



NZX RELEASE

ARVIDA TO ACQUIRE ARENA LIVING RETIREMENT VILLAGE PORTFOLIO

Transaction highlights:

- > **Agreement to purchase Arena Living portfolio for \$345 million**
- > **Six retirement villages located in prime Auckland and Tauranga locations**
- > **Development opportunities include a new village in Mt Eden, introduction of over 100 care suites, and brownfield development at low density sites over time**
- > **Discounted purchase price at 0.88x CBRE 30 June 2021 valuation of \$394 million**
- > **FY22 Underlying Profit¹ per share percentage accretion in mid-teens on a pro forma basis**
- > **\$155 million underwritten placement and \$175 million underwritten rights offer to partially fund the acquisition**

15 October 2021 – Arvida Group Limited (NZX: ARV) (**Arvida**) is pleased to announce it has entered a conditional agreement to purchase 100% of the shares of Arena Living Holdings Limited (**Arena Living**) for approximately \$345 million².

Arena Living owns a portfolio of six retirement villages located on prime sites in Auckland and Tauranga. The villages include Peninsula Club, Mayfair Village, Knightsbridge Village, Parklane Village, Mt Eden Gardens and Ocean Shores Village.

In total, the acquisition of Arena Living will add 648 villas, 340 apartments and 58 serviced apartments to Arvida's existing portfolio of 4,325 units and beds, representing a 24% increase in portfolio size.

Arvida CEO Jeremy Nicoll said the Arena Living villages are established, predominantly large scale and villa-led, and are set across a combined 48 hectares of well located land.

"A portfolio of this scale in these locations is challenging to replicate, with most newer developments in desirable central Auckland and Tauranga locations being more apartment focused," said Mr Nicoll. "We have the ability to consider a range of future development and care options to enhance and improve resident and village amenity with the low-density spread-out nature of these sites."

Future development and intensification opportunities include advancing redevelopment of the Mt Eden Village into a boutique retirement residence, introducing care through retrofitting care suites, launching Arvida Good Friends home care services, and brownfield development on bare land or low-density sites over time.

In aggregate, Arvida has identified the opportunity to add over 100 care suites and over 150 units through a combination of retrofitting and site development.

Earnings Accretion

The purchase price of \$345 million represents an attractive 12% discount to the 30 June 2021 CBRE valuation of \$394 million.

Based on Arvida's estimate of earnings, the acquisition is expected to add \$32-34 million of Underlying Profit in FY22 on a pro forma basis. This translates to Underlying Profit per share percentage accretion in the mid-teens (on a pro forma basis) compared to broker consensus earnings for FY22.

¹ Underlying Profit is a non-GAAP unaudited financial measure and differs from NZ IFRS net profit after tax by replacing the fair value adjustment in investment property values with the Board's estimate of realised components of movements in investment property value and to eliminate unrealised, deferred tax and one-off items.

² Excludes estimated transaction costs of \$8m and estimated work in progress adjustments of \$10m.

Arena Living is being acquired in an off-market transaction from vendors that include funds managed or advised by Blackstone, one of the world's largest alternative asset managers.

Anthony Beverley, Arvida Chair, commenting said "We look forward to welcoming the Arena Living residents into the Arvida family, as we continue to expand our portfolio and bring our resident wellbeing and care models to more New Zealanders in retirement."

Acquisition Funding

Consideration for the acquisition and transaction costs is to be funded through a combination of new equity and debt as follows:

- \$155 million underwritten placement (**Placement**) at a price of \$1.96 per share;
- \$175 million underwritten 1 for 6.57 pro-rata renounceable rights offer (**Rights Offer**) at an issue price of \$1.85 per share; and
- \$23 million of bank debt.

The offer document for the Rights Offer will be released to the market on 22 October 2021, with individual Entitlement Letters being sent to eligible shareholders on the opening of the Rights Offer on 27 October 2021. Applications will only be accepted online at www.shareoffer.co.nz/arvida. The Rights Offer will close at 5pm, 8 November 2021, unless extended.

"The acquisition funding structure means Arvida shareholders will have the opportunity to participate in this opportunity," said Mr Beverley also noting that eligible shareholders would have the opportunity to apply for additional shares.

Both the Placement and Rights Offer have been fully underwritten by Forsyth Barr Group Limited and Jarden Partners Limited.

Completion of the acquisition is expected to occur on 15 November 2021, subject to customary closing conditions.

For further information in respect of the Placement and Rights Offer, please refer to the capital raising presentation that accompanies this NZX announcement.

— ENDS —

Investor Briefing

Jeremy Nicoll, Chief Executive Officer and Mark Wells, Chief Financial Officer will hold an investor briefing at 10:00am today (NZT). Analysts and investors can attend using the following telephone conference call dial-in and passcode details:

Passcode:	9738285
New Zealand	0800 667 018
Australia	1800 148 258 (or +61 2 8373 3580)

Other international codes:

Hong Kong	800 965 808
Singapore	800 852 8348

For more information, please contact:

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About Arvida:

Arvida is one of New Zealand's largest aged care providers owning and operating 32 retirement villages located nationally. Each village operates independently under a corporate structure that supports village operations to ensure quality and consistency of service. Arvida provides over 4,950 residents with a continuum of care that extends from independent living to full rest home, hospital and dementia-level care.

Arvida's growth strategy includes the acquisition of quality villages that meet strict acquisition criteria as well as the development of additional facilities at existing villages and targeted development of new villages in areas that are supported by a strong demographic and economic profile.

Arvida is listed on the NZX (NZX: ARV). Website: www.arvida.co.nz
