

WINTON

MARKET ANNOUNCEMENT

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24 October 2024

PRESENTATION TO THE WINTON ANNUAL MEETING

At 11.00am on Thursday, 24 October 2024.

Welcome and thank you for joining us at Winton's Annual Meeting for 2024 which is being held as a virtual meeting.

My name is Chris Meehan, and I am the Chair of the Board of Directors and CEO of Winton. It is my pleasure to address you today.

Today we are very pleased to welcome our online participants through our virtual meeting platform provided by our share registrar MUFG Corporate Markets.

You can vote and ask questions online. I'll provide you with further instructions as we progress through the meeting. If you encounter any issues, please refer to the virtual meeting guide or you can phone the helpline on 0800 200 220 if you are in New Zealand or 1800 990 363 if you are dialling from Australia or elsewhere.

You can send through questions any time so I encourage you to send them through as soon as you can. This will allow us to answer these questions at the appropriate time of the meeting. To ask a question, you will need to click "ask a question" within the online meeting platform, select the item of business, type in your question and click submit.

Before we formally begin, I would like to re-introduce the other members of the Winton Board:

In the room at MUFG's offices we have:

- Julian Cook, Executive Director and Director of Retirement
- Michaela Meehan, Non-Executive Director
- Glen Tupuhi, Independent Director
- Steven Joyce, Independent Director

And online we have:

- Guy Fergusson, Non-Executive Director
- James Kemp, Non-Executive Director

We have some members of the Senior Management Team in attendance, including:

- Simon Ash, Chief Operating Officer
- Jean McMahon, Chief Financial Officer
- Justine Hollows, GM Corporate Services; and
- Duncan Elley, GM Project Delivery.

Finally I would like to welcome representatives from our FY24 auditors, EY, and our legal counsel, Chapman Tripp, as well as the team from our share registrar, MUFG Corporate Markets, here with us today.

The share registrar will help conduct the voting on the formal business later in the meeting and act as scrutineer.

The Company Secretary has confirmed that the Notice of Meeting has been sent to shareholders and other persons entitled to receive it and I have been advised that we have a quorum present. On that basis, I am pleased to formally declare the meeting open.

Proxies have been appointed for the purposes of this meeting in respect of approximately 242 million shares, representing over 81% of the total number of shares on issue.

I'd like to thank shareholders for their participation in today's meeting.

My fellow directors and I intend to vote all discretionary proxies we have received in favour of the Resolutions as set out in the Notice of Meeting.

The order of events for this afternoon's meeting will be as follows:

I will start with a short presentation.

Then, as you have seen in the notice of meeting, we have two resolutions we would like you to approve. We will take questions from shareholders on each of the resolutions.

Voting on all resolutions will be conducted by way of poll.

After the resolutions we will then open the meeting to other business from shareholders before we close the meeting today. This will provide an opportunity for you to ask questions or to make comments about the presentation, the financial statements, or auditor's report

I encourage shareholders to submit their questions online through the virtual meeting platform as soon as possible.

Before we head into the formal resolutions of today's meetings, I thought I would take a moment to reflect on Winton's FY24 results

During FY24, Winton's longstanding pre-sale strategy served us well and 345 units were settled, delivering \$173.6 million in revenue. This is down 21.5% from \$221.1 million in FY23, reflecting the prior year being a significant year of delivery for residential development and the current difficult market conditions.

In a difficult market, we maintained our development margin in excess of 40%.

Similar to the decline reported in the half-year FY24 results, earnings before interest, tax, depreciation and amortisation (EBITDA) of \$29.5 million and profit after tax of \$15.7 million were down 69.1% from \$95.6 million and 75.6% from \$64.6 million respectively.

As of 30 June, we had a landbank yield of approximately 6,000 units, cash holdings of \$41.7 million, 23 current projects across 12 masterplanned communities, our pre-sale book as at 23 August 2024 was \$411.7 million.

