Presentation of Half Year Financial Results

Arvida Group Limited
For the 6 months ended 30 September 2023

Agenda

Arvida's purpose is to create retirement communities where older New Zealanders can lead connected and fulfilling lives with freedom to thrive

Financial highlights

IFRS Net Profit

$90.0m

+1% vs. 1H23: $89.2m

Underlying Profit[1]

$33.6m

-14% vs 1H23: $38.9m

Underlying EBITDA[2]

$39.0m

+15% vs. 1H23: $33.9m

Total Assets

$4.0b

+10% vs. 1H23: $3.6b

Embedded Value

$1.2b

+6% vs. 1H23: $1.1b

Gearing

33.6%

1H23: 27.7%

NTA[3]

200c

1H23: 193c

EPS[4]

4.6c

1H23: 5.4c

DPS

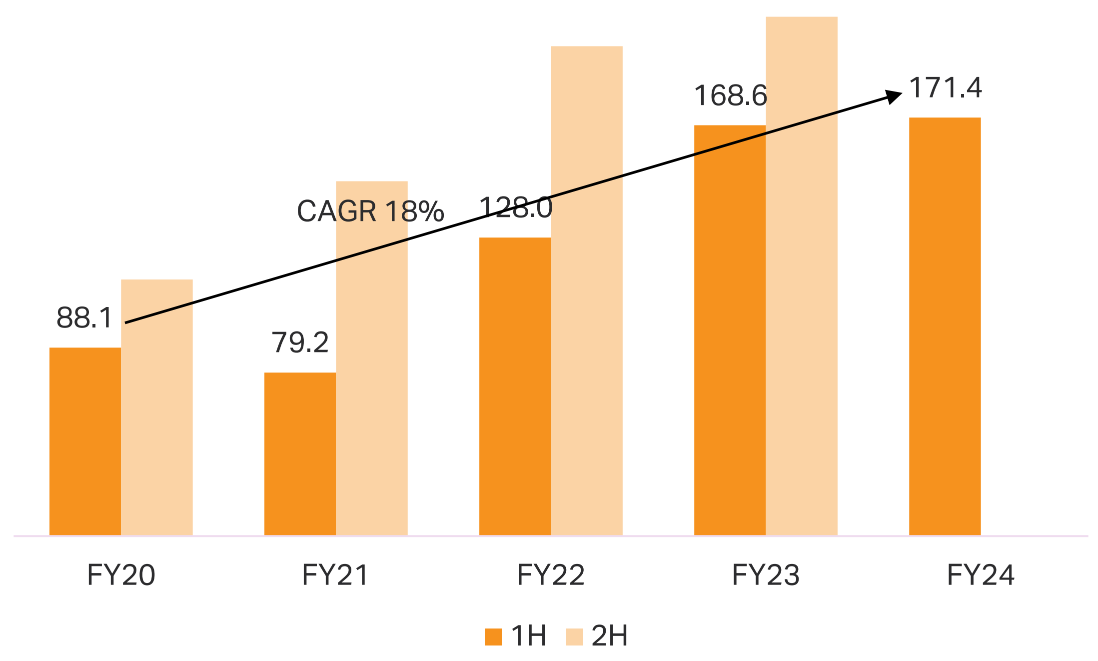
1.2c

1H23: 2.5c

1. Underlying Profit is a non-GAAP unaudited financial measure and differs from NZ IFRS net profit after tax. A reconciliation to Reported Net Profit after Tax is provided in the financial section of this presentation and definition appended.
2. Underlying EBITDA is a non-GAAP unaudited financial measure that adds back interest and depreciation to Underlying Profit and excludes gains on sale of new units
3. NTA per share is calculated as the net assets before intangible assets divided by shares on issue.
4. EPS is calculated as the underlying profit dividend by weighted average shares on issue.

Growth in settlements

Gross Value of ORA Sales $m



- Continued growth in sales in current property market
- Combined, total settlement volumes up 6% to 285 units, gross value of settlements up 2% to $171.4m
- Resale and development margin performance lower than prior periods at 28% and 18% respectively
- Housing market showing signs of stabilising on low activity levels and increased listings
- Level of applications at record levels, up 24% on 1H23
- Brand campaign delivering strong lead generation across web and call centre, experiencing high turn out at open days
- Delivery of 94 units in 1H, includes 57 apartments and 37 villas
- Target FY24 delivery of 200 units, subject to market conditions

Investing in our teams

- Strategic commitment to become an 'employer of choice'
- Progress across following areas
  - Investing in people management systems and reinvigorating our culture
  - Rethinking employee reward and recognition offerings
  - Evolving our organisational design
  - Improving workforce planning to align with culture and capture efficiencies
- Refreshed 'values and purpose', now activating business-wide
- Peakon survey results highlight progress
  - Engagement across all team members increased; as well as leader group
  - Meaningful work and goal setting continue to rank highest
  - Over 40,000 comments; 71% participation
- Retention has increased, and turnover has decreased

Resident-led experience

- Delivery of quality resident experience again confirmed in excellent results from latest annual independent survey
  - NPS +42 independent residents; NPS +44 care residents
- Targeted investments to step-change our digital capability, to better support our teams and residents
- Introduced a General Manager Information Technology role with new and enhanced IT strategy
- Progressed our clinical governance structures, which are being adapted to meet Ngā Paerewa criteria
- Established Māori Advisory and Health Equity groups meet quarterly
- Developed tools used with the Attitude of Living Well™
  - Includes internal audit tool and continuous improvement guide that maps to Ngā Paerewa
- Continued to maintain high clinical and Health & Safety standards across care, village and construction

Sustainability highlights

- Completed 2nd annual supplier survey
  - 45% of top 150 suppliers participated
  - Canvassed whether they had a supplier code, modern slavery policy, measured / reported emissions
  - Broadly only larger suppliers measuring / reporting emissions
- Waste reduction remains an important part of our sustainability strategy
  - Secured government funding for New Zealand's first sector-wide food waste reduction project
  - Food scrap collection initiatives at our Auckland sites
  - Initiative to divert construction waste from landfill at Mayfair redevelopment
  - Workshops and collateral to support resident education
- Involved in a health sector initiative to develop a set of climate change scenarios for TCFD reporting

Strategic priorities

01

Capital discipline

Near-term development programme **prioritised** to villas

Intensive / brownfield **builds phased**, preference to higher value sites

Prudent capital deployment

Funding plan **alignment** to development profile

02

Critical areas matured

People strategy to lift **employment brand** proposition

Workforce **planning** post-Covid

IT roadmap

Organisational design improvements

03

Focus on cash

Core **profitability** improved

- Care occupancy
- Fees & service packages

Sales **momentum**

Conversion of care beds/serviced apartments

Development Activity

Aria Bay Care Suites & Apartments, Auckland

Acquired in July 2015 with a strategy to redevelop and reposition over time

Units increased from 90 to 167, valuation from $21.8m to $91.8m

1H development programme

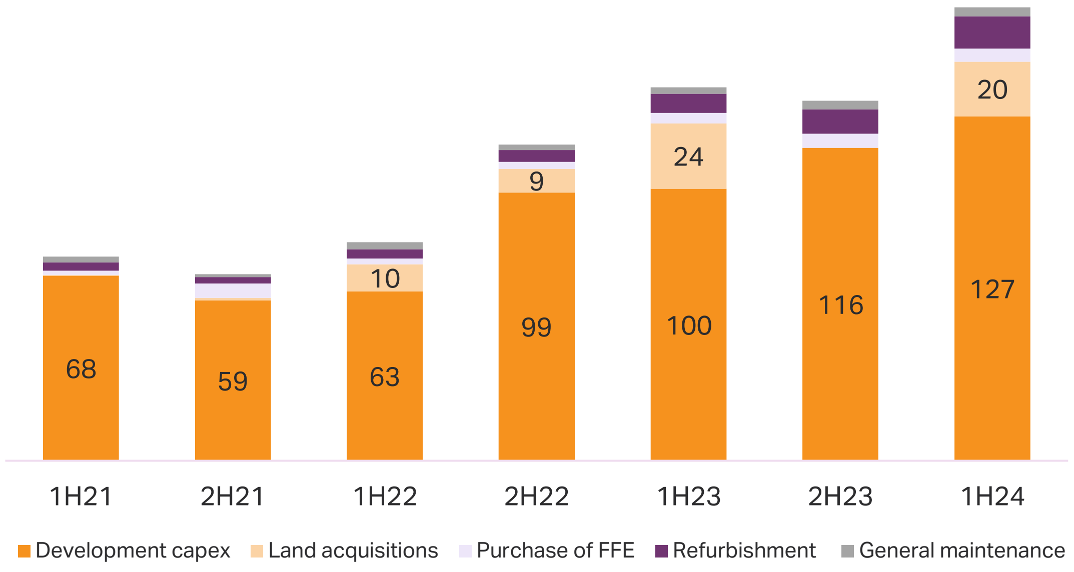
New Unit Delivery	1H			2H		FY24
	Villa	**Apt**	**Ave. $000**	**Villa**	**Apt**	**Total**
Te Puna Wairoa	9	-	$1,035k	15	-	24
Peninsula Club	-	-	-	8	-	8
Aria Bay	-	57	$905k	-	-	57
Bethlehem Shores	2	-	$1,295k	18	-	20
Whai Mauri Ora	16	-	$835k	16	-	32
Lansdowne	6	-	$815k	12	-	18
Waimea Plains	-	-	-	24	-	24
Queenstown CC	4	-	$1,410k	13	-	17
Total	**37**	**57**	$930k	**106**	**0**	**200**

