



News Release

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**CNL HEALTHCARE PROPERTIES ISSUES SPECIAL DISTRIBUTION,
UPDATES PER SHARE NET ASSET VALUE**

(ORLANDO, Fla.) May 22, 2019 — Following the recent sale of 59 assets, including 55 medical office buildings to Welltower Inc (NYSE:WELL) for \$1.25 billion, the board of directors of CNL Healthcare Properties has unanimously approved a special distribution and updated the company's estimated net asset value (NAV) per share. The board of directors has also adjusted the quarterly distribution rate.

Net sales proceeds from the Welltower transaction after closing costs, repayment of related debt, pro-rations and other adjustments was approximately \$550 million. The board of directors approved the use of these remaining proceeds to rebalance corporate borrowings and make a special distribution in the amount of \$2.00 per share to shareholders. The special distribution will total \$350.6 million and be paid on or about May 28. This is the first special distribution made by CNL Healthcare Properties and follows the June 2018 announcement of the formation of a special committee of its independent directors and the company's focus on the exploration of strategic alternatives to provide liquidity to shareholders.

The board of directors also updated CNL Healthcare Properties' estimated NAV per share to \$7.99 as of Dec. 31, 2018. The adjusted NAV reflects the sale of the 59 properties, the special distribution and a reconciliation of the actual closing costs versus prior estimates regarding the asset sales. At this time, the company does not plan to undertake another estimated NAV per share process until year end 2019. The estimated NAV is a snapshot in time and is not indicative of value the company or its shareholders may receive now or in the future.

The board also declared a regular distribution of \$0.0512 per share for the second quarter, reduced from the \$0.1164 per share quarterly distribution that has been in effect since the third quarter of 2017. The updated distribution reflects the company's smaller portfolio and a natural reduction to the earnings asset base and forward-looking cash generation from operations expectations.

“In recent weeks, we have made constructive and definable progress toward providing liquidity to our shareholders as we have successfully sold 59 of our healthcare assets and made our first special distribution,” said Stephen H. Mauldin, president and CEO of CNL Healthcare Properties. “Since we are still relatively early in our carefully orchestrated strategic alternatives process and have much left to do, our board of directors and management team continue to be wholly focused on driving incremental value creation and realization prospects through our remaining seniors housing-centric portfolio for the benefit of our investors.”

CNL Healthcare Properties now maintains 83 discrete assets in its portfolio, including 71 seniors housing communities, 11 post-acute and acute care facilities and one vacant land parcel.

About CNL Healthcare Properties

CNL Healthcare Properties, Inc., is a real estate investment trust (REIT) that focuses on acquiring properties in the seniors housing and healthcare sectors, including stabilized, value-add and ground-up development assets, as well as other income-producing properties, real-estate related securities and loans. CNL Financial Group, LLC is the sponsor of CNL Healthcare Properties. For more information, visit cnlhealthcareproperties.com.

About CNL Financial Group

CNL Financial Group (CNL) is a private investment management firm providing real estate and alternative investments. Since inception in 1973, CNL and/or its affiliates have formed or acquired companies with more than \$34 billion in assets. CNL is headquartered in Orlando, Florida. For more information, visit cnl.com.

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