SUPPLEMENTAL FINANCIAL REPORT

Year Ended December 31, 2023

NorthStar
HEALTHCARE INCOME

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,” “potential,” “intend,” “expect,” “seek,” “anticipate,” “estimate,” “believe,” “could," "project," "predict," "continue," "future" or other similar words or expressions. Forward-looking statements are not guarantees of performance and are based on certain assumptions, discuss future expectations, describe plans and strategies, contain projections of results of operations or of financial condition or state other forward-looking information. 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 its business; its ability to realize substantial efficiencies as well as anticipated strategic and financial benefits of the internalization of the management function; the operating performance of the Company's investments, the Company's financing needs, the effects of its current strategies and investment activities and its ability to effectively deploy capital. The Company's ability to predict results or the actual effect of plans or strategies is inherently uncertain. The Company believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, The Company's actual results and performance could differ materially from those set forth in the information presented in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

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, 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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I. OUR INVESTMENTS

Our investments are categorized in the following reportable segments:

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

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

Unconsolidated Investments - Joint venture investments in which we own a minority, non-controlling interest.

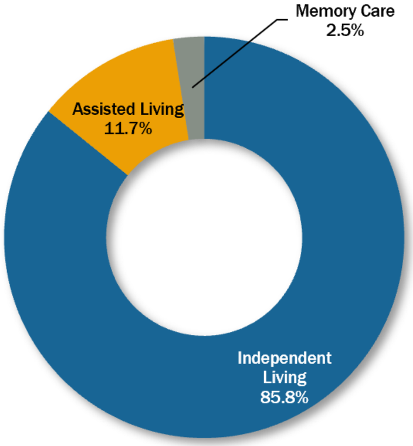
		Properties [1]						
Investment Type / Portfolio	Amount[2]	ILF	ALF	MCF	Integrated Campus	Total	Primary Locations	Ownership Interest
Direct Operating Investments								
Winterfell	$ 745,696	32	—	—	—	32	12 US States	100 %
Avamere	94,633	—	5	—	—	5	WA / OR	100 %
Aqua	84,559	2	1	1	—	4	TX / OH	97 %
Rochester[3]	47,231	1	1	—	—	2	NY	97 %
Oak Cottage	18,719	—	—	1	—	1	CA	100 %
Subtotal	$ 990,838	35	7	2	—	44		
Direct Net Lease Investments								
Arbors	$ 98,315	—	4	—	—	4	NY	100 %
Total Direct Investments	$1,089,153	35	11	2	—	48		
Unconsolidated Investments								
Trilogy[4]	$ 122,339	—	—	—	125	125	4 US States	23 %
Solstice	468	—	—	—	—	—		20 %
Total Unconsolidated Investments	$ 122,807	—	—	—	125	125		
Total Investments	$1,211,960	35	11	2	125	173		

Information is as of December 31, 2023, with dollar amounts in thousands. See 'Footnotes and Definitions' in the Appendix.

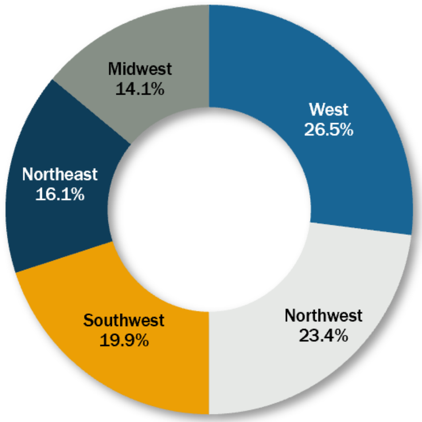
I. OUR INVESTMENTS (CONT.)

Operator / Manager	As of December 31, 2023 Properties Managed	Units Under Mgmt[1]	Year Ended December 31, 2023 Total Revenues[2]	% of Total Revenues
Direct Investments				
Solstice Senior Living	32	3,969	$ 127,765	62 %
Watermark Retirement Communities[3]	6	723	45,001	22 %
Avamere Health Services	5	453	21,780	11 %
Integral Senior Living	1	40	4,880	2 %
Arcadia Management	4	564	1,709	1 %
Other[4]	—	—	3,843	2 %
Total Direct Investments	48	5,749	$ 204,978	100 %
Unconsolidated Inv.				
Trilogy Management Services[5]	125	14,146	$ 341,692	N/A

Direct Operating Investments Property Type[6]



Direct Operating Investments US Location



Dollars in thousands. See ‘Footnotes and Definitions’ in the Appendix.

