

INVESTOR NEWS

ISSUE 13, SEPTEMBER 2021.

Update from the CEO

LEVEL 4 LOCKDOWN # 2

When New Zealand reported a community case of Covid-19 on August 17, few would have expected the single positive case to explode into an outbreak of over 1,000. Within hours it was confirmed to be the highly contagious Delta variant.

Delta is thought to be more contagious than previous versions of Covid-19 because infected people carry a substantially greater viral load in their airways. This makes Delta particularly adept at exploiting opportunities for transmission, like the Saturday sports game, local church gathering and riding on the bus. However it also means that physical precautions, like wearing a face mask and distancing, can be effective in containing transmission.

Overseas we have seen surges in case numbers as the now-dominant Delta variant spreads. A vaccination strategy has yielded benefits in countries where infection rates are high, limiting hospitalisations even as cases have swelled with the removal of precautions.

While New Zealand has entered its second wave of the pandemic, time will tell whether the Government's lockdown strategy has again successfully achieved elimination. Australia is now pursuing a vaccination led strategy to relative safety focusing on areas hit hard by the Delta variant.

Aged care was one of the priority cohorts to receive vaccine preference in New Zealand. Today, our vaccination rates are around 90 percent safe, and continuing to rise. Surveillance testing of Auckland staff through this current resurgence has added an additional layer of protection for staff and residents.

The Delta variant has changed the rules of the game with a different approach required. Vaccination is a critical mitigation strategy, adding another layer of defence against an indiscriminate virus.



BILL MCDONALD
CHIEF EXECUTIVE

SIGN OFF FROM BILL

With my last day of 30 September rapidly approaching, I have enjoyed reflecting on what has been an exciting seven years. I can think of many highlights, ranging from our successful acquisitions through to the development of our care model and 4-year care certification achievements.

Overall, the greatest achievement has been the bringing together and development of an excellent team of people within the business. These experts understand and embrace the vision and values we set out with, back in 2014.

While I work towards a seamless transition to a new leadership setup for Arvida, it pleases me to see great depth and strength within our team. This is evidenced by the natural step-up of Jeremy Nicoll and Mark Wells into the head roles, where they will continue to excel.

Even though the sector has had its challenges over the last 24 months, I remain confident that Arvida is well-placed to benefit from the growth in our customer base over the next 20+ years. Our alignment to the needs and demands of future residents has been core to our strategy. This positioning and our outstanding team across the organisation provide Arvida with a very bright future.



Right: Bill with Directors Peter Wilson and Michael Ambrose, ringing the IPO bell with Dan Carter, 18 December 2014.



INTRODUCING OUR NEW CEO, JEREMY NICOLL

Not a new face to Arvida, having been our chief financial officer since launch, Jeremy Nicoll steps into his new role as chief executive of Arvida Group Limited at the beginning of October.

Good succession planning is a very valuable business tool, providing continuity and protection of knowledge and has worked well in this instance as Jeremy has been central to strategy development over the seven year period and moves into the role very naturally.

Together with his considerable experience prior to Arvida, Jeremy is very well placed to take over the reins and guide Arvida through its next phase of growth.

CARE IN TIMES OF COVID-19

As an essential business, Arvida continued to operate throughout the lockdown period with only the construction teams pausing.

Care occupancy has continued to average more than 94% for most of the year.

In Alert Level 4, new admissions into care are restricted to lessen the likelihood of introducing Covid-19. A softening of occupancy occurred in some care centres during lockdown, particularly those located in Auckland where community transmission risk was highest. New admissions can readily occur at Alert Level 2.

Once again, Covid-19 infection control settings flexed across our communities at the higher alert levels to ensure the safety and wellbeing of our people. This included our team's strict use of PPE and working in bubbles to minimise risks. We also increased pay of our frontline teams by \$2 an hour to help support them through the demands of working at Alert Level 4.

MEET HARRIE GERAERTS, ARVIDA'S NEW NATIONAL HOSPITALITY MANAGER

Harrie Geraerts is an acclaimed chef, hospitality guru and all-round food expert. He's also Arvida's new national hospitality manager.

Q: What's your mission at Arvida?

My role applies to all Arvida communities. I'm not just interested in the kitchens, where food is prepared and cooked; I'm also working to transform the service levels in dining rooms.

