

ANNUAL SHAREHOLDERS MEETING

A. CHAIRMAN'S INTRODUCTION

Slide 2. Freightways - 28 October 2021, Annual Shareholders Meeting

Slide 3. Mark Verbiest, Chairman

Shareholders and guests, welcome to Freightways' Annual Shareholders Meeting. I am Mark Verbiest and I am the Chairman of Freightways. I declare the meeting open. The meeting has been duly convened and a quorum is present. The minutes of last year's meeting are held by the General Counsel and Company Secretary.

Today, given the current Covid alert level in Auckland, we are running this meeting as a Virtual Meeting using the Computershare Online Meeting Platform. Welcome to everyone joining us online wherever you are based. Again, due to the current Covid alert levels around New Zealand, the Freightways Board of Directors and Executive Team are joining from a variety of locations around the country.

Slide 4. How to ask questions

As this is the first time we have held our Annual Shareholders Meeting completely online rather than as a physical and virtual hybrid, I'd like to specifically draw everyone's attention to the procedures for asking questions and for voting.

As set out in your virtual meeting guide, any shareholder or proxy attending the meeting is eligible to ask a question. Please select the Q&A tab and the question category, then type your question into the box at the bottom of the screen and press 'Send'. Please note that while you can submit questions from now on, I will not address them until the relevant time in the meeting. Please also note that your questions may be moderated or if we receive multiple questions on one topic, amalgamated together. Finally, due to time constraints we may run out of time to answer all your questions. If this happens, we will answer them in due course via email. Should you require any assistance using the Computershare Online Platform, you can type your query and one of the Computershare team will assist

with the chat function and reply to your query. Alternatively, you can call Computershare on 0800-650-034.

Slide 5. How to vote

When asked at the relevant time that resolutions are put, if you are eligible to vote at this meeting, you will be able to cast your vote under the Vote tab. Once the voting has opened, the resolutions will allow votes to be submitted. To vote, simply select your voting direction from the options shown on screen. You can vote for all resolutions at once or by each resolution. Your vote has been cast when the tick appears. To change your vote, simply select 'Change Your Vote'. You have the ability to change your vote, up until the time I declare voting closed.

Voting today will be conducted by way of a poll on all items of business. In order to provide you with enough time to vote, I will shortly open the voting for all resolutions.

Persons attending the meeting, who are not shareholders, proxy holders or corporate representatives of a shareholder, may not vote.

I now declare voting open on all items of business. The resolutions will now be open in the vote tab, please submit your votes at any time. I will give you a warning before I move to close voting.

I will remind everyone again of these two processes when we come to the resolutions later in the meeting.

Slide 6. Agenda

I will now run through the structure of the meeting.

- I will begin with procedural matters, introduce the Freightways Board and some of the executive team to you, and then summarise some of the Company's 2021 highlights. I will then ask Mark Troughear, our Chief Executive Officer, to

provide an overview of the Company, an update on current trading performance and a commentary on our outlook for the rest of the financial year.

- Questions about the performance of the Company will be addressed after the close of the CEO's presentation. Any questions related to formal resolutions outlined in the Notice of Meeting will be dealt with when we consider those resolutions.
- Following the CEO's presentation and questions relating to the management of the company, I will introduce the formal resolutions as outlined in the Notice of Meeting and polls will be held in respect of them. The polls will be conducted following the meeting.
- The Notice of Meeting, which includes the explanatory notes, was circulated to all shareholders and I intend to take it as read.

Proxies have been appointed for the purpose of this meeting in respect of approximately 70 million ordinary shares. As was indicated on the proxy form, where proxy discretion has been given, the Directors, and I as Chairman, intend to vote those proxies we have received in favour of the 6 resolutions set out in the Notice of Meeting. I also note that as set out in the proxy form, directors standing for election or re-election will abstain from voting discretionary proxies in respect of their own appointment. As requested by the New Zealand Shareholders Association, we will not disclose the voting of valid proxies received for each resolution before shareholders vote today, and as usual we will declare the outcome of the polls after the meeting on the NZX.

I would now like to introduce members of the Board and Management team joining this call.

