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**THE OFFER WILL BE MADE IN THE UNITED STATES PURSUANT TO APPLICABLE LAWS AND REGULATIONS, INCLUDING SECTION 14(E) AND REGULATION 14E UNDER THE US EXCHANGE ACT. CK BIDCO AND ITS AFFILIATES AND AGENTS MAY PURCHASE CIVITAS SHARES OUTSIDE THE OFFER, OUTSIDE THE UNITED STATES, IN COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS, INCLUDING THE US EXCHANGE ACT.**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE UK VERSION OF THE MARKET ABUSE REGULATION (EU 596/2014) AS IT FORMS PART OF UK LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018, AS AMENDED**

**FOR IMMEDIATE RELEASE**

9 May 2023

**RECOMMENDED CASH OFFER**

**for**

**CIVITAS SOCIAL HOUSING PLC**

**by**

**WELLNESS UNITY LIMITED**

**(a wholly-owned indirect subsidiary of CK Asset Holdings Limited)**

**Summary**

- The boards of Wellness Unity Limited ("**CK Bidco**") and Civitas Social Housing PLC ("**Civitas**") announce that they have reached agreement on the terms of a recommended all-cash offer to be made by CK Bidco for the entire issued and to be issued share capital of Civitas, other than any Civitas Shares already held by CK Bidco (the "**Offer**"), to be implemented by way of a takeover offer within the meaning of Part 28 of the Companies Act.

**Offer terms**

- Under the terms of the Offer, each Civitas Shareholder will be entitled to receive:

**For each Civitas Share held**

**80 pence in cash**

**(the "Cash Consideration")**

- The Cash Consideration under the terms of the Offer values the entire issued share capital of Civitas (excluding treasury shares) at approximately £485 million.
- The Cash Consideration represents a premium of approximately:
  - 44.4 per cent. to the Closing Price of 55.4 pence per Civitas Share on 5 May 2023 (being the last Business Day prior to the date of this announcement);
  - 50.1 per cent. to the five trading day volume weighted average price of 53.3 pence per Civitas Share on 5 May 2023 (being the last Business Day prior to the date of this announcement);
  - 49.1 per cent. to the ten trading day volume weighted average price of 53.7 pence per Civitas Share on 5 May 2023 (being the last Business Day prior to the date of this announcement); and
  - 45.5 per cent. to the one-month volume weighted average price of 55.0 pence per Civitas Share on 5 May 2023 (being the last Business Day prior to the date of this announcement).
- In addition, Civitas Shareholders who are on the register as at the close of business on 19 May 2023 will also be entitled to receive and retain the quarterly dividend of 1.425 pence per Civitas Share in respect of the period from 1 January 2023 to 31 March 2023, as announced by the Civitas Board earlier today (the "**Fourth Quarter Dividend**").
- If, on or after the date of this announcement, any dividend and/or other distribution and/or return of capital (other than the Fourth Quarter Dividend) is declared, made or paid or becomes payable in respect of the Civitas Shares, CK Bidco reserves the right to reduce the Cash Consideration payable under the terms of the Offer for the Civitas Shares by an amount up to the amount of such dividend and/or other distribution and/or return of capital, in which case any reference in this announcement or in the Offer Document to the Cash Consideration payable under the terms of the Offer will be deemed to be a reference to the Cash Consideration as so reduced. In such circumstances, the relevant Civitas Shareholders will be entitled to receive and retain such dividend and/or other distribution and/or return of capital.
- The Cash Consideration payable to Civitas Shareholders under the terms of the Offer will be funded from the existing cash resources of the CKA Group.
- A valuation in respect of Civitas' property portfolio as at 31 March 2023 prepared in accordance with Rule 29 of the Takeover Code is set out in Appendix 4 to this announcement (the "**JLL Valuation Report**") and will be available on Civitas' website.

**Background to and reasons for the Offer**

- CKA is a long-term real asset investor with a focus on stable, profitable and cash flow generating businesses in the property and infrastructure sectors currently. In particular, CKA already has strong experience in the UK specialist social housing sector with existing ownership of a substantial property portfolio.
- CKA believes that Civitas' position as one of the leading social housing providers in the UK, and its social impact and earnings profile, are complementary to its investment criteria, and make for a suitable strategic fit.
- In addition, given the recent turbulent financing markets caused by macroeconomic uncertainties, CKA believes that its strong financial standing will be beneficial to Civitas in sourcing future financing commitments at an operational level during these times.
- Following the completion of the Offer, CKA intends to maintain Civitas Investment Management Limited ("CIM") as the investment adviser to Civitas so that the day-to-day management of the Civitas portfolio will continue uninterrupted, and CKA expects Civitas to maintain its position as one of the leading social housing providers benefitting vulnerable tenants in the UK.
- CKA does not expect there to be any disruption to tenants as a result of the Offer and will be focused on the continuation of relationships with regulated providers, care providers and the Regulator of Social Housing following the completion of the Offer.

### **Background to and reasons for the recommendation**

- The all-cash Offer of 80 pence for each Civitas Share values the entire issued share capital of Civitas (excluding treasury shares) at £485 million and provides shareholders the opportunity to exit in full and in cash at a significant premium to the current share price, representing:
  - a 44.4 per cent. premium to the Closing Price of 55.4 pence per Civitas Share on 5 May 2023 (being the last Business Day prior to the date of this announcement);
  - a 50.1 per cent. premium to the five trading day volume weighted average price of 53.3 pence per Civitas Share on 5 May 2023 (being the last Business Day prior to the date of this announcement);
  - a 49.1 per cent. premium to the ten trading day volume weighted average price of 53.7 pence per Civitas Share on 5 May 2023 (being the last Business Day prior to the date of this announcement);
  - a 45.5 per cent. premium to the one-month volume weighted average price of 55.0 pence per Civitas Share on 5 May 2023 (being the last Business Day prior to the date of this announcement); and
  - a 26.7 per cent. discount to the March 2023 IFRS NAV of 109.16 pence per Civitas Share.
- The Civitas Board believes the Offer undervalues the long-term prospects of Civitas but recognises that Civitas and the sector in which it operates faces a number of challenges in light of the current macro environment and outlook:

- considerable negative sentiment in the public markets towards Civitas and the social housing sector which the Civitas Board believes are unlikely to be overcome in the short to medium term and which will continue to have a material impact on Civitas' share price prospects; and
- despite delivering on revenue, IFRS NAV and dividend growth since the IPO, Civitas Shares have now traded for some time at an entrenched discount to net asset value.
- Civitas' portfolio represents a highly specialised asset class on a large scale requiring granular specialist expertise to manage the portfolio. CKA, as an existing investor in the UK specialist social housing sector, has the experience to be able to transact at this scale, and both invests in and has a strong working relationship with CIM, which will continue to manage the portfolio.

### **Recommendation of the Civitas Directors**

- The Civitas Directors, who have been so advised by Panmure Gordon (UK) Limited ("**Panmure Gordon**") and Liberum Capital Limited ("**Liberum**") as to the financial terms of the Offer, consider the terms of the Offer to be fair and reasonable. In providing advice to the Civitas Directors, Panmure Gordon and Liberum have taken into account the commercial assessments of the Civitas Directors. Panmure Gordon and Liberum are providing independent financial advice to the Civitas Directors for the purposes of Rule 3 of the Takeover Code.
- Accordingly, the Civitas Directors intend unanimously to recommend that Civitas Shareholders accept the Offer as the Civitas Directors who hold Civitas Shares have irrevocably undertaken to do in respect of their own beneficial holdings totalling 384,600 Civitas Shares (representing, in aggregate, approximately 0.06 per cent. of the existing issued share capital of Civitas (excluding treasury shares) as at 5 May 2023, being the last Business Day prior to the date of this announcement).
- In addition to the irrevocable undertakings given by the Civitas Directors, CIM and the executive directors of CIM have also given irrevocable undertakings to accept or procure the acceptance of the Offer which, when aggregated with the irrevocable undertakings from the Civitas Directors, amount to a total of 809,644 Civitas Shares (representing approximately 0.13 per cent. of the existing issued share capital of Civitas (excluding treasury shares) as at 5 May 2023, being the last Business Day prior to the date of this announcement).
- Further details of these irrevocable undertakings (including the circumstances in which they cease to be binding) are set out in Appendix 3 to this announcement.

### **Information relating to Civitas**

- Civitas is a real estate investment trust founded in 2016 when it successfully listed as a closed-ended investment company on the premium segment of the London Stock Exchange's Main Market with an investment objective focused on investing in a diversified portfolio of social housing in the United Kingdom.

- Civitas has an independent board of non-executive directors who are responsible for its investment decisions (other than to the extent delegated to its external alternative investment fund manager, G10 Capital Limited, and/or CIM) and the appointment, supervision and monitoring of Civitas' service providers, including, *inter alia*, the alternative investment fund manager and CIM. CIM is the investment adviser to Civitas and provides investment advice and asset management of Civitas property portfolio.
- Civitas' net rental income was £26.6 million for the six-month period to 30 September 2022, and it had an annual contracted rent roll of £55.0 million as at 30 September 2022. As at 30 September 2022, Civitas had a portfolio of 697 properties and 4,594 tenancies, supported by 130 specialist care providers and 18 Approved Providers over 178 local authority areas, all of which remain unchanged as at 31 March 2023 save that the number of specialist care providers has increased from 130 to 131 specialist care providers.

### **Information relating to CK Bidco and CKA**

- CK Bidco is a newly incorporated wholly-owned indirect subsidiary of CKA, which is a Hong Kong listed leading multinational corporation and has diverse capabilities with activities encompassing property development and investment, hotel and serviced suite operation, property and project management, pub operation, investment in infrastructure and utility asset operation. In particular, CKA already has strong experience in the UK specialist social housing sector with existing ownership of a substantial property portfolio.
- CKA is an indirect shareholder in CIM, Civitas' investment adviser. Neither CIM nor any individual (director or employee) from CIM is involved in CKA's consideration and implementation of the Offer.

### **Timetable and Conditions**

- It is intended that the Offer will be implemented by way of a takeover offer within the meaning of Part 28 of the Companies Act. The Offer will be subject to the Conditions and further terms set out in Appendix 1 to this announcement, and to be set out in full in the Offer Document, including, amongst others:
  - valid acceptances of the Offer being received in respect of such number of Civitas Shares which, when aggregated with the Civitas Shares already held, acquired or agreed to be acquired by CK Bidco and/or any of its wholly-owned subsidiaries, carry not less than 75 per cent. (or, subject to the Takeover Code, such lower percentage as CK Bidco may decide) of the voting rights then normally exercisable at a general meeting of Civitas; and
  - the CMA not taking steps to prohibit the completion of the Offer (or the CMA granting clearance following Phase 1 CMA Review).
- Subject to the satisfaction or (if permitted) waiver of the Conditions and certain further terms set out in Appendix 1, it is expected that the Offer will become or be declared unconditional during the third quarter of 2023.

- The Offer will extend to all Civitas Shares which are in issue as at the date of this announcement and any Civitas Shares which may be unconditionally allotted and/or issued and fully paid (or credited as fully paid) before the Offer closes (other than any Civitas Shares already held by CK Bidco).
- It is intended that the London Stock Exchange and the FCA will be requested respectively to cancel trading in Civitas Shares on the London Stock Exchange's Main Market for listed securities and the listing of the Civitas Shares from the Official List no earlier than 20 Business Days following the date on which the Offer becomes or is declared unconditional and CK Bidco has obtained 75 per cent. or more of the voting rights of Civitas. Delisting would significantly reduce the liquidity (if any) and marketability of any Civitas Shares not assented to the Offer at that time.
- It is intended that Civitas be re-registered as a private limited company as soon as practicable following the cancellation of the listing and trading of Civitas Shares.

