

KKR Adds Healthcare Real Estate Assets to KREST Portfolio

Completes Purchase of Montecito's Southern Core Medical Office Portfolio

NEW YORK – December 20, 2021 – KKR, a leading global investment firm, today announced that KKR Real Estate Select Trust Inc. (“KREST”) has acquired a portfolio of core medical office buildings and ambulatory surgery centers located in seven Sun Belt states (the “Portfolio”). The Portfolio was assembled by Montecito Medical, a leading player in the medical office space, and FCA Partners, a real estate investment management company. The transaction will recapitalize the Portfolio with Montecito Medical retaining its interest in and operational responsibility for the properties.

The purchase marks KREST’s first acquisition of core healthcare real estate assets, further diversifying the fund’s portfolio following its recent first-time multifamily property investment, as well as its first international property acquisition. The investment aligns with KREST’s focus on thematically-driven, stabilized, income-generating commercial real estate, which is one of the fund’s three primary investment strategies.

The Portfolio consists of 15 outpatient medical office buildings and ambulatory surgery centers totaling approximately 400,000 square feet. The properties are located across the southern United States in growth submarkets within Arkansas, Florida, Georgia, North Carolina, Tennessee, Texas and South Carolina. The Portfolio is over 99% leased to a mix of leading investment grade health systems and specialist medical groups in practice areas including orthopedics and ophthalmology, with a weighted average lease term greater than 10 years.

“We are pleased to invest in mission-critical real estate for a premium group of tenants who are providing in-demand medical care to high-growth communities across the Sun Belt,” said Peter Sundheim, a senior leader on KKR’s real estate team. “We believe these properties operated by Montecito Medical are positioned to benefit from long-term trends in healthcare and population growth, making them a great match for KREST.”

“This transaction places our Southern Core Medical Office Portfolio in the hands of a great long-term owner with deep expertise across healthcare and real estate sectors,” said Chip Conk, Chief Executive Officer of Montecito Medical. “We are happy to deliver a great outcome for our investors while continuing to maintain and grow our operational platform.”

“This acquisition represents a meaningful diversification of our KREST investment portfolio, and we are thrilled to expand the portfolio with new exposure to healthcare real estate,” said Billy Butcher, Chief Executive Officer of KREST and Chief Operating Officer of KKR Global Real Estate.

“We appreciate the great work of our partners at Montecito Medical in assembling this portfolio of quality medical office assets,” said Al Lindemann, Managing Partner of FCA Partners. “We continue to believe in the long-term value of medical office assets as part of our client portfolios.”

Newmark’s Healthcare Capital Markets Group advised Montecito Medical and KKR on the transaction and provided advice to KKR on debt financing. BMO Harris Bank’s Healthcare Real Estate group provided financing for the transaction. Simpson Thacher & Bartlett LLP acted as legal counsel to KKR, and Allen Matkins Leck Gamble Mallory & Natsis LLP acted as legal counsel to Montecito Medical and FCA.

About KREST

KKR Real Estate Select Trust Inc. ("KREST") is a continuously offered, registered closed-end fund that thematically invests in high quality, stabilized, income-oriented commercial real estate equity and debt. The fund is open to all investors with daily subscriptions and its primary investment objective is to provide attractive current income, with a secondary objective of long-term capital appreciation. KREST is managed by KKR Registered Advisor LLC, an affiliate of KKR & Co. Inc., and utilizes the experience and reach of KKR's global real estate team and the resources available through the KKR platform. For additional information about KREST, please visit its website at www.krest.reit.

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.

About Montecito Medical

Montecito Medical is one of the nation's largest privately held companies specializing in healthcare-related real estate acquisitions and funding the development of medical real estate. Montecito is a leading resource for both medical real estate owners and healthcare providers seeking to monetize or expand their holdings. Since 2006, it has completed transactions across the United States involving more than \$5 billion in medical real estate. Headquartered in Nashville, TN, Montecito has been named as a "key influencer in healthcare real estate" by GlobeSt.com and the editors of Healthcare Real Estate Insights. For more information about Montecito Medical, please visit www.montecitomac.com.

About FCA Partners

FCA Partners is a Charlotte, NC based real estate investment advisor with a focus on identifying high quality assets and operating partners in the growth markets of the Southeast and TX. The firm has assembled a portfolio of over 50 assets with value in excess of \$2 billion on behalf of its institutional clients since its founding in 2014.

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