Slide 7. Board

Your Directors are:

- Abby Foote - Abby joined the Board in 2018 and is qualified in both law and accounting. She brings to the Board over 12 years of governance experience, in addition to time spent in senior management roles. Abby is currently Chair of Z Energy and a director of Sanford Limited. It has also just been announced she has joined the board of Kathmandu. Abby is retiring by rotation and standing for re-election at this meeting.
- Fiona Oliver - Fiona is the newest Director on our Board, having been appointed in July 2021, and she also stands for election today. Fiona brings a wealth of experience from her executive career in the financial services sector. In New Zealand, her roles included Chief Operating Officer of Westpac's investment arm, BT Funds Management, and General Manager of AMP NZ's Wealth Management division. In Sydney and London, Fiona managed the Risk and Operations function for AMP's private capital division. Prior to this, Fiona was a senior corporate lawyer in New Zealand and overseas, specialising in mergers and acquisitions. Fiona is a professional director, holding or having held governance roles across a range of business sectors including renewable energy, natural gas, technology, and financial services.
- Kim Ellis - Kim was appointed a Director in 2009, having spent 28 years in chief executive roles in a number of sectors, including 13 years as Managing Director of Waste Management NZ Limited. Kim is Chairman of Green Cross Health and NZ Social Infrastructure Fund and has other directorships, including Port of Tauranga. Kim will retire as a Director with effect from the end of this meeting and I wish to personally and sincerely acknowledge and thank Kim for his commitment to Freightways. He has been a great director representing your interests.

- Mark Cairns – Mark was appointed to the Board in April 2021 and stands today for election. Mark brings highly relevant experience to the FRE Board, having been Chief Executive of Port of Tauranga, New Zealand's largest and most successful port, since 2005. He was previously Chief Executive of Toll Owens Limited and Owens Cargo Company Limited. He has extensive experience in logistics, infrastructure, contracting and significant exposure to capital markets. Mark sits on a number of Boards, including Meridian Energy Limited and Sanford Limited, and is the intended Chairman of 2 degrees if its IPO proceeds.
- Mark Rushworth - Mark was appointed a Director in 2015 and has extensive experience in the technology sector, with a decade's governance experience, predominantly in the high tech and innovation space. He has widespread operational and marketing experience. He spent 4 years on the senior executive team of Vodafone NZ and has previously served as CEO of Pacific Fibre, iHug and Paymark. Mark is currently CEO of private equity-owned UP Education.
- Peter Kean - Peter was appointed a Director in 2016, bringing to Freightways many years of senior executive experience with the Lion group of companies in both New Zealand and Australia. After retiring from Lion in 2014 he has developed a career in governance. Peter is also a Director of Sanford Limited and a number of private companies. Peter is retiring by rotation and standing for re-election at this meeting.
- I was appointed a Director of Freightways in February 2010 and elected Chairman in 2018. I am a lawyer by training and have widespread corporate legal experience in private practice, having also spent over 7 years on the senior executive team of Telecom NZ through until mid-2008, where among other things I had executive accountability for two business units. I'm currently Chairman of Meridian Energy and Summerset Group Holdings and a director of ANZ Bank New Zealand. I intend to retire from the Board during next year,

as part of the Board's succession plan. The Board is conscious of the need for continuity of experience alongside Board renewal.

Also joining us today are:

- Mark Troughear, Freightways' Chief Executive Officer, who was appointed to the role of CEO in January 2018. Mark has been with Freightways in various executive roles for approximately 25 years and has a comprehensive knowledge of the group's operations across all divisions in New Zealand and Australia.
- Stephan Deschamps, Freightways' Chief Financial Officer. Stephan joined the Freightways senior leadership team in the midst of the Covid-19 crisis in April last year. Stephan has previously held a number of senior finance roles; most recently as acting-CFO of Air New Zealand. Stephan also spent 14 years at Fonterra, including 2 regional CFO roles in Latin America and China; and

The Company's Auditors, PricewaterhouseCoopers, are represented here today by Keren Blakey and Jack Worthington and the Company's external legal advisors, Russell McVeagh, are represented here today by David Raudkivi.

The Financial Statements for the year ended 30 June 2021 are set out in the Company's Annual Report that was released to shareholders in August. This year's Annual Report continues the practice of recent years in giving shareholders and other interested parties a lot more information about what we do at Freightways. Covid19 remained a significant factor during the year, both in NZ and in Australia, although its impact on FRE was more limited in the Financial Year 21. In the Annual Report, we provide information on how the Company was impacted and how we have continued to respond. I would like to convey how impressed the Board has been with the commitment of each and every employee and contractor of FRE, who rallied to ensure our staff, customers, communities and shareholders were all well looked after. We completed last year the acquisition of Big Chill Distribution, which has been an outstanding success. FY21 was much about consolidating this significant acquisition and giving time for our balance sheet to

return to stronger levels. The addition of the Big Chill team into Freightways has been seamless.

