

WINTON

PRODUCT DISCLOSURE STATEMENT

Winton builds neighbourhoods.

Initial public offering of ordinary shares in Winton Land Limited.

Date: 1 December 2021

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this Offer on <https://disclose-register.companiesoffice.govt.nz/>. Winton Land Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial advice provider to help you to make an investment decision.



NORTHLAKE
WANAKA

SECTION 1:

Key information summary.

What is this?

This is an Offer of ordinary shares in Winton Land Limited (**Winton**). Ordinary shares give you a stake in the ownership of Winton. You may receive a return if dividends are paid or Winton increases in value and you are able to sell your ordinary shares at a higher price than you paid for them.

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

About Winton

Winton is a residential land developer that specialises in developing integrated and fully masterplanned¹ communities. To date, Winton's primary business has been developing and selling 'lots' of residential land.² In some cases, Winton also provides land and building packages, where Winton contracts with specialist builders to provide a home on the land it is selling. Similarly, where the market or site dictates, Winton develops apartment buildings as part of its masterplanned developments.

Winton has a national footprint in New Zealand, with six masterplanned communities in the North Island and six in the South Island. Winton also has one masterplanned community in NSW, Australia, although once this development is completed, Winton's future focus expects to be solely on development activity in New Zealand. The Australian project is managed through Head Office with assistance from an independent contractor Development Manager.

Winton is also actively expanding its product offering by leveraging its land development expertise to expand into the premium retirement and aged care sector.

Across Winton's 13 masterplanned communities, we have a portfolio of 29 projects, which are expected to yield a combined total of 7,442 residential lots, dwellings, apartment units, Retirement Village Units and commercial lots. As at 15 November 2021, \$703 million of these properties have been pre-sold. Of these pre-sales, \$620 million are unconditional, with approximately 54% (by value) sold to New Zealand Government entities (Kāinga Ora and Ministry of Education). Combined with the \$32 million of properties settled between 1 July and 15 November 2021, the pre-sales represent over 78% of properties (by value) forecast to settle by June 2023. Of the \$83 million of conditional pre-sales, \$66 million relates to an option in place at our Lakeside development with a New Zealand Government entity (Kāinga Ora).

In 2018, Winton launched the retirement living brand, Northbrook, to leverage our existing expertise and capability in residential land acquisition and development to build and operate a premium retirement living business. Winton is assembling an experienced team to execute this strategy, led by ex-Summerset Group CEO Julian Cook. Retirement village developments will be constructed within Winton's existing and future masterplanned residential communities where there is a market for a premium retirement village offering. Winton believes its retirement and aged care offerings will be perceived as premium due to their size, location, the standard of high quality materials to be used throughout, the extensive care options, activities and amenities to be available to residents and the corresponding price. Winton is currently developing five retirement village projects, with the first retirement properties expected to be completed during 2024.

Purpose of this Offer

The primary purpose of this Offer is for Winton to raise additional equity funding:

- to accelerate our strategy to undertake large development projects; and
- fund future land acquisitions and development costs.

As Winton expects to operate with a conservative capital structure, using little to no debt, a further portion of proceeds are also intended to be applied to repay a project finance debt facility relating to the Lakeside development, expected to be on or about June 2022. In addition, some of the proceeds will be used to fund Offer costs.

As part of the Institutional Offer, TC Akarua Sub Trust has received an allocation of 51,453,564 Shares under the Offer. TC Akarua Sub Trust is a real estate vehicle managed by Macquarie Asset Management, part of Macquarie Group.

You can find more information about the use of the proceeds of the Offer in Section 3 (*Purpose of the Offer*).³

¹ A masterplanned community is a large scale residential development with recreational and commercial amenities which are planned and developed by a single developer.

² Lots refers to a parcel of land within a Winton development.

³ No Shares are to be sold by existing shareholders as part of the Offer.

Key terms of the Offer

DESCRIPTION OF THE SHARES	Ordinary shares
ISSUE PRICE	\$3.8870 per Share
OFFER OPENS	9 December 2021
OFFER CLOSES	12 December 2021
TOTAL NUMBER OF SHARES BEING OFFERED UNDER THE OFFER	64.3 million to 90.0 million (being 23.7% to 30.4% of the total Shares on issue immediately following the Offer) ⁴
LIABILITIES, FEES AND CHARGES	If you sell your Shares, you may be required to pay brokerage or other sale expenses. You may also be liable for tax on the sale of your Shares. You should seek your own tax advice in relation to your Shares.

These dates are indicative only and may change. Winton reserves the right to vary or extend these dates and to withdraw the Offer at any time before the date on which Shares are first allotted. Winton may also accept late Applications (either generally or in individual cases).

How you can get your money out

Winton intends to quote these Shares on the NZX Main Board and on the ASX. This means you may be able to sell them on the NZX Main Board or ASX if there are interested buyers. You may get less than you invested. The price will depend on the demand for the Shares.



LAKESIDE
TE KAUWHATA

⁴ The total number of Shares on issue immediately following the Offer is assumed to comprise the 64.3 million to 90.0 million Shares offered under the Offer plus 205.8 million Shares held by existing shareholders and not offered under the Offer and 0.75 million Shares offered concurrently with the Offer to selected employees Shares in recognition of their past service to Winton.

Key drivers of returns

DRIVERS OF FINANCIAL PERFORMANCE

KEY STRATEGIES AND PLANS

SALES VOLUME AND PRICING OF RESIDENTIAL LOTS

Winton's core business is the development and sale of residential lots. The quality of our product, sales strategies and overall residential land demand drive our sales volume and pricing for residential lots in our development projects.

- Investment in high profile, distinctive marketing campaigns and industry partnerships.
- Continued commitment to high product standards.
- Development of showcase suites at Winton development sites to drive product interest and consumer knowledge.
- Ensure continued high levels of off the plan pre-sales to provide financial certainty.

ACQUISITION OF PARCELS OF LAND FOR DEVELOPMENT

Continuing to extend and expand Winton's development pipeline through the acquisition of land for development is a key driver of revenue growth and long-term profitability.

- Leveraging Winton's existing real estate agent network as well as public and private property networks to acquire attractive development opportunities.
- Driving Winton's primary investment screening criteria, focusing on greenfield sites that are in close proximity to a body of water, adjacent to a growth centre, have existing transportation links, rezoning potential and suitability for large scale masterplanned communities.
- Mitigate risks by undertaking thorough evaluation processes including masterplanning feasibility analysis, risk assessment and infrastructure and services reviews.

RESIDENTIAL LAND DEVELOPMENT COST AND TIMEFRAME

The cost and time to develop residential lots is a key driver of profitability, and the timeframe which Winton is able to do this in is a key driver of revenue.

- Target the acquisition of land which is not zoned for residential use and with multi-purpose potential (e.g. residential, retirement, commercial), which materially reduces the cost of land and Winton's overall development cost.
- Continue to employ a highly skilled and capable team with extensive experience in zoning, resource consenting, planning, and project management to minimise potential project delays.
- Focus on Winton's core business of residential land development, limiting exposure to above ground construction risk.
- Maintain strict contractor selection criteria, with a focus on developing strong working relationships across multiple developments.
- Continue optimisation of masterplan and design through development staging to proactively manage for market demand, development requirements and costs.
- Whether Winton is able to complete construction within budgeted timeframe and cost will affect Winton's financial performance.

DEMAND FOR PREMIUM RETIREMENT LIVING

Northbrook represents a premium retirement living offering, and the sustained demand for a premium product is a key driver of revenue.

- Develop a premium later living product accompanied by targeted marketing to become a leader in the New Zealand premium retirement living sector.
- Ensure retirement villages are purpose built to meet the needs of the premium retirement village resident.
- Operate a continuum of care model, providing residents with the comfort that they will be looked after through all stages of retirement.
- Strategic location selection and development to best serve the premium retirement village market.

RETIREMENT VILLAGE DEVELOPMENT COST AND TIMEFRAME

Winton's cost to develop Retirement Village Units is a key driver of profitability, and the timeframe which Winton is able to do this in is a key driver of revenue.

- Leverage and further develop Winton's existing team of residential development experts, experienced contractors and industry relationships across residential land development in order to minimise development risk and complete projects on time and within budget.
- Apply Winton's purchasing power and processes used for our core residential land development business, refined for the specific requirements of retirement village developments.

Key risks affecting this investment

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

- **Land Acquisition Risk** – Winton's continued growth is dependent on our ability to acquire attractive sites for the development of new masterplanned communities. Winton competes with other acquirers of that land and may not always be able to secure its preferred sites, or may have to pay more for those sites than anticipated.
- **Consenting Risk** – Winton's development activities typically require us to achieve rezoning or resource consents to allow development of our masterplanned communities. Rezoning and consents may be granted on terms which are less favourable than Winton originally anticipated.
- **Project Development Risk** – When developing sites, Winton needs to complete works within projected budget and timetable in order to generate the returns we expect. Our ability to do so is subject to various uncertainties, including risk arising from unexpected cost increases (including those caused by labour shortages and/or increased labour rates) and delays in the completion of our developments (including due to inclement weather).
- **Retirement Village Development and Operation Risk** – Winton's planned move into retirement village and aged care (under the Northbrook brand) is a new business. Winton will need to develop and implement new operational strategies and grow its internal team capability to operate a retirement village and aged care offering. The retirement village and aged care market is an established market with a number of large existing operators. The sector also carries regulatory risk, being exposed to health, consumer and land development regulatory frameworks. Future regulatory change for the industry may have an adverse impact on us.
- **Housing Market and Sales Risk** – Winton's ability to achieve the forecast sales and/or forecast sales prices within each of our developments is dependent on the housing market conditions in each of the areas in which our developments are located. Lower demand for housing may affect Winton's ability to achieve anticipated sales volumes or prices.
- **COVID-19 Disruption Risk** – Winton's business is exposed to the impact of disruption from COVID-19 and Government measures taken to attempt to control it. Changes in COVID 19 alert levels or frameworks, future lockdowns or a new pandemic may adversely affect our business.

This summary does not cover all of the risks of investing in ordinary shares. You should also read Section 8 (*Risks to Winton's business and plans*).

Where you can find Winton's financial information

The financial position and performance of Winton are essential to an assessment of this Offer. You should also read Section 7 (*Winton's financial information*).

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Letter from the Chair

Dear Investor,

On behalf of the Winton Board, I am pleased to invite you to become a Winton shareholder.

Winton's vision is to set the standard as a world-class New Zealand property group that creates thoughtful masterplanned neighbourhoods that are best by design. We are dedicated to creating more sustainable, connected and vibrant urban communities, providing a lasting legacy for generations to come.

Winton was founded in 2009 as a property investment business and in response to New Zealand's housing shortage, shifted focus to residential land development in 2014, becoming one of New Zealand's largest residential land developers.

In 2018, Winton established the Northbrook retirement living brand and is committed to developing and operating a wide portfolio of premium retirement living villages across New Zealand, with the first retirement properties targeted for completion in 2024.

As co-founder alongside my wife Michaela Meehan, Winton is currently majority-owned by interests associated with our family. We are not selling any shares as part of the Offer and neither are any of my fellow existing shareholders, reflecting our long-term commitment to the business and desire to remain heavily invested in Winton.

Winton is raising up to \$350 million of new capital via the Offer and is seeking a listing on the NZX Main Board and ASX. The proceeds of the Offer will be used primarily to provide additional equity funding to continue to execute on our growth strategy - for both land development and retirement village operations. Winton operates with a conservative capital structure, using minimal debt, and as such some of the equity raised will be used to repay a project finance debt facility relating to one of our developments. Additionally, a portion of the proceeds from the Offer will be used to fund Offer costs. I am pleased to welcome Macquarie Asset Management to Winton, with one of its real estate vehicles, TC Akarua Sub Trust, committing to subscribe for \$200 million as part of the Offer.

We are proud of the business we have created and the excellent team of people that have helped make Winton the high-performing company it is today. Winton is one of New Zealand's leading residential land developers, consisting of a 'best in class' rezoning and consenting team, together with a group of highly experienced professionals who are well versed in the delivery of large-scale masterplanned communities. We are excited to deliver projects at the very forefront of sustainable living, such as our Sunfield development in Auckland. Similarly, the launch of Winton's retirement living brand, Northbrook will provide



We are dedicated to creating more sustainable, connected and vibrant urban communities, providing a lasting legacy for generations to come.

New Zealanders with greater choice when it comes to premium retirement living options.

Under the guidance of experienced industry leader Julian Cook, we are focussed on becoming the New Zealand operator of choice for the premium retirement village market. Winton has a strong focus on environmental and social impacts, adopting best practice industry standards concerning environmental controls, and engaging with iwi and councils in order to produce developments that meet the needs of New Zealand's communities.

Importantly, we intend to remain a majority New Zealand owned company. This provides us with a competitive advantage in being able to continuously acquire large parcels of development land without being subject to New Zealand's strict foreign investment rules.

This PDS contains important information about Winton and the Offer. We encourage you to read it carefully and consider in particular Section 8 (*Risks to Winton's business and plans*) before making your investment decision.

We thank you for your interest in the Offer and look forward to welcoming you as a Winton shareholder.

Yours sincerely,

Chris Meehan
Chair

SECTION 2:

Winton and what it does.



Winton Land Limited (**Winton**) is the parent company of a group of companies, and is expected to be listed on the NZX Main Board and ASX on completion of the Offer with the ticker code 'WIN' on the NZX Main Board and 'WTN' on the ASX. A wholly owned subsidiary of Winton, Winton Group Holdings Limited is the sole shareholder in the various development entities that own the relevant land and undertake the development activities on each of the projects.

Overview of Winton

Winton is a residential land developer that specialises in developing integrated and fully masterplanned communities. To date, Winton's primary business has been developing and selling residential lots. Winton intends to expand its product offering and leverage its significant land development expertise and existing large scale residential projects to expand into the premium retirement village sector.

Winton has a national footprint in New Zealand, with six masterplanned communities in the North Island and six in the South Island. Winton also has one masterplanned community in NSW, Australia, although Winton's future focus will be on development activity in New Zealand. The Australian project is managed through Head Office with assistance from an independent contractor Development Manager.

Across the 13 communities, Winton has a portfolio of 29 projects, which are expected to yield a combined total of approximately 7,442 residential lots, dwellings, apartment units, Retirement Village Units and commercial lots.

As at 15 November 2021, \$703 million of these properties have been pre-sold. Of these pre-sales, \$620 million are unconditional, with approximately 54% (by value) sold to New Zealand Government entities. Combined with the \$32 million of properties settled between 1 July and 15 November 2021, the pre-sales represent over 78% of properties (by value) forecast to settle by June 2023. Of the \$83 million of conditional pre-sales, \$66 million relates to an option in place at our Lakeside development with a New Zealand Government entity (Kāinga Ora).

Access to housing is a significant issue facing New Zealanders, with market commentators estimating that New Zealand has a housing shortage of around 55,000-75,000⁵ units. Winton's scale and national footprint ensures it is a relevant contributor to addressing this shortage. Winton has a long-term development target of 1,000 lots and dwellings per annum and over 200 Retirement Village Units per annum.

Winton has the ability to originate, assess and execute on the acquisition of a broad range of development opportunities, and possesses strong relationships with Government bodies, iwi, contractors, and real estate agents, providing support for rezoning and consenting, development, and sales.

Winton prides itself on delivering vibrant new neighbourhoods with a focus on the residents, public and the environment. Winton's masterplanned communities integrate commercial precincts, shared recreation spaces, and other amenities for residents and the public to access.

Winton undertakes the acquisition of land, obtaining necessary rezoning and resource consent approvals, contracting for civil works including roading and infrastructure, and selling the completed residential lots.

In some cases, Winton also provides land and building packages, where Winton contracts with specialist builders to provide a home on the land it is selling. Winton's core focus has been, and will continue to be, residential development. Construction activities are undertaken by capable and experienced third parties under contract to Winton. The sale of residential lots, as opposed to land and building packages, comprises 79% of Winton's prospective development pipeline (by number of units). Similarly, where the market or site dictates, Winton develops apartment buildings as part of its masterplanned developments.

In 2018, Winton launched Northbrook, our retirement living brand, to leverage our existing expertise and capability in residential land acquisition and development to build and operate a premium retirement living business. Winton is assembling an experienced team to execute this strategy, led by ex-Summerset CEO Julian Cook. Retirement village developments are, and will continue to be, constructed within Winton's masterplanned communities. Winton believes its retirement and aged care offerings will be perceived as premium due to their size, location, the standard of high quality materials to be used throughout, the extensive care options, activities and amenities to be available to residents and the corresponding price. Winton has commenced the process of developing five retirement village projects and is at various stages of seeking resource consents, with the first retirement properties expected to be completed during 2024.

Winton is focused on continuing to expand upon our development portfolio through our origination strategy, with a specific focus on acquiring plots of land in growing towns and cities which are of sufficient scale and are adjacent to bodies of water. Winton's strong track record of successful developments demonstrates our capability in navigating New Zealand's regulatory environment and that we are well positioned to meet potential regulatory change.

Winton's shareholding

Winton is currently owned by Korama Limited (79.0%), Wanaka Partners, LLC (13.9%), and JWAJ Limited (7.1%), together the Existing Shareholders.

The Existing Shareholders will not be selling any shares as part of the Offer. Following the issuance of Offer Shares by Winton, the Existing Shareholders will hold a combined shareholding of 71.6% - 77.6% in Winton.

The Existing Shareholders and TC Akarua Sub Trust have each entered into escrow arrangements as described in Section 5 (*Terms of the Offer*). In addition, selected employees will be issued bonus Shares in recognition of their past service to Winton and such Shares will be subject to similar escrow arrangements. 80.6% of the total number of shares on issue in Winton immediately following completion of the Offer are expected to be subject to escrow arrangements, based on a \$350 million raise.

⁵ CB Report - pg. 19.

Winton at a glance

<p>FOUNDED IN 2009</p> <p>and focused on development of integrated masterplanned communities since 2014</p>	<p>45%+ IRR⁶ AND 40%+ AVERAGE GROSS MARGIN</p> <p>on completed development projects to date</p>
<p>~79%</p> <p>OF PORTFOLIO (BY UNITS) ARE RESIDENTIAL LOTS</p> <p>limiting exposure to construction risk</p>	<p>917</p> <p>RETIREMENT LIVING UNITS</p> <p>targeted to be developed across 5 existing projects by FY27</p>
<p>29</p> <p>PROJECTS</p> <p>at various stages of development across a diversified portfolio of 13 communities</p>	<p>7,442</p> <p>RESIDENTIAL LOTS</p> <p>and dwellings in pipeline from existing projects as at 1 July 2021</p>
<p>78%</p> <p>of forecast gross revenue pre-sold and</p> <p>78%</p> <p>of development costs under contract in the FY22F-23F period</p>	<p>NZ\$227M</p> <p>average annual net revenue, and</p> <p>NZ\$85M</p> <p>average annual pro forma EBITDA⁷ for the FY21A-23F period</p>



⁶ IRR as at 30 June 2021.

⁷ Pro forma EBITDA is a non-NZ GAAP measure that includes pro forma adjustments as calculated in Section 7.10.

Winton's History

Winton was founded in 2009 by Chris and Michaela Meehan, operating initially as a property-based investment business.

From 2014, Winton leveraged its robust equity position and strong foundation in real estate to build the residential development business as it stands today. Winton's expertise in project evaluation and risk mitigation strategy, together with its conservative capital structure have established it as one of New Zealand's largest residential land developers.

In 2018 Winton launched Northbrook, our retirement living brand, and in 2021 we hired ex-Summerset Group CEO Julian Cook to lead the retirement living strategy.



BRIDESDALE FARM
QUEENSTOWN

Key Business Features

1

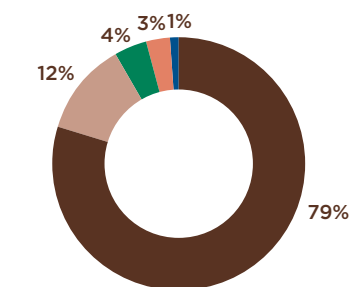
Winton has a significant existing portfolio of large-scale land development projects in attractive markets.

- Winton's ~640 hectare development portfolio includes 5,909 residential lots, 917 Retirement Village units, 235 apartment units, 108 residential dwellings, and 273 commercial lots, in various stages of development.
- Across Winton's portfolio, we have a total estimated Gross Development Value (**GDV**) of \$3,205 million in residential and \$1,326 million in retirement living.
- Winton's current development portfolio is expected to be completed in various stages from FY22 to FY39, providing Winton with an extended pipeline for development.
- Winton has a strong focus on New Zealand's growth corridors. 78% of lots are in the Auckland region, which is forecast to grow at an average of 1.1% per year between 2018 and 2048.⁸ We are well placed to continue to provide Aucklanders with residential properties as Auckland continues to grow.
- Winton regards the development and operation of premium retirement villages under the Northbrook brand as a highly complementary and value-adding component of our existing land development business. Our existing property assets are expected to provide significant benefits for the retirement living strategy, with retirement villages planned across both current developments and new sites.

GDV is gross development value. GDV is Winton's estimated gross sales value of the relevant project as at 30 June 2021 (including GST and excluding lots 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.

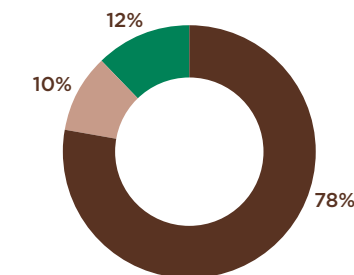
Development portfolio snapshot as at 30 June 2021⁹

PRODUCT



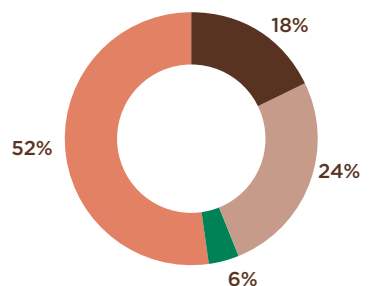
● Lots
 ● Commercial
 ● Dwellings
 ● Retirement
 ● Apartments

LOCATION



● Auckland
 ● Queenstown region
 ● Other

APPROVAL STATUS



● In construction
 ● Pending consent
 ● Consented
 ● Pending zoning

⁸ CB Report - pg. 11.