Commenting on the Offer, Michael Wrobel, Non-executive Chair of Civitas, said:

*"Since our IPO in 2016, the Civitas portfolio has delivered consistently on its financial and social impact objectives.*

*Whilst the Civitas Board believes that the Offer undervalues the long-term prospects of Civitas as expressed by net asset value, we also recognise that Civitas, and its sector as a whole, faces a number of challenges in sentiment which the public markets are unlikely to overcome in the short to medium term.*

*The Offer provides liquidity to shareholders with the opportunity to exit in full and in cash at a significant premium to the current share price, in a time of macroeconomic uncertainty.*

*Moreover, CKA, as a current investor in the social housing sector, has a detailed understanding of the attractive fundamentals of the real estate and the expertise of the management team. The Civitas Board therefore considers the terms of the Offer to be fair and reasonable and we have recommended it to our shareholders."*

**The full terms of the Offer will be set out in the Offer Document and (in respect of Civitas Shares held in certificated form) the Form of Acceptance, which will be sent to Civitas Shareholders within 28 days of the date of this announcement. In deciding whether or not to accept the Offer in respect of their Civitas Shares, Civitas Shareholders should consider the information contained in, and the procedures described in, such documentation.**

**This summary should be read in conjunction with the full text of this announcement and its appendices. The Conditions to, and certain further terms of, the Offer are set out in Appendix 1. The bases and sources for certain financial information contained in this announcement are set out in Appendix 2. Details of irrevocable undertakings received by CK Bidco are set out in Appendix 3 to the announcement. The JLL Valuation Report in respect of Civitas' property portfolio as at 31 March 2023 prepared in accordance with Rule 29 of the Takeover Code is set out in Appendix 4 to**

**this announcement. Certain definitions and terms used in this announcement are set out in Appendix 5.**

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Clifford Chance LLP is acting as legal adviser to CKA and CK Bidco.  
Cadwalader, Wickersham & Taft LLP is acting as legal adviser to Civitas.

**Further information**

*HSBC Bank plc ("HSBC"), which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct*

*Authority and the Prudential Regulation Authority, is acting as financial adviser to CKA and no one else in connection with the matters described in this announcement and will not be responsible to anyone other than CKA for providing the protections afforded to clients of HSBC, or for providing advice in connection with the matters referred to herein. Neither HSBC nor any of its group undertakings or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of HSBC in connection with this announcement or any matter referred to herein.*

*Panmure Gordon (UK) Limited ("**Panmure Gordon**") and Liberum Capital Limited ("**Liberum**"), both of which are authorised and regulated in the United Kingdom by the FCA are acting as joint Rule 3 adviser, joint financial adviser and joint corporate broker exclusively for Civitas and no one else in connection with the Offer and the matters set out in this announcement and will not regard any other person as its client in relation to the Offer and the matters in this announcement and will not be responsible to anyone other than Civitas for providing the protections afforded to clients of Panmure Gordon or Liberum, nor for providing advice in relation to any matter referred to herein. Neither Panmure Gordon, nor Liberum nor any of their respective affiliates, directors, officers, employees, advisers or agents owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Panmure Gordon or Liberum in connection with this announcement, any statement contained herein or otherwise.*

*This announcement is for information purposes only and is not intended to, and does not, constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Offer or otherwise. The Offer will be made solely by the Offer Document, when issued, which (together with the Form of Acceptance in relation to Civitas Shares held in certificated form) will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted.*

*This announcement does not constitute a prospectus or prospectus equivalent document.*

## **Overseas Shareholders**

*This announcement has been prepared in accordance with English law, the Takeover Code, the Market Abuse Regulation and the Disclosure Guidance and Transparency Rules and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England.*

*The availability of the Offer to Civitas Shareholders who are not resident in and citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. The distribution of this announcement in jurisdictions other than the United Kingdom and the availability of the Offer to Civitas Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Offer disclaim any responsibility or*



*liability for the violation of such restrictions by any person. Further details in relation to Overseas Shareholders will be contained in the Offer Document.*

*Unless otherwise determined by CK Bidco or required by the Takeover Code, and permitted by applicable law and regulation, the Offer will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may accept the Offer by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Copies of this announcement and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported acceptance of the Offer. The Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.*

#### **Notice to US investors in Civitas**

*The Offer relates to the shares of an English company and is being made by means of a contractual takeover offer under the Takeover Code and under the laws of England and Wales. The Offer will be made in the United States pursuant to all applicable laws and regulations, including, to the extent applicable, Section 14(e) and Regulation 14E under the US Securities Exchange Act of 1934 (the "**US Exchange Act**") and otherwise in accordance with the requirements of the Takeover Code. Accordingly, the Offer will be subject to the disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that are different from those applicable under US domestic tender offer procedures and law. The Offer will be made in the United States by CK Bidco and no one else.*

*In accordance with, and to the extent permitted by, the Takeover Code and normal UK market practice, HSBC and its respective affiliates may continue to act as exempt principal traders or exempt market makers in Civitas Shares on the London Stock Exchange and will engage in certain other purchasing activities consistent with their respective normal and usual practice and applicable law, as permitted by Rule 14e-5(b)(9) under the US Exchange Act. In addition, CK Bidco, its affiliates, their advisors and nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, Civitas Shares outside the Offer, such as in open market purchases or privately negotiated purchases, during the offer period and the period in which the Offer remains open for acceptance. If such purchases or arrangements to purchase were to be made, they would be made outside the US and would comply with applicable law, including United Kingdom laws and the US Exchange Act. Any such purchases by CK Bidco or its affiliates will not be made at prices higher than the price of the Offer provided in this announcement unless the price of the Offer is increased accordingly. Any information about such purchases or arrangements to purchase shall be disclosed as required under United Kingdom laws and will be available to all investors (including US investors) via the Regulatory Information Service and shall be available on the London Stock Exchange website at*

[www.londonstockexchange.com](http://www.londonstockexchange.com). To the extent that such information is required to be publicly disclosed in the United Kingdom in accordance with applicable regulatory requirements, this information will, as applicable, also be publicly disclosed in the United States.

*It may be difficult for US holders of Civitas Shares to enforce their rights and any claim arising out of the US federal securities laws in connection with the Offer, since CK Bidco and Civitas are located in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. US holders of Civitas Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.*

*The financial information included in this announcement has been prepared in accordance with accounting standards applicable in the United Kingdom and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US ("US GAAP"). US GAAP differs in certain significant respects from accounting standards applicable in the United Kingdom. None of the financial information in this announcement has been audited in accordance with auditing standards generally accepted in the United States or the auditing standards of the Public Company Accounting Oversight Board (United States).*

*Neither the Offer nor this announcement have been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have such authorities approved or disapproved or passed judgement upon the fairness or the merits of the Offer, or determined if the information contained in this announcement is adequate, accurate or complete. Any representation to the contrary is a criminal offence in the United States. The receipt of cash pursuant to the Offer by a US holder as consideration for the transfer of its Civitas Shares pursuant to the Offer will likely be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each US holder of Civitas Shares is urged to consult their independent legal, tax and financial advisers regarding the tax consequences of the Offer applicable to them, including under applicable US state and local, as well as overseas and other, tax laws.*

### **Forward looking statements**

*This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Offer, and other information published by CK Bidco and Civitas contain statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of CKA and Civitas about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.*

*The forward-looking statements contained in this announcement include statements relating to the expected effects of the Offer on CK Bidco and Civitas (including their future prospects, developments and strategies), the expected timing and scope of the Offer and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is*

*expected", "is subject to", "budget", "projects", "strategy", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Although CK Bidco and/or Civitas (as appropriate) believe that the expectations reflected in such forward-looking statements are reasonable, CK Bidco and Civitas can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements.*

*These factors include, but are not limited to: the ability to complete the Offer; the ability to obtain requisite shareholder approvals and the satisfaction of other Conditions on the proposed terms and schedule; as future market conditions, changes in general economic and business conditions, the behaviour of other market participants, the anticipated benefits from the Offer not being realised as a result of changes in general economic and market conditions in the countries in which CK Bidco and Civitas operate, weak, volatile or illiquid capital and/or credit markets, changes in tax rates, interest rate and currency value fluctuations, the degree of competition in the geographic and business areas in which CK Bidco and Civitas operate and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors. Neither CK Bidco nor Civitas, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. You are cautioned not to place any reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations, neither CK Bidco nor Civitas is under any obligation, and CK Bidco and Civitas expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

### **Disclosure requirements of the Takeover Code**

*Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the Business Day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*

### **Publication on website and hard copies**

*This announcement and the documents required to be published pursuant to Rule 26.1 of the Takeover Code will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on CKA's website at <https://webfilter.ckah.com/WF07/> and Civitas' website at [www.civitasocialhousing.com/takeover-offer/](http://www.civitasocialhousing.com/takeover-offer/) promptly and in any event by no later than 12 noon (London time) on the Business Day following the publication of this announcement. The content of the websites referred to in this announcement is not incorporated into and does not form part of this announcement.*

*In accordance with Rule 30.3 of the Takeover Code, Civitas Shareholders and persons with information rights may request a hard copy of this announcement by contacting Civitas' registrars, Link Group, 10<sup>th</sup> Floor, Central Square, 29 Wellington Street, Leeds, England, LS1 4DL during business hours between 9.00 a.m. - 5.30 p.m., Monday to Friday excluding public holidays in England and Wales, on 0371 664 0391 (or +44 (0) 371 664 0391 from abroad). For persons who receive a copy of this announcement in electronic form or via a website notification, a hard copy of this announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to you in relation to the Offer should be in hard copy form.*

### **No profit forecasts, estimates or quantified benefits statements**

*Nothing in this announcement is intended, or is to be construed, as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for Civitas for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Civitas.*

### **Electronic Communications**

*Please be aware that addresses, electronic addresses and certain other information provided by Civitas Shareholders, persons with information rights and other relevant persons for the receipt of communications from Civitas may be provided to CK Bidco during the offer period as required under Section 4 of Appendix 4 of the Takeover Code.*

### **Rounding**

*Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of figures that precede them.*

### **Rule 2.9 of the Takeover Code**

*For the purposes of Rule 2.9 of the Takeover Code, Civitas confirms that, as at 5 May 2023, it had in issue 606,386,380 ordinary shares of £0.01 each (which figure excludes the 16,075,000 ordinary shares currently held in treasury). The International Securities Identification Number (ISIN) for the ordinary shares is GB00BD8HBD32.*

### **General**

*If you are in doubt about the contents of this announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor accountant or independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are a resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.*

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION**

**THE OFFER WILL BE MADE IN THE UNITED STATES PURSUANT TO APPLICABLE LAWS AND REGULATIONS, INCLUDING SECTION 14(E) AND REGULATION 14E UNDER THE US EXCHANGE ACT. CK BIDCO AND ITS AFFILIATES AND AGENTS MAY PURCHASE CIVITAS SHARES OUTSIDE THE OFFER, OUTSIDE THE UNITED STATES, IN COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS, INCLUDING THE US EXCHANGE ACT.**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE UK VERSION OF THE MARKET ABUSE REGULATION (EU 596/2014) AS IT FORMS PART OF UK LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018, AS AMENDED**

**FOR IMMEDIATE RELEASE**

**9 May 2023**

**RECOMMENDED CASH OFFER**

**for**

**CIVITAS SOCIAL HOUSING PLC**

**by**

**WELLNESS UNITY LIMITED**

**(a wholly-owned indirect subsidiary of CK Asset Holdings Limited)**

**1. Introduction**

The boards of Wellness Unity Limited ("**CK Bidco**") and Civitas Social Housing PLC ("**Civitas**") announce that they have agreed the terms of a recommended all-cash offer to be made by CK Bidco for the entire issued and to be issued share capital of Civitas, other than any Civitas Shares already held by CK Bidco (the "**Offer**").

It is intended that the Offer will be implemented by way of a takeover offer within the meaning of Part 28 of the Companies Act (although CK Bidco reserves the right to effect the Offer by way of a Scheme, subject to the consent of the Panel).

**2. The Offer**

Under the terms of the Offer, which will be on the terms and subject to the Conditions and further terms set out below and in Appendix 1 to this announcement, and to be set out in full in the Offer Document, Civitas Shareholders will be entitled to receive:

**For each Civitas Share held**

**80 pence in cash**

**(the "Cash Consideration")**

The Cash Consideration under the terms of the Offer values the entire issued share capital of Civitas (excluding treasury shares) at approximately £485 million.

The Cash Consideration represents a premium of approximately:

- 44.4 per cent. to the Closing Price of 55.4 pence per Civitas Share on 5 May 2023 (being the last Business Day prior to the date of this announcement);
- 50.1 per cent. to the five trading day volume weighted average price of 53.3 pence per Civitas Share on 5 May 2023 (being the last Business Day prior to the date of this announcement);
- 49.1 per cent. to the ten trading day volume weighted average price of 53.7 pence per Civitas Share on 5 May 2023 (being the last Business Day prior to the date of this announcement); and
- 45.5 per cent. to the one-month volume-weighted average price of 55.0 pence per Civitas Share on 5 May 2023 (being the last Business Day prior to the date of this announcement).

