risk Committee Charter.
- Remuneration Committee Charter.
- Code of Corporate Governance.
- Code of Culture and Ethical Behaviour.
- Diversity and Inclusion Policy.
- Remuneration Policy.
- Dividend Policy
- Continuous Disclosure Policy.
- Financial Products Dealing Policy.
- Takeovers Protocol.

Following Listing, in accordance with the Listing Rules and the Constitution, the Board will have the power to appoint additional Directors (including an executive Director) to the Board from time to time, provided that any Director appointed by the Board must retire and seek re-appointment at the next annual Shareholders' Meeting of NZAI.

3. KEY FEATURES OF THE SHARES

3.1 Key features

All Shares quoted under the Listing will be fully paid ordinary shares in NZAI which rank equally with each other and all other ordinary shares in NZAI on issue. The key features of the Shares do not differ from those that apply to other ordinary shares in a company generally.

Shareholders who wish to sell their Shares on the NZX Main Board after listing must contact a broker and have a Common Shareholder Number (“**CSN**”) and an authorisation code (“**FIN**”).

3.2 Dividend policy

The Board has adopted a dividend policy that targets a pay-out of 50%-60% of underlying annual NPAT as measured excluding non-recurring items that affect NPAT. Dividends are expected to be paid in interim and final instalments around December and June each year respectively. The Board's current intention is to declare a dividend for FY2021 in respect of the attributable earnings for the entire year, which is expected to be paid around June 2021.

Notwithstanding the above dividend policy, the payment of dividends is not guaranteed and will be at the discretion of the Board and depend on a number of factors. These factors include the general business environment, NZAI's financial performance and free cash flow availability, the Board's targets for interest cover and other debt ratios, future funding requirements, any contractual, legal or regulatory restrictions on the payment of dividends by NZAI and any other factors the Board may consider relevant. In declaring dividends, NZAI must comply with the solvency test under the Companies Act and any covenants in its relevant banking facilities.

3.3 What you need to do to sell your Shares

If you wish to sell your Shares on the NZX Main Board, after Listing, you must contact an NZX Firm and have a CSN and a FIN. Opening a new broker account can take a number of days depending on the NZX Firm's new client procedures. If you do not have a CSN, you will:

- be assigned one when you set up an account with an NZX Firm; or
- receive one from the Share Registrar.

If you do not have a FIN it is expected that you will be sent one as a separate communication by the Share Registrar. If you have an NZX Firm and have not received a FIN by the date you want to trade your Shares, your NZX Firm can obtain one, but may pass the cost for doing so on to you. In certain cases where an NZX Firm uses a bare trustee structure to hold your Shares, you may not have a CSN or a FIN. Please contact your NZX Firm to determine what you need to do to sell your Shares.

If you sell your Shares, you may be required to pay brokerage or other sale expenses. You may also be liable for tax on the sale of your Shares. You should seek your own tax advice in relation to your Shares.

3.4 Restrictions

Each of Eugene Williams and TLR Williams Trustee Company Limited as trustees of the E & Co Trust, and David (Yusuke) Sena and TLR (Sena) Trustee Service No.2 Limited as trustees of the Sena Family Trust, (“**Escrowed Shareholders**”) have entered into escrow arrangements with NZAI under which each Escrowed Shareholder has agreed to not otherwise dispose of any of the Shares held by them upon completion of the Listing until the first day after the date on which NZAI releases to NZX its results announcement in respect of the full year ended 31 March 2023, subject to the following:

- on and from the Listing Date, the Escrowed Shareholders are permitted to sell up to 10% of their combined shareholding;
- on and from 31 March 2021, the Escrowed Shareholders are permitted to sell up to a further 20% of their combined shareholding; and
- on and from 31 March 2022, the Escrowed Shareholders are permitted to sell up to a further 25% of their combined shareholding.

Of the Shares held by the Escrowed Shareholders, 37,647,000 Shares (representing 82.64% of the total number of Shares on issue in NZAI immediately following completion of the Listing) will be subject to escrow arrangements.

4. THE NZAI GROUP'S FINANCIAL INFORMATION

4.1 Introduction

The tables provide key financial information about NZAI Group. Selected financial accounts are available on NZAI's website www.nzautomotiveinvestments.co.nz and on the Documents section of NZX's website at www.nzx.com/companies/NZA/documents. If you do not understand this financial information, you can seek advice from a financial adviser or an accountant.

The financial information contained in this section and in the supplementary financial information which is available on the Documents section of NZX's website and on NZAI's website ("Supplementary Financial Information") has been prepared by NZAI, is presented in New Zealand dollars, and is rounded, which may result in some discrepancies between the sum of the components and the totals within tables, and certain percentage calculations.

There are two types of financial information presented in the table of selected financial information included in this Profile.

- **Statutory historical financial information** comprises the consolidation of the financial reporting from the following:
 - in respect of 2CC, audited financial statements that have been prepared in accordance with NZ GAAP.
 - in respect of NZAI, NZMF, 2CC International and 2CC Rentals, unaudited separate special purpose financial statements that have not been prepared in accordance with NZ GAAP.
 - in respect of Car Plus and 2CC Canada, unaudited management accounts that have been not prepared in accordance with NZ GAAP.
 - in respect to 1HY2021 and 1HY2020, the financial information is extracted from NZAI's unaudited interim financial statements prepared in accordance with NZ GAAP.

