

NZX/ASX Announcement

27 February 2026

Amendment to Long-Term Incentive Scheme (LTI) and Issue of Share Rights and Shares under LTI

The purpose of Freightways executive long-term incentive scheme is to better encourage long term performance and promote employee retention. Vesting of the share rights under the LTI has historically been based on the achievement of the following two total shareholder return (TSR) hurdles being met over a 3-year vesting period:

- i. 50% of the share rights are subject to an absolute TSR, whereby half these share rights vest if Freightways outperforms the NZX50 index median, pro-rated up to 100% vesting at the 75th percentile of the index constituents; and
- ii. 50% of the share rights are subject to Freightways' relative TSR target of profit performance above the cost of capital, as set by the Board of Directors (relative TSR target).

The Board has resolved to replace the second limb ((ii) above) of the LTI scheme with an absolute TSR target determined by reference to a cost of equity reference because it does not consider the current relative TSR measure achieves the intended effect of the scheme to encourage and reward long term performance. In addition, the Board has obtained external market benchmarking on LTI metrics and measures and believes a more commonly used metric and one that is simpler to understand is more appropriate. The benchmarking work has also guided the Board in its determination of the appropriate cost of equity threshold to measure absolute TSR.

The new absolute TSR target contemplates the following:

50% of the Share Rights are subject to an absolute TSR measured against a fixed annualised return threshold, whereby half these Share Rights vest when it equals 10.3%, pro-rated up to 100% vesting for achieving a TSR equal to or above 11.3%, over the vesting period.

The Board has resolved that all existing share rights (comprising those outlined in capital change notices issued on 1 May 2024 and 6 December 2024) will be amended to replace the second limb with the new absolute TSR target and that the share rights to be issued on or about the date of this announcement will be issued with the revised vesting conditions.

The Board has also commissioned external advice to review the calculation required to measure the relative TSR target for share rights vesting on 30 June 2024 (FY24) and 30 June 2025 (FY25). That review identified that it was reasonable for the Board to adopt a lower weighted average cost of capital multiplier in the relevant calculation which would have resulted in a greater number of share rights vesting at the end of FY24 and FY25. Accordingly, the Board has determined to issue an additional 59,190 ordinary shares to LTI participants to reflect the revised vesting determination.

Capital change notices in respect of the issue of share rights for FY26 and the issue of ordinary shares in connection with the vesting update accompany this announcement.

For further information please contact:

Stephan Deschamps
Chief Financial Officer
Freightways Group Limited
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Section 1: Issuer information	
Name of issuer	Freightways Group Limited
NZX ticker code	FRW
Class of financial product	Ordinary shares
ISIN (If unknown, check on NZX website)	NZFREE0001S0
Currency	NZD
Section 2: Capital change details	
Number issued/acquired/redeemed	59,190 ordinary shares
Nominal value (if any)	Not applicable
Issue/acquisition/redemption price per security	\$14.90 per share
Nature of the payment (for example, cash or other consideration)	Not applicable
Amount paid up (if not in full)	Fully paid
Percentage of total class of Financial Products issued/acquired/redeemed/ (calculated on the number of Financial Products of the Class, excluding any Treasury Stock, in existence) ¹	0.037%
For an issue of Convertible Financial Products or Options, the principal terms of Conversion (for example the Conversion price and Conversion date and the ranking of the Financial Product in relation to other Classes of Financial Product) or the Option (for example, the exercise price and exercise date)	See terms of issue below.
Reason for issue/acquisition/redemption and specific authority for issue/acquisition/redemption/ (the reason for change must be identified here)	The issuance relates to the achievement of performance hurdles under the terms of the Freightways Executive Long-term Incentive Scheme as at 30 June 2024 and 30 June 2025 and supplements the ordinary shares issued on 21 August 2024 and 20 August 2025.
Total number of Financial Products of the Class after the issue/acquisition/redemption/Conversion (excluding Treasury Stock) and the total number of Financial Products of the Class held as Treasury Stock after the issue/acquisition/redemption.	178,994,863 ordinary shares There is no treasury stock.
In the case of an acquisition of shares, whether those shares are to be held as treasury stock	Not applicable
Specific authority for the issue, acquisition, or redemption, including a reference to the rule	Board approval and Listing Rule 4.6.1