As I explain to the people I'm training, we all have different experiences, different backgrounds and cultures. The thing we have in common is our concern for the wellness and happiness of our residents. Together we look at how to correctly set a table, how to lay out the cutlery and how to make meal times more enjoyable. Every detail counts, which is why we're elevating the lunch service. It'll be more of a 'dining out' experience with special touches. Each community will come up with their own way of doing things, determining what a 'dining out' experience means to them.

Our aim is to create a meal experience that residents look forward to. To do this, you have to have passion and willingness. After so many years working in hospitality, I know that people get immense satisfaction out of doing things well.

[Read the full interview with Harrie.](#)



INCREASING IMMUNITY WHEN YOU'RE 65+

The pandemic has put a spotlight on the human immune response. We know that Covid-19 vaccines teach our immune system to recognise and fight a specific set of coronaviruses. We've also learned that some people's immune systems are more effective than others, which is why New Zealand's Covid-19 vaccine rollout prioritised older people and those with immune deficiencies.

Since the pandemic was declared, so many of us have become amateur immunologists. That's probably why questions about how to boost immunity are being fired into Google search faster than ever.

To help with answers, we've consulted medical and university websites for reliable information about how to strengthen your immune system.

[Read the full article about increasing immunity](#)



TRISTAN SAUNDERS
GM, SALES &
MARKETING

Sales & Marketing

STRONG START TO THE FINANCIAL YEAR

Sales leading up to New Zealand going into lockdown were very strong compared to prior year. However, in Alert Level 4 sales activities pause. At Alert Level 2 sales activities restart, settlements are possible again and new residents are able to move in. Some precautions are still in place to ensure everyone's safety, but sales activities are largely back to normal.

While it's still early days, the rebound in sales enquiries outside of Auckland following the government's lowering of alert levels has been encouraging. Compared to the same situation last year, the rebound has been quicker. And because we have retirement communities spread throughout New Zealand, sales momentum is building.

Previous experience indicates sales are deferred when a Level 4 lockdown is in place. This suggests a busy couple of months ahead for our sales teams, as we catch up with settlements.

On an overall basis, \$16.8 million of gains were achieved on 199 settlements in the five months to 31 August, compared to \$10.7 million on 106 settlements in the same period last year. In dollar terms, the total sales value was \$97.5 million, compared to \$55.1 million through to the end of August last year. Total gains are projected to be \$23-24 million for 1H22 (based on settled sales to 28 September plus an estimate of contracted sales settling).

Settlement of occupation rights on new ILUs has been strong. The number of ILUs settled to the end of August is up 124% on last year or 74% higher by value.

Resales continue to settle above the prices assumed in the independent valuations prepared for our March 2021 financial year end.

