

PRESS RELEASE

14 December 2022

Civitas Investment Management Limited

Landmark specialist care property transaction Acquisition of £200m property portfolio from CareTech

Civitas Investment Management Limited ("Civitas"), the leading social impact investor, is pleased to announce an investment of £200 million to acquire a portfolio of specialist care properties from CareTech under a sale and leaseback arrangement. The portfolio comprises a mix of specialist schools and children's homes. The investment follows the £1.1 billion acquisition of CareTech by the co-founders of the business in September 2022.

Civitas is the largest investor into specialist care in the UK, with over £3.5bn under management dedicated to investing exclusively into specialist community healthcare and social infrastructure in the UK and Europe, backed by government funding and producing beneficial and sustainable social outcomes.

Civitas currently manages an estate of over 1,200 properties across the UK, with capacity to provide homes for more than 10,000 people, with care and support provided by over 120 care providers in a combination of supported housing and residential care homes.

CareTech is a leading provider of specialist social care services supporting around 5,000 adults and children with a wide range of complex needs in more than 550 schools, residential services, hospitals and day centres. CareTech employs more than 11,000 staff in the UK and internationally and has an emerging presence in digital technologies.

Tom Pridmore, Group Director of Civitas, said: *"We are very impressed by the quality of the CareTech portfolio, and we're pleased to partner with one of the leading care providers in the UK in this landmark transaction. Despite the difficult economic backdrop this year, Civitas has continued to invest across the specialist care sector, based on the strong fundamentals and long-term demand for high quality specialist care properties in the UK and Europe."*

Farouq Sheikh, Co-founder and Executive Chairman of CareTech, added: *"We are pleased to partner with Civitas, whom we recognise as being one of the leading investors in the specialist social care sector. This transaction comprises a small proportion of our £1bn freehold asset portfolio and forms part of our overall strategy which will allow us to continue our growth trajectory in the UK, in digital technologies and international markets."*

Julian Evans, Head of Healthcare at Knight Frank, acted as sole selling agents for CareTech, commented: *"This is an excellent result for both CareTech and Civitas. The provenance of CareTech complements Civitas's continued investment into high quality care facilities and operations. The take*

private process of CareTech has been complex, and given recent UK economic turbulence, in many ways, reaffirms that this transaction is a flight to quality.”

Civitas was advised by Charlie Pinkerton at Norton Rose Fulbright (legal advisor), Emma Glynn at JLL (valuation services), Puneet Vedhera at Knight Frank (property surveys), Clare Connell at Connell Consulting (commercial due diligence) and Richard Dade at Hazlewoods (financial due diligence). CareTech’s legal advisers were GSC Solicitors LLP.

Ends

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Notes to Editors:

Civitas Investment Management Limited

Civitas is the largest investor into specialist care in the UK, with over £3.5bn under management. The investment manager is dedicated to achieving long-term sustainable returns for the Group’s global investors by acquiring community-based healthcare facilities and social housing assets that deliver positive social outcomes. Civitas’ investments are supported by national governments and local municipalities that are themselves seeking to bring about positive societal change. (<http://www.civitasim.com/>).

Among other impact investment ventures, Civitas is the investment adviser to, and founder of the London listed Civitas Social Housing PLC (“CSH”), the first dedicated London listed REIT to raise long-term sustainable, institutional capital to invest in care-based social homes and healthcare facilities across the UK. As of CSH’s Interim Results for the six months ended 30 September 2022, it now provides homes for 4,594 working age adults with long-term care needs, in 697 bespoke properties that are supported by 130 specialist care providers, 18 approved providers and working with over 178 individual local authority partners. (<https://www.civitassocialhousing.com/>).