

INVESTOR NEWS

ISSUE 18, APRIL 2024

UPDATE FROM THE CEO

Last week we drew a close to the 2024 financial year, one of the hardest we have operated in. It was therefore very pleasing to record a much improved performance in the second half.

Excellent sales performance

The improvement was helped by our sales team delivering an outstanding result for the 2024 financial year, achieving over \$100 million of sales gains¹ for the year – the first time we have reached this milestone. This included a record for the fourth quarter, with \$38 million of sales gains provisionally achieved.

To achieve this against the backdrop of a difficult housing market is a fantastic outcome.

The sales performance was underpinned by the continued maturing of our villages. With over \$1.1 billion of embedded value within our portfolio, we will continue to see growth in cash flows as this value is progressively released.

Moderated development programme

A year ago, uncertain housing and construction market conditions required us to slow our development programme, focus on villa development and preserve funding headroom.

While we delivered just over 200 new homes this financial year, we have elected to reduce next year's build rate closer to 150 new homes. This is very different to the 300 unit annual build rate we had been targeting a couple of years ago.

Our strategy will evolve as the market improves but will primarily remain responsive to the current environment at this time. We have the ability to accelerate our build rate when conditions allow with a significant pipeline of future development in front of us.

Gearing update

With the reduction in development activity and increase in proceeds from sales, we have been cash flow neutral since November 2023.

In the second half the level of drawn debt increased by \$27 million, as compared to the increase of \$130 million in the first half. We also completed the refinancing and restructuring of our bank debt facilities to reduce the revolving core facility and establish a dedicated development facility. This restructure better aligns the group's funding profile with our medium-term growth strategy.

\$30m Strathallan sale

Last month we announced the sale of our village in Timaru for \$30 million. Settlement is expected to occur at the end of this month and the proceeds will be applied to reduce drawn debt.



The sale price represented a 3% discount to the valuation of the village. It is an interesting proof point when we are trading at such a significant discount to our net tangible assets, which we last reported at \$2.00 per share.

Insurance claim heads to court

Despite prolonged efforts to reach an insurance claim settlement, we are in the process of filing court proceedings against our insurers, QBE and IAG. This relates to the business interruption claim arising from the January 2023 weather events that resulted in flooding at one of our Auckland villages.

The proceedings provide us with an avenue to seek the cash flow that we have lost and progress settlement of the claim. We have been disappointed by the approach taken by our insurers to date and look forward to having the issue resolved.

Business performance

While it has been another challenging year for retirement living and aged care, business performance has kept improving over the course of the year.

Care occupancy at 94% and higher bed funding rates, as well as increases to village weekly fees and service packages, have helped lift revenue performance. Investment in key areas and workforce initiatives have also helped limit cost growth.

We are looking forward to operating conditions becoming more certain in the months ahead.

FY24 results reporting

Late last year we revealed that an overseas party had made a highly conditional takeover approach in September 2023. This party has not approached us since that announcement in December, and no other party has made an approach during the period.

And on a final note, I look forward to providing a fuller update on business performance and strategy when we report our full year result at the end of May.



Jeremy Nicoll - CEO

arvida.co.nz

¹ Aggregate value of new sale and resale gains (including Village at the Park), subject to completion of year end process.

SALES UPDATE

We continue to see strong interest in our retirement communities from prospective residents. Increased activity in the residential housing market helped deliver a record sales result for the 2024 financial year.

FY24 Sales Performance

For the 12 months to 31 March 2024, total sales of occupation rights increased to 632 settlements², comprising 414 resale and 218 new sale settlements.

The gross value of all settlements was up \$51 million on the prior year to \$427 million. This included \$178 million of new sales, versus \$156 million for the 2023 financial year.

Resales strength

Resale gains of \$47 million were reported for the second half, up 72% on the first half. The strong second half performance contributed to record resale gains of \$74 million for the year.

The increase was driven by several factors:

- Higher villa resale pricing and volumes, resulting in a significant lift in gross sales. On average, resale prices for units settled were up 4.7% on the pricing assumed in the March 2023 valuations.
- A continued switch in mix, with low value serviced apartments forming less of total resales volume following recent divestments.

Arvida General Manager Sales Tristan Saunders commended the village sales teams for achieving a record result in a very challenging residential housing market.

"Applications have consistently been above levels experienced in previous years and are up more than 20% on last year.