Commentary

- A total of 94 units delivered in 1H across 6 sites
  - — Aria Bay apartments completed mid-September; first stages at Whai Mauri Ora successfully launched mid-November
- Pricing for premium product at Queenstown Country Club and Bethlehem Shores continued to be strong
- Development programme weighted to 2H with target delivery of 106 villas with construction focused on our broad acre sites
  - — Villa deliveries at Waimea Plains, Bethlehem Shores, Queenstown Country Club, Te Puna Waiora, Whai Mauri Ora
  - — High level of presales on 2H deliveries (33% pre-sold)
  - — Planning continues at Waikanae Beach, Lincoln and Warkworth
- 68 apartments at Mayfair Auckland to be decommissioned in preparation for redevelopment to commence in FY25

1H capital expenditure

Capital Expenditure[1] NZ$m



Commentary

- Development capex in 1H of $127.2m (excl. capitalised interest); no disruptions in period
- Greenfield activity represents 37% of development capex
  - — Queenstown Country Club and Bethlehem Shores are included in brownfield development activity but are more representative of greenfield activity (development of bare land with no decommissioning required)
  - — Including these 2 sites, greenfield activity would represent 74% of development capex
- Approximately 60% of development capex was spent on villa development in 1H
- Development programme for 2H includes villas as well as progressing care & apartment developments at Queenstown Country Club and Bethlehem Shores
  - — Care & apartment peak capex at around $3m per month each
- Expect development capex to be $80-100m in 2H, subject to market conditions
- As reported previously, 2 additional greenfield sites remain under conditional contract with 1 for settlement in FY25 and the other in FY26
  - — Both sites are urban fringe and suit broadacre villa-led development

1. 1H23 land capex adjusted for sale proceeds of residual land received in 2H23.

Sales of 1H deliveries

Te Puna Waiora, Kerikeri | 9 villas
1 settled

Aria Bay, Auckland | 57 apartments
29 settled (incl. 21 Mayfair relocations), 12 contracted

Bethlehem Shores, Tauranga | 2 villas
2 settled

Whai Mauri Ora, Te Awamutu | 16 villas
3 settled, 4 contracted – launched mid Nov with early momentum

Lansdowne Park, Masterton | 6 villas
1 settled

Queenstown Country Club | 4 villas
2 contracted

Settlement statistics current as at the date of this presentation.

Development in progress

Peninsula Club, Whangaparaoa | 8 townhouses
Delivery 4Q

Bethlehem Shores, Tauranga | 18 villas
Delivery 3Q/4Q

Bethlehem Shores, Tauranga | 54 care suites & 53 apartments
Delivery FY26

Lansdowne Park, Masterton | 12 villas
Delivery 4Q

Queenstown Country Club | 13 villas
Delivery 3Q/4Q

Queenstown Country Club | 62 care suites & 29 apartments
Delivery FY25

Greenfield development activity

Te Puna Waiora, Kerikeri | villa construction
On track to deliver additional 16 villas in 2H

Te Puna Waiora, Kerikeri | Clubhouse
Resident clubhouse due to complete in Jan 2024

Whai Mauri Ora, Te Awamutu | villa construction
Additional 16 villas to be delivered in 2H, site works continuing

Waimea Plains, Richmond | villa construction
On track to deliver 24 villas over 3Q and 4Q, ahead of programme

Lincoln land | Approval for rezone application received, expect to lodge Resource Consent application in 2H

Warkworth land | Master planning continues, expect to lodge Private Plan Change and Resource Consent applications in 2H

Project returns | Development update

$m	Lauriston Park, Cambridge
Date of acquisition	*October 2016*
Project cashflows:	
Acquisition price[1]	25.4
Development capex incurred[2]	59.2
Other capex incurred[3]	2.7
Invested capital	87.3
New sales[4]	42.7
Net investment	44.6
Finished (unsold) inventory[5]	14.4
Total	30.2
Represented by:	
Work in progress capex incurred	-
Current valuation[6]	103.1
Undeveloped development land	-
Total[7]	103.1

1. Acquisition price comprises operator's interest, undeveloped land, and completed unsold stock.
2. Includes all costs for ILUs, care facilities and a share of corporate development overheads, GST and capitalised interest.
3. Extension of resident amenity / village centre, pool.
4. Gross sales value of all occupation rights sold.
5. Gross sales value of all completed but unsold units (includes units subject to application but not settled).
6. As per the independent valuations prepared by JLL.
7. Excludes operating revenues, expenses, maintenance capex and resale cash flows. Total resale gains of $13.4m since acquisition.

- Lauriston Park was acquired in 2016 for $25.4m partially developed with 149 villas, resident clubhouses and amenity, and undeveloped land
- Since acquisition, the following development activity has been completed
  - — Delivered 49 villas (over 3 stages) and 63 care suites with amenity, and extended clubhouse / refurbished pool area
- Current asset value is $103.1m on a net investment total of $30.2m

Financial Highlights

Arvida Group Limited
For the 6 months ended 30 September 2023

Reported profit (IFRS)

NZ$m	1H24	1H23	YoY	FY23
Care & village service fees	83.4	72.6	15%	149.0
Deferred management fees	33.7	30.4	11%	62.1
Other revenue	5.0	6.0	(17%)	10.8
Total revenue	**122.1**	**109.0**	**12%**	**222.0**
Insurance recoveries	8.4	-	nm	19.0
Changes in fair values	87.9	88.6	(1%)	80.9
Share of profit arising from JV	2.7	2.6	4%	0.8
Total income	**221.1**	**200.2**	**10%**	**322.7**
Operating expenses	(117.9)	(103.6)	14%	(212.1)
Depreciation	(4.3)	(3.9)	11%	(8.4)
Total expenses	**(122.2)**	**(107.5)**	**14%**	**(220.5)**
Operating profit	**98.9**	**92.7**	**7%**	**102.2**
Financing costs	(13.1)	(5.9)	123%	(15.1)
Impairment of goodwill	-	-	nm	(2.9)
One-off items	-	-	nm	(0.2)
Profit before income tax	**85.8**	**86.8**	**(1%)**	**83.9**
Income taxation	4.2	2.4	77%	(1.4)
Net profit after tax	**90.0**	**89.2**	**1%**	**82.5**

Commentary

- Revenue grew 12% to $122.1m
  - — Higher care fees on improved care occupancy, increased government-funded bed rates and PAC fees
  - — Increased revenue from village fees and DMF with new units added through development, and resale of units at higher prices
- Recognition of $8.4m of insurance recoveries from weather events
- Changes in fair values includes $88.6m ($89.0m in 1H23) of unrealised movements in fair value of investment property on firmer near term growth rates and pricing assumptions
- Operating expenses increased to $117.9m, up 14% compared to 1H23
  - — Increase in employment costs reflects legislated minimum wage rate increases, commissioning of new care centres, investment in People and Technology teams, leave provisions and general wage increases
  - — Higher operating costs due to weather events
  - — Higher property costs to cover insurance and rates and higher marketing costs
- Higher financing costs on higher levels of debt and cost of funds

Operating Expenses NZ$m	1H24	1H23	YoY	Var.
Employee Costs	75.1	66.7	13%	135.6
Property Costs	17.2	13.7	26%	28.0
Other Costs	25.6	23.2	10%	48.5
Total	**117.9**	**103.6**	14%	**212.1**

Operating revenue breakdown

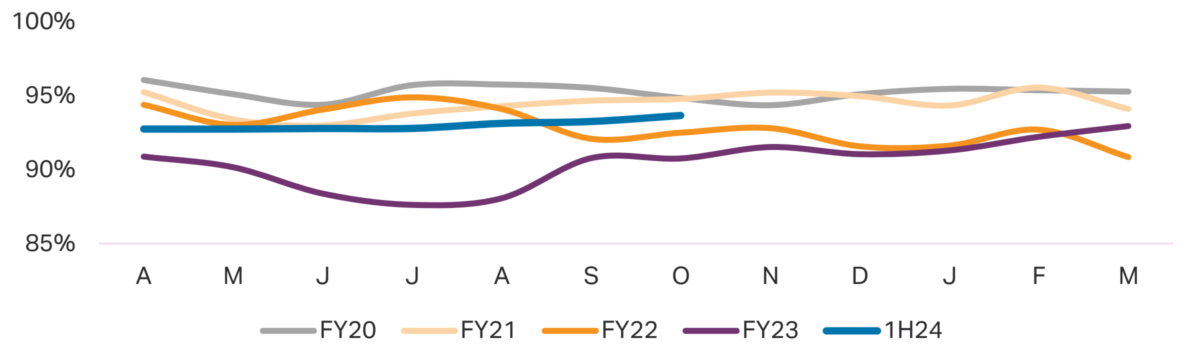
Care Revenue NZ$m	1H24	1H23	YoY	FY23
Rest home fees	21.0	17.9	17%	37.5
Dementia fees	9.0	8.4	7%	17.1
Hospital fees	32.6	26.5	23%	54.5
Premium fees	3.8	2.9	31%	6.0
Other revenue	1.7	2.0	(15%)	3.8
Care revenue	**68.1**	**57.7**	**18%**	**118.9**
Serviced apartment fees	4.6	4.7	(2%)	9.3
Total care revenue	**72.7**	**62.4**	**17%**	**128.2**

