

INVESTOR NEWS

ISSUE 12, MARCH 2021.



UPDATE FROM THE CEO

BILL MCDONALD

- 201 sales of occupation rights, up 30% on prior corresponding period.
- Construction on track to deliver 247 new units this financial year, with a target to build 200+ new units in FY22.
- Care occupancy at 96%.
- 84% of Arvida care centres have attained the “gold standard” four-year certification.
- Increased quarterly dividend by 21% to 1.45 cents per share.

TO VACCINATE?

Twelve months ago we were extremely focused on our response to a virus, which at that stage was very much an indeterminate threat domestically and globally. Recent surges in case counts overseas are a reminder that progress against the pandemic may be fragile.

We are now rapidly approaching the other side of the coronavirus pandemic with New Zealand's vaccination programme having now commenced. We've never attempted an immunisation programme of this scale, cost or complexity. Although this will be New Zealand's largest ever immunisation roll-out, it is commensurate with the scale of the potential risk to us individually, and as a community and nation.

Throughout the Covid 19 pandemic the safety of our people - residents and staff - has been the absolute priority. We have carefully managed the risk, with our success coming at considerable cost. Infection protocols, active management of household bubbles, heightened cleaning routines and personal protection equipment, all remain valid tools to address this risk.

The vaccine is now the fundamental weapon needed to keep our people safe. In creation of vaccine policy, the Government will focus on minimising the total number of people at risk of severe illness or fatality. They will also want to protect those whose necessary work puts them at risk of exposure to the virus. And they will

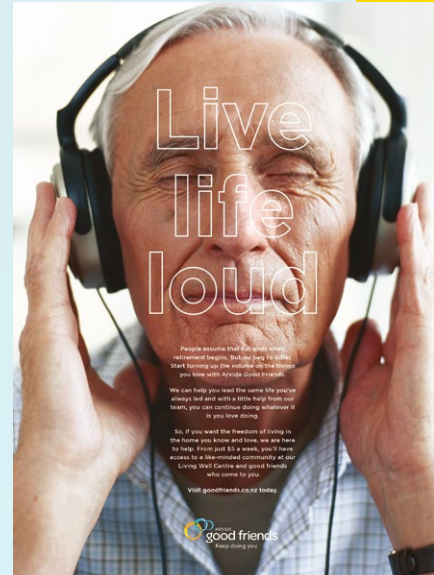
ARVIDA GOOD FRIENDS

The opening of our new Arvida Good Friends centre in Christchurch is planned for 15 April 2021.

The community centre is located in Addington and includes a gym with specialised equipment, 15 metre heated pool, spa, café and bakery, hair and beauty salon.

On the Go Physio will be located on Level 1 of the centre in a new space providing a range of services for neurological and age related conditions.

You can find out more information on the centre and the range of home care and transport services available by visiting www.goodfriends.co.nz.



endeavour to be fair. This will put our residents and staff close to the front in terms of priority.

New Zealand has been able to successfully contain the entry of the coronavirus through border controls and heightened security; and through good luck, this has been effective to date. However, when the border reopens, Covid-19 will likely still exist in the community and the health risks will become elevated for those most at risk.

Those working in the health care setting are more likely to face exposure to the virus than others, even if it's not so easy to draw a sharp line between “direct care” personnel and their close contacts.

We have seen the devastating statistics overseas and the prolonged serious health issues that this virus can have well after recovery. We are therefore encouraging everyone to seek out information and timing on the vaccine as it becomes available (check the Ministry of Health's website for latest information available: www.health.govt.nz).

It is the largest vaccination programme ever, and it is taking place globally in an effort to save lives and return to a normal state.