For the purposes of compiling the historical financial information presented in this section, NZAI has utilised separate special purpose financial statements and management accounts which have been adjusted to incorporate the only material exception from NZ GAAP requirements, being accounting for leases. The financial information for 2CC, NZAI, NZMF, 2CC International, Car Plus, 2CC Rentals and 2CC Canada used in the preparation of the statutory historical financial information are available on NZAI's website and on the Documents section of NZX's website. This document presents historical financial information of NZAI for the financial periods ending 31 March 2018 (FY2018), 31 March 2019 (FY2019), 31 March 2020 (FY2020), 30 September 2019 (1HY2020) and 30 September 2020 (1HY2021) (collectively the "Historical Periods").

- **Pro forma historical financial information** which has been derived from the statutory historical financial information, adjusted for structural changes and non-recurring or infrequent events. NZAI believes these adjustments allow investors to better understand and compare trends in historical financial performance. The pro forma historical financial information is non-NZ GAAP information and has been prepared solely for the purpose of inclusion in this Profile. For more information about the pro forma adjustments and reconciliations of pro forma financial information to information prepared in accordance with NZ GAAP please refer to Section 4.6 under the headings Explanation of Pro Forma Adjustments and Supplementary Financial Information.

Special Purpose Financial Statements and Management Accounts used in the Preparation of Statutory Financial Information

NZAI has not historically prepared consolidated financial statements but rather prepared separate special purpose financial statements for NZAI (formally 2CC Holdings), 2CC International, 2CC Rentals and NZMF, and management accounts for Car Plus and 2CC Canada. The special purpose financial statements and management accounts are not audited and have not been prepared in accordance with NZ GAAP but rather prepared in accordance with the accounting policies of those entities which were recognised as appropriate given the companies being either non-trading/holding companies or having immaterial operations to the Group. 2CC, the largest subsidiary of the Group and the main trading entity, has historically prepared audited financial statements compliant with NZ GAAP.

For the purposes of compiling the NZ GAAP information presented in the Table of Selected Financial Information in this Section 4 of this Profile, NZAI has adjusted the separate unaudited special purpose financial statements and unaudited management accounts to incorporate the only material exception from NZ GAAP requirements being accounting for leases (NZ IFRS 16) and the deferred tax obligations in relation to the lease adjustments.

NZAI considers that the calculations and principles used to prepare NZAI's consolidated statutory financial information presented in the Table of Selected Financial Information in this Section 4 of this Profile are consistent with NZ GAAP and any variation would be immaterial.

4.2 Selected Financial Information

NZ\$000	FY2018	FY2019	FY2020	1HY2020	1HY2021
Selected Financial Information¹	12 months ending 31 Mar 2018	12 months ending 31 Mar 2019	12 months ending 31 Mar 2020	6 months ending 30 Sept 2019	6 months ending 30 Sept 2020
Revenue	73,652	78,433	76,012	39,162	30,417
Pro forma EBITDA ²	7,133	5,943	8,637	4,393	3,950
NPAT	4,392	3,386	4,229	1,884	1,867
Dividends on all equity securities of the issuer	2,064	4,256	957	532	1,064
Total assets ³	15,434	18,889	29,413	27,459	30,491
Cash and cash equivalents	5,623	5,024	1,775	5,868	8,304
Total debt ⁴	4,066	8,000	7,999	7,439	7,870
Total liabilities ³	27,629	31,998	39,194	39,250	39,512
Pro forma total liabilities ⁵	7,629	11,998	19,194	19,250	19,512
Net cash flows from operating activities ⁶	2,653	467	(56)	3,392	8,577

1. The selected financial information has been sourced from separate audited financial statements, separate unaudited special purpose financial statements and separate unaudited management accounts that are available on the NZAI website and on the Documents section of NZX's website. Some line items in the selected financial information include adjustments applied by NZAI and are noted by "pro forma". For explanation of pro forma adjustments please refer to section 4.6 under the heading Explanation of Pro Forma Adjustments.
2. Pro forma EBITDA is a non-NZ GAAP measure that includes pro forma adjustments as described in section 4.6 under the heading Explanation of Pro Forma Adjustments. NZAI considers that pro forma EBITDA, which normalises performance for the impact of non-recurring items, allows for a better comparison of operating performance over the historical period. Please refer to the Supplementary Financial Information for a reconciliation between pro forma financial information to NZ GAAP financial information.
3. NZAI adopted NZ IFRS 16 in FY2020. In adopting NZ IFRS 16, NZAI has applied the modified retrospective method, together with the additional practical expedient to set the right-of-use asset equal to the lease liability determined at the beginning of FY2020, plus or minus any lease payment accruals. Accordingly, there was not an adjustment to NZAI's opening Retained Earnings in FY2020 when NZ IFRS 16 was adopted. Following adoption of NZ IFRS 16, the Company recognised a right-of-use asset of \$9.0m (increasing total assets) and a lease liability of \$9.0m (increasing total liabilities). Subsequently, the adoption of NZ IFRS 16 did not have a significant impact on NZAI's NPAT (a decrease of approximately \$0.2m) but does have an impact to NZAI's EBITDA (increase of \$1.8m), as previous lease expenses are now reflected as interest and amortisation under NZ IFRS 16.
4. Total debt comprises primarily of an ASB \$8.0m trade finance facility used to purchase inventory.
5. Pro forma total liabilities represent liabilities excluding \$20m of shareholder loans which have been converted into ordinary shares in 2HY2021. NZAI believes this provides a more accurate position of the Group's total liabilities.
6. Net cash flows from operating activities were negative in FY2020 due to additional inventory purchased by the Company. The additional inventory was subsequently sold in FY2021 reducing the inventory balance and increasing the closing cash balance of the Company as at 1HY2021.