II. UPDATE ON OUR STRATEGY

NorthStar HEALTHCARE INCOME

Our Strategy	◦ Our primary objective is to maximize value and generate liquidity for shareholders. The key elements of our strategy include: ▪ *Grow the Operating Income Generated by Our Portfolio.* We are focused on growing the NOI generated by our properties, through active portfolio management and selectively deploying capital expenditures to improve occupancy and resident rates while managing expenses, in an effort to enhance the overall value of our assets. ▪ *Pursue Disposition Opportunities that Maximize Value*. We will pursue dispositions of assets and portfolios where we believe the disposition will achieve a desired return or strategic outcome, with the goal of maximizing value for shareholders overall.
Operating Results Summary	◦ NOI generated by our same store direct operating investments increased 28.1% from the prior year, to $56.4 million in 2023. ◦ An increase of 470 basis points for 2023 average occupancy, to 88.2%, was a primary driver of the NOI growth. ◦ Deployment of capital expenditures, which totaled $37.2 million in 2023 for same store direct investments, was a critical component in achieving the improved occupancy and NOI. ◦ Inflation continued to affect our operating costs, including repairs and maintenance, insurance, utilities, food costs and other operating costs. Elevated interest rates may help ease inflation, but has increased debt service obligations on our variable rate debt, most significantly within our unconsolidated investments.
Liquidity Summary	◦ As of December 31, 2023, we had $85.0 million of unrestricted cash and $804.1 million of consolidated asset-level borrowings outstanding (excluding the Rochester Sub-Portfolio Loan) which mature in 2025 and beyond. ◦ We require capital to fund operations, capital expenditures, including those invested to improve performance, 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. ◦ We do not anticipate resuming recurring distributions or our share repurchase program. 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.

See "Footnotes and Definitions" in the Appendix

III. INVESTMENT ACTIVITY

Trilogy Purchase Option	◦ In November 2023, we entered into an agreement that provides the majority partner of the Trilogy joint venture, American Healthcare REIT (AHR), the option to purchase our ownership interest in the joint venture for a sales price ranging from $240.5 million up to $260.0 million, depending upon the purchase price consideration, timing of the closing and certain additional fees that AHR may pay us in the interim. ◦ 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. ◦ AHR may terminate the agreement at any time, subject to payment of a termination fee ranging from $7.8 million to $15.6 million, depending on timing and other milestones. ◦ Although there can be no assurance that AHR will consummate the purchase 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.
Sale of Minority Interests	◦ In June 2023, we sold our minority interests in the Diversified US/UK and Eclipse joint ventures, together with $1.1 million in cash, to our Former Sponsor, for all of the equity held by the Former Sponsor and its affiliates, including 9,709,553 shares of our common stock. Upon completion of the Sale of Minority Interests, we retired all of the shares of our common stock acquired. ◦ With this Sale of Minority Interests, we were able to strategically exit two minority positions in joint ventures experiencing significant distress, where we had limited ability to control outcomes and a lack of alignment with the majority partner, through a transaction that we believe creates additional value for our remaining shareholders.
Espresso Joint Venture	◦ In November 2023, the Espresso joint venture completed the second and final scheduled sale closing for its remaining sub-portfolio, the proceeds from which were used to repay outstanding debt. The joint venture had completed the first scheduled sale closing of 10 properties in April 2023, which generated net proceeds, of which our proportionate share totaled $17.3 million. ◦ Since inception, we received total distributions of $95.1 million, as compared to a total investment of $55.1 million.
Rochester Sub-Portfolio	◦ In July 2023, in light of the continued negative cash flow and our belief that the value of properties was below the balance of the debt, we elected not to pay debt service on the $99.8 million Rochester Sub-Portfolio Loan, secured by the Rochester Sub-Portfolio. ◦ The lender filed a complaint seeking the appointment of a receiver and foreclosure on the underlying properties 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.

