

WINTON

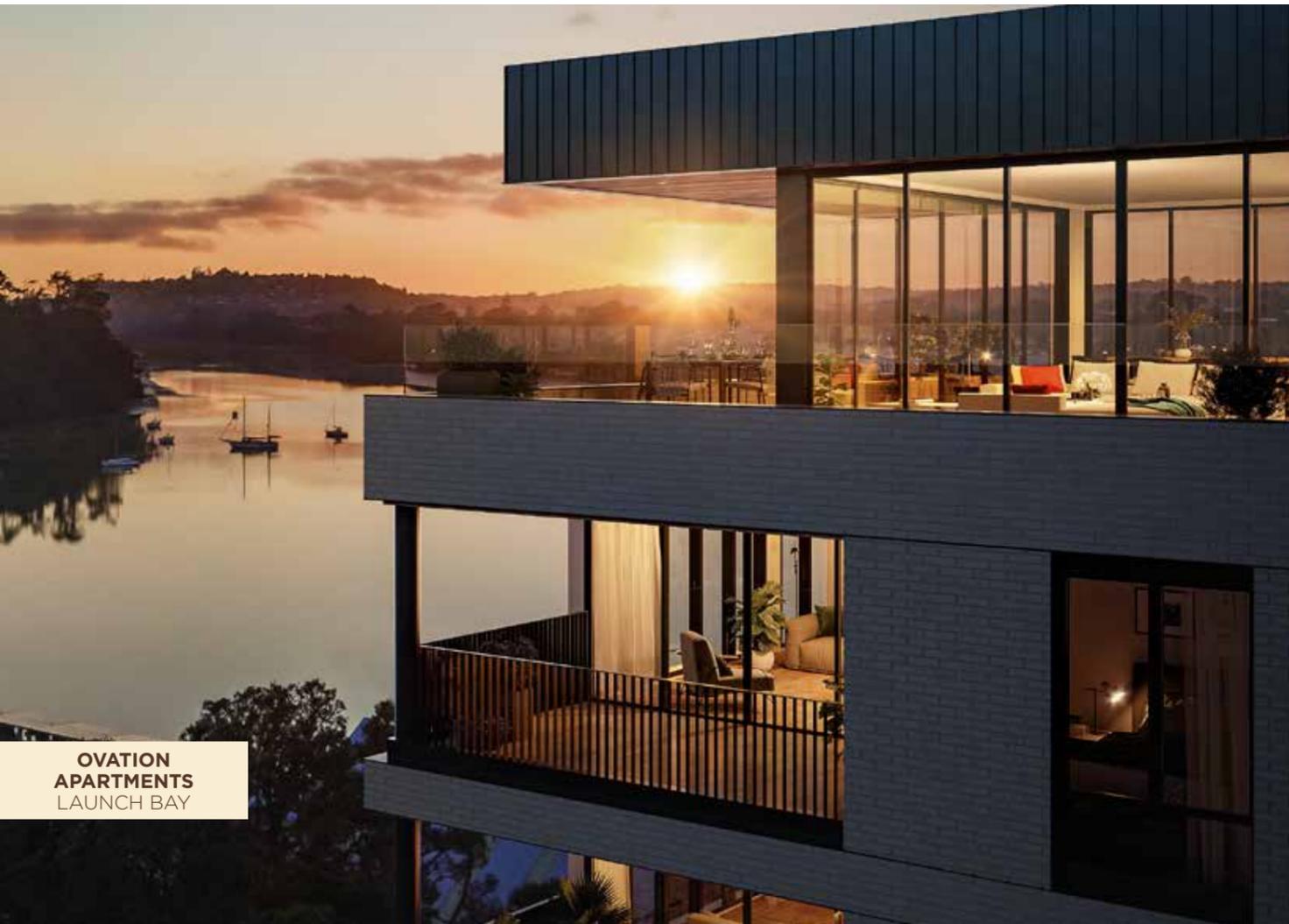


# Winton builds neighbourhoods

ANNUAL REPORT  
2022

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OVATION  
APARTMENTS  
LAUNCH BAY



GROSS PRE-SALES



# Letter from Chris Meehan

## CEO and Chair

Our first financial year as a listed company has continued at pace. We listed on the NZX and ASX in December 2021, welcoming 482 new shareholders to the Winton register and raised \$350 million in capital to pay down debt and fund future growth.

Following the listing, the Winton team continued its momentum coming into the 2022 calendar year. With a shifting market landscape, we needed to stay focused on our expected deliverables while being acutely aware of the challenges and opportunities that would arise in a changing residential sales and credit environment.

With the funds from the IPO, we repaid Winton's only debt facility of \$130 million as intended, clearing all debt from our balance sheet, and invested in Winton's growth strategy into the luxury retirement space, implementing on the Northbrook vision.

We have continued to execute our development plans, and for the 12 months ending 30 June 2022, we delivered slightly higher financial results than forecasted. In FY22 we settled 449 units and delivered \$159.5 million in total revenue, \$1.5 million higher than forecasted. Gross profit was \$72.4 million, \$1.9 million higher than expected, resulting in a gross profit margin of 45.4%. Pro forma EBITDA of \$50.8<sup>1</sup> million was \$1.8 million higher than forecasted. Our pre-sale book is in great shape, closing the financial period at \$662.2 million.

The double-digit year-on-year growth experienced in the New Zealand housing market over the last few years was unsustainable by any measure. The underlying fundamentals of the New Zealand housing market have shifted with increasing interest rates, an inflationary domestic environment, increasing construction costs and the introduction of the Credit Contracts and Consumer Finance Act. Naturally, residential sales enquiry and sales have softened; however, Winton's long-term strategy of seeking pre-sales has put us in good stead, sheltering Winton's financial performance from the ongoing market volatility. The same cannot be said for everyone in the industry. The decrease in sales has put further pressure on those already struggling with debt, cost increases and supply chain issues.

The market remains in a structural undersupply and New Zealanders still need homes, and the likely contraction of the industry will mean there are fewer operators to build them.



Winton is in tremendous shape with a landbank as at 30 June 2022 with the potential to yield up to 6,896 units<sup>2</sup>, including 919 retirement living units, and a gross pre-sales book of \$662.2<sup>3</sup> million that continues to grow, cash holdings of \$204.8 million and zero debt on our balance sheet. We hold assets in residential, commercial and retirement property with a total estimated Gross Development Value (GDV)<sup>4</sup> of c.\$4.6 billion.

Winton's reputable brand, fortress balance sheet, high-quality developments throughout New Zealand, significant landbank and thoughtfully designed masterplans will ensure we remain one of New Zealand's most reliable developers to purchase from, but also to issue development consents for and contract and supply to.

The Northbrook luxury retirement brand will provide further product diversity, building on Winton's expertise in residential development. Last year we appointed ex-Summerset Group CEO Julian Cook as the Director of Retirement to lead our luxury retirement living strategy. Julian and the team are making great progress on the first five villages as they work to attain resource consent and operational capacity for when development begins. A more detailed update on Northbrook can be found on page 12.

1 Pro forma EBITDA is a non-NZ GAAP measure that includes pro forma adjustments. You can find a reconciliation to NZ GAAP measures in Winton's results presentation and described on page 11.

2 Units comprise residential land lots, dwellings, townhouses, apartments, retirement living units and commercial units.

3 As at 30 June 2022.

4 GDV is gross development value, it is a non-GAAP measure. GDV is Winton's estimated gross sales value of the relevant project as at 30 June 2022 (including GST and excluding units already settled) as if that project were complete and sold based on prevailing market conditions on that date. For the avoidance of doubt, no escalation in the sales value of lots/units has been assumed, except for pre-sold units which are based on the relevant contractual arrangements. GDV is an important metric for Winton as it reflects Winton's estimate of market demand and planning outcomes and is continually assessed and monitored by Winton as projects progress.

## Transactions

This year we have added to our landbank and strategically improved the structure of our vertical living part of the business.

We settled the stunning 5,000 sqm Wynyard Quarter site at Beaumont Street for our Northbrook Wynyard luxury village. We also acquired a prime waterfront 1.2-hectare block within Wynyard Quarter known as Pier 21 located on Westhaven Drive, Auckland. Pier 21 comprises multiple assets and is adjacent to the 5,000 sqm Northbrook Wynyard site. In addition to the commercial rationale of the acquisition, the site offers the perfect space for the flagship Northbrook sales suite.

We recently announced the establishment of the Winton / MaxCap Medium Density Development Fund, a \$200m equity investment vehicle that will focus on the acquisition and construction of townhouse and apartments developments throughout New Zealand's metropolitan centres.

Winton is delighted to partner with a quality institutional party such as MaxCap New Zealand Limited and looks forward to developing a lasting relationship. Both parties believe this is an opportune time to be entering the market to

purchase townhouse and apartment development sites. The establishment of the Fund further diversifies Winton's capital sources and income streams. MaxCap's commitment to the fund provides further credence to Winton's position as New Zealand's leading residential developer.

In keeping with our aim to maximise profits whilst minimising the exposure of our balance sheet to debt, we anticipate that the Winton / MaxCap Medium Density Development Fund will be the first of many other funds management initiatives Winton will employ across various sectors of the property market in the near term.

Winton has extensive experience and an outstanding track record in both funds management and development management and as a consequence, our expertise is now widely sought after by institutional investors in a rapidly changing market environment.

MaxCap Group is an Australian and New Zealand commercial real estate investment manager with current Funds Under Management and Advice of circa \$AUD7bn, having invested more than \$AUD15bn across more than 530 investments since inception in 2007.





## Board and Governance Update

As communicated at the time of listing, Macquarie Asset Management (MAM, part of Macquarie Group) committed \$200 million through one of its real estate vehicles, TC Akarua Sub Trust.

As a cornerstone investor, a representative from Macquarie Asset Management (MAM) would join Winton's Board of Directors. In February this year, James Kemp was appointed as a Non-executive Director as the representative of MAM. James is a Senior Managing Director in MAM and is Head of Real Estate Asia-Pacific. We welcome James' wealth of knowledge and industry experience to the Board.

Jelte Bakker was appointed as an alternate Director to James. Jelte is a Senior Managing Director in MAM and is Global Head of Opportunistic Real Estate.

Winton has been extremely satisfied with KPMG's external audit services over the past 5 years and looks forward to

continuing to work with them on non-audit functions going forward. However, as we head into the next 5-year term, the Board believes that now is the appropriate time to rotate external auditors. Following a formal request for proposals for external audit services, the Board recommends Ernst & Young be appointed as its new external auditor. Ernst & Young's proposed appointment as Winton's external auditor is for the financial year ending 30 June 2023 and is subject to approval by shareholders at Winton's Annual Shareholders' Meeting to be held on 26 October 2022.

As a company, we aim for a high standard of governance. Since listing, the Board has approved a number of policies to support healthy governance at Winton. These are available on the Winton investor website and there is a more comprehensive description under the Governance section of this report on page 61.

## Dividend

The Board declared a 1.07 cent dividend per share for the six months ending 30 June 2022.

The dividend is in line with expectations set in the Product Disclosure Statement (PDS) at the time of listing.

From FY23, dividends are expected to be declared and paid twice a year following interim and annual results, as per Winton's Dividend Policy.

## Outlook and Guidance

In our established market-leading position, with our history of successful developments and extensive development pipeline, Winton will continue to execute its growth strategy, outperforming competitors and growing market share. Winton remains focused on developing thoughtfully designed neighbourhoods and creating thriving residential communities and retirement villages throughout New Zealand.

As anticipated, supply chain issues following the lockdowns in 2021 have continued. Winton has mitigated these challenges by confirming orders well in advance and locking in a high proportion of our delivery costs with financially sound, capable contractors and suppliers. While we have not been entirely immune, we have avoided major delays relating to the supply chain. The industry believes the GIB supply issues will be resolved by the end of the year. However, there is a risk of shortages of other products over the coming year, so we will remain cautious about the entire supply chain, including GIB, and will continue to confirm orders and purchase materials well in advance and do whatever we can to mitigate this risk.

We believe that the New Zealand residential market will continue to experience headwinds in the near term. As I have outlined, Winton is in a strong position to benefit from this situation. The psychology of a declining property market means potential buyers sit on the sidelines, waiting for the bottom.

As soon as there are signs of nearing the bottom, the market can bounce as buyers swiftly start purchasing again to get a position in the market. Winton knows this type of market well, and with its strong balance sheet and established market leading position, it is in the best position possible to navigate and thrive in these conditions.

The current market conditions will unlock potential land acquisition opportunities for Winton. We are in a strong position to acquire land at the right price and terms when the time is right, to support long term depth and diversity of our development pipeline. As always, we will be disciplined in our assessment of these opportunities and make acquisitions when it makes financial sense to do so.

We are currently on target to meet the FY23 guidance provided in the PDS. For FY23, to date, we have achieved 84.8% in pre-sales of forecast revenue in FY23 and expect to deliver \$344.7 million in revenue for the full year, \$137.5 million EBITDA and \$98.8 million profit after income tax.

While we are pleased to reaffirm FY23 guidance, there are many moving parts to the current operating environment. Therefore, the guidance is subject to no material adverse changes or unforeseen events, no material development delays, settlement defaults or any further material Covid-19 restrictions.

While the share price has moved unfavourably since listing, we believe this reflects the relatively small free float and low volumes traded. Since we listed, only circa 0.6% of Winton's shares have changed hands. The current share price does not reflect Winton's true value, and we believe this will be a short-term challenge in the long future for Winton as a listed company.

I want to thank all who invested in the Winton story, including our world-class team of employees, our customers, contractors, suppliers, regulatory bodies, and investors. We have only just begun and are grateful to have you alongside us as we continue to deliver on what we set out to do.

**Chris Meehan**  
Chair and CEO

# Operational Update

Despite all of the Covid-19-associated delays, the Winton team delivered through FY22 across its 14 masterplanned neighbourhoods and 27 projects.

During the year, we settled 449 units, including lots, dwellings, apartments, commercial units and a school site, which was slightly more than expected. We are incredibly proud of what we have delivered in a year so far from business as usual, where contractors have constantly had to juggle staff to work around Covid-19 infections and relentless supply chain issues.

Frustratingly, increasing local Council, central Government and Court processing and administrative delays are proving a significant obstruction to the industry. Generally we see this as being of greater ongoing concern than the supply chain issues experienced across New Zealand in the past two years.

DEVELOPMENT	UNITS SETTLED FY22		
	H1 FY22	H2 FY22	TOTAL
BEACHES	17	31	48
LAKESIDE	3	185	188
LONGREACH	11	-	11
LAUNCH BAY	-	39	39
NORTHLAKE	71	27	98
NORTH RIDGE	26	27	53
RIVER TERRACE	-	12	12
	<b>128</b>	<b>321</b>	<b>449</b>



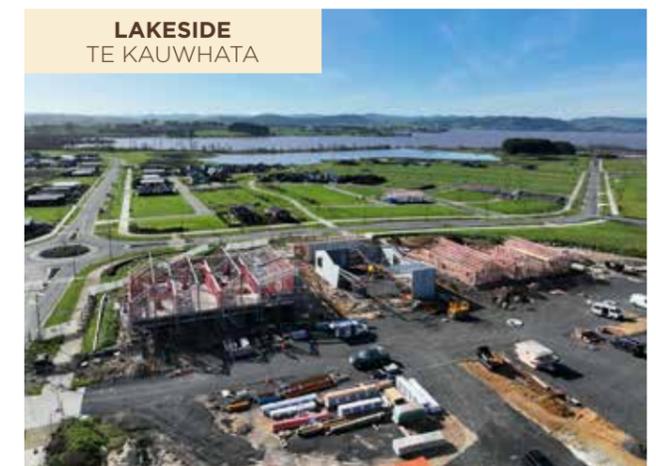
**LAUNCH BAY**  
HOBSONVILLE POINT

The balance of stages 3 and 4 at Beaches, Matarangi settled during the second half of FY22 and we look forward to seeing these lots come to life as buyers start building their coastal homes. Earthworks and civil works continue on site for future stages.



**BEACHES**  
MATARANGI

A lot has happened at Lakeside during FY22. We completed and settled 188 units, which included 42 more lots than forecasted, and the site for the new 1,000 pupil primary school. In addition, substantial earthworks continued on the future stages, construction began on the Lakeside Village Shopping Centre, and we officially opened Rimu Street, the second connection from Lakeside to the Te Kauwhata township.



**LAKESIDE**  
TE KAUWHATA

The final 11 residential lots at Longreach, Cooks Beach were delivered during the year, bringing the 163 lot residential development to an end and marking completion of another successful Winton development.



**LONGREACH**  
COOKS BEACH

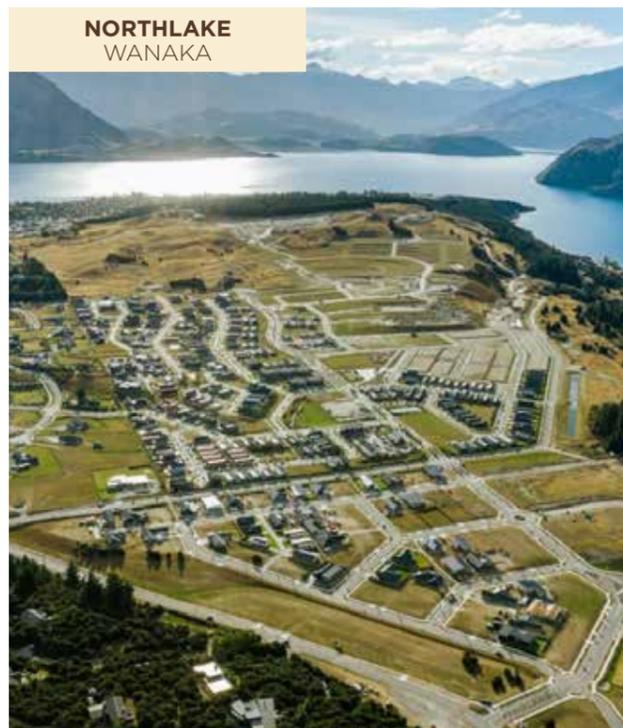
# Operational Update continued

There are a number of different projects within the Launch Bay precinct. To date, we have completed and sold each of the Officers' Houses, the Oval Houses and most recently, the 39 apartments within the Marlborough which settled in H2 FY22. Currently under construction, we have the Ovation Apartments and Townhouses, the Launch Bay Townhouses and Apartments, and our most recently launched project the Jimmy's Point Apartments.



