



Clearway Energy, Inc. Announces Sale of its Thermal Business to KKR

October 25, 2021

PRINCETON, N.J., Oct. 25, 2021 (GLOBE NEWSWIRE) -- Clearway Energy, Inc. (NYSE: CWEN, CWEN.A), through its subsidiary Clearway Energy Operating LLC, (the "Company"), today announced it has entered into a binding agreement to sell its Thermal Business to KKR for total consideration of \$1.9 billion, subject to closing adjustments. Based on current estimates, the Company expects total net cash proceeds of approximately \$1.3 billion as a result of the transaction¹.

The Company's Thermal Business, commercially known as Clearway Community Energy, consists of thermal infrastructure assets that provide steam, hot water and/or chilled water, and in some instances electricity, to commercial businesses, universities, hospitals, and governmental customers across the United States.

"First, I want to thank my colleagues at Clearway Community Energy for their steadfast commitment to safely providing sustainable energy across their customer base while contributing to the success of the Company since our IPO in 2013," said Christopher Sotos, Clearway Energy, Inc.'s President and Chief Executive Officer. "This divestiture will provide Clearway with an unprecedented degree of financial flexibility and will eliminate any need to issue new equity to fund our committed investments, while also providing capital to fund future growth objectives and further enhance shareholder value. Considering our sponsor's robust development pipeline, the Company is now in one of the best positions in its history to deliver long term CAFD per share growth and economic value."

KKR will be making the investment through its core infrastructure strategy. KKR first established its global infrastructure team and strategy in 2008 and has since been one of the most active infrastructure investors around the world, with a team of more than 50 dedicated investment professionals. The firm currently oversees approximately \$28 billion in infrastructure assets and has made over 45 infrastructure investments across a range of sub-sectors and geographies.

"Clearway Community Energy is a leading platform delivering critical utility services across the U.S., and we are excited to be investing in its continued expansion, in particular through the development of renewable and carbon-neutral alternatives to help building owners achieve their sustainability goals," said James Cunningham, Partner at KKR.

The transaction is subject to various customary closing conditions, approvals, and consents and is expected to close in the first half of 2022.

Third Quarter 2021 Investor Call and Webcast

As previously announced, the Company plans to report Third Quarter 2021 financial results on Thursday, November 4, 2021 via a conference call and webcast at 8:00 a.m. Eastern. During this call, management will present results for the quarter and provide a business and financial update relating to the transaction announced today. A live webcast of the conference call, including presentation materials, can be accessed through the Company's website at <http://www.clearwayenergy.com> and clicking on "Presentations & Webcasts" under the Investor Relations section. The webcast will be archived on the site for those unable to listen in real time.

Advisors

BofA Securities and TD Securities served as financial advisors to the Company and Gibson, Dunn & Crutcher LLP served as legal advisor. Morgan Stanley & Co. LLC served as financial advisor to KKR and Kirkland & Ellis LLP served as legal advisor.

About Clearway Energy, Inc.

Clearway Energy, Inc. is one of the largest renewable energy owners in the US, with over 4,700 net MW of installed wind and solar generation projects. Clearway Energy's over 8,000 net MW of assets also includes approximately 2,500 net MW of environmentally-sound, highly efficient natural gas generation facilities as well as a portfolio of district energy systems. Through this environmentally-sound diversified and primarily contracted portfolio, Clearway Energy endeavors to provide its investors with stable and growing dividend income. Clearway Energy's Class C and Class A common stock are traded on the New York Stock Exchange under the symbols CWEN and CWEN.A, respectively. Clearway Energy, Inc. is sponsored by its controlling investor, Global Infrastructure Partners.

About KKR

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

Safe Harbor Disclosure

This news release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements are subject to certain risks, uncertainties and assumptions, and typically can be identified by the use of words such as "expect," "estimate," "target," "anticipate," "forecast," "plan," "outlook," "believe" and similar terms. Such forward-looking statements include, but are not limited to, statements regarding the closing of the transaction, the proceeds from the transaction, the benefits of the transaction, the Company's future strategy, financing needs, plans, growth, expectations, objectives, financial performance and business results, other future events, and management's views of economic and market conditions.

Although Clearway Energy, Inc. believes that the expectations are reasonable, it can give no assurance that these expectations will prove to be correct, and actual results may vary materially. Factors that could cause actual results to differ materially from those contemplated above include, among others, actions by regulatory agencies, the buyer or other third parties, timing of regulatory approvals, satisfaction of conditions to closing the transaction (including those beyond the Company's control), impacts related to COVID-19 or any other pandemic, general economic conditions, hazards customary in the power industry, weather conditions, including wind and solar performance, competition in wholesale power markets, the volatility of energy and fuel prices, failure of customers to perform under contracts, failure to execute on the growth strategy, including successfully executing on existing committed growth investments while also funding future growth objectives, changes in government regulations, the condition of capital markets generally, cyber terrorism and inadequate cybersecurity, adverse results in current and future litigation, the Company's ability to enter into new contracts as existing contracts expire, risk relating to the Company's relationships with Global Infrastructure Partners and Clearway Energy Group, the Company's ability to acquire assets from Global Infrastructure Partners, Clearway Energy Group or third parties, and the Company's ability to maintain and grow its CAFD per share and its quarterly dividends. Furthermore, any dividends are subject to available capital, market conditions, and compliance with associated laws and regulations and declared at the discretion of the board of directors.

Clearway Energy, Inc. undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The foregoing review of factors that could cause Clearway Energy, Inc.'s actual results to differ materially from those contemplated in the forward-looking statements included in this news release should be considered in connection with information regarding risks and uncertainties that may affect Clearway Energy, Inc.'s future results included in Clearway Energy, Inc.'s filings with the Securities and Exchange Commission at www.sec.gov. In addition, Clearway Energy, Inc. makes available free of charge at www.clearwayenergy.com, copies of materials it files with, or furnishes to, the Securities and Exchange Commission.

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¹ Estimated cash proceeds to the Company are after the assumption of project level debt, estimated taxes and obligations owed, transaction expenses, and capital expenditures required to be funded pursuant to terms and conditions of the transaction.

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