Village Revenue NZ$m	1H24	1H23	YoY	FY23
RV weekly fees	12.6	12.2	3%	24.7
Deferred management fees	33.7	30.4	11%	62.1
Other revenue	2.6	3.4	(24%)	5.9
Village revenue	**48.9**	**46.0**	**6%**	**92.7**
Realised gains on resales[2]	27.2	28.3	(4%)	69.1
Realised development margin[2]	12.1	14.9	(19%)	27.8
Total village revenue	**88.2**	**89.2**	**(1%)**	**189.6**

Commentary

- Occupancy improving but continues to be impacted by nurse shortages in some regions
  - — Averaged 93% for half; currently tracking to 94%
- Increase to government-funded bed rates effective 1 July addressed some of the increases to pay rates, insurance, property rates and cost of core supplies
- The three standalone care sites with a total of 350 beds (23% of beds) generated $1.7m of EBITDA for the half, equates to $9.9k EBITDA per bed (annualised) vs. $1.9k in 1H23
  - — Employee costs at these sites at 72% revenue, down from ~80% through Covid
  - — Employee costs per bed increased CAGR 10% over 4 yrs vs. revenue at 5%
- Restoring operating margin through increased PAC and care package fees, care suite conversions, and increased village weekly fees for incoming residents

Care Occupancy[1] (%)



1. Includes all operational care beds.
2. Non-GAAP unaudited financial item.

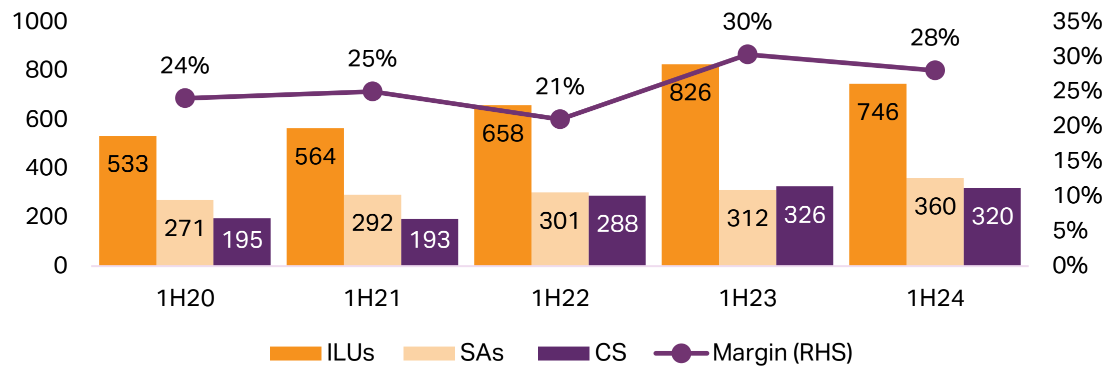
ORA resales

Resales Analysis[1]	1H24	1H23	YoY	FY23
Villas / apartments	92	82	12%	192
Serviced apartments	68	69	(1%)	150
Care suites	23	13	77%	29
Total resales of ORAs (units)	**183**	**164**	**12%**	**371**
Value $m	100.5	93.5	7%	219.9
Av. value per resale $000	549	570	(4%)	593
Resale gains $m	27.2	28.3	(4%)	69.1
Resale margin %	28%	30%		32%
DMF Realisation $m	17.4	14.6	19%	29.4

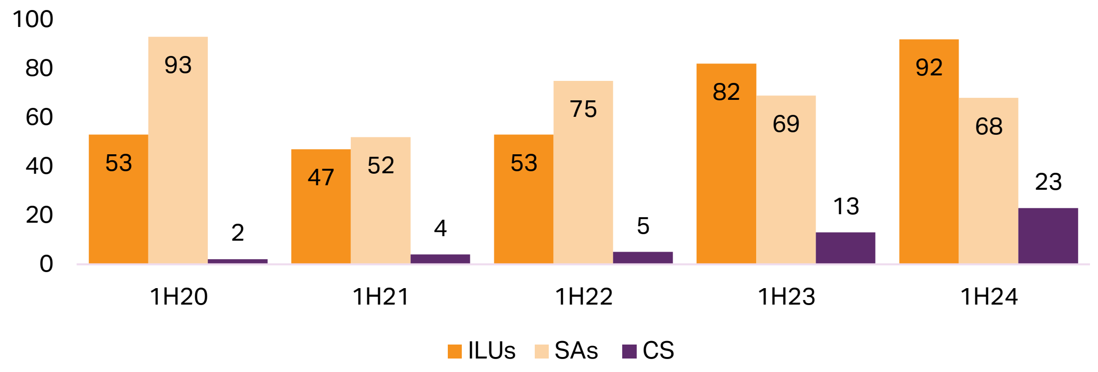
Commentary

- Total volume settled resales at 183 units, up 12% on 1H23 on higher ILU & CS resales
- Gross value of $100.5m, with average value per resale down 4% to $549k on villa resale composition
- Resale prices 4% above average unit pricing assumed in 31 March 2023 valuations
- Realised $27.2m of resale gains on average resale margins of 28%
  - — Primarily represents lower margin units settling in 1H
  - — Change in portfolio composition starting to translate to increased villa resales
- 2.9% of units available for resale; plus 1.7% or $58.2m of units sold pending settlement
  - — Revised disclosure method from full year
- Average resale margin is 37% on total available and sold units
- DMF realised on resales was $17.4m

Ave. Resale Prices ($000) and Margins (%)



Resale Volumes (units)



1. The figures above include Village at the Park, which is 50% owned by Arvida. The "Value $m" line includes 100% of the value and the "Resales gain $m" line includes 50% of gains. A table is appended that shows Village at the Park sales.

Embedded value

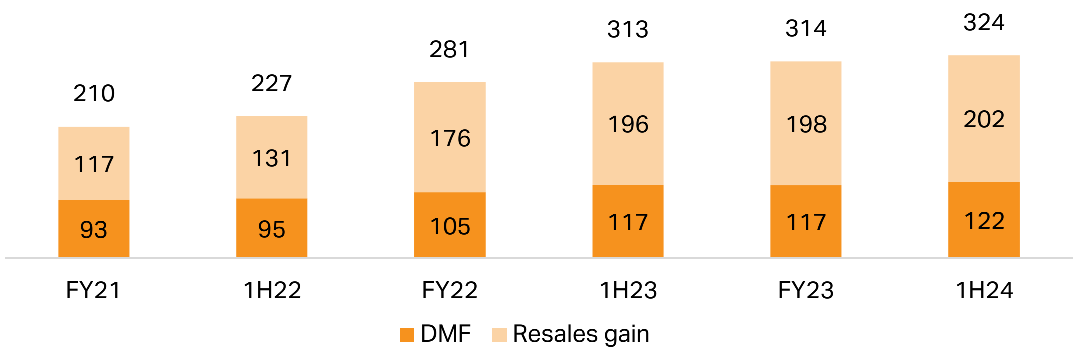
NZ$m[1]	1H24	1H23	YoY	FY23
Resales gains	731.2	693.1	6%	710.4
DMF	443.1	414.2	7%	420.8
Total	**1,174.3**	**1,107.3**	**6%**	**1,131.3**

$000 per unit				
Average Embedded Value	**ILUs**	**SAs**	**CS**	**Total**
Resales gains	241	59	31	202
DMF	140	56	36	122
Total	**381**	**115**	**67**	**324**

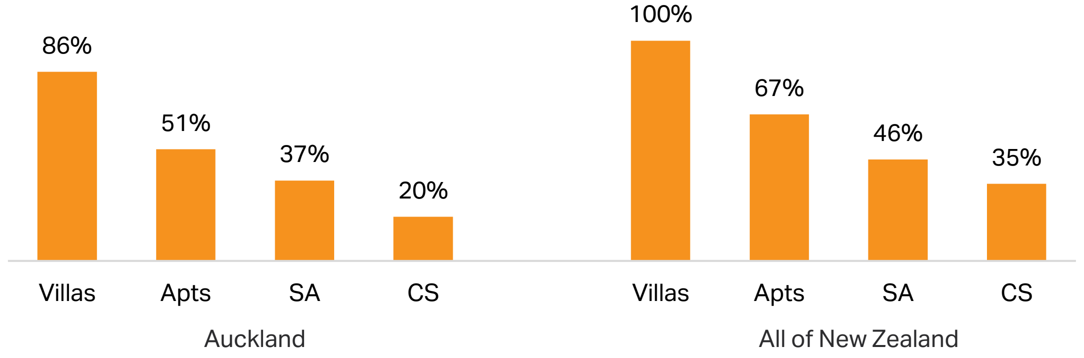
Commentary

- Total embedded value (EV) increased to $1.2b
  - — Comprised $731m resale gains and $443m deferred management fees
  - — EV per unit is now $324k, providing future cash flows through resales
- EV represents $1.61 per share, an increase of 5% from 1H23
- Continued pricing momentum achieved over the period, particularly in Auckland apartment prices

Embedded Value[1] ($000 per unit)



Ave. Valuer Affordability Ratio[2] at Current Ingoing Prices



1. Embedded Value ("EV") per unit is an internal calculation based on the data in the independent valuation reports for all occupied units: Resale Gain EV is calculated by reference to the current unit price less the ingoing unit price less any capital gain sharing and includes resident loan and transfer amounts; DMF EV is calculated by reference to the contractual amount owed at valuation date. Embedded Value per unit includes Arvida's 50% interest in Village at the Park.
2. A measure obtained from the CBRE & JLL valuer reports that compares current ingoing unit prices to the median houses prices in the surrounding catchment.