See "Footnotes and Definitions" in the Appendix

IV. FINANCIAL UPDATE

NorthStar HEALTHCARE INCOME

Consolidated Results	◦ GAAP net loss in 2023 totaled $160.2M, as compared to $54.5M in 2022. The increase in loss was primarily due to the derecognition of Rochester Fannie portfolio assets totaling $59.3M, as well as lower equity in earnings from unconsolidated ventures. ◦ Modified funds from operations increased to $24.2M in 2023, as compared to $18.2M in 2022, primarily due to improved occupancy and rates, leading to higher net operating income for direct investments, as well as the elimination of asset management fees as a result of the internalization in October 2022.
Same Store Direct Operating Investments	◦ Rental and resident fee income increased by $19.3 million, to $183.6 million in 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 $6.9 million, to $127.2 million in 2023 due to higher salaries and wages and additional management fees at our Winterfell portfolio for exceeding performance targets per the terms of our management agreements. ◦ Overall, NOI increased by $12.4 million, to $56.4 million in 2023.
Direct Net Lease Investments	◦ We recognized $1.7M rental income in 2023, as compared to $1.6M in 2022. ◦ 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 annual occupancy improved by 280 bps to 72.6% for 2023, as compared to 69.8% for 2022.
Investments in Unconsolidated Ventures	◦ Equity in losses totaled $8.3M for 2023, as compared to equity in earnings of $47.6M for 2022, primarily due to higher gains recognized on property sales in the Espresso joint venture and gains recognized by the Trilogy joint venture in 2022. ◦ We received distributions from unconsolidated investments totaling $27.5M in 2023, as compared to $67.1M in 2022. ◦ The Trilogy joint venture has continued to recover occupancy and experience revenue growth throughout 2023. Although operating expenses continued to be impacted by inflationary pressures, most significantly labor-related costs, occupancy growth, coupled with higher rates, resulted in improved operating income in 2023. However, higher interest expense on Trilogy's floating rate debt limited cash available to be distributed.

See “Footnotes and Definitions” in the Appendix

IV. FINANCIAL UPDATE
DIRECT OPERATING INVESTMENTS

NorthStar HEALTHCARE INCOME

Manager	Units Under Mgmt	Average December Monthly Occupancy 2023	Average December Monthly Occupancy 2022	Average December Monthly Occupancy Change	Average Annual Occupancy 2023	Average Annual Occupancy 2022	Average Annual Occupancy Change
Solstice Senior Living	3,969	89.1 %	85.9 %	3.2 %	88.0 %	82.2 %	5.8 %
Watermark Retirement Communities[1]	723	86.9 %	88.7 %	(1.8)%	88.5 %	86.3 %	2.2 %
Avamere Health Services	453	89.6 %	90.5 %	(0.9)%	89.8 %	88.5 %	1.3 %
Integral Senior Living	40	81.2 %	97.5 %	(16.3)%	86.3 %	97.3 %	(11.0)%
Direct Operating Investments	5,185	88.7 %	86.8 %	1.9 %	88.2 %	83.5 %	4.7 %

Operating Investments	Year Ended December 31, 2023	Year Ended December 31, 2022	Increase (Decrease) Amount	Increase (Decrease) %
Average annual occupied units	55,378	52,638	2,740	5 %
RevPOR	3,315	3,122	193	6 %
Resident fee income	47,570	44,274	3,296	7 %
Rental income	136,016	120,042	15,974	13 %
Total same store property revenue	183,586	164,316	19,270	12 %
Salaries and wages	61,242	56,528	4,714	8 %
Utilities	11,377	10,838	539	5 %
Food and beverage	9,807	9,250	557	6 %
Repairs and maintenance	12,974	12,153	821	7 %
Property taxes	9,320	9,672	(352)	(4) %
Property management fee	9,628	8,164	1,464	18 %
All other expenses	12,858	13,692	(834)	(6) %
Total same store property operating expense	127,206	120,297	6,909	6 %
Same store NOI	$ 56,380	$ 44,019	$ 12,361	28 %
Non-same store NOI	$ 2,434	$ 961	$ 1,473	153 %
Total Direct Operating Investments NOI [2]	$ 58,814	$ 44,980	$ 13,834	31 %