Living a life with soul



WELLNESS & CARE

MARIA SCOTT-MULTANI
GM, WELLNESS & CARE



ARVIDA'S LIVING WELL MODEL RECOGNISED AS A WAY FORWARD FOR AGED CARE

We continue to be very proud of the number of villages being rewarded Continuous Improvements and a four-year certification period at audit. With 84% of care centres holding the "gold standard" of four-year

certification, Arvida is a market leader in the provision of resident centred aged-care. A recent audit held at Park Lane highlighted the impact our Living Well model is having on resident's wellbeing.

Auditors commented that we have "been proactive in implementing the Attitude of Living Well framework within the five pillars. In a planned approach, staff create a resident led care environment..... reflecting increased choice, autonomy, and engagement. The five pillars have created an opportunity for the residents to move away from an institutional care environment to one that enables the resident to determine how their day plays out.

As a result of the residents making more decisions around the activities they would like to attend, there has been an increase in the attendance of the chosen activities. The wellness partners (previously more involved with resident cares) are more engaged with the residents. The wellness partners have changed their approach to offer more choices and broadened the holistic approach to support the residents to live well."

Park Lane received four Continuous Improvements and was awarded a four year certification period.

SALES & MARKETING

TRISTAN SAUNDERS
GM, SALES & MARKETING



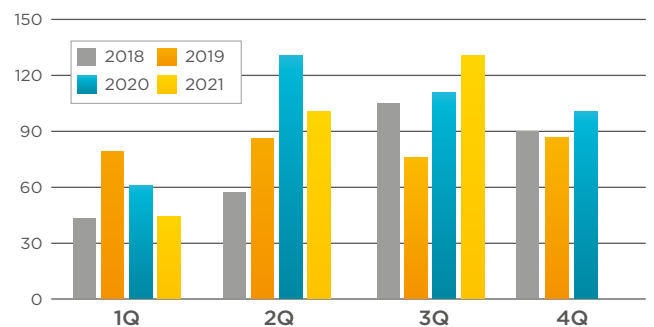
Sales activity is tracking higher than the same five month period last year. In past years, January and February have typically been quieter months coinciding with the holiday period. However, this year heightened enquiry was received over January and February across our villages.

At the end of February 2021, a total of 201 sales of occupation rights (new and resale) had settled in the five month period since reporting our interim results. This is a 30% lift on last year's volume for the corresponding period. The gross sales value in this period was up 31% to \$107 million.

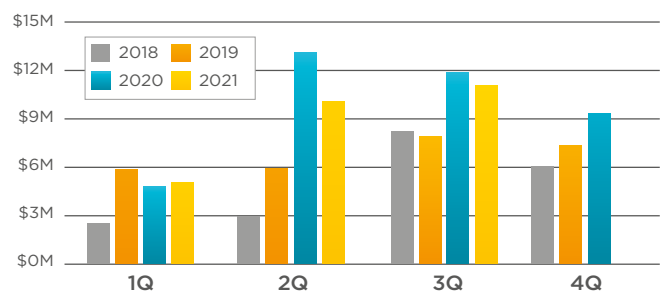
Resale activity continues to be a strength with record gains of \$10.3 million from 133 resales delivered in this period. For the financial year to date, the average resale price increased 13% to \$425,000 from the prior financial year. This is 4% above unit pricing assumed by our independent valuers in the March 2020 valuations.

According to REINZ data, the New Zealand median house price reached a record of \$749,000 in December 2020. This was up 19.3% year-on-year. We continue to see upward pressure on our pricing regionally and recently completed a repricing exercise to account for the strength in the residential property market.

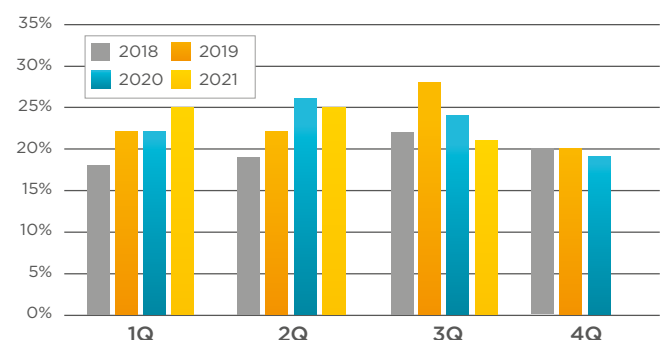
TOTAL NUMBER OF SALES* (Units)



TOTAL GAINS ON SALES* (\$ millions)



RESALE MARGINS (%)



* Aggregated for new and resale units.