"The sales team have successfully navigated a slow residential housing market, actively working with prospects and waitlists to deliver an outstanding result."

Into the new financial year, there is good momentum with almost 40% of resales inventory at March end sold.

New sales activity

The gross value of new sale settlements was up 14% on last year, with 11% more units settled.

Highlights included:

- Premium villa product contributed to margin performance and high average unit pricing.
- Good sales momentum was achieved over the second half of the year, with the gross value of new sales up 51% on the first half and up 31% on last year's second half.

² Includes 19 resale and 7 new sale settlements at Village at the Park.

The six months saw excellent levels of sales activity at Bethlehem Shores and Queenstown Country Club where later stages of villas continue to achieve premium pricing. Good levels of new sales activity was also experienced across Whai Mauri Ora, Aria Bay, Lauriston Park and Waimea Plains.

Market trends

New Zealand's property prices are beginning to bounce back.

REINZ February data recorded a 1.9% increase in the NZ median price on a month-on-month seasonally-adjusted basis, with Auckland prices up 1.3%. The REINZ house price index was also positive for both NZ and Auckland, with NZ seeing its first annual increase since September 2022. Volumes and listings have grown strongly. Mortgage rates did not change much over February, but banks have started to lower rates in recent weeks.

Mr Saunders stated that the drivers for retirement living continue to remain compelling.

"Vibrant community living, excellent resident amenity, availability of quality care and security feature high as reasons for a move into an Arvida retirement community.

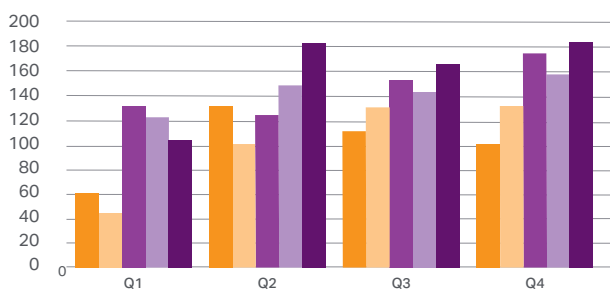
"While commentators have broadly pointed to an improving housing market over the next 12 months, we have already started to see an uptick in settlement activity."

FY24	1Q	2Q	3Q	4Q	Total
Resales	70	113	104	127	414
New Sales	33	69	61	55	218
Total	103	182	165	182	632

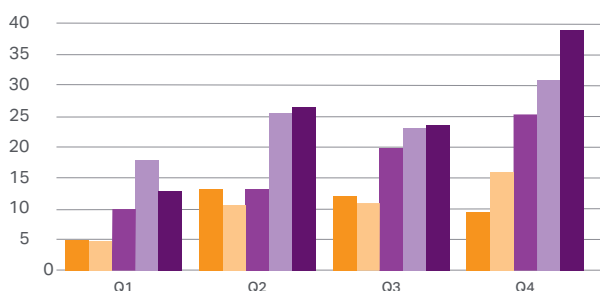
FY23	1Q	2Q	3Q	4Q	Total
Resales	71	94	99	107	371
New Sales	51	54	43	49	197
Total	122	148	142	156	568



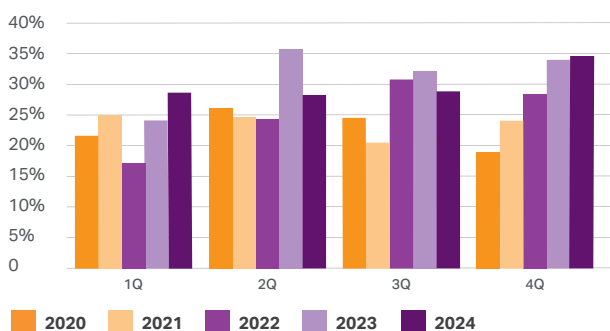
Total Number of ORA Settlements² (units)



Total Gains on ORA Settlements³ (\$ millions)



Resale Margins³ (%)



³ Subject to change with the finalisation of audit processes.