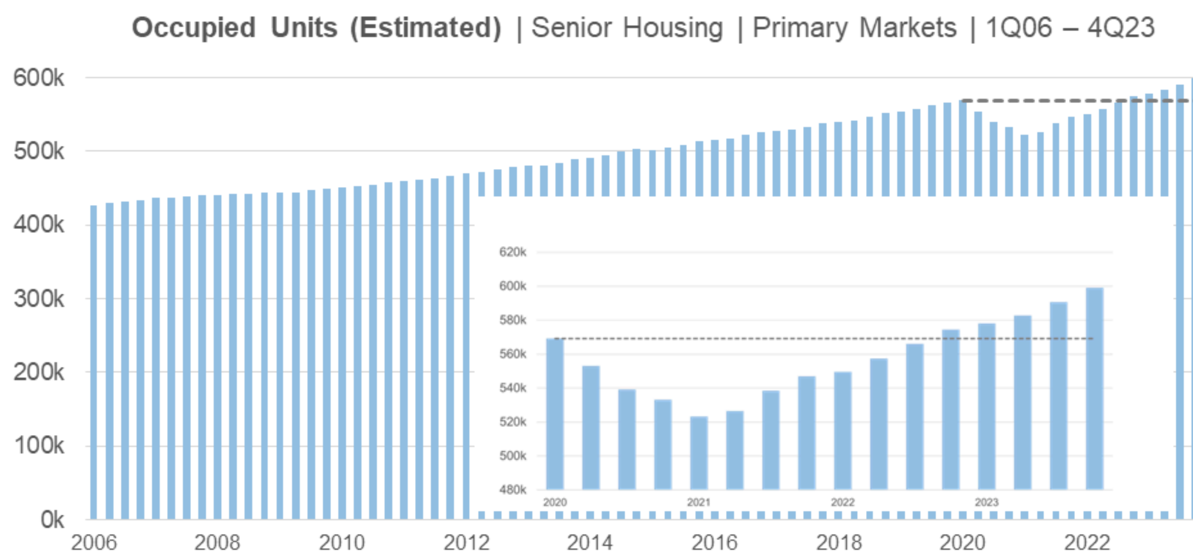
Dollars in thousands. See "Footnotes and Definitions" in the Appendix

V. SENIORS HOUSING KEY TRENDS

NorthStar HEALTHCARE INCOME

- The occupancy rate for the NIC MAP Primary Markets rose 0.8 percentage points to 85.1% in Q4 2023. This marked the 10th consecutive quarter of occupancy gains.
- Occupancy is 7.3 percentage points above its pandemic-related low of 77.8% and only 1.9 percentage points below its pre-pandemic level of 87.1% in Q1 2020.
- NIC is projecting to reach pre-pandemic occupancy levels in the second half of 2024.

