



## KKR Invests in Zenobē to Accelerate Global Transport Decarbonisation and Provide Essential Grid Services

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- **KKR to invest approximately \$750m to scale Zenobē across two of the largest decarbonisation market opportunities in infrastructure – fleet electrification and battery storage solutions**
- **KKR and current majority shareholder, Infracapital, to become joint majority shareholders in a strategic partnership; Infracapital to reinvest into the business**
- **Investment is the first through KKR's global climate strategy, dedicated to scaling net-zero solutions and transitioning higher emitting assets**

LONDON--(BUSINESS WIRE)-- KKR, a leading global investment firm, today announced it is investing approximately \$750m to scale Zenobē, a market leader in transport electrification and battery storage solutions, to accelerate the global decarbonisation of diesel fleets and provide grid services that are critical for the decarbonisation of the energy sector.

Infracapital, the infrastructure equity investment arm of M&G Plc and current majority shareholder, will invest further alongside KKR and the management team, with KKR and Infracapital becoming joint majority shareholders. The transaction is subject to customary closing conditions and regulatory approvals.

KKR's investment in Zenobē is the first to be made through the firm's global climate strategy, which is part of KKR's \$54 billion global Infrastructure business and dedicated to investing in solutions at scale to support the transition to a low-carbon economy.

Founded in 2017 and headquartered in London, Zenobē is a global player in electrification solutions for fleets and battery storage solutions for grid network infrastructure, with leading positions in the UK, Australia and New Zealand, and a growing presence in continental Europe. Today, Zenobē is one of the leading fleet electrification platforms in the world, helping bus and increasingly HGV operating companies to decarbonise their fleets and meet emission-reduction objectives.

Zenobē's EV fleet business provides end-to-end solutions to transition conventional internal combustion engine vehicles to electric, including financing of chassis, batteries on the vehicles, and charging infrastructure in depots, complemented with an integrated software solution. Through its network infrastructure business, Zenobē develops and builds large scale batteries that connect to transmission grids, providing essential grid services to complement the growth of intermittent low carbon energy generation and allowing economies to achieve their net zero ambitions, without compromising the grid stability.

Decarbonising transportation, reducing pollution in big cities and towns and meeting national net-zero targets will require substantial investment and a rapid shift to electric vehicles. The transport sector is the largest source of carbon emissions globally, resulting in tightening regulations related to emissions by public transport.

KKR plans to work with Zenobē to meet the growing demand for EV adoption from bus operators and other commercial fleet businesses globally. KKR also expects to help Zenobē expand its grid-scale battery storage capacity through the construction and expansion of new and existing sites. The investment will help Zenobē to build on its leadership positions in the UK, Australia and New Zealand, while continuing to grow across continental Europe, and also expand into North America.

**Alberto Signori, Partner in KKR's European Infrastructure team, said:** *"This is a rare opportunity to support a clear leader in transport decarbonisation and battery storage, two sectors which are critical in driving the transition to a net-zero world. As a significant contributor to the decarbonisation of our economies, Zenobē is an exemplary first investment in KKR's global climate strategy which seeks to scale up businesses at the forefront of delivering real-world solutions to reduce carbon emissions. Zenobē's management team and Infracapital have built a unique and hard to replicate global platform, and we look forward to working alongside them to further scale the business internationally."*

**Shreya Malik, Director in KKR's European Infrastructure team, added:** *"We believe Zenobē will continue to benefit from strong secular tail winds including stricter emission regulation in urban and regional areas, and the greater use of low carbon generation in the energy mix driving a need for grid balancing solutions. We see significant growth opportunities within Zenobē's existing customer base, as well as huge potential in new markets globally. We are excited to bring our operational expertise within KKR's global platform to actively support the company in continuing to further build a market leading and climate critical business."*