MARKETING ACTIVITY

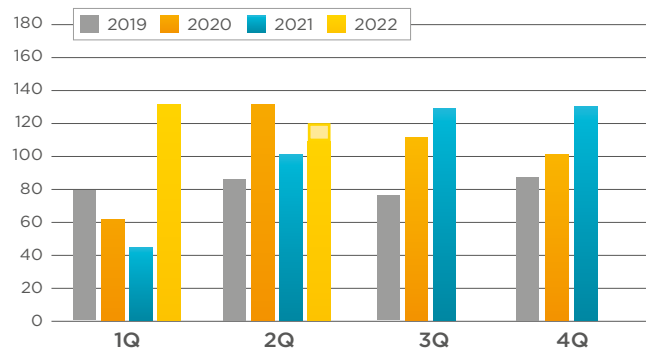
A new community for Kerikeri

Sometimes Arvida acquires new communities by buying existing retirement

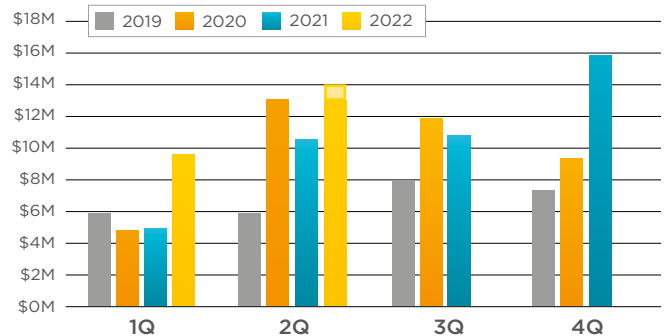


Te Puna Waiora, Kerikeri

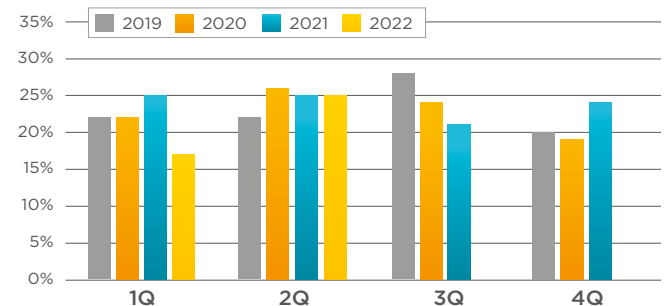
TOTAL NUMBER OF SALES* (Units)



TOTAL GAINS ON SALES* (\$ millions)



RESALE MARGINS (%)



* Aggregated for new and resale units. 2Q 2021, based on settled sales and estimate of contracted sales due to settle in September.

villages, then upgrading them to meet our standards. We also build new communities from scratch. Starting with a green field is the best way to create a contemporary community that's purpose-built for our 'attitude of living well'.

The latest example of an Arvida community built from the ground up is [Te Puna Waiora Living Well Community](#) in Kerikeri. When fully-complete, it will include 200+ homes - a combination of villas for independent living, Living Well apartments for assisted living, and care suites offering higher levels of supported care.

The official opening of Stage 1 was Covid-19 interrupted. It's now scheduled to occur in October.

Over the next couple of months we will be launching the next stage of villas at Bethlehem Shores and townhouses at Lauriston Park.

The sell down of our first care suite offerings at [Aria Bay](#) community in Browns Bay and Copper Crest community in Tauranga commenced at the beginning of the financial year. Sell down has exceeded expectations; with 70% of the new care suites now occupied or sold.

Future care suite offerings are planned for Lauriston Park, Bethlehem Shores, Queenstown Country Club, Waimea Plains and Te Puna Waiora.



JONATHAN ASH
GM DEVELOPMENT

Development Update

Our current construction programme is set to deliver 200+ new units in FY22.

We have work in progress across eleven sites. The construction programme mainly targets delivery of villas this financial year, but includes work in progress on care suite developments at Rhodes on Cashmere and Lauriston Park, as well as a resident clubhouse at Queenstown Country Club.

All construction activity recommenced outside Auckland with the move out of Alert Level 4. Some construction timeframe contingency was consumed by lockdown restrictions, however only the Aria Bay apartment development, due for delivery in FY23, was caught by Auckland's extended lockdown pause. Completion timeframes are dependent on no further lockdowns, continuity of building materials and labour supply.

ACQUISITION OF GREENFIELD SITES

In May we were pleased to announce the conditional purchase of two sites for future development. These sites, located in Te Awamutu and Waikanae, add around 400 units to our future greenfield pipeline.

The Te Awamutu site provides for the development of more than 150 retirement units across nine hectares, comprising independent living villas, townhouses, care suites and community facilities. Similarly, the Waikanae



Townhouses & Care Suite development at Lauriston Park



Location of greenfield site at Waikanae

land provides for a broad acre development across nine hectares with more than 250 homes comprising a mix of independent and care offerings.

PORTFOLIO ACTIVITY

Portfolio activity subsequent to year end included:

- Bought the Glenbrae care centre previously leased
- Leased the Wakatipu Home & Hospital (35 care beds) in Queenstown. This opportunity allows us to develop our care expertise locally as a prelude to care being developed on site at Queenstown Country Club
- Settled the sale of Maples retirement village, which resulted in the divestment of 52 care beds and 25 serviced apartments

We continue to look at portfolio opportunities, including divestments.