The intent is to continually improve our reporting to you, our shareholders, on the matters we think are most relevant to our business.

I would now like to speak briefly to some of the financial highlights of Freightways' 2021 year. I will then ask Mark Trougher to address you.

Slide 8. General highlights – Financials 2021

- FY21 saw very solid growth, both at top and bottom line. Our revenue broke the \$800m threshold, a 27% increase from last year. Part of this is due to Big Chill being included for the entire year, but even without Big Chill, revenue increased by 14%. This reflects the quality of services we offer, which has allowed us to grow our market share, as well as the entrepreneurial nature of our people across the business. This has led to new business opportunities, in medical waste for example and recycling.
- Our margins also improved, with EBITA and NPAT both growing at or more than 30% year-on-year. This excludes the impact of the accrual for the final payment of the Big Chill acquisition.

So, let me explain the \$23m accrual we made for Big Chill.

When Big Chill was acquired in April 2020, its value was estimated at \$145m, and 80% [\$116m] was paid upfront. The final 20% will be paid in August 2022, based on the performance of Big Chill in FY21 and FY22. Because this performance has been so much better than initially expected, we have had to revise upward what the final payment will be, and we now expect it to be roughly \$51m. This means we need to accrue \$23m more than we already had and to recognise this as a cost this year in our P&L. But I want to stress that this only shows how well Big Chill is doing, and was a non-cash cost in FY21- a positive issue to have.

Finally, in line with our formalised Capital Management Policy that I will cover later, the Board set a final dividend of 18c, bringing the total dividend for the year to 33.5c. This is 10% higher than the last full dividend we paid in FY19 and the highest dividend of the last 15 years or so.

Slide 9. General highlights - 2021

Our performance has also benefitted our people. Thank to such initiatives as Pricing for Effort, couriers have seen an increase in their remuneration of 8% year-on-year on average. We also continue to invest in the safety of our people, and we have seen a decrease of workplace injuries.

Beyond our current successes, we are actively planning for and investing in growth areas and new business opportunities. We are continuing to invest in medical waste in Australia (which we commenced in 2017) and in different initiatives of waste recycling in NZ. Our in-house idea incubator which is called the Startery, has assessed 32 different ideas, 5 of which are now being further developed.

Finally, FRE also wants to do the best for our communities and wider stakeholders. We have committed to reducing the carbon emissions across our network by 50% by 2035. We are also making good progress to reduce the use of fossil-based plastic in our network.

Slides 10. – Capital Management Policy

As Freightways remains a very acquisitive company, the Board did further work with Management to clarify its capital management policy, including the way we set dividends.

Whilst we have not introduced any significant change, we have made the order of priorities clearer.

Our primary objective is to optimise our cost of funds so that we target a credit profile equivalent to a BBB-rated company. One of the criteria we use to assess this is our net debt/EBITDA ratio that we want to maintain in a range of 2 times to 3 times.

This influences how we manage the company: if the ratio is closer to 3x, then our focus will be on cash generation and debt repayment and could extend to reducing capex. If it is getting closer to 2x, it means we are either preparing for acquisitions or could consider a further return to shareholders. Corrected for non-cash exceptionals, the ratio was at 2.4x at the end of FY21.

This will also guide how we set dividends:

- The first rule is that the dividend will be set at a level that does not challenge our capital management objective
- We will also set the dividend at a level that we believe is sustainable over time
- Taking these 2 items into account, we will aim to set a dividend around 75% of the NPATA corrected for significant non cash one off items

I'll now call on Freightways' CEO, Mark Troghear, to address the meeting.

Slide 11. Freightways – Mark Troughear, Chief Executive Officer

B. CHIEF EXECUTIVE OFFICER’S REVIEW AND TRADING UPDATE

Thankyou Mark.

Welcome to all shareholders joining us virtually for our 2021 ASM.

Also welcome those from the FRE team on the call and would like to express my thanks to you and your teams for the outstanding work you have done over the past year.