⁹ Note percentages are calculated by number of lots.

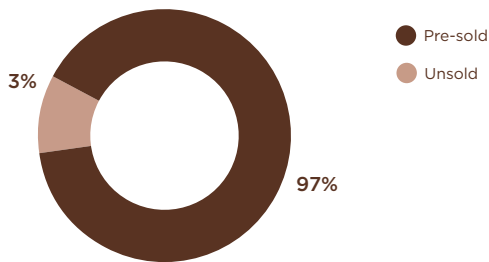
2

High quality products and significant early cost recovery reduces development risk.

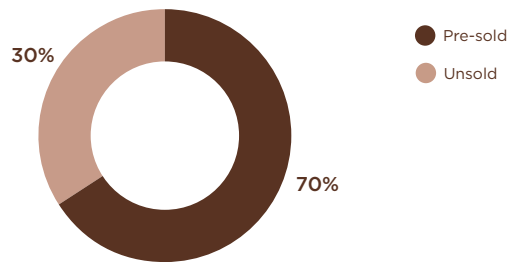
- Winton has a strong reputation for delivering high quality products throughout its masterplanned communities and this is underpinned by relationships with real estate agents across the country, driving robust pre-sales and early cost recovery.
- As at 15 November 2021, \$703 million of these properties have been pre-sold. Of these pre-sales, \$620 million are unconditional, with approximately 54% (by value) sold to New Zealand Government entities. Combined with the \$32 million of properties settled between 1 July and 15 November 2021, the pre-sales represent over 78% of properties (by value) forecast to settle by June 2023. Of the \$83 million of conditional pre-sales, \$66 million relates to an option in place at our Lakeside development with a New Zealand Government entity (Kāinga Ora). The remainder of pre-sales are to private parties who pay a deposit (the majority of which are 10% of purchase price, held in our solicitors' trust account).
- The quality of execution and desirable locations of Winton's developments are a key part of our risk management strategy, as is our approach to pre-sales. High quality assets in desirable locations present a lower sales risk and attract strong engagement from buyers and real estate agents.
- Winton's sales strategy across all of its projects is to seek pre-sales off the plan (i.e. before development of the stage commences). The initial pre-sales are at a price that is at a moderate discount to the prevailing market, providing customers with a more affordable purchase. This pre-sales strategy ensures that the project is accepted by the market, provides Winton with substantial certainty on contracted revenue, and decreases the risk associated with the project.
- Lots sold during the later stages of Winton's projects are often larger in size and are typically sold, subject to market conditions, at higher prices and completed with higher margins reflecting shared infrastructure constructed at earlier stages.

Winton's pre-sales (\$m) as at 15 November 2021

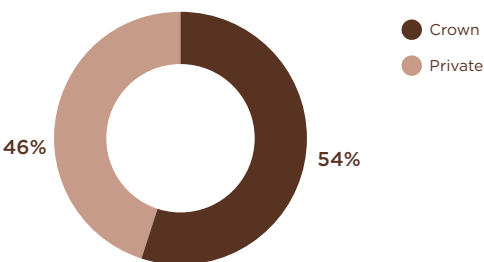
FY2022F REVENUE PRE-SOLD



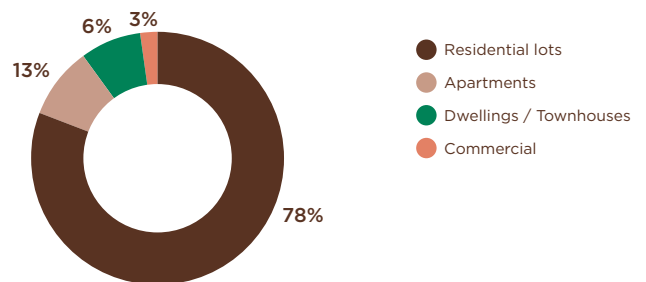
FY2023F REVENUE PRE-SOLD



TOTAL REVENUE PRE-SOLD BY CUSTOMER



TOTAL REVENUE PRE-SOLD BY PRODUCT



3

Ability to navigate regulatory framework to successfully deliver projects.

- Winton has significant experience navigating the rezoning and resource consenting processes that are required to consent large parcels of land suitable for masterplanned communities of scale, as demonstrated by our track record of success.
- The complexity of the New Zealand regulatory environment provides a competitive advantage to Winton, as there are a limited number of residential developers with the expertise required to execute large-scale projects. Winton's significant in-house expertise and existing relationships with external experts means that we are well positioned to meet potential regulatory change, including proposed reforms to the Resource Management Act.
- The structural headwinds to residential land development have been a contributor to the strong demand for residential properties in New Zealand, driving robust margins for Winton and resulting in a significant market opportunity.
- Winton has implemented measures to ensure that it will not be an 'overseas person' under the Overseas Investment Act, meaning that it will not be subject to the foreign ownership restrictions that some of our competitors are subject to for land purchases in New Zealand.



**OVATION
LAUNCH BAY**

4

Retirement living strategy provides exposure to New Zealand’s aging population and leverages Winton’s existing development capabilities.

- By 2051, New Zealand’s population aged 75 and over is projected to increase from approximately 330,000 to nearly 830,000.¹⁰
- Over the same time period, the population of the 65+ group is expected to more than double in Auckland and Queenstown.
- Winton is well positioned to leverage our existing expertise in residential land development, combined with our growing retirement living team, to provide New Zealanders with high quality retirement living options.
- Winton’s scale, expertise, and access to development sites provides us with a significant advantage in navigating the typically high barriers to entry of retirement village development.
- Winton’s strategy is focused on the emerging premium, high end retirement village market, which has limited competitors, particularly at the scale and national footprint at which Winton expects to operate. Winton believes its retirement and aged care offerings will be perceived as premium due to their size, location, the standard of high quality materials to be used throughout, the extensive care options, activities and amenities to be available to residents and the corresponding price.

WINTON’S RETIREMENT LIVING DEVELOPMENT PORTFOLIO¹¹

NORTHBROOK	LOCATION	PROJECT STATUS	CO-LOCATED WITH RESIDENTIAL DEVELOPMENT	UNITS AND CARE SUITES	OCCUPANCY FROM	COMPLETED IN
WYNYARD QUARTER	Auckland	Masterplanning and resource consent submission underway	Yes	198	FY27	FY27
LAUNCH BAY	Auckland		Yes	210	FY25	FY27
AVON LOOP	Christchurch		Yes	187	FY25	FY26
ARROWTOWN	Arrowtown	Resource consent granted (amendment underway), works underway	Yes	198	FY25	FY27
WANAKA	Wanaka	Resource consent granted, works underway	Yes	124	FY24	FY26
TOTAL				917		

¹⁰ CB Report - pg. 13.

¹¹ Values remain subject to change as the masterplanning process progresses.

5

Experienced management team provides robust origination and evaluation of future projects.

- Winton’s management team has extensive industry experience, and is led by founder and CEO Chris Meehan, who has over 30 years’ experience in real estate across New Zealand and Australia.
- Winton’s Northbrook retirement living strategy is headed by Julian Cook, an expert in retirement village development and operations with over 16 years’ experience in the sector, including seven years as CEO of Summerset Group.
- Winton has a strong process in place for the origination and evaluation of new projects, with a focus on selecting large scale and high quality projects to maximise return on investment and minimise risk.



Chris Meehan
Chair and Chief Executive Officer



Julian Cook
Executive Director and
Director of Retirement



Michaela Meehan
Executive Director



Simon Ash
General Manager



Jean McMahon
Chief Financial Officer



Justine Hollows
General Counsel



Duncan Elley
Head of Land Development



James Burgess
Head of Vertical Living

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Winton’s track record of success is demonstrated by 45+% IRR and 40+% average Gross Margin on its completed projects.

- Winton’s development performance produces strong free cash flows and supports our ability to pay a gross dividend yield of 2.4% - 2.6% in FY23F.

Case study: Northlake

Northlake is a prime example of Winton's ability to secure favourable rezoning outcomes and deliver complex multi-stage developments on time and within budget.

Development highlights

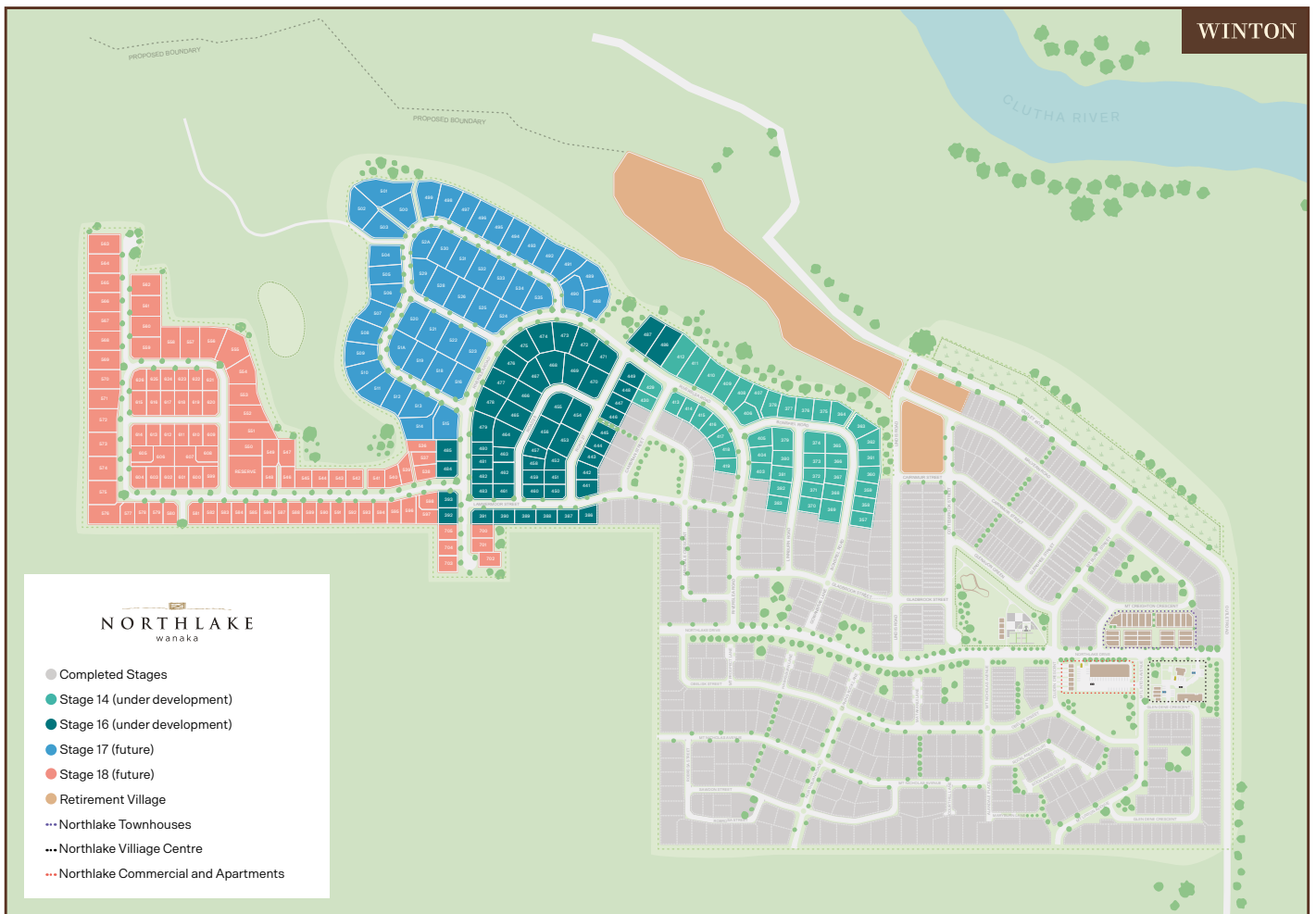
- The successful rezoning of this property increased Wanaka's housing supply by ~24%.¹²
- Includes a significant range of product offerings - residential lots, dwellings, townhouses and apartments.
- Established Northlake Village Centre, including a restaurant, childcare facility and a two-storey office building.
- All major lead in infrastructure and earthworks have been completed.

PROJECT STATISTICS

TARGET YIELD ¹³	964
AREA	108 hectares
PRE-SALES ¹⁴	41% (as at 30 September 2021)
IRR TO DATE ¹⁵	60%

TARGET PRODUCT MIX

Lots, dwellings, townhouses, a retirement village (including Care Suites), apartments, commercial tenancies and a retail precinct, the Northlake Village Centre, which consists of a gastro pub / restaurant, childcare facility and an eight tenancy two storey office building.



¹² Management estimates based on technical reports provided as part of the plan change submission in 2012.

¹³ Total target units to be developed on existing projects based on management estimates and masterplans current as at 15 November 2021. Target total units, target product mix and target settlement period may change, including due to planning outcomes and market demand.

¹⁴ Calculated based on number of units pre-sold as a % of target lots remaining.

¹⁵ IRR as at 30 June 2021.

Case study: Lakeside

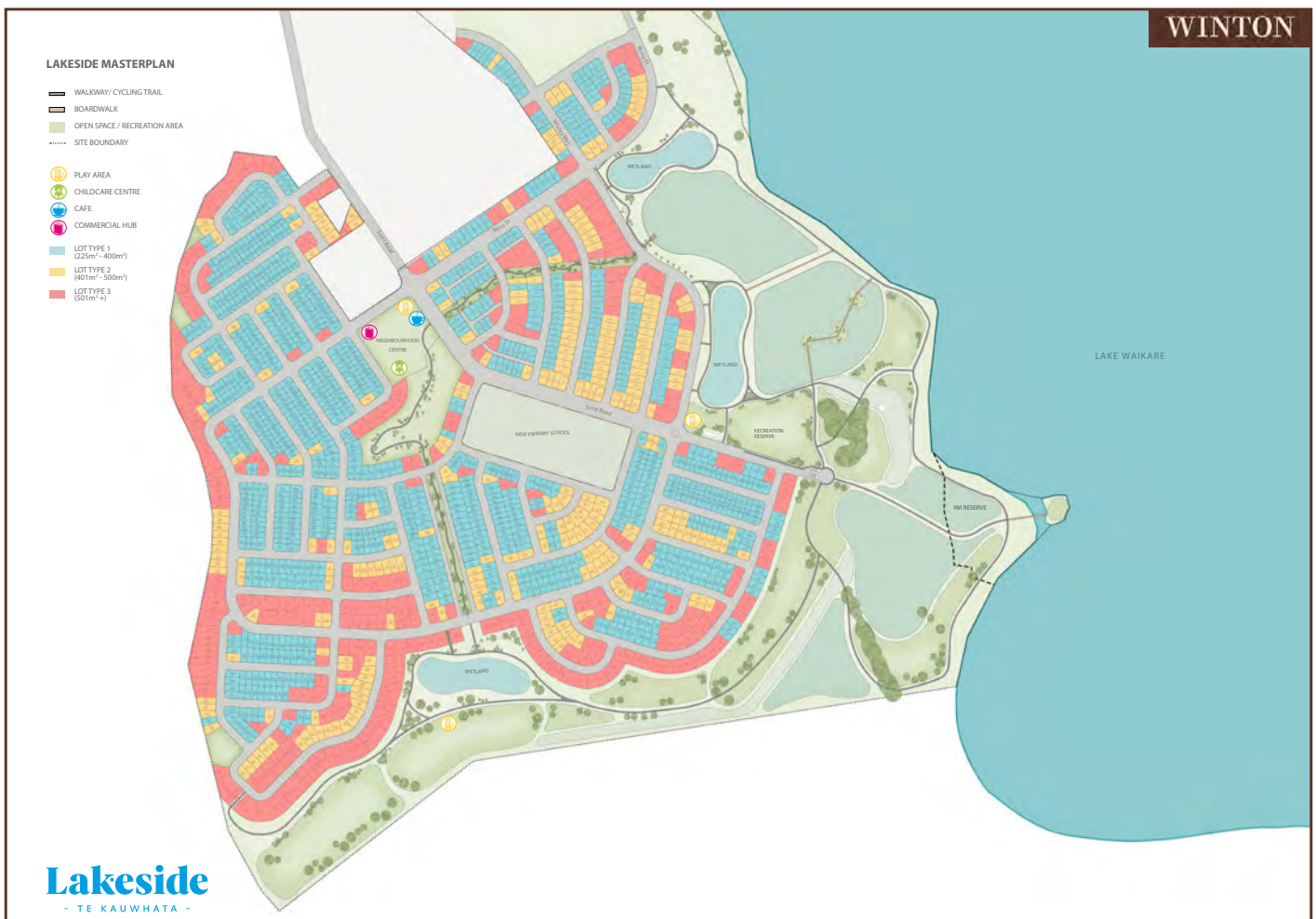
Lakeside comprises over 1,650 lots and has been substantially pre-sold (99%) to the New Zealand Government.

Development highlights

- A significantly de-risked residential development project.
- Winton is only required to develop lots, there is no need to deliver completed dwellings.
- Infrastructure guarantee in place with the local authority to ensure the provision of infrastructure to the development.
- All major lead in infrastructure has been completed.

PROJECT STATISTICS

TARGET YIELD ¹⁶	1,671
AREA	179 hectares
PRE-SALES ¹⁷	99% (as at 30 September 2021)
IRR TO DATE ¹⁸	Positive with only 21% of the expected units settled to 30 June 2021
TARGET PRODUCT MIX	Residential lots and dwellings, a primary school and a commercial precinct (the Lakeside Village Centre) which consists of office and retail tenancies, a café / restaurant, childcare facility and general store



¹⁶ Total target units to be developed on existing projects based on management estimates and masterplans current as at 15 November 2021. Target total units, target product mix and target settlement period may change, including due to planning outcomes and market demand.

¹⁷ Calculated based on number of units pre-sold as a % of target lots remaining, including 17% of which relate to a conditional option in place with Kāinga Ora.

¹⁸ IRR as at 30 June 2021.

The Market in which Winton Operates

This section summarises the two key industries Winton operates in, being the residential development industry and the retirement industry.



RESIDENTIAL DEVELOPMENT INDUSTRY

Residential land developers seek to acquire large parcels of land that are suitable for masterplanned communities, with a view to developing these into individual titled lots for subsequent sale.

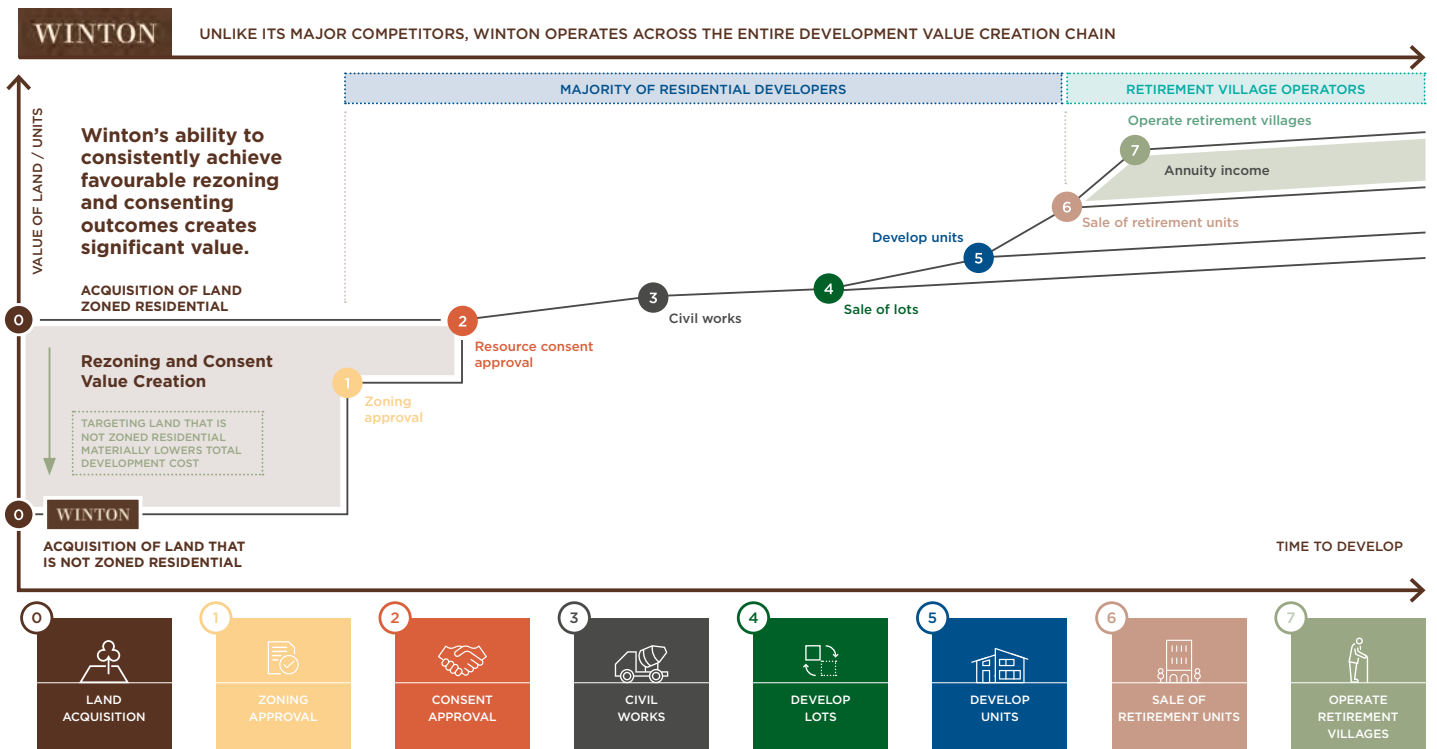
Following the design of the masterplanned community, rezoning and/or resource consents may be required to allow the development to proceed. Some developers will only acquire land where the land is already zoned for the intended development. Others are restricted under the overseas investment rules to buying limited sized parcels of existing residential zoned land only.

