

Press statement

17 June 2025

Baillie Gifford opposes KKR's proposed takeover of Assura

Jon Stewart, investment manager at Baillie Gifford said:

“The long-term attractions of Assura for our income strategies are its resilient, long-term and largely government-backed rental contracts. As a patient, long-term investor, we do not believe the Board's recommendation to sell the business to KKR and Stonepeak is in shareholders' best interests. We favour the alternative proposal to combine with its publicly listed peer, Primary Health Properties (PHP).

“We believe that KKR's offer, a mere 0.04% premium to the most recent valuation of the company's net tangible assets, undervalues Assura's long-term growth potential. After a number of challenging years adapting to higher interest rates, accepting the KKR deal would lock in valuations at a low point in the cycle and forfeit recovery opportunities. It also ignores the value of Assura's low-cost debt, which supports a c.6.7% dividend yield at the KKR bid price*. Given the attractive level of income on offer, one does not need to make heroic assumptions about rental growth to see potential for quite compelling long-term returns.

“We believe a takeover by PHP is superior, allowing our investors to remain invested for the long term in a highly attractive, cash-flow generative and growing asset. It would unlock significant financial and other synergies, making the combined entity a more valuable investment than either company alone.”

*Based on the current quarterly dividend of 0.84p and KKR's cash offer (adjusted for dividends) at 50.42p

Baillie Gifford owns 0.95% of Assura's shares.

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Notes to editors:

Baillie Gifford is an independent investment partnership founded over a century ago in Edinburgh, owned and run by 59 partners who all work at the firm. The firm's mission is to find game-changing companies (both public and private) that can sustain growth and provide returns for

clients over five to ten years and sometimes longer. With 1,700 staff and assets under management of £197bn (at 31 March 2025), it has offices in Edinburgh, Amsterdam, Dublin, Frankfurt, Hong Kong, London, New York, Shanghai, Singapore, Toronto, and Zurich.