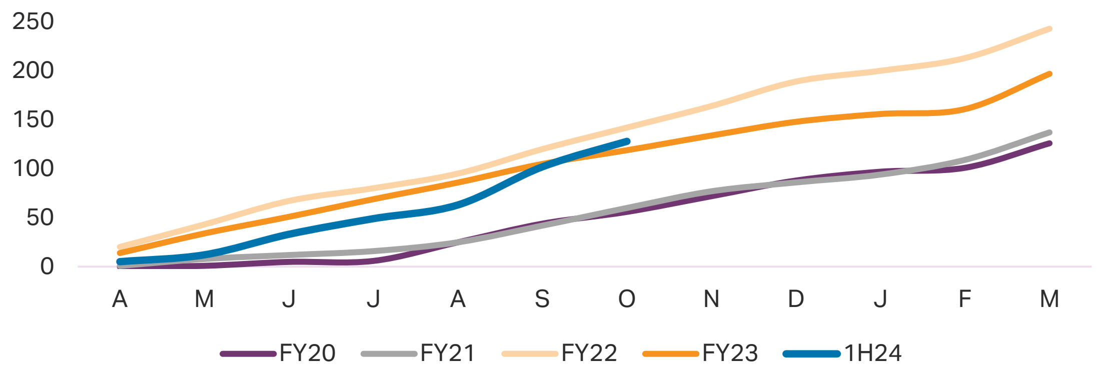
New ORA sales

New Sales Analysis[1]	1H24	1H23	YoY	FY23
Villas / apartments	71	85	(16%)	163
Serviced apartments	0	1	(100%)	1
Care suites	31	19	63%	33
Total new sales of ORAs (units)	**102**	**105**	**(3%)**	**197**
Value $m	70.9	74.7	(5%)	156.5
Av. value per new sale $000	695	711	(2%)	794
New sale gains $m	12.1	14.9	(19%)	27.8
New sale margin %	18%	20%		18%

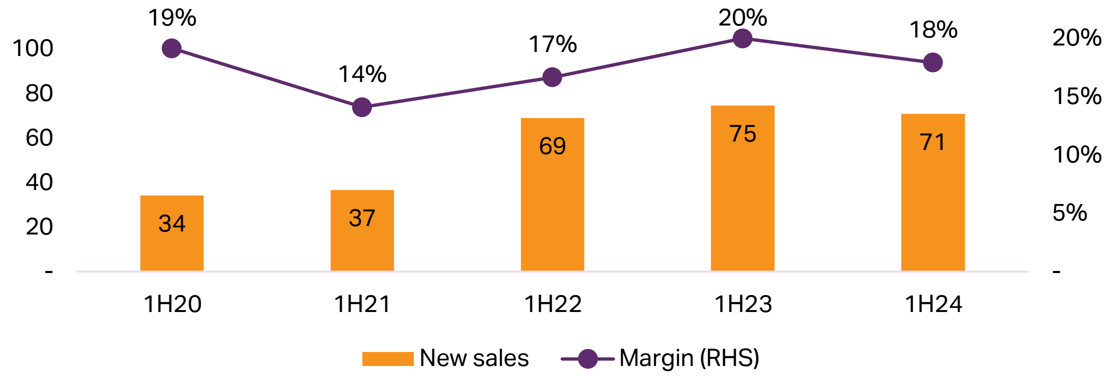
Commentary

- Gross value 5% lower at $70.9m on lower volume and average pricing of villa settled sales
  - — Care suites higher ratio of new sale settlements with opening of Lauriston Park
  - — Included $14.5m of Aria Bay sales relating to Mayfair residents relocating
- Average ORA values per new sale settlement lower at $695k
  - — Average sales value per unit at $851k/ILU, $338k/CS
- $58.3m of new unit inventory sold pending settlement, 3.0% or $98.4m of new unit inventory uncontracted and available for sale
- $12.1m of development gains, and development margin of 18%
  - — Construction costs generally well managed through 1H deliveries, but expect future programme to include cost increases with an impact to margin

Cumulative New Sale Volumes (units)



New Sale Settlements (NZ$m) and New Sale Margins



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Underlying profit

NZ$m	1H24	1H23	YoY	FY23
Net profit after tax	90.0	89.2	1%	82.5
Change in fair values	(90.7)	(91.1)	(0%)	(81.9)
Deferred tax	(4.2)	(2.4)	77%	1.4
Impairment of goodwill	-	-	nm	2.9
One-off items[1]	(0.8)	-	nm	(13.9)
Gain on resales	27.2	28.3	(4%)	69.1
Gain on new sales	12.1	14.9	(19%)	27.8
Underlying profit[2]	**33.6**	**38.9**	**(14%)**	**88.0**
Underlying EBITDA[3]	**39.0**	**33.9**	**15%**	**83.6**
Underlying profit per share (cents)[4]	4.6	5.4	(14%)	12.2

Commentary

- Underlying Profit is a non-GAAP unaudited financial measure used to monitor financial performance and reference dividend distributions
- Underlying EBITDA adds back interest, D&A to Underlying Profit and excludes development gains
- Recognition of insurance claim for business interruption due to Parklane flood damage and subsequent disruption to operations
  - — Loss of gross revenue and additional costs to operate
  - — Relocations disrupted sales activity with vacant units unable to be resold at multiple sites
- Underlying Profit decreased $5.3m to $33.6m, mainly reflecting $3.9m of lower gains
  - — Underlying EPS was 4.6 cps, down from 5.4 cps in 1H23
- Strong increase in Underlying EBITDA, up15% to $39.0m
- An underlying profit earnings bridged is appended

1. Non-operating one-off items relating to insurance (material damage) and transactional activity.
2. Underlying Profit is a non-GAAP unaudited financial measure and differs from NZ IFRS net profit after tax. A definition is appended.
3. Underlying EBITDA is a non-GAAP unaudited financial measure that adds back interest and depreciation to Underlying Profit and excludes gains on sale of new units.
4. Calculated on the weighted average number of shares on issue.

Balance sheet

NZ$m	1H24	1H23	YoY	FY23
Cash and cash equivalents	6.4	9.3	(31%)	9.9
Property, plant and equipment	205.1	208.6	(2%)	202.3
Investment property	3,688.6	3,303.5	12%	3,427.0
Investment in JV	39.7	39.8	(0%)	37.3
Intangibles	18.9	21.9	(14%)	18.9
Other assets	55.6	59.6	(6%)	66.6
Total assets	**4,014.3**	**3,642.7**	**10%**	**3,762.0**
External debt	753.2	552.8	36%	622.8
Residents' loans	1,571.4	1,479.7	6%	1,538.3
Deferred tax liability	1.7	1.6	5%	5.7
Other liabilities	215.3	190.6	13%	201.2
Total liabilities	**2,541.6**	**2,224.7**	**14%**	**2,368.0**
Net assets	**1,472.7**	**1,418.0**	**4%**	**1,394.0**
NTA per share (cents)	200	193	4%	190
Shares on issue (000)	727,976	723,578	1%	723,578

Commentary

- Total assets up $0.3b in the half to $4.0b, with $3.7b of investment property
- Investment property increased $261.6m (vs FY23) through $173.0m of development activity and $88.6m increase in fair value of villages
- Development work in progress of $215.3m comprises $116.5m villa, $72.4m care & apartment, $13.5m clubhouse progress
  - — High proportion of villa WIP to convert into completed units in next 12 months
- Key movements in fair value included
  - — Parklane (Auckland): +$13.6m from decrease in discount rate of 0.67% following remediation work completed, increase in near term growth rates
  - — Queenstown Country Club: +$11.1m from the sell down of new stock and 5% increase in average current values, increase in near term growth rates
  - — Bethlehem Shores: +$7.8m from the sell down of new stock and 2% increase in average current values, increase in near term growth rates
  - — Knightsbridge: +$7.1m from 2% increase in average current values, increase in near term growth rates
  - — Copper Crest: +$6.5m from 2% and 7% increase in average current values of ILUs and CS respectively, increase in near term growth rates
  - — Te Puna Waiora: + $4.5m from 4% increase in average current values, increase in near term growth rates
- Insurance receivable of $8.5m relating to Parklane (Auckland) included in other assets
- Net tangible assets per share was $2.00, up 5% from $1.90 at FY23

Capital structure

NZ$m	1H24	1H23	YoY	FY23
Investment property	3,689	3,303	12%	3,427
ORA / DMF	(1,697)	(1,591)	7%	(1,658)
Retirement villages	1,991	1,712	16%	1,769
Care facilities	188	203	(7%)	188
	2,179	1,915	14%	1,957
Investment in JV	40	40	(1%)	37
Implied value	**2,219**	**1,955**	**14%**	**1,994**
Less Net debt[1]	(747)	(544)	37%	(613)
Net implied value	**1,472**	**1,411**	**4%**	**1,381**
Net implied value per share (cents)	202	195	4%	191

NZ$m	1H24	1H23	YoY	FY23
Drawn bank debt	630	430	47%	500
Retail bond – ARV010	125	125	-	125
Cash	(6)	(9)	(29%)	(10)
Total Net Debt	**749**	**546**	**37%**	**615**
Gearing ratio (ND / ND+E)	33.6%	27.7%		30.5%
Loan to value ratio[2]	36.7%	30.8%		32.8%
Interest cover ratio	n/a	2.3x		2.7x

1. Includes capitalised financing costs.
2. Loan to value covenant at 50%. Loan to value is calculated by taking the drawn debt (both bank and bond) plus the SWAP marked to market divided by the independent valuation of our villages, care facilities and land (and excludes the value of work in progress).

