

# KKR

## The KREST Shareholder Priority Plan

An innovative approach to capital preservation

A KKR affiliate (KAA) has committed up to ~\$200 million in KREST Shares to support a higher KREST NAV/Share of up to \$27/share on June 1, 2027 for current and prospective KREST Shareholders<sup>1</sup>

This commitment underscores KKR's exceptional alignment with KREST shareholders, confidence in KREST's strategy, and conviction in a real estate recovery.

### KREST AT A GLANCE (as of February 28, 2025)

**Symbol:** KRSTX (Class I) **NAV:** \$24.70 (Class I)

**Annualized Net Distribution Rate:**<sup>3</sup>  
6.34% (Class I)



### Sponsor Commitment

A KKR affiliate has agreed to cancel up to 7.7 million of KKR-owned KREST shares to support up to a \$27/share price for KREST shareholders in June 2027, which may help to mitigate potential near-term share price volatility



### Uncapped Upside Potential and Dividend Yield

KREST shareholders retain full upside potential and NAV growth above \$27/share while earning attractive, tax-efficient dividend income<sup>2</sup>



### Embedded Structural Advantage

All KREST shareholders as of June 1, 2027 will benefit from this agreement with no incremental cost or operational requirements

For illustrative purposes only. This material is being provided merely to provide a framework to assist in the implementation of an investor's own analysis and an investor's own views on the topic discussed herein. If the full 7.7 million shares is not sufficient to reach \$27.00 then KKR will not be obligated to cancel additional shares. As a result there is no guarantee that there will be sufficient support shares to reach a \$27.00 NAV per share. No KREST shares would be contributed prior to June 2027. Past performance is not indicative of future results. There can be no assurance that KREST will achieve its investment objectives or avoid losses. Lower price volatility is no guarantee against future losses. The Fund employs leverage, which increases the volatility of investment returns and subjects the Fund to magnified losses if investments decline in value. Please see the Prospectus for further information on the Fund's terms, provisions and risk factors.

(1) On June 4, 2024, KKR Alternative Assets LLC ("KAA") contractually committed to the Fund to continue to hold approximately 7.7 million of KREST Class I shares currently owned by KAA, representing approximately \$191 million based on the Fund's NAV as of February 28, 2025 (the "Support Shares") through June 1, 2027 and, to the extent necessary, contribute such shares to the Fund to support a NAV per share of \$27.00 per share for each class on such date (the "Shareholder Priority Plan"). If the contribution of the Support Shares is not sufficient to reach a NAV per share of \$27.00, KAA will contribute all such Support Shares to support KREST's NAV per share on such date. While the Shareholder Priority Plan is a contractual obligation to support the Fund's NAV per share, there is no guarantee the contribution of the Support Shares will be sufficient to achieve a \$27.00 NAV per share on June 1, 2027. For the avoidance of doubt, KAA is not obligated to contribute shares prior to June 1, 2027, and KAA is not obligated to contribute any of the Support Shares if the NAV per share for each class equals or exceeds \$27.00 per share on June 1, 2027. If KAA were to effect the Shareholder Priority Plan today it would contribute 4.3 million shares (out of the total 7.7 million shares agreed to be contributed) to KREST, which would result in a NAV per share of \$27.00 per share for each class. KAA's allocation of \$50 million in new capital investment in KREST along with any future investments are not subject to subordination and/or cancellation.

(2) There is no assurance we will pay distributions in any particular amount, if at all. Any distributions we make will be at the discretion of our board of directors. KREST may pay distributions from sources other than cash flow from operations, including, without limitation, the sale of assets, borrowings, return of capital, or offering proceeds. This statement is not an indication of the tax treatment of any KREST distributions. Stockholders will be informed of the tax characteristics of any distributions after the close of KREST's fiscal year.

(3) Net Distribution Rate: Reflects the annualized monthly dividend for February 2025 divided by the month-end NAV for the respective share class. KREST intends to make distributions necessary to maintain its qualification as a real estate investment trust. However, there is no assurance that we will pay distributions in any particular amount, if at all. Any distributions we make will be at the discretion of our board of directors. KREST may pay distributions from sources other than cash flow from operations, including without limitations, the sale of assets, borrowings, return of capital or offering proceeds. For the year ended December 31, 2024, 80% of KREST's distributions were funded through adjusted funds from operations ("AFFO"). The Fund defines AFFO as the increase in net assets applicable to common stockholders from operations (calculated in accordance with GAAP), excluding (i) the change in net unrealized (appreciation) depreciation of investments, (ii) amortization premium (accretion of discount) on real estate securities, (iii) amortization of deferred origination fees on real estate loans, (iv) amortization of deferred financing costs, (v) management and incentive fees paid in shares of the Fund and (vi) realized and including undistributed income attributable to the Fund's unconsolidated subsidiaries. This statement is not an indication of the tax treatment of any KREST distributions. Stockholders will be informed of the tax characteristics of any distributions after the close of KREST's fiscal year. For the 2024 tax year, 100% of KREST's distributions were classified as Return of Capital ("ROC"). As of February 28, 2025, the Class I net distribution rate is 6.32%, the Class U net distribution rate is 5.47%, the Class D net distribution rate is 6.07% and the Class S net distribution rate is 5.46%.