DEVELOPMENT UPDATE

JONATHAN ASH
GM,
DEVELOPMENT



TRACKING TO DELIVERY GUIDANCE

A total of 199 units/beds are to be delivered in the second half of this financial year. This will bring total units delivered through development activity to 247 units/beds for FY21, which is in line with guidance provided. Target development guidance for FY22 is 200+ new units to be delivered.

The new Aria Bay care suite centre in Browns Bay (Auckland) was delivered and opened to new residents in January. All dual purpose suites are occupied with a combination of transferring and new residents. This was a milestone in Arvida's development history, representing the first of our new care suite developments to be completed. Encouragingly we already have a strong waitlist forming. Next to open at this new Auckland development is the dementia wing in March.

We also have our care suite and apartment development opening at Copper Crest in Tauranga and the launch of our new village in Kerikeri, called Te Puna Waiora, planned for March. Stage 1 of this greenfield development, which comprises 16 villas, is progressing well to a June 2021 completion date.

Other major development activity in progress includes:

- The next stage of 20 villas at Waimea Plains, which is progressing well with an expected April 2021 completion date.

Waimea Plains clubhouse opened in December 2020.

- Construction of 35 care suites at Rhodes on Cashmere for delivery in 2H FY22.
- Construction of the new resident clubhouse at Queenstown Country Club
- Enabling works for the construction at Lauriston Park of the new care suite complex and additional townhouses.
- Planning for the next stage of 55 villas at Bethlehem Shores in Tauranga.
- Roadworks to enable the construction of 50 villas at Lansdowne Park in Masterton.



Aria Bay's new care centre opened in January 2021.

LOCATION	FY21 TARGET DELIVERY	STATUS
Aria Bay , Auckland	59 care suites	Delivered and opened 14 January.
Copper Crest , Tauranga	29 apartments 55 care suites	Soft fitout nearing completion. Opening scheduled for 19 March.
Bethlehem Country Club , Tauranga	15 villas	All villas delivered, 14 villas sold.
Bethlehem Shores , Tauranga	6 villas	Tracking to March completion date, 6 villas sold.
Glenbrae Village , Rotorua	8 duplex villas	4 delivered 1H21, 4 delivered in February, 5 villas sold.
Mary Doyle , Havelock North	7 villas	Delivered in October, 7 villas sold.
Waimea Plains , Richmond	25 villas	Delivered 1H21, 18 villas sold.
St Albans , Christchurch	19 care beds 8 serviced apartments	Tracking to March completion date, with marketing to commence shortly.
Strathallan , Timaru	1 serviced apartment	Delivered in February, and sold.
Queenstown Country Club , Queenstown	15 villas	14 villas delivered, 14 villas sold, final villa to be completed this month.

ARVIDA INVESTOR CENTRE

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

INVESTOR CALENDAR*

Financial Year End: 31 March 2021

Release of Annual Result: 25 May 2021

Quarterly Dividend Payments:

10 March 2021 (3Q FY2021)

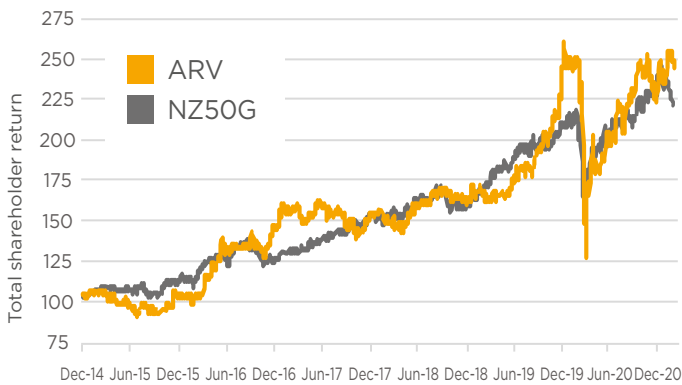
10 June 2021 (4Q FY2021, final dividend)