Occupied Units Continue Climbing to Record Highs

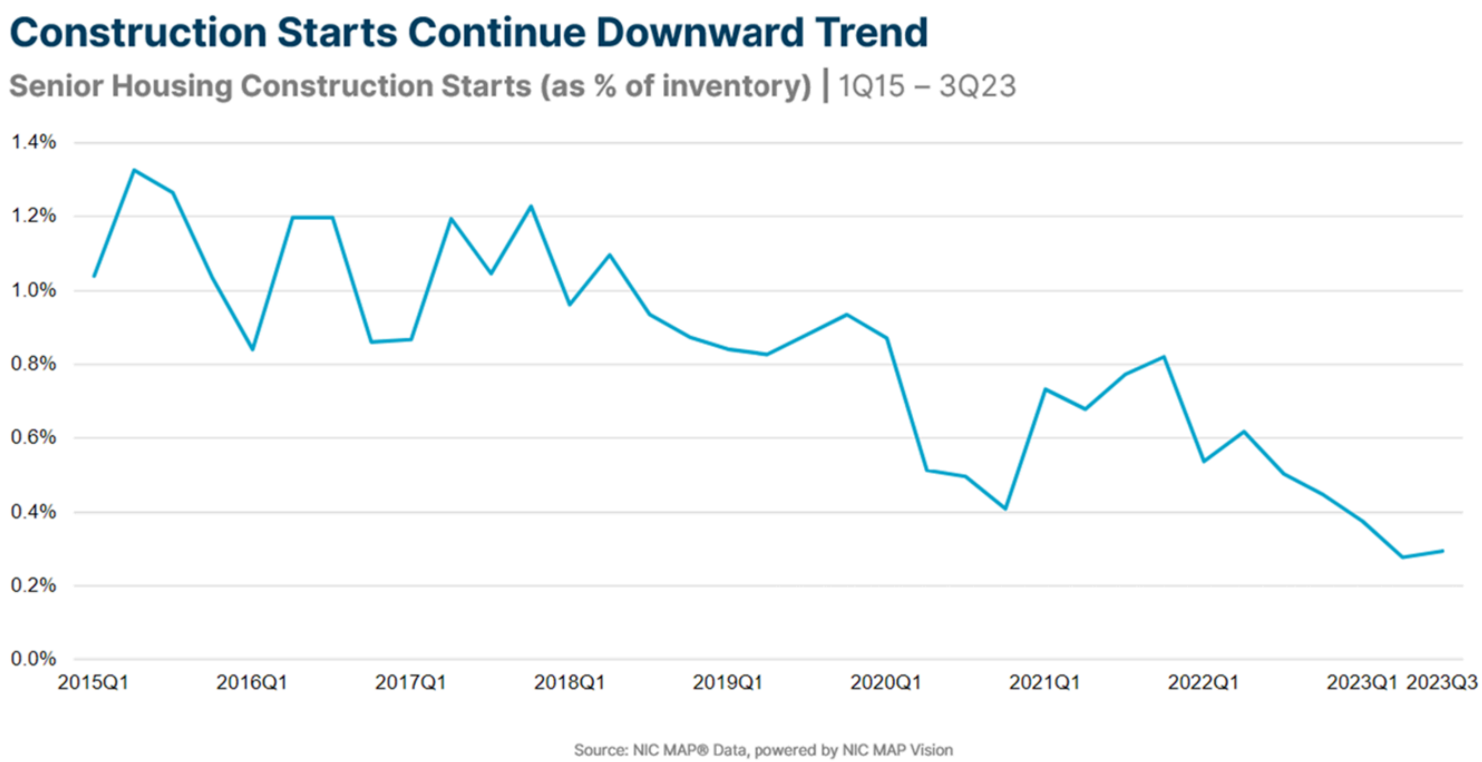


Source: NIC MAP® Data, powered by NIC MAP Vision

Source: NIC MAP Market Fundamentals 4Q23

V. SENIORS HOUSING KEY TRENDS (CONT.)

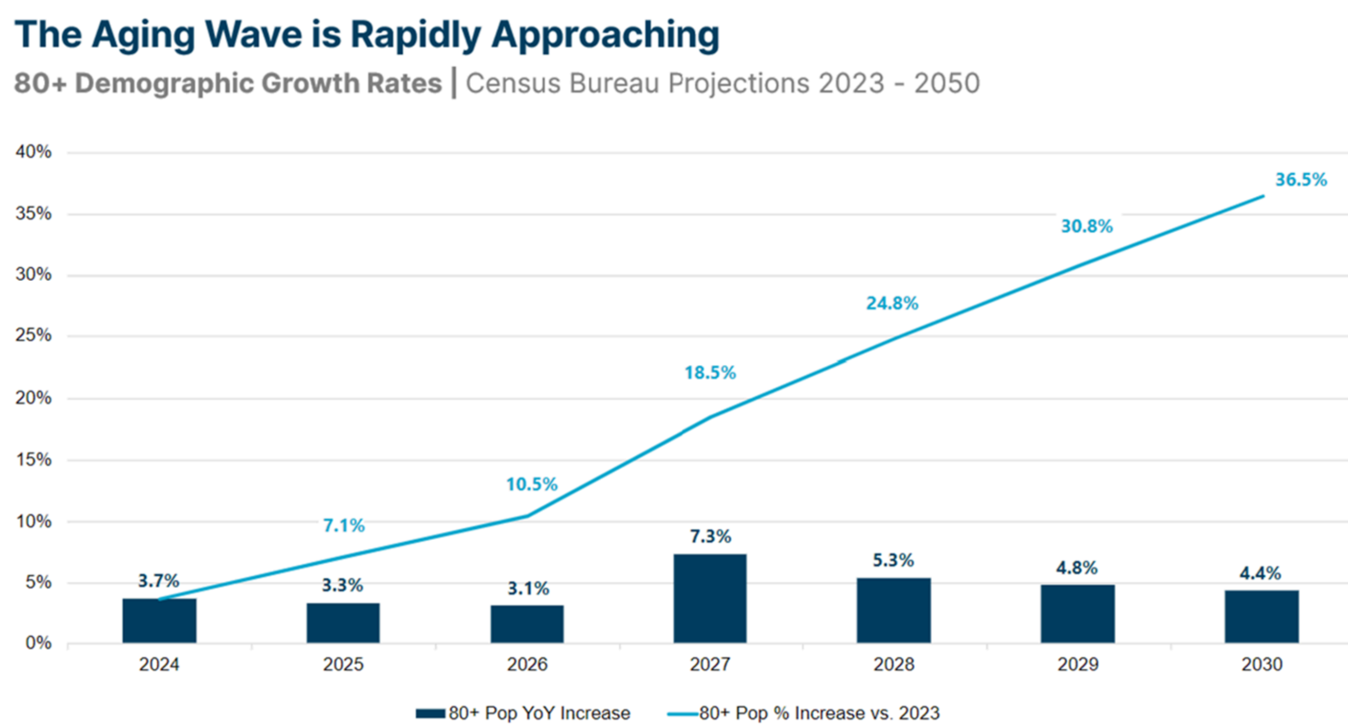
- The slowdown in new developments has presented a unique opportunity for occupancy gains across the industry.
- Construction starts are on a decline with no immediate signs of rebounding.
  - Prior to the pandemic, the average number of units started was approximately 10,000 units per quarter.
  - When the pandemic started, this number dropped to about 5,000 starts for each of the last 3 quarters of 2020.
  - While there was a brief increase from 2021 through the first half of 2022, start figures in 2023 resumed a slowed pace of less than 5,000 units per quarter.



Source: NIC MAP Vision "Ebbing Tides"

V. SENIORS HOUSING KEY TRENDS (CONT.)

- The 80+ population is forecasted to increase by 3.7% in 2024 and by almost 40% by 2030.
- The growth rate of this demographic is predicted to outpace every other age group, highlighting a need to prepare for the inevitable surge in demand for senior housing and care facilities.



