SUPPLEMENTAL FINANCIAL REPORT

For the Quarter Ended September 30, 2023

NorthStar
HEALTHCARE INCOME

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This presentation may contain forward-looking statements within the meaning of the federal securities laws. Forward-looking statements are generally identifiable by use of forward-looking terminology such as “may,” “will,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential," "continue," "future" or other similar words or expressions that do not relate solely to historical matters. Forward-looking statements are not guarantees of performance and are based on certain assumptions, many of which are beyond the Company's control, discuss future expectations, describe plans and strategies, involve known and unknown risks, contain projections of results of operations or of financial condition or state other forward-looking information. The Company believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, however the actual results and performance could differ materially from the information presented in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2022 and the company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023. Such statements include, but are not limited to, those relating to the Company's ability to make distributions to its stockholders; its ability to retain its senior executives and other sufficient personnel to manage the business; the ability to realize substantial efficiencies as well as anticipated strategic and financial benefits of the internalization of the management function as operating costs and business disruption may be greater than expected; the operating performance of the Company's investments, the Company's financing needs, the effects of current strategies and investment activities and the ability to effectively deploy capital. The foregoing list of factors is not exhaustive. Additional information about these and other factors can be found in Part I, Item 1A of the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2022, the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 as well as in the Company’s other filings with the Securities and Exchange Commission.

The Company cautions investors not to unduly rely on any forward-looking statements. The forward-looking statements speak only as of the date of this presentation. The Company is under no duty to update any of these forward-looking statements after the date of this presentation, nor to conform prior statements to actual results or revised expectations, and the Company does not intend to do so.

References to “we”, “us”, “our” the “Company” or “NorthStar Healthcare” refer to NorthStar Healthcare Income, Inc. and its subsidiaries unless the context specifically requires otherwise.

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NorthStar HEALTHCARE INCOME

I. OUR INVESTMENTS

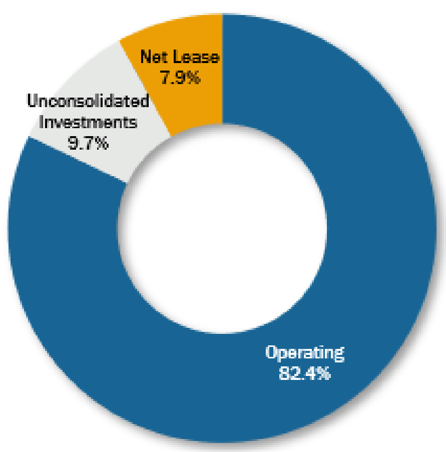
We conduct our business through the following three segments, which are based on how management reviews and manages our business:

Direct Investments - Operating - Properties operated pursuant to management agreements with managers, in which we own a controlling interest.

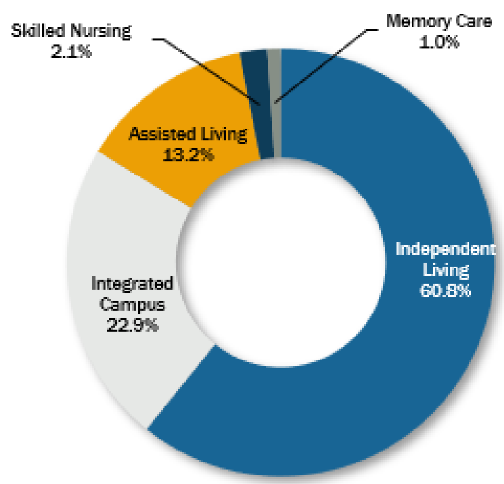
Direct Investments - Net Lease - Properties operated under net leases with an operator, in which we own a controlling interest.

Unconsolidated Investments - Joint ventures, which include properties operated under net leases with operators or pursuant to management agreements with managers, in which we own a minority, non-controlling interest.

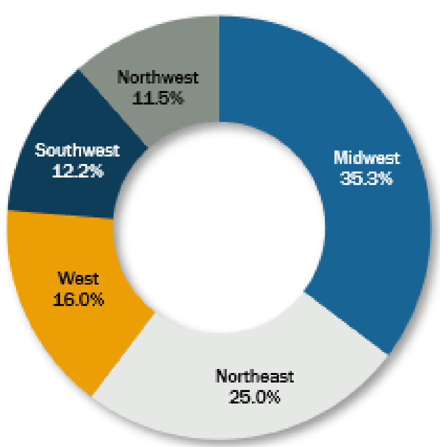
Investments by Segments[1]



Investments by Property Type[2]



Investments by Geographic Location[2]



(1) For direct operating and net lease investments, based on operating real estate, before accumulated depreciation and for unconsolidated investments, based on the carrying value of our investments in unconsolidated ventures as of September 30, 2023.

(2) Based on cost as of September 30, 2023. Property type classification based on predominant services provided, but may include other services.