Annual Meeting of Shareholders:

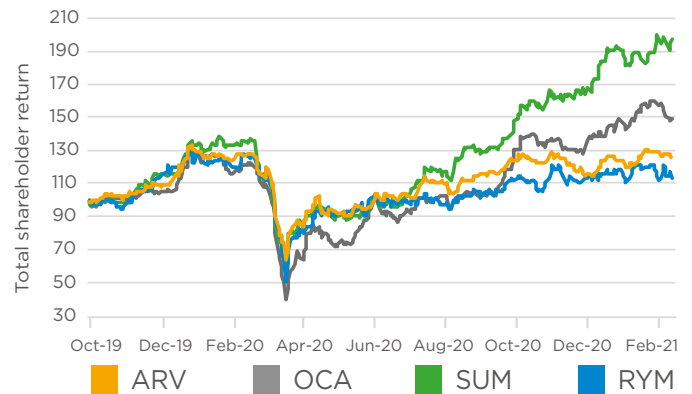
2 July 2021, Christchurch

* Expected dates, subject to confirmation.

TOTAL SHAREHOLDER RETURNS RELATIVE TO NZ50 INDEX - SINCE IPO



TOTAL SHAREHOLDER RETURNS RELATIVE TO INDUSTRY PEERS (Rebased to October 2019)



Source: IRESS as at February 2021.

ARVIDA RAISES \$125 MILLION OF BONDS

On 12 February, we priced our inaugural listed bond raising \$125 million, which included \$50 million of oversubscriptions.

The offer was launched on 9 February 2021 after we lodged the product disclosure statement on 28 January 2021. Timing meant we were the first issuer to come to market this year.

We had started to ready ourselves for issuing 12 months earlier, as we saw the benefits in diversifying our funding sources and extending the tenor of our debt funding profile. When Covid-19 unsettled markets in February 2020 we put our plans on hold and established a \$100 million facility with our banking syndicate for 18 months to see us through the pandemic.

The issuance process was refreshed again in August with a view to issuing in December following the release of our interim results. However, we elected to hold off again given the crowded primary corporate market towards the end last year.

Being prepared and maintaining a flexible approach to market conditions has delivered a strong result.

Pricing was set at 2.87% for the 7-year secured fixed rate bonds maturing in 2028, which represented a sharp margin to recent issuance. The pricing reflected the very strong market support received for the offer.

With a growth strategy in place, we see ourselves coming

back to the debt capital markets in the future, subject to market conditions.

The bonds listed on the NZX Debt Market on 23 February under the ticker code ARV010. Joint lead managers to the offer were ANZ, Craigs Investment Partners, Forsyth Barr and Jarden Securities.

AGM DATE SET FOR JULY

The annual meeting for shareholders is scheduled to be held in Christchurch on 2 July this year. Venue and meeting times will be provided to shareholders in May.

Our preference always is to hold a physical meeting as we think this forum best allows the opportunity for shareholders to engage with Board and senior management. We encourage the attendance of shareholders – and we have always had strong attendance at the annual meeting.

However, we are mindful that virtual meetings are relevant in the current environment. Should Government restrictions not allow a physical meeting to occur, we will advise alternate details for a virtual meeting.

DIVIDEND

The Board declared an increased 3Q dividend of 1.45 cents per share for the three months ending 30 December 2020, up 21% on the prior quarter.

Arvida's dividend policy is to distribute between 50% and 70% of underlying profit per annum.