Selected Operational Information	FY2018	FY2019	FY2020	1HY2020	1HY2021
Financial Period	12 months ending 31 Mar 2018	12 months ending 31 Mar 2019	12 months ending 31 Mar 2020	6 months ending 30 Sept 2019	6 months ending 30 Sept 2020
Number of Dealerships	16	17	13	17	12
Number of Vehicles Sold	10,919	11,337	11,020	5,859	3,919
Average Revenue per Vehicle Sold ³⁷	\$6,745	\$6,918	\$6,871	\$6,684	\$7,741
Gross Profit per Vehicle Sold ³⁸	\$1,386	\$1,249	\$1,388	\$1,345	\$1,418
Percentage of Vehicles Sold under Finance	31.5%	31.8%	33.9%	32.7%	28.2%
Vehicles Sold under 3rd Party Finance	3,436	3,605	3,529	1,885	961
Vehicles Sold under NZMF Finance	0	0	203	33	145

4.3 Capitalisation measures and implied listing multiples

The Board has ascribed a listing price of \$1.30 per Share (“**Listing Price**”), based on its view of the equity value of NZAI.

In ascribing the Listing Price, the Board considered the earnings/cash flows of NZAI, and the trading multiples of comparable automotive companies listed in New Zealand and Australia (considering the size, risks, and prospects of NZAI to its peers). The Listing Price implies the valuation metrics as set out in the table below. The price at which Shares will be traded on the NZX Main Board following Listing will depend on the demand for, and supply of, Shares and will be subject to change.

Capitalisation Table	
Number of Shares on issue at Listing	45,554,500
Listing Price	\$1.30 per Share
Implied market capitalisation	\$59.2 million
Net cash as of 31 January 2021 ³⁹	\$6.1 million
Implied enterprise value (excluding lease liabilities under NZ IFRS 16)	\$53.1 million
Lease liabilities under NZ IFRS 16 as of 31 January 2021	\$6.7 million
Implied enterprise value (including lease liabilities under NZ IFRS 16)	\$59.8 million

³⁷ Based on revenue from the Automotive retail division only.

³⁸ Based on gross profit from the Automotive retail division only.

³⁹ Comprises cash and cash equivalents. The ASB trade finance facility has been treated as working capital consistent with the industry treatment for automotive retail companies.

Implied market capitalisation is the value of all NZAI's equity securities, as implied by the Listing Price. It tells you what NZAI is proposing NZAI's equity is worth.

Implied enterprise value ("EV") is a measure of the total value of the business of NZAI, as implied by the Listing Price. The implied EV is the amount that a person would need to pay to acquire all NZAI's equity securities and to settle all NZAI's interest bearing bank debt. It is a measure of what NZAI is proposing the business of the NZAI Group as a whole is worth.

Implied EV (including lease liabilities under NZ IFRS 16) is equal to the implied EV plus lease liabilities recognised under NZ IFRS 16.

Implied listing multiples

The following metrics are prepared based on certain non-NZ GAAP pro forma financial information, as set out under the headings, "Capitalisation Measures", and "Selected Financial Information" in reference to the FY2020 metrics.

FY2020	
Implied EV (including lease liabilities under NZ IFRS 16) / Pro forma EBITDA	6.9x
Implied EV / Pre-NZ IFRS 16 Pro forma EBITDA	7.7x

4.4 How NZAI generates revenue

NZAI's Automotive Retail division generates revenue from:

- **Retail Sales:** Sales of vehicles at one of NZAI's dealership locations.
- **Commission on Finance:** NZAI receives a commission from its finance partners when it sells a vehicle on a finance arrangement provided by the partner. This commission may be received as a combination of an upfront fee and an ongoing fee based on a share of interest charged to the customer. Approximately a third of retail sales are made on finance.
- **Commission on Insurance:** NZAI offers a range of insurance products at point of sale on behalf of its insurance partners and receives a commission where the customer elects to purchase an insurance policy. A range of insurance policies for different purposes are available (e.g. mechanical breakdown, payment protection) and a vehicle may be sold with multiple policies. If a vehicle is sold on finance, the finance arrangement typically requires the customer to obtain motor vehicle insurance (either via 2CC or a third party).

