



KKR and Borealis Maritime Joint Venture Acquires Large Fleet from Commerzbank

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HAMBURG, Germany--(BUSINESS WIRE)-- KKR and Borealis Maritime today announced the \$254.5 million acquisition of Hanseatic Ship Asset Management GmbH, a 100 percent owned subsidiary of Commerzbank AG controlling a modern fleet of 18 container and dry cargo vessels, through a joint venture vehicle established by the two firms.

Hanseatic Ship Asset Management (HSAM) was established in Hamburg by Commerzbank AG in 2013 as part of a strategy to efficiently reduce their loan exposure to the shipping industry. Vessels with good market prospects and highly desirable specifications were taken over by Commerzbank in restructuring non-performing lending engagements. As a result, HSAM acquired a modern fleet of 13 mid-size container vessels and 5 mid-size dry bulk vessels during the course of 2013 to 2015.

Embarcadero Maritime III, a joint venture formed by KKR and Borealis Maritime to invest in distressed shipping assets, will acquire HSAM with all its assets. Following this purchase, investment vehicles established by KKR and Borealis will jointly operate a fleet of over 50 vessels in the container, chemical, product and LPG sectors. To date, KKR and Borealis have deployed over \$600 million into vessel acquisitions and continue to pursue additional transactions opportunistically.

Christoph Toepfer, CEO of Borealis Maritime, stated: "The acquisition of HSAM will significantly increase our managed fleet, making us one of Europe's leading container vessel operators. We believe the quality of vessels being acquired from Commerzbank is second to none and this transaction is an attractive expansion of our activities with our partners KKR."

"We are pleased to acquire this high-quality fleet from Commerzbank and will continue to explore additional growth opportunities in the shipping sector," said Brian Dillard, a member of KKR's Special Situations team. Dillard continued, "Partnering with maritime lenders to offer feasible solutions to problematic lending engagements remains a core component of our expansion strategy."

KKR is funding the acquisition through certain of its managed funds and accounts, including its Special Situations Fund II, which, among other things, matches long-term capital to support the cyclical nature of shipping assets.

ABOUT KKR

KKR is a leading global investment firm that manages investments across multiple asset classes including private equity, energy, infrastructure, real estate, credit and hedge funds. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation at the asset level. KKR invests its own capital alongside its partners' capital and brings opportunities to others through its capital markets business. References to KKR's investments may include the activities of its sponsored funds. For additional information about KKR & Co. L.P. (NYSE:KKR), please visit KKR's website at www.kkr.com.

ABOUT BOREALIS

Borealis Maritime is a privately owned and independent London maritime shipping company founded in 2010. It provides a comprehensive range of integrated services associated with the management of maritime assets, both for private and institutional investors. The company was founded and is led by Christoph Toepfer and Frederik Rye-Florentz. Following the acquisition of Hanseatic Ship Asset Management, its fleet under management will stand at 61 vessels, all acquired over the past five years.

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