



KKR Invests in SK E&S Redeemable Convertible Preferred Shares

November 5, 2021

Investment underscores KKR's commitment to supporting Korean businesses' growth strategies

SEOUL, South Korea--(BUSINESS WIRE)-- KKR, a leading global investment firm, today announced that KKR has acquired from South Korean energy company SK E&S (the "Company") KRW2.4 trillion (approximately US\$2 billion) worth of SK E&S' newly issued redeemable convertible preferred shares. The investment will provide KKR with an opportunity to receive cash or in-kind redemption as an option for repayment in the future paired with the possibility of converting into common shares of SK E&S. SK E&S will use the funding to accelerate its growth and transformation into a global clean energy solution provider.

Established in 1999, SK E&S is a member of the SK Group, one of South Korea's largest conglomerates. The Company engages in a range of businesses, including upstream such as overseas gas field development and downstream such as power generation, district energy, and city gas distribution. SK E&S has been operating a city gas business which distributes natural gas to customers in cities and rural areas across eight regions in South Korea. It is developing 2.5GW worth of renewable energy assets, and is expanding its portfolio via large-scale investments in companies including Plug Power, Key Capture Energy and Rev Renewables. In 2021, SK E&S outlined its goal to become a leading global clean energy solution provider by transitioning its portfolio to focus on hydrogen as well as renewable energy and related solutions.

Keith Kim from KKR's Infrastructure team said, "KKR is excited by this unique opportunity to join SK E&S in its journey to accelerate its growth and transformation into a global clean energy solution provider. KKR is additionally pleased to further expand its valued relationship with the SK Group. Sustainability continues to be at the top of its minds at KKR when reviewing and executing investments, which is why KKR is excited to invest together with leading businesses such as SK E&S that seek to provide sustainable energy solutions."

The transaction marks KKR's latest investment in South Korea and builds on its track record as an active investor across asset classes including infrastructure, private equity, real estate and credit. Also, KKR, in strategic partnership with TY Holdings, has successfully launched ECORBIT, a leading waste management platform created through the merger of two market leaders: Eco Solutions Group and TSK Corporation. Looking ahead, KKR has identified energy transition and digital transformation as key drivers of Korean infrastructure opportunities. The team also looks to utilize its invested platforms in waste management and renewable energy to scale up through bolt-on acquisitions.

"Korea is a key part of KKR's Asia infrastructure strategy. It is home to many companies with great potential for growth both domestically and abroad," said David Luboff, Head of Asia Pacific Infrastructure at KKR. "We look to continue investing in compelling infrastructure opportunities where we can leverage KKR's global experience and networks to partner with Korean businesses to achieve their transformations."

KKR made its investment from its Asia Pacific Infrastructure Fund.

About KKR

KKR is a leading global investment firm that offers alternative asset management and capital markets and insurance solutions. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people, and supporting growth in its portfolio companies and communities. KKR sponsors investment funds that invest in private equity, credit and real assets and has strategic partners that manage hedge funds. KKR's insurance subsidiaries offer retirement, life, and reinsurance products under the management of The Global Atlantic Financial Group. References to KKR's investments may include the activities of its sponsored funds and insurance subsidiaries. For additional information about KKR & Co. Inc. (NYSE: KKR), please visit KKR's website at www.kkr.com and on Twitter @KKR_Co.

View source version on [businesswire.com](https://www.businesswire.com/news/home/20211105005343/en/): <https://www.businesswire.com/news/home/20211105005343/en/>

Media

KKR Asia Pacific

Anita Davis

+852 3602 7335

Anita.Davis@kkr.com

or

Wei Jun Ong

+65 6922 5813

WeiJun.Ong@kkr.com

The Signature (For KKR Korea)

Nuri Hwang, +82 2 6951 3557

Nuri@thesignature.co.kr

Source: KKR