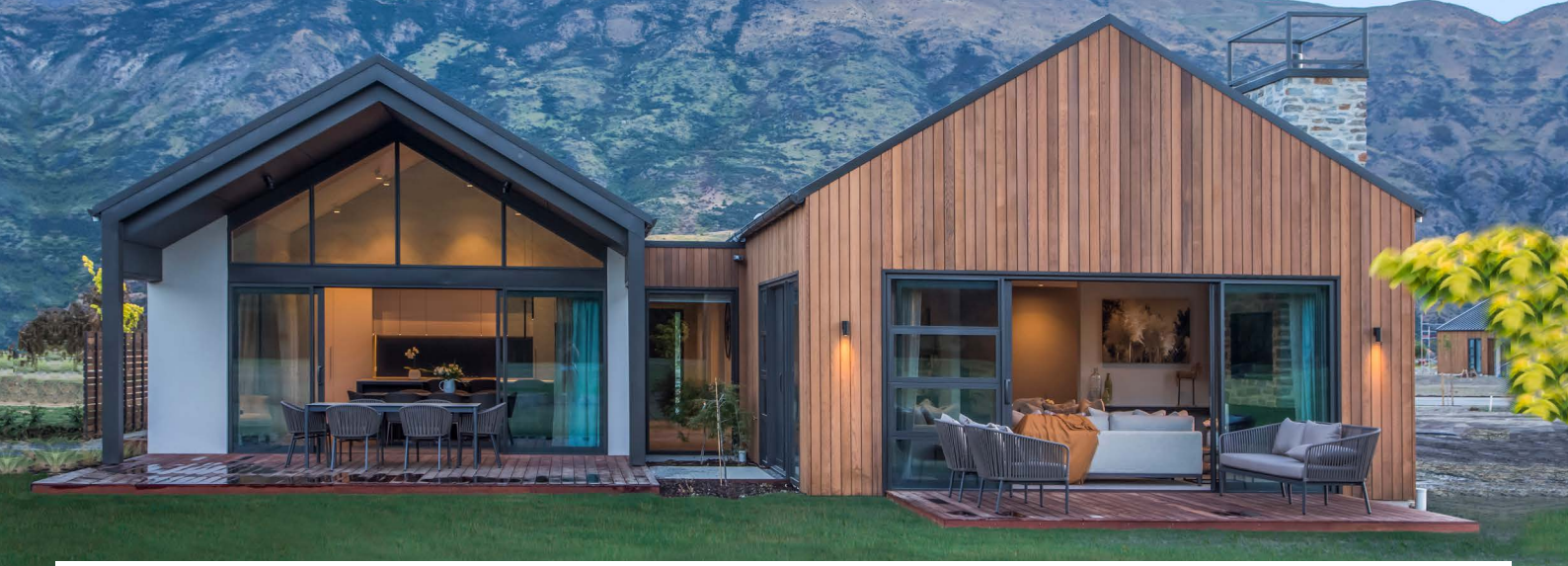


SECTOR STATISTICS

Released in February, the Aged Residential Care Sector Profile 2024 report presented a profile of the sector as it stood in late 2023. It combines information from two surveys – the October 2023 Aged Care Association member survey and the September 2023 Te Whatu Ora ARC provider quarterly reporting survey.

Some highlights from the report include:

- The sector provides care for over 40,000 residents in more than 650 facilities across NZ. The median size of ARC facilities is 55 beds, with a trend towards larger facilities. There is also a trend towards dual-service beds, and an accompanying decline in supply of dedicated rest home and hospital beds. The number of ORA beds (care suites) has increased from 8.4% to 11.1% over the past five years. However, the rate of development of ORA beds has slowed.
- Most care facilities now offer premium rooms. The median accommodation supplement for premium rooms has increased from \$21 per day in 2019 to \$62 per day in 2023. The median size of a premium room is 18.5m².
- The sector employs about 50,000 staff, of which 60% are caregivers and 20% are registered nurses. Sector turnover rate of nurses has declined from 47% in 2022 to 33% in 2023. 35% of nurses were leaving the sector to roles with Te Whatu Ora hospitals. 83% of care facilities said they were not fully staffed for registered nurses.



DEVELOPMENT UPDATE

Progress has continued across development projects in the second half.

New unit deliveries

In the second six months of the 2024 financial year, 107 homes were delivered. This brings total new home deliveries for the year to 201.

All deliveries in the second half were villas, with a majority pre-sold for immediate settlement and occupation.

The build rate for the 2025 financial year will be lower, reflecting our current strategic priorities and market conditions. In addition, the previously noted conditional land purchase that

would have settled in FY25 has lapsed and is no longer being pursued. We still retain another site under conditional contract for settlement in FY26.