NZAI's Vehicle Finance division generates revenue from:

- **Interest Income:** Interest charged on vehicle loans to its customers. The interest rate charged to the customer is based on their assessed credit grade, the type of vehicle and the type of loan they have chosen. NZAI incurs interest expense on debt used to fund customer loans, and the difference between interest income and interest expense represents its net interest margin.
- **Administration Fees:** NZAI charges fees for a range of purposes, such as establishment of a loan, monthly account management, variations, and early settlement. Under New Zealand regulations, all fees charged must only relate to cost recovery and no additional margin can be levied on the fee.

4.5 Overview of Historical Financial Performance

This section provides an overview of the pro forma historical financial performance of NZAI and should be read in conjunction with the table headed Selected Financial Information on page 29.

FY2019 Financial Performance Relative to FY2018

Between FY2018 and FY2019 NZAI's revenue increased by 6% to \$78.4m driven by an increase in number of vehicles sold. The key drivers of the growth in revenue were:

- The number of vehicles sold increased by 418 units, from 10,919 in FY2018 to 11,337 in FY2019. This growth was accompanied by an increase in the average revenue⁴⁰ per vehicle from \$6,745 in FY2018 to \$6,918 in FY2019.
- Finance commission received from third party finance providers increased by \$1.3m to \$5.7m in FY2019 driven by an increase in the number of vehicles sold with finance. Whilst the overall number of cars sold with finance has increased, the overall percentage of vehicles sold with finance remained consistent with FY2018 at 32%.

⁴⁰ Excluding finance income.

Between FY2018 and FY2019 NZAI's pro forma EBITDA decreased by \$1.2m from \$7.1m to \$5.9m. The decrease in pro forma EBITDA was driven by a temporary reduction in gross profit per car. Supply chain disruptions from the Japanese typhoon and higher compliance costs associated with the stink bug contamination reduced gross profit per car to 18.1% compared to 20.5% in the prior period. This reduction in gross profit offset the revenue growth driven by the increase in number of cars sold.

FY2020 Financial Performance Relative to FY2019

Between FY2019 and FY2020 NZAI's revenue decreased by 3% to \$76.0m driven by a decrease in the number of vehicles sold. The key drivers of the decline in revenue were:

- The number of vehicles sold decreased by 317 units to 11,020 in FY2020. The decrease in volume was driven by a reduction in the number of dealerships from 17 to 13. Three dealerships located in Christchurch, Wellington, and Hastings were closed during FY2020 due to a lack of sales growth, and two dealerships in Auckland merged onto one site.
- Finance commission received from third party finance providers in FY2020 remained consistent with the prior period at \$5.9m. In FY2020 34% of all cars were sold with finance, compared to 32% in FY2019.

Between FY2019 and FY2020 NZAI's pro forma EBITDA increased by \$2.7m from \$5.9m to \$8.6m. The increase in pro forma EBITDA was driven by an increase in gross profit per car to 20.2% as the Company on-charged the fumigation costs associated with stink bug treatment to customers. Further operating efficiencies contributed to the increase in pro forma EBITDA. A large proportion of this related to the reduction in overall number of dealerships to 13.

1HY2021 Financial Performance Relative to 1HY2020

NZAI and the general automotive sector were impacted by the shutdowns relating to Covid-19 which occurred from 23 March 2020 to 13 May 2020 and 12 August 2020 to 23 September 2020²⁶. Management reduced operating costs to help off-set the impacts of Covid-19.

Between 1HY2020 and 1HY2021 NZAI's revenue decreased by 22% to \$30.4m, driven by a decrease in the number of vehicles sold due to the impact of Covid-19 and the number of dealerships reducing to 12 during FY2021. Further explanation of the key drivers of the decline in revenue were:

- The number of vehicles sold decreased by 1,940 units to 3,919 in 1HY2021.
- The first lockdown applied to all 2CC dealerships and affected the business significantly, with only 11 cars sold in April 2020 (compared to 911 cars in April 2019). The second lockdown primarily only affected Auckland sites but still had a significant impact on the business given 56% of NZAI's sales in FY2020 were from Auckland based dealerships. A total of 554 cars were sold during August 2020 compared to 970 cars in August 2019.
- After each lockdown, trading recovered strongly back to pre-Covid-19 levels.
- Contributing to the revenue reduction was the reduction of five dealerships during FY2020 and 1HY2021.
- Finance commission received from third party finance providers in 1HY2021 decreased with the reduction in cars sold. There was a slight reduction in the total number of vehicles sold with finance. In 1HY2021 28% of all cars were sold with finance, compared to 33% in 1HY2020.
- Cars sold with finance offered by NZMF grew from 33 contracts to 145 during the period.

Between 1HY2020 and 1HY2021 NZAI's pro forma EBITDA decreased by \$0.4m from \$4.4m to \$4.0m. The decrease in pro forma EBITDA was driven by the impact that Covid-19 and the reduction in the number of 2CC sites had on revenues, offset by an increase in the margin per car sold and by management's decisions to reduce operating costs across; advertising, enact staff salary sacrifices, negotiate relief on premises leases and the contribution from the Government wage subsidy, as well as a reduction in costs associated with the closure of the five dealerships and other restructuring at the Hub.