Despite a difficult market and very challenging economic conditions, we have continued to settle pre-sold properties, complete new projects, and diversify our revenue streams. This steadfastness is a testament to our commitment and our ability to navigate the cyclical nature of the property market to our advantage

Some business highlights:

- We now have resource consents in place for all five Northbrook locations.
- We continued to add to the pre-sale book to protect future revenues.
- We opened Ayrburn to the public in December 2023, with over 150,000 visitors to date and in July we held our first mid-winter Christmas wonderland at Ayrburn.
- We launched sales at Northbrook Wanaka and Northbrook Arrowtown during the year, adding to Northbrook Wynyard Quarter that launched at the end of FY23.
- For Ayrburn, we won Best in Category for Tourism and Leisure at the Property Council Awards, as well as an Excellence Award for the Heritage and Adaptive Reuses.
- We continued to make progress along our ESG journey, with a lot of focus this year being on meeting the XRB Climate Standards and disclosures, which we have released today.
- We appointed Guy Fergusson to the Winton Board. Guy is a member of the Audit and Financial Risk Committee and the Nomination and Remuneration Committee. Guy has been a great addition to the board, bringing vast experience in corporate finance and capital markets.

Winton delivered revenue of \$173.6 million in FY24, 21.5% down from \$221.1 million in FY23. A total of 345 units were settled, a decrease of 220 units.

In FY24, Winton opened Ayrburn and continued to generate annuity income from Lakeside Commercial and Cracker Bay, generating a total of \$11.0 million revenue for the period.

Administrative expenses increased by \$11.3 million in FY24. \$7.5 million of this was due to increased employee benefits, with an increased headcount in FY24 to support Winton's growth and new operating businesses. Establishment costs of \$2.7 million were incurred in relation to the pre-opening of Ayrburn, and these include branding, marketing, recruitment, and employee training. The remainder of the increase was due to the growth of Winton's operations and some inflationary pressures. Selling expenses were lower in FY24 by 26.7% due to reduced sales commission and marketing spend.

The resultant net profit after tax in FY24 was \$15.7 million, a reduction from \$64.6 million in the prior year.

A core part of Winton's strategy is unlocking land value for masterplanned neighbourhoods and development projects.

In FY24, Winton continued the momentum with value-creating outcomes on a number of projects.

- At Northlake Wanaka, the plan change for Stage 18 at Northlake was approved, increasing the yield of this stage by 24 lots from previous assumptions, providing a total yield of 125 lots.
- At Ayrburn, rezoning has been approved to enable 7 prestigious residential lots.
- Resource consent was granted for Northbrook Arrowtown in November, including the adjacent boutique hotel. This is a significant milestone in unlocking value for the overarching Ayrburn precinct masterplan.
- Resource consent was also granted for Northbrook Launch Bay in September 2023.
- Sunfield was included as in Schedule 2 of the Fast Track Approvals Bill. The Bill is expected to go back for its second reading in November and be passed into law before the end of the year. Winton will be working through this process as efficiently as possible.

At North Ridge in Cessnock, stages 1-6 are complete and all available land lots sold and settled. Resource consent is underway for future stages 7 onwards.

Launch Bay Hobsonville Point is Winton's waterfront masterplanned neighbourhood that has been many years in the making and has seen Winton deliver seven residential projects to date. Jimmy's Point is a high-end waterfront project with 30 apartments - nearly 50% of the apartments were pre-sold. The development was completed in early FY25, and the feedback from residents has been fantastic.

At Northlake Wanaka, it was a big year of delivery, and the Northlake team is pleased with the high-quality product delivered to buyers.

- The land lots within stage 17b were completed in FY24 and stage 17a will be completed and settled in H1 FY25. Design and consenting works progressed on stage 18 and construction will commence during FY25.
- The Northlake Apartments and Commercial units underneath were completed and settled, only two commercial units remain.
- The construction of the ALTA Villa townhouses has been a significant undertaking, and it has been great to share the premium finished product with potential buyers as they have been completed. Of the 27 completed homes, only a handful remain to be sold.
- The Beaches development in Matarangi is now complete and we look forward to marketing the final 20 or so lots over the summer period.
- Winton's delivery at Lakeside Te Kauwhata has continued following the completion of the village centre in FY23. Stages 3B and 3C continue with services, drainage, roading, and footpaths, and the tender for stage 4 civil works is underway.

Northbrook Luxury Later Living is starting to carve its niche in the retirement market, demonstrating a unique offering not seen before in New Zealand.

During FY24, Winton opened display suites on two more sites – Northbrook Wanaka and Northbrook Arrowtown. These are in addition to the Northbrook Wynyard Quarter Display Suite, which was opened in June 2023. All three villages are now registered under the Retirement Villages Act 2003.

Pre-sales launched at Northbrook Wanaka in September 2023 along with the Display Suite, allowing potential residents to view full-size two and three bedroom residences. Northbrook Wanaka is part of Winton's established Northlake neighbourhood and, once finished, will have 96 Northbrook Residences and 32 Northbrook Care Suites.