In addition, Civitas Shareholders who are on the register as at the close of business on 19 May 2023 will also be entitled to receive and retain the quarterly dividend of 1.425 pence per Civitas Share in respect of the period from 1 January 2023 to 31 March 2023, as announced by the Civitas Board earlier today (the "**Fourth Quarter Dividend**").

If, on or after the date of this announcement, any dividend and/or other distribution and/or return of capital (other than the Fourth Quarter Dividend) is declared, made or paid or becomes payable in respect of the Civitas Shares, CK Bidco reserves the right to reduce the Cash Consideration payable under the terms of the Offer for the Civitas Shares by an amount up to the amount of such dividend and/or other distribution and/or return of capital, in which case any reference in this announcement or in the Offer Document to the Cash Consideration payable under the terms of the Offer will be deemed to be a reference to the Cash Consideration as so reduced. In such circumstances, the relevant Civitas Shareholders will be entitled to receive and retain such dividend and/or other distribution and/or return of capital.

### 3. **Background to and reasons for the Offer**

CKA is a long-term real asset investor with a focus on stable, profitable and cash flow generating businesses in the property and infrastructure sectors currently. In particular, CKA already has strong experience in the UK specialist social housing sector with existing ownership of a substantial property portfolio.

CKA believes that Civitas' position as one of the leading social housing providers in the UK, and its social impact and earnings profile, are complementary to its investment criteria, and make for a suitable strategic fit.

In addition, given the recent turbulent financing markets caused by macroeconomic uncertainties, CKA believes that its strong financial

standing will be beneficial to Civitas in sourcing future financing commitments at an operational level during these times.

Following the completion of the Offer, CKA intends to maintain Civitas Investment Management Limited ("CIM") as the investment adviser to Civitas so that the day-to-day management of the Civitas portfolio will continue uninterrupted, and CKA expects Civitas to maintain its position as one of the leading social housing providers benefitting vulnerable tenants in the UK.

CKA does not expect there to be any disruption to tenants as a result of the Offer and will be focused on the continuation of relationships with regulated providers, care providers and the Regulator of Social Housing following the completion of the Offer.

#### 4. **Background to and reasons for the recommendation**

The all-cash Offer of 80 pence for each Civitas Share values the entire issued share capital of Civitas at £485 million and provides shareholders the opportunity to exit in full and in cash at a significant premium to the current share price, representing:

- a 44.4 per cent. premium to the Closing Price of 55.4 pence per Civitas Share on 5 May 2023 (being the last Business Day prior to the date of this announcement);
- a 50.1 per cent. premium to the five trading day volume weighted average price of 53.3 pence per Civitas Share on 5 May 2023 (being the last Business Day prior to the date of this announcement);
- a 49.1 per cent. premium to the ten trading day volume weighted average price of 53.7 pence per Civitas Share on 5 May 2023 (being the last Business Day prior to the date of this announcement);
- a 45.5 per cent. premium to the one-month volume weighted average price of 55.0 pence per Civitas Share on 5 May 2023 (being the last Business Day prior to the date of this announcement); and
- a 26.7 per cent. discount to the March 2023 IFRS NAV of 109.16 pence per Civitas Share.

The Civitas Board believes the Offer undervalues the long-term prospects of Civitas but recognises that Civitas and the sector in which it operates faces a number of challenges in light of the current macro environment and outlook:

- considerable negative sentiment in the public markets towards Civitas and the social housing sector which the Civitas Board believes are unlikely to be overcome in the short to medium term and which will continue to have a material impact on Civitas' share price prospects; and
- despite delivering on revenue, IFRS NAV and dividend growth since the IPO, Civitas Shares have now traded for some time at an entrenched discount to net asset value.

Civitas' portfolio represents a highly specialised asset class on a large scale requiring granular specialist expertise to manage the portfolio.



CKA, as an existing investor in the UK specialist social housing sector, has the experience to be able to transact at this scale, and both invests in and has a strong working relationship with CIM, which will continue to manage the portfolio.

Equity market sentiment to specialist supported housing has been poor, with ongoing negative commentary around the sector as a whole. The Civitas Board believes that this has largely been driven by some critical judgements issued by the Regulator of Social Housing about the long lease model and, in turn, some of Civitas' housing association providers, which has led to sustained negative press commentary around private sector involvement in the sector, particularly in the social housing trade press. An aggressive and vocal shortselling attack on Civitas in 2021 was widely covered by the media and created further negative sentiment. In addition, current equity market conditions mean that much of the REIT sector is currently trading at weakened valuations.

The Civitas Board published a detailed and robust response to the shortselling attack in 2021, and strongly believes and has demonstrated that the negative market sentiment is wholly unsupported by Civitas' consistent financial track record, fundamentals of the business, robust model and high levels of demand for the services that Civitas provides. In the current equity market environment, however, the Civitas Board believes that the share price is unlikely to recover to its former levels or closer to the IFRS NAV in the medium term, and recognises that the Offer provides liquidity to shareholders in a time of significant macroeconomic uncertainty.

The Civitas Board notes that, as detailed in paragraph 7 below, CKA intends to maintain CIM as the investment adviser to Civitas following completion of the Offer so that the day-to-day management of Civitas' portfolio will continue uninterrupted by the same team of specialists. This management team has been significantly expanded over the past two years, bringing in experts from the social housing, healthcare and financial sectors, who between them are carrying out a highly granular level of portfolio oversight, all geared towards the safety and wellbeing of tenants.

In addition, the portfolio being sold in a single transaction will further ensure continuity of operations and continuation of key relationships with housing associations and care providers.

CK Bidco is a newly incorporated wholly-owned indirect subsidiary of CKA, which is a Hong Kong listed leading multinational corporation with relevant capabilities including property development and investment, property and project management. CKA has the experience and the resources to purchase the whole portfolio in a single transaction and ensure management team continuity. CK Bidco does not expect there to be any disruption to tenants as a result of the Offer.

## **5. Civitas Board recommendation**

The Civitas Directors, who have been so advised by Panmure Gordon and Liberum as to the financial terms of the Offer, consider the terms of the Offer to be fair and reasonable. In providing advice to the Civitas Directors, Panmure Gordon and Liberum have taken into account the commercial assessments of the Civitas Directors. Panmure Gordon and

Liberum are providing independent financial advice to the Civitas Directors for the purposes of Rule 3 of the Takeover Code.

Accordingly, the Civitas Directors intend unanimously to recommend that Civitas Shareholders accept the Offer as the Civitas Directors who hold Civitas Shares have irrevocably undertaken to do in respect of their own beneficial holdings totalling 384,600 Civitas Shares (representing, in aggregate approximately 0.06 per cent. of the existing issued share capital of Civitas (excluding treasury shares) as at 5 May 2023, being the last Business Day prior to the date of this announcement).

Further details of these irrevocable undertakings (including the circumstances in which they cease to be binding) are set out in Appendix 3 to this announcement.

## 6. **Irrevocable undertakings**

In addition to the irrevocable undertakings given by the Civitas Directors as set out in paragraph 5 above, CIM and the executive directors of CIM have also given irrevocable undertakings to accept or procure the acceptance of the Offer in respect of their own beneficial holdings totalling 425,044 Civitas Shares (representing in aggregate approximately 0.07 per cent. of the existing issued share capital of Civitas (excluding treasury shares) as at 5 May 2023, being the last Business Day prior to the date of this announcement).

CK Bidco has therefore received irrevocable undertakings in respect of a total of 809,644 Civitas Shares (representing, in aggregate, approximately 0.13 per cent. of the existing issued share capital of Civitas (excluding treasury shares) as at 5 May 2023, being the last Business Day prior to the date of this announcement).

Further details of these irrevocable undertakings (including the circumstances in which they cease to be binding) are set out in Appendix 3 of this announcement.

## 7. **CK Bidco's strategic plans for Civitas and intentions regarding Civitas' directors, management, employees, pensions, research and development and locations**

### *CK Bidco's strategic plans for Civitas*

As set out in paragraph 3 above, CK Bidco believes that Civitas' position in social housing, social impact, earnings profile and substantial freehold estate make for a suitable strategic fit.

CK Bidco does not expect there to be any disruption to tenants as a result of the Offer and will be focused on the continuation of relationships with regulated providers, care providers and the Regulator of Social Housing following the completion of the Offer.

### *Portfolio development*

The high-quality nature of the property portfolio owned by Civitas is recognised by CK Bidco, and it is CK Bidco's intention to continue to develop this through acquisitions where appropriate opportunities present themselves. While CK Bidco has not been able to do detailed analysis of all properties due to the limited nature of the due diligence

performed, the intention is not to divest any property in the first 12 months following the Offer becoming unconditional, although no formal decision in this regard has been made.

#### *Potential refinancing*

The Civitas Group currently has five external debt facilities in place with an aggregate principal value of £367.9 million (the "**Existing Facilities**"), all of which contain provisions that will, following completion of the Offer and the delisting of Civitas, entitle the lenders to cancel their commitments and require repayment of all outstanding loans. CK Bidco intends to seek consents from the lenders under the Existing Facilities to waive such change of control provisions and keep the Existing Facilities in place, however, to the extent that the consent of any lender is not obtained, CK Bidco intends to refinance the relevant Existing Facility(ies) with either new external debt facility(ies) or the enlarged group's own cash resources.

#### *Investment Adviser*

CK Bidco recognises CIM's proven track record in the social housing sector, and its highly experienced team which has built a high-quality and diversified property portfolio as the investment adviser to Civitas.

As such, following the Offer becoming or being declared unconditional, CK Bidco believes that maintaining CIM as the investment adviser to Civitas under the existing investment management agreement (the "**Investment Management Agreement**") will benefit Civitas, and there is no current intention on CK Bidco's part to appoint any new investment adviser, nor is there any intention to amend or terminate the Investment Management Agreement.

#### *Existing employment rights and pensions, headquarters, fixed assets and research and development*

Civitas does not have any employees and therefore does not operate any pension schemes, nor does it have any arrangements in place for any employee involvement in its share capital. Civitas has no headquarters, office space, fixed assets (other than its property portfolio) or research and development function.

CK Bidco has no intention to change these features of Civitas or to introduce any management incentivisation arrangements following completion of the Offer.

It is expected that each of the Civitas Directors will resign as directors of Civitas on or shortly after the Offer becoming or being declared unconditional.

#### *Trading facilities*

Civitas Shares are currently listed on the Official List and admitted to trading on the London Stock Exchange. As set out in paragraph 13 below, if CK Bidco reaches the requisite acceptance thresholds, an application will be made to the London Stock Exchange for the cancellation of the trading of Civitas Shares on the Main Market, and to the FCA to request cancellation of the listing of Civitas Shares from the Official List. Delisting would significantly reduce the liquidity (if any)

and marketability of any Civitas Shares not assented to the Offer at that time.

None of the statements in this paragraph 7 constitute "post-offer undertakings" for the purposes of Rule 19.5 of the Takeover Code.

## 8. **Information relating to Civitas**

Civitas is a real estate investment trust founded in 2016 when it successfully listed as a closed-ended investment company on the premium segment of the London Stock Exchange's Main Market with an investment objective focused on investing in a diversified portfolio of social housing in the United Kingdom.

Civitas has an independent board of non-executive directors who are responsible for its investment decisions (other than to the extent delegated to its external alternative investment fund manager, G10 Capital Limited, and/or CIM) and the appointment, supervision and monitoring of Civitas' service providers, including, *inter alia*, the alternative investment fund manager and CIM. CIM is the investment adviser to Civitas and provides investment advice and asset management of Civitas' property portfolio.

Civitas' net rental income was £26.6 million for the six-month period to 30 September 2022, and it had an annual contracted rent roll of £55.0 million as at 30 September 2022. As at 30 September 2022, Civitas had a portfolio of 697 properties and 4,594 tenancies, supported by 130 specialist care providers and 18 Approved Providers over 178 local authority areas, all of which remain unchanged as at 31 March 2023 save that the number of specialist care providers has increased from 130 to 131 specialist care providers.

The JLL Valuation Report in respect of Civitas' property portfolio as at 31 March 2023 prepared in accordance with Rule 29 of the Takeover Code is set out in Appendix 4 to this announcement and will be available on Civitas' website.

