

KKR-Sponsored Virescent Infrastructure Raises INR4.6 bn in India's First Renewable Energy InvIT from AIMCo and other investors

- *KKR-sponsored Virescent sets up India's first renewable-focused infrastructure investment trust*
- *Raises INR4.6 billion (~US\$62 million) from AIMCo and other investors*
- *First renewable energy platform in India to have dual 'AAA' credit rating*
- *Advanced discussions for potential acquisition of 55 MWp from Focal Energy*

MUMBAI – September 29, 2021 – Virescent Infrastructure (“Virescent”), a leading Indian renewable energy platform sponsored by global investment firm KKR, has set up India's first renewable energy infrastructure investment trust (“InvIT”), Virescent Renewable Energy Trust (“VRET”). VRET has raised INR4.6 billion (US\$62 million) from a group of foreign and domestic investors. Leading the transaction, on behalf of its clients, is Alberta Investment Management Corporation (“AIMCo”), one of Canada's largest institutional investment managers.

KKR set up Virescent in October 2020 to acquire operating renewable energy assets in India. This comes at a time where renewables is set to play an increasingly critical role in powering India's energy needs and estimated to make up 60% of India's installed power capacity by 2030. KKR invests in VRET from its Asia Pacific Infrastructure Investors Fund.

VRET's initial portfolio comprises of nine operational solar projects, with an aggregated capacity of approximately 395 MWp. The assets are located in Maharashtra, Tamil Nadu, Uttar Pradesh, Gujarat and Rajasthan. In addition, subject to applicable approvals, VRET is in advanced discussions to acquire 55MWp portfolio from Focal Energy.

VRET has been assigned a 'AAA/Stable' rating for its loan facilities from CRISIL and India Ratings, S&P and Fitch's India affiliates, respectively. VRET is the only Indian renewable energy InvIT and among a few infrastructure companies to have been assigned this highest 'AAA' rating, reinforcing its healthy cash flow prospects owing to long-term power purchase agreements at pre-determined tariffs, its track-record of enhanced generation capabilities, a healthy financial risk profile and low leverage supported by adequate liquidity. The 'AAA' rating considers the portfolio to grow upto 2 GWp over the next two to three years.

Sanjay Grewal, CEO, Virescent Infrastructure, said, “This incredible achievement is an important milestone in Virescent's journey. VRET is India's first renewable energy focussed InvIT and one of the few entities in the infrastructure sector to get the highest 'AAA' rating from two rating agencies, CRISIL and India Ratings. We look forward to drawing on the global investment management expertise of our investors as we continue to acquire high-quality assets for achieving our initial growth targets. Our endeavour is to support the Government in achieving its medium and long term renewable energy objectives of 175 GW and 450 GW respectively.”

Hardik Shah, Managing Director, KKR Infrastructure, said, “Virescent continues to be an important part of our infrastructure strategy in Asia Pacific and how we contribute purposefully to India's ambitious targets in the renewables sector. Investing in VRET alongside AIMCo and other institutional investors will help us to capitalise on this huge market opportunity. We will continue to support Virescent and its management team in providing greater renewable energy solutions to communities across India.”

Ahmed Mubashir, Director, Infrastructure & Renewable Resources at AIMCo, said, “AIMCo is excited to expand its geographic footprint in Asia through its investment in India's first renewable energy InvIT. VRET's portfolio of operating renewable energy assets whose economics are underpinned by long-term power purchase agreements are well aligned with our clients' investment objectives. We look forward to partnering with KKR and Virescent to further grow the platform and provide renewable energy solutions to India in the coming years.”



VIRESCENT
INFRASTRUCTURE



Axis Capital acted as the lead manager to the issue. Shardul Amarchand and E&Y acted as the legal advisors and tax advisors, respectively to the issue.

About Virescent

Virescent Renewable Energy Trust is an infrastructure investment trust (InvIT) established as a trust under the Indian Trusts Act, 1882 with the objective of undertaking investment activities as an InvIT in accordance with the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014.

Virescent Infrastructure Investment Manager Private Limited is a private limited company incorporated under the provisions of Companies Act, 2013 and will act as the investment manager of Virescent Renewable Energy Trust. Headquartered in Mumbai, Virescent will expand its diversified portfolio of operational renewable energy assets by identifying investment opportunities that have stable cash flows stemming from long-term contracts with state and central government counterparties across India.

About KKR

KKR is a leading global investment firm that manages multiple alternative asset classes, including private equity, credit and real assets, with strategic partners that manage hedge funds. KKR aims to generate attractive investment returns for its fund investors by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation with KKR portfolio companies. KKR invests its own capital alongside the capital it manages for fund investors and provides financing solutions and investment opportunities through its capital markets business. References to KKR's investments may include the activities of its sponsored funds. For additional information about KKR & Co. Inc. (NYSE: KKR), please visit KKR's website at www.kkr.com and on Twitter @KKR_Co.

About Alberta Investment Management Corporation (AIMCo)

Alberta Investment Management Corporation, AIMCo, is one of Canada's largest and most diversified institutional investment managers with more than CAD \$123 billion of assets under management, as at June 30, 2021. AIMCo invests globally on behalf of 32 pension, endowment and government funds in the Province of Alberta.

The AIMCo Infrastructure group manages a portfolio of over CAD \$9.6 billion in investments, comprised primarily of long-term equity positions in OECD-based infrastructure assets. These assets typically provide essential services to the public, have an operating history, and are either regulated or have highly contracted revenues with the potential for long-term capital appreciation. AIMCo infrastructure investments are intended to match long duration real return asset characteristics with inflation-indexed pension liabilities.

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