Construction is progressing quickly on Stage One of Northbrook Wanaka, comprising 28 two and three bed residences. We look forward to welcoming our first residents in May 2025.

The Northbrook Arrowtown Display Suite opened in late May 2024 and pre-sales commenced. Northbrook Arrowtown will have 142 one, two and three bedroom residences and 26 Northbrook Care Suites.

At Northbrook Wynyard Quarter, early works and site preparation are complete and the mains works contract negotiations are well progressed. The continuance of the piling and basement construction was delayed from February 2024 due to industry-wide issues and consenting processes which resulted in us making a tough but necessary decision to change the structural engineer to Robert Bird Group. Basement construction has commenced, with practical completion remaining on schedule for FY28.

Commercial includes Winton's investment properties at Lakeside and Cracker Bay and the operating businesses at Ayrburn and Cracker Bay. Revenue for this segment includes rent and hospitality revenue. In FY24 commercial revenue was \$11.0 million, up from \$3.7 million in FY23.

The Cracker Bay brand was launched in FY24 and encompasses the Cracker Bay Drystack and Marina, Cracker Bay offices and eventually the Cracker Bay hospitality precinct. It is a core part of the wider masterplan that complements Northbrook Wynyard Quarter and The Villard.

Winton has undertaken a comprehensive refurbishment of the drystack building to offer a best-in-class service.

Renovation and refurbishment of the neighbouring Cracker Bay office building have continued throughout the year and expected to be complete in the first half of FY25. Once finished, it will offer premium waterfront facilities for tenants across four levels and add to rental income. The building is leasing up-well.

Winton opened the first stage of Ayrburn to the public on Saturday, 9 December 2023, with five different venues to cater to different tastes and occasions.

In February 2024, The Barrel Room was added to the venue list targeting private events and feast-style dining, with 56 wine aging barrels lining the walls and the grand piano centerpiece.

Since opening, over 150,000 people have visited Ayrburn. A diversified mix of visitors of all ages, demographics and from all over the world. Locals, New Zealand residents and visitors from Australia collectively make up the majority of visitors to date.

Ayrburn has held many events so far, including private functions and activations created by Ayrburn. More recently, Ayrburn held its inaugural mid-winter Christmas Wonderland, which attracted well over 20,000 people over July.

We are happy with the traction of Ayrburn so far but there is still a lot to do. The Ayrburn masterplan has been designed to uplift the value of neighbouring Northbrook Arrowtown and Winton-owned residential land. In FY25, Ayrburn is expanding further with the opening of Billy's, The Bakehouse, and RM's Butcher, and construction will start on Northbrook Arrowtown.

Winton has continued to make good progress on integrating ESG considerations into the business and reporting on them.

- Earlier in FY24, Winton's sustainability framework was approved by the management team and supported by the Board. It has become central to our ongoing efforts, aligning what we do with the agreed commitments within that framework.
- The most significant ESG milestone was completing the internal process necessary to meet the requirements of the XRB Climate Standards and the subsequent disclosures. The process reflects companywide input including the Winton Board, management team and business leaders. Alongside the Annual Report, we have disclosed two standalone documents - Winton's FY24 Climate-Related Disclosures and Winton's FY24 GHG Emission Inventory.
- During the year, Winton also transitioned to a new assurance practitioner for its GHG inventory report, which now includes all emissions from construction and the operations of the growing business.
- From a governance and social perspective, we implemented new internal policies covering cyber security, data privacy, digital acquisition and GHG Inventory Management.
- We also implemented a health and safety metric appropriate for the Winton business and have disclosed in the annual report for the first time.
- We have aligned our community donations and sponsorships with the sustainability framework to contribute to the communities we operate in. In FY24, we contributed approximately \$380,000 to benefit the community through sponsorships, donations, and community initiatives.

While there is still much to do, we appreciate external commentators noting our progress.

Property development is cyclical, and Winton's experience gives us confidence that we are playing the cycle as best we can, and we are well prepared to weather continued challenging conditions until it does turn around.

It is our intention to take advantage of subdued construction pricing and commence some major projects at the bottom of the cycle so that we complete them at or near the top. We note that our balance sheet enables us to do this effectively, which is the opposite of what many other industry players tend to do.

We know this won't be the case for other industry players or an enticing time for new entrants to enter the industry. Our job is to continue to progress with discipline and to set Winton up well for when the market becomes more buoyant.

We remain cautious about the market conditions for the year ahead and will continue to operate with discipline.

There is a lot to look forward to and thank you for your continued support.