KEY PROJECTS UPDATE - LOCATION & STATUS

Te Puna Waioara, Kerikeri	Construction of 16 villas in stage 1 is complete, with two villas occupied and a further 11 under contract. The second stage of 26 villas for delivery in FY22 is well advanced. Three stage 2 villas are under contract.
Lauriston Park, Cambridge	Arvida's team are progressing well with construction of 15 townhouses. In-ground foundation works on the 66 suite care facility are largely complete with this new facility due for delivery in FY23.
Bethlehem Shores, Tauranga	Eight villas due for completion in October, all under contract. Development of the next stage comprising 59 villas is progressing with five villas currently under construction.
Glenbrae, Rotorua	Construction of eight duplex-villas in two blocks is progressing, with works commencing on the next block in October.
Village at the Park, Wellington	Construction is well advanced on the 11 villas due for completion in 4Q. Enabling works of the next stage of eight villas are expected to start within the month.
Waimea Plains, Richmond	20 villas completed and delivered in May. One has been retained as a show home from this stage, the rest have sold. Construction on the next stage of 33 villas and nine townhouses has commenced, with the first 16 tracking for delivery in 3Q.
Rhodes on Cashmere, Christchurch	Construction of 35 care suites and two apartments is progressing to a late 4Q completion timetable, with the building now closed in.
Queenstown Country Club, Queenstown	Nine villas have been completed, with a further 23 planned for delivery in FY22. Construction is also advancing well on the clubhouse with fit out underway.



Huri and Kahu have joined the local team to Te Puna Waiora

LOCAL PARTNERSHIPS

Greg Douglas, Head of Construction at Arvida, engages with local community groups, hāpū and organisations when constructing new Arvida communities. As part of this, Greg uses the scale and multi-year timeframes of Arvida's build programmes to offer construction training opportunities to local trades through initiatives such as apprenticeships.

At Te Puna Waiora in Kerikeri, Te Hurihanga Heihei and Kahuranga Glasson recently started as building apprentices. They whakapapa to local hāpū Ngāti Rehia.

"We are building a community in a place of special significance in New Zealand's history, and our landscape design acknowledges sites of significance. This is a 10-year project, and it feels right to have Huri and Kahu here as part of the local team, growing new skills and contributing to building quality in their own rohe," says Greg.

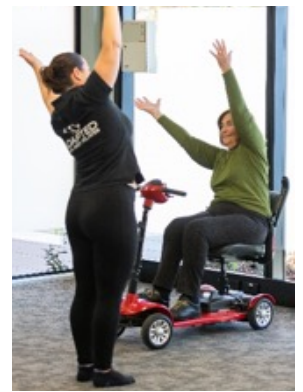
Ngāti Rehia gifted the name 'Te Puna Waiora, the Source of Wellbeing' to Arvida's Kerikeri community.

ARVIDA GOOD FRIENDS

Bev Sullivan, one of the inaugural members of the Arvida Good Friends Living Well Centre, joined with the goal to improve strength, mobility and balance. Over the last five months, Bev has seen some impressive results, not just in terms of increasing the weights that she can lift in the gym!

Bev, who lives with multiple sclerosis, has found a supportive and inclusive environment at the Moving Well Gym.

"Lots of people in the gym have walking aids, sticks and scooters like me." By working with Laura, the centre's manager and trainer, Bev's consistency and hard work is paying off. She is now able to more easily steady herself, can move from her mobility scooter to furniture, sits up straighter and, most importantly, is more confident in her day-to-day life.



Not one to sit back and relax, Bev has set a new goal of getting into the pool for a swim. With summer just around the corner, there's no better time to start.

The Arvida Good Friends Living Well Centre in Christchurch is an innovative community hub with amenities including a gym equipped with HUR wellness and rehab machines. The centre's qualified team design and supervise personalised programmes for members.



From left to right: Retiring Chair Peter Wilson, new Chair Anthony Beverley and new board member Susan Peterson.

AGM Round Up

This year the annual meeting for Arvida shareholders was held in Christchurch in the new Arvida Good Friends Living Well Centre. Over 100 shareholders and staff were in attendance. It was the last Arvida AGM for Peter Wilson, who elected to stand down as Chair after seven years. Anthony Beverley was appointed chair at the conclusion of the meeting.

All resolutions were approved by a simple majority. Susan Paterson was re-elected and Susan Peterson was elected to the board; an increase to the pool of director

fees was approved; and the Board was authorised to fix the auditor's remuneration. The level of discussion and engagement was excellent and welcomed by the board and management alike.

