

SUPPLEMENTAL FINANCIAL REPORT

For the Quarter Ended March 31, 2024



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. Although 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 Quarterly Report on Form 10-Q for the quarter ended March 31, 2024.

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, the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 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.

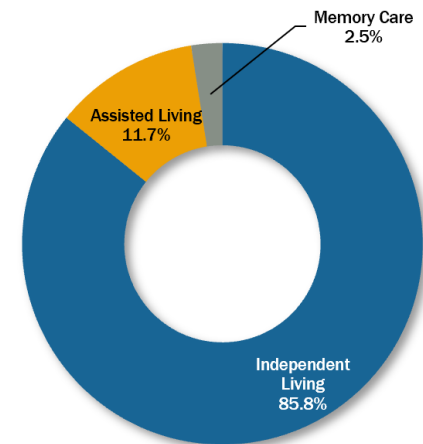
Unconsolidated Investments - Joint venture investments, in which we own a minority, non-controlling interest.

Investment Type / Portfolio	Amount ⁽²⁾	Properties ⁽¹⁾					Primary Locations	Ownership Interest
		ILF	ALF	MCF	Integrated Campus	Total		
Direct Operating Investments								
Winterfell	\$ 748,389	32	—	—	—	32	12 US States	100 %
Avamere	94,772	—	5	—	—	5	WA / OR	100 %
Aqua	85,124	2	1	1	—	4	TX / OH	97 %
Rochester ⁽³⁾	46,771	1	1	—	—	2	NY	97 %
Oak Cottage	18,730	—	—	1	—	1	CA	100 %
Subtotal	\$ 993,786	35	7	2	—	44		
Direct Net Lease Investments								
Arbors	\$ 98,315	—	4	—	—	4	NY	100 %
Total Direct Investments	\$ 1,092,101	35	11	2	—	48		
Unconsolidated Investments								
Trilogy ⁽⁴⁾	\$ 123,391	—	—	—	126	126	4 US States	23.8 %
Solstice	430	—	—	—	—	—		20 %
Total Unconsolidated Investments	\$ 123,821	—	—	—	126	126		
Total Investments	\$ 1,215,922	35	11	2	126	174		

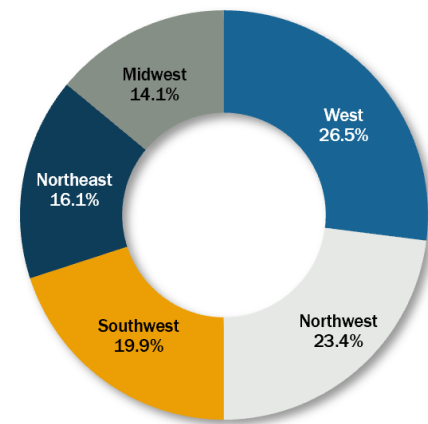
I. OUR INVESTMENTS (CONT.)

Operator / Manager	As of March 31, 2024		Three Months Ended March 31, 2024	
	Properties Managed	Units Under Mgmt ⁽¹⁾	Total Revenues ⁽²⁾	% of Total Revenues
Direct Investments				
Solstice Senior Living ⁽³⁾	32	3,969	\$ 33,695	69 %
Watermark Retirement Communities ⁽⁴⁾	6	723	7,346	15 %
Avamere Health Services	5	453	5,690	12 %
Integral Senior Living	1	40	1,141	2 %
Arcadia Management	4	564	—	— %
Other ⁽⁵⁾	—	—	880	2 %
Total Direct Investments	48	5,749	\$ 48,752	100 %
Unconsolidated Inv.				
Trilogy Management Services ⁽⁶⁾	126	14,376	\$ 91,682	N/A

Direct Operating Investments Property Type⁽⁷⁾



Direct Operating Investments US Location



II. FINANCIAL UPDATE

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.

Financial Results

- GAAP net loss in Q1 2024 totaled \$8.0M, as compared to \$14.0M in Q1 2023.
- Modified funds from operations increased to \$6.8M in Q1 2024, as compared to \$3.7M in Q1 2023.
- Same store NOI increased by \$1.4 million, to \$14.5 million in Q1 2024 as compared to \$13.1 million in Q1 2023.
 - Higher occupancy (+1.4%) and rates resulted in revenue growth that outpaced rising operating costs due to the impact of inflation.
- We did not recognize any rental income from the net lease portfolio in Q1 2024 or Q1 2023.
- Equity in earnings totaled \$1.0 million in Q1 2024 as compared to equity in losses of \$3.9 million in Q1 2023.
 - The improvement was primarily due to the investments sold in 2023, which were generating losses, as well as operational improvements at Trilogy JV.