Commentary

- Total net debt of $749m is offset by development project work in progress of $215.3m, development land of $147.4m and inventory of $295.8m
- Refinancing post balance date added $100m to bank facility limit
    - Total facility limit now $900m (including $125m bond) with a weighted average tenure of 3.2 years (at 31 October)
    - Banking syndicate remains ANZ, BNZ and ASB
- Also restructured facilities into a revolving core and development facility to better match medium term growth profile
    - Facility limit split is $325m of core facilities and $450m of development facilities
    - $360m of development facility drawn at commencement
- Interest cover ratio (ICR) covenant calculation amended to exclude development facility interest costs
    - Waiver from calculating ICR at 30 September 2023 due to timing of restructure
    - ICR to be above 2.25x for 31 March 2024 calculation and thereafter
- ICR to be calculated as the ratio of interest (excl. development facility interest) to Adjusted EBITDA. Adjusted EBITDA takes Net Profit before Tax (IFRS) and makes the following adjustments
    - Deducts unrealised fair value and joint venture amounts, and deferred management fees (IFRS)
    - Adds depreciation, expensed interest, joint venture dividends, realised deferred management fees, resale gains (less refurbishment costs) and development gains (joint venture resale and development gains are excluded)
- No change to the loan to value calculation methodology
- Interest rate hedges at balance date equated to 32% of drawn debt with weighted average interest rate of 2.8% (excl. margin and line fees)

Cash flows

NZ$m	1H24	1H23	YoY	FY23
Receipts care fees and village services	91.4	84.7	8%	160.8
Residents' loans from resales	70.7	77.3	(8%)	186.2
Residents' loans from new sales	44.2	69.3	(36%)	125.2
Repayment of residents' loans	(33.6)	(43.8)	(23%)	(106.7)
Payments to suppliers and employees	(118.1)	(104.7)	13%	(203.2)
Insurance recoveries received	0.4	-	nm	4.9
Financing costs	(9.4)	(5.4)	74%	(14.6)
Taxation	(0.1)	-	nm	(0.0)
Net cash flow from operating activities	**45.6**	**77.4**	**(41%)**	**152.6**
Insurance recoveries received	12.2	-	nm	1.4
Purchase of PP&E and intangible assets	(6.3)	(4.1)	54%	(9.5)
Purchase of investment properties	(161.9)	(150.1)	8%	(264.1)
Capitalised interest paid	(11.1)	(5.0)	122%	(13.6)
Dividend received	0.3	0.2	50%	0.9
Net cash flow from investing activities	**(166.8)**	**(159.0)**	**5%**	**(284.9)**
Net cash flow from financing activities	**117.7**	**82.7**	**42%**	**134.0**

Commentary

- Net operating cash flows of $45.6m, down 41% on 1H23
  - Key contributors were lower new sales cash flow and higher funding costs
  - Net receipts from resale cash flows improved 11% on 1H23
  - Increases in operational costs partly offset by increases in revenues
- Higher investing cash flows reflect development activities
  - $20.2m of land settlements includes the Warkworth balance
  - $148.0m of capital expenditure across development, refurbishment, FF&E, general maintenance and unit title buybacks
  - Capitalised interest on higher development work in progress, at higher interest rate
  - A breakdown of capital expenditure is appended
- Material damage claim settled at $14.9m, with some of the settlement received in FY23
  - Business interruption claim to be finalised

General Outlook

Outlook

- Indicators for beginnings of a property market recovery with an increase in new listings, and high net migration
- New government policy impact on residential housing market and aged care funding outlook looks positive
- Volatility in economic outlook reducing, with inflation and interest rate expectations lower
- Workforce shortages now largely limited to nurses in some regional areas
- Pending regulatory review and sector focus
- Capital market sentiment continues to overhang total shareholder returns
- Demographic tailwinds continue to underpin demand
- Target build rate expected to be lowered in FY25, subject to market conditions, and will be confirmed at next reporting date

1H Dividend

- Dividend declared for the six months ended 30 September 2023 of 1.2 cps
- Record date for final determination of entitlements to the dividend is 7 December 2023, paid 21 December 2023
- No imputation credits attached and no supplementary dividend payable for non-resident shareholders
- DRP applicable, 2% discount
- Guidance remains for the full year dividend to be at the lower end of the dividend payout band