Once the required consents are in place, earthworks and civil works (such as the installation of required infrastructure, utilities to each lot boundary and the construction of roads) are undertaken to create the masterplanned community and to service each of the individual lots.

Upon completion of the works, the titling process creates individual property titles, which are then sold to individual customers. Some developers will also develop these individual lots into dwellings (such as houses and apartments) for subsequent sale.

Winton operates across the full spectrum of the residential land development (including the design, rezoning and consenting processes).

HOW WINTON'S DEVELOPMENT PROCESS WORKS¹⁹



¹⁹ 'Value of land/units' and 'Time to develop' are illustrative only and do not reflect actual values.

New Zealand has experienced an extended period of strong population growth, in contrast to limited supply of new housing stock.²⁰ This has resulted in a national housing shortage, contributing to historically high house prices and increased Government intervention in the housing market. These factors are discussed in detail below.







Competitive landscape

While there are a number of residential property developers in New Zealand, few are involved in residential land development at scale or have a national footprint across New Zealand.

Winton's two major listed competitors in the residential development space are Fletcher Building and CDL Investments. Winton understands that both are likely to be considered 'overseas persons' under the OIA. This constrains their ability to purchase large areas of developable land as they are required to obtain consent from the Overseas Investment Office when that land is considered 'sensitive land' for the purposes of the OIA.

Many of Winton's competitors also construct dwellings and improvements on their land via in-house contractors or related entities, while Winton contracts out all civil and construction work to third party contractors, generally on a fixed price basis which reduces our exposure to construction risk.

BARRIERS TO ENTRY IN THE RESIDENTIAL LAND DEVELOPMENT INDUSTRY

	BARRIERS TO ENTRY	WINTON ADVANTAGE
	COMPLEX REGULATORY PATHWAYS Complex regulatory pathway and extensive timeline to approvals requires industry specific expertise and knowledge	<ul style="list-style-type: none"> ✓ Deep relationships across local and central governments ✓ Proven track record of rezoning and consenting for large-scale developments
	FOREIGN OWNERSHIP RESTRICTIONS Strict foreign ownership restrictions on sensitive land purchases in New Zealand	<ul style="list-style-type: none"> ✓ Restricts responsiveness of international competitors ✓ Larger projects inherently limited to a small number of local players
	DEBT FUNDING CONSTRAINTS Limited banking appetite to fund the acquisition of rural and not currently zoned residential land	<ul style="list-style-type: none"> ✓ Limited to no reliance on debt funding for land acquisition and development²¹ ✓ Proven staged development model with pre-sales cost coverage prior to commencement of stage civil and construction works
	TECHNICAL EXPERTISE Large developments require extensive planning, infrastructure procurement, project management and execution skills	<ul style="list-style-type: none"> ✓ In-house delivery team with a breadth of knowledge and experience ✓ Track record of delivering projects on time and on/below budget
	SCALE Pursuit, funding and managing longer-dated development consent processes is difficult for smaller-scale operators	<ul style="list-style-type: none"> ✓ Strong balance sheet capability with conservative gearing ✓ Significant asset base with multiple projects generating sales
	DELIVERY CAPABILITY Limited development consents available to parties without proven delivery capabilities and experience	<ul style="list-style-type: none"> ✓ Longstanding team of trusted consultants ✓ Well respected by government counterparties for strong delivery capability ✓ Proven track record of managing various stakeholders on complex projects ✓ Established relationships with Māori and key iwi, hapū and whānau stakeholders, critical to the New Zealand land development environment

²⁰ CB Report – pg. 5.

²¹ A project finance debt facility relating to the Lakeside development is expected to be repaid using part of the proceeds of the Offer on or about June 2022.

Demand for housing

Demand in the residential land development industry is driven by demand for housing.

Demand for housing in New Zealand has grown rapidly in recent years, with first home buyers particularly active in the past year.²² This increase in demand has been driven by a combination of factors, including:

- New Zealand's population having grown an average of 1.3% per year over the last 20 years, with net migration averaging 22,000 individuals per annum since 1991, 40,000 since 2010 and 64,000 since 2014;²³
- record high house prices having boosted homeowners' housing equity in conjunction with elevated incomes due to a strong labour market and low unemployment rate;²⁴
- interest rates falling such that average household interest payments for homeowners with mortgages as a share of disposable income have reduced to 5.9%, after peaking at 14.0% in 2008;²⁵ and
- support from Government subsidies including First Home Grants, the establishment of the Progressive Home Ownership Fund, and Government underwritten First Home Loans, as well as the ability for first home buyers to contribute their KiwiSaver funds.

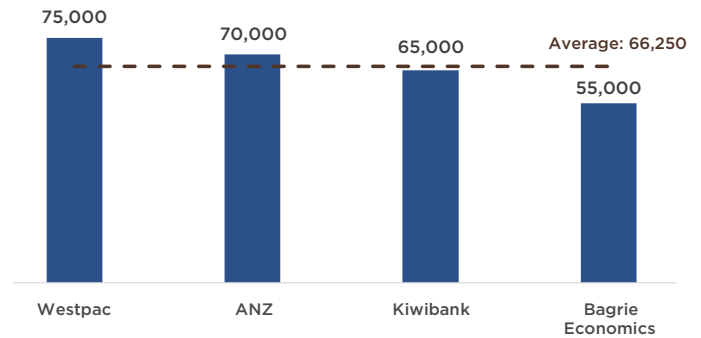
Over the next thirty years, housing demand is expected to ease due to slower projected population growth.²⁶ However, population growth provides a conservative estimate of future housing demand, as there are other factors likely to add to core demand, including longer life expectancies, the trend to smaller household occupation sizes, a growing demand for healthy, warm and environmentally friendly homes,²⁷ and the potential for increased migration.²⁸ Winton expects there to be continued demand for its products as Government initiatives designed to manage demand for housing have tended to exclude new builds.²⁹

Housing supply

Concurrently with an elevated level of demand for housing in New Zealand, due to population growth exceeding the number of building consents issued for an extended period of time, New Zealand has faced a shortage of housing supply.

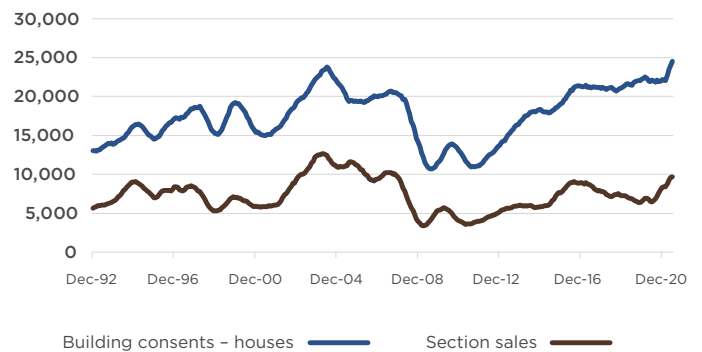
Westpac, ANZ and Kiwibank estimate New Zealand's housing shortage to be between 65,000-75,000 homes.³⁰ Despite New Zealand's population increasing by 1.63 million (47%) between 1991 and 2021, only 740,000 building consents were issued in this period.³¹

Housing shortage estimates (end of 2020)³²



A critical factor constraining supply is the limited availability of developable residential land. The sale of residential lots has remained below levels seen in the early 2000s, which has in turn constrained building consent issuance for new homes. While building consent issuances have accelerated in the past year, land availability remains tight and the sale of lots has remained low compared to overall house sales, contributing to higher land prices.³³

Section sales vs building consent for houses (annual total)³⁴



Supply shortages are expected to persist out to 2024, assuming an opening shortage of about 70,000 and a modest pick-up in demand from a gradual reopening of New Zealand's border in 2022.³⁵ Potential risks to sustained housing supply include materials and worker shortages in the construction sector, and a limited pipeline of residential lots in the near-term.³⁶

22 CB Report – pg. 4.
 23 CB Report – pg. 3.
 24 CB Report – pg. 9.
 25 CB Report – pg. 3.
 26 CB Report – pg. 15.
 27 CB Report – pg. 15/16.
 28 CB Report – pg. 2.
 29 CB Report – pg. 5.
 30 CB Report – pg. 19.
 31 CB Report – pg. 3.
 32 CB Report – pg. 19.
 33 CB Report – pg. 7/8.
 34 CB Report – pg. 8.
 35 CB Report – pg. 18.
 36 CB Report – pg. 20.

Government initiatives to alter supply and demand dynamics

In recent years, the New Zealand Government has announced a number of initiatives designed to boost supply and manage demand to stimulate a sustainable supply of housing. Although many of these are 'macro level' initiatives designed to boost supply (reforming planning laws, KiwiBuild, infrastructure funding) or manage demand (extending the bright-line tax rule,³⁷ changing interest deductibility rules for property investors and restricting the ability of overseas persons to buy property), other initiatives provide incentives favouring new builds and first home buyers, which are a key target market for Winton's development activities.

Specific initiatives targeting first home buyers include:

- The First Home Grant initiative, which entitles a person to a \$5,000 grant for an existing property or \$10,000 for a new build if they have contributed regularly to KiwiSaver for five or more years.³⁸ The Government has recently increased the income and price caps on these grants.³⁹
- The Progressive Home Ownership (PHO) Fund, which is a \$400m investment to help between 1,500 and 4,000 New Zealanders buy their own homes.
- The First Home Partner scheme which enables first home buyers to share ownership of a house with Kāinga Ora. While the first home buyer is the majority homeowner and occupier, Kāinga Ora owns a share in the home which the first home buyer will buy out over time.⁴⁰

Residential development regulation

This section sets out an overview of New Zealand's regulatory framework for residential land development. This is the regulatory environment which applies to Winton's primary business activities.

The New Zealand planning system is primarily regulated under the Resource Management Act, which sets the purpose and principles of planning in New Zealand and establishes the hierarchy of planning documents and their functions.

The Resource Management Act also establishes the functions and delegations of authorities that exercise powers under that Act and sets out the process for dealing with applications for a variety of activities, including development.

In February 2021, the Government announced plans to repeal and replace the Resource Management Act with three new pieces of legislation, which are proposed to simplify the planning process and reduce costs and timing. Key changes include stronger national direction powers and one combined plan per region, with a focus on better urban design. Although the details of this reform are not yet available, Winton does not expect the reforms to substantially lower barriers to entry or materially affect Winton's approach to development.

The Resource Management Act currently allows for National Policy Statements which influence local planning outcomes - relevant National Policy Statements include statements requiring regional and district councils to ensure there is sufficient zoned land available for projected population growth, ensuring that the development of former potentially or known contaminated land is decontaminated and managed using methods which are safe for the environment and community, and standards relating to protecting fresh water from degradation due to works within lakes and streams and as a result of runoff from earthworks and stormwater.

Regional plans are produced by regional councils to deal with regionally significant issues, such as air quality earthworks or water quality. District councils produce a detailed district plan for their area (typically reviewed every 12-15 years) and set the objectives, policies, zoning pattern, development rules and assessment criteria for any consents.

Private developers such as Winton are entitled to apply for a plan change to a district plan (known as a private plan change) which are extensively assessed by the council and ultimately judged against national, regional, and key district planning policies. For example Winton's Northlake and Lakeside developments were introduced into the respective district plans of the Queenstown, Lakes District Council and the Waikato District Council by way of a private plan change.

The Urban Development Act is a new piece of planning legislation, which came into effect in August 2020 with the aim of tackling long-term barriers to urban development by providing access to:

- a streamlined approval process for special types of complex and transformative development projects - called Specified Development Projects;
- a tool-kit of development powers when undertaking Specified Development Projects; and
- land acquisition powers for Kāinga Ora, for when it is carrying out urban development projects (including Specified Development Projects).

³⁷ Under the bright-line property rule, a person that sells a residential property they have owned for less than 10 years may have to pay income tax on the property sale (previously this applied to properties owned for less than five years). <https://www.ird.govt.nz/property/buying-and-selling-residential-property/the-brightline-property-rule>

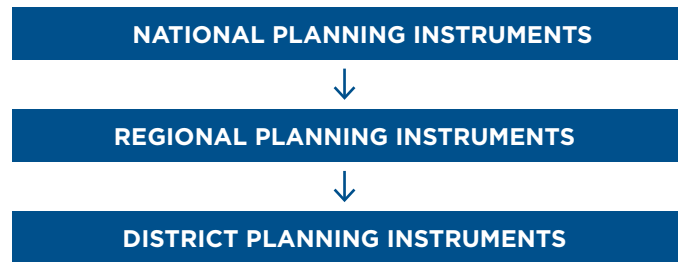
³⁸ <https://kaingaora.govt.nz/home-ownership/first-home-grant/>

³⁹ <https://www.hud.govt.nz/assets/Residential-Housing/Changes-to-First-Home-products/First-Home-Loan-and-Grant-Factsheet-23-March.pdf>

⁴⁰ <https://kaingaora.govt.nz/home-ownership/first-home-partner/>

The UDA allows for the establishment of Specified Development Projects, which are designed to deliver improved urban development outcomes within defined areas, including a mix of housing types, good transport connections, employment and business opportunities, key infrastructure, community facilities, and green spaces. Winton submitted a Specified Development Project Application under the Urban Development Act for our Sunfield development in October 2021. Winton was advised on 19 November 2021 by Kāinga Ora that the project was not accepted for assessment as a potential Specified Development Project under s29 of the Urban Development Act, and that a partnership with Kāinga Ora as anticipated by that Act may add complexity and uncertainty to a project that generally appears well suited to the traditional Resource Management Act pathway. Winton has subsequently gone to the relevant Ministers' offices since this advice and requested that the Ministers use their directive powers to insist that Kāinga Ora consider Sunfield under the Urban Development Act.

Hierarchy of planning instruments





RETIREMENT INDUSTRY

At a high level, the retirement industry in New Zealand comprises the retirement village and aged care sectors.

The retirement village sector provides accommodation to people (typically over 75 years of age) who can live independently or with minimal assistance. In contrast, the aged care sector provides residential aged care services (including rest home, hospital, and dementia level care) to individuals who are unable to live independently or require a greater degree of assistance.

Winton, under its Northbrook brand, will predominantly operate in the retirement village sector, with a relatively small exposure to aged care services within its retirement properties.

Competitive landscape

Outside of the large, NZX-listed retirement village operators, the retirement industry in New Zealand is highly fragmented, with many small operators. Across the New Zealand market there are limited premium retirement village options and there is no single operator who is focused on the premium market on a nationwide basis at the scale targeted by Northbrook.

Most large New Zealand operators provide both retirement village and aged care offerings through an integrated model, whereby retirement village and aged care services are offered

within the same village. Other operators, such as Oceania and Arvida, operate both aged care and retirement village offerings.

An innovation in the aged care market is the growth of Care Suites. Care Suites are rooms within an aged care facility which provide a superior offering to residents when compared to traditional care beds. Within Northbrook Retirement Villages, this will generally be by way of larger room size, superior fixtures and fittings and amenities within the room.

Winton, through the Northbrook brand, intends to provide a nationwide retirement offering focused on the premium segment of the market. All Northbrook villages will offer aged care services, thereby providing an integrated offering of independent living and aged care for residents. Winton's intention is to commence building the village's main central and care facilities in the early stages of the development, demonstrating the premium level Northbrook facilities that will be available.

Demand for retirement living

Continued demand for both retirement villages and aged care is underpinned by population growth and New Zealand's ageing population. The number of New Zealanders over the age of 75 is expected to increase from 332,000 in 2020 to 833,000 by 2048.⁴¹

Demand for premium retirement options is also expected to increase due to historically high levels of household wealth.



41 JLL New Zealand Retirement Villages and Aged Care Whitepaper, June 2021.

Retirement village market structure

The New Zealand retirement village sector consists of approximately 36,345 units across 422 villages.⁴² Based on forecast population growth, this supply is expected to grow from a current build rate of 2,000 units per annum to 2,500 units per annum.⁴³ New Zealand retirement village providers include corporate, private and not-for-profit entities. While New Zealand's ageing population is largely responsible for growing demand, the New Zealand retirement village industry has also seen increasing penetration with 14.3% of New Zealand's population over the age of 75 living in a retirement village.⁴⁴

We expect this growth to continue in the future, driven by improved relative affordability and high home ownership rates among the current aged population, growing attraction of retirement villages and the development of modern, premium facilities designed to meet residents' needs.

Retirement village funding

Independent Living Units are privately funded by residents and provide four key income streams to the operator:

- Development margins;
- Deferred Management Fee (**DMF**);
- resale gains where a unit has appreciated in value; and
- weekly service fees.

When entering a retirement village, a resident generally purchases the right to occupy a unit under an occupation right agreement (**ORA**), which may be in the form of a licence to occupy, unit title or lease. The most common form of an ORA is a license to occupy, whereby the resident is entitled to live in the unit and access the village facilities and services.

Under this model, upon the exit of the resident and resale of their unit, the resident is refunded the licence payment that initially paid for the ORA, less any accrued DMF. The operator therefore benefits from any capital gain or alternatively is exposed to any capital depreciation when the unit is resold.

Development margins may be obtained where the value of the initial ORA price exceeds the cost of development of the unit over which the ORA is granted.

The DMF reflects a resident's contribution to the maintenance, management and upgrade of the village and is deducted upon exit from the unit. DMF accrues monthly up to a maximum total amount, generally between 20-30% of the initial purchase price of the unit under the ORA. The standard terms under the Northbrook ORA will provide for a 30% DMF over a four year period for Independent Living Units and a 30% DMF over a two year period for Care Suites.

Residents also pay weekly service fees to cover a portion of the daily operating costs of the village, though these typically represent a minor portion of the total cost to residents.

Retirement village regulation

Operators of retirement villages must comply with the Retirement Villages Act 2003 under which they must register each village with the Registrar of Retirement Villages and have a statutory supervisor appointed. The statutory supervisor is responsible for protecting the financial interests of residents. Winton will register each individual retirement village development at the appropriate time.

The Retirement Villages Association of New Zealand is a voluntary, nationally-based membership association which represents operators, developers and managers of retirement villages. Winton will apply for membership to the Retirement Villages Association of New Zealand.

In June 2021, Te Ara Ahunga Ora Retirement Commission released a report calling for a review of the Retirement Villages Act 2003. Though to date no review has commenced, Consumer NZ, the Retirement Village Residents Association and the Law Society, among others, provided submissions in support of a review being undertaken.⁴⁵

Aged care market structure

New Zealand's aged care industry is made up of approximately 38,500 beds across 673 facilities.⁴⁶ These beds provide one of three levels of care being:

- rest home;
- hospital; or
- dementia.⁴⁷

While the majority of these beds are paid for on a daily or weekly basis by district health boards or residents themselves, some are contracted under ORAs.

⁴² JLL New Zealand Retirement Villages and Aged Care Whitepaper, June 2021.

⁴³ CB Report - pg. 13.

⁴⁴ JLL New Zealand Retirement Villages and Aged Care Whitepaper, June 2021.

⁴⁵ Te Ara Ahunga Ora Retirement Commission Submissions Summary and Recommendations 2021, Appendix 1, pg. 23.

⁴⁶ JLL New Zealand Retirement Villages and Aged Care Whitepaper, June 2021.

⁴⁷ JLL New Zealand Retirement Villages and Aged Care Whitepaper, June 2021.



**NORTHBROOK
ARROWTOWN**

Aged care funding

Funding for aged care beds and services can be provided by the Government through district health boards, or privately via resident payments.

Funding from district health boards comes in the form of either a Residential Care Subsidy or Residential Care Loan. Residential Care Subsidies are available for residents below a certain asset threshold and Residential Care Loans are available for residents above this threshold with funding needs.⁴⁸ It is increasingly common for people entering care facilities to pay an accommodation supplement to purchase premium room services.

Aged care regulation

The aged care sector is regulated under the Health and Disability Services (Safety) Act 2001, which requires all residential aged care facilities to be certified by the Ministry of Health.

New operators need to prove to the Ministry of Health that they have the required policies and procedures in place before achieving certification. This serves as a barrier to entry for new operators to enter the sector. Winton will apply for the required certification for its aged care centres as they come nearer to opening.

In order to be eligible for the Government funding described above, each facility must have an ARRC (Aged-Related Residential Care) Services Agreement in place. The ARRC Services Agreement is a national contract between district health boards and aged care providers designed to ensure a national standard of services are provided to residents in long-term residential care.⁴⁹

To the extent required, Winton will apply for ARRC Services Agreement for each development at the appropriate time.

Not achieving certification or being unable to enter into an ARRC Services Agreement would constrain Winton's ability to enter the retirement villages market. Winton expects to be able to achieve the relevant certification and enter into ARRC Services Agreement. A further assessment and explanation of how Winton intends to address the associated risks with entry into the retirement village market can be found at section 8 of this product disclosure statement.

⁴⁸ <https://www.govt.nz/browse/health/rest-homes-and-residential-care/pay-for-residential-care/asset-thresholds-for-the-residential-care-subsidy/> and <https://www.govt.nz/browse/health/rest-homes-and-residential-care/pay-for-residential-care/apply-for-a-residential-care-loan/>.

⁴⁹ <https://www.health.govt.nz/our-work/life-stages/health-older-people/long-term-residential-care/age-related-residential-care-services-agreement>.

Winton's Operations and Strategy

Land acquisition

A core part of Winton's business involves the identification of strategically positioned parcels of land that are suitable for development into large scale masterplanned communities. Winton's current land bank comprises a pipeline of approximately 7,442 lots across 13 different masterplanned communities. Our strategy is to continue to take a disciplined approach to acquiring quality parcels of land at attractive prices and on beneficial contract terms in order to extend and grow our development pipeline over time, via our process of origination, evaluation, and acquisition.

