

## Espresso Portfolio Joint Venture | Various Locations

NorthStar Healthcare Income, Inc. (NorthStar Healthcare), a public, non-traded real estate investment trust (REIT), through a joint venture with Formation Capital, LLC (Formation) and Safanad Management Limited (Safanad), completed an acquisition of the U.S.-based operations of Extendicare International, Inc., including a portfolio of 158 senior housing and care facilities for a total cost of \$1.1 billion.<sup>1</sup>

The portfolio is comprised of 152 skilled nursing facilities and six assisted living facilities with over 15,000 beds located across 12 states with largest concentrations in Indiana, Kentucky, Ohio, Michigan and Wisconsin. As of March 31, 2015, the portfolio's overall resident occupancy was approximately 83%.

### Equity Investment



#### Investment Information<sup>1</sup>

**Investment Amount:** \$326,557,000<sup>2</sup>

**Acquisition Date:** July 2015

#### Portfolio Information<sup>1</sup>

**Location:** Across 12 States

**Property Type:** Skilled Nursing & Assisted Living

**Years Built:** Various

**Facilities:** 158

**Beds:** 15,000+



1) This investment consists of a healthcare real estate portfolio acquired through a joint venture with Formation and Safanad for a total cost of \$1.1 billion, including closing costs and other expenses, pre-funded capital expenditures and certain adjustments for working capital and other items related to the closing of the acquisition. Information regarding the portfolio is presented on an aggregate basis. 2) Based on cost for real estate equity investments, which includes preliminary net purchase price allocation related to net intangibles, deferred costs and other assets, if any, and principal amount for real estate debt. May exclude other costs and expenses, including pre-funded capital expenditures, adjustments for working capital and other items relating to the closing of the investment. Includes NorthStar Healthcare's proportionate share of assets acquired through unconsolidated joint ventures. NorthStar Healthcare has a 36.67% interest in the joint venture and affiliates of Formation and Safanad collectively acquired the remaining 63.33% interest. To partially finance the transaction, NorthStar Healthcare also originated a \$75.0 million mezzanine loan. NorthStar Healthcare owns an interest in the properties depicted in the photos. All information provided is as of the acquisition date unless otherwise noted, and we undertake no duty to update such information.

This is neither an offer to sell nor a solicitation of an offer to buy securities. An offering is made only by the prospectus. **This literature must be read in conjunction with the prospectus in order to fully understand all of the implications and risks of the offering of securities to which the prospectus relates. A copy of the prospectus must be made available to you in connection with any offering.** No offering is made except by a prospectus filed with the Department of Law of the State of New York. Neither the Securities and Exchange Commission, the Attorney General of the State of New York nor any other state securities regulator has approved or disapproved of our common stock, determined if the prospectus is truthful or complete or passed on or endorsed the merits of this offering. Any representation to the contrary is a criminal offense. An investment in NorthStar Healthcare involves a high degree of risk, including: (1) no public market for our shares; (2) no assurance that the investment objectives of this program will be attained; (3) the financial risks associated with fluctuations in the real estate market, including decreases in some or all of the value over time; (4) there is no guarantee of distributions and distributions have been paid from sources other than cash flow from operations, which may reduce an investor's overall return; (5) fees paid to the advisor were not determined on an arm's length basis and reduce the amount the program can invest in income producing assets, which may reduce an investor's overall return; (6) we cannot assure you that this program will ever complete a liquidity event; and (7) if the program fails to qualify as a REIT, cash available for distribution and the value of the shares could materially decrease. Securities offered through NorthStar Securities, LLC, member FINRA/SIPC, an affiliate of NorthStar Healthcare, the dealer manager for NorthStar Healthcare. NorthStar Securities, LLC is doing business as NorthStar BD Securities, LLC (DE) in the following states: FL, GA, TX and WA.