For the purposes of Rule 29.5 of the Takeover Code, the Civitas Directors confirm that JLL has confirmed to the Civitas Directors that an updated valuation of Civitas' property portfolio as at the date of this announcement would not be materially different to the valuation contained in the JLL Valuation Report.

In the event that Civitas' property portfolio was to be sold at the valuation contained in the JLL Valuation Report, any gains realised on such disposals may be subject to taxation in the UK. Generally, disposals by a REIT of assets held for the purpose of a property rental business should be exempt from UK corporation tax. There are specific rules which can result in assets which are held as part of the property rental business being subject to corporation tax on disposal (for example, when a property is materially developed and sold within three years of completion of that development). It is not expected that these rules will apply to any property which is currently within the Civitas property portfolio.

The Civitas Directors do not believe that any properties within the Civitas property portfolio meet the conditions for assets held as part of the property rental business being subject to corporation tax on disposal. Accordingly, if the Civitas property portfolio was to be sold at

the valuation contained in the JLL Valuation Report, the Civitas directors estimate that no corporation tax liability would arise on that sale.

9. **Information relating to CK Bidco and CKA**

*CK Bidco*

CK Bidco is a newly incorporated wholly-owned indirect subsidiary of CKA (incorporated in Hong Kong).

CK Bidco has not traded since incorporation, nor has it entered into any obligations, other than in connection with the Offer.

*CKA*

CKA is a limited liability company incorporated in the Cayman Islands, which is registered in Hong Kong, and listed on the Main Board of the Hong Kong Stock Exchange.

CKA is a leading multinational corporation and has diverse capabilities with activities encompassing property development and investment, hotel and serviced suite operation, property and project management, pub operation, investment in infrastructure and utility asset operation. In particular, CKA already has strong experience in the UK specialist social housing sector with existing ownership of a substantial property portfolio.

CKA is an indirect shareholder in CIM, Civitas' investment adviser. Neither CIM nor any individual (director or employee) from CIM is involved in CKA's consideration and implementation of the Offer.

Further details in relation to CK Bidco and CKA will be contained in the Offer Document.

10. **Financing of the Offer**

The Cash Consideration payable to Civitas Shareholders pursuant to the Offer will be funded from the existing cash resources of the CKA Group.

HSBC, as financial adviser to CKA and CK Bidco is satisfied that sufficient resources are available to CK Bidco to satisfy in full the Cash Consideration payable to Civitas Shareholders under the terms of the Offer.

11. **Offer-related arrangements**

*Confidentiality Agreement*

On 21 July 2022, CKA and Civitas entered into a confidentiality agreement (the "**Confidentiality Agreement**") in relation to the Offer, pursuant to which, amongst other things, CKA has undertaken to keep confidential information relating to Civitas and to the Offer and not to disclose it to third parties (with certain exceptions). These confidentiality obligations will remain in force until the second anniversary of the date of the Confidentiality Agreement. The Confidentiality Agreement contains standstill provisions which restricted CKA from acquiring or seeking to acquire interests in the

securities of Civitas, with those restrictions ceasing to apply upon the release of this announcement.

## 12. Offer structure, timetable and Conditions to the Offer

It is intended that the Offer will be implemented by way of a takeover offer within the meaning of Part 28 of the Companies Act.

CK Bidco will make the Offer through the despatch of the Offer Document and Form of Acceptance, both of which will be posted to Civitas Shareholders (or made available electronically in accordance with the Takeover Code) no later than 28 days after the date of this announcement (unless agreed otherwise with the Panel). The Offer Document will contain the formal terms of, and Conditions applicable to, the Offer.

The Offer will be subject to the Conditions and further terms set out in Appendix 1 to this announcement, and to be set out in full in the Offer Document, including, amongst others:

- the Acceptance Condition; and
- the CMA not taking steps to prohibit the completion of the Offer (or the CMA granting clearance following Phase 1 CMA Review).

As described further in Appendix 1, and subject to the rules of the Takeover Code, the Acceptance Condition shall be satisfied once valid acceptances of the Offer have been received by no later than 1.00 p.m. on the Unconditional Date (or such other times and/or dates as CK Bidco may specify, subject to the rules of the Takeover Code and where applicable with the consent of the Panel) in respect of such number of Civitas Shares which, when aggregated with the Civitas Shares held, acquired or agreed to be acquired by CK Bidco and/or any of its wholly-owned subsidiaries, carry in aggregate not less than 75 per cent. of the voting rights then normally exercisable at a general meeting of Civitas.

CK Bidco may, in its absolute discretion, decide to waive the Acceptance Condition down to a lesser percentage in accordance with Rule 10 of the Takeover Code, provided that the Acceptance Condition will not be satisfied unless CK Bidco and/or any of its wholly-owned subsidiaries has acquired or agreed to acquire (whether pursuant to the Offer or otherwise) Civitas Shares carrying in aggregate more than 50 per cent. of the voting rights then exercisable at a general meeting of Civitas.

Subject to the satisfaction or (if permitted) waiver of the Conditions and certain further terms set out in Appendix 1, it is expected that the Offer will become or be declared unconditional during the third quarter of 2023.

The Offer shall lapse unless all of the Conditions have been fulfilled or, where permitted, waived or, where appropriate, have been determined by CK Bidco to be or remain satisfied, by midnight (London time) on the earlier of the Unconditional Date and the Long Stop Date (subject to the rules of the Takeover Code and, where applicable, the consent of the Panel). Further details are set out in Appendix 1.

CK Bidco will be making the Offer on behalf of itself and its Sister Bidcos (on behalf of whom CK Bidco is acting as agent, and not as principal), in each case as to the relevant proportion of Civitas Shares to be acquired by each pursuant to the Offer. Following the Offer becoming or being declared unconditional, the Civitas Shares in respect of which valid acceptance has been received will be transferred to CK Bidco and/or its Sister Bidcos in the relevant proportions, in consideration for which the Civitas Shareholders who have validly accepted the Offer shall receive the Cash Consideration on the basis set out in paragraph 2 of this announcement.

**13. Delisting, cancellation of trading and re-registration**

It is intended that the London Stock Exchange and the FCA will be requested respectively to cancel trading in Civitas Shares on the London Stock Exchange's Main Market for listed securities and the listing of the Civitas Shares from the Official List no earlier than 20 Business Days following the date on which the Offer becomes or is declared unconditional and CK Bidco has obtained 75 per cent. or more of the voting rights of Civitas.

Delisting would significantly reduce the liquidity (if any) and marketability of any Civitas Shares not assented to the Offer at that time.

It is intended that Civitas be re-registered as a private limited company as soon as practicable following the cancellation of the listing and trading of Civitas Shares.

If CK Bidco receives acceptances under the Offer in respect of, or has acquired or unconditionally contracted to acquire, 90 per cent. or more of the Civitas Shares to which the Offer relates, CK Bidco intends to exercise its rights pursuant to the provisions of Chapter 3 of Part 28 of the Companies Act to acquire compulsorily the remaining Civitas Shares in respect of which the Offer has not been accepted.

CK Bidco intends to terminate the dividend reinvestment plan operated by Civitas' registrar, Link Group, following the Offer becoming or being declared unconditional.

**14. Disclosure of interests in Civitas securities**

As at the close of business on 5 May 2023 (being the last Business Day prior to the date of this announcement), CIM held 167,664 Civitas Shares, representing approximately 0.03 per cent. of the existing issued share capital of Civitas (excluding treasury shares). As set out in paragraph 9 above, CKA is an indirect shareholder of CIM and as a result, CIM is deemed under the Takeover Code to be acting in concert with CKA. However, neither CIM nor any individual (director or employee) from CIM is involved in CKA's consideration and implementation of the Offer. In addition, as at the close of business on 5 May 2023 (being the last Business Day prior to the date of this announcement), a member of the CKA deal team in respect of the Offer held 20,000 Civitas Shares, representing approximately 0.003 per cent. of the existing issued share capital of Civitas (excluding treasury shares).

Save as disclosed in this announcement, as at the close of business on 5 May 2023 (being the last Business Day prior to the date of this

announcement), neither CK Bidco nor any of its directors, nor so far as CK Bidco is aware, any person acting in concert (within the meaning of the Takeover Code) with it for the purposes of the Offer: (i) had any interest in or right to subscribe for or had borrowed or lent any Civitas Shares or securities convertible or exchangeable into Civitas Shares; or (ii) had any short positions in respect of relevant securities of Civitas (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery; or (iii) has borrowed or lent any relevant securities of Civitas (including, for these purposes, any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Takeover Code) save for any borrowed shares which have been either on-lent or resold; or (iv) is a party to any dealing arrangement of the kind referred to in Note 11 on the definition of acting in concert in the Takeover Code.

It has not been practicable for CK Bidco to make enquiries of all of its concert parties in advance of the release of this announcement. Therefore, if CK Bidco becomes aware, following the making of such enquiries, that any of its concert parties have any additional interests in the relevant securities of Civitas, all relevant details in respect of CK Bidco's concert parties will be included in CK Bidco's Opening Position Disclosure in accordance with Rule 8.1(a) and Note 2(a)(i) on Rule 8 of the Takeover Code which must be made on or before 12 noon (London time) on 23 May 2023.

#### 15. **Documents available on website**

Copies of the following documents will be available promptly on CKA's website and Civitas' website, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, at <https://webfilter.ckah.com/WF07/> and [www.civitasocialhousing.com/takeover-offer/](http://www.civitasocialhousing.com/takeover-offer/) respectively and in any event by no later than 12 noon (London time) on the Business Day following the publication of this announcement:

- (a) this announcement;
- (b) the Confidentiality Agreement;
- (c) the irrevocable undertakings of the Civitas Directors referred to in paragraph 5;
- (d) the irrevocable undertakings of CIM and the executive directors of CIM referred to in paragraph 6;
- (e) the JLL Valuation Report;
- (f) the no material difference letter from JLL; and
- (g) the consent letters of HSBC, Panmure Gordon, Liberum and JLL.

The content of the websites referred to in this announcement is not incorporated into and does not form part of this announcement.

#### 16. **General**



The Offer will be on the terms and subject to the Conditions set out herein and in Appendix 1, and to be set out in full in the Offer Document and (in respect of Civitas Shares held in certificated form) the Form of Acceptance which will be sent to Civitas Shareholders within 28 days of this announcement.

The Civitas Shares will be acquired pursuant to the Offer with full title guarantee fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and any other interests of any nature whatsoever and together with all rights now or hereafter attaching thereto, including without limitation voting rights and the right to receive and retain in full all dividends and other distributions (if any) announced, declared, made or paid or any other return of value following the Offer becoming or being declared unconditional.

This announcement does not constitute an offer or an invitation to purchase or subscribe for any securities.

The implications of the Offer for persons resident in, or citizens of, jurisdictions outside the United Kingdom may be affected by the laws of the relevant jurisdictions. Such persons should inform themselves about and observe any applicable requirements.

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Clifford Chance LLP is acting as legal adviser to CKA and CK Bidco.  
Cadwalader, Wickersham & Taft LLP is acting as legal adviser to Civitas.