Project origination

Winton originates projects through four primary channels:

- **Direct approaches by Winton:** Our senior management team actively seeks out acquisition opportunities which are not on the market for sale but which meet our investment criteria, and to the extent they are suitable, may approach the landowner to discuss an off market transaction.
- **Real estate agent network:** Our strong relationships with real estate agents across New Zealand results in early notification when an opportunity, either on or off market, which may be suitable becomes available.
- **Public processes:** To the extent suitable land assets become available on the market and a public process takes place (for example an auction or tender process) we may choose to participate.
- **Inbound enquiries:** Our scale, national presence, and reputation often solicits inbound enquiries from vendors who believe their land would be suitable for a Winton residential development.

Investment criteria

Winton's investment criteria requires that acquisitions must meet several conditions, depending on location and ultimate intention for the relevant site. Winton's main criteria require acquisitions to:

- be located adjacent to a growth centre;
- be within close proximity to a body of water;
- have existing transportation links;
- be a strong candidate for residential zoning approval (if not already zoned residential); and
- be suitable for a large scale masterplanned community development.

Winton targets the acquisition of land which is not zoned for residential use and with multi-use potential (e.g. residential, retirement, commercial), to materially reduce the cost of land and our overall development cost.

Evaluation process

Winton follows a comprehensive screening process to assess potential investment opportunities. Qualified opportunities that meet the investment criteria are subject to an initial investment review process, followed by a detailed evaluation to understand the risks and expected returns associated with the potential project. This includes, but is not limited to:

- masterplanning feasibility analysis to assess overall suitability of the land for a Winton residential development project and potential development options and returns;
- risk assessments to understand potential development risks, obstacles, mitigants and timeframes, including potential residential rezoning risks; and
- infrastructure and services assessments, to confirm that road, water, waste services, telecommunications infrastructure and any other required services can be accommodated.

Finally, potential acquisitions are ranked, with the better acquisitions from a risk and return perspective progressing through to Winton's final investment approval process. Once selected for acquisition, vendors are engaged for final legal and commercial negotiation and documentation.

Zoning and consenting approvals

The New Zealand regulatory framework associated with rezoning and obtaining appropriate resource consents for large scale masterplanned communities is complex and time consuming. Winton has a dedicated team of in-house and external experts focused on achieving the required residential zoning outcomes and resource consents to undertake Winton’s masterplanned communities.

The zoning and consenting process involves the creation of a project information memorandum, assessment of environmental and other impacts, a community engagement process, and the application for resource consent with the relevant regional council. Development contributions, the payments required to help councils recover the costs of new infrastructure, are assessed as part of this process. The scale of Winton’s residential developments means that most are required to be classed as notified consents, and as such the public is notified and able to provide input on the application.

Typically, the process takes between 12 and 48 months before we receive the required approvals to begin civil works. Many of these consenting processes are ultimately determined in the Environment Court which is normal course of business for large scale residential land developers.

Civil works, development of land lots, and construction of fixed improvements

After obtaining the necessary regulatory approvals, Winton begins the civil works required to transform the land from its natural condition into finished individual lots to allow settlement to occur. The civil works comprise earthworks; installation of utilities, construction of roading and other residential infrastructure and landscaping. All civil works are completed under contract by external parties, with contracts secured through Winton’s existing procurement function.

Winton selects capable and highly experienced third parties to carry out construction work and has a number of long term relationships with leading contractors.

Projects are developed through a staged approach which reduces risk and capital requirements. Stages are completed and settled sequentially, with settlement proceeds from initial stages providing additional funding for the execution of subsequent stages.

Most lots are sold to customers who in turn then construct their own home. However, Winton also contracts with third party homebuilders, generally on a fixed price basis, to allow Winton to market turnkey house and land products. Further, we procure the construction of commercial buildings within village centres in many of our masterplanned communities to provide residents and the public with additional amenities. The village centres typically include cafés, restaurants, early childcare education centres and retail and/or commercial tenancies. Once constructed and operational, the village centres are then typically sold as tenanted buildings. Similarly, where the market or site dictates, Winton develops apartment buildings as part of the masterplanned developments.

Restrictive land covenants are imposed on the title of all completed lots within Winton’s masterplanned communities to ensure that any improvements to the land, whether they be standalone dwellings, townhouses, apartment units, commercial buildings, other amenities and landscaping are consistent with Winton’s vision for the development. The application of the land covenant ensures the ongoing quality of the relevant masterplanned community and reinforces Winton’s reputation as a residential land developer delivering desirable, high quality developments.



Marketing and sales

Winton has strong relationships with New Zealand's largest real estate agencies, who sell our product through high profile marketing campaigns. Marketing campaigns generally include the use of sales suites within each of our projects and target online and traditional print advertising and where appropriate, a radio and television presence.

Winton's sales strategy across all of its projects is to seek pre-sales off the plan (i.e. before development of each stage commences). Initial pre-sales are often at a moderately discounted price to the prevailing market, providing customers with a more affordable purchase. Although pre-sales revenue is not received by Winton until lots are settled, the pre-sales strategy ensures that the project is accepted by the market, provides Winton with substantial certainty on contracted revenue for the stage, and decreases the risk associated with the project and the relevant stage.

Prior to commencing the development of each stage, Winton targets net expected revenue from pre-sold lots which exceed the cost to develop the stage. This approach significantly reduces the risk associated with the development of the stage, as construction costs (which represents the majority of the overall project expenditure) are not incurred until we have a high degree of revenue certainty. It varies by project, but Winton typically needs around 40% of lots to be pre-sold to cover the development costs for each relevant stage.

Once sufficient certainty is achieved via pre-sales, Winton funds the actual cost of developing each stage from revenue from previous stages or other projects. The sales strategy of seeking pre-sales off the plan is reinforced by the level of pre-sales currently in place across its portfolio. As at 15 November 2021, there are \$703m of gross pre-sales in place, of which 54% are to the New Zealand Government (Kāinga Ora and the Ministry of Education). Of the \$89 million of conditional pre-sales, \$66 million relates to an option in place at our Lakeside development with Kāinga Ora. The necessary condition on the part of Kāinga Ora to enable Winton to trigger the option is expected to be satisfied and, in any event, if the condition was not so satisfied, Winton expects it could sell such lots at a price which would still provide it with a commercially acceptable return.

As development of the project occurs and customers are able to visualise the masterplanned community being created, later development stages are able to be sold at higher margins. Larger lots in more premium locations in the project are also typically retained for later stages of development to achieve higher sale values.

Construction and operation of retirement villages

Northbrook was established in 2018 as Winton's retirement living brand. Winton is focused on the emerging premium retirement village segment, which has limited competitors, particularly at the scale at which Winton intends to operate.

Since 2018, we have:

- established and undertaken marketing of the Northbrook brand;
- undertaken the design of the retirement villages that are expected to be constructed on the five initial parcels of land within the Northbrook portfolio;
- prepared and lodged resource consents;
- appointed Julian Cook (former CFO and later CEO of Summerset Group) as the Head of Retirement, who is managing the establishment of Winton's retirement and aged care operations; and
- employed James Burgess as the Head of Vertical Living, who manages the design, consenting and construction of the Northbrook retirement villages.

Winton's current retirement village pipeline comprises approximately 917 Retirement Village Units consisting of 731 Independent Living Units and 186 Care Suites over five villages with targeted delivery in FY24-FY27.

Northbrook villages are designed to facilitate a high end later living experience, providing discerning customers with upmarket units and high quality service. Winton's retirement villages are situated in attractive locations through New Zealand and offer thoughtful design and premium facilities.

Incorporating retirement villages into Winton's masterplanned communities is a natural adjacency to Winton's well established land development business. We are able to leverage our existing development capabilities and buying power to reduce the cost and risk associated with a typical greenfield retirement village development by constructing villages within our existing large scale residential projects.

As an example, Winton aims to include, where possible, a retirement village offering in its larger masterplanned communities where residential rezoning is required. Generally, the cost of land for these developments is much lower than land which already permits the development of retirement villages. This permits Winton to achieve a higher development margin than if it were to purchase land already zoned. Combining residential and retirement living in a single development can also provide Winton with a competitive advantage, as consenting processes are sometimes more streamlined when a development caters to a broader target market.



NORTHBROOK
WANAKA

Winton’s strategy is to own and operate the retirement villages upon development completion. This will diversify and add stability to our existing earnings and cash flows. While this is a new business model for Winton which has not previously operated in the retirement village and aged care industry, the appointment of Julian Cook, ex-CEO of Summerset Group provides us with a strong platform on which to continue to build an experienced team. Subject to registration under the Retirement Villages Act 2003, Winton has five existing sites to be developed into Northbrook retirement villages. Earthworks and civil works have commenced at the Wanaka and Arrowtown sites. Masterplanning is underway at the remaining sites, following which resource consent applications will be made. As such, these retirement village developments remain subject to change as the planning process progresses.

Refer also to overview table of Winton’s Retirement Living Development Portfolio on page 16.

All Northbrook villages will offer aged care services. Initially, rest home and hospital services will be provided. It is proposed that secure dementia will be introduced over time.

Northbrook retirement units are intended be sold under an ORA, with DMF accruing over four and two years for Independent Living Units and Care Suites, respectively.

Premium external architects have been engaged to provide architectural design services. The expertise of these architects will provide Winton, and Northbrook, with an advantage in designing premium retirement villages. Consistent with Winton’s contracting strategy for civil and construction work, construction of retirement villages will be undertaken under contract with reputable and experienced contractors, with commencement of building each village’s main central and care facilities early on in the development.

Northbrook villages will generally be part of a wider Winton development involving other residential uses. However, not all Winton developments will contain a Northbrook village, as the Northbrook brand will be focused on the premium part of the retirement market. Including Northbrook villages within Winton development projects is expected to provide a number of benefits, including streamlined regulatory processes compared to standalone developments, enhanced economies of scale across both developments, and enhanced Northbrook sales driven by the quality of the surrounding Winton residential developments.



Our developments



WINTON'S DEVELOPMENTS⁵⁰

COMMUNITY	PLANNED SETTLEMENTS	PLANNED LOTS/UNITS (TOTAL)	SETTLEMENTS TO 30 JUNE 2021		TARGET SETTLEMENTS					GDV (NZ\$M)	TARGET CUSTOMER SEGMENTS
			# OF LOTS / UNITS	%	FY22F	FY23F	FY24F+	TOTAL	% PRE-SOLD	REAL	
NORTHLAKE Wanaka	FY22-FY25	824	452	55%	107	150	115	372	65%	277	Low-to-mid
LAKESIDE Te Kauwhata	FY22-FY29	1,659	356	21%	145	228	930	1,303	100%	370	Low-to-mid
LAUNCH BAY Hobsonville	FY22-FY25	136	17	13%	39	50	30	119	64%	171	Mid-to-premium
SUNFIELD Auckland	FY27-FY39	3,643	-	-	-	-	3,643	3,643	-	1,291	Low-to-mid
WYNYARD QTR. Auckland	FY27	62	-	-	-	-	62	62	-	167	Premium
AVON LOOP Christchurch	FY25-FY26	56	-	-	-	-	56	56	-	79	Premium
AYRBURN Arrowtown	FY24-FY25	29	-	-	-	-	29	29	-	80	Premium
BEACHES Matarangi	FY22-FY24	331	60	18%	48	129	94	271	65%	109	Mid-to-premium
NORTH RIDGE Cessnock (AU)	FY22-FY25	358	1	0%	53	122	182	357	49%	109	Low-to-mid
RIVER TERRACE Cromwell	FY22-FY23	17	-	-	15	2	-	17	53%	20	Mid-to-premium
BRIDESDALE FARM Queenstown	FY24	149	137	92%	-	-	12	12	-	6	Low-to-mid
LONGREACH Cooks Beach	FY22	163	152	93%	11	-	-	11	100%	4	Mid-to-premium
TOTAL		7,427	1,175	16%	418	681	5,153	6,252	31%	2,669	
RETIREMENT Various	FY24-FY27	917	-	-	-	-	917	917	-	1,326	Premium
SUNFIELD OTHER Auckland	FY26	236	-	-	-	-	236	236	-	444	Commercial
OTHER	FY22-FY25	40	3	8%	10	17	10	37	30%	93	Commercial
GRAND TOTAL		8,620	1,178	14%	428	698	6,316	7,442	27%	4,532	

⁵⁰ % presold is by unit as at 15 November 2021 and is combined with properties settled between 1 July and 15 November 2021.

Deposits payable by Winton and forecast settlement by community

Winton has deposits payable, and settlements forecast, in relation to its acquisition of a number of its communities as set out in the table below. Winton intends to fund these deposits and settlements out of retained earnings consistent with Winton's proposed conservative capital structure.

COMMUNITY	CONTRACT PRICE (INCL. GST)	FORECAST SETTLEMENT	DEPOSITS AND SETTLEMENT PAYMENTS DUE				
			FY21A	FY22F	FY23F	FY24	FY25
SUNFIELD	\$80.0M	FY25	\$10.0M	\$10.0M	\$20.0M	\$20.0M	\$20.0M
WYNYARD	\$76.5M	FY23F	-	\$7.0M	\$69.5M	-	-
AVON LOOP	\$34.7M	FY23F	-	\$3.2M	\$31.5M	-	-
TOTAL	\$191.20M		\$10.0M	\$20.2M	\$121.0M	\$20.0M	\$20.0M
PAID TO DATE	(\$20.2M)		(\$10.0M)	(\$10.2M)	-	-	-
TOTAL OUTSTANDING	\$171.0M		-	\$10.0M	\$121.0M	\$20.0M	\$20.0M

NORTHLAKE



Northlake is a masterplanned residential community located on a 108 hectare parcel of land in Wanaka. This property was rezoned to residential in December 2015. Northlake is located a few minutes' drive from the Wanaka town centre and is within walking distance of numerous schools.

The Northlake development project includes residential lots, dwellings, townhouses, a Northbrook retirement village (including Care Suites), apartments, commercial tenancies, and a retail precinct and the Northlake Village Centre. These developments are being undertaken through six distinct projects detailed below.

NORTHLAKE KEY INFORMATION	
LOCATION	Wanaka
ACQUISITION DATE	2014
TARGET SETTLEMENT PERIOD	FY22 TO FY26
TOTAL UNITS / GDV / PRE-SOLD	511 UNITS / \$429M / \$113M
RESIDENTIAL LOTS / GDV / PRE-SOLD	271 UNITS / \$178M / \$72M
DWELLINGS, TOWNHOUSES AND APARTMENTS / GDV / PRE-SOLD	101 UNITS / \$99M / \$41M
RETIREMENT VILLAGE UNITS / GDV / PRE-SOLD	124 UNITS / \$141M / -
COMMERCIAL / GDV / PRE-SOLD	15 UNITS / \$11M / -

Note: unit numbers and GDV in the table above are displayed as remaining values (yet to be settled as at 30 June 2021). Pre-sales as at 30 September 2021.

Northlake Residential Land

394 residential lots have been developed and settled in the Northlake community as at 30 June 2021. Bulk earthworks for all future residential stages are complete with civil works underway.

Settlements of these residential lots will occur progressively following their completion, with settlements targeted for FY22 to FY25. There are currently 271 units remaining with a GDV of \$178.

Northlake Dwellings

58 dwellings have been constructed and settled as at 30 June 2021, with a further 49 residential dwellings to be constructed at Northlake with a GDV of \$39m. These homes are a mixture of single storey and two storey detached and duplex style dwellings.

Settlements of these residential dwellings will occur progressively following their completion, with the target settlement period being FY22 to FY23.

Northlake Townhouses

‘High end’ two-level residential townhouses are to be constructed adjacent to the Northlake Village Centre. These are currently in design and require resource consent before construction of 27 target units with a GDV of \$43m can get underway. Lodgement of this consent occurred in October 2021, with settlements targeted for FY23 to FY24.

Northbrook Wanaka

Winton has received resource consent to develop a 124-unit retirement village with a GDV of \$141m. This will consist of 100 Independent Living Units and 24 Care Suites, a clubhouse and amenity building for social and active recreation and a main entry building with offices, staff room, kitchen, and back of house facilities for administration purposes. Construction will commence upon receipt of building consent which is currently being prepared, with a target settlement period of FY24 to FY26.

Northlake Commercial and Apartments

Winton has begun construction on a commercial and apartment precinct located within vicinity to the Northlake Village Centre. It will comprise 25 apartments and 6 commercial units with a GDV of \$16m and \$6m respectively. Settlement of FY23 is targeted.

Northlake Village Centre

The Northlake Village Centre, comprising a gastro pub / restaurant, childcare facility and an eight tenancy two storey office building, was completed in 2018 and is trading. The childcare facility has been sold and has settled. Nine units remain with a GDV of \$5m and a near-term settlement period of FY22 is targeted.



LAKESIDE



Lakeside comprises a 179 hectare parcel of waterfront development land located within the ‘Golden Triangle’ of Auckland, Hamilton and Tauranga and within the identified ‘Strategic Growth Node’ which is the Auckland / Hamilton southern corridor.

The private plan change to rezone the property to residential (which became operative in July 2018) allows the development of over 1,659 residential lots, a commercial precinct and primary school.

The development project includes residential lots and dwellings, a primary school lot and a commercial precinct, the Lakeside Village Centre, which consists of office and retail tenancies, a café / restaurant, childcare facility and general store with off-street parking and fronting onto a neighbourhood playground.

LAKESIDE KEY INFORMATION

LOCATION	Te Kauwhata
ACQUISITION DATE	2018
SETTLEMENT PERIOD	FY22 TO FY29
TOTAL UNITS / GDV / PRE-SOLD	1,315 UNITS / \$379M / \$373M
RESIDENTIAL LOTS / GDV / PRE-SOLD	1,303 UNITS / \$370M / \$370M
COMMERCIAL / GDV / PRE-SOLD	12 UNITS / \$9M / \$3M

Note: unit numbers and GDV in the table above are displayed as remaining values (yet to be settled as at 30 June 2021). Pre-sales as at 30 September 2021.

Lakeside Residential

The residential development in Lakeside is well progressed, with 356 residential lots having settled and earthworks consent has been granted for all stages of the development. The resource consent to deliver a further 295 residential lots and the 3.9 hectare primary school site has been received, with earthworks complete and civil works progressing. Following completion of this stage, resource consent will be sought for further stages of the development so works can be undertaken progressively.

1,303 target units remain with a GDV of \$370m and the target settlement period is FY22 to FY29.

Lakeside Village Centre

Construction has commenced on the Lakeside Village Centre which will comprise a 1.5 hectare commercial and retail precinct located at the centre of the Lakeside development, with 12 target units and a GDV of \$9m. Building consent is being processed for this development and the target settlement period is FY23 to FY24.

LAUNCH BAY



The Launch Bay precinct in Hobsonville (Auckland) has been designed around an historic parade oval which forms the centrepiece of the project, along with four heritage officers' houses and an historic seaplane hangar.

A ferry service connects Hobsonville Point to the Auckland central business district with a 25-minute journey time.

Winton entered into a Development Agreement with the Crown in 2016 to deliver the Launch Bay precinct. Winton has completed the masterplanning, consenting and subdivision of the landholding into 24 individual lots. These 24 individual lots will deliver 346 apartment units, dwellings and Retirement Village Units.

Launch Bay consists of apartment units, dwellings, and Retirement Village Units and Winton has several projects underway for these separate developments. Unlike the majority of Winton's developments, Launch Bay will not include residential lots.

LAUNCH BAY KEY INFORMATION

LOCATION	Auckland
ACQUISITION DATE	2016
SETTLEMENT PERIOD	FY22 TO FY27
TOTAL UNITS / GDV / PRE-SOLD	329 UNITS / \$464M / \$77M
DWELLINGS AND TOWNHOUSES / GDV / PRE-SOLD	29 UNITS / \$45M / \$28M
APARTMENTS / GDV / PRE-SOLD	90 UNITS / \$125M / \$49M
RETIREMENT VILLAGE UNITS / GDV / PRE-SOLD	210 UNITS / \$293M / -

Note: unit numbers and GDV in the table above are displayed as remaining values (yet to be settled as at 30 June 2021). Pre-sales as at 30 September 2021.

The Marlborough

Construction for the Marlborough six-storey apartment building located at the heart of the Launch Bay precinct commenced in 2020. The development consists of 39 apartment units (with a mix of one, two and three bedroom units), all of which are pre-sold, at a GDV of \$24m. The settlement period is targeted for FY22.

The Ovation

Construction for this development commenced in 2020, involving a six-storey apartment building and two townhouses located on the edge of the Launch Bay precinct overlooking the Waitemata Harbour. The GDV for this development is \$43m and consists of 21 units. These units are a mix of one, two and three bedroom 'high end' apartment units, plus two four bedroom townhouses. The settlement period is targeted for FY23.

Launch Bay Townhouse and Apartments

29 units are to be developed at a GDV of \$45m, consisting of 25 townhouses and a four-storey apartment building (comprising four apartments) each enjoying water views and located immediately adjacent to the Central Oval. A mix of three and four bedroom townhouses each with a double garage and four full-floor two bedroom apartment units. Construction commenced in 2021, with the target settlement period in FY23 to FY25.

Jimmy's Point

Jimmy's Point was launched to the market in October 2021, with construction to commence in early 2022. It will consist of a six-storey apartment building of 30 units (including a mix of one, two and three bedroom 'high end' apartment units) at a GDV of \$59m. Located above the Jimmy's Point Reserve, the development enjoys views of the Waitemata Harbour and beyond. The settlement period is targeted for FY24 to FY25.

Northbrook Launch Bay

A 210-unit retirement village with a GDV of \$293m will be constructed upon receipt of building consent (contingent on a variation to the resource consent which is currently held). The retirement village will consist of 168 Independent Living Units and 42 Care Suites, a clubhouse and amenity building for social and active recreation and a main entry building with offices, staff room, kitchen, and back of house facilities for administration purposes.

Northbrook Launch Bay will include the construction of a 15 storey tower, the tallest tower within Hobsonville, which will enjoy uninterrupted views of the Waitemata Harbour and beyond.