I. OUR INVESTMENTS (CONT.)

($ In thousands)

Investment Type / Portfolio	Amount[2]	ILF	ALF	MCF	SNF	Integrated Campus	Total	Primary Locations	Ownership Interest
		Properties [1]							
Direct Investments - Operating									
Winterfell	$ 737,058	32	—	—	—	—	32	12 U.S. States	100.0 %
Rochester	149,204	7	3	—	—	—	10	New York	97.0 %
Avamere	94,246	—	5	—	—	—	5	Washington/Oregon	100.0 %
Aqua	83,684	2	1	1	—	—	4	Texas/Ohio	97.0 %
Oak Cottage	18,695	—	—	1	—	—	1	California	100.0 %
Subtotal	$ 1,082,887	41	9	2	—	—	52		
Direct Investments - Net Lease									
Arbors	$ 103,915	—	4	—	—	—	4	New York	100.0 %
Total Direct Investments	$ 1,186,802	41	13	2	—	—	56		
Unconsolidated Investments									
Trilogy[3]	$ 124,670	—	—	—	—	123	123	4 U.S. States	23.4 %
Espresso	3,075	—	—		23		23	Ohio/Michigan	36.7 %
Solstice[4]	281	—	—	—	—	—	—		20.0 %
Total Unconsolidated Investments	$ 128,026	—	—	—	23	123	146		
Total Investments	$ 1,314,828	41	13	2	23	123	202		

As of September 30, 2023. See 'Footnotes' in the Appendix.

II. BUSINESS & FINANCIAL UPDATE
Q3 2023

NorthStar HEALTHCARE INCOME

Factors Impacting Our Operating Results	◦ Capital improvement projects and the enhancement of our facilities have supported the recovery of occupancy to pre-pandemic levels, which has led to increases in revenues. ◦ Increased inflation continued to affect our operating costs, including repairs and maintenance, insurance, utilities, food costs and other operating costs. Increased labor costs and a shortage of available skilled and unskilled workers has, and may continue to, increase the cost of staffing at our facilities. ◦ Rising interest rates may help ease inflation, but have increased our debt service obligations on our variable rate debt.
Consolidated Results	◦ GAAP net loss totaled $11.4M in Q3 2023 as compared to $59.0M in Q2 2023. The decrease in loss was primarily due to Q2 2023 impairment of five facilities and a land parcel within the Rochester portfolio totaling $38.7M, as well as impairment of our investment in the Espresso joint venture totaling $4.7M. ◦ Modified funds from operations decreased to $5.2M for Q3 2023 as compared to $8.4M in Q2 2023 primarily due to accrued default interest expense and prepayment penalties for the Rochester Sub-Portfolio Loan (as defined on the following page). We do not anticipate remitting payment for debt service obligations due under the Rochester Sub-Portfolio Loan.
Direct Investments - Operating	◦ Occupancy averaged 86.5% for Q3 2023, a 140 bps increase from 85.1% averaged in Q2 2023. ◦ Rental and resident fee income increased by $1.4 million, to $51.5 million in Q3 2023, as a result of improved occupancy and increases in market rates for new residents and in-place rates for existing residents. Property operating expenses increased by $1.9 million due to higher utility costs, salaries and wages, and additional management fees accrued at our Winterfell portfolio due to exceeding performance targets for the nine months ended September 30, 2023, per the terms of our management agreements. ◦ Overall, rental and resident fee income, net of property operating expenses, decreased by $0.5 million compared to prior quarter.
Direct Investments - Net Lease	◦ We recognized $0.8M rental income in Q3 2023 compared to $0.3M in Q2 2023. ◦ The operator of our net lease properties continues to be impacted by sub-optimal occupancy levels and elevated operating expenses, which has resulted in limited cash flow generated by properties. Average quarterly occupancy improved by 80 bps to 73.8% in Q3 2023 as compared to 73.0% in Q2 2023.
Investments in Unconsolidated Ventures	◦ Equity in losses totaled $0.1 million in Q3 2023 as compared to $2.5 million in Q2 2023. The improvement was attributed to the sale of the Diversified US/UK & Eclipse minority interests in June 2023, which generated losses in Q2 2023. ◦ There were no distributions received in Q3 2023 as compared to $21.8 million in Q2 2023. ◦ The Trilogy joint venture has continued to improve from pandemic-era lows, but the occupancy of the joint venture's facilities remains below historical levels, which has impacted operating revenues. Operating expenses continue to be impacted by inflationary pressures and the joint venture has incurred higher interest expense on floating rate debt, due to rising market interest rates, which has limited cash available to be distributed.