### **Further information**

*HSBC Bank plc ("**HSBC**"), which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority, is acting as financial adviser to CKA and no one else in connection with the matters described in this announcement and will not be responsible to anyone other than CKA for providing the protections afforded to clients of HSBC, or for providing advice in connection with the matters referred to herein. Neither HSBC nor any of its group undertakings or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of HSBC in connection with this announcement or any matter referred to herein.*

*Panmure Gordon (UK) Limited ("**Panmure Gordon**") and Liberum Capital Limited ("**Liberum**"), both of which are authorised and regulated in the United Kingdom by the FCA are acting as joint Rule 3 adviser, joint financial adviser and joint corporate broker exclusively for Civitas and no one else in connection with the Offer and the matters set out in this announcement and will not regard any other person as its client in relation to the Offer and the matters in this announcement and will not be responsible to anyone other than Civitas for providing the protections afforded to clients of Panmure Gordon or Liberum, nor for providing advice in relation to any matter referred to herein. Neither Panmure Gordon, nor Liberum nor any of their respective affiliates, directors, officers, employees, advisers or agents owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Panmure Gordon or Liberum in connection with this announcement, any statement contained herein or otherwise.*

*This announcement is for information purposes only and is not intended to, and does not, constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Offer or otherwise. The Offer will be made solely by the Offer Document, when issued, which (together with the Form of Acceptance in relation to Civitas Shares held in certificated form) will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted.*

*This announcement does not constitute a prospectus or prospectus equivalent document.*

## **Overseas Shareholders**

*This announcement has been prepared in accordance with English law, the Takeover Code, the Market Abuse Regulation and the Disclosure Guidance and Transparency Rules and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England.*

*The availability of the Offer to Civitas Shareholders who are not resident in and citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. The distribution of this announcement in jurisdictions other than the United Kingdom and the availability of the Offer to Civitas Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Offer disclaim any responsibility or liability for the violation of such restrictions by any person. Further details in relation to Overseas Shareholders will be contained in the Offer Document.*

*Unless otherwise determined by CK Bidco or required by the Takeover Code, and permitted by applicable law and regulation, the Offer will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may accept the Offer by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Copies of this announcement and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported acceptance of the Offer. The Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.*

## **Notice to US investors in Civitas**

*The Offer relates to the shares of an English company and is being made by means of a contractual takeover offer under the Takeover Code and under the laws of England and Wales. The Offer will be made in the United States pursuant to all applicable laws and regulations, including, to the extent applicable, Section 14(e) and Regulation 14E under the US Securities Exchange Act of 1934 (the "**US Exchange Act**") and otherwise in accordance with the requirements of the Takeover Code. Accordingly, the Offer will be subject to the disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that are different from those applicable under US domestic tender offer procedures and law. The Offer will be made in the United States by CK Bidco and no one else.*

*In accordance with, and to the extent permitted by, the Takeover Code and normal UK market practice, HSBC and its respective affiliates may continue to act as exempt principal traders or exempt market makers in Civitas Shares on the London Stock Exchange and will engage in certain other purchasing activities consistent with their respective normal and usual practice and applicable law, as permitted by Rule 14e-5(b)(9) under the US Exchange Act. In addition, CK Bidco, its affiliates, their advisors and nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, Civitas Shares outside the Offer, such as in open market purchases or privately negotiated purchases, during the offer period and the period in which the Offer remains open for acceptance. If such purchases or arrangements to purchase were to be made, they would be made outside the US and would comply with applicable law, including United Kingdom laws and the US Exchange Act. Any such purchases by CK Bidco or its affiliates will not be made at prices higher than the price of the Offer provided in this announcement unless the price of the Offer is increased accordingly. Any information about such purchases or arrangements to purchase shall be disclosed as required under United Kingdom laws and will be available to all investors (including US investors) via the Regulatory Information Service and shall be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com). To the extent that such information is required to be publicly disclosed in the United Kingdom in accordance with applicable regulatory requirements, this information will, as applicable, also be publicly disclosed in the United States.*

*It may be difficult for US holders of Civitas Shares to enforce their rights and any claim arising out of the US federal securities laws in connection with the Offer, since CK Bidco and Civitas are located in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. US holders of Civitas Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.*

*The financial information included in this announcement has been prepared in accordance with accounting standards applicable in the United Kingdom and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US ("US GAAP"). US GAAP differs in certain significant respects from accounting standards applicable in the United Kingdom. None of the financial information in this announcement has been audited in accordance with auditing standards generally accepted in the United States or the auditing standards of the Public Company Accounting Oversight Board (United States).*

*Neither the Offer nor this announcement have been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have such authorities approved or disapproved or passed judgement upon the fairness or the merits of the Offer, or determined if the information contained in this announcement is adequate, accurate or complete. Any representation to the contrary is a criminal offence in the United States. The receipt of cash pursuant to the Offer by a US holder as consideration for the transfer of its Civitas Shares pursuant to the Offer will likely be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each US holder of Civitas Shares is urged to consult their independent legal, tax and financial advisers regarding the tax*

*consequences of the Offer applicable to them, including under applicable US state and local, as well as overseas and other, tax laws.*

### **Forward looking statements**

*This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Offer, and other information published by CK Bidco and Civitas contain statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of CKA and Civitas about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.*

*The forward-looking statements contained in this announcement include statements relating to the expected effects of the Offer on CK Bidco and Civitas (including their future prospects, developments and strategies), the expected timing and scope of the Offer and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "projects", "strategy", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Although CK Bidco and/or Civitas (as appropriate) believe that the expectations reflected in such forward-looking statements are reasonable, CK Bidco and Civitas can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements.*

*These factors include, but are not limited to: the ability to complete the Offer; the ability to obtain requisite shareholder approvals and the satisfaction of other Conditions on the proposed terms and schedule; as future market conditions, changes in general economic and business conditions, the behaviour of other market participants, the anticipated benefits from the Offer not being realised as a result of changes in general economic and market conditions in the countries in which CK Bidco and Civitas operate, weak, volatile or illiquid capital and/or credit markets, changes in tax rates, interest rate and currency value fluctuations, the degree of competition in the geographic and business areas in which CK Bidco and Civitas operate and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors. Neither CK Bidco nor Civitas, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. You are cautioned not to place any reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations, neither CK Bidco nor Civitas is under any obligation, and CK Bidco and Civitas expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

## **Disclosure requirements of the Takeover Code**

*Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the Business Day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*

## **Publication on website and hard copies**

*This announcement and the documents required to be published pursuant to Rule 26.1 of the Takeover Code will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on CKA's website at*

<https://webfilter.ckah.com/WF07/> and Civitas' website at [www.civitassocialhousing.com/takeover-offer/](http://www.civitassocialhousing.com/takeover-offer/) promptly and in any event by no later than 12 noon (London time) on the Business Day following the publication of this announcement. The content of the websites referred to in this announcement is not incorporated into and does not form part of this announcement.

*In accordance with Rule 30.3 of the Takeover Code, Civitas Shareholders and persons with information rights may request a hard copy of this announcement by contacting Civitas' registrars, Link Group, 10<sup>th</sup> Floor, Central Square, 29 Wellington Street, Leeds, England, LS1 4DL during business hours between 9.00 a.m. - 5.30 p.m., Monday to Friday excluding public holidays in England and Wales, on 0371 664 0391 (or +44 (0) 371 664 0391 from abroad). For persons who receive a copy of this announcement in electronic form or via a website notification, a hard copy of this announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to you in relation to the Offer should be in hard copy form.*

### **No profit forecasts, estimates or quantified benefits statements**

*Nothing in this announcement is intended, or is to be construed, as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for Civitas for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Civitas.*

### **Electronic Communications**

*Please be aware that addresses, electronic addresses and certain other information provided by Civitas Shareholders, persons with information rights and other relevant persons for the receipt of communications from Civitas may be provided to CK Bidco during the offer period as required under Section 4 of Appendix 4 of the Takeover Code.*

### **Rounding**

*Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of figures that precede them.*

### **Rule 2.9 of the Takeover Code**

*For the purposes of Rule 2.9 of the Takeover Code, Civitas confirms that, as at 5 May 2023, it had in issue 606,386,380 ordinary shares of £0.01 each (which figure excludes the 16,075,000 ordinary shares currently held in treasury). The International Securities Identification Number (ISIN) for the ordinary shares is GB00BD8HBD32.*

### **General**

*If you are in doubt about the contents of this announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor accountant or independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are a resident in the United*

*Kingdom or, if not, from another appropriately authorised independent financial adviser.*



**APPENDIX 1**  
**CONDITIONS AND FURTHER TERMS OF THE OFFER**

**Part A :        Conditions to the Offer**

**Acceptance Condition**

1.        The Offer is subject to valid acceptances of the Offer being received (and not validly withdrawn in accordance with the rules and requirements of the Takeover Code and the terms of the Offer) by no later than 1.00 p.m. (London time) on the Unconditional Date (or such other time(s) and/or date(s) as CK Bidco may, in accordance with the Takeover Code and, where applicable, with the consent of the Panel, decide) in respect of such number of Civitas Shares which, when aggregated with the Civitas Shares held, acquired or agreed to be acquired by CK Bidco and/or any of its wholly-owned subsidiaries (whether pursuant to the Offer or otherwise), before such time, will result in CK Bidco and/or any of its wholly-owned subsidiaries together holding in aggregate Civitas Shares carrying not less than 75 per cent. of the voting rights then normally exercisable at a general meeting of Civitas, provided that this condition will not be satisfied unless CK Bidco and/or any of its wholly-owned subsidiaries holds, shall have acquired or have agreed to acquire (whether pursuant to the Offer or otherwise), Civitas Shares carrying in aggregate more than 50 per cent. of the voting rights then normally exercisable at a general meeting of Civitas. Unless the Panel consents otherwise, this Condition shall only be capable of being satisfied when all other Conditions set out in paragraph 2 below have been either satisfied or waived.

For the purposes of this Acceptance Condition:

- (i)        Civitas Shares that have been unconditionally allotted but not issued before the Offer becomes or is declared unconditional, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise, shall be deemed to carry the voting rights they will carry upon issue;
- (ii)        all percentages of voting rights, share capital and relevant securities are to be calculated by reference to the number of issued Civitas Shares excluding any and all shares held in treasury by Civitas from time to time; and
- (iii)        valid acceptances shall be deemed to have been received in respect of Civitas Shares which are treated for the purposes of Part 28 of the Companies Act as having been acquired or contracted to be acquired by CK Bidco by virtue of acceptances of the Offer or otherwise.

**Other conditions**

2.        Subject to the requirements of the Panel, the Offer will also be conditional upon the following Conditions and, accordingly, the Offer will not become or be declared unconditional unless the following Conditions (as amended if appropriate) have been satisfied or waived:

**Antitrust**

- (a)        at the date on which all other Conditions in this paragraph 2 are satisfied or waived, either:

- (i) (I) in response to a briefing paper, the CMA having indicated that it has no further questions at that stage in relation to the Offer; and (II) the CMA not having initiated a Phase 1 CMA Review in relation to the Offer and that CK Bidco, acting reasonably, is satisfied that there is no indication that the CMA is minded to initiate such a review; and (III) the CMA not having taken any steps that would prevent the lawful completion of the Offer, including for the avoidance of doubt that no order made under section 72, or made or adopted (as the case may be) under paragraph 2 of Schedule 7, of the Enterprise Act 2002 is in force prohibiting the lawful completion of the Offer; or
- (ii) if the CMA has initiated a Phase 1 CMA Review in relation to the Offer, confirmation having been received by CK Bidco from the CMA that either:
  - (A) the CMA does not intend to make a Phase 2 CMA Reference, or the CMA being precluded from making a Phase 2 CMA Reference by sections 22(3)(za) or 33(3)(za) of the Enterprise Act 2002; or
  - (B) the CMA has accepted undertakings in lieu of a Phase 2 CMA Reference in respect of the Offer under section 73 of the Enterprise Act 2002.