At Northlake we settled 98 units during the year, taking the total number of Northlake units settled since the start of the project to 551.

While we mostly managed to avoid supply chain shortages relating to Covid-19, one of our projects in Wanaka has been affected by the GIB shortage, delaying the settlement of 10 dwellings into early FY23. Construction continues on the Northlake Duplex's, Northlake Commercial and Apartments, and Alta Villas built product.



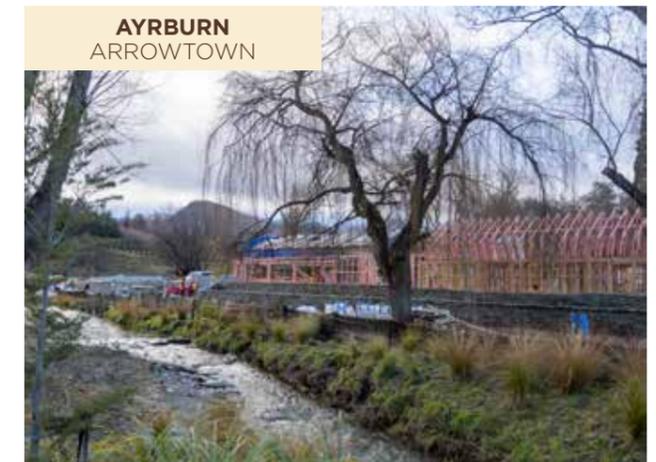
The River Terrace lifestyle community in Cromwell is complete and looks excellent, with all of the landscaping and planting flourishing. We settled 12 units in the second half of FY22 and have six units remaining (two dwellings nearing completion and four lifestyle lots).



Winton's only neighbourhood in Australia has continued to progress as expected, with 53 lots across stage 1 and stage 2 completed and settled. Earthworks and civil works are well underway for stages 3 to 6.



The remediation of the historic farm buildings at Ayrburn has been exciting to observe over the year. The reinstated history of Ayrburn will form the basis of Winton's value adding hospitality precinct, Ayrburn Domain.



## Operational Update continued

### Sunfield

In April, Winton's sustainable car-less and solar-powered '15-minute community' in Papakura was declined for assessment as a Specified Development Project under the new Urban Development Act legislation.

This is incredibly disappointing for Winton and New Zealanders who are desperate for their own home and want the benefits of living in an integrated and sustainable community.

However, we are moving forward with the 50 hectares of the property, which is currently zoned future urban with a more traditional masterplan supported by current regulation, yielding ~2,000 lots. In parallel, Winton is absolutely firm in its resolve to pursue alternate legislative pathways to rezone the remaining c.150 hectares of the Sunfield land, including the Resource Management Act.



SUNFIELD  
PAPAKURA

## Financial Commentary

For the 12-month period ending 30 June 2022, Winton delivered a performance favourable to the Prospective Financial Information (PFI) included in the PDS.

Winton recorded revenue of \$159.5 million, up 1.0% on the PFI. Due to the timing and volume of settlements during the current and prior periods, FY22 revenue was 9.9% lower compared to \$177.0 million in FY21. This was expected as the volume of units to settle was also lower by 18.8%. Volume of units varies from year-to-year depending on the number and size of projects under development and the development lifecycle of each project, the staging of construction works, the level of pre-sales and the underlying market.

Cost of Sales reflects the costs of the land and to develop the land and property for sale. In FY22 Cost of Sales was \$87.1 million, down 27.1% from \$119.6 million in FY21. Costs of sales are recognised in alignment with revenue; therefore, the decrease reflects the 18.8% decrease in the volume of units settled. The remaining decrease reflects a 10.3% lower average cost of units settled due to the decrease in dwellings settled both in volume and in proportion to residential lots and cost savings achieved on settled units in FY22.

Gross Profit was \$72.4 million, up 2.7% compared to the PFI and 26.1% compared to FY21. Gross Profit Margin for FY22 was 45.4% compared to 44.6% in the PFI and 32.4% in FY21 due to a higher average margin from the product mix settled during FY22.

One-off listing and offer costs are removed in the pro forma earnings before interest, tax, depreciation and amortisation (EBITDA) to demonstrate the business's underlying performance. Pro forma EBITDA was \$50.8 million, up 3.7% on the PFI and \$18.4 million lower compared to the prior year due to development management fees received of \$27.5 million in FY21 that were not received in FY22 and higher selling and administrative expenses.

The higher selling expenses were attributable to additional marketing that hadn't been incurred before, including Winton brand marketing and more particularly, the establishment of the new Sunfield and Northbrook projects.

Profit after income tax for the period was \$31.7 million compared to \$29.7 million in the PFI and \$46.1 million in the comparative period.

As at 30 June 2022, cash and cash equivalents were \$204.8 million, compared to \$35.0 million at 30 June 2021, reflecting funds from the capital raise received in December less the \$130.0 million debt repayment made in June 2022. Total assets were \$496.9 million and total liabilities were \$42.8 million. Noting that all Winton property assets are reflected on the balance sheet at cost, not fair value as at FY22.

# Northbrook Update



An update from Julian Cook, Director of Retirement at Winton

**Julian Cook**  
Director of Retirement

Our progress on the luxury Northbrook retirement brand continues at pace and we are excited to see our vision come to fruition as we design and refine our first five villages.

Earlier this year we appointed the world-class architect Woods Bagot to partner with us to create something special; a luxury retirement lifestyle for people in their later years to live life to the full, without compromise.

Woods Bagot has a reputation for creating beautiful high-end residential and hospitality experiences and they understand the essence of the Northbrook vision. They have formed a significant and experienced team to focus on the Northbrook design requirements and are progressing well.

We have spent time refining the Northbrook difference with Woods Bagot, focusing on apartment sizes, ceiling heights, room spaces, the premium quality of the fit-out, and amenities. These will be significantly different from what is seen out there currently, and we believe this will firmly differentiate Northbrook from other operators.

All projects have progressed substantively, both in design and operational consideration.

Northbrook Wynyard's design has evolved into a striking addition to Wynyard Quarter. The building's stepped form responds to its environment, allowing residents to experience

natural light and breath-taking views. The design has been lodged for resource consent and has now progressed into the documentation phases allowing commencement of enabling works on site prior to construction commencing in 2023.

Northbrook Launch Bay's design team has continued to forge ahead into the documentation phases of the design process. Launch Bay has a focus on a diverse and inviting amenity, which will offer all residents within the Launch Bay precinct a hub of community activities to connect with.

Northbrook Avon Loop's design responds to its direct connection to tranquil parks, green spaces and the Avon River. The masterplanning is thoughtful and restrained. We have paused lodging the resource consent while we await what we believe will be a beneficial yield outcome of the national policy statement expected in August 2022.

Northbrook Wanaka continues at pace with building consent documentation completed and negotiations being completed with our nominated build partner. Resource consent has been issued and construction is expected to start in late 2022, with the completion of the first units on track to be delivered in FY24.

Operationally, we are focused on recruitment and information systems. We have appointed a general manager of operations who will start in September 2022 and will make other key appointments in due course.

We have also commenced engagement with operational and clinical system providers. Drafting clinical policy suites, key legal documentation, and policies and processes have also begun.

We are pleased with the overall progress so far, though, of course, there is much work to be done.



**NORTHBROOK**  
WYNYARD



**NORTHBROOK**  
LAUNCH BAY

# Completed Projects

## Marlborough Apartments

The Marlborough Apartments are the architecturally designed entrance piece into Winton's Launch Bay precinct at Hobsonville Point. The vision was to create a boutique apartment building with thoughtful design and layouts, high-quality fittings and amenities that were achievable for first-home buyers to purchase.

The six-story building has 39 apartments with one, two and three-bedroom configurations, each with a private balcony for outdoor living.

The crisp architectural lines at the rear of the building, soften towards the front to tie in with the oval green recreation space which forms the heart of Launch Bay. The exterior material was selected to complement the sea and natural surroundings of Hobsonville Point.

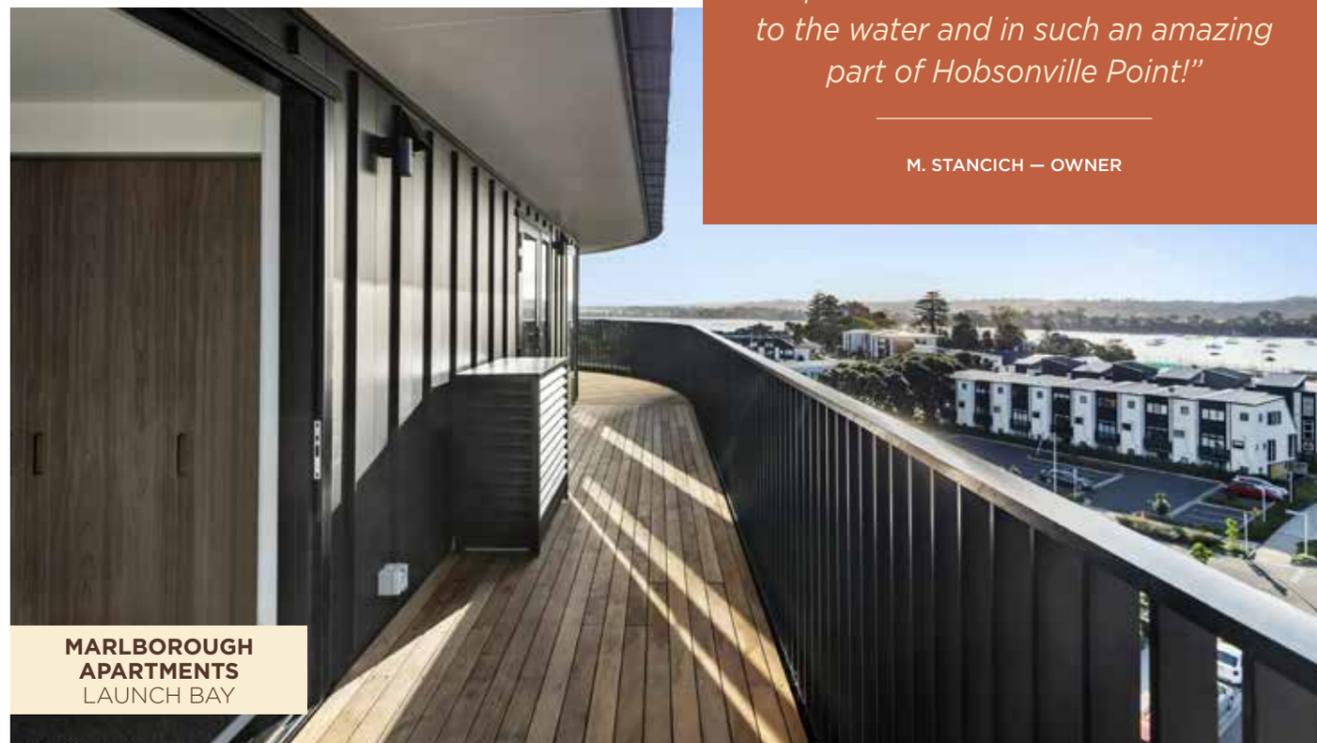
These high-quality homes were targeted toward first-home buyers and offered as part of the Axis Series. Axis homes are an initiative implemented at Hobsonville Point for people buying their first home. Prices were capped at \$650,000 for a three-bedroom Axis apartment.

To be able to offer these more affordable homes in a near waterfront location, they didn't come with a car park. Interestingly, while there was initial hesitation from the sales team about whether there would be enough demand for an apartment without a car park, we were blown away with the level of enquiry and the apartments sold as fast as the ballot system would allow. The feedback from buyers was that owning a home was more important than having a car, and many of them didn't want the cost of car ownership anyway. We see this as a growing trend, particularly in neighbourhoods where it is easy and efficient to get around on foot like Launch Bay, where the ferry and Catalina Bay are only a few minutes walk and public transport is close.

The Marlborough Apartments were completed and settled in June 2022 and couldn't have been any closer to the initial vision. It has been great to see buyers move into their new homes and Launch Bay continue to thrive as more residents make it their home.

*"We love our new home in the Marlborough Apartments at Launch Bay. We feel incredibly lucky to purchase a home that's so close to the water and in such an amazing part of Hobsonville Point!"*

M. STANCICH — OWNER



MARLBOROUGH APARTMENTS LAUNCH BAY



MARLBOROUGH APARTMENTS LAUNCH BAY

# Completed Projects continued

## Longreach Cooks Beach

In 2013 Winton discovered a 22-hectare piece of land in the beautiful seaside community of Cook's Beach, Coromandel that ticked a lot of boxes for Winton: adjacent to the Purangi Estuary, with reserve frontage and stunning outlooks to the sea. Winton purchased that land in mid-2014 and development began in 2015. The result was a 163-lot thoughtfully designed neighbourhood completed at the start of FY22.

The vision behind the subdivision was to develop the lots with a well thought out orientation that maximised views and captured the natural setting of Cook's Beach. Furthermore, the location could not have been better, only 2.5 hours from Auckland and everything any kiwi family could possibly need for a memorable summer holiday so close. Within minutes there is a playground, estuary reserve, tennis courts, a boat ramp and a selection of local shops, restaurants and cafés, not to mention quick access to Whitianga via a short ferry ride. Cook's Beach is the complete package and proved to be the perfect place for the coastal Winton neighbourhood of Longreach.

The finished development comprises 163 residential lots ranging from 700sqm to 3,000sqm, the last 11 of which were settled in FY22. Construction included a new entrance into Cook's Beach and the Longreach development off Purangi Road and a connecting dual lane vehicle bridge with a pedestrian pathway linking to Navigation Drive. The master-planned community incorporates a very popular children's playground, large reserve areas with a timber boardwalk, and scenic esplanade reserve along the Purangi estuary. A 27m-long pedestrian bridge was also installed across part of the wetland reserve to allow easy connectivity to the beach for homes on the south-western part of the development.

*"We are proud of the completed development. It is even better than what we originally envisioned, validated by happy residents enjoying their coastal neighbourhood."*

DUNCAN ELLEY — HEAD OF LAND DEVELOPMENT, WINTON



LONGREACH  
COOKS BEACH



LONGREACH  
COOKS BEACH



# People and Planet

Winton's core business strategy addresses one of New Zealand's biggest social issues; a shortage of housing. While we can't solve it alone, we are making progress. In the past three years, we have delivered 1,065 residential units including lots, dwellings, townhouses and apartments, in seven different communities and at different price points to cater to the needs of different target markets.

We understand it is not just about what we are doing but how we are doing it. As one of New Zealand's largest developers, we must do right by our people, customers, neighbourhoods, partners, planet and investors. Doing so adds value to our business and ensures what we do is sustainable long-term. While there is a lot to do, we are up for the challenge and look forward to sharing our progress.



## People

- Our residents
- Our people
- Our partners



## Planet

- Our climate resiliency
- Our environmental impact

### Our Residents

We know that having a home and feeling part of a community is incredibly valuable for people to feel safe, happy and connected.

Therefore, we invest significant time in the design phase of our masterplans to create integrated and connected neighbourhoods where a diverse range of residents can thrive. 'Before we build your home, we build your neighbourhood' was the tagline of Winton's brand campaign in FY22. The positive feedback we received demonstrated how much importance people place on being part of a community and the desire to be part of the classic kiwi neighbourhood many New Zealanders can remember from their childhoods.

Our masterplans include generous shared and multi-use spaces for the community to use as we know residents need places to play, meet up and relax. We believe this is one of the best ways to give back to our communities. In the last six years we have invested \$6.5 million in shared green spaces in our developments with different amenities. In Northlake Wanaka we constructed a 12,000 sqm recreation reserve with tennis and multi-use court, pump track, outdoor exercise equipment, a social sports field and a covered picnic area with a BBQ for people of all ages to enjoy. At Lakeside, we have just signed off on a fabulous playground that will provide thousands of hours of entertainment for children. At Lakeside, we also have an iwi reserve, wetlands and at least five kms of walking and cycling trails to be developed within future stages.



RECREATION RESERVE  
NORTHLAKE



# People continued

## Our People

Winton has a relatively small but growing team who are incredibly important to our long-term success. We are focused on attracting the right smart people, keeping them safe and cultivating an environment where all employees enjoy coming to work and contributing to the collective success of the business.

FY22 progress:

- Recruited and onboarded more people than we have in any other year.
- Made various people-focused Winton policies available publicly on the website, including:
  - Code of Ethics.
  - Health and Safety Policy.
  - Diversity and Inclusion policy.
- Heightened health and wellbeing awareness through the extended Covid-19 lockdowns, including weekly virtual team social catch-ups.
- Established a Health and Safety committee with Board representation to monitor and manage health and safety risk within the organisation, including through its supplier relationships.
- Engaged third-party provider to complete a company-wide Health and Safety review during FY23.

## Our Partners

Winton works with many contractors on each site to develop the land and construct homes and commercial spaces.

To ensure the contractors we use align with Winton's values, we conduct a non-price attributes assessment to reflect historical performance in areas like health and safety and environmental conduct during the tender process to select contractors.

Winton prides itself on its strong relationships with key stakeholders, including tangata whenua, and local and central government. Winton works together with these partners to create much-needed housing within our diverse and thriving neighbourhoods. As part of any due diligence process, rezoning and consenting process, Winton prioritises early engagement with respective iwi and local mana whenua to understand the site's specific cultural history and significance.



**DUNCAN ELLEY**  
HEAD OF  
LAND DEVELOPMENT

### Climate Resiliency

The physical and transitional risks associated with global warming and climate change will impact us all and as the likelihood of limiting global warming to 1.5 degrees fades, adaption becomes paramount.