II. BUSINESS & FINANCIAL UPDATE Q3 2023 (CONT.)

NorthStar HEALTHCARE INCOME

Investment Activity	◦ In November 2023, we entered into an agreement to sell all of our ownership interests in the Trilogy joint venture, which indirectly owns 123 integrated senior health campuses, to American Healthcare REIT, Inc. or its affiliates, the majority partner of the Trilogy joint venture. AHR has the right to purchase the Company's ownership interests in the Trilogy joint venture at any time prior to September 30, 2025, assuming AHR exercises all of its extension options and subject to satisfaction of certain closing conditions, for a purchase price ranging from $240.5 million to $260 million depending upon the purchase price consideration and timing of the closing. A minimum of 10% of the purchase price consideration must be paid in cash, with the balance payable in either cash or new Series A Cumulative Convertible Preferred Stock to be issued by AHR in connection with the closing. Although there can be no assurance that AHR will consummate the purchase of our interests in the Trilogy joint venture on the terms stipulated in the agreement, or at all, we believe that this proposed transaction presents an attractive opportunity for us in executing on our disposition strategy. ◦ In October 2023, as a result of the payment default in July 2023 on seven cross-defaulted and cross-collateralized mortgage notes with an aggregate principal amount outstanding of $99.8 million, or the Rochester Sub-Portfolio Loan, secured by seven healthcare real estate properties, or the Rochester Sub-Portfolio, the lender filed a complaint seeking the appointment of a receiver and foreclosure on the underlying properties and to enforce its rights in its collateral under the loan documents and, on October 30, 2023, the properties underlying the Rochester Sub-Portfolio Loan were placed into a receivership. The receiver now has effective control of the properties and we are working with the lender and the receiver to facilitate an orderly transition of the operations, and eventually ownership, of the properties. The transition of these properties is expected to have a positive impact on our cash flows and not have a negative impact on value since the balance of debt is believed to exceed the value of the properties. ◦ In July 2023, we exercised our option to extend the maturity date of a mortgage note payable collateralized by a property within the Rochester portfolio from August 2023 to August 2024 and made a $0.3 million principal repayment toward the outstanding principal balance.
Liquidity	◦ As of September 30, 2023, we had $908.3 million of consolidated property-level borrowings outstanding. In Q3 2023, we paid $13.3 million in recurring principal and interest payments on borrowings. ◦ Although we had approximately $98.7 million of unrestricted cash as of November 9, 2023, we require capital to fund operations, capital expenditures, including those invested to improve performance, and other important business uses, as well as to fund our debt service obligations and potentially to refinance indebtedness. ◦ Current cash flow generated by operations is not sufficient to cover all of these obligations. If we do not have sufficient capital available to fund our obligations, we may be unable to position properties to maximize value or meet debt service obligations. Instead, the board of directors will evaluate special distributions in connection with any future sales and other realizations of investments on a case-by-case basis based on, among other factors, current and projected liquidity needs. ◦ We do not currently anticipate resuming the share repurchase program. If we have sufficient capital available, at this stage in our life cycle, we believe that returning capital to stockholders through special distributions, rather than repurchases, is a better use of that capital.

III. DIRECT INVESTMENTS - KEY METRICS

NorthStar HEALTHCARE INCOME

($ In thousands)

Manager	Average Monthly Occupancy September 2023	Average Monthly Occupancy June 2023	Average Monthly Occupancy Variance	Average Quarterly Occupancy Q3 2023	Average Quarterly Occupancy Q2 2023	Average Quarterly Occupancy Variance
Solstice Senior Living	89.1 %	87.6 %	1.5 %	88.7 %	87.4 %	1.3 %
Watermark Retirement Communities	81.4 %	79.3 %	2.1 %	80.8 %	78.9 %	1.9 %
Avamere Health Services	90.8 %	88.1 %	2.7 %	90.3 %	88.7 %	1.6 %
Integral Senior Living	83.2 %	86.9 %	(3.7)%	85.0 %	84.5 %	0.5 %
Direct Investments - Operating	87.0 %	85.2 %	1.8 %	86.5 %	85.1 %	1.4 %

Operator / Manager Information:	Properties Managed	Units Under Management[1]	Total Revenues[2]	% of Total Revenues
Solstice Senior Living[3]	32	3,969	$ 94,469	61.2 %
Watermark Retirement Communities	14	1,782	35,967	23.2 %
Avamere Health Services	5	453	16,266	10.5 %
Integral Senior Living	1	40	3,672	2.4 %
Arcadia Management[4]	4	572	1,178	0.8 %
Other[5]	—	—	2,893	1.9 %
Total	56	6,816	$ 154,445	100.0 %