I’ll talk to a brief summary of;

- FRE Strategy including an update on two of our most recent investments
- Our high level ESG goals, and
- Provide a trading update for Q1 along with our outlook for the year

Slide 12. The Freightways Blueprint

FRE operates a number of businesses involved in picking up, processing and delivering

These operations span express package, business mail, information management and waste renewal (formerly secure destruction)

The core capabilities that underpin our success in these markets are;

- A focus on striving for efficiency: (100m items, 500m individual movements)
- Delivering reliably for our customers – where accuracy is paramount
- Loving our customers – retaining their loyalty, understanding their needs – both now and in the future, and

- Acting like entrepreneurs across all of our businesses activities, investing money as if it were our own, constantly searching for new horizons of growth

There are also 3 core principles that guide how we operate

- Taking ownership at every level of our business – by role, department, branch and brand
- Thinking and acting commercially in all that we do – recognising our teams, our customers, contractors and shareholders are all invested in this business
- Working as a family to support and develop each other

All of that helps us move you to a better place, career opportunities for our people, growth in incomes for our contractors, helping our customer grow and achieve their business goals, increasing returns for our shareholders.

Slide 13. Strategy

- Ensure we are pricing our services reflective of the effort required – to generate a return and remunerate our contractors well. Our focus remains on PFE for local, residential and large freight over the coming year.
- Enable SME eCommerce businesses by providing a suite of tools and services to meet market need.
- Leverage our service advantage to pick-up market share in EP&BM. Our latest transit tests have us performing by a margin of 50% better than our nearest competitor (76% v 21% next day). This is assisting us gain market share where the pricing makes sense, across our EP & BM
- Expand our Temperature-Controlled market share and develop our 3rd Horizon of Growth in this market capitalising on the acquisition of ProducePronto.
- Grow digital (BPO) services for Information Management clients in AU & NZ.

- Execute our strategy to add high-value waste streams to our collection and processing networks (SaveBoard, Medical Waste).
- Use **The Startery** to develop complementary services that provide Horizon 2 or 3 growth opportunities for our existing businesses. The Startery allows us to do this in a structured way where data and customer feedback guides our decision making rather than gut feel.

Slide 14. Strategy

ProducePronto

- Ownership from November 1, 2021
- Complementary to Big Chill
- Same day express delivery of fresh and frozen food to businesses and convenience food outlets
- Growth pathway will leverage Big Chill and EP assets
- \$10m purchase price with potential earn-out of up to \$4m over 3 years

Saveboard

- Currently 22% shareholder increasing to 36% in March 2022 when AU set up commences
- Converts packaging waste into building products
- Expected to produce first boards at the end of 2021
- 2 sites – Hamilton and Sydney
- Complementary to our Waste Renewal business which focuses on circular economy solutions for high value waste streams

Slide 15. SDG Update

FRE approach to ESG has us target our work on those areas where we and our stakeholders feel we can move the dial. As a result the 5 SDG's presented on this slide are our primary areas of focus.

- Health and safety in employment – injury reduction. The addition of a dedicated GM of Safety, employing new technology to train & educate our teams, monitor our progress. Significant focus on all of those who manage people to constantly improve our approach to ensuring that our team get home safely every day/night.
- Providing opportunities for career advancement and earnings improvement for our staff and contractors
- Development of new adjacent business services which grow our revenues and provide opportunities for our people
- Reduction of emissions with a target to reduce carbon emissions by 50% by 2035. We have developed our first science based targets, targeting a 50% reduction in emissions by 2035. We have a strong track record in an industry where there are few viable alternatives. We have successfully reduced emissions by 5% yoy/unit and reported on those emissions since 2014. We are confident there will be viable alternatives in another 3-4 years. Freightways operate one of the most modern fleets in NZ for both small vehicle and heavy transport. Our couriers update their vehicles on average every 7 years. We are confident that with the increases in remuneration we are providing through our fleets that will continue as viable EV technology becomes available in NZ. Heavy transport will be a bigger challenge, but we will monitor with interest the developments around BEV and Hydrogen over the coming years. Our 50% reduction is achieved by a 100% change out of the light vehicle fleet to EV by 2035.
- Reduction of plastic packaging waste by 70% over the coming year

Slide 16. Q1 Trading Update (cover)

Slide 17. EP Item Growth YOY (Network Couriers Only)

The graph illustrates the growth in items for our network Express Package businesses (consistent with previous presentations) over the first 15 weeks of FY22.