As a recently listed company, Winton recognises the opportunity to formalise its sustainability framework including a clear set of operational or non-financial targets aligned with Winton’s strategy, values, and reputation. From a climate perspective, the framework will focus on:

1. Our carbon footprint.
2. Understanding and mitigating Winton’s physical and transitional risks of climate change.
3. Opportunities and innovations that add value to Winton and society as we move into a lower emissions economy.

To determine where we are going, we must first understand where we are in relation to Winton’s sustainability framework. Therefore, FY23 will be about measuring where we are at, assessing what we need to do, what we want to achieve, and how to achieve it.

In June 2022 the New Zealand government passed legislation making climate-related disclosures mandatory for some organisations. Winton will be required to make these disclosures under the new legislation. We will make an initial voluntary disclosure within the FY23 Annual Report. We believe the process will be valuable to understand better how climate issues and different scenarios may impact the company and its stakeholders.

### FY23

- Measure carbon footprint and set initial targets
- Prepare initial voluntary climate-related disclosures
- Formulate sustainability framework



*“The work completed to look after the health of Mill Creek at Waterfall Park has resulted in the Brown Trout population increasing 17% over the past 12 months”*

LAUREN CHRISTIE — GM QUEENSTOWN

### Environmental Impact

Minimising our environmental impact onsite is integral to our development process. Winton must consider environmental risks and enhancement at every part of the development process, from site selection to consenting plans and implementation.

In Winton’s masterplanned communities, access to nature is a key focus during site selection and design. Sites with natural features, like wetlands, waterways and native vegetation, that can be protected, enhanced, or completely restored are favoured. These features provide the opportunity within a development for flourishing fauna and flora and rich biodiversity, that the community can enjoy.

Within the sustainability framework we will consider how we can set Winton environmental standards across all of our sites, in addition to the environmental measures required by their resource consents.



## Board of Directors



### Chris Meehan

Chair and Chief Executive Officer

*Associate Diploma in Business (Property Valuation)*

Appointed 19 June 2017

Chris leads Winton's strategy and operations.

A founding principal and CEO of Winton, Chris has over 30 years of experience in real estate investment.

Prior to establishing Winton, Chris founded the Belle Property real estate franchise in Australia, and grew this business to 20+ offices across Australia and New Zealand, prior to its sale to private equity interests in 2009.



### Julian Cook

Executive Director and Director of Retirement

*BA, MAF, BSc, MSc*

Appointed 13 September 2021

Julian is responsible for leading and executing Winton's retirement strategy.

Prior joining Winton, Julian spent the last 11 years at Summerset Group, including seven years as CEO. Prior to 2010, Julian was an Associate Director with Macquarie Group for over 12 years.

Julian is currently a director of Sky City Entertainment Group and WEL Networks.



### Michaela Meehan

Non-executive Director

*MSc (Economics and Business Administration)*

Appointed 19 June 2017

Michaela is a founding principal of Winton, and has over 20 years of corporate, property and treasury experience.

Michaela was a Senior Product Manager for the Danish brewery Carlsberg, in Copenhagen, from 1995 and 2001. Michaela was also a professional sailor for 13 years, competing at three Olympic Games as a member of the Danish Sailing Team.



### David Liptak

Non-executive Director

*BA (Economics)*

Appointed 7 July 2017

David is the Founder and Managing Partner of Spring Street Partners, a private US-based investment firm established in 1995, and has over 40 years' experience in corporate finance, funds management and investment.

David's career has included roles at Bear, Stearns & Co. Inc. and Oppenheimer & Co. Inc. In 1992, David formed West Broadway Partners Inc., an investment partnership that ultimately managed more than US\$700m in investor capital.



### Anna Molloy

Independent Non-executive Director

*BCom (Accounting and Finance), BE, CFA Charterholder*

Appointed 24 September 2021

Anna has over 15 years' experience working in equity capital markets and investment management.

Anna is currently an independent Director for ANZ New Zealand Investments Limited and Channel Infrastructure NZ Limited. Anna was previously a Future Director on the NZX Limited Board.



### Glen Tupuhi

Independent Non-executive Director

*Graduate Diploma in Health Management*

Appointed 24 September 2021

Glen has over 30 years' experience, including in health and justice-related fields.

He has held senior positions in Oranga Tamariki (formerly CYFS), Corrections, Health Waikato, Hauora Waikato and Te Runanga o Kirikiriroa and has extensive governance experience representing Ngati Paoa, Hauraki and iwi Maori.



### James Kemp

Non-executive Director

*BCom, BFin (Hons), MFin*

Appointed 21 February 2022

James has been appointed to the Board of Winton in his capacity as a representative of TC Akarua 2 Pty Limited (as trustee of the TC Akarua Sub Trust), being a substantial shareholder in Winton.

James is a Senior Managing Director in Macquarie Asset Management and is Head of Real Estate, Asia-Pacific. He has over 16 years of experience in real estate private equity and investment banking across Asia-Pacific. James has been a director on a number of other real estate companies and is currently also a director of the Japan and China logistics developer and fund manager, Unified Industrial.



### Jelte Bakker

Non-executive Director (alternate)

Appointed 21 February 2022

Jelte has been appointed as an alternate director for James Kemp. Jelte is a Senior Managing Director in Macquarie Asset Management and is Global head of Opportunistic Real Estate. Jelte has over 20 years of experience in real estate private equity and investment banking. Jelte is currently also a director on a number of other real estate companies around the world.

## Senior Management Team



### Chris Meehan

Chair and Chief Executive Officer



### Simon Ash

Chief Operating Officer



### Jean McMahon

Chief Financial Officer



### Justine Hollows

GM Corporate Services



### Julian Cook

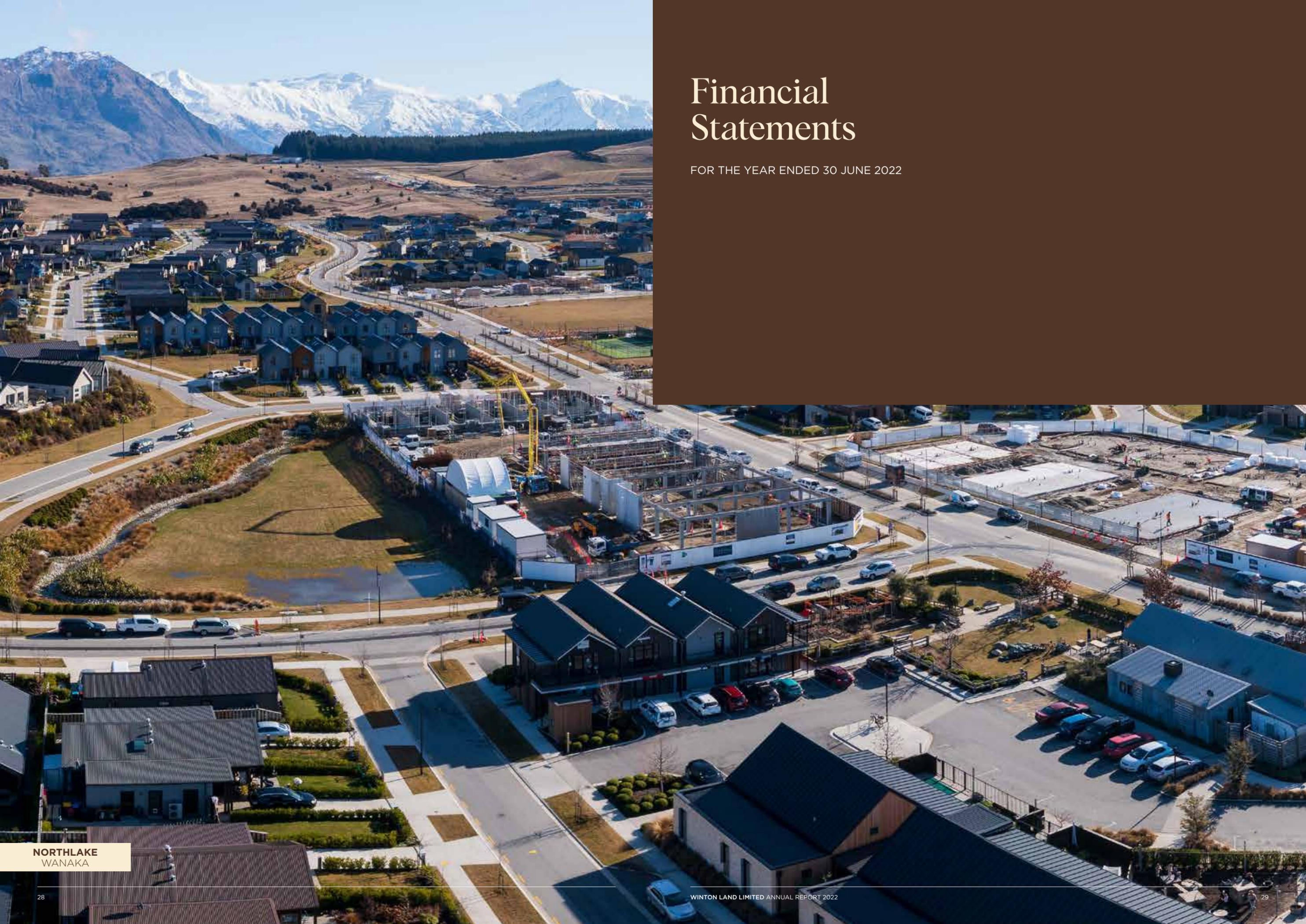
Executive Director and Director of Retirement



**NORTHLAKE  
WANAKA**

# Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022



## Consolidated Statement of Comprehensive Income

For the year ended 30 June 2022

ALL VALUES IN \$000'S	NOTE	2022	2021
Revenue	3	159,523	176,980
Cost of sales		(87,096)	(119,554)
<b>Gross profit</b>		<b>72,427</b>	<b>57,426</b>
Development management fees		-	27,500
Other income		2,136	1,123
Selling expenses		(9,418)	(6,451)
Property expenses		(610)	(623)
Administrative expenses	9.1	(12,996)	(8,541)
Share-based payment expense	9.12	(592)	-
Offer costs	1.7	(5,981)	-
<b>Earnings before interest, taxation and depreciation (EBITDA)</b>		<b>44,966</b>	<b>70,434</b>
Depreciation		(718)	(645)
<b>Earnings before interest and taxation (EBIT)</b>		<b>44,248</b>	<b>69,789</b>
Interest income		2,190	215
Interest expense and bank fees		(1,820)	(6,271)
<b>Profit before income tax</b>		<b>44,618</b>	<b>63,733</b>
Income tax expense			
Current taxation	9.2	(4,455)	(15,179)
Deferred taxation	9.2	(8,506)	(2,460)
Total income tax expense		(12,961)	(17,639)
<b>Profit after income tax</b>		<b>31,657</b>	<b>46,094</b>
Items that may be reclassified to profit or loss:			
Movement in currency translation reserve		314	(12)
<b>Total comprehensive income after income tax attributable to the shareholders of the Company</b>		<b>31,971</b>	<b>46,082</b>
Basic earnings per share (cents)	8.1	12.56	22.39
Diluted earnings per share (cents)	8.2	12.28	22.39

The accompanying notes form part of these financial statements.

## Consolidated Statement of Changes in Equity

For the year ended 30 June 2022

ALL VALUES IN \$000'S	NOTE	SHARE CAPITAL	RETAINED EARNINGS	SHARE BASED PAYMENTS RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	TOTAL EQUITY
<b>Balance as at 1 July 2020</b>		49,100	7,442	-	16	56,558
Total comprehensive income		-	46,094	-	(12)	46,082
Dividends to shareholders	9.3	-	(18,845)	-	-	(18,845)
<b>Balance as at 30 June 2021</b>		<b>49,100</b>	<b>34,691</b>	<b>-</b>	<b>4</b>	<b>83,795</b>
Total comprehensive income		-	31,657	-	314	31,971
Proceeds from primary issuance	9.3	350,000	-	-	-	350,000
Offer costs capitalised to equity	1.7, 9.3	(15,433)	-	-	-	(15,433)
Employee share bonus	9.3	2,928	-	-	-	2,928
Share-based payment expense	9.12	-	-	829	-	829
<b>Balance as at 30 June 2022</b>		<b>386,595</b>	<b>66,348</b>	<b>829</b>	<b>318</b>	<b>454,090</b>

The accompanying notes form part of these financial statements.

## Consolidated Statement of Financial Position

As at 30 June 2022

All VALUES IN \$000'S	NOTE	2022	2021
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	9.9	204,824	35,026
Restricted cash	9.4	810	34,391
Accounts receivable, prepayments and other receivables	9.5	4,924	5,217
Inventories	4	95,615	46,954
<b>Total current assets</b>		<b>306,173</b>	<b>121,588</b>
<b>NON-CURRENT ASSETS</b>			
Restricted cash	9.4	-	11,120
Inventories	4	86,254	116,937
Deposits paid on investment property acquisitions	1.7	7,198	-
Investment properties	5	80,498	-
Property, plant and equipment	6	16,064	2,926
Right-of-use asset		562	735
Intangible assets		123	123
<b>Total non-current assets</b>		<b>190,699</b>	<b>131,841</b>
<b>Total assets</b>		<b>496,872</b>	<b>253,429</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable, accruals and other payables	9.6	24,872	16,585
Taxation payable		7,986	15,079
<b>Total current liabilities</b>		<b>32,858</b>	<b>31,664</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	7, 9.9	-	128,732
Lease liability		323	547
Contract liability	9.7	-	7,225
Deferred tax liabilities	9.2	9,601	1,095
Long term deposits	9.8	-	371
<b>Total non-current liabilities</b>		<b>9,924</b>	<b>137,970</b>
<b>Total liabilities</b>		<b>42,782</b>	<b>169,634</b>
<b>Net assets</b>		<b>454,090</b>	<b>83,795</b>
<b>EQUITY</b>			
Share capital	9.3	386,595	49,100
Foreign currency translation reserve		318	4
Share-based payment reserve		829	-
Retained earnings		66,348	34,691
<b>Total equity</b>		<b>454,090</b>	<b>83,795</b>

These Group financial statements are signed on behalf of Winton Land Limited and were authorised for issue on 24 August 2022.  
The accompanying notes form part of these financial statements.



**Chris Meehan**  
Chair



**Anna Molloy**  
Chair, Audit and Financial Risk Committee

## Consolidated Statement of Cash Flows

For the year ended 30 June 2022

All VALUES IN \$000'S	NOTE	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		157,872	208,635
Interest received		2,190	213
Net GST (paid) / received		(63)	1,200
Payments to suppliers and employees		(132,386)	(106,832)
Purchase of development land		(4,000)	-
Deposits paid on unconditional contracts for land		(13,477)	(10,000)
Interest and other finance costs paid		(7,514)	(9,199)
Income tax (paid) / received		(11,548)	66
<b>Net cash flows from operating activities</b>		<b>(8,926)</b>	<b>84,083</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of land for investment properties	5	(36,418)	-
Deposits paid on unconditional contracts of land for investment properties		(7,198)	-
Payments to suppliers and employees for investment properties		(15,129)	-
Acquisition of property, plant and equipment		(7,156)	(307)
<b>Net cash flows from investing activities</b>		<b>(65,901)</b>	<b>(307)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from primary issuance	9.3	350,000	-
Payment of offer costs	1.7	(18,486)	-
Release / (funding) of restricted cash	9.4	43,109	(43,109)
Dividends paid to shareholders	9.3	-	(18,845)
(Repayment of) / proceeds from MMLIC facility	7	(130,000)	130,000
Repayment of Clipper facility	7	-	(133,796)
Repayment of related party loans receivables		2	20
<b>Net cash flows from financing activities</b>		<b>244,625</b>	<b>(65,730)</b>
Net increase in cash and cash equivalents		169,798	18,046
Cash and cash equivalents at beginning of year		35,026	16,980
<b>Cash and cash equivalents at end of year</b>		<b>204,824</b>	<b>35,026</b>

The accompanying notes form part of these financial statements.

## Consolidated Statement of Cash Flows (continued)

For the year ended 30 June 2022

All VALUES IN \$000'S	2022	2021
<b>RECONCILIATION OF PROFIT AFTER INCOME TAX TO CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit after income tax	31,657	46,094
<b>Adjusted for non cash items:</b>		
Depreciation	437	400
Depreciation of right of use asset	281	244
Deferred taxation	8,506	2,460
Provision for doubtful debts	-	(854)
Lease liability interest expense	72	81
Share-based payment expense	592	-
<b>Adjustments for movements in working capital</b>		
Decrease / (increase) in accounts receivable, prepayments and other assets	291	(1,477)
(Increase) / decrease in inventories (net of transfers)	(53,110)	12,386
Increase in accounts payable, accruals and other liabilities	8,196	5,476
(Decrease) / increase in accrued borrowing costs	1,268	(1,176)
Decrease / (increase) in restricted cash	1,592	(1,386)
Decrease in long term deposits	(371)	(635)
Decrease / (increase) in contract liability	(7,225)	7,225
(Decrease) / increase in taxation payable	(7,093)	15,245
Offer costs not included in operating cashflow	5,981	-
<b>Net cash flows from operating activities</b>	<b>(8,926)</b>	<b>84,083</b>

The accompanying notes form part of these financial statements.

## Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

### 1. General Information

This section sets out the basis upon which the Group's Financial Statements are prepared. Specific accounting policies are described in the note to which they relate.

#### 1.1. Reporting entity

These audited consolidated financial statements (the financial statements) are for Winton Land Limited (the Company formerly known as Winton Property Limited) and its subsidiaries (together, the Group). The Company is a limited liability company incorporated in New Zealand and is registered under the New Zealand Companies Act 1993. The Company is a FMC reporting entity under Part 7 of the Financial Markets Conduct Act 2013 and the Financial Reporting Act 2013 and these financial statements have been prepared in accordance with the requirements of the NZX Listing Rules. The Company is listed on the NZX Main Board (NZX: WIN) and the ASX (ASX: WTN).

The Group's principal activity is the development and sale of residential land properties. The Group also develops retirement villages and commercial properties however these are start-up operations.

#### 1.2. Basis of preparation

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for Tier 1 for-profit entities. The financial statements also comply with International Financial Reporting Standards (IFRS).