4.6 Explanation of Pro Forma Adjustments and Supplementary Financial Information

Explanation of Pro Forma Adjustments

NZAI believes that certain adjustments are required to enable a better comparison of the historical financial performance, and a comparison with that of other companies. The pro forma adjustments that NZAI considers appropriate, are explained below.

Non-recurring or infrequent items

1. Non-recurring costs: These relate to professional fees from lawyers and accountants previously incurred by NZAI relating to non-recurring events such as prior strategic reviews, merger and acquisition activity, and advisory costs in relation to regulatory investigations.
2. Historical fines⁴¹: Removal of the \$438,000 fine charged by the Commerce Commission in relation to historic breaches in the Fair

⁴¹ The Company was investigated and subsequently fined by the Labour Inspectorate and the Commerce Commission for employment law compliance issues, breaches of the Fair Trading Act 1986 and the Consumer Guarantees Act 1993. These investigations related to activities primarily occurring from 2014 to 2017, when the Company was growing significantly but without the governance resources, rigour, and discipline it has now. For more information about the investigations, please see Section 2.7 (Historical Legal Breaches and Fines).

Trading Act and Consumer Guarantees Act. The fine was paid in two tranches, \$150,000 paid in FY2018 and \$288,000 paid in FY2019.

3. Sales misappropriation: Removal of costs in relation to a sales misappropriation by a previous employee discovered during the external audit of 2 Cheap Cars Limited FY18 financial accounts. A gap in the internal controls identified fraudulent activity being carried out by a dishonest salesman in Tauranga. An issue relating to the reconciliation of sales recorded versus actual revenue collected was identified and further investigation identified theft as an employee including fraudulent documents.

Structural changes and other

1. Listing company costs: Removal of one-off transaction costs in relation to NZAI's Listing on the NZX Main Board.
2. Shareholder loans: Total liabilities for the Historical Periods have been adjusted to reflect the recent capitalisation of shareholder loans worth \$20m which occurred in 2HY2021.

Supplementary Financial Information

The following additional financial information is available on NZAI's website here www.nzautomotiveinvestments.co.nz and on the Documents section of NZX's website at www.nzx.com/companies/NZA/documents.

Historical Financial Information

- **NZAI** (previously named 2CC Holdings Limited)
 - Unaudited special purpose financial statements for the financial years ended 31 March 2018, 31 March 2019, and 31 March 2020.
 - Unaudited interim financial statements for the six months ended 30 September 2020 (with comparative numbers for the six months ended 30 September 2019).
- **2CC**
 - Audited financial statements for the financial years ended 31 March 2018, 31 March 2019, and 31 March 2020.
- **NZMF**
 - Unaudited special purpose financial statements for the financial years ended 31 March 2019, and 31 March 2020.
- **2CC International**
 - Unaudited special purpose financial statements for the financial years ended 31 March 2018, 31 March 2019, and 31 March 2020.
- **Car Plus**
 - Unaudited management accounts for the financial years ended 31 March 2018, 31 March 2019, and 31 March 2020.
- **2CC Rentals**
 - Unaudited special purpose financial statements for the financial years ended 31 March 2019 and 31 March 2020.
- **2CC Canada**
 - Unaudited management accounts for the financial years ended 31 March 2019 and 31 March 2020.

Reconciliation of Non-NZ GAAP to NZ GAAP financial information

- A reconciliation between the separate unaudited special purpose financial statements and unaudited management accounts, which was prepared on a non-NZ GAAP basis, and the NZ GAAP financial information presented in the Table of Selected Financial Information in Section 4 (The NZAI Group's financial information) of this Profile.
- A reconciliation between NZ GAAP financial information and pro forma financial information presented in the Table of Selected Financial Information in Section 4 (The NZAI Group's financial information) of this Profile.

Explanation of Amalgamation Reserve

On 1 April 2017, the group undertook a restructure. The shares in 2 Cheap Cars Limited that were previously held by David Sena and Eugene Williams personally were sold to 2CC Holdings Limited. David and Eugene retained one share in their personal names. The shares were sold at a valuation of \$35.4m. Of this purchase price \$20m was left as loans outstanding to the E & Co Trust and the Sena Family Trust. The remaining balance was settled by way of the issue of new shares in 2CC Holdings Limited.

The shareholder loans have been capitalised on 2 November 2020. At the time of the group restructure the share capital in 2 Cheap Cars Limited was \$100. At a consolidated level, the amalgamation reserve represents the difference between the value the shares issued, and the unadjusted book value of the net assets of the amalgamated companies.

5. RISKS TO THE NZAI GROUP'S BUSINESS AND PLANS

Introduction

Investments in shares are risky. You should consider whether the degree of uncertainty about NZAI's future performance and returns is suitable for you. The price of these Shares should reflect the potential returns and the particular risks of these Shares. This section describes the circumstances NZAI is aware of that exist or are likely to arise that significantly increase the risk to NZAI's financial position, financial performance or stated plans. This section also outlines particulars that will, to the extent that is reasonably practicable, assist an investor to assess the likelihood, nature and potential magnitude of impacts arising from those circumstances, such as the strategies that NZAI has adopted to mitigate the circumstances arising. However, there can be no assurance that such arrangements will fully protect NZAI from the identified risks. Also, NZAI does not consider that the potential magnitude of the impacts arising from those risks can be easily identified; suffice to say that NZAI considers that each risk identified has the potential to materially and adversely impact NZAI's financial position, financial performance, and stated plans.