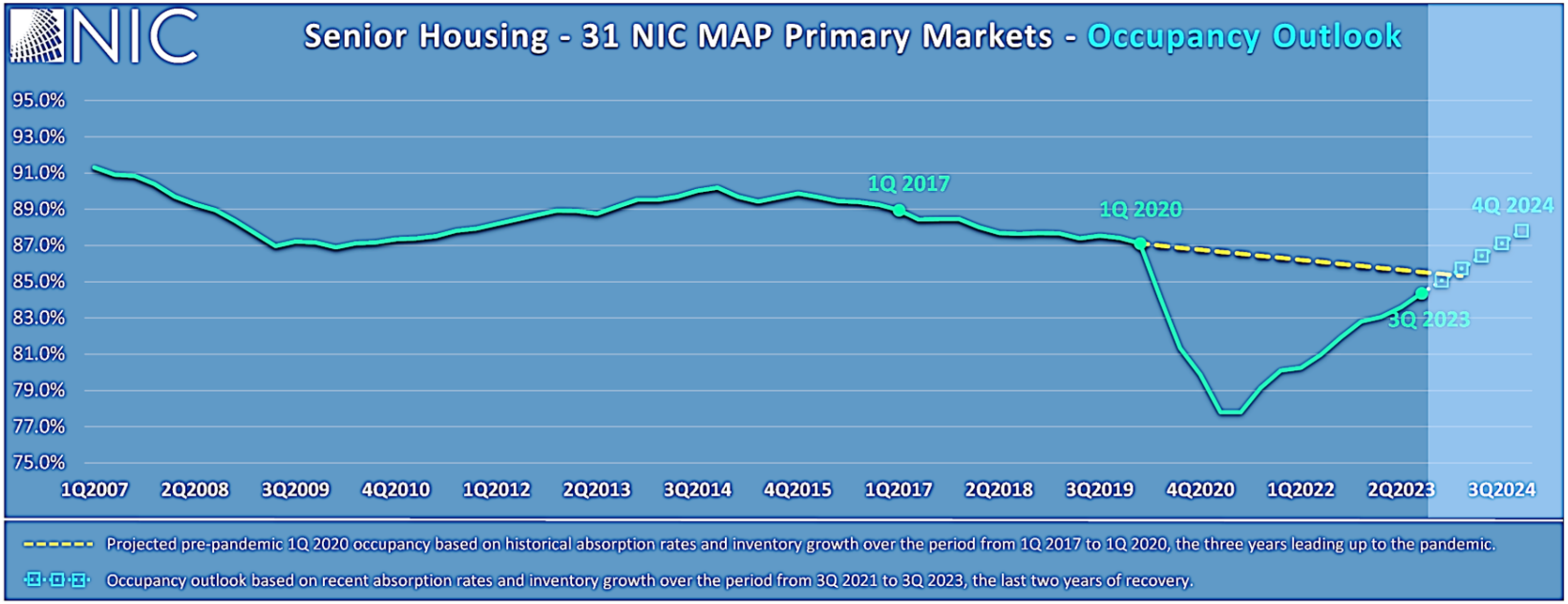
Operating Investments	Q3 2023	Q2 2023	Increase (Decrease) Amount	Increase (Decrease) %
Average quarterly occupied units	16,207	15,942	265	1.7 %
RevPOR[6]	3,175	3,141	34	1.1 %
Resident fee income	11,966	11,839	127	1.1 %
Rental income	39,493	38,227	1,266	3.3 %
Property revenues	51,459	50,066	1,393	2.8 %
Salaries and wages	16,897	16,561	336	2.0 %
Utilities	3,429	2,694	735	27.3 %
Food and beverage	2,748	2,649	99	3.7 %
Repairs and maintenance	3,700	3,627	73	2.0 %
Property taxes	2,848	2,880	(32)	(1.1)%
Property management fee	2,989	2,499	490	19.6 %
All other expenses	4,279	4,116	163	4.0 %
Total property operating expenses	36,890	35,026	1,864	5.3 %
Revenues, net of operating expenses	$ 14,569	$ 15,040	$ (471)	(3.1)%

See “Footnotes” in the Appendix

IV. SENIORS HOUSING KEY TRENDS

Market Update - Occupancy growth:

- Senior housing occupancy continued to trend upward as demand continues to outpace new supply
- NIC Maps Primary Market occupancies increased for the 9th consecutive quarter to 84.4% in Q3 2023, or 80 bps from Q2 2023
  - Q3 2023 occupancy is 660 bps higher than the low of 77.8% in June 2021, but still 270 bps lower than pre-pandemic occupancy of 87.1% in Q1 2020
  - Continued reduction in occupancy gap between IL (+70 bps to 86.1%) and AL (+90 bps to 82.6%)
  - Senior housing occupied units are now 2.6% or 15,026 units above the pre-pandemic Q1 2020 level
  - NIC is projecting to reach/exceed pre-pandemic occupancy levels in 2024



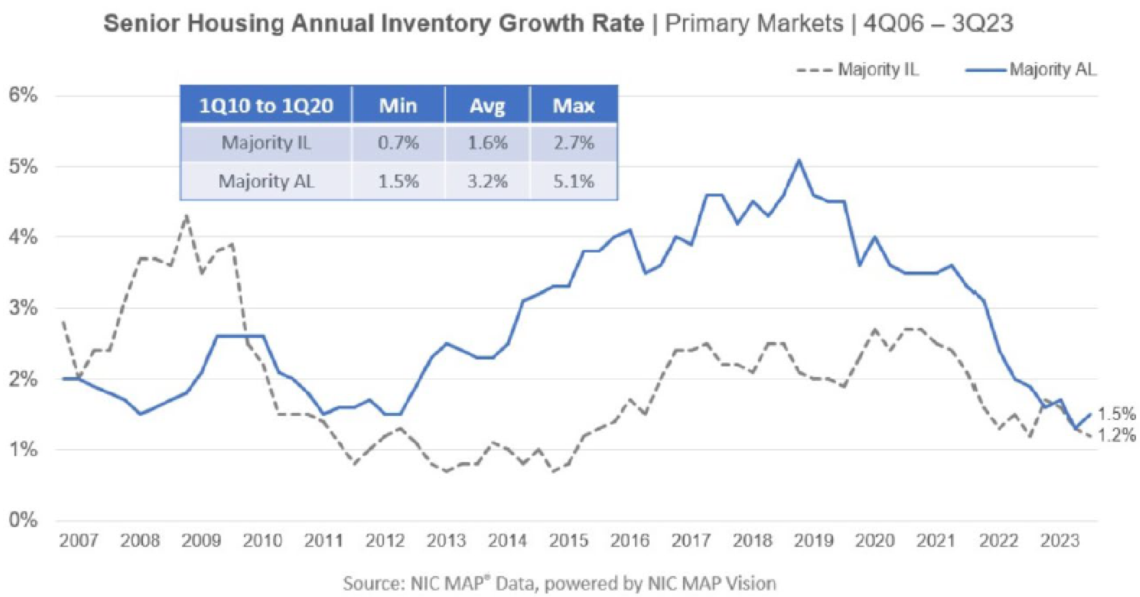
Source: NIC MAP® data, powered by NIC MAP Vision
Prepared by: NIC Analytics of the National Investment Center for Seniors Housing & Care (NIC)