The financial statements have been prepared on the historical cost basis except where otherwise identified. All financial information is presented in New Zealand dollars and has been rounded to the nearest thousand.

#### 1.3. Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

#### 1.4. Basis of consolidation

The consolidated financial statements comprise the Company and the entities it controls. All intercompany transactions are eliminated on consolidation.

#### 1.5. Critical judgements, estimates and assumptions

In applying the Group's accounting policies, the Board and Management continually evaluates judgements, estimates and assumptions that may have an impact on the Group. The critical judgements, estimates and assumptions made in the preparation of these financial statements are as follows:

4. Inventories – page 38

#### 1.6. Accounting policies

No changes to accounting policies have been made during the year and policies have been consistently applied to all years presented.

Significant accounting policies have been included throughout the notes to the financial statements. Other relevant policies are provided as follows:

##### Goods and services tax

These financial statements have been prepared on a goods and services tax (GST) exclusive basis except for the accounts receivable balance, accounts payable balance and other items where GST incurred is not recoverable. These balances are stated inclusive of GST.

##### New accounting standards and interpretations issued but not yet effective

There are no new or amended accounting standards that are not yet effective and that are expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

## Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

### 1. General Information (Continued)

#### 1.7. Significant events and transactions

The financial position and performance of the Group was affected by the following events and transactions that occurred during the reporting period:

##### Initial Public Offering (IPO)

On 17 December 2021, the Group issued 90,043,735 shares at \$3.8870 per share (total value \$350,000,000) in an IPO. Offer costs associated with the transaction totalled \$21,414,000. \$5,981,000 of costs are recognised in the Consolidated Statement of Comprehensive Income. The remaining \$15,433,000 of costs are capitalised against equity as these costs relate to the issue and listing of new capital. Included in these costs, \$2,928,000 was settled by way of issuance of new shares (753,278 shares) to employees.

##### Inventories and Investment Properties acquisitions

On 1 July 2021, the Group contracted to purchase land at Wynyard Quarter, Auckland for \$70,000,000. An initial deposit of \$7,000,000 was paid on 7 July 2021. A portion of the land will be developed into apartments and sold, \$2,337,000 of the deposit paid is included in inventories. The remaining portion of the land will be developed into a retirement village, \$4,663,000 of the deposit paid is included in deposits paid on unconditional contracts for investment properties. The apportionment is based on the resource consent submission for this land as at 30 June 2022.

On 9 September 2021, the Group contracted to purchase land at Avon Loop, Christchurch for \$32,000,000. The Group settled the acquisition on 1 March 2022 and it is included in investment properties as at 30 June 2022.

On 3 May 2022, the Group contracted to purchase land at Parnell, Auckland for \$4,000,000. The Group settled the acquisition on 26 May 2022 and it is included in inventories as at 30 June 2022.

On 8 April 2022, the Group contracted to purchase land at Wynyard Quarter, Auckland for \$23,750,000. An initial deposit of \$2,375,000 was paid on 21 June 2022 and is included in deposits paid on investment property acquisitions as at 30 June 2022.

##### Borrowings

On 15 June 2022, Lakeside Developments 2017 Limited (a 100% subsidiary company of the Company) repaid its debt facility with Massachusetts Mutual Life Insurance Company (MMLIC) of \$130,000,000.

#### 1.8. Impact of the Covid-19 pandemic and economic uncertainty on the significant accounting judgements, estimates and assumptions

During the year ended 30 June 2022, New Zealand has been subject to various restriction periods associated with the Covid-19 global pandemic, with Auckland being subject to greater restrictions than the balance of the country (<https://covid19.govt.nz/traffic-lights>). The Group has managed and continues to actively manage the risks arising from Covid-19.

### 2. Segment Reporting

#### (i) Basis for segmentation

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Board of Directors. During the year ended 30 June 2022, the Group has established the following reportable segments that are managed separately because of different operating strategies. The following describes the operation of each of the reportable segments.

Reportable segment	Operations
Residential development	Design, develop, market and sell residential properties to external customers. These include land lots, dwellings, townhouses and apartments with the majority of operations in New Zealand.
Retirement villages	Develop and operate retirement villages in New Zealand.
Commercial portfolio	Develop and manage a commercial portfolio to produce rental income and capital appreciation in New Zealand.

## Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

### 2. Segment Reporting (Continued)

#### (ii) Information about reportable segments

During the year ended 30 June 2022, the residential development segment was the only segment contributing to revenue. Both the retirement villages and commercial portfolio are start-up operations.

The following is an analysis of the Group's segments, as at 30 June 2022.

All values in \$000's	RESIDENTIAL	RETIREMENT	COMMERCIAL	UNALLOCATED	TOTAL
<b>Segment assets and liabilities</b>					
Inventories	181,869	-	-	-	181,869
Investment Properties	-	76,415	4,083	-	80,498
Property, plant and equipment	-	-	12,603	3,461	16,064
Deposits paid on investment property acquisitions	-	4,823	2,375	-	7,198
Other assets	5,734	-	-	205,509	211,243
<b>Total assets</b>	<b>187,603</b>	<b>81,238</b>	<b>19,061</b>	<b>208,970</b>	<b>496,872</b>
<b>Total liabilities</b>	<b>39,174</b>	<b>985</b>	<b>1,422</b>	<b>1,201</b>	<b>42,782</b>
<b>Net assets</b>	<b>148,429</b>	<b>80,253</b>	<b>17,639</b>	<b>207,769</b>	<b>454,090</b>

### 3. Revenue

This section shows the inventories used to generate the Group's trading performance which are considered to be the most relevant to the operations of the Group.

All values in \$000's	2022	2021
Revenue from contracts with customers	159,523	176,980
<b>Total revenue</b>	<b>159,523</b>	<b>176,980</b>

Revenue represents amounts derived from land and property sales. Land and property sales are recognised when the customer obtains control of the property and is able to direct and obtain the benefits from the property. The customer gains control of the property when the Group receives full and final consideration for the property and the Group transfers over the record of title.

## Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

### 4. Inventories

This section shows the inventories used to generate the Group's trading performance which are considered to be the most relevant to the operations of the Group.

All VALUES IN \$000'S	2022	2021
Expected to settle within one year	95,615	46,954
Expected to settle greater than one year	86,254	116,937
<b>Total inventories</b>	<b>181,869</b>	<b>163,891</b>

The Group has reclassified land and development costs initially categorised as inventories to investment properties of \$28,714,000 (2021: nil). These inventories include land suitable for retirement villages and commercial property which will be developed and held by the Group to earn deferred management fees and rental income.

The Group has reclassified land and development costs initially categorised as inventories to property, plant and equipment of \$6,419,000 (2021: nil). These inventories include land suitable for a retail precinct which will be developed and operated by the Group.

#### Recognition and Measurement

Inventories are carried at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, and holding costs such as interest. All holding costs are expensed through profit or loss in the year incurred with the exception of interest holding costs which are capitalised during the period when active development is taking place. During the year ended 30 June 2022, \$6,962,000 of interest has been capitalised to inventories (2021: \$2,996,000). Interest and other holding costs incurred after completion of development are expensed as incurred. Inventories include deposits paid on unconditional contracts for development land.

The carrying amounts of inventories are reviewed at each balance date to ensure its carrying amount is recorded at the lower of its cost and net realisable value. The net realisable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale. The determination of net realisable value of inventories involves estimates taking into consideration prevailing market conditions, current prices and expected date of commencement and completion of the projects, the estimated future selling price, cost to complete projects and selling costs. An impairment loss is recognised in the Consolidated Statement of Comprehensive Income to the extent that the carrying value of inventories exceeds its estimated net realisable value.

The net realisable values of inventories have been assessed by management who have prepared internal valuations and the total value is in excess of the carrying value, therefore there is no indication of impairment.

The basis of the valuation is the hypothetical subdivision approach and/or block land sales comparisons to derive the residual block land values. The major unobservable inputs that are used in the valuation model that require judgement include the individual section prices, allowances for profit and risk, projected completion and sell down periods and interest rates during the holding period. The estimated net realisable value would increase or (decrease) if: the individual section prices were higher/(lower); the allowances for profit were higher/(lower); the allowances for risk were lower/(higher); the projected completion and sell down periods were shorter/(longer); and the interest rate during the holding period was lower/(higher).

## Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

### 5. Investment properties

All VALUES IN \$000'S	NOTE	2022	2021
Opening balance		-	-
Acquisitions		36,418	-
Transfers from inventories	4	28,714	-
Capital expenditure		15,366	-
<b>As at 30 June</b>		<b>80,498</b>	<b>-</b>

#### Recognition and Measurement

Investment properties are held to earn current and future rental income (including deferred management fees) but not: for sale in the ordinary course of business, use in the production or supply of goods and services, or for administrative purposes. Investment properties consist of land under development for retirement villages and commercial property. Initial recognition of investment properties is at cost and it is subsequently measured at fair value when the construction is substantially complete and the fair value can be reliably measured. The cost of investment properties includes directly attributable construction costs and other costs necessary to bring the investment properties to working condition for their intended use. These other costs include professional fees, consents and head office costs directly related to the construction of the investment properties. Where costs are apportioned across more than one asset, the apportionment methodology is determined by considering the nature of the cost. Land acquired with the intention of constructing an investment property is classified as investment property from the date of acquisition. During the year ended 30 June 2022, \$237,000 of share-based payment expense has been capitalised to investment properties (2021: nil).

### 6. Property, plant and equipment

All VALUES IN \$000'S	NOTE	2022	2021
Opening balance		2,926	3,019
Additions		7,156	307
Transfers from inventories	4	6,419	-
Depreciation		(437)	(400)
<b>As at 30 June</b>		<b>16,064</b>	<b>2,926</b>

As at 30 June 2022, property, plant and equipment includes work in progress of \$12,603,000 (2021: nil).

#### Recognition and Measurement

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is charged to the income statement over the estimated useful lives of each asset class.

## Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

### 7. Borrowings

#### (i) Net borrowings

All VALUES IN \$000'S	2022	2021
MMLIC facility drawn down	-	130,000
Unamortised borrowings establishment costs	-	(1,268)
<b>Net borrowings</b>	-	128,732
Weighted average interest rate for drawn debt (inclusive of margin and line fees)	-	5.19%
Weighted average term to maturity (years)	-	5.9

#### Recognition and Measurement

All borrowings are initially measured at fair value, plus directly attributable transaction costs, and subsequently measured at amortised cost using the effective interest rate method. Under this method, directly attributable fees, costs, discounts and premiums are capitalised and spread over the expected life of the facility. All other interest costs and bank fees are expensed in the period they are incurred.

#### (ii) MMLIC facility

On 15 June 2021, Lakeside Developments 2017 Limited (a 100% subsidiary company of the Company) entered into a debt facility with MMLIC for \$130,000,000. The facility was repaid on 15 June 2022. Restricted cash includes cash of nil (2021: \$43,109,000) that has been funded by the MMLIC facility (see note 9.4). During the current and prior year, there were no defaults or breaches of any covenants relating to the facility.

#### (iii) Security

The MMLIC facility was secured by way of a general security deed provided by Lakeside Developments 2017 Limited and Lakeside Residential Limited and a registered mortgage security across the Lakeside development property. The Company had provided a \$10,000,000 corporate guarantee which increased to \$20,000,000 should 30 day BKBM be equal or greater than 3.00%.

#### (iv) Clipper facility

On 15 June 2021, the Group repaid a debt facility with Clipper Investment Opportunity II Limited (Clipper) for \$130,000,000 plus capitalised interest and capitalised fees.

## Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

### 8. Investor Returns and Investment Metrics

This section summarises the earnings per share which is a common investment metric.

#### 8.1. Basic earnings per share

	2022	2021
Total comprehensive income for the period attributable to the shareholders of the Company (\$000s)	31,971	46,082
Weighted average number of ordinary shares (shares)	254,573,475	205,816,723
<b>Basic earnings per share (cents)</b>	12.56	22.39

#### 8.2. Diluted earnings per share

The calculation of diluted earnings per share has been based on the profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares. Weighted average number of shares for the purpose of diluted earnings per share has been adjusted for 10,936,400 share options (30 June 2021: nil) issued under the Group's Share Option Plan as at 30 June. This adjustment has been calculated using the treasury share method.

	2022	2021
Total comprehensive income for the period attributable to the shareholders of the Company (\$000s)	31,971	46,082
Weighted average number of ordinary shares (shares)	260,446,172	205,816,723
<b>Diluted earnings per share (cents)</b>	12.28	22.39

## Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

### 9. Other

#### 9.1. Administrative expenses

All VALUES IN \$000'S	2022	2021
Auditors remuneration:		
Audit of annual financial statements	(250)	(95)
Tax compliance and advisory fees	(186)	(88)
Directors' fees	(309)	(16)
Doubtful debts expense	-	854
Employee benefits expense	(7,117)	(6,337)
Operating lease and rental payments	(132)	(70)
Other expenses	(5,002)	(2,789)
<b>Total administrative expenses</b>	<b>(12,996)</b>	<b>(8,541)</b>

The Auditors also received remuneration in relation to their role as Investigating Accountant for the IPO and tax advisers. These fees for 2022 were \$699,000 (2021: nil) and are included within offer costs capitalised to equity. The Auditors also received remuneration in relation to property due diligence tax advice. These fees for 2022 were \$14,000 (2021: nil) and are included within investment properties and accounts receivable, prepayments and other receivables.

#### 9.2. Taxation

##### (i) Current taxation

All VALUES IN \$000'S	2022	2021
<b>Profit before income tax</b>	<b>44,618</b>	<b>63,733</b>
Prima facie income tax calculated at 28%	(12,493)	(17,845)
<i>Adjusted for:</i>		
Prior period adjustment	4,095	-
Non-tax deductible revenue and expenses	(426)	224
Movement in temporary differences	4,332	451
Tax losses utilised	79	1,991
Difference in tax rates	(42)	-
<b>Current taxation expense</b>	<b>(4,455)</b>	<b>(15,179)</b>

The prior period adjustment of \$4,095,000 (2021: nil) relates to an IRD binding ruling issued in February 2022 with regards to timing of net income permitted on inventory. This amount can be spread for tax purposes over a 4 year period and not in a single period as done in the prior year. This has been treated as a change in accounting estimate and is reflected in the deferred tax balance for inventory.

## Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

### 9. Other (Continued)

#### 9.2. Taxation (Continued)

##### (ii) Deferred taxation

All VALUES IN \$000'S	2020 AS AT	2021 RECOGNISED IN PROFIT	2021 AS AT	2022 RECOGNISED IN PROFIT	2022 AS AT
<b>Deferred tax assets</b>					
Employee benefits	364	(274)	90	62	152
Accounts payable, accruals and other payables	46	161	207	643	850
Lease liability	284	(63)	221	(47)	174
Share-based payment reserve	-	-	-	232	232
Losses available for offsetting against future taxable income	2,088	(2,009)	79	(79)	-
<b>Gross deferred tax assets</b>	<b>2,782</b>	<b>(2,185)</b>	<b>597</b>	<b>811</b>	<b>1,408</b>
<b>Deferred tax liabilities</b>					
Accounts receivable, prepayments and other receivables	7	(4)	3	90	93
Property, plant and equipment	2	(2)	-	-	-
Right-of-use asset	274	(68)	206	(49)	157
Inventories	1,134	349	1,483	9,276	10,759
<b>Gross deferred tax liabilities</b>	<b>1,417</b>	<b>275</b>	<b>1,692</b>	<b>9,317</b>	<b>11,009</b>
<b>Net deferred tax liability</b>	<b>1,365</b>	<b>(2,460)</b>	<b>(1,095)</b>	<b>(8,506)</b>	<b>(9,601)</b>

##### Recognition and Measurement

Tax is accounted for on a consolidated Group basis and the Group is required to pay tax to the Inland Revenue as required by the Income Tax Act 2007. Income tax expense comprises current and deferred tax and is recognised in the Consolidated Statement of Comprehensive Income for the year.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different entities, but they intend to settle current tax assets and liabilities on a net basis. A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised.

Additional income tax arising from distribution of dividends is recognised at the same time as the liability to pay the dividend is recognised.

## Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

### 9. Other (Continued)

#### 9.2. Taxation (Continued)

##### (iii) Imputation account

The amounts below represent the balance of the imputation credit account as at the end of the reporting period, adjusted for imputation credits that will arise from the payment of taxation represented in the Consolidated Statement of Financial Position.

All VALUES IN \$000'S	2022	2021
Opening balance	15,184	7,520
Taxation paid / payable	3,783	14,993
Imputation credits attached to dividends paid	-	(7,329)
<b>Closing balance available to shareholders for use in subsequent periods</b>	<b>18,967</b>	<b>15,184</b>

#### 9.3. Equity

##### (i) Capital and Reserves

	NOTE	2022 SHARES '000S	2022 \$000'S	2021 SHARES '000S	2021 \$000'S
Shares issued 1 July		205,817	49,100	205,817	49,100
Primary issuance		90,044	350,000	-	-
Offer costs	1.7	-	(15,433)	-	-
Issue of share capital to employees		753	2,928	-	-
<b>Total shares issued and outstanding</b>		<b>296,614</b>	<b>386,595</b>	<b>205,817</b>	<b>49,100</b>

All shares on issue are fully paid, carry equal voting rights, share equally in dividends and any surplus on wind up and have no par value. All shares are recognised at the fair value of the consideration received by the Company.

##### (ii) Dividends

The following dividends were declared and paid by the Company during the year 30 June:

All VALUES IN \$000'S		2022	2021
8.39381 cents per qualifying ordinary share	16-Oct-20	-	17,276
0.76262 cents per qualifying ordinary share	23-Mar-21	-	1,569
<b>Total dividends</b>		<b>-</b>	<b>18,845</b>

## Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

### 9. Other (Continued)

#### 9.4. Restricted cash

All VALUES IN \$000'S	2022	2021
Expected to be utilised within one year	810	34,391
Expected to be utilised greater than one year	-	11,120
<b>Total restricted cash</b>	<b>810</b>	<b>45,511</b>

Restricted cash includes cash of nil (2021: \$43,109,000) that is specifically available to fund the development costs associated with the Lakeside development only as a condition of the MMLIC facility.