The settlement period is targeted for FY25 to FY27.



SUNFIELD



Winton has contracted to purchase a 200 hectare parcel of land located in Ardmore in the south of Auckland. Sunfield sits between the rapidly urbanising and expanding neighbourhoods of Takanini and Papakura, with Ardmore Airport to the east.

Winton was advised on 19 November 2021 by Kāinga Ora that the project was not accepted for assessment as a potential Specified Development Project under s29 of the Urban Development Act, and that a partnership with Kāinga Ora as anticipated by that Act may add complexity and uncertainty to a project that generally appears well suited to the traditional Resource Management Act pathway. Following this advice, Winton has engaged with the relevant Ministers' offices and requested that the Ministers use their directive powers under s29 of the Urban Development Act to insist that Kāinga Ora consider Sunfield under the Urban Development Act.

Residential development has occurred along the entire western and southern boundaries of the property, and development of the property is the logical extension of the urban intensification in this area of Auckland.

Upon completion Sunfield will comprise: a community designed to enable 'car-less' living, 3,643 healthy homes, 250,000 sqm of employment, healthcare and education buildings, a 4 hectare town centre, 2 schools, a further 6 retail hubs located throughout the community, permanent employment opportunities for over 11,000 people, 22.8 hectares of open spaces, green links, recreation parks and reserves and ecological offsets, an extensive restoration and native planting of the core stream and wetland network, the establishment of the Sunfield renewable solar energy network for the community and the Sunbus autonomous electric shuttle fleet.

SUNFIELD KEY INFORMATION

LOCATION	Auckland
ACQUISITION DATE	2020
SETTLEMENT PERIOD	FY26 TO FY39
TOTAL UNITS / GDV / PRE-SOLD	3,879 UNITS / \$1,735M / -
RESIDENTIAL LOTS / GDV / PRE-SOLD	3,643 UNITS / \$1,291M / -
COMMERCIAL / GDV / PRE-SOLD	236 UNITS / \$444M / -

Note: unit numbers and GDV in the table above are displayed as remaining values (yet to be settled as at 30 June 2021). Pre-sales as at 30 September 2021.

In October 2021, Winton lodged the Sunfield Specified Development Project Application with Kāinga Ora, under the Urban Development Act legislation. This application comprises both the residential and commercial projects within this development.

Sunfield Residential

Sunfield has been developed based on the concept of a ‘15-Minute Sustainable Neighbourhood’, which serves as an organising principle for urban development and urban life. It is designed to provide residents access to most, if not all, resident needs within a short walk or bike ride from their home. In addition, without the requirement for extensive roading and individual garaging in the development, more space is freed up for warmer, drier homes in Sunfield.

3,643 lots are planned and remaining for this development at a GDV of \$1,291m. Given the size and stage of the development, target settlement is not until FY27 to FY39.

Sunfield Commercial

Sunfield supports a shift away from travel and dependence on private motor vehicles by providing local social, recreational, education, and employment opportunities close to, or within, residential areas. Sunfield will accommodate an increased ‘working from home’ option for its residents with shared flexible working spaces.

The approximate 250,000 sqm of employment, healthcare and education buildings, a four hectare town centre, two schools and a further four retail hubs located throughout the community is expected to create significant employment opportunities.

Winton is targeting 236 lots with a GDV of \$444m for the commercial land part of the Sunfield development, and target settlement is to occur earlier in FY26.



NORTHBROOK:
NORTHBROOK WYNYARD QUARTER



Winton’s Wynyard Quarter development project consists of a 198 unit retirement village at GDV of \$411m, and a 62 apartment residential development at GDV of \$167m. Construction will commence on both projects upon receipt of the building consent and resource consent with settlement targeted for the apartments in FY26 and the retirement village in FY27.

Northbrook Wynyard Quarter will include 162 Independent Living Units and 36 Care Suites, a clubhouse and amenity building for social and active recreation and a main entry building with offices, staff room, kitchen, and back of house facilities for administration purposes.

The Wynyard Quarter residential apartment development will include a mix of one, two and three bedroom ‘high end’ apartment units, providing residents with easy access to Auckland’s famous waterfront.

WYNYARD QUARTER KEY INFORMATION

LOCATION	Auckland
ACQUISITION DATE	2021
SETTLEMENT PERIOD	FY27
TOTAL UNITS / GDV / PRE-SOLD	260 UNITS / \$578M / -
APARTMENTS / GDV / PRE-SOLD	62 UNITS / \$167M / -
RETIREMENT VILLAGE UNITS / GDV / PRE-SOLD	198 UNITS / \$411M / -

Note: unit numbers and GDV in the table above are displayed as remaining values (yet to be settled as at 30 June 2021). Pre-sales as at 30 September 2021.

NORTHBROOK:
NORTHBROOK AVON LOOP



Our Avon Loop development project includes a 187 unit retirement village at a GDV of \$215m and a 56 residential apartment development at a GDV of \$79m located on the edge of the Avon River in Christchurch. Construction will commence on both projects upon receipt of the building consent and resource consent with settlement targeted for between FY25 and FY26.

Northbrook Avon Loop will include 139 Independent Living Units and 48 Care Suites, a clubhouse and amenity building for social and active recreation and a main entry building with offices, staff room, kitchen, and back of house facilities.

The Avon Loop residential apartment development will include a mix of one, two and three bedroom 'high end' apartment units, on an approximately 14,000 sqm site that sits adjacent to a substantive urban realm upgrade, allowing for connection to the Christchurch CBD and the extensive public network along the Avon River.

AVON LOOP KEY INFORMATION

LOCATION	Christchurch
ACQUISITION DATE	2021
SETTLEMENT PERIOD	FY25 TO FY26
TOTAL UNITS / GDV / PRE-SOLD	243 UNITS / \$294M / -
APARTMENTS / GDV / PRE-SOLD	56 UNITS / \$79M / -
RETIREMENT VILLAGE UNIT / GDV / PRE-SOLD	187 UNITS / \$215M / -

Note: unit numbers and GDV in the table above are displayed as remaining values (yet to be settled as at 30 June 2021). Pre-sales as at 30 September 2021.

NORTHBROOK ARROWTOWN



Northbrook Arrowtown comprises a 198 unit retirement village situated on an approximately 15 hectare parcel of development land located in Arrowtown, next to the Millbrook Resort and alongside a waterfall and creek.

The development consists of 162 Independent Living Units and 36 Care Suites, a clubhouse and amenity building for social and active recreation and a main entry building with offices, staff room, kitchen, and back of house facilities.

NORTHBROOK ARROWTOWN KEY INFORMATION

LOCATION	Arrowtown
ACQUISITION DATE	2016
SETTLEMENT PERIOD	FY25 TO FY27
RETIREMENT VILLAGE UNITS / GDV / PRE-SOLD	198 UNITS / \$266M / -

Note: unit numbers and GDV in the table above are displayed as remaining values (yet to be settled as at 30 June 2021).

AYRBURN FARM



Ayrburn Farm comprises an approximately 42 hectare parcel of development land located in the Arrowtown and Lake Hayes basin, adjacent to the Millbrook Resort and Waterfall Park, as well as being in close proximity to the Akarua and Amisfield wineries, and the Arrowtown township.

Ayburn Farm will consist of residential lots and the Ayburn Domain restaurant precinct consisting of three restaurants/bars, a café/bakery, a cellar door, and office building, and a function venue.

AYRBURN FARM KEY INFORMATION

LOCATION	Arrowtown
ACQUISITION DATE	2017
SETTLEMENT PERIOD	FY24 TO FY25
TOTAL UNITS / GDV / PRE-SOLD	36 UNITS / \$117M / -
RESIDENTIAL LOTS / GDV / PRE-SOLD	29 UNITS / \$80M / -
COMMERCIAL / GDV / PRE-SOLD	7 UNITS / \$37M / -

Note: unit numbers and GDV in the table above are displayed as remaining values (yet to be settled as at 30 June 2021).

BEACHES



Matarangi is a small town on the Coromandel Peninsula. Winton is developing an 86 hectare parcel of development land into residential lots and a holiday park.

All residential stages of Beaches are fully consented and appropriately zoned, with stages 1-4 completed and stages 5-8 under construction.

BEACHES KEY INFORMATION

LOCATION	Coromandel Peninsula
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ACQUISITION DATE	2013
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SETTLEMENT PERIOD	FY22 TO FY24
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TOTAL UNITS / GDV / PRE-SOLD	272 UNITS / \$119M / \$62M
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RESIDENTIAL LOTS / GDV / PRE-SOLD	271 UNITS / \$109M / \$62M
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HOLIDAY PARK / GDV / PRE-SOLD	1 UNIT / \$10M / -
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Note: unit numbers and GDV in the table above are displayed as remaining values (yet to be settled as at 30 June 2021). Pre-sales as at 30 September 2021.



North Ridge comprises an approximately 121 hectare parcel of development land located in Bellbird, a suburb of Cessnock in the Hunter Valley in New South Wales.

The site comprises three parcels: a 36 hectare block which has been zoned for residential use; a 63 hectare block zoned as environmental land (not to be developed); and a 22 hectare block which is accessed by the neighbouring mining company to complete rehabilitation in preparation for development.

NORTH RIDGE KEY INFORMATION

LOCATION	Cessnock, NSW
ACQUISITION DATE	2014
SETTLEMENT PERIOD	FY22 TO FY25
RESIDENTIAL LOTS / GDV / PRE-SOLD	357 UNITS / \$109M / \$40M

Note: unit numbers and GDV in the table above are displayed as remaining values (yet to be settled as at 30 June 2021). Pre-sales as at 30 September 2021.

RIVER TERRACE



River Terrace is a residential development project located in Cromwell, Central Otago.

Subdivision consent has been obtained for 17 large lifestyle blocks sized between 1.3-3.9 hectares each. Winton also owns an additional 13.2 hectare lot to the north of River Terrace, which has been unconditionally sold for \$10,500,000 plus GST and will settle in FY22.

Civil works and landscaping are currently underway, and two dwellings are being constructed to be offered to the market as house and land packages. Building consents for the two dwellings have been lodged and works will commence upon their receipt.

RIVER TERRACE KEY INFORMATION

LOCATION	Cromwell
ACQUISITION DATE	2018
SETTLEMENT PERIOD	FY22 TO FY23
RESIDENTIAL LOTS / GDV / PRE-SOLD	17 UNITS / \$20M / \$5M
BALANCE LOT / GDV / PRE-SOLD	1 UNIT / \$11M / \$11M

Note: unit numbers and GDV in the table above are displayed as remaining values (yet to be settled as at 30 June 2021). Pre-sales as at 30 September 2021.

BRIDESDALE FARM



Bridesdale Farm is a residential masterplanned community located in Lake Hayes Estate, Queenstown. 136 residential lots and one commercial lot have been developed by Winton and settled.

Two district plan review processes are underway to rezone the balance of the land to a mix of low density residential to accommodate 11 residential lots and open space to enable recreation activities. An application for a building platform on two balance lots is currently on hold pending the outcome of the open space zoning discussions with Council.

BRIDESDALE FARM KEY INFORMATION

LOCATION	Queenstown
ACQUISITION DATE	2015
SETTLEMENT PERIOD	FY24
RESIDENTIAL LOTS / GDV / PRE-SOLD	12 UNITS / \$6M / -
BALANCE LOT / GDV / PRE-SOLD	1 UNIT / \$1M / -

Note: unit numbers and GDV in the table above are displayed as remaining values (yet to be settled as at 30 June 2021).

LONGREACH



Longreach comprises an approximate 23 hectare parcel of land located adjacent to the picturesque Purangi Estuary in the coastal town of Cooks Beach, Coromandel, which is located just over two hours' drive from Auckland.

As at the date of this document, all works have been completed, and all of the residential lots have settled. The table below shows lots which were yet to settle as at 30 June 2021.

LONGREACH KEY INFORMATION

LOCATION	Cooks Beach, Coromandel
ACQUISITION DATE	2015
SETTLEMENT PERIOD	FY22
RESIDENTIAL LOTS / GDV / PRE-SOLD	11 UNITS / \$4M / -
STATUS	Completed and settled between 30 June 2021 and the date of this document

Note: unit numbers and GDV in the table above are displayed as remaining values (yet to be settled as at 30 June 2021).

Winton’s Environmental and Social Focus

Winton has a strong focus on environmental and social impacts, adopting best practice industry standards concerning environmental controls, and engaging iwi and councils in order to produce developments that meet the needs of New Zealand.

Environmental

Winton must develop and build to adapt to the physical risks of climate change. The increased frequency of weather-related events, namely flooding in New Zealand, is a challenge we must prepare for.

We must also do our part to reduce our emissions profile over time in alignment with the global need to limit global warming by 1.5°C.

Onsite

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, amenity and recreational space, and nature access are key focuses during site selection and design. Sites with natural features 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, which positively benefit residents within the community. These natural features within our developments include wetlands, waterways and native vegetation.

At Lakeside we are creating a significant wetland to support healthy ecological and biosecurity outcomes and attract birdlife like the Mātātā (Fernbird) wetland bird symbolised in the Lakeside logo.

At Waterfall Park, substantial revitalisation steps were implemented to improve stream health, birdlife, and biodiversity. Steps include stock exclusion fencing to reduce runoff, riparian planting along Mill Creek with ~6,000 native shrubs and grasses and extensive bank stabilisation.

We use the most qualified ecologists possible to advise on environmental considerations, and proactive measures to protect and enhance these features and the associated wildlife habitat.

During site development and construction, Winton adopts best practice industry standards concerning environmental controls and stormwater management.

Looking ahead, Winton will adopt the requirements under the Task Force on Climate-Related Financial Disclosures to disclose more detail on the risks and opportunities for our business and how different global warming scenarios would impact our strategy.



WATERFALL PARK

Social

Winton prides itself on the strong relationships it has established with key stakeholders, including local councils and Kāinga Ora, over time. Winton works together with these stakeholders to create much-needed housing, and 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. At Lakeside, we worked with each of Ngā Muka and Waikato-Tainui to understand iwi concerns about the development of a culturally significant site and addressed them accordingly, resulting in a beneficial partnership of mutual trust and respect. Incorporated into our design at Lakeside is a shared community space known as the Iwi Reserve, street names reflecting the history of the site and a planned cultural statue. More broadly, we have worked with iwi on a number of issues including wastewater improvements, natural waterway improvements, wetland protection and housing.

While Winton is a relatively small team, it works with many contractors on each site to develop the land and construct homes and commercial spaces. 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.

On all sites, there is a strong culture of health and safety. Each site has a site-specific safety plan with contractors reporting against the plan on a regular basis. Incident reporting (including near-miss reporting) is strongly encouraged and is adopted by Winton’s contractors. This reporting provides a useful tool for open discussion on health and safety issues and continual improvements onsite to processes and methodology.





Sunfield combines environmental and social benefits

Sunfield is a new approach to urban living that results in combined environmental and social benefits. Roads are replaced with shared green spaces, planting and housing, with solar energy powering the community. With 3,643 homes, it will deliver critical supply at a time when there is an acute housing shortage in New Zealand without overburdening existing infrastructure.

To enable this new sustainable way of living, Winton has designed a community based on the urban design principle of a 15-minute neighbourhood, where residents can live and work locally. Most day-to-day needs will be met within a 15-minute walk or bike from home, including employment opportunities, education, recreation, retail, and convenience.

In addition to increasing the housing supply, there are many health benefits for residents from living locally, more active transport options, less commutes and removal of gas used in homes, in turn improving health outcomes.

By nearly eliminating personal cars, Sunfield will aid New Zealand’s climate ambitions by significantly reducing emissions from car use, enabling solar throughout the community, and excluding gas connections. The flow on social benefit is a lower cost way of living for residents.

Visit Winton’s website to read more about Sunfield: winton.nz/sunfield

Sustainable development goals

While Sunfield positively contributes to the majority of the Sustainable Development Goals set out in the United Nations 2030 Agenda for Sustainable Development, the following goals are those that Sunfield will contribute to in a more material way.



Goal 3: **Good Health and Wellbeing**



Goal 7: **Affordable and Clean Energy**



Goal 8: **Decent Work and Economic Growth**



Goal 9: **Industry, Innovation and Infrastructure**



Goal 11: **Sustainable Cities and Communities**



Goal 13: **Climate Action**

Directors and Senior Managers

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.

Julian has over 20 years' experience in corporate finance and retirement living.

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, gaining significant experience in the energy, industrial services, tourism, and aged care sectors.

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



Michaela Meehan

Executive Director

MSc (Economics and Business Administration)

Appointed 19 June 2017

Michaela has overall responsibility for Winton's administration and treasury functions.

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

CFA, BCom (Finance), BE (Chemical & Materials)

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 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.

Senior Management Team



Chris Meehan
Chair and Chief Executive Officer

Associate Diploma in Business (Property Valuation)

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

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

Julian has over 20 years' experience in corporate finance and retirement living. 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, gaining significant experience in the energy, industrial services, tourism, and aged care sectors.

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



Michaela Meehan
Executive Director

MSc (Economics and Business Administration)

Michaela has overall responsibility for Winton's administration and treasury functions.

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.



Simon Ash
General Manager

BCom (Economics and Finance)

Simon is responsible for overseeing Winton's business operations and acquisitions.

Simon has over 15 years' experience spanning real estate, finance and investment banking. Prior to joining Winton, Simon gained much of his experience at Macquarie Bank, and in a variety of roles at Brookfield Financial.



Jean McMahon
Chief Financial Officer

BCom (Accounting), BSc (Statistics), member of CA ANZ

Jean is responsible for managing Winton's finance, tax and accounting functions.

A Chartered Accountant, Jean has over 17 years of experience in real estate, finance and investment which she gained in a variety of roles across New Zealand, United Kingdom and Canada. More recently, Jean held the position of Financial Controller for Property for Industry Limited - an NZX listed property company, as well as McDougall Reidy & Co - a private property development company. Jean's career to date has also included working for Lloyds Banking Group (UK) and Abacus Private Equity (Canada), as well as training as an auditor with KPMG (New Zealand and Canada).



Justine Hollows
General Counsel

LLB (Hons)

Justine is the General Counsel for Winton and is responsible for the Group's legal oversight, risk management and compliance.

In addition to her role as General Counsel, Justine is also the Human Resources Manager for the Group. Justine has over 18 years of experience in law, including property development, transactional and leasing work.

Prior to joining Winton, Justine was Senior Legal Counsel with Auckland International Airport and she has previously worked for some of New Zealand's top tier law firms including Bell Gully and Minter Ellison.



Duncan Elley
Head of Land Development

BCom (Economics), LLB (Hons)

Duncan is a senior real estate professional with responsibility for Winton's land development projects.

Duncan has more than 18 years of experience in real estate, finance and investment management. Prior to joining Winton, Duncan gained his extensive real estate transactional experience with Chenavari Investment Managers and Capmark Bank Europe plc in the United Kingdom.



James Burgess
Head of Vertical Living

BArch (Hons), New Zealand Registered Architect

James is an experienced Architect, responsible for Winton's Vertical Living development projects.

James returned to New Zealand in 2015, bringing with him extensive experience across a broad range of sectors and projects in Saudi Arabia, Qatar, China, Australia and the United Kingdom. Since then, James' work has centred primarily on the creation of successful mixed use communities - whether in city centre redevelopment programmes, or community building residential developments. With a focus on strategic outcomes and creative vision, James has leveraged experience attained within the United Kingdom 'Build to Rent' market, and applied it to both the Australian and New Zealand sectors.

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

Substantial shareholders

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

SHAREHOLDER AND NATURE OF RELEVANT INTEREST	NUMBER OF SHARES	% OF SHARES
Korama Limited is the registered holder of Shares in the Company as the trustee of the Amarok Trust	162,593,000	79.0%
Wanaka Partners, LLC is the registered holder and beneficial owner of Shares in the Company	28,683,000	13.9%
JWAJ Limited is the registered holder of Shares in the Company as the trustee of the Weka Trust	14,540,723	7.1%

The following shareholders are likely to have a relevant interest in 5% or more of the Shares immediately following completion of the Offer, based on a \$350 million raise:

SHAREHOLDER AND NATURE OF RELEVANT INTEREST	NUMBER OF SHARES ¹	% OF SHARES ²
Korama Limited will be the registered holder of Shares in the Company as the trustee of the Amarok Trust	162,593,000	54.8%
TC Akarua Sub Trust will be the registered holder of Shares in the Company	51,453,564	17.3%
Wanaka Partners, LLC will be the registered holder and beneficial owner of Shares in the Company	28,683,000	9.7%
JWAJ Limited will be the registered holder of Shares in the Company as the trustee of the Weka Trust	20,972,419	7.1%

Shareholdings held by directors and senior managers

The table below sets out the equity securities in Winton that the directors and senior managers of Winton have an interest in prior to the Offer (at the date of the PDS) and will likely have an interest in immediately following completion of the Offer, based on a \$350 million raise:

DIRECTOR OR SENIOR MANAGER	NATURE OF RELEVANT INTEREST	PRIOR TO THE OFFER		IMMEDIATELY FOLLOWING THE OFFER ³	
		NUMBER OF SHARES	% OF SHARES	NUMBER OF SHARES	% OF SHARES ⁴
CHRIS MEEHAN	Beneficial owner of shares held by Korama Limited as the trustee of the Amarok Trust	162,593,000	79.0%	162,593,000	54.8%
MICHAELA MEEHAN					
DAVID LIPTAK	20% or more interest in Wanaka Partners, LLC, resulting in David being deemed to have the same relevant interests in the Shares as Wanaka Partners, LLC described in the substantial shareholders table above	28,683,000	13.9%	28,683,000	9.7%
JULIAN COOK	Registered holder and beneficial owner			1,286,640	0.4%
SIMON ASH	Registered holder and beneficial owner ⁵			235,401	0.1%
JEAN MCMAHON	Registered holder and beneficial owner ⁵			156,934	0.1%
JUSTINE HOLLOWS	Registered holder and beneficial owner ⁵			156,934	0.1%

Notes:

- Each of these Shareholders is also subject to escrow terms which restrict the sale of their Shares. Because the escrow restrictions may be waived with the permission of Winton, the non-interested Directors, NZX and, in the case of Korama Limited, the TC Akarua Sub Trust, each of those parties may be viewed as having a relevant interest in the relevant Shares of each Shareholder.
- Based on there being 296.6 million Shares on issue, which assumes the Offer is fully subscribed with 90 million new Shares being issued, plus 205.8 million Shares held by existing shareholders and not offered under the Offer and 0.75 million Shares offered concurrently with the Offer to selected employees Shares in recognition of their past service to Winton.
- Directors and senior managers are permitted to acquire Shares under the Offer. The interests in Shares expected to be held immediately following the Offer reflect the intentions of the directors and senior managers at the date of the PDS in relation to their acquisition of Shares under the Offer. Other directors and employees may participate in the Offer and disclosure will be made to the NZX Main Board and ASX in respect of such director and/or employee participation.
- The percentages in this table are calculated assuming there are 296.6 million Shares on issue, which assumes the Offer is fully subscribed with 90 million new Shares being issued, plus 205.8 million Shares held by existing shareholders and not offered under the Offer and 0.75 million Shares offered concurrently with the Offer to selected employees Shares in recognition of their past service to Winton.
- See also the interests that the senior managers and certain directors will have, immediately after the Offer, in the options to be issued under the LTI Plan as set out immediately below.