Source: NIC MAP Vision "The Impending Age Wave"

VI. APPENDIX

NorthStar
HEALTHCARE INCOME

CONSOLIDATED BALANCE SHEETS

NorthStar HEALTHCARE INCOME

(In thousands)

	December 31, 2023	December 31, 2022
Assets		
Cash and cash equivalents	$ 85,037	$ 103,926
Restricted cash	7,906	11,734
Operating real estate, net	821,270	933,002
Investments in unconsolidated ventures	122,949	176,502
Assets held for sale	11,611	—
Receivables, net	1,558	2,815
Intangible assets, net	1,916	2,253
Other assets	7,172	7,603
Total assets	$ 1,059,419	$ 1,237,835
Liabilities		
Mortgage and other notes payable, net	$ 898,154	$ 912,248
Due to related party	121	469
Escrow deposits payable	507	993
Accounts payable and accrued expenses	27,502	21,034
Other liabilities	1,455	2,019
Total liabilities	927,739	936,763
Equity		
Common stock	1,857	1,954
Additional paid-in capital	1,716,757	1,729,589
Retained earnings (accumulated deficit)	(1,585,725)	(1,428,840)
Accumulated other comprehensive income (loss)	—	(3,679)
Equity before NCI	132,889	299,024
Non-controlling interests	(1,209)	2,048
Total equity	131,680	301,072
Total liabilities and equity	$ 1,059,419	$ 1,237,835