#### 9.5. Accounts receivable, prepayments and other receivables

All VALUES IN \$000'S	2022	2021
Accounts receivable	14	2,021
Prepayments and other receivables	4,910	3,196
<b>Total accounts receivable, prepayments and other receivables</b>	<b>4,924</b>	<b>5,217</b>

##### Recognition and Measurement

Accounts receivable is recognised at fair value and subsequently measured at amortised cost using the effective interest rate method. Receivables are assessed on an ongoing basis for impairment. The Group recognises a provision for impairment on receivables based on the lifetime expected credit loss at balance date. Those which are anticipated to be uncollectable are written off. The Group applies the simplified approach to providing for expected credit losses prescribed by NZ IFRS 9 'Financial Instruments', which permits the use of lifetime expected loss provision for all trade receivables.

#### 9.6. Accounts payable, accruals and other payables

All VALUES IN \$000'S	2022	2021
Accounts payable	16,162	9,452
Accruals and other payables in respect of inventories	4,084	2,444
Accruals and other payables	4,626	4,689
<b>Total accounts payable, accruals and other payables</b>	<b>24,872</b>	<b>16,585</b>

##### Recognition and Measurement

Expenses are recognised on an accruals basis and, if not paid at the end of the reporting period, are reflected as a payable in the Consolidated Statement of Financial Position.

## Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

### 9. Other (Continued)

#### 9.7. Contract liability

All VALUES IN \$000'S	2022	2021
Contract liability	-	7,225
<b>Total contract liability</b>	<b>-</b>	<b>7,225</b>

#### Recognition and Measurement

Contract liability relates to the advance consideration received from a customer for land. The company has an obligation to transfer goods or services to a customer for which the entity has received consideration. This will be recognised as revenue when control of the land passes to the customer.

#### 9.8. Long term deposits

Long term deposits as at 30 June 2022 of nil (2021: \$371,000) represent deposits paid by customers for future inventory purchases.

#### 9.9. Financial instruments

The following financial assets and liabilities, that potentially subject the Group to financial risk, have been recognised at amortised cost in the financial statements:

All VALUES IN \$000'S	2022	2021
<b>Financial assets</b>		
Cash and cash equivalents <sup>1</sup>	204,824	35,026
Restricted cash <sup>2</sup>	810	45,511
Accounts receivable and other receivables	4,924	5,217
Deposits paid on Investment property acquisitions	7,198	-
<b>Total financial assets</b>	<b>217,756</b>	<b>85,754</b>
<b>Financial liabilities</b>		
Accounts payable, accruals and other payables	24,872	16,585
Lease liability	323	547
Borrowings	-	128,732
Long term deposits	-	371
<b>Total financial liabilities</b>	<b>25,195</b>	<b>146,235</b>

1. Comprises solely of cash at bank.

2. Restricted cash comprises cash held on deposit with Bank of New Zealand.

The carrying amount of financial assets and liabilities presented above are reasonable approximations of their fair value.

## Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

### 9. Other (Continued)

#### 9.10. Financial risk management

The Group's activities expose it to a variety of financial risks: interest rate risk, credit risk, and liquidity risk. The Group's overall financial risk management strategy focuses on minimising the potential negative economic impact of unpredictable events on its financial performance.

##### (a) Interest rate risk

The Group's exposure to the risk of changes in interest rates relates primarily to the Group's borrowings with a floating interest rate.

The following sensitivity analysis shows the effect on profit before tax and equity if interest rates at balance date had been 50 basis points (0.50%) higher or lower with all other variables held constant. The Group has no exposure to the risk of changes in interest rates at 30 June 2022 as it has no borrowings.

All VALUES IN \$000'S	2022		2021	
	GAIN / (LOSS) ON INCREASE OF 0.50%	GAIN / (LOSS) ON DECREASE OF 0.50%	GAIN / (LOSS) ON INCREASE OF 0.50%	GAIN / (LOSS) ON DECREASE OF 0.50%
Impact on profit before tax	-	-	(28)	16
Impact on equity	-	-	(21)	11

##### (b) Credit risk

Credit risk represents the risk that the counterparty to a financial instrument will fail to discharge its obligations and the Group will suffer financial loss as a result. Financial instruments which potentially subject the Group to credit risk consist of cash at bank, accounts receivable and other receivables.

With respect to the credit risk arising from cash and cash equivalents and restricted cash, there is limited credit risk as cash is deposited with Bank of New Zealand Limited, a registered bank in New Zealand with a credit rating of AA- (Standard & Poor's). The Group considers both historical analysis and forward-looking information in determining any expected credit loss and infers from this strong credit rating that no loss allowance is deemed necessary.

With respect to the credit risk arising from accounts receivable, the Group only enters into arrangements over its inventories with parties whom the Group assesses to be creditworthy. Credit risk does not arise on property sale proceeds to be settled as title will not transfer until settlement.

The carrying amount of financial assets as per note 9.9 approximates the Group's maximum exposure to credit risk.

## Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

### 9. Other (Continued)

#### 9.10. Financial risk management (Continued)

##### (c) Liquidity risk

Liquidity risk is the risk that the Group will experience difficulty in either realising assets or otherwise raising sufficient funds to meet its obligations arising from its financial liabilities. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below analyses the Group financial liabilities (principal and interest) by the relevant contracted maturity groupings based on the remaining period as at 30 June 2022 and 30 June 2021.

All values in \$000's	Carrying Amount	Contractual Cash Flows				Total
		0 - 1 Year	1 - 2 Years	2 - 5 Years	> 5 Years	
Accounts payable, accruals and other payables	24,872	24,872	-	-	-	24,872
Lease liability	323	-	323	-	-	323
<b>Total as at 30 June 2022</b>	<b>25,195</b>	<b>24,872</b>	<b>323</b>	<b>-</b>	<b>-</b>	<b>25,195</b>
Accounts payable, accruals and other payables	16,585	16,585	-	-	-	16,585
Lease liability	547	-	304	243	-	547
Borrowings	128,732	6,729	45,509	4,583	96,321	153,142
Long term deposits	371	-	371	-	-	371
<b>Total as at 30 June 2021</b>	<b>146,235</b>	<b>23,314</b>	<b>46,184</b>	<b>4,826</b>	<b>96,321</b>	<b>170,645</b>

##### (d) Capital risk management

The Group's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern whilst maximising the return to shareholders through maintaining an optimal balance of debt and equity. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group's capital structure includes borrowings and shareholders equity. The Group monitors capital on the basis of the loan to value ratio and borrowing covenant compliance. The loan to value ratio is calculated as borrowings divided by the value of inventories.

## Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

### 9. Other (Continued)

#### 9.11. Related party transactions

The transactions with related parties that were entered into during the year, and the year-end balances that arose from those transactions are shown below.

##### Key management personnel remuneration

Key management personnel comprise members of the Board and members of the Senior Management Team.

All values in \$000's	2022	2021
Employee benefits expense	2,690	1,570
Share-based payment expense	662	-
Employee share bonus	3,500	-
Directors' fees	158	-
<b>Key management personnel remuneration</b>	<b>7,010</b>	<b>1,570</b>

An Executive Director was granted 5,145,356 share options on 17 December 2021 with an exercise price of \$3.8870 and a vesting date of 17 December 2031.

Senior Management Team were granted 3,344,484 share options on 17 December 2021 with an exercise price of \$3.8870. Of these, 1,114,828 share options have a vesting date of 17 December 2025, 1,114,828 share options have a vesting date of 17 December 2028 and 1,114,828 share options have a vesting date of 17 December 2031.

##### Transactions with related parties during the year

All values in \$000's	2022	2021
Key management personnel	616	-
Shareholders	10,500	-
Employees	1,381	709
<b>Revenue from contracts with customers</b>	<b>12,497</b>	<b>709</b>

The Group has also entered into agreements for the sale of residential properties with Executive Directors for \$24,515,000, key management personnel for \$2,268,000 and employees for \$8,121,000 to be recognised as revenue in future years.

During the year ended 30 June 2022, the Group purchased land from Avon Hotel Limited for \$32,000,000. Avon Hotel Limited's director is an indirect shareholder of the Company.

During the year ended 30 June 2022, the Group has leased land from an employee for \$16,000 (2021: \$13,000) to store materials.

The Group's Directors are also Directors of other companies. Julian Cook, an Executive Director is also a Director of WEL Networks Limited (WEL). During the year, the Group incurred \$462,000 of development costs categorised as inventories (2021: \$500,000) from WEL. As at 30 June 2022 there was nil (2021: nil) owing to WEL and included in account payables, accruals and other payables. There were no other transactions between the Group and other related companies to be disclosed.

Some of the Directors and key management personnel are shareholders of the Company. Certain individuals are Executive Directors, key management personnel and employees.

On 12 August 2021, the related party loan receivable of \$2,000 as at 30 June 2021 was repaid and no further related party loan transactions have occurred.

## Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

### 9. Other (Continued)

#### 9.12. Share-based payments

On 17 December 2021, the Group established a Share Option Plan under which options to subscribe for the Group's shares have been granted to certain employees. The plan has three tranches with vesting dates of 17 December 2025, 17 December 2028 and 17 December 2031. The options convert to ordinary shares. This is an equity-settled share scheme.

The key terms and conditions related to the grants under the plan are as follows; all options are to be settled by the physical delivery of shares.

GRANT DATE/EMPLOYEE ENTITLED	NUMBER OF INSTRUMENTS (000'S)	VESTING CONDITIONS	CONTRACTUAL LIFE OF OPTIONS
On 17 December 2021	1,930	4 years of service from grant date	12 months
Same as above	1,930	7 years of service from grant date	12 months
Same as above	7,076	10 years of service from grant date	12 months
<b>Total share options</b>	<b>10,936</b>		

The number and weighted-average exercise prices of share options under the share option plan are as follows:

	2022	
	NUMBER OF INSTRUMENTS (000'S)	EXERCISE PRICE \$
Opening balance	-	-
Granted during the year	10,939	3.8870
Forfeited during the year	(3)	3.8870
<b>As at 30 June</b>	<b>10,936</b>	<b>3.8870</b>

The fair value of the share options has been measured using the Black-Scholes formula. The requirement that the employee has to save in order to purchase shares under the share option scheme has been incorporated into that fair value at grant date by applying a discount to the valuation obtained. The inputs used in measurement of the fair values at grant date of the share options were as follows.

Fair value at grant date (weighted-average) (\$)	1.160
Share price at grant date (\$)	3.8870
Exercise price (\$)	3.8870
Expected volatility	25.0%
Expected life (weighted-average)	8.4 years
Expected dividends	2.50%
Risk-free interest rate (based on government bonds)	2.46%

The expected volatility is an implied volatility based on actual experience of similar entities that have traded equity instruments. The fair value of the share options as at 30 June 2022 is \$829,000 (2021: nil).

## Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

### 9. Other (Continued)

#### 9.12. Share-based payments (Continued)

##### Recognition and Measurement

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The cost is recognised in the statement of comprehensive income, together with a corresponding increase in equity (share-based payment reserve), over the period in which service is fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of comprehensive income for a period represents the movement in cumulative expense recognised as at the beginning and end of the period.

Service is not taken into account when determining the grant date fair value of awards, but the likelihood of the condition being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value.

No expense is recognised for awards that do not ultimately vest because service conditions have not been met. When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided that the original terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

#### 9.13. Investment in subsidiaries

The Company has the following wholly owned subsidiaries:

- Avon Loop Developments Limited
- Ayrburn Precinct Limited
- Ayrburn Wines Limited
- Beaches Developments Limited
- Bridesdale Farm Developments Limited
- Francis Street Developments Pty Limited
- Lakes Edge Developments Limited
- Lakeside Developments Limited
- Lakeside Residential Limited
- Launch Bay Townhouses Limited
- Longreach Developments Limited
- Marlborough Precinct Holdings Limited
- Marlborough Precinct Residential Limited
- Northbrook Launch Bay Limited
- Northbrook Arrowtown Limited
- Northbrook Avon Loop Limited
- Northbrook Retirement Villages Limited
- Northbrook Wanaka Limited
- Northbrook Wynyard Limited
- Northlake Apartments Limited
- Northlake Developments Limited
- Northlake Investments Limited
- Northlake Residential Limited
- Northlake Townhouses Limited
- Parnell Developments Limited
- Pier 1 Holdings Limited
- Pier 1 Operating Limited
- River Terrace Developments Limited
- River Terrace Residential Limited
- Sunfield Developments Limited
- Waterfall Park Developments Limited
- Winton Advisory Limited
- Winton Capital Limited
- Winton Fund Limited
- Winton Fund No.2 Limited
- Winton Group Holdings Limited
- Winton Partners Bellbird Pty Limited
- Winton Property Investments Limited
- Wynyard Developments Limited

## Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

### 9.14. Capital and land development commitments

As at 30 June 2022, the Group had entered into contractual commitments for development expenditure and purchase of land. Development expenditure represents amounts contracted and forecast to be incurred in future years in accordance with the Group's development programme. Land purchases represent the amounts outstanding for the purchase of land.

All VALUES IN \$000'S	2022	2021
Development expenditure	119,332	52,905
Land purchases	146,200	70,000
<b>Total capital and land development commitments</b>	<b>265,532</b>	<b>122,905</b>

### 9.15. Significant events after balance sheet date

On 24 August 2022, the Board of Directors of the Company approved the payment of a net dividend of 1.07000000 cents per share to be paid on 14 September 2022. The gross dividend (1.48611100 cents per share) carries imputation credits of 0.41611100 cents per share. The payment of this dividend will not have any tax consequences for the Group and no liability has been recognised in the Consolidated Statement of Financial Position as at 30 June 2022 in respect of this dividend.

On 18 August 2022 the Company entered into documentation to establish a new partnership with MaxCap New Zealand Limited (MaxCap). The partnership is a \$200m equity investment vehicle that will focus on the acquisition and construction of townhouses and apartment developments throughout New Zealand. The establishment remains subject to MaxCap obtaining any consents required under the Overseas Investment Act 2005.

After balance date the Group has settled the two acquisitions in Wynyard, Auckland with total purchase price of \$93,750,000 and contracted to acquire land in Auckland for \$18,000,000.

## Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

### 10. Comparison to prospective financial statements

On 1 December 2021 the Group issued a Product Disclosure Statement (PDS) in respect of the IPO. The following provides an explanation of the variances between the prospective financial information contained within the PDS and the actual financial position at 30 June 2022.

#### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2022

All VALUES IN \$000'S	ACTUAL 2022	UNAUDITED PDS 2022*
Revenue	159,523	158,000
Cost of sales	(87,096)	(87,500)
<b>Gross profit</b>	<b>72,427</b>	<b>70,500</b>
Other income	2,136	1,000
Selling expenses	(9,418)	(9,700)
Property expenses	(610)	(600)
Administrative expenses	(12,996)	(10,900)
Share-based payment expense	(592)	(900)
Offer costs	(5,981)	(6,600)
<b>Earnings before interest, taxation and depreciation (EBITDA)</b>	<b>44,966</b>	<b>42,800</b>
Depreciation	(718)	(600)
<b>Earnings before interest and taxation (EBIT)</b>	<b>44,248</b>	<b>42,200</b>
Interest income	2,190	1,600
Interest expense and bank fees	(1,820)	(1,600)
<b>Profit before income tax</b>	<b>44,618</b>	<b>42,200</b>
Income tax expense		
Current taxation	(4,455)	(10,900)
Deferred taxation	(8,506)	(1,600)
Total income tax expense	(12,961)	(12,500)
<b>Profit after income tax</b>	<b>31,657</b>	<b>29,700</b>
Items that may be reclassified to profit or loss:		
Movement in currency translation reserve	314	-
<b>Total comprehensive income after income tax attributable to the shareholders of the Company</b>	<b>31,971</b>	<b>29,700</b>
Basic earnings per share (cents)	12.56	10.49
Diluted earnings per share (cents)	12.28	10.10

#### Explanation of Variances

The key variances to the PDS were:

- Higher income due to a higher number of units settled.
- Higher administrative expenses due to higher legal fees.
- Lower current taxation expense / higher deferred taxation expense due to IRD binding ruling.

\* This information is unaudited and sourced from the PDS and where necessary the prospective information has been aligned to the statutory financial statement format.

## Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

### 10. Comparison to prospective financial statements (Continued)

#### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

All VALUES IN \$000'S	ACTUAL 2022	UNAUDITED PDS 2022*
<b>Balance as at 1 July 2021</b>	83,795	83,800
Total comprehensive income	31,971	29,700
Proceeds from primary issuance	350,000	300,000
Offer costs capitalised to equity	(15,433)	(15,728)
Employee share bonus	2,928	2,928
Share-based payment expense	829	900
<b>Balance as at 30 June 2022</b>	<b>454,090</b>	<b>401,600</b>

#### Explanation of Variances

The key variances to the PDS were:

- Higher equity share capital due to raising more proceeds from primary issuance than forecast.
- Higher retained earnings due to higher earnings than forecast.

\* This information is unaudited and sourced from the PDS and where necessary the prospective information has been aligned to the statutory financial statement format.

## Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

### 10. Comparison to prospective financial statements (Continued)

#### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

All VALUES IN \$000'S	ACTUAL 2022	UNAUDITED PDS 2022*
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	204,824	163,300
Restricted cash	810	800
Accounts receivable, prepayments and other receivables	4,924	3,100
Inventories	95,615	125,500
<b>Total current assets</b>	<b>306,173</b>	<b>292,700</b>
<b>NON-CURRENT ASSETS</b>		
Restricted cash	-	-
Inventories	86,254	135,200
Deposits paid on investment property acquisitions	7,198	-
Investment properties	80,498	25,200
Property, plant and equipment	16,064	2,500
Right-of-use asset	562	500
Intangible assets	123	100
<b>Total non-current assets</b>	<b>190,699</b>	<b>163,500</b>
<b>Total assets</b>	<b>496,872</b>	<b>456,200</b>
<b>CURRENT LIABILITIES</b>		
Accounts payable, accruals and other payables	24,872	33,000
Taxation payable	7,986	10,800
<b>Total current liabilities</b>	<b>32,858</b>	<b>43,800</b>
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	-	-
Lease liability	323	500
Contract liability	-	7,200
Deferred tax liabilities	9,601	2,700
Long term deposits	-	400
<b>Total non-current liabilities</b>	<b>9,924</b>	<b>10,800</b>
<b>Total liabilities</b>	<b>42,782</b>	<b>54,600</b>
<b>Net assets</b>	<b>454,090</b>	<b>401,600</b>
<b>EQUITY</b>		
Share capital	386,595	336,300
Foreign currency translation reserve	318	-
Share-based payment reserve	829	900
Retained earnings	66,348	64,400
<b>Total equity</b>	<b>454,090</b>	<b>401,600</b>

#### Explanation of Variances

The key variances to the PDS were:

- Higher cash due to raising more proceeds from primary issuance than forecast.
- Lower inventories due to transfers to investment properties and property, plant and equipment.
- Lower contract liability due to contract completing early.
- Higher deferred tax liabilities due to IRD binding ruling.

\* This information is unaudited and sourced from the PDS and where necessary the prospective information has been aligned to the statutory financial statement format.

## Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

### 10. Comparison to prospective financial statements (Continued)

#### CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2022

All VALUES IN \$000'S	ACTUAL 2022	UNAUDITED PDS 2022*
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	157,872	162,200
Interest received	2,190	1,600
Net GST paid	(63)	(800)
Payments to suppliers and employees	(132,386)	(170,600)
Purchase of development land	(4,000)	-
Deposits paid on unconditional contracts for land	(13,477)	(12,400)
Interest and other finance costs paid	(7,514)	(7,200)
Income tax paid	(11,548)	(15,100)
<b>Net cash flows from operating activities</b>	<b>(8,926)</b>	<b>(42,300)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of land for investment properties	(36,418)	-
Deposits paid on unconditional contracts for land for investment properties	(7,198)	(7,800)
Payments to suppliers and employees for investment properties	(15,129)	(14,100)
Acquisition of property, plant and equipment	(7,156)	(300)
<b>Net cash flows from investing activities</b>	<b>(65,901)</b>	<b>(22,200)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from primary issuance	350,000	300,000
Payment of offer costs	(18,486)	(17,600)
Release of restricted cash	43,109	40,400
Repayment of MMLIC facility	(130,000)	(130,000)
Repayment of related party loans receivables	2	-
<b>Net cash flows from financing activities</b>	<b>244,625</b>	<b>192,800</b>
Net increase in cash and cash equivalents	169,798	128,300
Cash and cash equivalents at beginning of year	35,026	35,000
<b>Cash and cash equivalents at end of year</b>	<b>204,824</b>	<b>163,300</b>

#### Explanation of Variances

The key variances to the PDS were:

- Higher cash due to raising more proceeds from primary issuance than forecast.
- Less cash spent on operating activities due to transfer of assets to investing activities.
- More cash spent on investing activities due to transfers from inventories and earlier settlement of investment properties.

\* This information is unaudited and sourced from the PDS and where necessary the prospective information has been aligned to the statutory financial statement format.



## Independent Auditor's Report

To the shareholders of Winton Land Limited

### Report on the audit of the consolidated financial statements

#### Opinion

In our opinion, the consolidated financial statements of Winton Land Limited (the 'company') and its subsidiaries (the 'group') on pages 30 to 56:

- present fairly in all material respects the Group's financial position as at 30 June 2022 and its financial performance and cash flows for the year ended on that date in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

We have audited the accompanying consolidated financial statements which comprise:

- the consolidated statement of financial position as at 30 June 2022;
- the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended; and
- notes, including a summary of significant accounting policies.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

Our firm has also provided other services to the group in relation to tax and advisory services, including investigating accountant services. Subject to certain restrictions, partners and employees of our firm may also deal with the group on normal terms within the ordinary course of trading activities of the business of the group. These matters have not impaired our independence as auditor of the group. The firm has no other relationship with, or interest in, the group.

#### Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the consolidated financial statements as a whole. The materiality for the consolidated financial statements as a whole was set at \$3.6 million determined with reference to a benchmark of group total assets. We chose the benchmark because, in our view, this is a key measure of the group's performance.

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## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the shareholders as a body may better understand the process by which we arrived at our audit opinion. Our procedures were undertaken in the context of and solely for the purpose of our statutory audit opinion on the consolidated financial statements as a whole and we do not express discrete opinions on separate elements of the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
----------------------	---

<b>Capitalisation and allocation of property costs</b>	
--	--

Refer to notes 4 and 5 of the consolidated financial statements.	
--	--

The Group's development properties (inventories) of \$181.9m comprise land and costs incurred to develop land into subdivisions and individual properties for sale.	
---	--

The Group's investment properties (including deposits) of \$87.7m comprise land and costs incurred to design and construct retirement villages that will be operated by the Group.	
--	--

We define Property Costs as capitalised development and investment property costs together.	
---	--

Determining whether to capitalise or expense costs relating to development properties and investment properties is subjective as it depends whether the costs are eligible for capitalisation under NZ IAS 2 Inventories (for development property) and NZ IAS 40 Investment Properties (for investment property) criteria. In addition, there is significant judgement in determining how to allocate the costs to individual properties.	
--	--

We performed the following procedures to address the risk:	
--	--

- |   |  |
|---|--|
| <ul style="list-style-type: none"><li>- Tested the appropriateness of controls around the capitalisation of property costs.</li><li>- Reviewed the nature of property costs capitalised to ensure they were eligible for capitalisation under NZ IAS 2 Inventories (for development property) and NZ IAS 40 Investment Properties (for investment property) criteria.</li><li>- Vouched a sample of capitalised property costs to invoice and supporting documentation.</li><li>- Agreed significant land acquisitions to purchase agreements and ensured title transferred before the balance date.</li><li>- Evaluated the property cost allocation method and forecast costs.</li><li>- Performed analytical procedures over development property costs of sales by development to identify outliers in margin allocated within the same or similar developments as well as between periods.</li></ul> |  |
|---|--|

## Other information

The Directors, on behalf of the group, are responsible for the other information included in the entity's Annual Report. Other information includes the Letter from the Chair and CEO, operational and business updates, financial commentary, and disclosures relating to corporate governance. Our opinion on the consolidated financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## Use of this independent auditor's report

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

## Responsibilities of the Directors for the consolidated financial statements

The Directors, on behalf of the company, are responsible for:

- the preparation and fair presentation of the consolidated financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) and International Financial Reporting Standards;
- implementing necessary internal control to enable the preparation of a consolidated set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.

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

Our objective is:

- to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of these consolidated financial statements is located at the External Reporting Board (XRB) website at:

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1/>

This description forms part of our independent auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Jason Doherty.

For and on behalf of

KPMG  
Auckland

24 August 2022

# Corporate Governance



**LAUREN CHRISTIE**  
GM QUEENSTOWN

**GEORGE WATTS**  
SENIOR DESIGN  
MANAGER



**BEACHES**  
MATARANGI

## Corporate Governance

### COMPANY INFORMATION

Winton is a limited liability company incorporated under the Companies Act 1993. The Company listed on the NZX Main Board (NZX code: WIN) and the ASX (Foreign Exempt Listing) (ASX code: WTN) in December 2021. The Board currently comprises eight directors.

A copy of the Company's constitution and more detailed information on the Board and Winton's senior management team is available at Winton's Website.

### CORPORATE GOVERNANCE

The Board is committed to strong governance and accountability. The Company fosters a culture of transparency for the benefit of its shareholders and other stakeholders. To demonstrate its commitment to high quality corporate governance, the Board has adopted the principles in the NZX Corporate Governance Code dated 10 December 2020 (**NZX Code**). The *NZX Code - Key Principles section* below lists those principles and discloses the extent to which Winton has followed the recommendations in the NZX Code.

In the Board's opinion, as at 30 June 2022, the Company complies with the NZX Listing Rules and the NZX Code other than Recommendations 2.8 and 2.9 as explained below.

The Code of Ethics, policies and charters referenced in the *NZX Code - Key Principles section* below, together with other policies and charters (the **Company Policies**), are available on Winton's Website and are available to all directors, employees, and contractors at Winton. Copies of, and training on, the Company Policies is provided to all directors and employees as part of their induction process, and updates and refresher discussions are scheduled regularly.

### NZX CODE - KEY PRINCIPLES

#### Principle 1 - Code of Ethical Behaviour

*"Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation."*

Winton maintains high standards of ethical conduct and requires its people to behave honestly and with integrity, in a manner consistent with Winton's values and the Company Policies. These include the following:

<b>Code of Ethics</b>	The Code of Ethics has been communicated to all its directors, employees and contractors and they are all subject to its standards and procedures. The Code of Ethics is not an exhaustive list of acceptable and non-acceptable behaviour at Winton, rather it contains guiding principles and reflects Winton's values as a company. The reporting of breaches of the Code of Ethics is encouraged and the steps for doing so are set out in Winton's Risk Management and Whistleblowing Policy. Any breaches are required to be addressed promptly and consistently and handled by Winton as set out in the Code of Ethics.
<b>Securities Trading Policy</b>	The Securities Trading Policy sets out the guidelines to, and express restrictions on, trading in Winton's financial products. The Securities Trading Policy provides transparency about expectations and requirements of directors, employees and contractors when dealing with Winton shares and places additional restrictions on certain "restricted persons" and prohibitions during prescribed blackout periods. Prior written consent of the General Counsel (or CEO in the case of a request by the General Counsel or CFO) is required to trade, and persons must otherwise act in compliance with laws.
<b>Diversity and Inclusion Policy</b>	The Diversity and Inclusion Policy sets out the Company's guiding principles for diversity and inclusion in the business. Refer to Principle 2 below for further details.
<b>Risk Management and Whistleblowing Policy</b>	The Risk Management and Whistleblowing Policy sets out the commitment of the Company to the sound and effective management of risks that are material to the achievement of its strategic objectives. This policy is also intended to encourage directors, employees and contractors to speak out if they see any behaviour that does not fit with the Company's values of integrity and honesty.
<b>Environment and Corporate Responsibility Policy</b>	The Environment and Corporate Responsibility Policy is a policy designed to ensure that the actions of the Company support the vision to create long-term value for Winton and others.

## Corporate Governance continued

### Principle 2 - Board Composition and Performance

*"To ensure an effective Board, there should be a balance of independence, skills, knowledge, experience and perspectives."*

#### Role of the Board

The Board is elected by its shareholders to provide overall strategic direction to the Company and to protect and enhance the value of the assets of Winton for the benefit of its shareholders. The Board is responsible for the management of the business and affairs of Winton and delegated the day-to-day leadership and management of the business to the CEO.

The Board operates under a written Board Charter, which sets out the role, responsibilities, composition, structure, and approach of the Board and management. The Board acknowledges that Recommendation 2.9 of the NZX Code sets out that the Board should have an independent Chair, and that the roles of Chair and CEO should be separated. At present, Chris Meehan is both the CEO and the Board Chair. Winton believes that this is appropriate given Chris Meehan's expertise and significant background with the Company as one of its founders.

#### Delegation of Authority

In addition to the CEO's day-to-day leadership and management of the business, the CEO and management have levels of authority approved by the Board. In turn, the CEO and management can sub-delegate authority to direct reports in appropriate circumstances. This structure is documented in the Delegated Authority Policy.

#### Directors and Board Composition

The Board currently comprises, and at 30 June 2022 comprised, eight directors as follows:

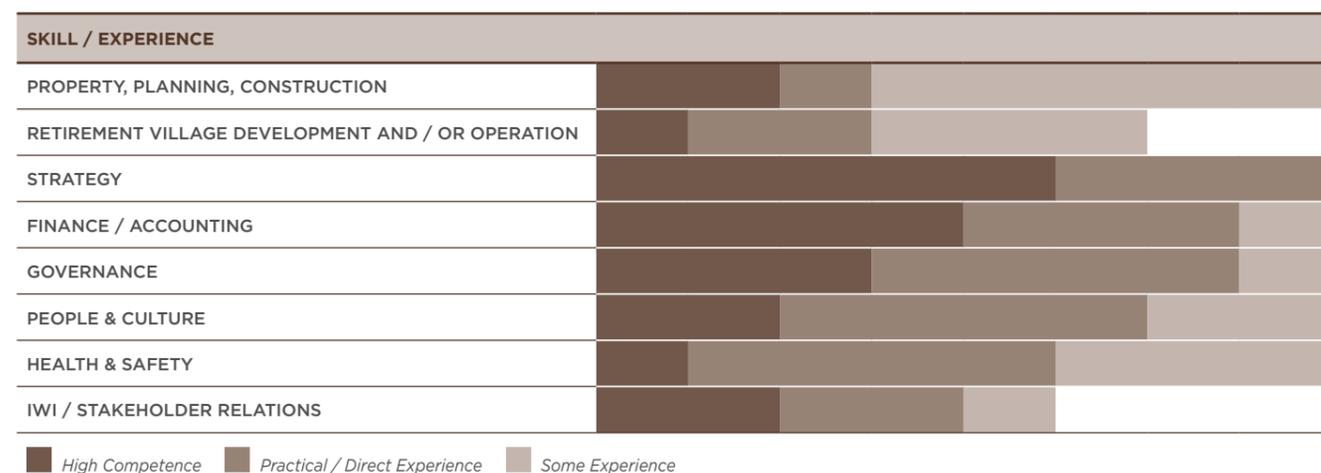
DIRECTOR	TYPE OF DIRECTORSHIP	APPOINTMENT DATE
CHRIS MEEHAN (CHAIR)	Executive Director	19 June 2017
MICHAELA MEEHAN	Non-executive Director	19 June 2017
DAVID LIPTAK	Non-executive Director	7 July 2017
JULIAN COOK	Executive Director	13 September 2021
ANNA MOLLOY	Independent Director	24 September 2021
GLEN TUPUHI	Independent Director	24 September 2021
JAMES KEMP <sup>1</sup>	Non-executive Director	21 February 2022
JELTE BAKKER <sup>1</sup> (ALTERNATE FOR JAMES KEMP)	Non-executive Director	21 February 2022

*1. James Kemp and Jelte Bakker will stand for re-election at Winton's FY22 annual shareholders' meeting.*

## Corporate Governance continued

### Directors and Board Composition continued

Directors are chosen on the basis of a mix of skills, knowledge and experience. The right blend of leadership and experience, combined with diversity of perspective, is critical to enabling the Board to create value for Winton's shareholders over the long term. A summary of the key skills and experience held across the Board as at 30 June 2022 is summarised below:



Directors are encouraged to hold shares in the Company to align their interests with the interests of shareholders. Six of the eight current Directors own shares (either directly or through a related entity or trust), and those relevant interests are included under the heading "Directors' Dealings and Relevant Interests" in Principle 4 below. The remaining two Directors are appointed (subject to re-election at Winton's 2022 Annual Shareholders' Meeting) in their capacity as representatives of a Substantial Product Holder.

Between its listing on the NZX Main Board on 17 December 2021 and the Company's financial year-end on 30 June 2022, meeting attendance for the Directors is as follows:

DIRECTOR	BOARD			AUDIT AND FINANCIAL RISK			NOMINATION AND REMUNERATION		
	Member	Meetings held	Meetings attended	Member	Meetings held	Meetings attended	Member	Meetings held	Meetings attended
CHRIS MEEHAN (CHAIR)	•	2	2				•	1	1
MICHAELA MEEHAN	•	2	2						
DAVID LIPTAK	•	2	2	•	2	2			
JULIAN COOK	•	2	2						
ANNA MOLLOY	•	2	2	•	2	2	•	1	1
GLEN TUPUHI	•	2	2	•	2	2	•	1	1
JAMES KEMP	•	2	2						
JELTE BAKKER (ALTERNATE FOR JAMES KEMP)	•	2	2						

## Corporate Governance continued

### Director Training

At the time of appointment, directors receive a comprehensive induction from the business to familiarise themselves with Winton's management and operations. New directors are appropriately introduced to Winton's management and business and receive all papers and documents (including Company Policies) to enable them to provide value in their role on the Board. Regular site visits are provided for directors, both new and existing.

Directors of the Board are expected to maintain appropriate levels of financial, legal and industry understanding, and are encouraged to take responsibility for their own professional development. Each Director is also aware that they should seek independent advice in respect of their role as a Director, should the need arise.

### Board Performance

The Board has committed to critically evaluate its own performance and the performance of individual Directors on a regular basis.

The Nomination and Remuneration Committee is tasked with making recommendations to the Board to ensure that adequate procedures are in place to review the performance of the Board as a whole, its committees and the contributions of each Director.

### Independence

The Board currently comprises eight director positions, including one alternate director. For the purposes of the NZX Listing Rules, the Board has determined that, as at 30 June 2022, two Directors are independent directors, being Anna Molloy and Glen Tupuhi.

In determining independence of Directors, the Board considers not only the factors expressly set out in Recommendation 2.4 of the NZX Code, but also carefully assesses whether a Director's interest, position, association or relationship might interfere, or be seen to interfere, with that Director's capacity to bring an independent judgment to bear on issues before the Board. The Board assesses the independence of each Director on their appointment, and will continue to do so at least annually thereafter. The Board acknowledges that Recommendation 2.8 of the NZX Code sets out that the Board should be comprised of a majority of independent Directors. In its capacity as a recently listed company, the Directors appointed to date represent existing shareholders and the Substantial Product Holders. The composition of the Board, and the appropriate governance structure for the Company, will be monitored over time.

### Diversity and Inclusion

Winton, and the Board, is committed to ensuring an environment where its people enjoy their roles, their interaction with other employees, contractors and customers and working towards the success of the business. Winton is committed to creating an open workplace where every team member is welcomed, supported and inspired, and where diversity is celebrated.

The principles of Winton's Diversity and Inclusion Policy include encouraging diversity of all types throughout the workforce at all levels, creating a flexible and inclusive work environment, ensuring the behaviour of its leaders reflect our values, attracting and retaining talented people and ensuring that its people feel safe. The Board considers that Winton has adhered to these principles and its Diversity and Inclusion Policy.

