



KKR to Acquire CoolIT Systems

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Investment to Support Company's Growth as Demand for Energy-Efficient Data Center Cooling Grows

CALGARY, Alberta & NEW YORK--(BUSINESS WIRE)-- KKR, a leading global investment firm, and CoolIT Systems ("CoolIT" or the "Company"), a leading provider of scalable liquid cooling solutions for the world's most demanding computing environments, today announced the signing of a definitive agreement under which KKR will acquire CoolIT. The investment will support the Company's ability to scale and serve its global customers across the data center market, including the enterprise, high-performance computing, and cloud service provider segments as well as in desktop computing.

This press release features multimedia. View the full release here: <https://www.businesswire.com/news/home/20230502006157/en/>

Founded in 2001, CoolIT designs, engineers and manufactures advanced liquid cooling solutions for the data center and desktop markets. CoolIT's patented Split-Flow Direct Liquid Cooling technology is designed to improve equipment reliability and lifespan, decrease operating cost, lower energy demand and carbon emissions, reduce water consumption and allow for higher server density than legacy air-cooling methods.

"Our business has evolved tremendously over the past few years and today we are proud to be one of the most trusted providers of liquid cooling solutions to the global data center market," said Steve Walton, Chief Executive Officer of CoolIT. "KKR shares our perspective on the significant opportunity ahead for liquid cooling. Having access to KKR's expertise, capital and resources will put us in an even better position to keep scaling, innovating and delivering for our customers."

Kyle Matter, Managing Director and Head of KKR's Global Impact team in North America, said, "Increasing data and computing needs are on a collision course with sustainability considerations – the data center industry is expected to consume 8% of the world's energy by 2030.¹ As a firm, we have committed more than \$17 billion to digital infrastructure since 2011 and deeply appreciate the mission critical role that it plays in enabling our economy. We also recognize that as a society, we are grappling with the enormous energy usage and related environmental impacts that are only expected to accelerate with the rise of AI and other high performance applications. We believe that liquid cooling has a critical role to play in helping to reduce the emissions footprint of our digital economy and we are thrilled to back CoolIT, a leader in this space."

Evan Kaufman, Director at KKR, added, "By combining our manufacturing and decarbonization expertise with CoolIT's track record of product innovation, we expect to further scale its best-in-class direct liquid cooling solution to meet the anticipated demand for higher density, more energy efficient data centers. Importantly, we look forward to working with Steve and the entire CoolIT management team to invest additional capital and resources into expanding its cooling solutions across new applications, customers and end markets."

As part of this transaction, CoolIT will expand its equity ownership program to make all employees owners of the Company. This strategy is based on the belief that employee engagement is a key driver in building stronger companies. Since 2011, KKR portfolio companies have awarded billions of dollars of total equity value to over 50,000 non-management employees across nearly 30 companies.

KKR is investing in CoolIT through its Global Impact strategy, which is focused on identifying and investing behind opportunities where financial performance and societal impact are intrinsically aligned. Specifically, the strategy focuses on investing in companies that contribute measurable progress toward one or more of the United Nations Sustainable Development Goals ("SDGs"). CoolIT directly supports SDG 7 (Affordable and Clean Energy), 9 (Industry, Innovation and Infrastructure) and 13 (Climate Action).

The transaction is expected to close in the second quarter of 2023, subject to regulatory approvals and customary closing conditions.

About CoolIT Systems

CoolIT Systems specializes in scalable liquid cooling solutions for the world's most demanding computing environments. In the enterprise data center and high performance computing markets, CoolIT partners with global leaders in OEM server design to develop efficient and reliable liquid cooling solutions for their own leading-edge products. In the desktop enthusiast market, CoolIT provides unparalleled performance for a range of gaming systems. Through its modular, Direct Liquid Cooling technology, Rack DLC™, CoolIT enables dramatic increases in rack densities, component performance and power efficiencies. Together, CoolIT and its partners are leading the way for widespread adoption of advanced cooling technology. For additional information on CoolIT Systems, please visit CoolIT's website at www.coolitsystems.com and on LinkedIn at <http://www.linkedin.com/company/coolit-systems-inc->.

About KKR

KKR is a leading global investment firm that offers alternative asset management as well as 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 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.

¹ "On Global Electricity Usage of Communication Technology: Trends to 2030," Challenges, 2015.

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