Source: NIC Map/NIC Quarterly Snapshot

IV. SENIORS HOUSING KEY TRENDS (CONT.)

NorthStar HEALTHCARE INCOME

- Inventory Growth (NIC Primary Markets):
    - IL annual inventory growth in Q3 2023 was 1.2%, below pre-pandemic average of 1.6%
    - AL annual inventory growth in Q3 2023 was 1.5%, less than half of the pre-pandemic average of 3.2%
- Construction Starts: Rolling 4-quarter starts as of Q3 2023 totaled 1.6% of inventory; similar to previous quarter, a level not seen since 2012



Source: 3Q2023 NIC Map / NIC Quarterly Snapshot – all information is for the NIC Primary Markets

Source: NIC Map/NIC Quarterly Snapshot

V. ESTIMATED NET ASSET VALUE UPDATE

NorthStar HEALTHCARE INCOME

- On November 9, 2023, upon the recommendation of the audit committee of our board of directors, the board of directors approved and established an estimated net asset value per share of our common stock, or the 2023 NAV Per Share, of $2.64 as of June 30, 2023.
- We engaged Kroll, an experienced third-party independent valuation and consulting firm to perform an appraisal and valuation of our assets and liabilities.
- The information used to generate the 2023 NAV Per Share, including market information, investment- and property-level data and other information provided by third parties, was the most recent information practically available as of June 30, 2023.
- Various factors were considered in determining the 2023 NAV Per Share, including assumptions and estimates that may not ultimately be accurate or complete. The value of our common stock will fluctuate over time as a result of many factors, including, but not limited to, economic conditions, including rising interest rates and inflation, changes in healthcare, real estate and debt capital markets and investment-specific developments.

Significant factors impacting our 2023 NAV Per Share of $2.64 are as follows:

- Performance has improved across our healthcare properties overall, with improved occupancy and revenues, particularly in our directly owned investments where we have reinvested a portion of the proceeds from asset sales into capital improvements. However, inflationary pressures and labor shortages continue to drive up operating costs, adversely impacting margins.
- Improved performance was offset by overall investment and capital market conditions, with higher interest rates and reduction in availability of capital driving up capitalization rates and adversely affecting values.
- Although we did not sell any directly owned investments during the period, we did exit our minority position in the Diversified US/ UK and Eclipse joint ventures in June 2023, both of which experienced significant distress over the period in light of operating challenges and rising interest rates. In addition, we received proceeds from asset sales within the Espresso joint venture.
- Proceeds we received from asset sales at unconsolidated joint ventures were reinvested in part in capital projects for directly owned investments to enhance stockholder value, and funded G&A expenses, which reduced available cash and put downward pressure on the 2023 NAV Per Share.

The table below illustrates a breakdown of our 2023 NAV Per Share as of June 30, 2023 ($ in thousands, except per share value):

	Estimated Value	Estimated Value Per Share
Healthcare Properties, net Healthcare Borrowings, at ownership share	$ 387,184	$ 2.08
Cash and other tangible assets	124,711	0.67
Other liabilities	(21,993)	(0.12)
Estimated NAV as of June 30, 2023	$ 489,902	$ 2.64
Shares outstanding (in thousands)		185,712

For additional information regarding the estimated per share value, please refer to "Item 5. Other Information" in NorthStar Healthcare's Form 10-Q for the quarter ended September 30, 2023.

VI. APPENDIX

NorthStar
HEALTHCARE INCOME

CONSOLIDATED BALANCE SHEETS

NorthStar HEALTHCARE INCOME

(In thousands)

	September 30, 2023 (Unaudited)	December 31, 2022
Assets		
Cash and cash equivalents	$ 87,581	$ 103,926
Restricted cash	11,386	11,734
Operating real estate, net	894,245	933,002
Investments in unconsolidated ventures	128,026	176,502
Receivables, net	2,253	2,815
Intangible assets, net	2,000	2,253
Other assets	10,425	7,603
Total assets	$ 1,135,916	$ 1,237,835
Liabilities		
Mortgage and other notes payable, net	$ 901,610	$ 912,248
Due to related party	292	469
Escrow deposits payable	1,023	993
Accounts payable and accrued expenses	23,967	21,034
Other liabilities	1,592	2,019
Total liabilities	928,484	936,763
Equity		
Common stock	1,857	1,954
Additional paid-in capital	1,716,701	1,729,589
Retained earnings (accumulated deficit)	(1,511,765)	(1,428,840)
Accumulated other comprehensive income (loss)	—	(3,679)
Equity before NCI	206,793	299,024
Non-controlling interests	639	2,048
Total equity	207,432	301,072
Total liabilities and equity	$ 1,135,916	$ 1,237,835