Options to acquire securities of issuer

A new long-term incentive plan (the **LTI Plan**) is being implemented for selected employees in conjunction with this Offer to incentivise and retain those employees. Under the LTI Plan, participants will be granted options 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. The exercise price will not be adjusted for any dividends paid by Winton.

The Board has approved an initial grant of options as set out in the following table, conditional on the allotment of Shares under the Offer.

NAME OF RECIPIENT	NUMBER OF OPTIONS	EXERCISE PRICE	VESTING DATE	EXPIRY DATE OF OPTION
SIMON ASH	514,536	\$3.8870	Four years from the date of issue	12 months after the end of the relevant vesting date
	514,536		Seven years from the date of issue	
	514,536		10 years from the date of issue	
JEAN MCMAHON	300,146	\$3.8870	Four years from the date of issue	12 months after the end of the relevant vesting date
	300,146		Seven years from the date of issue	
	300,146		10 years from the date of issue	
JUSTINE HOLLOWS	300,146	\$3.8870	Four years from the date of issue	12 months after the end of the relevant vesting date
	300,146		Seven years from the date of issue	
	300,146		10 years from the date of issue	

The Board expects to make an offer of up to 2,675,582 options to additional employees shortly after lodgement of the PDS, such offers to be on substantially similar option plan terms to those set out in the table above.

In addition, a grant of options has been made to Julian Cook, an Executive Director. 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. The exercise price will be adjusted for any dividends paid by Winton.

The Board has approved a grant of options to Mr Cook as set out in the following table, conditional on the allotment of Shares under the Offer.

NOAME OF RECIPIENT	NUMBER OF OPTIONS	EXERCISE PRICE	VESTING DATE	EXPIRY DATE OF OPTION
JULIAN COOK	5,145,356	\$3.8870	10 years from the date of issue	12 months after the end of the vesting date

Subject to the NZX Listing Rules, the Board may make further grants of options following the Offer.

Other equity securities of the Company

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

Director remuneration and benefits

The table below sets out the total remuneration and value of other benefits received by each director of the Company during FY21 and expected to be received in FY22, as well as the nature of the services to which that remuneration, or those other benefits, relates (other than services provided in a person's capacity as a director).

DIRECTOR OR PROPOSED DIRECTOR	TOTAL REMUNERATION AND VALUE OF OTHER BENEFIT RECEIVED IN FY21	NATURE OF SERVICES PROVIDED	EXPECTED TOTAL REMUNERATION AND VALUE OF OTHER BENEFITS EXPECTED TO BE RECEIVED IN FY22
CHRIS MEEHAN	\$1,570,500	CEO remuneration	\$1,623,000
	-	Executive Director and Chair	\$71,370
MICHAELA MEEHAN	-	Executive Director and Chair	\$42,300
DAVID LIPTAK	-	Non-executive Director	\$42,300
JULIAN COOK	-	Head of Retirement	\$240,000
	-	Executive Director	\$42,300
ANNA MOLLOY	-	Independent Director Chair of Financial, Audit & Risk Committee and Chair of Remuneration Committee	\$42,300 plus fees for additional committee Chair roles
GLEN TUPUHI	-	Independent Director	\$42,300

The remuneration paid to the directors of Winton in FY22 will be higher than that paid in FY21. This reflects that, as a result of the listing of Winton on the NZX Main Board and ASX, the directors have increased responsibilities and will be required to devote more time to the performance of their duties as directors.

The fees for directors of Winton that will apply from listing have been fixed as a total pool of \$600,000 per annum.

The directors are entitled to be reimbursed for all reasonable travel, accommodation and other expenses incurred by them in connection with their attendance at Board or shareholder meetings, or otherwise in connection with the Winton's business.

Winton has granted indemnities, as permitted by the Companies Act and the FMCA, in favour of each of its directors. Winton also maintains insurance for its directors and officers.

Employee remuneration

There were 13 employees or former employees of Winton, not being directors of the issuer, who, during the most recent period, received remuneration and other benefits in their capacity as employees, that in value was or exceeded \$100,000 per annum.

The table below sets out the number of such employees or former employees in brackets of \$10,000:

REMUNERATION	NO. OF EMPLOYEES
\$110,000 - \$119,999	2
\$130,000 - \$139,999	1
\$160,000 - \$169,999	1
\$170,000 - \$179,999	2
\$230,000 - \$239,999	2
\$250,000 - \$259,999	1
\$400,000 - \$409,999	1
\$460,000 - \$469,999	1
\$480,000 - \$489,999	1
\$720,000 - \$729,999	1

FY22 employee remuneration is expected to be higher than FY21 as a result of Winton hiring additional employees that are expected to receive remuneration in excess of \$240,000, although their total remuneration for FY22 remains to be determined. In addition, selected employees will receive shares in FY22 under the new LTI scheme outlined on page 57.

Material interests in Winton

Winton has agreed to pay selected employees a bonus in recognition of their past service to Winton. The bonus is payable conditional on the allotment of Shares under the Offer and the amount payable to all of the selected employees in aggregate is \$4.8 million. The bonus will be satisfied through the issuance of Shares to the selected employees, with the number of Shares to be issued to each participant to be determined by dividing the bonus value allocated to each participant by the Issue Price. If Winton is obliged to deduct, pay or withhold any relevant amount of tax (including without limitation, PAYE, KiwiSaver contributions or any other statutory deduction ordinarily applying), then the issuance will be made net of these costs. These shares will be subject to standard escrow conditions and will not be able to be sold until the the publication of Winton's results for FY23.

Although not considered material interests for either Winton or the relevant person, Winton notes the following transactions have been entered into:

1. A Winton subsidiary, Avon Loop Developments Limited, is the purchaser under a contract to purchase land at Avon Loop, Christchurch from Avon Hotel Limited. Avon Hotel Limited's director, Philip Carter, is an indirect shareholder of Winton via JWAJ Limited. This transaction is reflected in the PFI.
2. A Winton subsidiary, River Terrace Developments Limited, is the vendor under a contract to sell land at River Terrace, Cromwell to Carter Group Property Limited or nominee. Carter Group Property Limited is associated with Philip Carter, an indirect shareholder of Winton via JWAJ Limited. This transaction is reflected in the PFI.
3. A Winton subsidiary, Wynyard Developments Limited, is the vendor under a contract to sell an apartment at Beaumont Street, Wynyard to Chris Meehan or nominee. Chris Meehan is a director of Winton. This transaction has not been reflected in the pre-sale figures in the PDS as at 15 November 2021 given it was entered into after this date.

Unanimous Board approval and shareholder consent was obtained for each of the above contracts, on the basis that they are arms' length transactions.

Approval and waiver from NZ RegCo regarding Winton's Constitution

Under the Overseas Investment Act, 'overseas persons' require consent for investments in sensitive New Zealand assets. Once listed on the NZX Main Board, Winton will be considered an 'overseas person' if:

- in aggregate, overseas persons own 50% or more of the Shares, or
- more than 25% of the Shares are held, in aggregate, by overseas persons that individually own (together with their associates) 10% or more of the Shares

If an 'overseas person' acquires Shares (or other equity securities) and Winton consequently exceeds either of these limits (which could occur via on-market transfers without Winton's knowledge):

- that acquisition would constitute an overseas investment in sensitive assets under the Overseas Investment Act and will require consent under the Act; and
- Winton will itself become an 'overseas person' and will require consent for any subsequent acquisitions of sensitive assets, including sensitive land under the Overseas Investment Act.

As a residential land developer whose business involves the acquisition and development of land, becoming an 'overseas person' would impose significant additional cost and uncertainty on Winton's business.

Accordingly, in November 2021, NZ RegCo granted Winton:

- approval under NZX Listing Rule 8.1.6 to include provisions in its Constitution which allow the Board to restrict the transfer of Winton's securities to 'overseas persons' 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 Constitution.

The conditions to these approvals and waiver are that:

- Winton will be given a non-standard (NS) designation, in terms of its listing on the NZX Main Board;
- Winton must include an outline and explanation of the relevant provisions in the Constitution in this product disclosure statement and ensure the Constitution is disclosed on the Offer Register at <https://disclose-register.companiesoffice.govt.nz/>;
- that an outline and explanation of the relevant provisions in the Constitution must be set out on Winton's website and referred to in each annual report published by Winton; and
- Winton must obtain approval from NZ RegCo in relation to the method of sale prior to exercising its power to require any compulsory sale of Shares on behalf of a shareholder.

Powers of Board under Constitution

To manage the risks of Winton becoming an 'overseas person', the Constitution includes the following specific provisions:

- Under clause 3 of the Fourth Schedule, the Board may require on request a current, or proposed new, shareholder to provide information concerning whether they are an 'overseas person' under the Overseas Investment Act.
- Under clause 15.4 and clause 5 to the Fourth Schedule, the Board may refuse to register a share transfer if:
 - the Board considers that it will, or is likely to, cause the extent of overseas ownership in Winton to exceed a specified percentage (currently set at 90%, however, the percentage can be increased by the Board) of the statutory level at which the number of securities in Winton held by 'overseas persons' under the Overseas Investment Act makes Winton itself an 'overseas person', or
 - the transferee has not provided satisfactory documentary evidence on request, with respect to determining whether the registration of that transfer would cause the extent of overseas ownership in Winton to breach the relevant thresholds.

- Clause 9.1(a) of the Fourth Schedule allows the Board to suspend the voting rights attaching to any of Winton's securities which the Board determines, after following the process in the Constitution, have caused the extent of overseas ownership in Winton to exceed the relevant threshold under the Overseas Investment Act (**Affected Shares**).
- Clause 9.1(b) of the Fourth Schedule allows the Board to require the sale of Affected Shares, through a method previously approved by NZ RegCo, if the registered holder does not sell those securities to a person who is not an 'overseas person, within 20 working days, with the proceeds of the sale (less any costs of sale) being paid to the registered holder (to the Constitution).

Other governance disclosures

The Board will adopt various board policies and charters typical for a company listed on the NZX Main Board and listed as an ASX foreign exempt listing. Following listing, the Board will have the power to appoint additional directors to the Board from time to time, in accordance with the NZX Listing Rules. Any director appointed by the Board must retire and seek re-appointment at the next Annual Shareholders' Meeting of Winton in accordance with the NZX Listing Rules.

The Board has agreed that for so long as TC Akarua Sub Trust retains at least 75% of its stake in Winton following completion of the Offer, Winton's Board will use its best endeavours to procure ongoing Board representation of TC Akarua Sub Trust. Winton's constitution also provides a similar right for TC Akarua Sub Trust to appoint or remove one director by notice in writing to Winton, although it is expected that this right will not be exercised and instead the Board will appoint such director.



SECTION 3:

Purpose of the Offer.

The primary purpose of the Offer is for Winton to raise additional equity funding to accelerate our growth strategy and fund future land acquisition. As Winton expects to operate with a conservative capital structure, using little to no debt, a further portion of proceeds are also intended to be applied to repay a project finance debt facility relating to the Lakeside development, expected to be on or about June 2022. In addition, some of the proceeds will be used to fund Offer costs. No shares are to be sold by existing shareholders as part of the Offer.

AMOUNT	USE OF PROCEEDS
\$144.6-241.0 MILLION	The primary purpose of this Offer is for Winton to raise additional equity funding to accelerate its strategy to undertake further and larger development projects and fund future land acquisitions and development costs
\$89.6 MILLION	To repay a project finance debt facility relating to the Lakeside development, expected to be on or about June 2022
\$15.8-19.4 MILLION	To fund Offer costs
\$250-350 MILLION	Gross proceeds from the Offer

The minimum amount that must be raised before the Shares are issued is \$250 million.

The amount of money that is available to be used to undertake further and larger development projects and fund future land acquisitions and development costs will differ depending on the total amount that is raised. The use of the money raised under the Offer to repay a project finance debt facility will not change regardless of the total amount that is raised. The Offer is not underwritten.

SECTION 4:

Key dates and Offer process.



OFFER OPENS	9 December 2021
OFFER CLOSES	12 December 2021
SETTLEMENT AND ALLOTMENT OF SHARES	17 December 2021
ORDINARY SHARES ARE QUOTED	17 December 2021
EXPECTED COMMENCEMENT OF TRADING ON THE NZX MAIN BOARD	17 December 2021
EARLIEST EXPECTED MAILING OF HOLDING STATEMENTS	by 20 December 2021
EXPECTED DATE OF FIRST DIVIDEND PAYMENT FOLLOWING THE OFFER	September 2023

This timetable is indicative only and the dates may change. Winton reserves the right to vary or extend these dates.

SECTION 5:

Terms of the Offer.



Key terms of the Offer

The table below sets out the terms of the Offer. All Shares are issued on the terms set out in the Constitution (a copy of which is available on the Offer Register).

OFFER	This is an Offer of 64.3 million to 90.0 million ordinary shares (being 23.7% to 30.4% of the total Shares on issue immediately following the Offer). ⁵¹
KEY DATES	See Section 4 (<i>Key dates and Offer process</i>) for information about the key dates.
STRUCTURE OF THE OFFER	<p>The Offer comprises:</p> <ul style="list-style-type: none">- a Chairman's List Offer to selected investors nominated by the Company; and- an Institutional Offer, which will be an invitation to bid for Shares made to selected Institutional Investors in New Zealand and Australia. <p>There is no general public Offer under which you may subscribe for Shares.</p>
ESCROW ARRANGEMENTS	<p>The existing shareholders (Korama Limited, Wanaka Partners, LLC and JWAJ Limited) as well as TC Akarua Sub Trust have each entered into escrow arrangements under which they have agreed not to sell or otherwise dispose of certain of the Shares held by them prior to the Offer (or immediately upon completion of the Offer in the case of TC Akarua Sub Trust):</p> <ul style="list-style-type: none">- In the case of each shareholder other than Korama, until Winton releases to NZX its results announcement for the financial year ended 30 June 2023 in respect of 75% of such Shares, with the remaining 25% free to be sold at any time.- In the case of Korama, until Winton releases to NZX its results announcement for the financial year ended 30 June 2023 in respect of 100% of such Shares, and then 90% of such Shares remaining unable to be sold until the earlier of TC Akarua Sub Trust selling 10% of the Shares it holds on the date of release of such results announcement and 31 December 2025 (being the fourth anniversary of completion of the Offer). <p>In addition, Winton has agreed to issue Shares to selected employees in recognition of their past service to Winton. These Shares will be subject to standard escrow conditions and will not be able to be sold until the publication of Winton's results for FY23. In each case, the escrow arrangement will be subject to limited exceptions set out on the Offer Register. 80.6% of the total number of shares on issue in Winton immediately following completion of the Offer are expected to be subject to escrow arrangements, based on a \$350 million raise.</p>

⁵¹ The total number of Shares on issue immediately following the Offer is assumed to comprise the 64.3 million to 90.0 million Shares offered under the Offer plus 205.8 million Shares held by existing shareholders and not offered under the Offer and 0.75 million Shares offered concurrently with the Offer to selected employees Shares in recognition of their past service to Winton.

DISCRETION REGARDING THE OFFER

Winton may withdraw the Offer, or any part of it, at any time before the allotment of Shares. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest) no later than five Business Days after the announcement of the decision to withdraw the Offer or any part of it.

Winton reserves the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications, settlement or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant or any bidder fewer Shares than applied or bid for.

Winton reserves the right to refuse any Application or to accept an Application in part only, without providing a reason. If Winton refuses an Application or accepts an Application in part, the relevant Application Monies will be refunded no later than five Business Days after the last date on which Shares are allotted under the Offer. No interest will be paid on any Application Monies that are refunded.

See Section 11 (*How to apply*) for further information about Applications and how to apply for Shares.

ALLOTMENTS

Chairman's List Offer Applicants who do not have a Common Shareholder Number (CSN) or who do not provide a CSN with their Application will be allocated a CSN at the time of Application. The CSN will be advised at the time the allotment of Shares is confirmed and the associated Authorisation Code (FIN) will be sent as a separate communication by mail by 20 December 2021. Shares allocated under the Offer are expected to be allotted on 17 December 2021.

Holding statements are expected to be sent to all successful Applicants by 20 December 2021. No person accepts any liability should any person attempt to sell or otherwise deal with Shares before a statement confirming allotment is received.

WHAT YOU NEED TO DO TO SELL YOUR SHARES ON THE NZX MAIN BOARD

If you wish to sell your Shares on the NZX Main Board, after confirming your allocation, you must contact a broker and have a CSN and an Authorisation Code (**FIN**). Opening a new broker account can take a number of days depending on the broker's new client procedures. If you do not have a CSN, you will be assigned one when you set up an account with a Broker.

If you do not have a FIN, it is expected that you will be sent one as a separate communication by the Share Registrar. If you have a broker and have not received a FIN by the date you want to trade your Shares, your broker can obtain one, but may pass the cost for doing so on to you.

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

NO GUARANTEE

No person guarantees the Shares affected under this PDS. No person warrants or guarantees the performance of the Shares or any return on any investments made pursuant to this PDS.

Components of the Offer

Chairman's List Offer

The Chairman's List Offer is open only to selected investors invited to apply by Winton, in its sole discretion.

Winton will contact those selected investors with instructions about how to apply for Shares. Winton will determine the number of Shares that these selected investors may apply for, however, the minimum Application amount is 258 Shares.

The Chairman's List Offer will be made between 9 December and 12 December 2021.

The number of Shares to be offered under the Chairman's List Offer, and the allocation of Shares to selected investors who are invited to apply for Shares, will be determined by Winton. There is no assurance that any investor invited to apply through the Chairman's List Offer will be allocated any Shares or the number of Shares for which it has applied. The allocation policy will be influenced by a number of factors which may include the timeliness of any application. Investors invited to apply under the Chairman's List Offer will be notified by Winton about the success of their application.

Institutional Offer

Winton will invite selected Institutional Investors to bid for Shares prior to close of the Offer.

All successful participants in the Institutional Offer will pay the Issue Price for each Share allocated to them.

The number of Shares to be offered under the Institutional Offer, and the allocation of Shares among Institutional Investors that have bid for Shares will be, or has been, determined by Winton. There is no assurance that any participant in the Institutional Offer will be allocated any Shares or the number of Shares for which it has bid. The allocation policy will be influenced by a number of factors which may include the timeliness of the bid by particular bidders.

Allocations have been made to certain Institutional Investors in advance of the lodgement of this PDS, who have committed to acquire a certain number of Shares at the Issue Price. The Issue Price was determined reflecting arm's length negotiations and feedback between and from certain Institutional Investors prior to the lodgement of this PDS.

Listing

Winton expects that trading of the Shares on the NZX Main Board and ASX will commence on 17 December 2021. If admission to list on the NZX Main Board is denied, the Offer will not proceed. Failure to achieve admission to list on the ASX will not, of itself, prevent the issue or sale of Shares under the Offer from proceeding.

NZX Main Board Listing

An application has been made to NZX for permission to list Winton and to quote the Shares on the NZX Main Board and all the requirements of NZX relating to the application that can be complied with on or before the date of this PDS have been duly complied with. However, NZX accepts no responsibility for any statement in this PDS. The NZX Main Board is a licensed market operated by NZX, which is a licensed market operator, regulated under the FMCA.

ASX listing

An application will be made to ASX after the PDS has been lodged on the Offer Register for Winton to be admitted to the official list of ASX as an ASX Foreign Exempt Listing and for quotation of the Shares on the ASX.

If Winton is admitted to the official list of ASX as a Foreign Exempt Listing, it will need to comply with the NZX Listing Rules (other than as waived by NZX) but will not need to comply with the vast majority of the ASX Listing Rule obligations. Rather, Winton will need to comply only with the rules specified in ASX Listing Rule 1.15, which are relatively procedural in nature. Winton will not be subject to substantive ASX Listing Rule requirements such as the rules on continuous disclosure, periodic reporting, shareholder approval of share issuances, escrow, transactions with persons of influence and significant transactions.

ASX takes no responsibility for the contents of this PDS or for the merits of the investment to which this PDS relates. The fact that ASX may admit Winton to the official list of ASX and quote the Shares on the ASX is not to be taken as an indication of the merits, or as an endorsement by ASX, of Winton or the Shares. The ASX is not a licenced market under the FMCA.

Selling restrictions and further information

This PDS is intended for use solely in connection with the Offer. You can find further information on the Offer Register in relation to the terms of the Offer, including the Constitution.

SECTION 6:

Key features of ordinary shares.



Key features of the equity securities

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

Dividend policy

Our dividend policy is to target an increasing distribution per share over time within a pay-out ratio of approximately 20-40% of full-year NPAT. Distributions are intended to be paid semi-annually.