This assessment is based on the knowledge of the Directors as at the date of this Profile. Although business risks are periodically reviewed by the Board⁴², there is no guarantee or assurance that the importance of each risk will not change or that other risks will not emerge over time, nor that the mitigation strategies will eliminate significant risks.

The risks below do not cover all of the risks of investing in the Shares.

Risks

Import Concentration Risk	
Description of the risk	Almost all of NZAI's vehicles are imported from Japan.
Why is it significant to NZAI?	NZAI's Automotive Retail division, 2CC, is fully reliant on the auction and export process as it stands in Japan, along with exposure to fluctuations in foreign exchange rates, border restrictions and regulations. 2CC's competitive edge lies in its ability to source a large volume of quality vehicles at a price that is meaningfully cheaper than its competitors.
Particulars to assist an investor's assessment of the likelihood, nature and potential magnitude of any impact	<p>Currently, the Japanese car market provides the best value for quality and well-known brands. NZAI has procurement people on the ground in Japan who are familiar with the market, attending auctions and selecting vehicles individually.</p> <p>If NZAI could no longer source a majority of its cars from Japan, it may need to set up a similar process in one or more other countries, incurring costs in doing so. It may not be able to source cars at the same price point and level of quality as it does currently, which could affect both the volume of vehicles sold and margins achieved.</p> <p>While 2CC takes forward cover on the Japanese Yen to New Zealand dollar exchange rate at the time of purchase, longer-term trends in the exchange rate cannot be fully hedged and may affect the 2CC's margins.</p> <p>Japan is also exposed to unique environment risks. The region experiences occasional typhoons⁴³ that may impact the ability of car auctions and ports to function normally and may cause delays in shipments to New Zealand.</p> <p>The country is also home to marmorated stink bugs, a highly invasive species that occasionally enters cargo ships. During stink bug season (September to April) all imported cars are heat treated, which adds a small additional cost. New Zealand's Ministry of Primary Industries usually refuses entry for any ship where stink bug is discovered (unless the cargo ship has been heat treated), which has affected used car imports from Japan in the past, again affecting available inventory and sales throughput.</p>

⁴² NZAI has developed a risk assessment framework which has resulted in a register of critical strategic, operational, health and safety and environmental risks. The register does not purport to be a complete register of all risks to NZAI's financial position, financial performance, or stated plans but it enables NZAI to periodically and methodically assess the likelihood of events occurring, the impact they may have and then to develop controls and mitigation strategies in respect of each risk.

⁴³ The Japanese typhoon season is broadly from May to October, with the peak season being between August and September months.

Finance Book Establishment Risk

Description of the risk	NZAI may dilute revenue streams as its Automotive Retail division moves away from third party finance partners to build NZMF's finance book.
Why is it significant to NZAI?	2CC currently has multiple finance partners that pay it commissions for directing vehicle loan origination. If these finance partners reduce their support of 2CC, the commission revenue received may decline as fewer finance options are available to its customers.
Particulars to assist an investor's assessment of the likelihood, nature and potential magnitude of any impact	<p>NZAI has sent a clear message to 2CC's current partners that outlines its future ambition, with an assurance that their finance operations will be supported in the interim and will benefit from the continued growth in the Automotive Retail business.</p> <p>As NZMF builds its own finance book, it intends to quickly scale up resources, whilst outsourcing arrears management and other core processes. This is expected to enable NZAI to capture sales opportunities that may result from gaps in finance partner offerings.</p> <p>The finance sector is competitive with a wide range of providers, and even if origination volumes are being transitioned away from a finance partner, it is generally profitable and attractive for them to take on as many customers as 2CC refers to them.</p>

Key Person Risk

Description of the risk	NZAI's entire operation is reliant on certain key personnel, including its two founders.
Why is it significant to NZAI?	If any of the key personnel were to leave NZAI suddenly without a suitable transition period, its financial performance could be materially affected.
Particulars to assist an investor's assessment of the likelihood, nature and potential magnitude of any impact	<p>Both co-founders have built up key contacts both in New Zealand and in Japan. These relationships have been built up over 10 years of operations. Each founder brings a different and unique set of skills – in purchasing, cost control and operations, and in sales, marketing, and operations. These attributes are significant contributing factors to the financial performance of NZAI and its competitive business model.</p> <p>The risk can be mitigated with suitable transition periods. Further, the founders have a sizable cornerstone equity stake in the business with selling restrictions in place (see Section 3 (Key features of the Shares)), incentivising them to prioritise its financial performance over the medium to longer term.</p>

