

NZX RELEASE

ARVIDA BOARD UNANIMOUSLY RECOMMENDS ACQUISITION BY STONEPEAK

Highlights:

- Arvida has entered into an agreement with Stonepeak BidCo for the sale of 100% of Arvida shares at a price of NZ\$1.70 per share in cash by means of a scheme of arrangement (“Scheme”).
- The Arvida Board unanimously recommends that shareholders vote in favour of the Scheme, subject to the Scheme consideration being within or above the independent adviser’s valuation range for Arvida shares and in the absence of a superior proposal.
- The Scheme represents a 65% premium to Arvida’s share price of NZ\$1.03 per share.^[1]
- Arvida’s Board and executive committee have actively and cooperatively engaged with Stonepeak to facilitate this agreement and are committed to concluding the sale.
- The Scheme is subject to a number of conditions, including New Zealand High Court approval, approval at a special meeting of shareholders of Arvida and consent under the Overseas Investment Act 2005.

22 July 2024 – Arvida Group Limited (“Arvida”) is pleased to announce that it has entered into a Scheme Implementation Agreement (“SIA”) with Stonepeak Alps BidCo Limited (“Stonepeak BidCo”), under which Stonepeak BidCo would acquire all of the shares in Arvida at NZ\$1.70 per share. Stonepeak BidCo is an indirect subsidiary of funds managed or advised by Stonepeak, a leading alternative investment firm specialising in infrastructure and real assets with approximately US\$71.2 billion of assets under management.

Details of Scheme

Under the SIA, on satisfaction of all conditions and completion of the Scheme, Stonepeak BidCo would acquire all shares in Arvida at NZ\$1.70 per share.

Stonepeak has carried out a comprehensive due diligence evaluation of Arvida and has committed to proceed with the acquisition subject to receipt of customary regulatory and shareholder approvals, including consent of the statutory supervisor for Arvida’s villages, together with other customary conditions. The Scheme is not subject to financing or due diligence conditions.

A special meeting of shareholders to approve the Scheme is expected to be held during the last quarter of this year. Arvida shareholders do not need to take any action at the current time.

The Board has concluded the offer price of NZ\$1.70 per share in cash represents compelling value, given the material premium, high certainty to completion, and overall attractiveness to Arvida shareholders.

Key value metrics include:

- a 65% premium to Arvida’s share price of NZ\$1.03 per share on 19 July 2024;
- a 82% premium to Arvida’s volume weighted average share price of NZ\$0.94 per share over the 30 trading days prior to this announcement;
- an acquisition multiple of 0.83x based on FY24 Net Tangible Assets of NZ\$2.05 per share; and
- an implied equity value of ~NZ\$1.2 billion.

A copy of the Scheme Implementation Agreement accompanies this announcement.

^[1] On 19 July 2024

Unanimous Directors' recommendation

The Arvida directors unanimously recommend that Arvida shareholders vote in favour of the Scheme and each director has undertaken to vote all Arvida shares held or controlled by them in favour of the Scheme, subject to:

- i. no Superior Proposal (as defined in the SIA) being received by Arvida; and
- ii. the Independent Adviser's Report concluding that the Scheme consideration is within or above the independent adviser's valuation range for Arvida shares.

Grant Samuel has been engaged to prepare the Independent Adviser's Report to assist Arvida's shareholders in assessing the merits of the Scheme.

Arvida Chair, Anthony Beverley said: "The Board of Arvida initiated a value recognition programme in May in order to maximise value for shareholders. Through that process it became clear that the Stonepeak proposal was superior to the other options the Board considered were realistically available to the Company and enabled shareholders to realise 100% of their investment at a material premium to the current share price. We are pleased to present this offer to shareholders. We believe that the Scheme is the best way to expedite the transaction and value recognition for shareholders. There is both a defined timeframe and an agreed price that all shareholders receive.

"We have confidentially appraised certain of our institutional shareholders, representing in aggregate ~18% of shares in Arvida, and they have advised that they are supportive of the offer.

"The Arvida and Stonepeak teams have worked constructively to reach this agreement and we are committed to concluding the sale. An important consideration for us in engaging with Stonepeak was that Stonepeak supported Arvida's business model and our strong focus on providing New Zealanders with exceptional retirement living and care. We believe Stonepeak has a sound understanding of Arvida and the retirement village market, and Stonepeak's strategy is aligned with Arvida's value and vision. Stonepeak intends to bring significant capital and operational expertise to support Arvida's senior management team and business plan; from a resident and staff point of view it will be very much business as usual."

Indicative timetable and next step

A scheme of arrangement is a court-approved process that requires both:

- (i) 75% or more of all votes cast by shareholders must be in favour of the Scheme; and
- (ii) more than 50% of the total voting rights attaching to Arvida shares must be voted in favour of the Scheme.

A Scheme Booklet containing information relating to the Scheme, the reasons for the Independent Directors' unanimous recommendation and meeting information, together with a copy of the Independent Adviser's Report, is currently expected to be sent to Arvida shareholders in Q3 2024.

The Board encourages shareholders to carefully consider all the materials that will be provided to them and to seek their own professional advice when it comes to the vote; either in person or by proxy.

"Based on recent feedback the Board has received from institutional and retail investors, including since the announcement of the value recognition programme, we are very confident of shareholder support for the Scheme."

Arvida shareholders will have the opportunity to vote on the Scheme at a meeting in Q4 2024. If all the conditions are satisfied or, where capable of waiver, waived, the Scheme is expected to be implemented in late Q4 2024. Note that these dates are indicative and subject to change.

Arvida is being advised by Cameron Partners Limited, Forsyth Barr Limited and Chapman Tripp.

– ENDS –

For more information, please contact:

Briar Malpas, Company Secretary
Email: briar.malpas@arvida.co.nz

For media queries, please contact:

Geoff Senescall, Senescall Akers
Tel: +64 21 481 234
Email: senescall@senescallakers.co.nz

About Arvida

Arvida is one of New Zealand's largest aged care providers owning and operating 35 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 a range of living and lifestyle options from independent living to full rest home, hospital and dementia-level care.

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

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

About Stonepeak

Stonepeak is a leading alternative investment firm specializing in infrastructure and real assets with approximately US \$71.2 billion of assets under management. Through its investment in defensive, hard-asset businesses globally, Stonepeak aims to create value for its investors and portfolio companies, with a focus on downside protection and strong risk-adjusted returns. Stonepeak, as sponsor of private equity and credit investment vehicles, provides capital, operational support, and committed partnership to grow investments in its target sectors, which include communications, energy and energy transition, transport and logistics, and real estate. Stonepeak is headquartered in New York with offices in Hong Kong, Houston, London, Singapore, and Sydney. For more information, please visit www.stonepeak.com.