Dividends are declared at the Board's discretion and depend on our financial performance. The payment of dividends is not guaranteed, and our dividend policy may change over time. In declaring dividends, Winton must comply with the solvency test under the Companies Act.

SECTION 7:

Winton's financial information.

7.1 Introduction

These tables provide key financial information about Winton. Full financial statements are available on the Offer Register at <https://disclose-register.companiesoffice.govt.nz/>. If you do not understand this financial information, you can seek advice from a financial advice provider or an accountant.

The Supplementary Financial Information and other financial information is also available on the Offer Register.

This PDS contains prospective financial information (PFI) for FY22F and FY23F (together, the Prospective Period). The PFI is based on the Board's assessment of events and conditions existing at the date of this PDS and the accounting policies and assumptions set out in the Supplementary Financial Information which are available on the Offer Register. The principal assumptions on which the PFI is based are set out in Section 7.5 (*Overview of prospective financial performance*).

PFI by its nature is inherently uncertain. It is a prediction of future events which cannot be assured. It involves risks and uncertainties, many of which are beyond the control of Winton. The Board believes that the PFI has been prepared with due care and attention, and considers the assumptions, when taken as a whole, to be reasonable at the time of preparing this PDS. Actual results are likely to vary from the information presented and variances may be material. Accordingly, neither the Board nor any other person can provide any assurance that the PFI will be achieved and investors are cautioned not to place undue reliance on the PFI. You should read the PFI in this PDS in light of the assumptions, and in conjunction with the other information in this PDS (including in particular the information in Section 8 (*Risks to Winton's business and plans*)).

The financial information in this PDS is presented in New Zealand dollars and is rounded to the nearest one hundred thousand dollars (unless otherwise stated), which may result in some discrepancies between the sum of the components and totals within tables, and also certain percentage calculations.

7.2 Selected financial information

The table of Selected Financial Information contains the following types of financial information:

- Statutory historical financial information as extracted from Winton's audited financial statements.
- Statutory prospective financial information which presents the PFI on the same basis as that on which Winton intends to report under NZ GAAP in the future.
- Pro forma historical financial information which has been derived from the statutory historical financial information, adjusted for listed company costs. Winton believes this adjustment allows investors to compare the historical financial information with the PFI.
- Pro forma prospective financial information adjusts the statutory PFI to reflect pro forma adjustments in the first year of the Prospective Period (FY22F) including the removal of non-recurring transaction costs relating to the Offer and the inclusion of listed company costs for the period prior to completion of the Offer.

Section 7.10 (*Reconciliation of Pro forma EBITDA to Statutory NPAT*) and Part C of the Supplementary Financial Information provide details on the pro forma adjustments to the historical and prospective financial information.

The pro forma historical financial information and the pro forma PFI have been prepared solely for the purpose of inclusion in this PDS. More information about the pro forma adjustments, the principal assumptions on which the PFI is based, and reconciliations of pro forma financial information to information prepared in accordance with NZ GAAP, is available in the Supplementary Financial Information.

Winton intends to raise up to \$350 million under the Offer and the Offer is subject to raising a minimum of \$250 million. The prospective financial information is based on the mid-point amount of the Offer being raised (\$300 million) which is the Directors' best estimate at the time of lodgement of the PDS.

The FY22F information comprises twelve months forecast trading results for the period ending 30 June 2022. The actual year-to-date operating results (for the months of July 2021 to September 2021) are known at the date of the PDS and are materially consistent with the forecasts for those months. Where labelled pro forma, the FY22F period also includes the pro forma adjustments outlined under the heading Pro forma adjustments in Section 7.10 (*Reconciliation of Pro forma EBITDA to Statutory NPAT*).

The historical financial information is extracted from Winton's audited financial statements which are available on the Offer Register. This document presents historical financial information for Winton for the financial periods ended 30 June 2019 (**FY19**), 30 June 2020 (**FY20**) and 30 June 2021 (**FY21**) (together, the **Historical Period**). The prospective financial information for the financial periods ending 30 June 2022 (**FY22F**) and 30 June 2023 (**FY23F**) is presented and described in the Supplementary Financial Information which is available on the Offer Register.

NZ\$m (unless indicated otherwise)	Historical Statutory			Forecast Statutory	
	FY19 12 months Ending 30 Jun 2019	FY20 12 months Ending 30 Jun 2020	FY21 12 months Ending 30 Jun 2021	FY22F 12 months Ending 30 Jun 2022	FY23F 12 months Ending 30 Jun 2023
Selected Financial Information¹					
Financial performance					
Revenue	51.2	30.8	177.0	158.0	344.7
Pro forma EBITDA ^{2,3}	12.2	(9.1)	69.2	49.0	137.5
Net profit after tax	7.2	(11.3)	46.1	29.7	8.8
Pro forma net profit after tax ⁴				34.7	98.8
Balance sheet and cash flow items					
Dividends paid ⁵	-	-	(18.8)	-	(12.4)
Total assets	144.4	203.0	253.4	456.2	559.4
Cash and cash equivalents	11.0	17.0	35.0	163.3	96.3
Total liabilities	86.6	146.4	169.6	54.6	69.7
Total debt ⁶	75.8	133.8	128.7	-	-
Net cash flows from operating activities	(41.2)	(51.0)	84.0	(42.3)	142.7
Pro forma net cash flows from operating activities ⁷				(42.0)	142.7

Notes:

- The selected financial information (excluding any financial information in the selected financial information table that is identified as being pro forma financial information) is extracted from audited financial statements of Winton for the FY19, FY20 and FY21 periods. The financial statements and auditor's reports for these periods are available on the Offer Register. The prospective financial information for FY22F and FY23F is extracted from the Supplementary Financial Information for Winton (and not the financial statements of Winton, from which the selected financial information for FY19, FY20 and FY21 has been extracted). Some line items in the selected financial information include adjustments applied by Winton (denoted 'pro forma'). For an explanation of pro forma adjustments, please refer to Section 7.10 (*Reconciliation of Pro forma EBITDA to Statutory NPAT*) and Part C of the Supplementary Financial Information.
- Pro forma EBITDA is a non-NZ GAAP measure that includes pro forma adjustments as described in Section 7.10 (*Reconciliation of Pro forma EBITDA to Statutory NPAT*).

3. FY23F pro forma EBITDA is the same as FY23F EBITDA. There have been no pro forma adjustments made to EBITDA in this period.
4. Pro forma net profit after tax is a non-NZ GAAP measure. This measure reflects the pro forma adjustments reflected in pro forma EBITDA. The pro forma operating tax expense has been adjusted to reflect the tax implications of the pro forma adjustments. No pro forma adjustment has been made in relation to Winton's capital structure as Winton's borrowings will remain in place immediately following completion of the Offer. Winton anticipates that it will use part of the proceeds raised under the Offer to repay outstanding borrowings on or before 30 June 2022. A reconciliation to statutory net profit after tax is included in Part B of the Supplementary Financial Information.
5. Historically dividends have been paid when excess cash is available for distribution. Following listing, dividends are expected to be declared and paid twice yearly following the release of interim and annual results. The FY23F dividend reflects the forecast expected payment of the FY22F final dividend of \$3.0 million, the first dividend that will be paid following the Offer, and the FY23F interim dividend of \$9.4 million. Refer to Section 6 (*Key features of ordinary shares*) for further details of the Company's dividend policy.
6. Total debt comprises term loans and borrowings, it excludes lease liability debt. Winton anticipates that it will use part of the proceeds raised under the Offer to repay outstanding borrowings on or before 30 June 2022. Total debt excludes off-balance sheet contractual commitments in relation to land deposits and purchases, which as at 30 June 2021 totalled \$70.0 million (30 September 2021: \$171.1 million). Of the \$171.1 million of contractual commitments as at 30 September 2021, \$131.1 million is forecast to settle in the Prospective Period (and these payments are included in Winton's net cash flows from operating activities) with \$20.0 million payable in each of the financial years ending 30 June 2024 and 2025. Refer to the Statement of Cash Flows in the Supplementary Financial Information for further information about the sources and uses of cash in the Prospective Period.
7. Pro forma cash flows from operating activities is a non-NZ GAAP measure that comprises net cash flows from operating activities, adjusted to remove non-recurring transaction costs relating to the Offer and include listed company costs for the period prior to completion of the Offer.

7.3 How Winton generates revenue

As a residential property developer, revenue is primarily generated from residential land and property sales. Winton has one reporting segment but generates revenue from the sale of various types of property such as residential lots, dwellings, townhouses and apartment units.

Winton's revenue is driven by the volume and value of land and property settled. Volume settled is a function of the scale and delivery staging of each of Winton's development projects and the market demand for these developments. The value of residential land and property settled is driven by the sale price for each product within the development and will vary depending on size, type and location of properties settled, as well as movements in the property market generally.

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 Winton receives full and final consideration for the property and transfers over the certificate of title.

The delivery staging of each of Winton's development projects is a function of several site specific factors, including resource consents, the masterplan for each project, civil and other infrastructure construction timeframes and sales strategy. The combination of these factors means that the volume of land and property settled each year varies across each of Winton's projects. In addition, for individual projects, volume delivered is often not uniform across the project lifecycle (generally lower volumes are sold when the project is in ramp-up with higher volumes achieved when the project is well established). This is not unusual for property development companies, but it can cause some fluctuation in earnings and cashflows between years, depending on the status of each of the projects in the developer's portfolio. Winton currently has 29 projects at various stages of development across its portfolio. As Winton's property portfolio expands and matures, the impact of each project on overall company earnings and cashflows is expected to moderate.

Winton's sales strategy across all of its projects is to seek pre-sales off the plan (i.e. before development of the stage commences). Initial pre-sales are often at a price that is at a moderate discount to the prevailing market, providing purchasers with a more affordable purchase. This pre-sales strategy ensures that the project is accepted by the market, provides Winton with substantial certainty on contracted revenue for the stage, and decreases the risk associated with the project and the stage.

As development of the project occurs customers (and potential customers) are able to see the masterplanned community taking shape. As such, Winton typically sells smaller and lower margin lots in earlier stages of projects. Lots sold during the later stages of Winton's projects are typically sold, subject to market conditions, at higher prices and completed with higher margins reflecting shared infrastructure constructed at earlier stages, with later stage lots also typically being larger in size.

Key drivers of Winton's financial performance can be found in Section 1 (*Key information summary*).

7.4 Overview of historical financial performance

This section provides an overview of the pro forma historical financial performance of Winton and should be read in conjunction with the 'Selected Financial Information' table in Section 7.2 (*Selected Financial Information*).

FY20 financial performance relative to FY19

From FY19 to FY20, Winton revenue decreased by 39.9% (\$20.4 million) from \$51.2 million to \$30.8 million. This was driven by:

- a 55.6% decrease in volume of units settled in FY20. This decrease was primarily driven by timing impacts associated with two of Winton's major multi-stage projects (Lakeside and Northlake). Whilst the Lakeside project commenced settlements in FY20 (there were no settlements in FY19) this increase in volume did not offset the impact of the Northlake project which settled multiple stages in FY19 versus only one stage settling in FY20 (consistent with Northlake's construction schedule). In addition, the Beaches project did not settle any units in FY20, with no stages reaching practical completion, although this project is much smaller than Lakeside and Northlake.

Offset by:

- a 35.2% increase in the average value of units settled, which reflects the net impact of two key drivers. Firstly, a shift in product mix toward dwellings which attract higher sales values per unit compared to residential lots, especially for the Launch Bay project where a number of premium, larger format dwellings were sold. Secondly, discounted Stage 1 lot and townhouses settlements at the Lakeside project, in line with Winton's sales strategy for the early stages of a project.

Between FY19 and FY20 pro forma EBITDA decreased by \$21.4 million from \$12.2 million to \$(9.1) million. This was primarily driven by the decrease in revenue (39.9%) and a reduction in gross profit margin (from 54.3% to 17.4%). Gross profit margin decreased due to FY20 sales predominantly relating to the Lakeside project which were lower margin, consistent with Winton's pre-sales strategy, as well as a reduction in the number of higher margin residential lot sales from the Northlake project. In addition, FY20 selling and administrative expenses (predominantly wages) were similar to FY19 due to continued advertising across all projects and Winton maintaining its employee base.

FY21 financial performance relative to FY20

Between FY20 and FY21 Winton revenue grew significantly, by 475.1% (\$146.2 million) from \$30.8 million to \$177.0 million. This is being driven by:

- a 627.6% increase in volume of units settled in FY21, due to the Northlake, Longreach and Lakeside projects settling multiple stages.

Offset by:

- a 21.0% decrease in the average value of units settled due to a significant increase in the number of residential lot sales in FY21, which are lower value compared to dwelling sales.

Between FY20 and FY21 pro forma EBITDA grew by \$78.4 million from \$(9.1) million to \$69.3 million. The growth in pro forma EBITDA was predominantly driven by the increase in revenue of 475.1% (as noted above) and gross profit margin (from 17.4% to 32.4%). Gross profit margin increased due to FY21 sales primarily comprising higher margin residential lot sales for the Northlake project, now in mature delivery phase. This was partially offset by sales at the Lakeside project which was still in early development and also included some lower margin dwellings sales, including show homes. FY21 EBITDA also benefited from a \$27.5 million of development management fees, relating to a projects managed but not owned by Winton. Selling expenses were also higher due to a larger number of projects being in the delivery phase. Advertising and sales commissions costs were also higher due to increase volume.

7.5 Overview of prospective financial performance

This section provides an overview of the pro forma prospective financial performance of Winton and should be read in conjunction with the 'Selected Financial Information' table in Section 7.2 (*Selected Financial Information*). Winton intends to raise up to \$350 million under the Offer and the Offer is subject to raising a minimum of \$250 million. The prospective financial information is based on the mid-point amount of the Offer being raised (\$300 million) which is the Directors' best estimate at the time of lodgement of the PDS.

The table below lists the key drivers of Winton's financial performance and briefly outlines the principal assumptions and forecasts for each of the key drivers in the Prospective Period. A full description of the assumptions and sensitivities for the Prospective Period is available in the Supplementary Financial Information on the Offer Register.

REVENUE	<ul style="list-style-type: none"> - Decrease in the number of units forecast to settle (22.7%) in FY22F, mainly due to lower volume at the Lakeside project compared to FY21, and to a lesser extent the Northlake and Longreach projects. - Increase in the number of units forecast to settle (63.3%) in FY23F, largely driven by projects reaching delivery phase (the Beaches and North Ridge projects) and continued delivery from other major projects (the Lakeside and Northlake projects). - Increase in value of units settled in FY22F and FY23F due to a higher value product mix sold across the Northlake, Lakeside, Launch Bay and River Terrace projects. - Strong levels of pre-sales for both FY22F (96.5% of FY22F revenue) and FY23F (70.1% of FY23F revenue) as at 15 November 2021. - While Winton will continue to evaluate opportunities to manage projects it does not own, the timing and scale of these opportunities are difficult to forecast. Accordingly, no development management fees have been assumed in FY22F and FY23F.
GROSS PROFIT	<ul style="list-style-type: none"> - Movements in the volume and value of units settled (as explained above). - Key projects reaching a more mature development phase, producing higher margins compared to earlier stages which were discounted to generate project momentum. - The Northlake project attracting higher margins due to the sale of larger, premium lots. - Partially offset by an increase in average unit cost due to an increase in average lot size as well as a shift to higher value but lower Gross Margin dwellings, townhouses and apartments.
OTHER OPERATING EXPENSES (includes selling expenses, property expenses and administrative expenses)	<ul style="list-style-type: none"> - Increased advertising spend in FY22F due to promotional activities relating to the Northbrook brand and Sunfield development project. - Property expenses are expected to remain at similar levels to FY21 in FY22F and FY23F. - Administrative expenses are forecast to increase by 24.8% in FY22F and remain at higher levels in FY23F due to increased staff numbers to support Winton's growth, employee incentive structures and listed company costs.

FY22F financial performance relative to FY21

From FY21 to FY22F, revenue is forecast to decrease by 10.7% (\$19.0 million) from \$177.0 million to \$158.0 million.

This is being driven by:

- a 22.7% decrease in the volume of units settled, primarily at the Lakeside project (but also the Northlake and Longreach projects) following high settlement volumes in FY21.

Offset by:

- a 15.5% increase in the average value of units settled due to increased mix of higher value dwellings, townhouses and apartments forecast to settle across the Northlake, Lakeside and Launch Bay projects, as well as larger, higher value lots at the River Terrace project.

From FY21 to FY22F, Pro forma EBITDA is forecast to decrease by 29.2% (\$20.2 million) from \$69.2 million to \$49.0 million.

This is primarily driven by the forecast decrease in revenue of 10.7% (as noted above), partly offset by an increase in gross profit margin (from 32.4% to 44.6%). In addition, there is no development management fee income forecast for FY22F, selling expenses are higher, associated with promotional activities and employee expenses are forecast to increase to support Winton's growth.

FY23F financial performance relative to FY22F

From FY22F to FY23F, revenue is forecast to increase by 118.2% (\$186.7 million) from \$158.0 million to \$344.7 million. This is being driven by:

- a 63.3% increase in the volume of units settled, driven by a larger number of projects in the delivery phase, including the Beaches and North Ridge projects; and
- a 33.6% increase in the value of units settled, due to an increased mix of higher value dwellings, townhouses and apartments, and larger and more premium residential lots within key projects.

From FY22F to FY23F, Pro forma EBITDA is forecast to increase by 180.3% (\$88.4 million) from \$49.0 million to \$137.4 million. This is driven by the increase in revenue (118.2%) and gross profit margin (from 44.6% to 46.6%), as well as a reduction in selling expenses.

7.6 Net profit after tax

Net profit after tax (**NPAT**) includes non-recurring transaction costs relating to the Offer which have been adjusted for in calculating Pro forma EBITDA.

The key drivers of the movement in NPAT over the FY19 to FY23F period include:

- Between FY19 and FY20, NPAT decreased by \$18.5 million driven by the \$21.4 million decrease in Pro forma EBITDA (as noted above), partly offset by an income tax benefit;
- Between FY20 and FY21, NPAT increased by \$57.4 million driven by the \$78.4 million increase in Pro forma EBITDA (as noted above), partly offset by a corresponding increase in income tax expense;
- Between FY21 and FY22F, NPAT is forecast to decrease by \$16.4 million due to the \$20.2 million decrease in Pro forma EBITDA (as noted above) and transaction costs relating to the Offer of \$6.6 million, which are partly offset by a decrease in income tax expense.
- Between FY22F and FY23F NPAT is forecast to increase by \$69.2 million due to the forecast \$88.4 million increase in Pro forma EBITDA (as noted above), FY22F pro forma adjustments not repeating, and a \$1.1 million decrease in net interest expense due to borrowings being repaid on or before 30 June 2022. This is partly offset by an increase in income tax expense from \$12.5 million to \$39.0 million.

7.7 Dividends

Winton intends to declare dividends during the Prospective Period as outlined below.

Subject to achieving the PFI and other relevant factors, the Board's intention is to declare dividends during the Prospective Period as follows:

- In respect of FY22F, a dividend of \$3.0 million (payable in September 2022)
- In respect of FY23F, dividends totalling \$19.8 million which are expected to comprise an interim dividend of \$9.4 million (payable in March 2023) and a final dividend of \$10.4 million (payable in September 2023).

Dividends declared following completion of the Offer are consistent with Winton's dividend policy which targets a

dividend pay-out ratio of approximately 20-40% of full-year NPAT.

Dividends will be fully imputed to the extent possible and are expected to be fully imputed in FY22F and FY23F. See Section 6 (*Key features of ordinary shares*).

Capitalisation table

NUMBER OF SHARES BEING OFFERED ¹	64.3 million – 90.0 million
NUMBER OF SHARES ON ISSUE FOLLOWING THE OFFER ²	270.9 million – 296.6 million
OFFER PRICE	\$3.8870
IMPLIED MARKET CAPITALISATION	\$1,100.0 million
NET DEBT/(CASH) ON COMPLETION OF THE OFFER ³	\$(36.7) million
IMPLIED ENTERPRISE VALUE	\$1,063.3 million

Notes:

1. Shares issued to the senior managers contemporaneously with the Offer (expected to be approximately 0.8 million shares) are not included within the total number of Shares being offered.
2. The total number of Shares on issue immediately following the Offer includes the Shares issued to the senior managers contemporaneously with the Offer.
3. Capitalisation calculations based on the mid-point amount of the Offer being raised (\$300 million).
4. Net debt/(cash) on completion of the Offer is calculated as the sum of term loans, borrowings and off-balance sheet contractual commitments in relation to land deposits and purchases, less net cash equivalents.

Explanation of implied market capitalisation and implied enterprise value

Implied market capitalisation is the value of all of the issuer's equity securities, as implied by the price of the Shares being offered. It is a measure of what Winton is proposing that Winton's equity is worth.

Implied enterprise value (**EV**) is a measure of the total value of the business of Winton, as implied by the price of the Shares being offered. Implied enterprise value is the amount that a person would need to pay to acquire all of Winton's equity securities and to settle all of Winton's borrowings and contractual commitments in relation to land deposits and purchases. It is a measure of what Winton is proposing the business of Winton as a whole is worth.

Winton's EV and implied market capitalisation have been calculated on the assumption that 283.8 million Shares will be on issue immediately following completion of the Offer, reflecting the mid-point amount of the Offer being raised (\$300 million). If the number of Shares on issue immediately following completion of the Offer is more or less than 283.8 million Shares, due to more or less Shares being issued under the Offer, Winton's implied market capitalisation immediately following the completion of the Offer will be higher or lower, although its EV is expected to remain unchanged.

7.9 Key investment metrics

The following key investment metrics are prepared based on NZ GAAP, as well as certain non-NZ GAAP pro forma financial information. More information on pro forma adjustments and reconciliations to information prepared in accordance with NZ GAAP is available in the Supplementary Financial Information on the Offer Register.