The Board recognises that gender is one important and commonly reported measure of diversity. The gender composition at Winton as at 30 June 2022 is set out in the table below:

DIRECTORS <sup>1</sup>		SENIOR MANAGEMENT <sup>2</sup>		EMPLOYEES <sup>1</sup>	
Male	Female	Male	Female	Male	Female
6	2	3	2	23	12

1. Where an individual is an executive director on the Board, and is also an employee, they are counted twice.

2. Senior management team members are also included in Employee statistics.

### Interests Register

The Company maintains an Interests Register, together with separate Interests Registers for each subsidiary company. Any Director who is interested in a transaction with the Company (or a subsidiary) is required to immediately disclose to the Board the nature, monetary value and extent of that interest and will not be entitled to vote in respect of such transaction (other than a transaction where all Directors are required to sign a certificate in accordance with the Companies Act 1993).

## Corporate Governance continued

### Interests Register continued

The Directors have declared interests in the entities listed in the table below:

DIRECTOR	COMPANY / ORGANISATION	POSITION HELD <sup>1</sup>
CHRIS MEEHAN	Korama Limited	Director and Shareholder
	Speargrass Holdings Limited	Director and Shareholder
	Woodside 45 Limited	Director
MICHAELA MEEHAN	Korama Limited	Director
	Speargrass Holdings Limited	Director
DAVID LIPTAK	Wanaka Partners, LLC	Beneficial Owner
JULIAN COOK	SkyCity Entertainment Group Limited	Director
	WEL Networks Limited	Director
	Motutapu Investments Limited	Director
	Deakin TopCo Pty Limited	Director
ANNA MOLLOY	ANZ New Zealand Investments Limited	Director
	Channel Infrastructure NZ Limited	Director
GLEN TUPUHI	Toi Consulting Limited	Director
JAMES KEMP	Macquarie Real Estate Investment Holding (Australia) Pty Limited	Director
	Macquarie Real Estate Management (Australia) Limited	Director
	TC Akarua 1 Pty Limited	Director
	TC Akarua 2 Pty Limited	Director
JELTE BAKKER	Macquarie Real Estate Investment Holding (Australia) Pty Limited	Director
	Macquarie Real Estate Management (Australia) Limited	Director
	TC Akarua 1 Pty Limited	Director
	TC Akarua 2 Pty Limited	Director

1. Entries added during the period from 1 July 2021 to 30 June 2022. No entries were removed by notices given by the directors during the year ended 30 June 2022.

During the year, the Board authorised the renewal of the Directors' and Officers' insurance cover as at 1 October 2021 for a period of 12 months and has certified, in terms of section 162 of the Companies Act 1993, that this cover is fair to the Company.

As permitted by the Company's constitution and the Companies Act 1993, the Company has also executed a deed indemnifying its Directors against potential liabilities and costs they may incur for acts or omissions in their capacity as Directors of the Company and its subsidiaries.

## Corporate Governance continued

### Subsidiary Company Directors

As at 30 June 2022, Winton had 37 subsidiary companies.

Chris Meehan and Michaela Meehan are directors of the following 22 subsidiaries: Beaches Developments Limited, Bridesdale Farm Developments Limited, Lakes Edge Developments Limited, Lakeside Developments 2017 Limited, Lakeside Residential Limited, Longreach Developments Limited, Marlborough Precinct Holdings Limited, Marlborough Precinct Residential Limited, Northbrook Launch Bay Limited, Northbrook Retirement Villages Limited, Northbrook Wanaka Limited, Northlake Developments Limited, Northlake Investments Limited, Northlake Residential Limited, Northlake Townhouses Limited, River Terrace Developments Limited, River Terrace Residential Limited, Waterfall Park Developments Limited, Winton Advisory Limited, Winton Capital Limited, Winton Group Holdings Limited and Winton Property Investments Limited.

Chris Meehan and Iain Murray are directors of Francis Street Developments Pty Limited and Winton Partners Bellbird Pty Limited.

Chris Meehan is the sole director of the following 15 subsidiaries: Avon Loop Developments Limited, Ayrburn Precinct Limited, Ayrburn Wines Limited, Launch Bay Townhouses Limited, Northbrook Arrowtown Limited, Northbrook Avon Loop Limited, Northbrook Wynyard Limited, Northlake Apartments Limited, Parnell Developments Limited, Pier 1 Holdings Limited, Pier 1 Operating Limited, Sunfield Developments Limited, Winton Fund Limited, Winton Fund No.2 Limited and Wynyard Developments Limited.

Directors of the Company's subsidiaries do not receive any remuneration or other benefits in respect of their appointments, other than Iain Murray who receives an annual fee of AUD\$15,000 for corporate secretarial services to the Australian subsidiaries.

### Principle 3 – Board Committees

*"The Board should use committees where this will enhance its effectiveness in key areas, while still retaining Board responsibility."*

The Board has two standing committees, being the Audit and Financial Risk Committee and the Nomination and Remuneration Committee, as detailed below. The Board has concluded that it is not necessary at this time to establish any other standing committees, but may consider additional committees as it matures as a listed company.

#### Audit and Financial Risk Committee

*Membership: Anna Molloy (Chair), David Liptak, Glen Tupuhi*

Winton has an Audit and Financial Risk Committee that operates under its own written charter, which is available on Winton's Website. The Audit and Financial Risk Committee is currently chaired by Anna Molloy, who has a background in financial services. The membership of this committee is solely non-executive directors, with a majority of the members being independent.

The Audit and Financial Risk Committee takes responsibility to ensure the quality and integrity of external financial reporting including the accuracy, completeness, and timeliness of financial statements. The committee is committed to providing balanced, clear, and objective financial reporting. It reviews financial statements and makes recommendations to the Board concerning accounting policies, areas of judgment, compliance with accounting standards, stock exchange and legal requirements, and the results of the external audit.

The Audit and Financial Risk Committee may, in its discretion, invite Winton's external auditors and other directors and members of senior management, as appropriate, to attend committee meetings.

#### Nomination and Remuneration Committee

*Membership: Anna Molloy (Chair), Glen Tupuhi, Chris Meehan*

Winton has a combined Nomination and Remuneration Committee that operates under its own written charter. The majority of the members of this committee are independent. Since Chris Meehan is also the CEO, he declares conflicts of interest and stands down from decisions relating to his own performance and remuneration.

The primary responsibilities of the Nomination and Remuneration Committee include to identify and make recommendations to the Board in respect of director nominations (including casual vacancies and composition of committees), to review and recommend to the Board appropriate remuneration of the Directors for consideration by shareholders, and to review and approve annually the remuneration strategy for Winton, including specific responsibilities in relation to the CEO and his direct reports. Senior management is only invited to attend meetings of the Nomination and Remuneration Committee at the invitation of the committee.

The Company enters into written agreements with each of its new directors establishing the terms and conditions of their appointment, including their duties, term of appointment (subject to shareholder approval), expectations of the role and remuneration.

## Corporate Governance continued

### Principle 4 – Reporting & Disclosure

“The Board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures.”

#### Continuous disclosure

Winton is committed to promoting shareholder confidence through effective communication with the NZX, the ASX, the Company’s shareholders, investors, analysts, media and other interested parties, and providing those parties with equal and timely access to material information. The Board, and management, carefully consider such information to ensure it is precise, balanced and consistent. Winton’s Continuous Disclosure Policy applies to ensure that all relevant stakeholders have appropriate and timely access to relevant information, be it positive or negative.

#### Other Governance Documentation

The Company Policies, annual and interim reports, Company announcements and other relevant material is available on Winton’s Website.

#### Reporting

Winton’s half-year and audited full-year financial statements are prepared in accordance with the relevant financial reporting standards and applicable legislation. The audited full-year financial statements for FY22 are included in this report.

Non-financial information is included throughout this report, including in relation to Winton’s communities and projects and the Company’s general environmental and social sustainability factors and practices.

#### Directors’ Dealings and Relevant Interests

The details of the Directors’ dealings in the Company’s financial products as at 30 June 2022 are set out in the table below:

DIRECTOR	NO. OF SHARES ACQUIRED / (DISPOSED)	CONSIDERATION PER SHARE	DATE OF TRANSACTION
JULIAN COOK	1,286,339	\$3.8870	17 December 2021
ANNA MOLLOY	38,591	\$3.8870	17 December 2021
GLEN TUPUHI	12,870	\$3.8870	17 December 2021

The details of the Directors’ relevant interests in the Company’s financial products for the year ended 30 June 2022 are set out in the table below:

DIRECTOR	NATURE OF RELEVANT INTEREST	NO. OF SHARES
CHRIS MEEHAN (CHAIR)	Beneficial	162,593,000
MICHAELA MEEHAN	Beneficial	162,593,000
DAVID LIPTAK	Beneficial	28,683,000
JULIAN COOK	Beneficial	1,286,339
ANNA MOLLOY	Beneficial	38,591
GLEN TUPUHI	Beneficial	12,870

Note that while James Kemp and Jelte Bakker are appointed to the Board in their capacity as representatives of substantial product holder, TC Akarua 2 Pty Limited (as trustee of the TC Akarua Sub Trust), they do not hold a personal relevant interest in those shares.

## Corporate Governance continued

### Principle 5 – Remuneration

“The remuneration of directors and executives should be transparent, fair and reasonable.”

#### Directors’ Remuneration

The current director fee pool is \$600,000 per annum, which was approved by the shareholders on 1 December 2021. In addition, directors are reimbursed for all reasonable travel, accommodation and other expenses incurred by them in connection with their role as a Director.

Winton’s strategy is to attract and retain high performing directors with the appropriate skills and experience to provide diversity of thought and benefit to the Company. On that basis, it is important that the Directors are appropriately remunerated. The current Directors’ fees comprise an annual fee of \$60,000 per annum (other than the Board Chair fee which is \$100,000 per annum) and an annual fee for \$15,000 to the chair of any Board committee.

Other than as set out in this report, the Company has not provided any other benefits to a Director for services as a director in any other capacity, nor has the Company made any loans to a Director, or guaranteed any debts incurred by a Director since its listing on 17 December 2021.

The remuneration paid to Directors of the Company during FY22 is as follows:

DIRECTOR	ROLE	DIRECTOR FEES PAID IN FY22
CHRIS MEEHAN	Board Chair	\$29,452
	Executive Director	\$42,877
ANNA MOLLOY <sup>1</sup>	Audit and Financial Risk Committee (Chair)	\$15,425
	Nomination and Remuneration Committee (Chair)	\$9,255
	Independent Director	\$41,671
MICHAELA MEEHAN	Non-executive Director	\$42,877
DAVID LIPTAK	Non-executive Director	\$42,877
JULIAN COOK <sup>2</sup>	Executive Director	\$42,877
GLEN TUPUHI <sup>1</sup>	Independent Director	\$41,671
JAMES KEMP <sup>3</sup>	Non-executive Director	-
JELTE BAKKER <sup>3</sup>	Non-executive Director	-

1. Anna Molloy and Glen Tupuhi were appointed to the Board on 24 September 2021.

2. Julian Cook was appointed to the Board on 13 September 2021.

3. James Kemp and Jelte Bakker were appointed to the Board on 21 February 2022.

#### Remuneration Policy

The Board supports a remuneration strategy that is competitive in the market, taking into account the complexity of the business itself, and also having regard to the scale of, and high performance expected, within each role.

The Nomination and Remuneration Committee will consider benchmarked executive remuneration data as appropriate, with remuneration of the CEO and other members of the senior management team including a mix of fixed and variable components, always having regard to alignment of shareholder interests. Together with the fixed base salary (including any KiwiSaver contributions, carparking, etc), remuneration also comprises variable components such as discretionary bonuses, and eligibility for the LTI Plan (described in more detail below).

#### LTI Plan

As set out in the Product Disclosure Statement, the Company has implemented a long-term incentive plan (the LTI Plan) for employees, to incentivise and retain those employees. Under the LTI Plan, participants are granted options to vest at year 4, year 7 and year 10, and will not be required to pay for such options. Each option will give the participant the right to acquire one Share, subject to the participant remaining employed at the relevant vesting date, at the Issue Price (as defined). The exercise price will not be adjusted for any dividends paid by Winton.

## Corporate Governance continued

### LTI Plan continued

Every employee of Winton as at the date of listing was included in the LTI Plan, and all subsequent employees are eligible to participate in that LTI Plan after 12 months of continuous service.

In addition to the general employee LTI Plan (referred to below), a grant of options has been made to Julian Cook. Mr Cook will not be required to pay for such options. Each option will give Mr Cook the right to acquire one share at the vesting date (being 10 years from the date of issue), subject to Mr Cook remaining employed on the 4th anniversary of the date of issue of the options, at the Issue Price (as defined). The exercise price will be adjusted for any dividends paid by Winton.

### Chief Executive's Remuneration

Chris Meehan's remuneration as CEO for FY22 was \$1,622,496.73. Mr Meehan did not receive any additional remuneration (including any short term or long term incentives) during FY22 as CEO.

### Employee's Remuneration

Julain Cook's remuneration as Director of Retirement for FY22 was \$193,846.11. Mr Cook did not receive any additional remuneration (including any short-term or long-term incentives<sup>1</sup>) during FY22 as Director of Retirement.

There were 20 employees of Winton, not being Directors, who received remuneration and other benefits in their capacity as employees that exceeded \$100,000 during FY22, and these are set out in brackets of \$10,000 in the following table. Remuneration is calculated as inclusive of salary and any discretionary bonuses received, together with the one-off bonus satisfied by a Share Issue at the Issue Price (as set out in the Product Disclosure Statement).

AMOUNT OF REMUNERATION <sup>1</sup>	CURRENT EMPLOYEES
\$120,001 to \$130,000	2
\$150,001 to \$160,000	2
\$160,001 to \$170,000	2
\$170,001 to \$180,000	1
\$200,001 to \$210,000	2
\$230,001 to \$240,000	1
\$240,001 to \$250,000	1
\$250,001 to \$260,000	1
\$280,001 to \$290,000	1
\$350,001 to \$360,000	1
\$360,001 to \$370,000	1
\$520,001 to \$530,000	1
\$710,001 to \$720,000	1
\$1,300,001 to \$1,310,000	1
\$1,310,001 to \$1,320,000	1
\$1,900,001 to \$1,910,000	1

1. Remuneration does not include the grant of any options under the LTI Plan, with such remuneration to be captured on vesting.

## Corporate Governance continued

### Principle 6 – Risk Management

*“Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The Board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks.”*

### Risk Management Framework

The Board has established a risk management framework which includes a list of material risks faced by Winton. The framework is reviewed and updated as risks to the business evolve and change. The Board has set its risk tolerance appetite in pursuit of its strategy and how it will manage them.

A new risk register has been created in 2022 which the Board uses to track strategic risks at Winton. This process included invitation to all staff to consult and provide feedback to Winton. The nature of the risk treatment varies according to the nature and severity of the risk. If the risks are material, they will be reported to the Board. Simultaneously, where such risks warrant the need to make a disclosure to the market, Winton will apply relevant facts against the Continuous Disclosure Policy.

The Audit and Financial Risk Committee at Winton reviews and makes recommendations to the Board whether Winton's processes for managing financial risk are sufficient and any incident of fraud or other failure of internal controls. Non-financial risk and the appropriateness of Winton's insurance programme is reviewed and determined at a full Board level.

The CEO and other members of the senior management team review, update and take ownership of the day-to-day management and operation of Winton's risk management framework and associated policies and procedures.

### Principal Business Risks and Key Strategies to Mitigate

Winton is currently focused on 11 principal business risks across its business. For the purposes of this report and Recommendation 6.1 of the NZX Code, a high-level description of these principal business risks is provided below:

AREA OF RISK	DESCRIPTION OF RISK	KEY STRATEGIES EMPLOYED BY WINTON TO MITIGATE RISK
PROPERTY MARKET RISK	Winton's ability to achieve its forecasted sales and/or forecasted sales prices within each of its developments is dependent on the housing market conditions in each of the areas in which its developments are located.	Winton reviews economic and residential property market conditions through research and relationships with market participants. Reporting is provided to the Board regularly.
CONSTRUCTION AND DEVELOPMENT RISK	Winton faces construction and property development risks when developing its communities and projects within its communities. These risks include project delays (consenting and construction), default risk, governance and design risk, and potential labour and materials shortages. There is also a risk of supply chain cost inflation due to Covid-19 related shortages and delays.	Winton ensures expected returns from developments adequately compensate Winton for the level of risk undertaken before approval. Through due diligence, Winton understands the project risks by undertaking comprehensive feasibility studies to determine the viability of the proposed initiative or development and ensures funding is in place. Further, Winton establishes a procurement plan including, procurement for long lead items, and engages contractors early to mitigate cost escalation or contractor default. Its construction and development contracts have robust provisions to ensure these risks are adequately addressed and mitigated.