CONSOLIDATED STATEMENTS OF OPERATIONS

NorthStar HEALTHCARE INCOME

(In thousands, except per share data)

	Three Months Ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Property and other revenues				
Resident fee income	$ 11,966	$ 11,274	$ 35,655	$ 32,987
Rental income	40,330	36,165	115,897	103,001
Other revenue	1,078	300	2,893	457
Total property and other revenues	53,374	47,739	154,445	136,445
Expenses				
Property operating expenses	36,890	35,134	106,993	101,258
Interest expense	14,250	11,014	37,143	31,877
Transaction costs	358	857	455	857
Asset management fees - related party	—	2,428	—	7,532
General and administrative expenses	2,921	2,859	10,424	10,300
Depreciation and amortization	9,848	9,642	29,305	29,105
Impairment loss	—	18,500	43,422	31,502
Total expenses	64,267	80,434	227,742	212,431
Other income (loss)				
Other income, net	—	—	202	77
Gain (loss) on investments and other	(347)	325	(4,662)	660
Income (loss) before earnings of unconsolidated ventures and income taxes	(11,240)	(32,370)	(77,757)	(75,249)
Equity in earnings (losses) of unconsolidated ventures	(127)	2,872	(6,595)	39,427
Income tax expense	(17)	(15)	(43)	(45)
Net income (loss)	(11,384)	(29,513)	(84,395)	(35,867)
Net (income) loss attributable to non-controlling interests	166	73	1,470	298
Net income (loss) attributable to common stockholders	$ (11,218)	$ (29,440)	$ (82,925)	$ (35,569)
Net income (loss) per share of common stock	$ (0.06)	$ (0.15)	$ (0.43)	$ (0.18)
Weighted average number of shares of common stock outstanding	185,712,103	194,670,948	191,367,117	194,032,819
Distributions declared per share of common stock	$ —	$ —	$ —	$ 0.50

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL INFORMATION

(In thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Funds from operations:				
Net income (loss) attributable to NHI	$ (11,218)	$ (29,440)	$ (82,925)	$ (35,569)
Adjustments:				
Depreciation and amortization	9,848	9,642	29,305	29,105
Depreciation and amortization related to non-controlling interests	(67)	(71)	(214)	(215)
Depreciation and amortization related to unconsolidated ventures	4,137	7,290	14,328	21,386
Realized (gain) loss from sales of property	—	—	(136)	425
Realized gain (loss) from sales of property related to non-controlling interests	—	—	4	(6)
Realized (gain) loss from sales of property related to unconsolidated ventures	—	(505)	(7,894)	(44,407)
Impairment losses of depreciable real estate	—	18,500	38,694	31,502
Impairment loss on real estate related to non-controlling interests	—	—	(1,161)	(117)
Impairment losses of depreciable real estate held by unconsolidated ventures	—	38	7,682	58
Funds from operations attributable to NHI	$ 2,700	$ 5,454	$ (2,317)	$ 2,162
Modified funds from operations:				
Funds from operations attributable to NHI	$ 2,700	$ 5,454	$ (2,317)	$ 2,162
Adjustments:				
Acquisition fees and transaction costs	358	857	455	857
Straight-line rental (income) loss	—	—	—	—
Amortization of premiums, discounts and fees on investments and borrowings	1,513	983	3,507	2,927
(Gain) loss on investments and other	347	(325)	4,798	(1,085)
Adjustments related to unconsolidated ventures	323	(2,525)	6,136	11,636
Adjustments related to non-controlling interests	(27)	7	(28)	11
Impairment of real estate related investment	—	—	4,728	—
Modified funds from operations attributable to NHI	$ 5,214	$ 4,451	$ 17,279	$ 16,508

SEGMENT INFORMATION

(In thousands)

Three Months Ended September 30, 2023	Direct Investments: Net Lease	Direct Investments: Operating	Unconsolidated Investments	Corporate	Total
Property and other revenues	$ 837	$ 51,459	$ —	$ 1,078	$ 53,374
Property operating expenses	—	(36,890)	—	—	(36,890)
Interest expense	(883)	(13,367)	—	—	(14,250)
Transaction costs	—	—	(358)	—	(358)
General and administrative expenses	—	(30)	—	(2,891)	(2,921)
Depreciation and amortization	(729)	(9,119)	—	—	(9,848)
Gain (loss) on investments and other	—	(311)	(36)	—	(347)
Equity in earnings (losses) of unconsolidated ventures	—	—	(127)	—	(127)
Income tax expense	—	(17)	—	—	(17)
Net income (loss)	$ (775)	$ (8,275)	$ (521)	$ (1,813)	$ (11,384)