Appendices

Arvida At a glance

PEOPLE

6750+
Residents

2900+
Team members

PORTFOLIO

36 +3
Communities

43%
Needs based

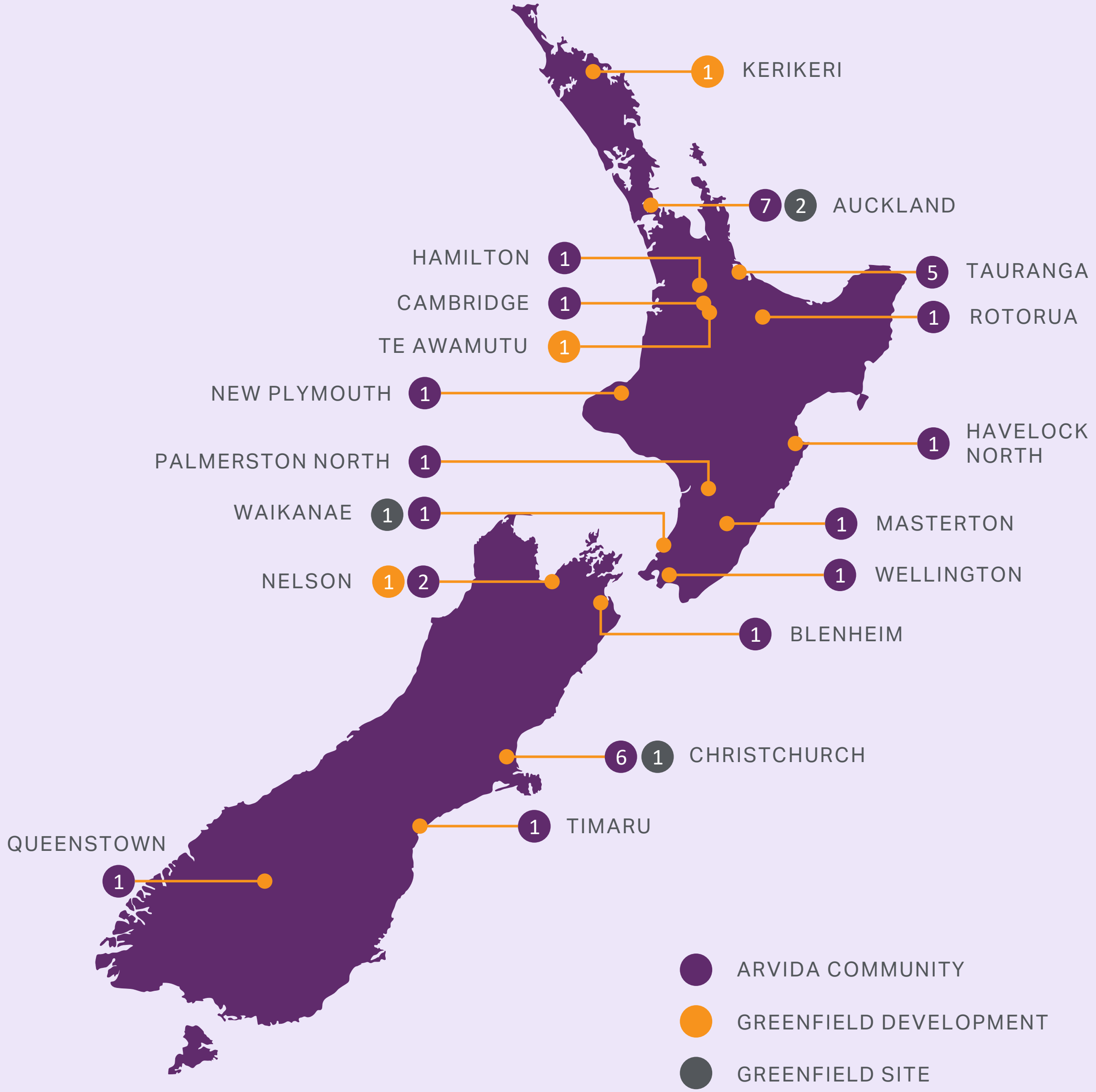
$1.2b
Embedded value

4219
ORA Units

1541
Care beds

2239
Units in landbank

$4.0b
Total assets



Product positioning

	Aged Care	Assisted Living	Independent Living
	Beds **PAC Beds**	**Care Suites** **Serviced Apts**	**Apartments** **Villas**
Overview	• Rest home, hospital and dementia level healthcare, with some centres having ‘swing’ beds to offer rest home or hospital level care • Dedicated on-site 24/7 clinical care teams certified by Te Whatu Ora	• Care services accessible (Care Suites up to hospital-level, Serviced Apts up to resthome) • Either dedicated clinical care team or co-located with care centre	• Independent living in Villas & Apartments • Preferential access to on site continuum of care accommodation • Urban or urban-fringe locations, with range of common amenity (e.g. clubhouse)
"Annuity" earnings	• Government or privately funded daily bed day rates providing income • Premium accommodation charges (PACs) apply to larger / better appointed rooms	• Occupation Right Agreement (ORA) is sold to an incoming resident • Cash flows generated from entry payment for ORA less exit payments and resale costs • DMF at 30% (amortised over 2 yrs, reset for Care Suite transfers at 15%) delivers annuity-like recurring revenue • Care service packages apply	• Occupation Right Agreement (ORA) is sold to an incoming resident • Cash flows generated from entry payment for ORA less exit payments and resale costs • DMF at 30% (amortised over 4 yrs) delivers annuity-like recurring revenue • Wellness packages available • Weekly village fee levies
Growth	• Growth in PACs • Optimisation post Covid	• Resale gains • Gross development pipeline of ~700 new Care Suites • Conversion of Beds to Care Suites	• Resale gains • Gross development pipeline of ~1,500 ILUs

Strategy update

Strategic Priorities	Identified Focus Areas	How We Measure
Capital discipline	Near-term development programme **prioritised** to villas	FY24: 1H 39% villas; 2H 100% villas
	Intensive / brownfield **builds phased**, preference to higher value sites	Deliveries: Aria Bay FY24, Queenstown FY25, Beth Shores FY26
	Prudent on capital deployment	Gearing within band
	Funding plan **alignment** to development profile	Debt facility refinanced, and restructured into core & development
Critical areas matured	People strategy to lift **employment brand** proposition	Refreshed 'values & purpose', reward proposition
	Workforce **planning** post-Covid	Phase 1 of workforce initiative underway
	IT roadmap	GM IT role introduced; resource and governance progress
	Organisational design improvements	Regional manager structure; GM Ops role pending
Focus on cash	Core **profitability** improved	Underlying EBITDA up 15%
	• Care occupancy	Occupancy 93%; now tracking to 94%
	• Fees & service packages	Funding increase; increase in fee and service packages
	Sales **momentum**	Sales volumes up 6% / gross value of sales up 2%
	Conversion of care beds/serviced apartments to premiumise	Two care suite conversion pilots identified, progressing

Portfolio at 30 September 2023

	Village	Region	Villas	Apts	SA	CS	RH	H	D	Total	Future Development[2]					
											2H24	FY25+	Villa	Apt	CS	Beds
1	Te Puna Waiora	Kerikeri	74	-	-	-	-	-	-	74	15	240	195	-	60	-
2	Aria Bay	Auckland North	-	91	17	59	-	-	-	167	-	-	-	-	-	-
3	Aria Gardens	Auckland North	-	-	-	-	42	91	20	153	-	-	-	-	-	-
4	Aria Park	Auckland City	-	-	46	-	30	54	-	130	-	72 (93)	-	-	72	-
5	Peninsula Club	Whangaparaoa	165	73	-	-	-	-	-	238	8	111 (58)	34	85	-	-
6	Mayfair	Auckland North	100	68	-	-	-	-	-	168	-	57 (68)	-	57	-	-
7	Knightsbridge	Auckland North	157	91	-	-	-	-	-	248	-	-	-	-	-	-
8	Parklane	Auckland North	99	-	58	-	-	-	-	157	-	58 (58)	-	-	58	-
9	Mt Eden Gardens	Auckland City	1	35	-	-	-	-	-	36	-	69 (36)	-	69	-	-
10	Cascades	Hamilton	-	5	32	-	42	32	-	111	-	80	-	50	30	-
11	Lauriston Park	Cambridge	198	-	-	63	-	-	-	261	-	-	-	-	-	-
12	Views	Tauranga	-	-	-	-	18	50	20	88	-	-	-	-	-	-
13	Copper Crest	Tauranga	158	29	-	55	-	-	-	242	-	-	-	-	-	-
14	Bethlehem Country Club	Tauranga	166	4	-	-	-	-	-	170	-	-	-	-	-	-
15	Bethlehem Shores	Tauranga	210	-	-	-	-	-	-	210	18	107	18	53	54	-
16	Ocean Shores	Mt Maunganui	126	84	-	-	-	-	-	210	-	-	-	-	-	-
17	Whai Mauri Ora	Te Awamutu	16	-	-	-	-	-	-	16	16	214	170	-	60	-
18	Glenbrae	Rotorua	98	-	35	-	13	28	-	174	-	-	-	-	-	-
19	Mary Doyle	Havelock North	185	48	46	-	26	64	60	429	-	-	-	-	-	-
20	Olive Tree	Palmerston North	95	-	41	-	22	12	17	187	-	-	-	-	-	-
21	Molly Ryan	New Plymouth	35	-	28	-	20	13	-	96	-	-	-	-	-	-
22	Waikanae Country Lodge	Kapiti	4	-	20	-	27	32	-	83	-	51	-	-	51	-
23	Lansdowne Park	Masterton	88	-	29	-	25	25	-	167	12	17	29	-	-	-
24	Village at the Park[1]	Wellington	51	123	17	-	-	42	33	266	-	-	-	-	-	-
		North Island Total	**2,026**	**651**	**369**	**177**	**265**	**443**	**150**	**4,081**	**69**	**1,076**	**446**	**314**	**385**	**-**

1. Portfolio metrics presented as if a 100% interest held. Arvida has a 50% interest in Village at the Park.
2. Gross units expected to be delivered (expected decommissions shown in brackets). Subject to final investment decision approval.

Portfolio at 30 September 2023

	Village	Region	Villas	Apts	SA	CS	RH	H	D	Total	Future Development[1] 2H24	FY25+	Villa	Apt	CS	Beds
25	Ashwood Park	Blenheim	18	-	35	-	47	48	26	174	-	-	-	-	-	-
26	The Wood	Nelson	5	-	36	-	30	47	-	118	-	-	-	-	-	-
27	Oakwoods	Nelson	116	-	45	-	22	26	-	209	-	64	-	20	44	-
28	Waimea Plains	Tasman	151	-	-	-	-	-	-	151	24	70	35	-	59	-
29	St Albans	Christchurch	-	21	60	-	27	10	-	118	-	-	-	-	-	-
30	Ilam	Christchurch	-	-	45	-	22	34	20	121	-	-	-	-	-	-
31	Mayfair	Christchurch	11	-	23	-	29	34	-	97	-	-	-	-	-	-
32	St Allisa	Christchurch	-	-	-	-	55	34	20	109	-	-	-	-	-	-
33	Park Lane	Christchurch	8	78	45	-	22	20	-	173	-	-	-	-	-	-
34	Rhodes on Cashmere	Christchurch	-	44	-	35	-	-	-	79	-	-	-	-	-	-
35	Queenstown Country Club	Queenstown	121	-	-	-	11	24	-	156	13	175	29	97	62	-
36	Strathallan	Timaru	51	-	48	-	13	42	20	174	-	-	-	-	-	-
		South Island Total	**481**	**143**	**337**	**35**	**278**	**319**	**86**	**1,679**	**37**	**309**	**64**	**117**	**165**	**-**

Development Land	Region	Villas	Apts	SA	CS	RH	H	D	Total	2H24	FY25+	Villa	Apt	CS	Beds
	Warkworth	-	-	-	-	-	-	-	-	-	250	200	-	50	-
	Waikanae Beach	-	-	-	-	-	-	-	-	-	248	188	-	60	-
	Lincoln	-	-	-	-	-	-	-	-	-	250	200	-	50	-
	Development Land Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**748**	**588**	**-**	**160**	**-**

Group Summary	Region	Villas	Apts	SA	CS	RH	H	D	Total	2H24	FY25+	Villa	Apt	CS	Beds
	North Island	2,026	651	369	177	265	443	150	4,081	69	1,574	834	314	495	-
	South Island	481	143	337	35	278	319	86	1,679	37	559	264	117	215	-
	New Zealand	**2,507**	**794**	**706**	**212**	**543**	**762**	**236**	**5,760**	**106**	**2,133**	**1,098**	**431**	**710**	**-**

1. Gross units expected to be delivered (expected decommissions shown in brackets). Subject to final investment decision approval.