CONSOLIDATED STATEMENTS OF OPERATIONS

NorthStar HEALTHCARE INCOME

(In thousands, except per share data)

	Year Ended December 31,		
	2023	2022	2021
Property and other revenues			
Resident fee income	$ 47,591	$ 44,274	$ 105,955
Rental income	153,544	139,841	137,322
Other revenue	3,843	1,021	—
Total property and other revenues	204,978	185,136	243,277
Interest income			
Interest income on debt investments	—	—	4,667
Expenses			
Property operating expenses	140,612	137,578	177,936
Interest expense	50,028	43,278	61,620
Transaction costs	683	1,569	54
Asset management fees - related party	—	8,058	11,105
General and administrative expenses	13,817	13,938	12,691
Depreciation and amortization	38,511	38,587	54,836
Impairment loss	49,423	45,299	5,386
Total expenses	293,074	288,307	323,628
Other income (loss)			
Other income, net	194	77	7,278
Gain (loss) on investments and other	(64,001)	1,029	79,477
Income (loss) before equity in earnings and taxes	(151,903)	(102,065)	11,071
Equity in earnings (losses) of unconsolidated ventures	(8,272)	47,625	15,843
Income tax expense	(74)	(61)	(99)
Net income (loss)	(160,249)	(54,501)	26,815
Net (income) loss attributable to non-controlling interests	3,364	401	(1,748)
Net income (loss) attributable to common stockholders	$ (156,885)	$ (54,100)	$ 25,067
Net income (loss) per share of common stock	$ (0.83)	$ (0.28)	$ 0.13
Weighted average shares of common stock outstanding	189,941,744	194,343,635	191,629,613
Distributions declared per share of common stock	$ —	$ 0.50	$ —

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL INFORMATION

NorthStar HEALTHCARE INCOME

(In thousands)

	Year Ended December 31,		
	2023	2022	2021
Funds from operations:			
Net income (loss) attributable to NHI	$ (156,885)	$ (54,100)	$ 25,067
Adjustments:			
Depreciation and amortization	38,511	38,587	54,836
Depreciation and amortization related to non-controlling interests	(259)	(286)	(480)
Depreciation and amortization related to unconsolidated ventures	18,623	28,855	30,054
Realized (gain) loss from sales of property	(136)	92	(83,873)
Realized gain (loss) from sales of property related to non-controlling interests	4	(5)	2,092
Realized (gain) loss from sales of property related to unconsolidated ventures	(7,894)	(92,578)	(31,314)
Impairment losses of depreciable real estate	44,695	31,880	5,386
Impairment loss on real estate related to non-controlling interests	(1,172)	(117)	—
Impairment losses of depreciable real estate held by unconsolidated ventures	7,682	25,109	1,494
Funds from operations attributable to NHI	$ (56,831)	$ (22,563)	$ 3,262
Modified funds from operations:			
Funds from operations attributable to NHI	$ (56,831)	$ (22,563)	$ 3,262
Adjustments:			
Transaction costs	683	1,569	54
Straight-line rental (income) loss	—	—	7,803
Amortization of premiums, discounts and fees on investments and borrowings	4,481	3,859	4,177
(Gain) loss on investments and other	64,137	(1,121)	4,396
Adjustments related to unconsolidated ventures	8,854	23,068	20,245
Adjustments related to non-controlling interests	(1,815)	3	(212)
Impairment of real estate related investment	4,728	13,419	—
Modified funds from operations attributable to NHI	$ 24,237	$ 18,234	$ 39,725

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL INFORMATION (CONT.)