Three Months Ended September 30, 2022	Direct Investments: Net Lease	Direct Investments: Operating	Unconsolidated Investments	Corporate	Total
Property and other revenues	$ 724	$ 46,715	$ —	$ 300	$ 47,739
Property operating expenses	—	(35,134)	—	—	(35,134)
Interest expense	(907)	(10,107)	—	—	(11,014)
Transaction costs	—	—	—	(857)	(857)
Asset management fees - related party	—	—	—	(2,428)	(2,428)
General and administrative expenses	—	(8)	—	(2,851)	(2,859)
Depreciation and amortization	(870)	(8,772)	—	—	(9,642)
Impairment loss	(18,500)	—	—	—	(18,500)
Gain (loss) on investments and other	—	325	—	—	325
Equity in earnings (losses) of unconsolidated ventures	—	—	2,872	—	2,872
Income tax expense	—	(15)	—	—	(15)
Net income (loss)	$ (19,553)	$ (6,996)	$ 2,872	$ (5,836)	$ (29,513)

SEGMENT INFORMATION (cont.)

(In thousands)

Nine Months Ended September 30, 2023	Direct Investments: Net Lease	Direct Investments: Operating	Unconsolidated Investments	Corporate	Total
Property and other revenues	$ 1,178	$ 150,374	$ —	$ 2,893	$ 154,445
Property operating expenses	—	(106,993)	—	—	(106,993)
Interest expense	(2,639)	(34,504)	—	—	(37,143)
Transaction costs	—	—	(358)	(97)	(455)
General and administrative expenses	—	(555)	—	(9,869)	(10,424)
Depreciation and amortization	(2,187)	(27,118)	—	—	(29,305)
Impairment loss	—	(38,694)	(4,728)	—	(43,422)
Other income, net	—	202	—	—	202
Gain (loss) on investments and other	—	(28)	(4,634)	—	(4,662)
Equity in earnings (losses) of unconsolidated ventures	—	—	(6,595)	—	(6,595)
Income tax expense	—	(43)	—	—	(43)
Net income (loss)	$ (3,648)	$ (57,359)	$ (16,315)	$ (7,073)	$ (84,395)

Nine Months Ended September 30, 2022	Direct Investments: Net Lease	Direct Investments: Operating	Unconsolidated Investments	Corporate	Total
Property and other revenues	$ 1,220	$ 134,768	$ —	$ 457	$ 136,445
Property operating expenses	(35)	(101,223)	—	—	(101,258)
Interest expense	(2,708)	(29,169)	—	—	(31,877)
Transaction costs	—	—	—	(857)	(857)
Asset management fees - related party	—	—	—	(7,532)	(7,532)
General and administrative expenses	—	(24)	—	(10,276)	(10,300)
Depreciation and amortization	(2,601)	(26,504)	—	—	(29,105)
Impairment loss	(18,500)	(13,002)	—	—	(31,502)
Other income, net	—	77	—	—	77
Gain (loss) on investments and other	(206)	620	246	—	660
Equity in earnings (losses) of unconsolidated ventures	—	—	39,427	—	39,427
Income tax expense	—	(45)	—	—	(45)
Net income (loss)	$ (22,830)	$ (34,502)	$ 39,673	$ (18,208)	$ (35,867)

FOOTNOTES

Page 5 – Our Investments

1. Classification based on predominant services provided, but may include other services.
2. For direct investments, amount represents operating real estate, before accumulated depreciation as presented in our consolidated financial statements as of September 30, 2023. For unconsolidated investments, amount represents the carrying value of our investments in unconsolidated ventures as presented in our consolidated financial statements as of September 30, 2023.
3. Property count includes properties owned and leased by the joint venture and excludes its institutional pharmacy and therapy businesses.
4. Represents our investment in Solstice Senior Living, LLC, or Solstice, the manager of the Winterfell portfolio. Solstice is a joint venture between affiliates of Integral Senior Living, LLC, or ISL, a management company of ILF, ALF and MCF founded in 2000, which owns 80.0%, and us, who owns 20.0%.

Page 8 – Direct Investments - Key Metrics

1. Represents rooms for ALFs, ILFs and MCFs, based on predominant type.
2. Includes rental income received from the Company's net lease properties as well as rental income, ancillary service fees and other related revenue earned from ILF residents and resident fee income derived from the Company's ALFs and MCFs, which includes resident room and care charges, ancillary fees and other resident service charges.
3. Solstice is a joint venture of which affiliates of ISL own 80%.
4. During the nine months ended September 30, 2023, we recorded rental income to the extent payments were received.
5. Consists primarily of interest income earned on corporate-level cash accounts.
6. RevPOR represents average revenues generated per occupied room per quarter.

IMPORTANT NOTE REGARDING NON-GAAP FINANCIAL MEASURES AND DEFINITIONS

We believe that Funds from Operations, or FFO, and Modified Funds from Operations, or MFFO, are additional appropriate measures of the operating performance of a REIT and of us in particular. We compute FFO in accordance with the standards established by the National Association of Real Estate Investment Trusts, or NAREIT, as net income (loss) (computed in accordance with U.S. GAAP), excluding gains (losses) from sales of depreciable property, the cumulative effect of changes in accounting principles, real estate-related depreciation and amortization, impairment on depreciable property owned directly or indirectly and after adjustments for unconsolidated ventures.