FY24 unit deliveries	1H	2H	Total	Ave. Price
Villas	37	107	144	\$1,030,000
Apartments	57	-	57	\$905,000
Total	94	107	201	

NEW CLUBHOUSE OPENED IN KERIKERI

The residents and team of Te Puna Waiora retirement community in Kerikeri recently celebrated the official opening of their clubhouse.

The impressive multi-purpose space was opened by Far North Mayor Moko Tepania on 27 March.

Jeremy Nicoll, Arvida Chief Executive, says, "The clubhouse gives Te Puna Waiora residents a place to thrive and socialise through regular activities and events.

Feedback from prospective residents has been positive and the clubhouse is a welcome addition to the community. Once stage four is complete, there will be 90 independent villas at Te Puna Waiora.

Arvida also officially reopened the community centre in Rotorua's Glenbrae community recently. It includes a dancefloor, balcony, dining room, kitchen, hair salon and library.



"THANK YOU TO OUR FRIENDS AT NGATI REHIA WHO GIFTED US THE CLUBHOUSE NAME – TE RIPO WAI, WHICH MEANS GENTLE SWIRLING WATERS AND BRINGING LIFEFORCE AND CALM FROM THE RIVER."

MAJOR PROJECT UPDATES

BETHLEHEM SHORES, TAURANGA

18 villas completed in 2H24. This is the final large stage of villas to be delivered at Bethlehem Shores, bringing the total of number of villas to 218.

As recognition of this significant milestone for the on-site construction team, a function was held in the community centre at the end of March. Over 100 friends and family attended, celebrating 14 years of development across Bethlehem Country Club and Bethlehem Shores.

Work on the apartment and care centre complex is progressing well to a FY26 completion. The basement substructure and ground floor slabs are complete. Erection of the cross laminated timber (CLT) superstructure is advancing at pace, with work on the first tower now complete.

LANSDOWNE, MASTERTON

12 villas completed in 2H24. The next stage includes a resident clubhouse.

QUEENSTOWN COUNTRY CLUB

13 villas completed in 2H24. Construction of the next villa stage continues into FY25.

The apartment and care centre complex is progressing to an expected completion of 2Q FY24 for care and 3Q FY24 for apartments. The care suite and apartment wings are fully enclosed and fit-out is advancing. The care centre will have 62 care suites and residents from the Wakatipu care centre will move in on opening.

TE PUNA WAIORA, KERIKERI

16 villas completed in the second half of FY24. Construction of the next stage of 12 townhouses has commenced.

The construction of the new clubhouse was also completed in this half.

WAIMEA PLAINS, RICHMOND

24 villas completed in 2H24, bringing an end to development activity at Waimea Plains until construction of the care centre commences.

WHAI MAURI ORA, TE AWAMUTU

16 villas completed in 2H24, with a total of 32 villas delivered in FY24. Since launching the new retirement community four months ago, 20 villas have sold with steady progress in both applications and settlements continuing.

CLUBHOUSES

Refurbishment of the Glenbrae clubhouse and an extension to the Copper Crest clubhouse were also completed during the period.

CONSTRUCTION ENVIRONMENT IS IMPROVING

We have seen construction cost escalation largely stabilise over the year, particularly over the later part of year. Resource availability has increased, following construction pauses by some residential and commercial operators. Both factors have helped to improve the construction environment.

However, we pulled back our development programme over the period as we assessed market conditions and took a more conservative view on the outlook. This reduction in our build rate means our deliveries in the year ahead will be lower.

DEVELOPMENT WORK COMMENCING

The redevelopment of Auckland's Mayfair apartments and community centre is poised to commence early in FY25. This will involve the completion of 57 new apartments in two stages: 26 and 31 apartments respectively. They will be ready for resident occupation in FY26 and FY27.

Progress with master planning for the Warkworth greenfield site has continued. A private plan change has been lodged with council, with consent lodgement planned within the next six months. This should see construction of the first villas commence in FY26.

Substantive fast track application documents were submitted late December 2023 for our proposed Lincoln village. A consent outcome is expected before May 2024. Construction is expected to commence late in FY25.

Our future development pipeline includes over 2,000 homes.