## Corporate Governance continued

### Principal Business Risks and Key Strategies to Mitigate continued

AREA OF RISK	DESCRIPTION OF RISK	KEY STRATEGIES EMPLOYED BY WINTON TO MITIGATE RISK
<b>CORPORATE GOVERNANCE AND GENERAL COMPLIANCE RISK</b>	<p>Failure to comply with regulatory, societal and investor expectations in relation to corporate governance and environmental sustainability could impact Winton's reputation and financial performance over the longer term.</p> <p>Failure to comply with environmental laws, resource consents and regulations which may result in penalties and/or reputational damage.</p>	<p>Winton's governance procedures are continually monitored to ensure compliance. External consultants and advisers are engaged as appropriate. Winton also proactively engages with regulators such as NZ RegCo and ASIC to foster ongoing relationships and open dialogue.</p> <p>Project developments are required to have Environmental Management Plans in place and are consistently monitored in accordance with Resource Consent conditions.</p>
<b>FINANCIAL PERFORMANCE RISK</b>	<p>The risk of financial performance not being managed to expectations.</p>	<p>As noted under the "construction and development risk", Winton has a number of provisions in place to control this risk, including a delegation policy, an analytical review process, forecasting, budgeting, and general proactive management. Winton's approach to on-sales is conservative requiring purchasers to provide personal guarantees as appropriate and ensuring deposits are payable early.</p>
<b>RETIREMENT VILLAGE OPERATIONAL RISK</b>	<p>Winton will need to develop and implement new operational strategies to operate a retirement village and aged care offering under the Northbrook brand. This includes hiring appropriate staff and establishing and maintaining quality and service standards consistent with market expectations.</p> <p>Retirement villages will need to be developed and constructed to high standards to achieve the appropriate premium brand positioning.</p>	<p>Winton has retained Julian Cook, former CEO of one of New Zealand's largest retirement village operators Summerset Group, as the Executive Director of the Northbrook programme. Winton also intends to retain expert external advisers to advise on registration, statutory obligations and ongoing compliance.</p>
<b>HEALTH, SAFETY AND WELLBEING OF WINTON EMPLOYEES, CONTRACTORS AND STAKEHOLDERS</b>	<p>Risk of not having adequate procedures in place to identify, manage and report on the health, safety and wellbeing of Winton employees, contractors and stakeholders, both internally and externally.</p>	<p>Winton has a number of procedures in place to ensure hazards are identified and its health and safety obligations are met.</p> <p>Winton records near misses and "opportunities for improvement" at a corporate level as well as through contractor reporting lines for any incidents on site. These are minuted at regular site meetings or advised directly to Winton if appropriate to report outside of site meeting timing.</p> <p>PCG reporting covers health and safety as a standing item and independent audits are also undertaken.</p> <p>Winton has recently engaged Construct Health to undertake an "assurance review" of the Company as a whole and will provide a report on what matters are to be addressed to ensure best practice.</p>

## Corporate Governance continued

### Principal Business Risks and Key Strategies to Mitigate continued

AREA OF RISK	DESCRIPTION OF RISK	KEY STRATEGIES EMPLOYED BY WINTON TO MITIGATE RISK
<b>TECHNOLOGY AND CYBERSECURITY RISK</b>	<p>The risk of Winton's systems or data becoming compromised, for example due to a cyberattack or an outage.</p>	<p>Winton's systems are managed by qualified third parties and appropriate cybersecurity controls are in place.</p>
<b>STAFF RETENTION AND CAPABILITY RISK</b>	<p>In a tight and highly competitive labour market, Winton is at risk of staff shortages and loss of institutional knowledge and experience. The risk is our ability to recruit appropriate replacements and the loss of knowledge and expertise.</p>	<p>Key areas within Winton's senior management, development and Northbrook teams will continue to be monitored closely.</p> <p>Winton also ensures a strong focus on team engagement and enhancement and maintains ongoing succession planning and retention structures within the company.</p> <p>Winton will continue to undertake regular performance reviews of employees and directors and benchmark remuneration packages with the wider market.</p>
<b>CONSENTING RISK</b>	<p>Winton's development activities typically require it to achieve rezoning or resource consents to allow development of its master planned communities and projects to be undertaken. There is a risk that Winton does not achieve the rezoning or consents required, or the rezoning or consents are granted on terms which are less favourable than Winton originally anticipated.</p>	<p>Winton has strong relationships across local, central governments and with tangāta whenua. While the outcome of rezoning and consenting decisions remains outside its direct control, Winton has a proven track record of achieving the necessary rezoning and consenting to develop large-scale master planned communities.</p>
<b>LAND ACQUISITION RISK</b>	<p>Winton's continued growth is dependent on its ability to acquire attractive sites for the development of new master planned communities. The vendors of attractive sites may choose to either not sell, sell to a competitor or other third party, or sell at higher prices than Winton would expect.</p>	<p>Winton continually evaluates potential new sites and has a demonstrated record in origination opportunities through various channels, including direct approaches to landowners, public sale processes, its network of long-term relationships across New Zealand and inbound enquiry. Winton has enshrined provisions in its constitution to enable it to control shareholding to ensure it does not become an "overseas person" under the Overseas Investment Act 2005. This mitigates the risk of many competitors.</p>
<b>CLIMATE CHANGE RISK</b>	<p>Over the longer term, Winton expects to operate in a climate that will progressively depart from the weather conditions and events currently experienced, to more acute challenges and risks arising from increasing climate variability. This is likely to have various impacts on the longer-term plans and operation of the Winton - specifically in relation to the design, build and construction of its Northbrook communities.</p>	<p>Winton will adopt the requirements under the Task Force on Climate-Related Financial Disclosures to disclose more detail on the risks and opportunities for its business and how different global warming scenarios would impact its strategy in FY23.</p>

## Corporate Governance continued

### Health and Safety

Winton has established an internal health and safety committee (with Board representation) to monitor and manage health and safety risk within the organisation, including through its supplier relationships. Winton adopts a systematic approach to the management of health and safety risks and has comprehensive health and safety documentation in place. The business encourages active involvement by Directors, senior management, employees and contractors to participate in improving health and safety within the organisation. As noted in the description of risks in this Principle 6 above, Winton ensures procedures are in place to identify hazards and record near misses or any incidents at both a corporate level and through our contractors. No notifiable events to WorkSafe NZ have occurred in respect of Winton's employees and all of Winton's contractors on each respective site are required to fully report all notifiable incidents not only to WorkSafe NZ, but to Winton as part of their extensive contractual health and safety obligations.

Winton has established an internal health and safety committee (with Board representation) to monitor and manage health and safety risk within the organisation, including through its supplier relationships. This committee will also review and assess the outcome of the assurance review currently being undertaken by Construct Health and will report findings and recommendations to the Board.

### Principle 7 – Auditors

*“The Board should ensure the quality and independence of the external audit process.”*

### Audit

The Board is committed to ensure auditor independence is maintained, in accordance with strong governance practices and regulatory requirements. The Company has adopted an Auditor Independence Policy that is administered by the Audit and Financial Risk Committee.

The Auditor Independence Policy is a reflection of the Company's belief that the quality of external auditing is critical for the integrity of financial reporting, and provides an important protection for investors. The Policy addresses Recommendation 7.1 of the NZX Code and includes procedures for communication with an auditor, approval of an external audit firm, the monitoring of audit independence, the audit rotation requirements, the circumstances where it may be appropriate for an auditor to provide non-audit services and the responsibilities of Winton (including in relation to the monitoring of audit performance, value and fees).

KPMG has been Winton's auditor since 27 August 2018, and the lead audit partner is Jason Doherty. Winton commenced an audit tender for FY23 and the Board's recommendation of Ernst & Young as the new auditor is subject to shareholder approval at Winton's 2022 Annual Shareholders' Meeting.

KPMG, as the auditor of the FY22 financial statements, will be invited to attend this year's Annual Shareholders' Meeting.

Winton does not have a dedicated internal audit function. In addition to the robust external audit process, Winton's process to ensure internal compliance is through constant review, evaluation and improvement of the risk management process and internal controls.

### Principle 8 – Shareholder Rights and Relations

*“The Board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer.”*

### Investor Centre Website

Winton's Website contains a comprehensive set of investor-related material and data, including market disclosures, media releases, annual and interim reports, share-price information and copies of the Company Policies. It also contains details of Directors and employees.

### Shareholder Communication

Winton welcomes communication and feedback from shareholders. Winton's Website provides contact details for shareholder and investor relations queries, and includes dates and times of shareholder meetings and investor calls. Winton's process following each results announcement is to hold an investor call to present the results and to allow investors and other stakeholders to ask questions.

Shareholders have the option of receiving their communications electronically, including by email, and are actively encouraged to take up this option.

## Corporate Governance continued

### Notice of Annual Shareholders' Meetings

The annual meeting of shareholders is anticipated to be run as a virtual-only meeting. It is expected to be held on Wednesday, 26 October 2022 at 11.00am (NZDT). The Notice of Meeting will be circulated at least 20 working days before the meeting and will also be posted on Winton's Website.

In respect of voting rights, Winton shareholders have one vote per share they hold in Winton, and will have the right to vote on material or related party transactions in accordance with the NZX Listing Rules.

## OTHER DISCLOSURES

### Donations

The Company made the following donations during 2022:

- \$10,000 to the Papakura Marae to help with emergency food parcels for families and individuals in need during the Covid-19 lockdown.
- \$9,200 to the Eden Rugby Club for sponsorship of the Men's premier rugby team.
- \$2,000 to Cure Kids to help fund child health research to help improve, extend and save the lives of Kiwi kids living with serious illnesses and conditions.

No other member of the Group made donations in FY22.

### Dividends

The following dividends have been paid by the Company in the past two financial years:

DATE PAID	CENTS PER SHARE	TOTAL PAID FY22 \$000'S	TOTAL PAID FY21 \$000'S
6 OCTOBER 2020	8.39381	-	17,276
23 MARCH 2021	0.76262	-	1,569
<b>TOTAL DIVIDENDS PER STATEMENT OF CHANGES IN EQUITY</b>		<b>-</b>	<b>18,845</b>

### NZX Waivers

The following waivers from the NZX Listing Rules were either granted and published by NZX within, or relied upon by the Company during, FY22:

- NZ RegCo approval under NZX Listing Rule 8.1.6 to include provisions in the Company's constitution which allow the Board to restrict the transfer of Winton's securities to 'overseas persons' as defined in the Overseas Investment Act 2005 and to require certain documentation and/or information in relation to a proposed transfer or transferee of Winton's securities, and
- a waiver from NZX Listing Rule 8.1.5, to the extent that rule would otherwise prevent Winton from suspending the voting rights attaching to securities in accordance with the process set out in the Company's constitution.

The conditions to these approvals and waiver are that Winton is given a non-standard (NS) designation, in terms of its listing on the NZX Main Board.

### ASX Waivers

ASX also granted a waiver from ASX Listing Rules 8.10 to 8.11, to the extent necessary to permit Winton's constitution to contain the provisions outlined above that restrict certain transfers to "overseas persons" and suspect voting rights in relation to the same.

### Disciplinary action taken by NZX, ASX or FMA during FY22

Nil.

## Corporate Governance continued

### INVESTOR STATISTICS

#### 20 Largest Registered Shareholders as at 30 June 2022

RANK	HOLDER NAME	NO. OF SHARES	% OF SHARES
1.	Korama Limited	162,593,000	54.82
2.	Perpetual Corporate Trust Limited <sup>1</sup>	51,453,564	17.35
3.	Wanaka Partners, LLC	28,683,000	9.67
4.	JWAJ Limited	20,972,418	7.07
5.	Oto60 Nominee Limited	5,145,356	1.73
6.	Peter Karl Christopher Huljich & John Hamish Bonshaw Irving	3,301,269	1.11
7.	Christopher Peter Huljich & Constance Maria Huljich & Elizabeth Ferguson Anne	2,967,294	1.00
8.	HWM (NZ) Holdings Limited	2,091,025	0.70
9.	FNZ Custodians Limited	1,907,439	0.64
10.	Kiowa 2018 Corporate Trustee Company Limited	1,286,339	0.43
11.	Motutapu Investments Limited	1,286,339	0.43
12.	BNP Paribas Nominees NZ Limited - NZCSD	994,258	0.34
13.	HSBC Nominees (New Zealand) Limited - NZCSD	882,854	0.30
14.	Forsyth Barr Custodians Limited - Custody A/C	869,069	0.29
15.	Jason Timothy Kilgour & Vaughan Charles Atkin	711,405	0.24
16.	Leveraged Equities Finance Limited	544,416	0.18
17.	Colin Ian Crombie & Heather Joy Hallam	514,535	0.17
18.	Joseph Davenport & Shelley Davenport	514,535	0.17
19.	Forsyth Barr Custodians Limited - NRL Ail A/C	483,000	0.16
20.	Citibank Nominees (Nz) Ltd - NZCSD	419,100	0.14
<b>TOTAL SHARES HELD BY TOP 20 SHAREHOLDERS</b>		<b>287,620,215</b>	<b>96.94</b>
Balance of Shares		8,993,521	3.06
<b>TOTAL OF ISSUED SHARES</b>		<b>296,613,736</b>	<b>100.00</b>

<sup>1</sup> Perpetual Corporate Trust Limited is the custodian for the TC Akarua Sub Trust. Macquarie Real Estate Management (Australia) is the manager of TC Akarua 2 Pty Limited, who is the trustee of the TC Akarua Sub Trust.

#### Distribution of Shareholders

The distribution of the ordinary shares and registered shareholdings as at 30 June 2022 is set out in the following table:

ORDINARY SHARES	NUMBER OF SHAREHOLDERS	SHAREHOLDERS %	NUMBER OF SHARES	SHARE %
1 TO 1,000	89	18.35	49,021	0.02
1,001 TO 5,000	168	34.64	454,781	0.15
5,001 TO 10,000	76	15.67	597,433	0.20
10,001 TO 50,000	89	18.35	2,060,564	0.69
50,001 TO 100,000	22	4.54	1,501,946	0.51
100,001 AND OVER	41	8.45	291,949,991	98.43
<b>TOTAL</b>	<b>485</b>	<b>100.00</b>	<b>296,613,736</b>	<b>100.00</b>

## Corporate Governance continued

### Geographical Spread of Shareholders

The geographical spread of the ordinary shares and registered shareholdings as at 30 June 2022 is set out in the following table:

ORDINARY SHARES	NUMBER OF SHAREHOLDERS	SHAREHOLDERS %	NUMBER OF SHARES	SHARE %
AUCKLAND & NORTHERN REGION	156	32.16	198,792,434	67.02
WELLINGTON & CENTRAL DISTRICTS	89	18.35	5,238,303	1.77
NELSON, MARLBOROUGH & CHRISTCHURCH	66	13.61	503,049	0.17
DUNEDIN & SOUTHLAND	39	8.04	1,829,342	0.62
HAMILTON & SURROUNDING DISTRICTS	67	13.81	1,081,483	0.36
OVERSEAS	68	14.02	89,169,125	30.06
<b>TOTAL</b>	<b>485</b>	<b>100.00</b>	<b>296,613,736</b>	<b>100.00</b>

### Substantial Product Holders

In accordance with section 293 of the Financial Markets Conduct Act 2013, the following persons have provided notice as at 30 June 2022 that they were substantial product holders in the Company and held a relevant interest in the number of ordinary shares as set out in the following table:

SUBSTANTIAL PRODUCT HOLDER	DATE OF NOTICE	RELEVANT INTEREST IN NUMBER OF SHARES	% OF SHARES HELD AT DATE OF NOTICE
KORAMA LIMITED	17 December 2021	162,593,000	54.816
TC AKARUA SUB TRUST	17 December 2021	51,453,564	17.347
WANAKA PARTNERS, LLC	17 December 2021	28,683,000	9.670
JWAJ LIMITED	17 December 2021	20,972,418	7.071

The total number of voting securities on issue as at 30 June 2022 was 296,613,736.

### DIRECTORS' STATEMENT

The Board is responsible for preparing the Annual Report. This report is dated 24 August 2022 and is signed on behalf of the Board of Winton Land Limited by Chris Meehan, Chair and Anna Molloy, Director.



**Chris Meehan**  
Chair



**Anna Molloy**  
Director

## Corporate Governance continued

### GLOSSARY

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means the Australian Stock Exchange.

**Board** means the Board of Directors of Winton Land Limited.

**Director** means a current director of the Board.

**Northbrook** means Winton's luxury retirement brand.

**NZ RegCo** means NZX Regulation Limited.

**NZX** means the New Zealand Stock Exchange.

**Product Disclosure Statement** or **PDS** means the product disclosure statement issued by the Company and dated 1 December 2021.

**Winton** and/or **Company** means Winton Land Limited, and where applicable, includes all subsidiaries of Winton Land Limited.

**Winton's Website** means [www.winton.nz/investorcentre/](http://www.winton.nz/investorcentre/).

# Directory

### Company

Winton Land Limited  
NZCN 6310507  
ARBN 655 601 568

### Board of Directors

Chris Meehan, Chair  
Michaela Meehan  
David Liptak  
Julian Cook  
Anna Molloy  
Glen Tupuhi  
James Kemp  
Jelte Bakker (alternate for James Kemp)

### Senior Management Team

Chris Meehan, Chief Executive Officer  
Simon Ash, Chief Operating Officer  
Jean McMahon, Chief Financial Officer  
Justine Hollows, General Manager Corporate Services  
Julian Cook, Director of Retirement

### Registered Office

**New Zealand:**  
Level 4, 10 Viaduct Harbour Avenue  
Auckland 1010  
New Zealand

**Australia:**  
c/- Mills Oakley  
Level 7, 151 Clarence Street  
Sydney, NSW 2000  
Australia

### Mailing Address and Contact Details

P O Box 105526  
Auckland 1143  
New Zealand  
Telephone: +64 9 377 7003  
Website: [www.winton.nz](http://www.winton.nz)

### Auditor

KPMG  
18 Viaduct Harbour Avenue  
Auckland 1010  
New Zealand

### Legal Advisors

#### New Zealand:

Chapman Tripp  
Level 34, PwC Tower  
15 Customs Street West  
Auckland 1010  
New Zealand

#### Australia:

Mills Oakley  
Level 7, 151 Clarence Street  
Sydney, NSW 2000  
Australia

### Share Registry

Winton's share register is maintained by Link Market Services Limited. Link is your first point of contact for any queries regarding your investment in Winton. You can view your investment, indicate your preference for electronic communications, access and update your details and view information relating to dividends and transaction history at any time by visiting the Link Investor Centre at the addresses noted below.

### Registry

#### New Zealand:

Link Market Services Limited  
Level 30, PwC Tower  
15 Customs Street West  
Auckland 1010  
New Zealand  
Telephone: +64 9 375 5998  
Email: [enquiries@linkmarketservices.co.nz](mailto:enquiries@linkmarketservices.co.nz)  
Website: [www.linkmarketservices.co.nz](http://www.linkmarketservices.co.nz)

#### Australia:

Link Market Services Limited  
Level 12, 680 George Street  
Sydney, NSW 2000  
Australia  
Telephone: +61 1300 554 474  
Email: [enquiries@linkmarketservices.com.au](mailto:enquiries@linkmarketservices.com.au)  
Website: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

### Investors

[investors@winton.nz](mailto:investors@winton.nz)



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