Due to certain of the unique features of publicly-registered, non-traded REITs, the Institute for Portfolio Alternatives, or IPA, an industry trade group, standardized a performance measure known as MFFO and recommends the use of MFFO for such REITs. Management believes MFFO is a useful performance measure to evaluate our business and further believes it is important to disclose MFFO in order to be consistent with the IPA recommendation and other non-traded REITs. Neither the U.S. Securities and Exchange Commission, or SEC, nor any other regulatory body has approved the acceptability of the adjustments that we use to calculate MFFO. In the future, the SEC or another regulatory body may decide to standardize permitted adjustments across the non-listed REIT industry and we may need to adjust our calculation and characterization of MFFO.

We define MFFO in accordance with the concepts established by the IPA. Our computation of MFFO may not be comparable to other REITs that do not calculate MFFO using the same method MFFO is calculated using FFO. FFO, as defined by NAREIT, is a computation made by analysts and investors to measure a real estate company's operating performance. The IPA's definition of MFFO excludes from FFO the following items: (i) acquisition fees and expenses; (ii) non-cash amounts related to straight-line rent and the amortization of above or below market and in-place intangible lease assets and liabilities (which are adjusted in order to reflect such payments from an accrual basis of accounting under U.S. GAAP to a cash basis of accounting); (iii) amortization of a premium and accretion of a discount on debt investments; (iv) non-recurring impairment of real estate-related investments that meet the specified criteria identified in the rules and regulations of the SEC; (v) realized gains (losses) from the early extinguishment of debt; (vi) realized gains (losses) on the extinguishment or sales of hedges, foreign exchange, securities and other derivative holdings except where the trading of such instruments is a fundamental attribute of our business; (vii) unrealized gains (losses) from fair value adjustments on real estate securities, including CMBS and other securities, interest rate swaps and other derivatives not deemed hedges and foreign exchange holdings; (viii) unrealized gains (losses) from the consolidation from, or deconsolidation to, equity accounting; (ix) adjustments related to contingent purchase price obligations; (x) adjustments for consolidated and unconsolidated partnerships and joint ventures calculated to reflect MFFO on the same basis as above.

We believe that MFFO is a useful non-GAAP measure for non-traded REITs. It is helpful to management and stockholders in assessing our future operating performance upon completion of our organization and offering, and acquisition and development stages. However, MFFO may not be a useful measure of our operating performance or as a comparable measure to other typical non-traded REITs if we do not continue to operate in a similar manner to other non-traded REITs, including if we determined not to pursue an exit strategy.

MFFO does have certain limitations. For instance, realized gains (losses) from acquisitions and dispositions and other adjustments listed above are not reported in MFFO, even though such realized gains (losses) and other adjustments could affect our operating performance and cash available for distribution. Any mark-to-market or fair value adjustments may be based on many factors, including current operational or individual property issues or general market or overall industry conditions. Investors should note that while impairment charges are excluded from the calculation of MFFO, investors are cautioned that due to the fact that impairments are based on estimated future undiscounted cash flow and the relatively limited term of a non-traded REIT's anticipated operations, it could be difficult to recover any impairment charges through operational net revenues or cash flow prior to any liquidity event. In addition, MFFO is not a useful measure in evaluating net asset value, since impairment is taken into account in determining net asset value but not in determining MFFO.

Neither FFO nor MFFO is equivalent to net income (loss) or cash flow provided by operating activities determined in accordance with U.S. GAAP and should not be construed to be more relevant or accurate than the U.S. GAAP methodology in evaluating our operating performance. Neither FFO nor MFFO is necessarily indicative of cash flow available to fund our cash needs including our ability to make distributions to our stockholders. FFO and MFFO do not represent amounts available for management's discretionary use because of needed capital replacement or expansion, debt service obligations or other commitments or uncertainties. Furthermore, neither FFO nor MFFO should be considered as an alternative to net income (loss) as an indicator of our operating performance.

COMPANY INFORMATION

NorthStar Healthcare Income, Inc., together with its consolidated subsidiaries, owns a diversified portfolio of seniors housing properties, including independent living facilities, assisted living and memory care facilities located throughout the United States. In addition, the Company also has made investments through non-controlling interests in joint ventures in a broader spectrum of healthcare real estate, including seniors housing properties, as well as skilled nursing and ancillary services businesses, located throughout the United States.

The Company was formed in October 2010 as a Maryland corporation and commenced operations in February 2013. The Company elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), commencing with the taxable year ended December 31, 2013. The Company conducts its operations so as to continue to qualify as a REIT for U.S. federal income tax purposes.

From inception through October 21, 2022, the Company was externally managed by CNI NSHC Advisors, LLC or its predecessor (the "Former Advisor"), an affiliate of NRF Holdco, LLC (the "Former Sponsor"). The Former Advisor was responsible for managing the Company's operations, subject to the supervision of the Company's board of directors, pursuant to an advisory agreement. On October 21, 2022, the Company completed the internalization of the Company's management function (the "Internalization"). In connection with the Internalization, the Company agreed with the Former Advisor to terminate the advisory agreement and arranged for the Former Advisor to continue to provide certain services for a transition period.

Shareholder Information

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