CARE CENTRE TO OPEN IN QUEENSTOWN

The new care centre at Queenstown Country Club will open later this year.

The new 5232m² centre will offer 62 modern care suites for those who need extra support, including hospital or dementia-level care.

Jonathan Ash, Arvida General Manager Development, said the care centre was designed to meet the highest standards of quality and comfort for residents and their families.

"We are proud to deliver this innovative and purpose-built care centre. It is the first of its kind to be built in Queenstown for the local community," he said.

The care centre is part of the Queenstown Country Club retirement village that comprises 134 villas. The development also includes delivery of 29 luxury apartments with stunning elevated views.

Opening of the care centre is expected to occur towards October/November 2024."

PEOPLE UPDATE

Arvida is now one year into a three-year plan to lift its employee proposition. Implementation has progressed well, with engagement across the business helping to realise some tangible benefits already.

Year one of the People Strategy focused on establishing the most critical foundations across culture, people systems, organisational design and employee proposition.

We have already seen a significant 24% reduction in staff turnover. This is most noticeable in our care and kitchen staff.

While the employment market has changed, hiring experienced nurses remains challenging in certain regions.

Engagement scores in the employee feedback survey have also improved throughout the year.

Progress was also independently recognised, with Arvida selected as a finalist in the New Zealand HR Awards 2024 for the category of Talent Acquisition.

TE RIPO WAI CLUBHOUSE OPENING

The official opening of Te Ripō Wai Clubhouse at Te Puna Waiora community in Kerikeri was attended by (from left to right) Far North Mayor Moko Tepania, Te Puna Waiora Residents Committee Chairperson Peter Shaw, Te Puna Waiora Village Manager Monique Hawker, Deputy Mayor Kelly Stratford, Te Rūnanga o Ngāti Rēhia Chairperson Kipa Munro, Arvida Chief Executive Jeremy Nicoll.



RESIDENT SURVEY

In the recent resident satisfaction survey conducted by Perceptive, survey results were again excellent across the group, with an NPS result of +42 recorded by independent residents and +46 by care centre residents.

Results from the surveys are shared across teams to assist with developing and implementing action plans to address any areas needing improvement.

SALE OF STRATHALLAN

On 18 March 2024, Arvida announced an agreement to sell the Strathallan retirement community in Timaru. The agreement is conditional on satisfaction of customary approvals, with settlement scheduled to occur in late April or shortly afterwards.

Arvida acquired Strathallan in 2017 as part of a portfolio acquisition from the Hurst Lifecare Group, that comprised three villages. The package included Mary Doyle and 50% of Village at the Park.

Strathallan has performed strongly since acquisition, despite some staffing challenges through Covid where restrictions limited Arvida's ability to support operations. The sale is to a long-standing local operator – Presbyterian Support South Canterbury.

Jeremy Nicoll, CEO for Arvida Group is pleased with the outcome.

"Strathallan is well-known locally for offering high-quality care and great facilities for its residents. We look forward to seeing a continued commitment to providing a high-quality experience at Strathallan."

Strathallan comprises 76 aged care beds, 48 serviced apartments and 51 villas. The sale price at \$30 million represents a 3% discount to valuation.

CHRISTCHURCH SYMPHONY ORCHESTRA (CSO) PARTNERSHIP



Arvida's partnership with the Christchurch Symphony Orchestra (CSO) spans three years and has grown in size and engagement over that time.

From CSO visits to Arvida communities to Christchurch independent residents attending local events, the classical music is a real treat for everyone.

Kylie Gibson, Arvida General Manager Brand and Marketing, says the partnership is a real 'musical match'.

"We love this partnership because it enriches both the Arvida resident communities, as well as the CSO musical communities, so they both grow together."

The partnership is one of many sponsorships that Arvida supports across New Zealand.



TEAM MEMBER PROFILE

JONATHAN ASH General Manager Development

Jonathan Ash has overseen the group's development activities since joining Arvida nine years ago. In that time, he has built a strong development and construction capability from the ground up.

In the first couple of years following the IPO, Jonathan's team were involved with designing and consenting the future development pipeline, alongside building a small number of new units. It wasn't until 2018, with consents and construction capability in place, that development scaled to deliver more than 100 new units annually. The team has now delivered over 200 new units annually for the last five years, ranging from greenfield villa projects to highly complex multi-storey brownfield projects.