The two lines show 2021 growth on 2020 and also on 2019 (pre covid). This period traverses the lockdowns that began mid-August

Key points to note;

- The drop in overall activity was less severe than April 2020's, level 4 lockdown
- The dark blue line illustrates the growth over a "normal" base year 2019 and shows that over the last 4 weeks the businesses have been dealing with in excess of 20% growth on that 2019 base – mix of market growth (eComm in particular) and market share gains. 10%+ on 2020 volumes.
- Our Q1 results encompass the weeks 1-12 and so are naturally impacted by the shaded period where level 4 lockdown was in force.
- Despite this expected impact on volumes the business has rebounded strongly

Slide 18. EP B2C Growth YOY (Network Couriers Only)

This graph demonstrates the growth in B2C deliveries - deliveries to homes in residential and rural areas.

The graph again gives reference to growth over last year and also 2019 (pre Covid)

Key points to note;

- While level 4 lockdown had a negative effect YoY the trend since the rest of NZ eased out of level 4 restrictions has shown strong growth in B2C (home delivery)
- Importantly these deliveries now attract our pricing for effort surcharge to reflect the true cost of final mile delivery

- The trend over the past 7 weeks represents growth of 35% over 2020 and growth of around 100% on 2019

Slide 19. Q1 Consolidated Performance - Unaudited

Our Q1 results reflect the following impacts;

1. One less week in FY22 than we had in FY21 as a result of FRE's 4-4-5 accounting system
2. NZ's level 4 lockdown
3. AU's NSW and VIC lockdowns

As a result;

- Revenue was lower by 4.1%
- EBITA was lower by 9.2%
- NPATA was lower by 5.7% on the pcp

The EBITA impacts were;

- For the extra week was \$2.1m
- For level 4 in NZ was estimated at \$4.5m and
- For the AU lockdowns was estimated at \$0.4m

A total impact of approximately \$7.0m

Slide 20. Q1 Express Package & Business Mail Unaudited and excludes lease accounting

- Freightways uses a 4-4-5 weeks accounting calendar. In the first quarter of FY21, there was one extra week compared to FY22. Revenue and EBITA are respectively \$11.6m and \$1.9m for the extra week.
- The New Zealand Covid Level 4 lockdown in August - September 2021 is estimated to have resulted in EBITA that is \$3.9m lower than the prior comparative period.

Slide 21. Q1 Information Management - Unaudited and excludes lease accounting

- Freightways uses a 4-4-5 weeks accounting calendar. In the first quarter of FY21, there was one extra week compared to FY22. Revenue and EBITA are respectively \$0.8m and \$0.2m for the extra week.
- The New Zealand Covid Level 4 lockdown in August - September 2021 is estimated to have resulted in EBITA that is \$0.6m lower than the prior comparative period.
- The Australian Covid lockdown in the first quarter of FY22 is estimated to have resulted in EBITA that is \$0.4m lower than the prior comparative period.

Slide 22. Outlook (cover)

Slide 23. Outlook

- While Q1 was affected by the level 4 lockdown in NZ and the continued restrictions on businesses operating in both NZ and Australia we remain confident that we will achieve earnings growth for the company in FY22.
- We have been encouraged by the increase in volumes driven by eCommerce activity and market share gains in Express Package as NZ has moved into level 3 and below.
- We are also pleased with the growth in Medical Waste in Australia and while we expect that to ease as the situation in Victoria improves it should occur at the same time as businesses reopen in Melbourne and Sydney CBD's - restoring activity for our information management and document destruction services.
- We remain conscious that even the best laid plans can be influenced by macro factors that we are less able to control:

- > A tight labour market putting upward pressure on labour costs,
 - > Current and potential lockdowns in AU & NZ,
 - > A constrained supply chain which could continue to disrupt the flow of goods coming into NZ and ultimately impact the volumes we receive from our customers.
- We will continue to review the portfolio of services we provide with a view to delivering superior long-term value to shareholders through short, medium and long-term initiatives.
 - The company will continue to consider acquisition opportunities that are complementary to our existing operations and capabilities.

I'd like to once again thank our teams of staff and contractors who have contributed to a successful year for FRE.

In closing I would like to extend Management's congratulations and thanks to Kim Ellis for his fine term at FRE as a Director.