

INVESTOR PRESENTATION

NHI INTERNALIZATION

October 2022



NorthStar
HEALTHCARE INCOME

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS



This document may contain forward-looking statements within the meaning of the federal securities laws. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as “may,” “will,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” or “potential” or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and contingencies, many of which are beyond we control, and may cause actual results to differ significantly from those expressed in any forward-looking statement. Among others, the following uncertainties and other factors could cause actual results to differ from those set forth in the forward-looking statements: the Company’s ability to successfully manage the transition to self-management and to retain its senior executives; operating costs and business disruption may be greater than expected; the ability to realize substantial efficiencies as well as anticipated strategic and financial benefits of the internalization; the operating performance of its investments, its financing needs, the effects of its current strategies and investment activities and its ability to effectively deploy capital.. The foregoing list of factors is not exhaustive. Additional information about these and other factors can be found in in Part I, Item 1A of the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2021, the Company’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2022 as well as in the Company’s other filings with the Securities and Exchange Commission (the “SEC”).

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 document. The Company is under no duty to update any of these forward-looking statements after the date of this document, 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.

INTERNALIZATION OVERVIEW



Internalization Overview & Benefits

- NorthStar Healthcare Income, Inc. (the “Company”) announced on October 21, 2022 that it and its external advisor, CNI NSHC Advisors, LLC (the “Advisor”), entered into a definitive agreement (the “Termination Agreement”) to terminate the advisory agreement between the Company, the Advisor and the other parties thereto (the “Advisory Agreement”), effective as of October 21, 2022 (the “Internalization”).
- As a result, the Company has internalized its management and operating functions.
- The Internalization brings a number of benefits to the Company:
 - **Cost Savings.** The transition to a self-managed structure is expected to be accretive to earnings by reducing the Company’s general and administrative expenses by approximately \$7 million in 2023.
 - **Management Expertise and Continuity.** Kendall Young, a seasoned healthcare REIT executive with nearly 40 years of experience in real estate, including the past 12 years in senior housing, will lead the Company as its new CEO, President and a member of the Board of Directors. Additionally, a group of former employees of the Advisor that have contributed substantially to the Company’s investment and portfolio management and operations, are now employees of the internalized Company, including Nicholas Balzo who will become CFO of the Company.
 - **Dedicated Management Team.** The internalized management team will be wholly focused on managing the Company’s investments and furthering the Company’s strategic objectives.
 - **Strengthened Alignment between Management, the Board of Directors and the Stockholders.** The internalized structure will result in a more transparent and simplified organizational model including a more efficient implementation of the Company’s strategy. This new structure will also more directly align the interests of the management team with those of the Company and all of its stockholders.
 - **Alignment of Compensation and Performance.** The Company’s executive compensation programs in the internalized structure will be better aligned with the value returned to stockholders.

INTERNALIZATION OVERVIEW



Background

- NorthStar Healthcare Income (“NHI” or the “Company”) has historically been externally managed by DigitalBridge (formerly Colony Capital), which sold its wellness infrastructure business to an investment group comprised of Highgate Capital Investments and Aurora Health Network (collectively, the “New Sponsor”) for \$3.2 billion in February 2022 (the “Wellness Sale”)
- The Advisor, formerly an affiliate of DigitalBridge, was included in the Wellness Sale and is now an affiliate of the New Sponsor
- The change of control of the Advisor resulting from the Wellness Sale led to changes in the management team and created additional uncertainty relating to the remaining team and its availability to the Company. Additionally, the term of the Advisory Agreement expires in March 2023, creating uncertainty over renewal terms and/or continued interest of the New Sponsor to be the advisor.

Internalization

- As part of the Internalization, the Company executed a Termination Agreement and Transition Services Agreement with the Advisor
- Under the Transition Services Agreement, the Advisor will continue to provide certain support and services for a period of 6 months, with the ability to extend for up to 3 months under certain circumstances
- No fee was paid to the Advisor in connection with the termination of the Advisory Agreement
- As part of the Internalization, the Company hired certain of the employees previously employed by the Advisor, including the asset management and finance teams which previously worked directly on the Company’s behalf

Internalized Management Team

- Kendall Young was hired externally as the Company’s CEO and President. Kendall has nearly 40 years of real estate experience and previously was an Executive Vice President and head of senior housing for a large healthcare REIT, Healthpeak (NYSE: PEAK)
- Nicholas Balzo was hired from the Advisor as the Company’s CFO. Nick was previously the Chief Accounting Officer and has been involved with the Company since 2017
- The asset management and finance teams hired from the Advisor will provide continuity given their familiarity with the Company’s portfolios
- The Company’s three independent directors, led by T. Andrew Smith as Chairman, will continue to serve in that capacity going forward

INTERNALIZATION SIGNIFICANT COST SAVINGS



General & Administrative Expenses

	Advisor Mgmt. Fee ¹	G&A Expenses ²	Total G&A Expenses
Under Advisor Agreement	\$10M	\$13M - \$15M	\$23M - \$25M
Internalized Structure	\$-0-	\$16M - \$18M	\$16M - \$18M
Estimated Cost Savings (in 2023)			Approximately \$7M

- Since July 2021, the Advisor agreed to accept payment of the advisor management fee entirely in shares of NHI common stock (versus cash) through expiration of the agreement in March 2023.
- Under the Advisory Agreement, G&A expenses incurred by the Advisor on behalf of the Company are reimbursable to the Advisor in cash.
- No fee was paid to the Advisor related to the termination.
- Under the Internalization, additional G&A expenses include CEO compensation, legal resources (the general counsel of the Advisor was included in the Advisor fee), and additional information technology costs.
- Costs above do not include one-time internalization costs which are estimated to be \$2 million to \$3 million and which will be reflected as transaction costs in our SEC filings.

¹ Estimate for the advisor management fee based on the most recently published aggregate estimated net asset value, less the special distribution paid to shareholders in May 2022 assuming a 1.5% fee for the full year.

² General & Administrative expenses and are based on current estimates for the year ended December 31, 2023 and are subject to change.

INTERNALIZATION

STRONG LEADERSHIP AND TEAM CONTINUITY



Management Team

CEO Kendall Young

- Nearly 40 years real estate experience, including investing, lending, dispositions and asset management
- Most recently was responsible for the senior housing platform for publicly-traded healthcare REIT which had \$10+ billion in senior housing investments
- Worked for major institutional real estate platforms, including Merrill Lynch, GE Real Estate and Strategic Value Partners

CFO Nicholas Balzo

- 14 years accounting and finance experience, including eight years at DigitalBridge and the Advisor
- Current Chief Accounting Officer of the Advisor, focusing mostly on the Company's portfolio
- Previously spent four years in the Audit practice at Baker Tilly

Asset Management and Finance Teams

- Six employees that were previously employed by the Advisor and were dedicated to the Company
- Includes two senior asset managers that oversee the performance of the Company's investments
- High degree of familiarity with the investments
- Strong relationships with the operators and partners of the Company assets

Board of Directors

- All 3 independent board members will continue to serve on the board
- Andy Smith, who has over 30 years experience in senior housing, will continue to serve as Chairman
- Board consistency will help provide continuity for the new management team

Questions & Answers

Please contact NHI Investor Relations department
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or visit our website:
northstarhealthcarereit.com

with additional questions