#### **Other Third Party clearances**

- (b) other than in respect of the CMA (to which Condition 3(a) shall apply), no central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution, environmental body, employee representative body or any other body or person whatsoever having similar authority with respect to the Offer in any jurisdiction (each a "**Third Party**") having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and in each case, not having withdrawn the same), or having required any action to be taken or otherwise having done anything or having enacted, made or proposed any statute, regulation, decision, order or change to published practice (and in each case, not having withdrawn the same) and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected to:
  - (i) make the Offer, its implementation or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, any member of the Wider Civitas Group by any member of the Wider CKA Group void, voidable, illegal and/or unenforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly prevent, prohibit, or materially restrain, restrict, impede, challenge, delay or otherwise materially interfere with the approval or implementation of, or impose additional material conditions or obligations

with respect to, the Offer or any matter arising from the proposed acquisition of any shares or other securities in, or control or management of, any member of the Wider Civitas Group by any member of the Wider CKA Group;

- (ii) require, prevent or materially delay the divestiture or materially alter the terms envisaged for such divestiture by any member of the Wider CKA Group or by any member of the Wider Civitas Group of all or any material part of their businesses, assets or property or impose any limitation on the ability of all or any of them to conduct their businesses (or any part thereof) or to own, control or manage any of their assets or properties (or any part thereof) to an extent which is material in the context of the Wider Civitas Group taken as a whole or the Wider CKA Group taken as a whole;
- (iii) impose any limitation on, or result in a delay in, the ability of any member of the Wider CKA Group directly or indirectly to acquire or hold or to exercise effectively all or any rights of ownership in respect of shares or other securities in Civitas (or any member of the Wider Civitas Group) or on the ability of any member of the Wider Civitas Group or any member of the Wider CKA Group directly or indirectly to hold or exercise effectively any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise management control over, any member of the Wider Civitas Group, in each case or taken together, to an extent which is material in the context of the Wider Civitas Group taken as a whole or the Wider CKA Group taken as a whole;
- (iv) other than pursuant to the implementation of the Offer, require any member of the Wider CKA Group or the Wider Civitas Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider Civitas Group or any asset owned by any third party, which, in each case or taken together, is material in the context of the Wider Civitas Group or the Wider CKA Group, in either case taken as a whole;
- (v) require, prevent or materially delay a divestiture by any member of the Wider CKA Group of any shares or other securities (or the equivalent) in any member of the Wider Civitas Group;
- (vi) result in any member of the Wider Civitas Group ceasing to be able to carry on business under any name under which it presently carries on business to an extent which is material in the context of the Wider Civitas Group taken as a whole;
- (vii) impose any limitation on the ability of any member of the Wider CKA Group or any member of the Wider Civitas Group to conduct, integrate or co-ordinate all or any part of their respective businesses with all or any

part of the business of any other member of the Wider CKA Group and/or the Wider Civitas Group in a manner which is adverse and material to the Wider CKA Group and/or the Wider Civitas Group, in either case, taken as a whole; or

- (viii) except as Disclosed, otherwise affect the business, assets, value, profits, prospects or operational performance of any member of the Wider Civitas Group or any member of the Wider CKA Group, in each case or taken together, in a manner which is adverse to and material in the context of the Wider Civitas Group taken as a whole or of the obligations of any members of the Wider CKA Group taken as a whole;

and all applicable waiting and other time periods (including any extensions thereof) during which any such Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Offer or proposed acquisition of any Civitas Shares or otherwise intervene having expired, lapsed, or been terminated;

- (c) other than in respect of the CMA (to which Condition 3(a) shall apply), no undertakings or assurances being required from CKA, any member of the Wider CKA Group or any member of the Wider Civitas Group by the Secretary of State or any other Third Party, except on terms reasonably satisfactory to CK Bidco;
- (d) other than in respect of the CMA (to which Condition 3(a) shall apply), all notifications, filings or applications which are reasonably deemed by CK Bidco to be necessary or appropriate having been made in connection with the Offer and all necessary waiting and other time periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory and regulatory obligations in any jurisdiction having been complied with in each case in respect of the Offer and all Authorisations which are reasonably deemed by CK Bidco to be necessary or appropriate in any jurisdiction for or in respect of the Offer or the proposed acquisition of any shares or other securities in, or control of, Civitas by any member of the Wider CKA Group having been obtained in terms and in a form reasonably satisfactory to CK Bidco from all appropriate Third Parties or (without prejudice to the generality of the foregoing) from any person or bodies with whom any member of the Wider Civitas Group or the Wider CKA Group has entered into contractual arrangements and all such Authorisations which are reasonably deemed by CK Bidco to be necessary or appropriate to carry on the business of any member of the Wider Civitas Group in the manner and in any jurisdiction in which such business is currently conducted having been obtained in each case where the direct consequence of a failure to make such notification or filing or to wait for the expiry, lapse or termination of any such waiting or other time period or to comply with such obligation or obtain such Authorisation would be unlawful in any relevant

jurisdiction or, in each case or taken together, have a material adverse effect on the Wider Civitas Group, any member of the Wider CKA Group or the ability of CK Bidco to implement the Offer and all such Authorisations remaining in full force and effect at the time at which the Offer becomes otherwise unconditional and there being no notice or intimation of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations;

### **Confirmation of absence of adverse circumstances**

- (e) except as Disclosed, there being no provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider Civitas Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or be subject or any event or circumstance which, as a consequence of the Offer or the proposed acquisition by any member of the Wider CKA Group of any shares or other securities in Civitas or because of a change in the control or management of any member of the Wider Civitas Group or otherwise, would or might reasonably be expected to result in, and in each case or taken together, to an extent which is material in the context of the Wider Civitas Group taken as a whole:
  - (i) any monies borrowed by, or any other indebtedness, actual or contingent of, or any grant available to, any member of the Wider Civitas Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
  - (ii) the rights, liabilities, obligations, interests or business of any member of the Wider Civitas Group or any member of the Wider CKA Group under any such arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider Civitas Group or any member of the Wider CKA Group in or with any other firm or company or body or person (or any agreement or arrangement relating to any such business or interests) being or becoming capable of being terminated or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken or arising thereunder;
  - (iii) any member of the Wider Civitas Group ceasing to be able to carry on business under any name under which it presently carries on business;
  - (iv) any assets or interests of, or any asset the use of which is enjoyed by, any member of the Wider Civitas Group being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to

be available to any member of the Wider Civitas Group otherwise than in the ordinary course of business;

- (v) the creation, save in the ordinary and usual course of business, or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider Civitas Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen), becoming enforceable;
- (vi) the business, assets, value, financial or trading position, profits, prospects or operational performance of any member of the Wider Civitas Group being prejudiced or adversely affected;
- (vii) the creation or acceleration of any liability (actual or contingent) by any member of the Wider Civitas Group other than trade creditors or other liabilities incurred in the ordinary course of business; or
- (viii) any liability of any member of the Wider Civitas Group to make any severance, termination, bonus or other payment to any of its directors;

**No material transactions, claims or changes in the conduct of the business of the Wider Civitas Group**

- (f) except as Disclosed, no member of the Wider Civitas Group having since 31 March 2022:
  - (i) save as between Civitas and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, issued or agreed to issue or authorised or proposed or announced its intention to authorise or propose the issue of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of Civitas Shares out of treasury;
  - (ii) save for the Fourth Quarter Dividend, recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus issue, dividend or other distribution (whether payable in cash or otherwise) other than to Civitas, one of its wholly-owned subsidiaries or between such wholly-owned subsidiaries;
  - (iii) save as between Civitas and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, merged with (by statutory merger or otherwise) or demerged from or acquired any corporate, partnership or business or acquired or disposed of, or, other than in the ordinary course of business, transferred, mortgaged or charged or created any security interest over, any assets or any right, title or interest in any asset (including shares and trade investments) or authorised, proposed or

announced any intention to do so in each case or taken together, to an extent material in the context of the Wider Civitas Group;

- (iv) save as between Civitas and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, made, authorised, proposed or announced an intention to propose any change in its loan capital;
- (v) issued, authorised or proposed or announced an intention to authorise or propose the issue of, or made any change in or to the terms of, any debentures or (save in the ordinary course of business and save as between Civitas and its wholly-owned subsidiaries or between such wholly-owned subsidiaries) incurred or increased any indebtedness or become subject to any contingent liability, in each case or taken together, to an extent which is material in the context of the Wider Civitas Group taken as a whole;
- (vi) entered into, varied, authorised or proposed entry into or variation of, or announced its intention to enter into or vary, any contract, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) (otherwise than in the ordinary course of business) which is of a long term, unusual or onerous nature, or which involves or could reasonably be expected to involve an obligation of a nature or magnitude which is, in any such case or taken together, material in the context of the Wider Civitas Group or in the context of the Offer, or which is or is reasonably likely to be restrictive on the business of any member of the Wider Civitas Group to an extent which is or is likely to be material to the Wider Civitas Group taken as a whole;
- (vii) entered into any licence or other disposal of intellectual property rights of any member of the Wider Civitas Group which are material in the context of the Wider Civitas Group taken as a whole and outside the normal course of business;
- (viii) entered into, varied, authorised or proposed entry into or variation of, or announced its intention to enter into or vary the terms of or made any offer (which remains open for acceptance) to enter into or vary to a material extent the terms of, any contract, commitment, arrangement or any service agreement with any director or other person (if any) employed or to be employed by the Wider Civitas Group save for fee or salary increases or variations of terms in the ordinary course;
- (ix) entered into, authorised, proposed or agreed to provide any share option scheme, incentive scheme, or other benefit relating to the employment or termination of employment of any person which, in each case or taken together, are material in the context of the Wider Civitas Group taken as a whole;

- (x) entered into, authorised, proposed or agreed to provide pension scheme or other retirement or death benefit arrangements established for the directors, former directors or other persons (if any) employed or to be employed by any entity in the Wider Civitas Group;
- (xi) entered into, implemented or effected, or authorised, proposed or announced its intention to implement or effect, any joint venture, asset or profit sharing arrangement, partnership, composition, assignment, reconstruction, amalgamation, commitment, scheme or other transaction or arrangement (other than the Offer) otherwise than in the ordinary course of business, which in each case or taken together, is material in the context of the Wider Civitas Group taken as a whole;
- (xii) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect of the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital to an extent which (other than in the case of Civitas) is material in the context of the Wider Civitas Group taken as a whole;
- (xiii) other than with respect to claims between Civitas and its wholly-owned subsidiaries (or between such subsidiaries) waived, compromised or settled any claim otherwise than in the ordinary course of business which is material in the context of the Wider Civitas Group taken as a whole;
- (xiv) made any material alteration to its articles of association or other constitutional documents (in each case, other than in connection with the Offer or as required under the terms of the existing facility agreements of the Civitas Group);
- (xv) (other than in respect of a member of the Wider Civitas Group which is dormant and was solvent at the relevant time) taken or proposed any steps, corporate action or had any legal proceedings instituted or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, reorganisation or for the appointment of any administrator, receiver, manager, administrative receiver, trustee or similar officer of all or any part of its assets or revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed;
- (xvi) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment



of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;

- (xvii) entered into any contract, commitment, agreement or arrangement otherwise than in the ordinary course of business or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this condition;
- (xviii) terminated or varied the terms of any agreement or arrangement between any member of the Wider Civitas Group and any other person in a manner which would or might be expected to have a material adverse effect on the financial position of the Wider Civitas Group taken as a whole; or
- (xix) having taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of Civitas Shareholders in a general meeting in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code;

**No material adverse change**

- (g) since 31 March 2022, and except as Disclosed, there having been:
  - (i) no adverse change and no circumstance having arisen which would be expected to result in any adverse change or deterioration in the business, assets, value, financial or trading position, profits, prospects or operational performance of any member of the Wider Civitas Group to an extent which is material to the Wider Civitas Group taken as a whole;
  - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings including, without limitation, with regard to intellectual property rights used by the Wider Civitas Group having been threatened, announced or instituted by or against or remaining outstanding against any member of the Wider Civitas Group or to which any member of the Wider Civitas Group is or may become a party (whether as claimant or defendant or otherwise) which, in any such case or taken together, might reasonably be expected to have a material adverse effect on the Wider Civitas Group taken as a whole, and no enquiry, review, investigation or enforcement proceedings by, or complaint or reference to, any Third Party against or in respect of any member of the Wider Civitas Group having been threatened, announced or instituted by or against, or remaining outstanding in respect of, any member of the Wider Civitas Group which, in any such case or taken together, might reasonably be expected to have a material adverse effect on the Wider Civitas Group taken as a whole;

- (iii) no contingent or other liability having arisen, increased or become apparent other than in the ordinary course of business which is reasonably likely to adversely affect the business, assets, financial or trading position, profits, prospects or operational performance of any member of the Wider Civitas Group to an extent which, in each case or taken together, is material to the Wider Civitas Group taken as a whole; and
  - (iv) no steps having been taken and no omissions having been made which are reasonably likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Civitas Group, which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which is, in each case or taken together, material and likely to have an adverse effect on the Wider Civitas Group taken as a whole;
- (h) since 31 March 2022, and except as Disclosed, CK Bidco not having discovered:
- (i) that any financial, business or other information concerning the Wider Civitas Group publicly announced or disclosed to any member of the Wider CKA Group at any time by or on behalf of any member of the Wider Civitas Group or to any of their advisers is misleading, contains a misrepresentation of fact or omits to state a fact necessary to make that information not misleading and which is, in any case, material in the context of the Wider Civitas Group taken as a whole;
  - (ii) that any member of the Wider Civitas Group is subject to any liability, contingent or otherwise, which is material in the context of the Wider Civitas Group taken as a whole; or
  - (iii) any information which affects the import of any information disclosed to CK Bidco at any time by or on behalf of any member of the Wider Civitas Group which is material in the context of the Wider Civitas Group;