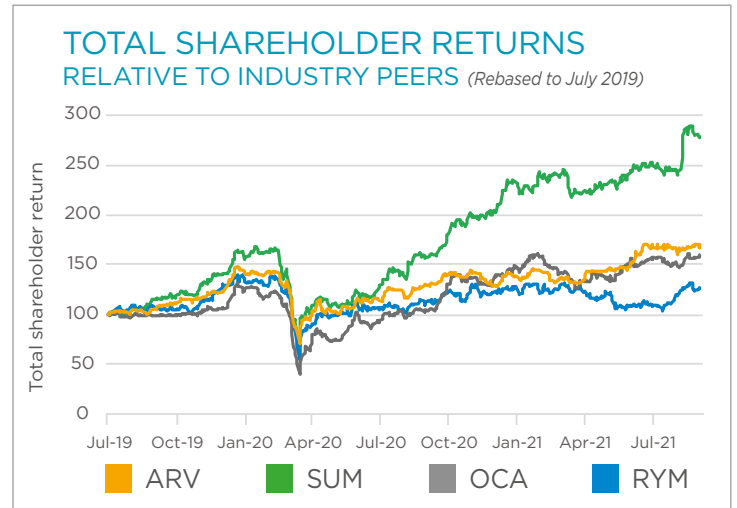
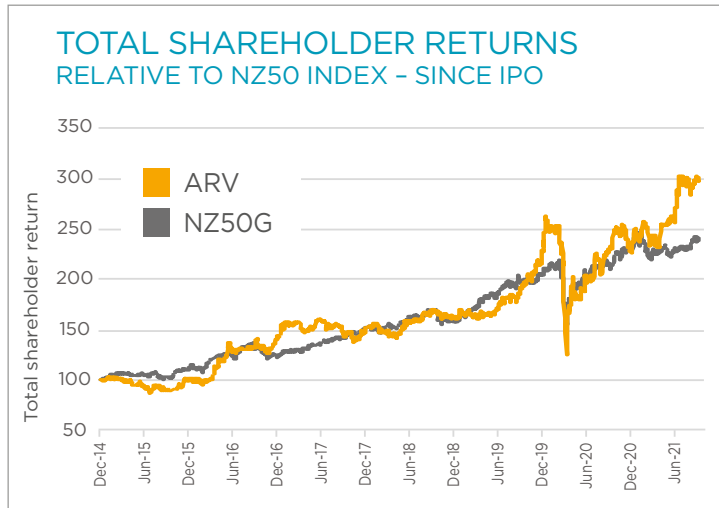
The next annual shareholder meeting will be held in Auckland in July 2022.

In addition, annual resident meetings for Arvida villages started in August. Some were rescheduled or conducted via Zoom due to lockdown requirements.

INVESTOR CENTRE

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

Source: IRESS as at September 2021.



DIVIDEND / DRP

The next dividend is scheduled for November following announcement of the 2022 first half results. It will be the first dividend where shareholders will have the opportunity to participate in the dividend reinvestment plan.

If you wish to participate in the dividend reinvestment plan, you can update your preferences with Computershare at www.investorcentre.com/nz



The dividend reinvestment plan provides an easy and convenient way for shareholders to increase their investment in Arvida without any brokerage fees. Participation is optional. Shareholders can decide whether to reinvest all, part or none of the cash dividends.

GO ELECTRONIC

Many of our shareholders have elected to receive communications electronically. This not only ensures they receive shareholder related information promptly, but helps to reduce Arvida's carbon footprint.

If you'd like to change the way you receive communications from us or receive other communications by email, please go to www.investorcentre.com/nz

If you're new to this website, you will need to create a login. Once you have registered and obtained your user ID, you will be able to log on and select 'My Profile', then click 'Update' from the 'Communications preferences' tile.

You will need your CSN/Shareholder number and FIN to use this online service. Once setup, you will have ongoing access with your own User ID and password.

ARE YOUR DETAILS CORRECT?

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

Investor Calendar*

FINANCIAL YEAR END

31 March 2022

RELEASE OF HALF YEAR RESULT

23 November 2021

DIVIDEND PAYMENTS

10 December 2021 (1H FY2022)

13 June 2022 (2H FY2022)

* Expected dates, subject to confirmation.