METRIC	FY22F	FY23F
IMPLIED ENTERPRISE VALUE / PRO FORMA EBITDA	21.7x	7.7x
PRICE / PRO FORMA EARNINGS PER SHARE	31.7x	11.1x
PRO FORMA EARNINGS PER SHARE	\$0.12	\$0.35
PRICE / EARNINGS PER SHARE	37.2x	11.2x
EARNINGS PER SHARE	\$0.10	\$0.35
DIVIDENDS DECLARED PER SHARE ¹		\$0.07
IMPLIED DIVIDEND YIELD - CASH DIVIDEND DECLARED ¹		1.8%
IMPLIED DIVIDEND YIELD - GROSS DIVIDEND DECLARED ¹		2.5%

Notes:

1. Metrics based on the mid-point amount of the Offer being raised (\$300 million)
2. Dividends declared per Share, implied dividend yield – cash dividend declared and implied dividend yield – gross dividend declared for FY22F have not been included as the first full year of dividends following the Offer is expected to be in FY23F.

7.10 Reconciliation of proforma EBITDA to statutory NPAT

NZ\$m (unless indicated otherwise)	Historical Statutory			Forecast Statutory	
	FY19 12 months Ending 30 Jun 2019	FY20 12 months Ending 30 Jun 2020	FY21 12 months Ending 30 Jun 2021	FY22F 12 months Ending 30 Jun 2022	FY23F 12 months Ending 30 Jun 2023
Selected Financial Information¹					
Statutory net profit after tax	7.2	(11.3)	46.1	29.7	98.8
add: Taxation expense	2.8	(4.2)	17.6	12.5	39.0
add: Net interest expense	3.2	7.1	6.1	0.0	(1.0)
add: Depreciation and amortisation	0.2	0.5	0.6	0.6	0.7
EBITDA	13.4	(7.9)	70.4	42.8	137.4
Pro forma adjustments:					
Transaction costs relating to the Offer	-	-	-	6.6	-
Incremental listed company costs	(1.2)	(1.2)	(1.2)	(0.4)	-
Total pro forma adjustments	(1.2)	(1.2)	(1.2)	6.2	-
Pro forma EBITDA	12.2	(9.1)	69.2	49.0	137.4

Description of pro forma adjustments

In determining the use of pro forma adjustments, the Board has considered only those items that they believe are required to ensure consistency and comparability of the financial information over the Historical Periods and the Prospective Periods.

The pro forma adjustments that Winton considers are appropriate are explained below, and described in more detail in Part C of the Supplementary Financial Information:

- removal of the one-off transaction costs relating to the Offer; and
- adding an estimate of the incremental costs that will be incurred by Winton as a publicly listed company.

SECTION 8:

Risks to Winton's business and plans.



This section sets out a description of the circumstances that Winton is aware of that exist, or are likely to arise, that significantly increase the risk to Winton's financial position, financial performance or stated plans. We have outlined our assessment of the likelihood, nature and potential magnitude of the impact of the circumstances. These risks are based on the knowledge and assessment of the Board as at the date of this PDS and it is possible that other risks may emerge over time.

CONSENTING RISK

WHAT IS IT?

Winton's development activities typically require us to achieve rezoning or resource consents to allow development of our masterplanned communities. There is a risk that we do not achieve the rezoning or consents required, or the rezoning or consents are granted on terms which are less favourable than Winton originally anticipated.

WHY IS IT SIGNIFICANT?

Where Winton purchases land that is not already zoned residential, we are able to create significant value through materially lower land acquisition costs (which form part of the development costs which are classified as inventories in the financial statements). Winton then pursues the necessary rezoning and resource consents to proceed with our planned developments. If Winton does not secure the necessary rezoning or resource consents, or secures rezoning or consents that are less favourable, we will be unable to proceed with developments as originally planned potentially negatively affecting the financial returns from the relevant site.

WINTON'S ASSESSMENT OF THE LIKELIHOOD, NATURE AND POTENTIAL MAGNITUDE OF ANY IMPACT

Winton has strong relationships across local, central governments and with tangāta whenua. While the outcome of rezoning and consenting decisions remains outside our direct control, we have a proven track record of achieving the necessary rezoning and consenting to develop large-scale masterplanned communities. Winton therefore considers that the risk of being unable to secure preferred rezoning or consents at all for our sites to be low.

Failure to obtain the necessary rezoning or consents required, or obtaining rezoning or consents on terms which are less favourable than Winton originally anticipated, is likely to have a material adverse impact on the financial returns resulting from an increase in development costs, possible reduction of the number, type or size of lots available for sale, impacting the margin ultimately achieved.

If Winton was completely unable to achieve any consents or rezoning of a site, we may be forced to sell that site at or below the price paid for it, and we will likely have incurred costs that cannot be recovered.

LAND ACQUISITION RISK

WHAT IS IT?	Winton's continued growth is dependent on our ability to acquire attractive sites for the development of new masterplanned 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 we expect.
WHY IS IT SIGNIFICANT?	Winton has a long-term development target of 1,000 lots and dwellings per annum and over 200 Retirement Village Units per annum. While we have a strong existing development pipeline, it will be necessary for us to acquire new sites to achieve these targets. Our long term financial performance depends on us being able to acquire attractive sites at financially sustainable prices.
WINTON'S ASSESSMENT OF THE LIKELIHOOD, NATURE AND POTENTIAL MAGNITUDE OF ANY IMPACT	<p>We are continually evaluating potential new sites and have a demonstrated record in origination opportunities through various channels, including direct approaches to landowners, public sale processes, our network of long-term relationships across New Zealand and inbound enquiry.</p> <p>As such, we consider the risk of being unable to secure appropriate parcels of land suitable for development as being low. We have a strong long term development pipeline and our medium term financial performance is not dependent on us acquiring new development sites. However, Winton will need to continue to purchase appropriate sites to support growth and achieve our development targets in the longer term.</p> <p>Winton is not the only large scale residential land developer operating in New Zealand and competition could impact on our ability to acquire sites. Winton believes that its team and network of relationships in key markets like Auckland and Queenstown will continue to give it an advantage over competitors. In addition, Winton has put in place measures to ensure it does not become an 'overseas person' under the Overseas Investment Act. This will continue to provide us with a competitive advantage in purchasing suitable sites, which are typically subject to restrictions under that Act.</p>

HOUSING MARKET AND SALES RISK

WHAT IS IT?	Winton's ability to achieve the forecast sales and/or forecast sales prices within each of our developments is dependent on the housing market conditions in each of the areas in which our developments are located.
WHY IS IT SIGNIFICANT?	If we are unable to achieve the necessary volumes and / or achieve the forecast sales prices, it may have a material adverse impact on our financial performance, including in the Prospective Period.
WINTON'S ASSESSMENT OF THE LIKELIHOOD, NATURE AND POTENTIAL MAGNITUDE OF ANY IMPACT	<p>Winton considers the risk of there being a material downturn in the housing market in the short term as low because of continued shortfalls between supply and demand, with market commentators estimating New Zealand's current housing shortage at 55,000 to 75,000 dwellings.⁵²</p> <p>Supply shortages are expected to persist out to 2024, assuming an opening shortage of about 70,000 and a modest pick-up in demand from a gradual reopening of New Zealand's border in 2022.⁵³ Potential risks to sustained housing supply include materials and labour shortages in the construction sector, and a limited pipeline of residential lots in the near-term.⁵⁴</p> <p>Over the next thirty years, housing demand is expected to ease due to slower projected population growth.⁵⁵ However, population growth provides a conservative estimate of future housing demand, as there are other factors likely to add to core demand, including longer life expectancies, the trend to smaller household occupation sizes, a growing demand for healthy, warm and environmentally friendly homes,⁵⁶ and the potential for increased migration.⁵⁷ Government initiatives designed to manage demand for housing have tended to exclude new builds. As a result, Winton expects there to be continued demand for its products.⁵⁸</p> <p>Winton carefully selects our masterplanned communities in areas that we believe will experience higher population growth. Our significant level of pre-sales across most of the masterplanned communities within our portfolio are indicative of the demand for our products and constrained supply. Winton also believes that the quality of its masterplanned communities will support continued demand for its products, even if overall demand falls. In the short to medium term, Winton believes that the current \$703m of pre-sales mitigates this risk. Winton acknowledges that by pre-selling lots there is no ability to benefit from price escalation of the product that occurs during the construction phase of the project in respect of those lots.</p>

⁵² Subject to the interplay of various macroeconomic factors, including net migration, economic conditions and population growth, market commentators expect the housing shortage could take several years to clear. CB Report – pg. 19.

⁵³ CB Report – pg. 18.

⁵⁴ CB Report – pg. 20.

⁵⁵ CB Report – pg. 15.

⁵⁶ CB Report – pg. 15/16.

⁵⁷ CB Report – pg. 2.

⁵⁸ CB Report – pg. 5.

PROJECT DEVELOPMENT RISK

<p>WHAT IS IT?</p>	<p>When developing sites, Winton needs to complete works within projected budget and timetable in order to generate the returns we expect. Key factors contributing to project development risk include, but are not limited to; labour shortages, increased labour costs, procurement and supply of building product, weather and pandemic delays, and the need to secure certain approvals from third parties.</p>
<p>WHY IS IT SIGNIFICANT?</p>	<p>If costs exceed the amount budgeted, or the project faces delay, it may have a material adverse impact on our financial performance.</p>
<p>WINTON'S ASSESSMENT OF THE LIKELIHOOD, NATURE AND POTENTIAL MAGNITUDE OF ANY IMPACT</p>	<p>The residential land development industry, by its very nature, faces project development risk. Residential developments are large and complex projects which require a significant degree of project coordination and management to ensure they are delivered on time and within budget. And although primarily a developer of land lots, Winton does have some exposure to risks associated with construction and home building as a result of its approach to contracting for home building for a limited number of land and home packages in its developments. Ultimately, if costs exceed the amount budgeted, or the project faces delay, it may have a material adverse impact on our financial performance.</p> <p>Winton considers that the likelihood of project development risk materially impacting its financial performance is low.</p> <p>Winton budgets for a certain amount of development cost and adopts a conservative delivery programme when assessing the viability of our development projects. Strategies for mitigating project development risk include:</p> <ul style="list-style-type: none"> - Undertaking detailed feasibility and risk assessments for each project and consider the risk of any material cost overrun or delay that would result in us incurring a loss on a project. - Strategic use of pre-ordering materials that are in high demand or low supply in order to prevent procurement issues. - Adapting to market preferences and site requirements, developing either lots, land and build, retirement village or apartments as appropriate. - Maximising pre-sales towards the start of a development project to enhance certainty of contracted revenue which gives us confidence that we can recover the land and major civil works costs and de-risk the balance of the development. Utilising staged development reduces risk and capital requirements and minimises the risk of budget and cost planning disruption. - Addressing contracting and labour cost risk by using fixed price and fixed rate arrangements where possible and engaging leading and trusted contractors with excellent track records for delivery.

COVID-19 DISRUPTION RISK

WHAT IS IT?	Winton's business is exposed to the impact of disruption from COVID-19 and the Government measures taken to eliminate or suppress the pandemic.
WHY IS IT SIGNIFICANT?	A further escalation in COVID-19 alert levels, future lockdowns or a new wave of the pandemic may adversely affect our business. As a consequence of the Alert Level 4 restrictions imposed in August and September 2021, we have already experienced a delay in the delivery of certain development projects. In addition, if there are prolonged lockdowns, border restrictions or reduced immigration, there may be reduced demand for housing.
WINTON'S ASSESSMENT OF THE LIKELIHOOD, NATURE AND POTENTIAL MAGNITUDE OF ANY IMPACT	<p>We consider the likelihood of continued material impacts COVID-19 and Government responses to be moderate.</p> <p>Although more detail from the Government is still required, the shift away from the alert level system to the 'traffic light' system indicates an expected reduction in the use of hard lockdowns across the country to control the spread of COVID-19. While we are experienced in running our business through nationwide and regional lockdowns, hard lockdowns are the most likely feature of the pandemic to materially impact our business.</p> <p>Winton is able to continue its core business of residential land development up to Alert Level 3 and can continue to sell property, develop concepts and explore, cost and undertake feasibility studies for new projects.</p> <p>Although Winton has experienced delays in certain development projects, Winton's approach of using reputable and experienced contractors and detailed forward planning and staging of developments has enabled us to mitigate the delays otherwise caused by lockdowns.</p> <p>The Supplementary Financial Information and Section 7 of this PDS sets out Winton's best assessment of the financial impact of these restrictions based on currently available information and our assumption that there will be no further lockdowns in the PFI period. However, there can be no assurance that the current or any future lockdowns will not have a more adverse impact and such outcomes could be materially different.</p>

RETIREMENT VILLAGE DEVELOPMENT AND OPERATION RISK

<p>WHAT IS IT?</p>	<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. Retirement villages will need to be developed and constructed to high standards to achieve the appropriate premium brand positioning.</p> <p>The retirement village and aged care market is competitive. Existing or new operators may compete with us for our target customers and our ability to respond to that competition will affect financial outcomes.</p> <p>In order to successfully operate in the retirement village and aged care market, Winton will also need to promote, manage and operate our villages in compliance with the regulatory requirements. Our establishment of this business line could be impacted if we fail to obtain appropriate registration with the Registrar of Retirement Villages, unable to appoint a statutory supervisor and/or failure to obtain a Ministry of Health certification. Future regulatory change for the industry may have an adverse impact on us.</p>
<p>WHY IS IT SIGNIFICANT?</p>	<p>Retirement villages and aged care are new business lines for Winton. There are uncertainties associated with entering a new business area and failure to execute on our retirement villages and aged care strategy in the way we expect will have an adverse financial impact for Winton.</p>
<p>WINTON'S ASSESSMENT OF THE LIKELIHOOD, NATURE AND POTENTIAL MAGNITUDE OF ANY IMPACT</p>	<p>Winton considers that the risk of failing to establish and effectively operate our retirement village and aged care offerings is low. 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. We also intend to retain expert external advisers to advise on registration, statutory obligations and ongoing compliance. There are no indications that Winton will not be able to meet the relevant regulatory requirements. There is a moderate risk that we are unable to secure the necessary staff, incur unforeseen costs or otherwise encounter impediments to operation that have not been identified by us at the date of this PDS.</p> <p>Winton considers the development risks of retirement villages to be low. Winton expects to utilise its residential land development expertise to provide the required facilities. Winton's retirement village delivery team will draw on expertise from Winton's existing product offerings and strengths including land development, consenting and masterplanning.</p> <p>Winton considers that the risk of competition to its product offering is moderate. New Zealand has a number of large established entities as well as a number of smaller providers. Winton considers that its plan to target the premium retirement village market will differentiate it from competitors, however there is a moderate risk that existing or new operators will compete effectively with Winton over the medium to long term.</p> <p>Future regulatory change for the industry may also have an adverse impact on us and the way we intend to promote, manage and operate our villages.</p> <p>The PFI does not include any revenue directly attributable to operating in the retirement village and aged care sector, meaning that any such costs or reduced revenue are likely to fall in future financial years.</p>

SECTION 9:

Tax.

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

SECTION 10:

Where you can find more information.

Further information relating to Winton and the Shares is available on the Offer Register which can be found at <https://disclose-register.companiesoffice.govt.nz/> (for example, Winton's Constitution and financial statements). A copy of the information on the Offer Register is also available on request to the Registrar of Financial Service Providers.

Further information relating to Winton is available on the Companies Office register of the Ministry of Business, Innovation and Employment. This information can be accessed on the Companies Office website at <https://companies-register.companiesoffice.govt.nz/>.

Once Winton is listed, it will be required to make half-yearly and annual announcements to NZX and ASX and such other announcements required by the Listing Rules from time to time. You will be able to obtain this information free of charge by searching under ticker code 'WIN' on NZX's website (www.nzx.com) and under ticker code 'WTN' on ASX's website (www.asx.com.au).

SECTION 11:

How to apply.



You should read this PDS and other available information carefully before applying for Shares. You can apply for Shares as follows:

- **Chairman's List Offer:** Full details of how to apply will be provided to selected investors by Winton.
- **Institutional Offer:** Full details of how to participate, including bidding instructions, will be provided by Winton to invited participants.

Privacy policy

If you apply for Shares, you will be asked to provide personal information to Winton, the Share Registrar and their respective agents who will collect and hold the personal information provided by you in connection with your Application.

Details of how your personal information will be used (including to whom it may be disclosed) and your rights to access and seek correction to such information can be found on the Offer Register in the document entitled 'Other Material Information'.

You can also access your information on the Share Registrar's website at www.linkmarketservices.co.nz.

SECTION 12:

Contact information.

Issuer

Winton Land Limited

Level 4
10 Viaduct Harbour Avenue
Auckland, 1010
+64 9 377 7003

Share Registrar

Link Market Services Limited

Level 30, PwC Tower
15 Custom Street West
Auckland 1010
+64 9 375 5998

Financial Adviser

Grant Samuel

Level 19, Governor Macquarie Tower,
1 Farrer Place,
Sydney, NSW 2000
Australia

New Zealand Legal Adviser

Chapman Tripp

Level 34, PwC Tower
15 Customs Street West,
Auckland 1010

Australian Legal Adviser

Mills Oakley

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

Investigating Accountant

KPMG

18 Viaduct Harbour Avenue
Auckland, 1010



SECTION 13:

Glossary.

ABOVE GROUND CONSTRUCTION	construction of buildings above ground in contrast to infrastructure developed below ground
APPLICANT	an investor who makes an application for Shares under the Offer
APPLICATION	an application to subscribe for Shares under the Offer
APPLICATION FORM	an application form attached to, or accompanying, this PDS
APPLICATION MONIES	the amount payable on Application
ASX	ASX Limited, or the financial market operated by ASX Limited, as the context requires
ASX LISTING RULES	the listing rules of ASX, in force from time to time
BOARD	the board of directors of Winton Land Limited
BUSINESS DAY	a day on which the NZX Main Board is open for trading
CARE SUITES	rooms within an aged care facility which provide a superior offering to residents when compared to traditional care beds. This is generally by way of larger room size, superior amenities within the room and better fittings and fixtures. They are often situated within a high-quality care facility
CB REPORT	the Housing Snapshot of NZ report prepared by Cameron Bagrie of Bagrie Economics dated 18 October 2021, available on the Offer Register
CHAIRMAN'S LIST OFFER	the portion of the Offer that is open to selected investors invited to apply by Winton
COMPANIES ACT	Companies Act 1993
CONSTITUTION	the constitution of Winton Land Limited
CSN	Common Shareholder Number
FMCA	Financial Markets Conduct Act 2013
FY	a financial year ended 30 June, if followed by F this indicates prospective or forecast information
GAAP	Generally Accepted Accounting Practice
GDV	Gross development value. GDV is the estimated gross sales value of the relevant project as at 30 June 2021 (including GST and excluding lots 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 based on management estimates and may change, including due to planning outcomes and market demand. 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

GROSS MARGIN	Gross Margin is calculated as (net revenue (sales price less GST if any) less total land and development costs) / net revenue (sales price less GST if any). Land and development costs exclude administrative expenses but include interest expense for those borrowings that are specific to the development of the project
GROSS PROFIT	Revenue less cost of goods sold
GROUP	Winton and each of its subsidiaries
HISTORICAL PERIOD	the period including the FY2019, FY2020, and FY2021 financial years
INDEPENDENT LIVING UNITS	retirement village units within which residents live independently (as opposed to under care), with access to retirement village amenities
INSTITUTIONAL INVESTOR	investors who Winton reasonably believes to be a person to whom an Offer or invitation in respect of Shares may be made without the need for a PDS or other formality, other than a formality with which Winton is willing to comply
INSTITUTIONAL OFFER	the invitation to selected Institutional Investors in New Zealand and Australia, to participate in the Offer
IRR	IRR is the Cash IRR (pre-tax) as at 30 June 2021. IRR (internal rate of return) is a project's annual return based on the project's cash receipts and payments over the period to deliver the project to achieve the percentage complete. It excludes tax, administrative expenses and interest expense, as these are not allocated to individual projects and are incurred at a corporate level. IRR is a non-GAAP measure and there is no GAAP financial measure to which it is readily reconcilable
ISSUE PRICE	\$3.8870 per Share
KĀINGA ORA	a Crown Agency established in 2019 to deliver more public, transitional and affordable housing to meet growing demand and lead and co-ordinate urban development projects ⁵⁹
NZD OR NZ\$ OR \$	New Zealand Dollar
NZX	NZX Limited
NZX LISTING RULES	the listing rules of the NZX Main Board, in force from time to time
NZX MAIN BOARD	the main board financial product market operated by NZX
OFFER	the Offer of Shares pursuant to this PDS
OFFER REGISTER	the online Offer register maintained by the Companies Office known as 'Disclose' which can be found at https://disclose-register.companiesoffice.govt.nz/
OVERSEAS INVESTMENT ACT	Overseas Investment Act 2005
PDS	this document
PFI	prospective financial information
PRE-SALES	Winton pre-sells properties by signing a contract with buyers prior to completion of a lot who pay a deposit on signing the contract (which is held in Winton's solicitors' trust account) and then pay the balance on completion
PROSPECTIVE PERIOD	the period including the FY2022 and FY2023 forecast financial years
RESOURCE MANAGEMENT ACT	Resource Management Act 1991
RETIREMENT VILLAGE UNITS	an Independent Living Unit or Care Suite
SHARE REGISTRAR	Link Market Services Limited
SHARES	ordinary shares in Winton Land Limited
SUPPLEMENTARY FINANCIAL INFORMATION	the document entitled 'Winton Land Limited's Prospective Financial Information, a reconciliation of non-GAAP to GAAP information and supplementary financial information' on the Offer Register
URBAN DEVELOPMENT ACT	Urban Development Act 2020
WE, OUR, US	as the context requires, either Winton or the Group
WINTON OR THE COMPANY	Winton Land Limited or the business carried on by the Group, as the context requires

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