¹ The percentage is to be calculated immediately before the issue, acquisition, redemption or Conversion.

pursuant to which the issue, acquisition, or redemption is made	
Terms or details of the issue, acquisition, or redemption (for example: restrictions, escrow arrangements)	The issued shares rank equally with other fully paid ordinary shares on issue
Date of issue/acquisition/redemption ²	27 February 2026
Section 3: Authority for this announcement and contact person	
Name of person authorised to make this announcement	Stephan Deschamps
Contact person for this announcement	Stephan Deschamps
Contact phone number	+64 27 562 5666
Contact email address	Stephan.deschamps@freightways.co.nz
Date of release through MAP	27 February 2026

² Continuous issuers using this form in reliance on Rule 3.13.2, please indicate the period during which the relevant issue/acquisition/redemptions were made (for example, 1 January 2019 to 31 January 2019).

Section 1: Issuer information	
Name of issuer	Freightways Group Limited
NZX ticker code	FRW
Class of financial product	Unlisted Share Rights
ISIN (If unknown, check on NZX website)	Not applicable
Currency	NZD
Section 2: Capital change details	
Number issued/acquired/redeemed	181,056 Share Rights
Nominal value (if any)	Not applicable
Issue/acquisition/redemption price per security	No cash consideration is payable for the issue of the Share Rights
Nature of the payment (for example, cash or other consideration)	Not applicable
Amount paid up (if not in full)	Not applicable
Percentage of total class of Financial Products issued/acquired/redeemed/ (calculated on the number of Financial Products of the Class, excluding any Treasury Stock, in existence) ¹	38.81%
For an issue of Convertible Financial Products or Options, the principal terms of Conversion (for example the Conversion price and Conversion date and the ranking of the Financial Product in relation to other Classes of Financial Product) or the Option (for example, the exercise price and exercise date)	See terms of issue below.
Reason for issue/acquisition/redemption and specific authority for issue/acquisition/redemption/ (the reason for change must be identified here)	The Share Rights are issued under the Freightways Group Limited Long Term Incentive Scheme.
Total number of Financial Products of the Class after the issue/acquisition/redemption/Conversion (excluding Treasury Stock) and the total number of Financial Products of the Class held as Treasury Stock after the issue/acquisition/redemption.	647,593 unlisted Share Rights. 647,593 ordinary shares if all Share Rights vest and are exercised. There is no treasury stock.
In the case of an acquisition of shares, whether those shares are to be held as treasury stock	Not applicable
Specific authority for the issue, acquisition, or redemption, including a reference to the rule pursuant to which the issue, acquisition, or redemption is made	Board approval and Listing Rule 4.6.1.

¹ The percentage is to be calculated immediately before the issue, acquisition, redemption or Conversion.

Terms or details of the issue, acquisition, or redemption (for example: restrictions, escrow arrangements)	The Share Rights are eligible to vest at the end of a 3-year vesting period ending 30 June 2028 (“Vesting Period”). Vesting of the Share Rights is subject to the satisfaction of two hurdles: 1) 50% of the Share Rights are subject to a relative Total Shareholder Return (TSR), whereby half these Share Rights vest if the Company outperforms the NZX50 index median, pro-rated up to 100% vesting at the 75th percentile of the index constituents, over the Vesting Period; and 2) 50% of the Share Rights are subject to an absolute TSR measured against a fixed annualised return threshold, whereby half these Share Rights vest when it equals 10.3%, pro-rated up to 100% vesting for achieving a TSR equal to or above 11.3%, over the Vesting Period. Upon vesting, each Share Right can be converted into one ordinary share in Freightways on exercise for no cash payment. On exercise the holder will be responsible for any tax obligations applicable to the remuneration the shares represent. The Share Rights are non-transferable.
Date of issue/acquisition/redemption ²	27 February 2026
Section 3: Authority for this announcement and contact person	
Name of person authorised to make this announcement	Stephan Deschamps
Contact person for this announcement	Stephan Deschamps
Contact phone number	+64 27 562 5666
Contact email address	Stephan.deschamps@freightways.co.nz
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