#### **Environmental liabilities**

- (i) except as Disclosed, CK Bidco not having discovered, in each case to an extent, which is material in the context of the Offer, that:
  - (i) any past or present member of the Wider Civitas Group has not complied in any material respect with all applicable legislation or regulations, notices or other requirements of any jurisdiction or any Third Party or any Authorisations relating to the use, treatment, storage, carriage, disposal, discharge, spillage, release, leak or emission of any waste or hazardous substance or greenhouse gas, or any substance likely to impair the environment (including property) or harm the health of humans, animals or other living organisms or eco-systems or otherwise relating to environmental

matters or the health and safety of humans, which non-compliance would be likely to give rise, in each case or taken together, to any material liability including any penalty for non-compliance (whether actual or contingent) on the part of any member of the Wider Civitas Group taken as a whole; or

(ii) there has been a disposal, discharge, spillage, accumulation, leak, emission, release or the migration, production, supply, treatment, storage, transport or use of any waste or hazardous substance or greenhouse gas or any substance likely to impair the environment (including any property) or harm human health which (whether or not giving rise to non-compliance with any law or regulation) would be likely to give rise to any liability (whether actual or contingent) on the part of any member of the Wider Civitas Group which is material to the Wider Civitas Group taken as a whole; or

(iii) there is or is reasonably likely to be any obligation or liability (whether actual or contingent) or requirement to make good, remediate, repair, re-instate or clean up any property, asset currently or previously owned, occupied or made use of by any past or present member of the Wider Civitas Group (or on its behalf), or in which any such member may have or previously have had or be deemed to have had an interest, or other elements of the environment (including any controlled waters) under any environmental legislation, common law, regulation, notice, circular, Authorisation, other legally binding requirement or order of any Third Party or to contribute to the cost thereof or associated therewith or indemnify any person in relation thereto in any such case to an extent which is, in each case or taken together, material in the context of the Wider Civitas Group taken as a whole; or

(iv) circumstances exist (whether as a result of the Offer or otherwise):

(A) which would be reasonably likely to lead to any Third Party instituting; or

(B) whereby any member of the Wider CKA Group or any present or past member of the Wider Civitas Group would be likely to be required to institute,

an environmental audit or take any other steps which would in any such case be reasonably likely to result in any liability (whether actual or contingent) to improve, modify existing or install new plant, machinery or equipment or carry out changes in the processes currently carried out or make good, remediate, repair, re-instate or clean up any land or other asset currently or previously owned, occupied or made use of by any past or present member of the Wider Civitas Group (or on its behalf) or by any person for which a member of the Wider Civitas Group is or has been responsible, or in

which any such member may have or previously have had or be deemed to have had an interest which, in each case or taken together, is material in the context of the Wider Civitas Group taken as a whole; or

- (v) circumstances exist whereby a person or class of persons would be likely to have any claim or claims in respect of any product or process of manufacture or materials used therein currently or previously manufactured, sold or carried out by any past or present member of the Wider Civitas Group which claim or claims would be likely to affect any member of the Wider Civitas Group and which is material in the context of the Wider Civitas Group taken as a whole;

### **Intellectual Property**

- (j) except as Disclosed, no circumstance having arisen or event having occurred in relation to any intellectual property owned or used by any member of the Wider Civitas Group which would have, in each case or taken together, a material adverse effect on the Wider Civitas Group taken as a whole or is otherwise material in the context of the Offer, including:
  - (i) any member of the Wider Civitas Group losing its title to any intellectual property material to its business, or any intellectual property owned by the Wider Civitas Group and material to its business being revoked, cancelled or declared invalid;
  - (ii) any claim being asserted in writing or threatened in writing by any person challenging the ownership of any member of the Wider Civitas Group to, or the validity or effectiveness of, any of its intellectual property; or
  - (iii) any agreement regarding the use of any intellectual property licensed to or by any member of the Wider Civitas Group being terminated or varied;

### **Anti-corruption and sanctions**

- (k) except as Disclosed, CK Bidco not having discovered that:
  - (i) any past or present member of the Wider Civitas Group or any person that performs or has performed services for or on behalf of any such company is or has at any time engaged in any activity, practice or conduct (or omitted to take any action) in contravention of the UK Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977, as amended or any other applicable anti-corruption legislation;
  - (ii) any member of the Wider Civitas Group is ineligible to be awarded any contract or business under regulation 57 of the Public Contracts Regulations 2015, regulation 80 of the Utilities Contracts Regulations 2016 or regulation 38 of the Concession Contracts Regulations 2016 (each as amended);

- (iii) any past or present member of the Wider Civitas Group has engaged in any activity or business with, or made any investments in, or made any payments to any government, entity or individual covered by any of the economic sanctions administered by the United Nations or the European Union (or any of their respective member states) or the United States Office of Foreign Assets Control or any other governmental or supranational body or authority in any jurisdiction; or
- (iv) a member of the Wider Civitas Group has engaged in a transaction which would cause the Wider CKA Group to be in breach of any law or regulation on completion of the Offer, including the economic sanctions administered by the United States Office of Foreign Assets Control or HM Treasury & Customs or any government, entity or individual targeted by any of the economic sanctions of the United Nations, United States or the European Union or any of its member states;

#### **No criminal property**

- (l) except as Disclosed, CK Bidco not having discovered that any asset of any member of the Wider Civitas Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition).

#### **Part B : Further terms of the Offer**

1. Subject to the requirements of the Panel in accordance with the Takeover Code, CK Bidco reserves the right to waive, in whole or in part, all or any of the Conditions in Part A above, except Condition 1, which cannot be waived.
2. All Conditions must each be fulfilled, determined by CK Bidco to be or to remain satisfied or (if capable of waiver) be waived by CK Bidco by midnight (London time) on the earlier of the Unconditional Date or the Long Stop Date (subject to the rules of the Takeover Code and, where applicable, the consent of the Panel), failing which the Offer will lapse.
3. Save as may otherwise be required by the Panel, the Offer shall not proceed, shall lapse or shall be withdrawn on the Long Stop Date if:
  - (a) sufficient acceptances have not been received so as to enable the Acceptance Condition to be satisfied; or
  - (b) where sufficient acceptances have been received so as to enable the Acceptance Condition to be satisfied, if a Condition relating to an official authorisation or regulatory clearance has not been satisfied or waived and the Panel consents to the Offer not proceeding, lapsing or being withdrawn.
4. CK Bidco shall be under no obligation to waive or treat as satisfied any of the Conditions that it is entitled (with the consent of the Panel) to invoke, by a date earlier than the latest date for the fulfilment or waiver of that Condition, notwithstanding that the other Conditions may at such earlier date have been waived or fulfilled and that there are at such

earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.

5. Under Rule 13.5(a) of the Takeover Code, CK Bidco may not invoke a Condition so as to cause the Offer not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the Condition are of material significance to CK Bidco in the context of the Offer. CK Bidco may only invoke a condition that is subject to Rule 13.5(a) with the consent of the Panel and any condition that is subject to Rule 13.5(a) may be waived by CK Bidco.
6. The Acceptance Condition is not subject to Rule 13.5(a) of the Takeover Code.
7. CK Bidco reserves the right to elect to implement the acquisition by way of a Scheme as an alternative to the Offer, with the consent of the Panel. In such event, the Scheme will be implemented on the same terms as those which would apply to the Offer, subject to appropriate amendments to reflect the change in method of effecting the acquisition.
8. If CK Bidco is required by the Panel to make an offer for Civitas Shares under the provisions of Rule 9 of the Takeover Code, CK Bidco may make such alterations to any of the above Conditions as are necessary to comply with the provisions of that Rule.
9. The Offer will extend to all Civitas Shares which are in issue as at the date of this announcement and any Civitas Shares which may be unconditionally allotted and/or issued and fully paid (or credited as fully paid) before the Offer closes (other than any Civitas Shares already held by CK Bidco).
10. The Offer will be governed by English law and be subject to the jurisdiction of the English courts and to the Conditions and further terms set out above and to be set out in full in the Offer Document. The Offer will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange, the Listing Rules, the FCA and the Registrar of Companies.
11. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.
12. CK Bidco will be making the Offer on behalf of itself and its Sister Bidcos (on behalf of whom CK Bidco is acting as agent, and not as principal), in each case as to the relevant proportion of Civitas Shares to be acquired by each pursuant to the Offer. Following the Offer becoming or being declared unconditional, the Civitas Shares in respect of which valid acceptance has been received will be transferred to CK Bidco and/or its Sister Bidcos in the relevant proportions, in consideration for which the Civitas Shareholders who have validly accepted the Offer shall receive the Cash Consideration on the basis set out in paragraph 2 of this announcement.
13. The Civitas Shares will be acquired by CK Bidco and its Sister Bidcos (in each case in the relevant proportion to be acquired by each) pursuant to the Offer with full title guarantee fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and any other interests of any nature whatsoever and together with all rights now or hereafter attaching thereto, including without limitation voting

rights and the right to receive and retain in full all dividends and other distributions (if any) announced, declared, made or paid or any other return of value following the Offer becoming or being declared unconditional.

14. If, on or after the date of this announcement, any dividend and/or other distribution and/or return of capital (other than the Fourth Quarter Dividend) is declared, made or paid or becomes payable in respect of the Civitas Shares, CK Bidco reserves the right to reduce the Cash Consideration payable under the terms of the Offer for the Civitas Shares by an amount up to the amount of such dividend and/or other distribution and/or return of capital, in which case any reference in this announcement or in the Offer Document to the Cash Consideration payable under the terms of the Offer will be deemed to be a reference to the Cash Consideration as so reduced. In such circumstances, the relevant Civitas Shareholders will be entitled to receive and retain such dividend and/or other distribution and/or return of capital.
15. The Offer will be subject, inter alia, to the Conditions and certain further terms which are set out in this Appendix 1 and those terms which will be set out in the Offer Document and (in respect of the Civitas Shares in certificated form) the Form of Acceptance and such further terms as may be required to comply with the Listing Rules and the provisions of the Takeover Code.
16. The availability of the Offer to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction. Any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable requirements. Further information in relation to Overseas Shareholders will be contained in the Offer Document.
17. The Offer is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any jurisdiction where to do so would violate the laws of that jurisdiction.

**APPENDIX 2**  
**SOURCES AND BASES OF INFORMATION**

Unless otherwise stated in this announcement:

1. the value attributed to the issued share capital of Civitas is based on a value of 80 pence per Civitas Share and 606,386,380 Civitas Shares in issue (excluding the 16,075,000 ordinary shares currently held in treasury) on 5 May 2023 (being the last practicable dealing date prior to the date of this announcement);
2. unless otherwise stated, all prices for Civitas Shares for a particular date have been derived from FactSet and represent Closing Prices on the relevant date(s);
3. the volume weighted average share prices have been derived from data provided by FactSet for the relevant time periods;
4. unless otherwise stated, the financial information relating to Civitas is extracted from the 2022 Civitas Interim Report, prepared in accordance with IFRS; and
5. property portfolio and valuation information relating to Civitas is from the JLL Valuation Report which is set out in Appendix 4 to this announcement.