Operational Leverage Risk

Description of the risk	As 2CC grew quickly, it established long lease term agreements for property and some assets.
Why is it significant to NZAI?	The long lease terms effectively increase operating leverage. This means that if sales volumes reduce, 2CC will still be contractually bound to pay all costs associated with the leases, reducing operating and net margins.
Particulars to assist an investor's assessment of the likelihood, nature and potential magnitude of any impact	<p>Other competitors with shorter lease terms, or who own the properties used for their sites, may be able to adapt their customer offerings more quickly than 2CC.</p> <p>If some dealerships must stop trading for any reason (such a Covid-19 related lockdown), then 2CC will incur the lease costs despite not being able to generate meaningful revenue from the site.</p> <p>Sub-leasing strategies would be instigated to minimise the financial gap.</p>

Regulatory Risk	
Description of the risk	The government is considering introducing new regulations from 2025, specific to the Automotive sector, to reduce land transport CO2 emissions. These regulations include a vehicle fuel efficiency standard for new and used light vehicles and consumer rebates for purchasing cleaner cars.
Why is it significant to NZAI?	The proposed fuel efficiency standard would require vehicle importers to lower the carbon dioxide emissions of the vehicles they are importing or pay a fine. Japanese second-hand vehicles imported by NZAI are cheaper but less fuel efficient than newer models. If the vehicles imported by NZAI are subject to the fuel efficiency standard this would increase NZAI's importation costs.
Particulars to assist an investor's assessment of the likelihood, nature and potential magnitude of any impact	<p>The government has introduced new regulations in the past, such as the electronic stability control system requirement for all used light passenger vehicles imported from 1 March 2020, and NZAI has proven it can adapt its procurement model to adhere to new requirements. In particular, NZAI expects that the fuel efficiency standards will continue to evolve and will monitor and comply with the standards. NZAI has plans to adapt to new standards and meet its customers' needs through procurement of smaller cars that are more fuel efficient, as well as a mix of fully electric and hybrid electric vehicles, which it has already begun.</p> <p>If a vehicle fuel efficiency standard were introduced, any additional costs incurred by NZAI during the importation process would be directly passed on to consumers through higher retail pricing. Given all used car importers would be subject to the same requirements, 2CC's market position as one of the more affordable used car dealerships should be maintained.</p>
Consumer Behaviour Risk	
Description of the risk	Changes in consumer travel preferences may impact demand for cars in the medium to longer term.
Why is it significant to NZAI?	An overall reduction in demand for passenger cars would affect NZAI's sales and therefore its profitability.
Particulars to assist an investor's assessment of the likelihood, nature and potential magnitude of any impact	<p>Potential aspects that may reduce passenger car demand may include improved or cheaper public transport, increased participation in rideshares, micro-transport (e.g. electric scooters) and hourly leasing of vehicles. However, the Covid-19 pandemic has resulted in consumers becoming more wary of public or shared transport options due to the increased health risk they may face.</p> <p>An increase in working from home or distributed workforce models may reduce day-to-day travel requirements and hence demand for cars.</p>
NZMF Credit Quality Risk	
Description of the risk	Growing NZMF's vehicle finance loan book will increase the exposure of NZAI's balance sheet to poor performing loans.
Why is it significant to NZAI?	If a significant number of NZMF loans default, then NZAI's finance performance could be materially affected.
Particulars to assist an investor's assessment of the likelihood, nature and potential magnitude of any impact	<p>NZAI have stringent lending criteria and processes, including thorough checks into the borrower's credit worthiness, employment status and ability to service the requested loan. Under Responsible Lending guidelines NZAI is also required to ensure that the requested loan is suitable for the specific clients' needs and circumstances of the borrower.</p> <p>In addition, NZAI also will have professional back end or collection and recovery systems in place using qualified and approved third party collection houses and agents. This will allow the Company to deal with any arrears at the earliest possible stage and if the arrears become problematic, it can engage the services of experienced collectors and recovery services to take the required action to enforce repayment.</p>

6. TAX

Tax can have significant consequences for investments. If you have queries relating to the tax consequences of investing in the Shares you should obtain professional advice on those consequences.

7. WHERE YOU CAN FIND MORE INFORMATION

Further information relating to NZAI (including the Constitution and its most recent financial statements) is available on the NZAI website, which can be found at nzautomotiveinvestments.co.nz under the Investor Centre tab, and on the Documents section of NZX's website at www.nzx.com/companies/NZA/documents.

Further information in relation to NZAI is also available on the Companies Office register of the Ministry of Business, Innovation and Employment. This information can be accessed on the Companies Office website at www.business.govt.nz/companies.

Once NZAI is Listed, it will be required to make half-year and annual announcements to NZX, and such other announcements as required by the Listing Rules from time to time. You will be able to obtain this information free of charge by searching under the ticker code “**NZA**” on NZX’s website (www.nzx.com).