**Nicholas Beatty, Co-founder and Director of Zenobē, said:** *"This investment acknowledges the significant role that transport decarbonisation and battery storage have to play in our net-zero future. It's also a significant vote of confidence in our business, its achievements to date and future aims. Batteries are the under-recognised crucial component of our future energy and transport systems, and they're available now. KKR provides Zenobē with a leading international strategic partner to support our expansion plans, taking our experience in accelerating the electrification of fleets and maximising the uptake of renewables into North America, Europe, Australasia and other markets. It also provides support for our ability to raise further debt funding for these expansion plans."*

**Andy Matthews, Head of Greenfield at Infracapital, said:** *“Since our initial investment in 2020, Infracapital has supported Zenobē’s significant innovation and expansion as it has gone from strength to strength in both the battery storage and transportation sectors. We are delighted to announce our further investment into the business, and to embark on this exciting journey alongside KKR as joint shareholders in Zenobē. This strategic partnership marks a significant milestone for the business and fulfils our confidence in its ability to continue to play a leading role in sustainable solutions. We look forward to continuing to contribute our expertise and resources to support Zenobē’s further success on a global scale, whilst creating long-term value for our investors.”*

With over 15 years of experience in infrastructure investing, and a long history in the industrials space, KKR has deep expertise in renewable energy and climate-related investments. Since 2010, KKR has committed more than \$40 billion to sustainability-focused investments, including over \$30 billion to climate and environmental sustainability investments, accelerating net-zero solutions such as X-Elio and Sol Systems, building out net-zero platforms in transportation with Q-Park and Ritchies, and driving transitions with investments including Albioma and ContourGlobal.

KKR has been investing in the UK for over two decades, having deployed almost \$24 billion in equity across all investment platforms, including almost \$5 billion in sustainability-related investments over the past 3 years in investments such as Citation, ERM, John Laing and Viridor.

#### **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](http://www.kkr.com) and on X (formerly Twitter) @KKR\_Co.

#### **About Zenobē Energy Ltd. (Zenobē)**

Zenobē is an EV fleet and grid-scale battery storage specialist, headquartered in the UK. The company began operations in 2017 with three founders and has over the past 6 years increased its staff to >230 FTEs with a wide range of leading skills including electrical engineering, software development, computer sciences and financing. It now operates in Europe and Australasia and is expanding into North America. Zenobē has 430MW of battery storage in operation or under construction with another 1.2GW of projects in advanced development in the UK which equates to circa 20% market share forecast by 2026. It has around 25% market share of the UK EV bus sector and c.1000 electric vehicles supported globally. The company is the largest owner and operator of EV buses in the UK, Australia and New Zealand.

Zenobē’s services are supported by market leading financing capability. This has included completing and drawing down against the Fleet private placement in February 2022 which raised over £240 million long term debt for the financing of Fleet customers, principally bus operators in the UK, over up to 16 years. This also included the financing of grid-scale batteries completed in February 2023 which raised £635m of debt including an accordion for the development of Zenobē’s grid-scale battery storage assets in Scotland.

For more information, please visit [www.zenobe.com/](http://www.zenobe.com/) or follow on [LinkedIn](#).

#### **About Infracapital**

Infracapital invests in, builds and manages a diverse range of essential infrastructure to meet the changing needs of society and support long-term economic growth. We take an active role in all of our investments, whether nascent or large, to fulfil their potential and ensure they are adaptable and resilient. Our approach creates value for our investors, as we target investments with the scope for stable and sustainable growth. Our portfolio companies work closely with the communities where they are based, to the benefit of all stakeholders. Infracapital is well positioned to deliver the significant investment required to help build the future. The founder-led team of experienced specialists has worked with more than 60 companies around Europe and has raised and managed over €7.8 billion of client capital across six funds. Infracapital is part of M&G Plc, an international savings and investments business, managing money for around 5 million retail customers and more than 800 institutional clients in 28 markets. Total assets under management are £342 billion (as at 31 December 2022). <https://www.infracapital.co.uk/>

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