RV valuation summary at 30 September 2023

						Valuer Growth Rates – ILUs						Valuer Growth Rates – SA & CS					
Village	**Region**	**Valuer**	**Valn ($000)**	**EV ($000)**	**Disc.**	**Yr1**	**Yr2**	**Yr3**	**Yr4**	**Yr5**	**Ave. Age**	**Yr1**	**Yr2**	**Yr3**	**Yr4**	**Yr5**	**Ave. Age**
Te Puna Waiora	Kerikeri	CBRE	61,000	5,204	16.00%	0.75%	1.50%	2.00%	2.50%	3.00%	77	-	-	-	-	-	-
Aria Bay	Auckland North	CBRE	85,350	28,387	14.25%	0.75%	1.50%	2.00%	3.00%	3.50%	80	0.50%	1.00%	2.00%	2.75%	3.25%	89
Aria Park	Auckland City	JLL	19,600	10,209	13.25%	-	-	-	-	-	-	0.75%	1.50%	2.50%	3.00%	3.50%	88
Peninsula Club	Whangaparaoa	CBRE	106,500	101,970	14.25%	0.75%	1.50%	1.75%	2.50%	3.50%	82	-	-	-	-	-	-
Mayfair	Auckland North	CBRE	57,100	52,170	14.50%	0.75%	1.50%	1.75%	2.50%	3.50%	82	-	-	-	-	-	-
Knightsbridge	Auckland North	JLL	139,000	125,263	13.25%	0.75%	1.50%	2.50%	3.00%	3.50%	81	-	-	-	-	-	-
Parklane	Auckland North	CBRE	63,700	46,172	14.35%	0.75%	1.50%	2.00%	2.50%	3.50%	83	0.00%	1.00%	2.00%	2.50%	3.00%	88
Mt Eden Gardens	Auckland City	CBRE	10,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cascades	Hamilton	CBRE	20,000	5,218	14.66%	0.75%	1.50%	1.00%	2.00%	3.50%	79	0.50%	1.00%	1.00%	2.00%	3.50%	89
Lauriston Park	Cambridge	JLL	95,500	70,943	13.50%	0.75%	1.50%	2.50%	3.00%	3.50%	81	0.00%	1.00%	2.25%	3.00%	3.50%	86
Copper Crest	Tauranga	CBRE	105,350	80,214	13.50%	0.75%	1.50%	2.00%	2.75%	3.50%	81	0.50%	1.00%	2.00%	2.50%	3.00%	86
Bethlehem Country Club	Tauranga	CBRE	87,400	79,471	13.75%	0.75%	1.50%	2.00%	2.50%	3.50%	81	-	-	-	-	-	-
Bethlehem Shores	Tauranga	CBRE	142,500	111,595	14.00%	0.75%	1.50%	2.00%	2.50%	3.50%	79	-	-	-	-	-	-
Ocean Shores	Mt Maunganui	JLL	103,800	98,353	13.75%	0.50%	1.25%	2.50%	3.00%	3.50%	82	-	-	-	-	-	-
Whai Mauri Ora	Te Awamutu	CBRE	29,700	-	16.50%	0.75%	1.50%	2.00%	2.50%	3.50%	-	-	-	-	-	-	-
Glenbrae	Rotorua	CBRE	32,950	21,785	15.25%	0.75%	1.50%	2.00%	2.50%	3.00%	86	0.50%	1.00%	1.00%	2.50%	3.00%	88
Mary Doyle	Havelock North	CBRE	98,800	87,137	14.50%	0.75%	1.50%	2.00%	2.50%	3.25%	83	0.50%	1.00%	2.00%	2.50%	3.00%	87
Olive Tree	Palmerston North	CBRE	24,750	21,997	15.50%	0.75%	1.50%	2.00%	2.50%	3.00%	84	0.50%	1.00%	1.00%	2.50%	3.00%	88
Molly Ryan	New Plymouth	JLL	11,900	8,030	15.00%	0.75%	1.50%	2.50%	3.00%	3.50%	86	1.00%	1.75%	2.50%	3.00%	3.50%	90
Waikanae Country Lodge	Kapiti	CBRE	7,600	4,621	16.00%	0.75%	1.50%	1.75%	2.00%	3.00%	89	0.50%	1.00%	1.50%	2.00%	2.50%	84
Lansdowne Park	Masterton	JLL	44,250	20,582	13.50%	0.50%	1.25%	2.50%	3.00%	3.50%	83	0.75%	1.50%	2.50%	3.00%	3.50%	86
Ashwood Park	Blenheim	JLL	9,740	6,166	13.75%	0.75%	1.50%	2.50%	3.00%	3.50%	86	1.00%	1.75%	2.50%	3.00%	3.50%	87
The Wood	Nelson	CBRE	11,750	5,563	13.50%	0.75%	1.50%	2.00%	3.00%	3.50%	87	0.50%	1.00%	2.00%	3.00%	3.50%	87
Oakwoods	Nelson	JLL	46,275	34,571	13.75%	0.75%	1.50%	2.50%	3.00%	3.50%	83	0.75%	1.50%	2.50%	3.00%	3.50%	87
Waimea Plains	Tasman	CBRE	50,300	19,737	14.00%	0.75%	1.50%	2.00%	2.50%	3.50%	77	-	-	-	-	-	-
St Albans	Christchurch	CBRE	21,300	5,761	14.00%	0.75%	1.50%	2.00%	3.00%	3.50%	82	0.50%	1.00%	2.00%	3.00%	3.50%	87
Ilam	Christchurch	JLL	13,775	4,971	12.50%	-	-	-	-	-	-	0.50%	1.50%	2.50%	3.00%	3.50%	87
Mayfair	Christchurch	JLL	7,625	4,017	14.50%	0.75%	1.50%	2.50%	3.00%	3.50%	83	0.50%	1.50%	2.50%	3.00%	3.50%	87
Park Lane	Christchurch	CBRE	33,650	15,167	13.75%	0.75%	1.50%	2.00%	3.00%	3.50%	79	0.50%	1.00%	2.00%	3.00%	3.50%	87
Rhodes on Cashmere	Christchurch	CBRE	33,750	10,329	14.00%	0.75%	1.50%	1.75%	3.00%	3.50%	78	0.50%	1.00%	2.00%	2.50%	3.00%	87
Queenstown Country Club	Queenstown	CBRE	104,850	41,393	14.50%	0.75%	1.50%	1.50%	2.50%	3.00%	79	-	-	-	-	-	-
Strathallan	Timaru	JLL	23,300	18,415	15.00%	0.75%	1.50%	2.50%	3.00%	3.50%	86	1.00%	1.50%	2.50%	3.00%	3.50%	87
	Totals		1,703,565	1,145,414							-						-
Joint venture[1]											-						-
Village at the Park	Wellington	CBRE	78,100	57,823	14.00%	0.75%	1.50%	2.00%	2.50%	3.50%	80	0.50%	1.00%	1.50%	2.50%	3.00%	81

1. Portfolio metrics presented as if a 100% interest held. Arvida has a 50% interest in Village at the Park.

Development staging

Brownfield Development

	Units	Design	Consenting	Construction	Sales
Bethlehem Shores Villas, Apartments & Care	125	●	●	●	●
Queenstown Country Club Villas, Apartments & Care	188	●	●	●	●
Lansdowne Park Villas	29	●	●	●	●
Peninsula Club Villas, Apartments & Care	119	●	●	●	○
Mayfair (Auckland) Apartments & Care	57	●	●	●	○
Aria Park Care	72	●	●	○	○
Parklane (Auckland) Apartments & Care	58	●	○	○	○
Mt Eden Gardens Apartments & Care	69	●	○	○	○
Cascades Apartments & Care	80	●	○	○	○
Waikanae Country Lodge Apartments & Care	51	●	○	○	○
Oakwoods Apartments	64	●	○	○	○
Total Brownfield	**912**				

Greenfield Development

	Units	Design	Consenting	Construction	Sales
Waimea Plains Villas & Care	94	●	●	●	●
Te Puna Waiora Villas & Care	255	●	●	●	●
Whai Mauri Ora Villas & Care	230	●	●	●	●
Waikanae Beach site Villas, Apartments & Care	248	●	●	○	○
Lincoln site Villas & Care	250	●	●	○	○
Warkworth site Villas & Care	250	●	●	○	○
Total Greenfield	**1,327**				
Total Pipeline Units	**2,239**				

Development units are subject to master planning and final board approvals, and accordingly are subject to change.