8. CONTACT INFORMATION

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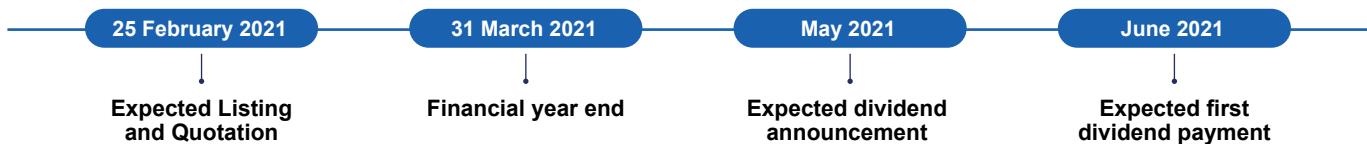
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9. TIMETABLE OF RELEVANT DATES



10. GLOSSARY

Unless the context otherwise requires, terms used in this Profile will have the meaning set out below and any capitalised terms not defined below will have the meaning given to those terms in the Constitution.

Term	Meaning
\$	New Zealand Dollars.
1HY	the financial half year ended 30 September of that year.
2HY	The financial half year from 1 October to 31 March of that year.
2CC	2 Cheap Cars Limited registered at the New Zealand Companies Office with company registration number 3412671.
2CC Canada	2CC (Canada) Incorporated.
2CC Holdings Limited	the previous name for NZAI.
2CC International	2CC International Limited registered at the New Zealand Companies Office with company registration number 6134613.
2CC Rentals	2 Cheap Rental Cars Limited registered at the New Zealand Companies Office with company registration number 6134438.
APE	Eagers Automotive Limited.
Automotive Retail	the division of NZAI which retails vehicles through 2CC.
Bank Bill Benchmark Rate	Bank Bill Benchmark Rate (or BKBM) is the name of the Reuters page where the interest rate benchmarks were originally published and is the main interest rate benchmark in New Zealand ⁴⁴ .
Board	the board of Directors of NZAI.
Business	the business conducted by the NZAI Group.
Business Day	a day on which the NZX Main Board is open for trading.
CAGR	compounded annual growth rate.
Car Plus	Car Plus Kabushiki Kaisha.
CCCFA	Credit Contracts and Consumer Finance Act 2003.
Companies Act	the Companies Act 1993.
Company	NZ Automotive Investments Limited registered at the New Zealand Companies Office with company registration number 6134438.
Constitution	the new constitution of NZAI to be adopted at and with effect from Listing, as amended from time to time.
Credit Policy and Lending Guideline	the credit policy and lending guidelines adhered to by NZMF.

⁴⁴ See Bank Bill Benchmark Rate and closing rates Financial Markets Authority (October 2017) available at <https://www.fma.govt.nz/assets/Guidance/BKBM-resource-sheet.pdf>.

Term	Meaning
CSN	Common Shareholder Number.
Director	a director of NZAI.
EBITDA	earnings before interest, taxes, depreciation, and amortisation.
Escrowed Shareholders	Eugene Williams and TLR Williams Trustee Company Limited as trustees of the E & Co Trust, and David (Yusuke) Sena and TLR (Sena) Trustee Service No.2 Limited as trustees of the Sena Family Trust.
EV	enterprise value.
FIN	Shareholder unique authorisation code.
FMC Act	the Financial Markets Conduct Act 2013.
FY	the financial year ended or ending 31 March of that year.
Historical Periods	FY2018, FY2019, FY2020, 1HY2020, 1HY2021.
Hub	2CC's main hub at Mt Wellington, Auckland.
IFRS	International Financial Reporting Standards.
Listing	the direct listing of NZAI, and the quotation of the Shares on the NZX Main Board, which is expected to be 25 February 2021, unless varied by NZAI.
Listing Price	the value ascribed to Shares at Listing by the Board based on the Board's view of the equity value of NZAI at that time, being \$1.30 per Share.
Listing Rules	the listing rules applying to the NZX Main Board in force from time to time.
MPI	Ministry for Primary Industries.
NPAT	net profit after tax.
NZ	New Zealand.
NZ GAAP	New Zealand generally accepted accounting practice.
NZAI	NZ Automotive Investments Limited registered at the New Zealand Companies Office with company registration number 6134438.
NZAI Group	NZAI, 2CC, NZMF, 2CC International, Car Plus, 2CC Canada and 2CC Rentals.
NZMF	NZ Motor Finance Limited registered at the New Zealand Companies Office with company registration number 7291918.
NZTA	New Zealand Transport Agency.
NZX	NZX Limited.
NZX Firm	any company, firm, organisation or corporation designated or approved as a Primary Market Participant (as defined in the NZX Participant Rules made by NZX from time to time) from time to time by NZX.
NZX Main Board	the main board financial product market operated by NZX.
Profile	this document, being a profile prepared in accordance with the NZX Listing Rules.
Responsible Lending Code	the code which elaborates on the lender responsibility principles set out in the Credit Contracts and Consumer Finance Act 2003.
Shares	a fully paid ordinary share in NZAI.
Shareholder	a holder of one or more Shares.
Share Registrar	Computershare Investor Services Limited.
Supplementary Financial Information	the supplementary financial information which is available on the Documents section of NZX's website and on NZAI's website.
Takeovers Code	the Takeovers Code promulgated under the Takeovers Regulations 2000.
TRA	Turners Automotive Group Limited, registered at the New Zealand Companies Office with company registration number 247933.
Vehicle Finance	the division of NZAI which offers vehicle finance through NZMF.