NorthStar HEALTHCARE INCOME

(In thousands)

	Year Ended December 31,		
	2023	2022	2021
Direct Operating Investments Segment			
Net income (loss)	$ (122,391)	$ (42,843)	$ 24,511
Adjustments:			
Income tax expense	74	61	99
Gain (loss) on investments and other	59,367	(499)	(64,618)
Other income, net	(194)	(77)	(7,278)
Impairment loss	39,095	13,380	4,600
Depreciation and amortization	35,595	35,258	43,088
General and administrative expenses	603	31	227
Transaction costs	153	—	54
Interest expense	46,512	39,669	49,979
Net operating income - Direct Operating Investments	$ 58,814	$ 44,980	$ 50,662

FOOTNOTES AND DEFINITIONS

NorthStar HEALTHCARE INCOME

Definitions

1. **Same Store** properties for our direct operating investments excludes the Rochester Sub-Portfolio (as defined below), which was placed into a receivership in October 2023.
2. **Rochester Sub-Portfolio Loan** represents seven cross-collateralized and cross-defaulted mortgage loans payable with a aggregate principal amount outstanding of $99.8 million as of December 31, 2023.
3. **Rochester Sub-Portfolio** represents the seven healthcare properties in or around Rochester, NY that serve as collateral for the Rochester Sub-Portfolio Loan.
4. **RevPor** represents average revenues generated per occupied room per year.
5. **Solstice** 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, which owns 20.0%.
6. **ALF, ILF & MCF** represent assisted living facilities, independent living facilities and memory care facilities, respectively.
7. **FFO** means funds from operations.
8. **MFFO** means modified funds from operations.
9. **NOI** means net operating income.

Footnotes

Page 4 – Our Investments

1. Classification based on predominant services provided, but may include other services.
2. For direct investments, amount represents gross real estate carrying value, net of impairment, before accumulated depreciation as presented in our consolidated financial statements as of December 31, 2023. For unconsolidated investments, amount represents the carrying value of the investments in unconsolidated ventures as presented in our consolidated financial statements as of December 31, 2023.
3. Rochester portfolio excludes one property classified as held for sale and the Rochester Sub-Portfolio, which was placed into receivership in October 2023.
4. Property count includes properties owned and leased by the joint venture and excludes its institutional pharmacy and therapy businesses.

Page 5 – Our Investments, cont.

1. Represents rooms for ALFs, ILFs and MCFs.
2. Includes rental income received from our net lease properties, rental income, ancillary service fees and other related revenue earned from ILF residents and resident fee income derived from our ALFs and MCFs, which includes resident room and care charges, ancillary fees and other resident service charges.
3. Property count and units exclude one property within the Rochester portfolio designated as held for sale as of December 31, 2023 and the properties within the Rochester Sub-Portfolio, which were placed into a receivership in October 2023.
4. Consists primarily of interest income earned on corporate-level cash and cash equivalents.
5. The table presents the total properties and units managed by Trilogy Management Services and our 23.4% ownership share of the property and other revenues generated by the Trilogy joint venture.
6. Classification based on predominant services provided, but may include other services.

Page 9 – Financial Update – Direct Operating Investments

1. Average monthly and annual occupancy excludes the Rochester Sub-Portfolio, placed into receivership in October 2023.
2. For a reconciliation of our direct operating investments segment NOI to segment net income (loss) as presented in accordance with U.S. GAAP in our consolidated financial statements as of December 31, 2023 and 2022, refer to "-Non-GAAP Financial Measures."

IMPORTANT NOTE REGARDING NON-GAAP FINANCIAL MEASURES AND DEFINITIONS

We consider certain non-GAAP financial measures, including FFO, MFFO, and NOI, to be useful supplemental measures of our operating performance. These non-GAAP financial measures are not equivalent or an alternative 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. In addition, these non-GAAP financial measures are not necessarily indicative of cash flow available to fund our cash needs, including our ability to make distributions to our stockholders.

Funds from Operations and Modified Funds from Operations

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. 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. We believe that MFFO is a useful non-GAAP measure for non-traded REITs. 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.

We define MFFO in accordance with the concepts established by the IPA. 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.

Net Operating Income

We believe NOI provides useful information to stockholders and provides our management with a performance measure to compare our operating results to the operating results of other real estate companies between periods on a consistent basis. We define NOI as rental and resident fee income, less property operating expenses.

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 facilities and memory care facilities located throughout the United States. In addition, the Company has an investment through a non-controlling interest in a joint venture that invests in integrated senior health campuses, which provide services associated with independent living, assisted living, memory care and skilled nursing facilities, across the Midwest region of 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.

Shareholder Information

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