

The Red Eléctrica Group strengthens its position in the telecommunications sector with KKR as a long-term strategic partner in Reintel

- Reintel is the largest operator of dark fibre infrastructure in Spain and manages a network of more than 52,000 km
- KKR will acquire a significant minority stake in Reintel equivalent to €971 million, which represents an enterprise value of €2.3 billion for 100% of the business (estimated EV-to-EBITDA multiple of 22.1 times for 2021)
- Both shareholders confirm their commitment to long-term value creation at Reintel

Madrid, 17 December 2021

The Board of Directors of the Red Eléctrica Group has approved the agreement reached, through its subsidiary Red Eléctrica Corporación, with KKR, on the terms and conditions of an investment in Reintel, the leading dark fibre infrastructure operator in Spain. The deal has been agreed following a four-month sale process, in which several infrastructure funds showed an interest in the business.

As part of the deal, KKR will acquire a 49% stake in Reintel for a total of €971 million. The Red Eléctrica Group will continue to be the majority shareholder and will retain consolidation of Reintel's results.

The agreed transaction value represents an enterprise value of €2.3 billion for 100% of the business, which implies an EV-to-EBITDA multiple of 22.1 times for 2021. This transaction contributes to unlocking hidden value in the Red Eléctrica Group and highlights Reintel's leadership in the Spanish dark fibre market.

Both shareholders are firmly committed to creating long-term value creation for Reintel, underpinned by its strong position in the dark fibre market and the deployment of resources by KKR to support its ongoing business and harness future growth opportunities.

- KKR is making the investment in Reintel through its core infrastructure fund which focuses on investing in high quality assets in mature OECD markets. This will afford long-term strategic support for Reintel.
- KKR's extensive experience investing in critical infrastructures in Spain and across the world will enable Reintel to accelerate its growth by capitalising on multiple business opportunities in the field of telecommunications in the coming years, such as the roll-out of 5G.

This transaction is a significant milestone in the execution of the Red Eléctrica Group's 2021-2025 Strategic Plan, which envisaged the incorporation of partners in certain strategic assets so that the Group can take advantage of the growth opportunities that arise, as well as maximise the capacity of its telecommunications businesses to generate value.



The operation strengthens the financial capacity of the Red Eléctrica Group to carry out, among other goals, its Strategic Plan, whose main objective is to promote the energy transition, developing the necessary infrastructure for the transmission grid as set out in the future Transmission Grid Planning for 2021-2026.

Roberto García Merino, CEO of the Red Eléctrica Group, said: "Following an extremely thorough research process, we are delighted to have reached an agreement with KKR, which will be a highly prestigious, long-term strategic partner to the Group going forward. This agreement clearly showcases the value of the Group's telecommunications activity and will help us to boost its future development, reinforcing the essential services we provide to society."

Oleg Shamovsky, managing director and head of KKR's Core Infrastructure in Europe, said: "This is an important strategic alliance for KKR that is a highly respected blue-chip Spanish company. We have been following Reintel's progress for many years and are delighted to have the opportunity to invest in this strategic telecommunications infrastructure company and to bring to bear KKR's expertise and experience in the sector as we strategically partner with the Red Eléctrica Group."

The transaction is subject to customary conditions, including mandatory regulatory approvals, and is expected to be finalised in the second quarter of 2022.

UBS and Barclays acted as financial advisors to the Red Eléctrica Group, and Garrigues acted as legal advisor.

About Reintel

Reintel is the leading dark fibre infrastructure operator in Spain. The company has been operating in the telecommunications infrastructure market since 1997 and was integrated into the Red Eléctrica Group as an independent entity in 2015. The company operates a network of more than 52,000 km and sites deployed throughout Red Eléctrica de España's electricity transmission grid and Adif-AV's fibre optic network. Reintel offers a full range of wholesale dark fibre services to its customers, which include the main telecommunications carriers and utility companies in the Spanish market.

About the Red Eléctrica Group

The Red Eléctrica Group is a holding company principally engaged in the operation and management of electricity transmission infrastructure. The Group's parent company is Red Eléctrica Corporación, a listed company that owns several subsidiaries, among which Red Eléctrica de España is its main company. Red Eléctrica de España is the sole transmission agent and operator of the Spanish electricity system and is responsible for the transmission of electricity and for operation of the electricity system in Spain. The Company manages and operates more than 49,000 km of high-voltage lines, offering services of the highest level of quality. The Group also manages and leases telecommunications infrastructure through its subsidiaries Hispasat and Reintel.

About KKR

KKR is a leading global investment firm that offers alternative asset management solution, 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 where they operate. 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.