

Resolution and Assignment of All First Priority Leases

9th May 2018

CIVITAS SOCIAL HOUSING PLC

(“Civitas” or the “Company”)

Resolution and Assignment of all First Priority Housing Association Limited Leases

Further to the Company’s announcement on 21st February 2018, the Company is now pleased to provide an update and resolution with respect to First Priority Housing Association Limited (“First Priority”) and the previously reported issues as they related to the Company.

The Company announces that today, 9th May, all Civitas leases previously with First Priority were assigned, on the same terms to Falcon Housing Association C.I.C (“Falcon”), an existing Civitas housing association partner. In addition, Civitas has acquired an option to increase the length of the leases to 40 years from their respective start dates, exercisable at Civitas’ discretion. Post this assignment, the Company has a total of 86 properties leased to Falcon, which represents 12.7%** of 31 December 2017 Gross Asset Value.

By way of background, the Company had leased 44* properties to First Priority which is the subject of a Regulatory Notice from the Regulator of Social Housing (the “Regulator”) issued in February 2018. Since that time, Civitas has worked constructively with First Priority and other interested parties to seek an appropriate outcome that protects the interests of the Company’s shareholders and tenants.

Civitas notes that, in the event the Company does not recover fully its rent arrears relating to the period prior to the assignment of the leases, such arrears would not be material to the Company, in any respect.

Falcon is a national, not for profit registered provider of social housing for vulnerable adults that operates nationwide from a head office in County Durham and has a presence in all major regions. It is a Community Interest Company, which uses its resources and assets for the public good, working in partnership with a wide range of local authorities and care providers. It obtained its Homes and Communities Agency (now the Regulator of Social Housing) registration in July 2013.

Separately Civitas and Falcon have noted the recent Request for Information made by the Regulator in April 2018 to a wide range of registered providers as part of its work to gain a better understanding of smaller registered providers engaged in specialist supported housing services. Falcon has confirmed that it is in a position to comply fully with this request.

Michael Wrobel, Chairman of Civitas, commented: “I am delighted that we can now provide clarity for all our stakeholders. Our team at Civitas Housing Advisors has achieved a successful outcome for our shareholders in preserving their interests and I am equally encouraged on behalf of our tenants that their homes have been secured for the long-term. We are also very much looking forward to continuing our positive relationship with Falcon over the coming months and years.”

Sharon Smith, General Manager of Falcon, commented: “Falcon is committed to the provision of quality housing for vulnerable adults nationwide. Within this mandate we are pleased to be extending our relationship with Civitas for the benefit of our tenants and their families”.

In addition to this update, Civitas confirms that it will shortly declare its quarterly dividend for the three months to 31st March 2018 in respect of both the Ordinary shares and the C shares and on 30th May the Company will announce its IFRS and Portfolio Net Asset Value for the quarter ended 31st March 2018.

** previously reported 45 properties included 1 property not completed upon*

*** Gross Asset Value is the aggregate value of the total assets of the Group once fully invested based upon the Net Asset Values as at 31st December 2017, announced on 9th February 2018 and 30% gross leverage*

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Notes:

Civitas Social Housing PLC is the first Real Estate Investment Trust offering pure play exposure to social housing in England and Wales. The Company is managed by Civitas Housing Advisors Limited. The Company is listed on the premium listing segment of the Official List of the Financial Conduct Authority and was admitted to trading on the main market for listed securities of the London Stock Exchange in November 2016.