Additional disclosures

Village at the Park Sales Analysis[1]				
1H24	**Resales**		**New Sales**	
	Units	**$000**	**Units**	**$000**
Villas / apartments	7	$5,980	4	$4,280
Serviced apartments	1	$230	-	-
Care suites	-	-	-	-
Total sales of ORAs	**8**	**$6,210**	**4**	**$4,280**
Value $m	6.2		4.3	
Av. value per sale $000	776		1,070	
Gains (100%) $m	2.3		0.6	
Margin %	37%		15%	

Head Office NZ$m	1H24	1H23	YoY	FY23
Employee costs	7.1	5.7	25%	13.1
Other	5.0	5.9	(15%)	9.8
Total expense	**12.1**	**11.2**	**8%**	**22.9**
Capitalised wages	3.0	3.0	-	5.9

1. Portfolio metrics presented as if a 100% interest held. Arvida has a 50% interest in Village at the Park..

Additional disclosures | New unit inventory

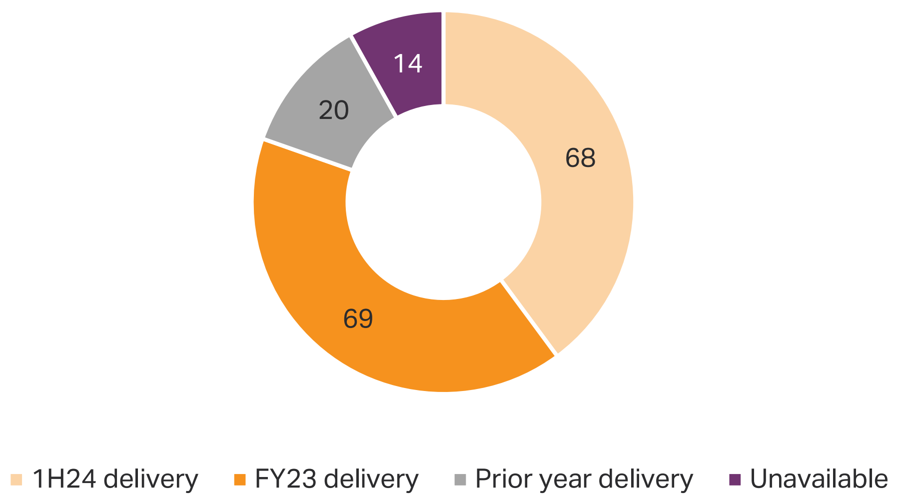
New Unit Inventory Analysis

Units	Villa	Apt	CS	Total
Sold	37	22	9	68
Available	67	29	31	127
Unavailable[1]	2	2	29	33
Total New Stock	**106**	**53**	**69**	**228**

NZ$m	Villa	Apt	CS	Total
Sold	36.7	18.1	3.5	58.3
Available	58.3	27.5	12.6	98.4
Unavailable[1]	2.2	1.2	10.4	13.8
Total Value of New Stock	**97.2**	**46.7**	**26.5**	**170.4**

- Since balance date:
  - 28 of the sold units with a value of $20.4m have settled
  - 15 of the available units with a value of $14.4m have sold

New Unit Inventory by Date Delivered NZ$m



1. Completed units unavailable for sale as occupied by transferred resident, residents occupying care suites under PAC or care suites not commissioned for admission.

Additional disclosures | Debt position

Components to increase in Net Debt from 31 March 2023 to 30 September 2023 NZ$m

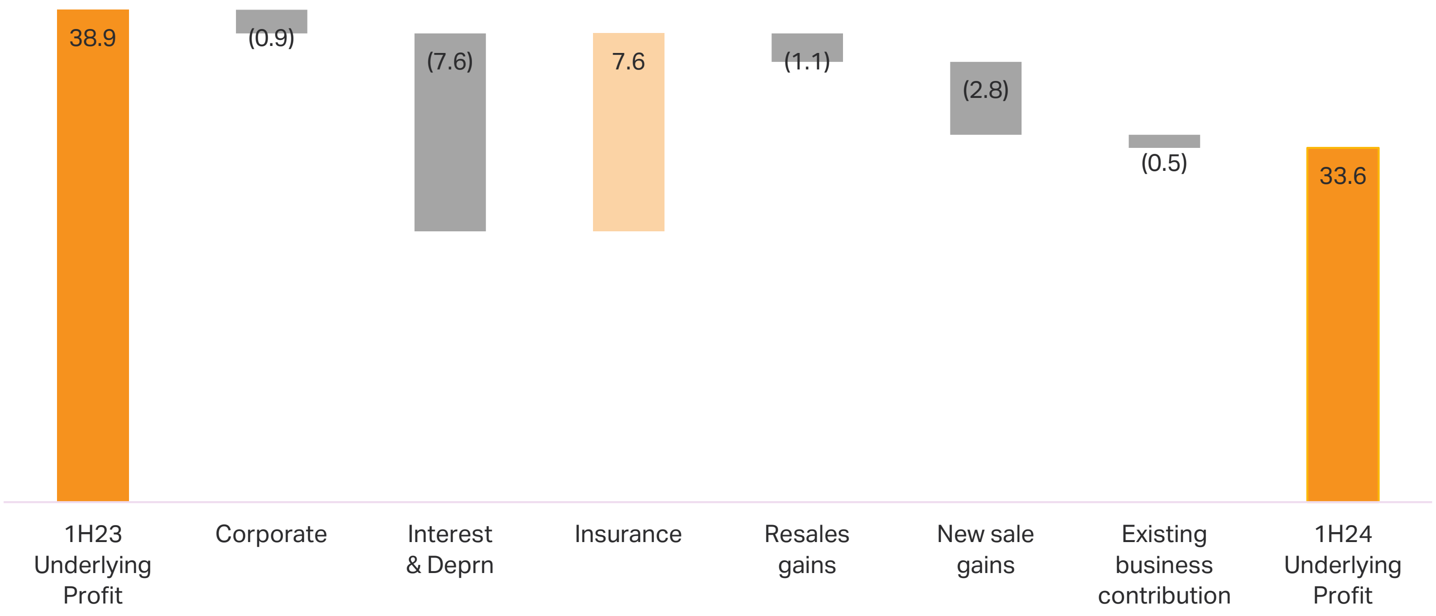
Settlements Reconciliation NZ$m	1H24
Resale Settlements	
Gross value of resale settlements	100.5
Less: VAP resale settlements	(6.2)
Less: Payments to outgoing ORAs	(33.6)
Less: Transfers	(21.0)
Movement in MIE, deferred settlements	(2.5)
Net cash flows from resales	**37.2**
New Sale Settlements	
Gross value of new sale settlements	70.9
Less: VAP new sale settlements	(4.3)
Less: Development transfers	(20.5)
Less: Care suite transfers	(3.4)
Movement in MIE, deferred settlements	1.4
Net cash flows from new sales	**44.1**

Additional disclosures | Capital expenditure

Capital Expenditure NZ$m	1H24	1H23	YoY	FY23
Acquisitions	20.2	40.0	(50%)	24.2
Purchase of furniture & fittings	4.8	3.9	23%	9.1
Development capital expenditure	138.3	105.1	32%	229.6
ILU refurbishment	10.5	6.2	69%	14.7
SA unit refurbishment	1.4	0.8	75%	1.2
Care facility refurbishment	1.2	0.4	200%	1.5
General building works	2.2	2.0	10%	4.1
Unit title buybacks	0.7	0.8	(13%)	2.8
Total capital expenditure	**179.3**	**159.2**	**13%**	**287.2**
Is represented by:				
Purchase of prop., plant & equip.	6.3	4.1	54%	9.5
Purchase of investment property	161.9	150.1	8%	264.1
Capitalised interest	11.1	5.0	122%	13.6
Net cash from investing activities	**179.3**	**159.2**	**13%**	**287.2**

Additional disclosures | Earnings bridge

Changes in components of Underlying Profit compared to 1H23 NZ$m



Definitions

Underlying Profit (or Underlying NPAT)

Underlying Profit is a non-GAAP unaudited financial measure used by Arvida to monitor financial performance and determine dividend distributions.

Arvida calculates Underlying Profit by making the following adjustments to Reported Net Profit after Tax:

- Removing the change in fair value of investment properties, property, plant and equipment and derivatives (from the Statement of Comprehensive Income);
- Removing any impairment of goodwill;
- Removing any loss on disposal of chattels from the decommissioning of development sites;
- Removing any gains on acquisition of subsidiaries;
- Adding back the Directors' estimate of realised gains on occupation right agreement units;
- Adding back the Directors' estimate of realised development margin on the cash settlement of the first sale of new ORA units following the development or conversion to an ORA unit;
- Adding back the deferred taxation component of taxation expense so that only current tax expense is reflected; and
- Adding back insurance amounts (material damage) and transaction costs.

Resale Gain

The Directors' estimate of realised gains on resales of ORA is calculated as the net cash flow received by Arvida on the settlement of the resale of pre-existing ORAs (i.e. the difference between the ORA licence payment received from the incoming resident and the ORA licence payment previously received from the outgoing resident).

Development Margin

The Directors' estimate of realised development margin is calculated as the cash received on settlement of the first sale of new ORA units less the development costs associated with developing the ORA units.

Development costs include:

- Construction costs directly attributable to the relevant project, including any required infrastructure (e.g. roading) and amenities related to the units (e.g. landscaping) as well as any demolition and site preparation costs associated with the project. The costs are apportioned between the ORA units, in aggregate, using estimates provided by the project quantity surveyor. The construction costs for the individual ORA units sold are determined on a pro-rated basis using gross floor areas of the ORA units;
- An apportionment of land valued based on the gross floor area of the ORA units and care suites developed. The value for brownfield development land is the acquisition cost or the estimated fair value of land at the time a change of use occurred (from operating as a care facility or retirement village to a development site), as assessed by an external independent valuer. Greenfield development land is valued at historical cost; and
- Capitalised interest costs to the date of project completion apportioned using the gross floor area of ORA units developed.

Development costs do not include:

- Construction, land (apportioned on a gross floor area basis) and interest costs associated with common areas and amenities or any operational or administrative areas.

Important notice

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