For the purposes of Rule 29.1 of the Takeover Code, set out below is a reconciliation between the property valuation provided by JLL in the JLL Valuation Report to IFRS NAV per Civitas Share:

JLL property valuation	£978,147,574
Net debt	£(326,326,249)
Other assets / liabilities	£10,087,854
<b>Net assets</b>	<b>£661,909,179</b>
<b>Civitas Shares in issue</b> (excluding the 16,075,000 ordinary shares currently held in treasury)	<b>606,386,380</b>
<b>Net assets per Civitas Share (pps) basic and diluted</b>	<b>109.16 pence</b>



**APPENDIX 3**  
**DETAILS OF IRREVOCABLE UNDERTAKINGS**

**1. Civitas Directors**

The following Civitas Directors have given irrevocable undertakings to accept or procure the acceptance of the Offer in respect of their own beneficial holdings of Civitas Shares:

<b>Name</b>	<b>Total Number of Civitas Shares</b>	<b>Percentage of existing issued share capital of Civitas (excluding treasury shares)</b>
Michael Wrobel	200,000	0.03 per cent.
Peter Baxter	82,065	0.01 per cent.
Caroline Gulliver	58,832	0.01 per cent.
Alison Hadden	31,937	0.005 per cent.
Alastair Moss	11,766	0.002 per cent.
<b>Total:</b>	<b>384,600</b>	<b>0.06 per cent.</b>

**2. CIM and the executive directors of CIM**

CIM and the following executive directors of CIM have given irrevocable undertakings to accept or procure the acceptance of the Offer in respect of their own beneficial holdings of Civitas Shares:

<b>Name</b>	<b>Total Number of Civitas Shares</b>	<b>Percentage of existing issued share capital of Civitas (excluding treasury shares)</b>
CIM	167,664	0.03 per cent.
Andrew Dawber	100,000	0.02 per cent.
Thomas Pridmore	105,140	0.02 per cent.
Paul Bridge	52,240	0.01 per cent.
<b>Total:</b>	<b>425,044</b>	<b>0.07 per cent.</b>

The irrevocable undertakings referred to in paragraph 1 and 2 above cease to be binding on the earlier of the following occurrences:

- (i) a third party announces through a Regulatory Information Service a firm intention to make a general cash offer in accordance with the Takeover Code (which is not subject to any pre-conditions) to acquire the entire issued and to be issued share capital of Civitas on terms which represent an improvement of more than 10 per

cent. on the value of the consideration under the Offer (a "**Third Party Offer**");

- (ii) CK Bidco announces, with the consent of the Panel, and before the Offer Document is published, that it does not intend to proceed with the Offer or implement the Offer by way of a Scheme or otherwise and no new, revised or replacement Offer is announced by CK Bidco in accordance with Rule 2.7 of the Takeover Code;
- (iii) the Offer lapses or is withdrawn in accordance with its terms and CK Bidco publicly confirms that it does not intend to proceed with the Offer or to implement the Offer by way of a Scheme or otherwise and no new, revised or replacement Offer is announced by CK Bidco in accordance with Rule 2.7 of the Takeover Code; and
- (iv) the Offer has not become or been declared unconditional by 11.59 p.m. on the Long Stop Date.

**APPENDIX 4**  
**RULE 29 VALUATION REPORT**

The electronic version of the report is available on the following website:  
[http://www.rns-pdf.londonstockexchange.com/rns/7954Y\\_1-2023-5-9.pdf](http://www.rns-pdf.londonstockexchange.com/rns/7954Y_1-2023-5-9.pdf)

## **APPENDIX 5 DEFINITIONS**

The following definitions apply throughout this announcement unless the context otherwise requires:

<b>"2021 Civitas Annual Report"</b>	the annual report and audited accounts for Civitas for year ended 31 March 2021
<b>"2022 Civitas Annual Report"</b>	the annual report and audited accounts for Civitas for year ended 31 March 2022
<b>"2022 Civitas Interim Report"</b>	the unaudited half year report for Civitas for the six months ended 30 September 2022
<b>"Approved Provider(s)"</b>	a counterparty of Civitas being of the following entities: housing associations, local authorities, community interest companies, registered charities and other regulated organisations directly or indirectly in receipt of payment from local or central government including the NHS
<b>"associated undertaking"</b>	shall be construed in accordance with paragraph 19 of Schedule 6 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) but for this purpose ignoring paragraph 19(1)(b) of Schedule 6 to those regulations
<b>"Authorisation(s)"</b>	authorisations, orders, grants, recognitions, confirmations, consents, licences, clearances, certificates, permissions or approvals
<b>"Business Day"</b>	a day, not being a public holiday, Saturday or Sunday, on which clearing banks in London are open for normal business
<b>"CIM"</b>	Civitas Investment Management Limited
<b>"Civitas Directors" or "Civitas Board"</b>	the directors of Civitas
<b>"Civitas"</b>	Civitas Social Housing PLC
<b>"Civitas Group"</b>	Civitas and its subsidiary undertakings and where the context permits, each of them
<b>"Civitas Share(s)"</b>	the existing unconditionally allotted or issued and fully paid ordinary shares of £0.01 each in the capital of Civitas and any further shares which are unconditionally allotted or issued before the Offer closes (or before such earlier date as CK Bidco, subject to the Takeover Code, may determine, not being earlier than the Unconditional Date) but excluding any such shares held or which becomes held in treasury
<b>"Civitas Shareholder(s)"</b>	holders of Civitas Shares

<b>"CK Bidco"</b>	Wellness Unity Limited
<b>"CKA"</b>	CK Asset Holdings Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange
<b>"CKA Board" or "CKA Directors"</b>	the directors of CKA
<b>"CKA Group"</b>	CKA and its subsidiary undertakings and where the context permits, each of them
<b>"Closing Price"</b>	the closing middle market price of a Civitas Share as derived from FactSet on any particular date
<b>"CMA"</b>	the UK Competition and Markets Authority
<b>"Companies Act"</b>	the Companies Act 2006, as amended from time to time
<b>"Conditions"</b>	the conditions to the implementation of the Offer which are set out in Part A of Appendix 1 to this announcement and to be set out in the Offer Document
<b>"Confidentiality Agreement"</b>	the confidentiality agreement dated 21 July 2022 entered into between CKA and Civitas in relation to the Offer
<b>"Court"</b>	the High Court of Justice in England and Wales
<b>"Day 60"</b>	the 60th day following the publication of the Offer Document or such other date as may otherwise be set as being such day of the timetable of the Offer in accordance with the Takeover Code;
<b>"Dealing Disclosure"</b>	as defined in the Takeover Code
<b>"Disclosed"</b>	the information disclosed by or on behalf of Civitas: (i) in the 2022 Civitas Interim Report; (ii) in the 2022 Civitas Annual Report; (iii) in the 2021 Civitas Annual Report; (iv) in this announcement; (v) March 2023 IFRS NAV; (vi) in any other announcement to a Regulatory Information Service prior to the date of this announcement; (vii) in filings made with, and made publicly available online by, the Registrar of Companies within the two years prior to the date of this announcement; (viii) on Civitas' website at <a href="http://www.civitassocialhousing.com/takeover-offer/">www.civitassocialhousing.com/takeover-offer/</a> ; or (iv) fairly disclosed prior to the date of this announcement to CKA, CK Bidco or their respective advisers (in their capacity as such)
<b>"Disclosure Guidance and Transparency Rules"</b>	the Disclosure Guidance and Transparency Rules of the UK's FCA

<b>"EPRA"</b>	the European Public Real Estate Association
<b>"Existing Facilities"</b>	the five external debt facilities of the Civitas Group currently in place with an aggregate principal value of £367.9 million
<b>"FCA"</b>	Financial Conduct Authority or its successor from time to time
<b>"Form of Acceptance"</b>	the form of acceptance and authority relating to the Offer to be dispatched to Civitas Shareholders with the Offer Document
<b>"Fourth Quarter Dividend"</b>	the quarterly dividend of 1.425 pence per Civitas Share in respect of the period from 1 January 2023 to 31 March 2023, as announced by the Civitas Board on 9 May 2023
<b>"FSMA"</b>	the Financial Services and Markets Act 2000 (as amended from time to time)
<b>"HSBC"</b>	HSBC Bank plc
<b>"IFRS"</b>	international accounting standards and international financial reporting standards and interpretations thereof, approved or published by the International Accounting Standards Board and adopted by the United Kingdom
<b>"IFRS NAV"</b>	the net asset value of the Civitas Group on the relevant date, prepared in accordance with IFRS accounting principles
<b>"Investment Management Agreement"</b>	the investment management agreement entered into between CIM and Civitas dated 1 April 2017 (as amended from time to time)
<b>"IPO"</b>	the admission by Civitas of ordinary shares to the premium segment of the Official List and to trading on the Main Market of the LSE, which were subject of Civitas initial public offering, on 18 November 2016
<b>"JLL"</b>	Jones Lang LaSalle Limited
<b>"JLL Valuation Report"</b>	the valuation in respect of Civitas' property portfolio as at 31 March 2023 prepared in accordance with Rule 29 of the Takeover Code set out in Appendix 4 to this announcement
<b>"Liberum"</b>	Liberum Capital Limited
<b>"Listing Rules"</b>	the listing rules, made by the FCA under Part 6 FSMA, as amended from time to time
<b>"London Stock Exchange"</b>	the London Stock Exchange plc or its successor
<b>"Long Stop Date"</b>	9 May 2024 (or such later date as may be agreed between CK Bidco and Civitas and, if

	required, the Panel may allow)
<b>"LSE"</b>	the London Stock Exchange
<b>"March 2023 IFRS NAV"</b>	the unaudited IFRS NAV as at 31 March 2023 announced to the market by Civitas on 9 May 2023
<b>"Market Abuse Regulation"</b>	Market Abuse Regulation (EU) No. 596/2014 (as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended)
<b>"Offer"</b>	the proposed cash offer by CK Bidco of the entire issued and to be issued share capital of Civitas, other than any Civitas Shares already held by CK Bidco on the terms to be set out in the Offer Document and (in respect of Civitas Shares in certificated form) the Form of Acceptance and including, where the context permits, any subsequent revision, variation, extension or renewal of such offer, or should CK Bidco so elect, the implementation of such offer by means of a Scheme
<b>"Offer Document"</b>	the document to be sent to Civitas Shareholders and persons with information rights containing terms and conditions of the Offer constituting the full terms and conditions of the Offer
<b>"Official List"</b>	the Official List of the FCA
<b>"Opening Position Disclosure"</b>	as defined in the Takeover Code
<b>"Overseas Shareholders"</b>	holders of Civitas Shares who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom
<b>"Panel"</b>	the Panel on Takeovers and Mergers
<b>"Panmure Gordon"</b>	Panmure Gordon (UK) Limited
<b>"Phase 1 CMA Review"</b>	an investigation by the CMA for the purposes of deciding whether to make a Phase 2 CMA Reference
<b>"Phase 2 CMA Reference"</b>	a reference by the CMA of the Offer or any material part of it under sections 22 or 33 of the Enterprise Act 2002
<b>"Registrar of Companies"</b>	the Registrar of Companies in England and Wales
<b>"Regulator of Social Housing"</b>	the executive non-departmental public body, sponsored by the Department for Levelling Up, Housing and Communities, which is the regulator for social homes providers in England and Wales

<b>"Regulatory Information Service"</b>	a regulatory information service as defined in the FCA's Handbook of rules and guidance as amended from time to time
<b>"REIT"</b>	the UK Real Estate Investment Trust under Part 12 of the Corporation Tax Act 2010
<b>"relevant securities"</b>	Civitas Shares, other Civitas share capital and any securities convertible into or exchangeable for, and rights to subscribe for, any of the foregoing
<b>"Restricted Jurisdiction"</b>	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure or would result in a requirement to comply with any governmental or other consent on any registration, filing or other formality which CK Bidco regards as duly onerous if information concerning the Offer is sent or made available to Civitas Shareholders in that jurisdiction
<b>"Scheme"</b>	subject to the consent of the Panel, should the Offer be implemented by way of a scheme of arrangement under Part 26 of the Companies Act, the scheme of arrangement between Civitas and the holders of the Civitas Shares, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Civitas and CK Bidco
<b>"Sister Bidcos"</b>	up to ten newly incorporated wholly-owned indirect subsidiaries of CKA which, together with CK Bidco, will acquire the Civitas Shares pursuant to the Offer
<b>"subsidiary", "subsidiary undertaking" and "undertaking"</b>	shall be construed in accordance with the Companies Act
<b>"Takeover Code"</b>	the City Code on Takeovers and Mergers issued by the Panel, as amended from time to time
<b>"UK" or "United Kingdom"</b>	United Kingdom of Great Britain and Northern Ireland
<b>"Unconditional Date"</b>	Day 60 or such earlier date as may be specified by CK Bidco in the Offer Document or any acceleration statement unless, where permitted, it has set aside that statement
<b>"US" or "United States"</b>	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction and any political subdivision thereof
<b>"Wider Civitas Group"</b>	Civitas and associated undertakings and any other body corporate, partnership, joint venture or person in which Civitas and such



undertakings (aggregating their interests) have an interest of more than 20 per cent. of the voting or equity capital or the equivalent

**"Wider CKA Group"**

CKA Group and associated undertakings and any other body corporate, partnership, joint venture or person in which CKA and such undertakings (aggregating their interests) have an interest of more than 20 per cent. of the voting or equity capital or the equivalent

In this announcement:

All times referred to are London time unless otherwise stated.

All references to "pounds", "£", "pence", "penny" and "p" are to the lawful currency of the United Kingdom.

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