JAN 25, 2021

NEW YORK--(BUSINESS WIRE)-- KKR Real Estate Finance Trust Inc. (the “Company” or “KREF”) (NYSE:KREF) today announced that, based on recent guidance from the Securities and Exchange Commission, commencing with its fourth quarter 2020 earnings release and Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and for subsequent reporting periods, the Company has elected to present Distributable Earnings, a measure that is not prepared in accordance with GAAP, as a supplement to KREF’s GAAP net income reporting. The Company believes this metric will be a useful indicator for investors in evaluating the Company’s operating performance and its ability to pay dividends. Distributable Earnings will replace the Company’s prior presentation of Core Earnings, and Core Earnings presentations from prior reporting periods will be recast as Distributable Earnings and will be accompanied by relevant disclosures, including the Company’s policy of realizing loan losses through Distributable Earnings.

The Company defines Distributable Earnings as net income (loss) attributable to its stockholders or, without duplication, owners of its subsidiaries, computed in accordance with GAAP, including realized losses not otherwise included in GAAP net income (loss) and excluding (i) non-cash equity compensation expense, (ii) depreciation and amortization, (iii) any unrealized gains or losses or other similar non-cash items that are included in net income for the applicable reporting period, regardless of whether such items are included in other comprehensive income or loss, or in net income, and (iv) one-time events pursuant to changes in GAAP and certain material non-cash income or expense items agreed upon after discussions between KKR Real Estate Finance Manager LLC, the Company’s Manager, and the Company’s board of directors and after approval by a majority of the Company’s independent directors. The exclusion of depreciation and amortization from the calculation of Distributable Earnings only applies to debt investments related to real estate to the extent the Company forecloses on the property or properties underlying such debt investments.

Distributable Earnings should not be considered as a substitute for GAAP net income. The Company’s methodology for calculating Distributable Earnings may differ from the methodologies employed by other REITs to calculate the same or similar supplemental performance measures, and as a result, the Company’s Distributable Earnings may not be comparable to similar measures presented by other REITs.

A detailed discussion of Distributable Earnings will be included in KREF’s Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

About KREF

KKR Real Estate Finance Trust Inc. (NYSE:KREF) is a real estate finance company that focuses primarily on originating and acquiring senior loans secured by commercial real estate properties. KREF is externally managed and advised by an affiliate of KKR & Co. Inc. For additional information about KREF, please visit its website at www.kkrreit.com.

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