He has been instrumental in building our development capability from the ground up and establishing our

development track record with the investment over \$1 billion into the portfolio over his tenure.

Jonathan says he is especially proud of the capabilities established within the team, as well as the structure that has been implemented to enable team members to grow their management and leadership skills.

"As a small company with a growth mandate, we needed to be innovative in our approach to establishing our development capabilities. We implemented a range of internal and external delivery models that allowed us to employ resources that best suited project demands. This has served us well and allowed us to efficiently deliver a diverse range of projects to a very high quality standard."

Jonathan names Park Lane Christchurch and Copper Crest Tauranga as two of his most memorable projects.

"Both projects initially presented some key challenges that required innovative solutions, and the finished product resulted in great outcomes for residents."

Jonathan says Arvida has continued to evolve, and he looks forward to watching the continued growth and success of the business. Jonathan left Arvida in March.

INVESTOR CENTRE

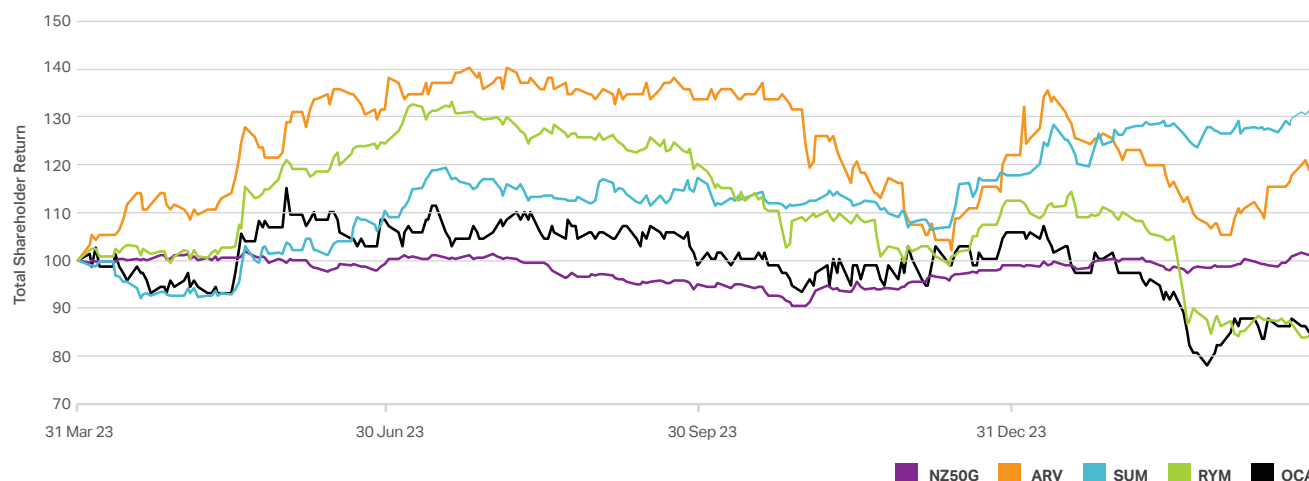
INVESTOR CALENDAR

Financial year end:
31 March 2024

Release of full year result:
May 2024

Annual General Meeting:
August 2024

Total Shareholder Returns (last 12 months) Relative to industry peers (rebased March 2023)



Total Shareholder Returns Relative to the NZ50 Index – Since IPO



Analyst Recommendations

Broker	Recommendation	Price
Craigs	Neutral	\$1.03
Forsyth Barr	Neutral	\$1.18
Jarden	Neutral	\$1.23
Macquarie	Outperform	\$1.75
UBS	Buy	\$1.60

HEALTH SECTOR CLIMATE CHANGE SCENARIOS READY FOR PUBLIC RELEASE

Arvida was involved in the development of climate change scenarios for the health sector, working with a range of health sector partners and consultants Tonkin and Taylor.

Similar to other sector scenarios, the health sector scenarios provide alternative views of the future for businesses and organisations to use to test their resilience to climate-related events and issues. They also consider and provide information on the health impacts of climate change, based on academic research and evidence where possible.

The sector scenarios will be published on the Ministry of Health website towards the end of the month.

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Alternatively, you can contact Computershare at +64 9 488 8777 or enquiry@computershare.co.nz

We look to publish an investor update twice yearly. Your enquiries, feedback and suggestions are greatly welcomed.