Liquidity Summary

- As of March 31, 2024, we had \$81.0 million of unrestricted cash and \$788.8 million of consolidated asset-level borrowings outstanding (excluding the Rochester Sub-Portfolio Loan) which mature in 2025 and beyond.
 - In light of current market conditions and with \$678.3 million of borrowings maturing in 2025, we believe it is prudent to take a conservative approach to our capital management. We require capital to fund operations, capital expenditures, and other important business uses, as well as to fund our debt service obligations and potentially to refinance indebtedness.
 - 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.

II. FINANCIAL UPDATE

DIRECT OPERATING INVESTMENTS



Manager	Units Under Mgmt	Average Quarterly Occupancy		
		Q1 2024	Q1 2023	Change
Solstice Senior Living	3,969	89.1 %	86.7 %	2.4 %
Watermark Retirement Communities ⁽¹⁾	723	86.3 %	88.4 %	(2.1)%
Avamere Health Services	453	89.6 %	89.8 %	(0.2)%
Integral Senior Living	40	76.4 %	93.7 %	(17.3)%
Direct Operating Investments	5,185	88.7 %	87.3 %	1.4 %

Same Store Operating Investments	Three Months Ended March 31,		Increase (Decrease)	
	2024	2023	Amount	%
Unit capacity	15,555	15,555	—	— %
Average quarterly occupied units	13,790	13,579	211	1.6 %
RevPOR	\$ 3,461	\$ 3,232	\$ 229	7.1 %
Resident fee income	\$ 12,296	\$ 11,850	\$ 446	3.8 %
Rental income	35,409	32,038	3,371	10.5 %
Other revenue	17	—	17	NA
Total property and other revenues	47,722	43,888	3,834	8.7 %
Property operating expenses				
Salaries and wages	15,603	14,956	647	4.3 %
Utilities	3,279	3,029	250	8.3 %
Food and beverage	2,524	2,329	195	8.4 %
Repairs and maintenance	3,505	2,972	533	17.9 %
Property taxes	2,356	2,547	(191)	(7.5)%
Property management fee	2,431	2,196	235	10.7 %
Marketing	1,129	1,071	58	5.4 %
Insurance	1,253	797	456	57.2 %
All other expenses	1,189	903	286	31.7 %
Total property operating expense	33,269	30,800	2,469	8.0 %
Same store NOI	\$ 14,453	\$ 13,088	\$ 1,365	10.4 %
Non-same store NOI	\$ 38	\$ 684	\$ (646)	(94.4)%
Total Direct Operating Investments NOI⁽²⁾	\$ 14,491	\$ 13,772	\$ 719	5.2 %

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

II. FINANCIAL UPDATE

UNCONSOLIDATED INVESTMENTS



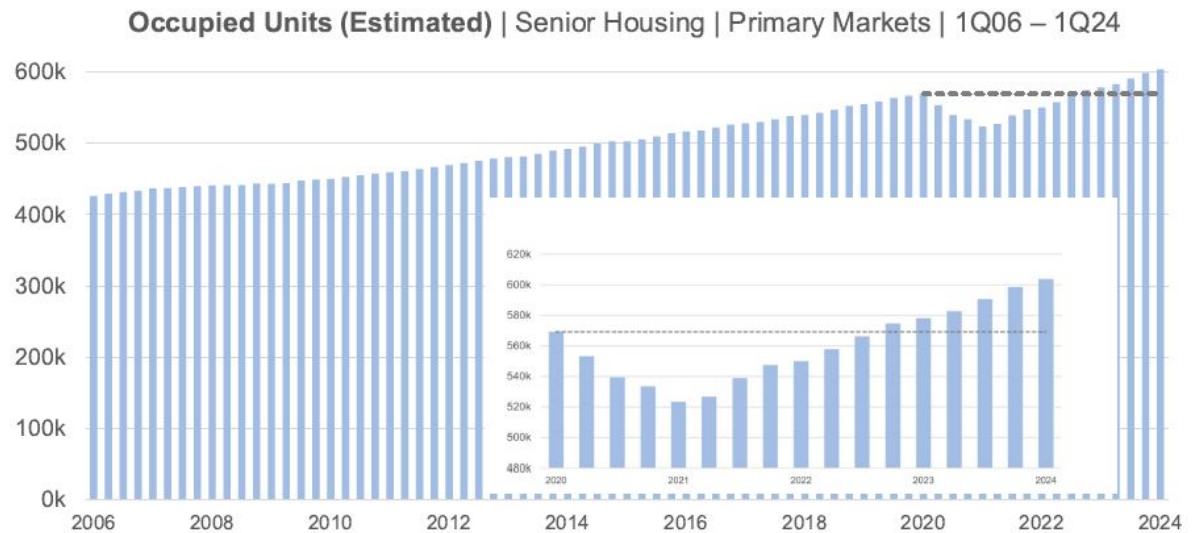
- As of March 31, 2024, our investment in the Trilogy joint venture is our most significant remaining unconsolidated investment.
- In November 2023, the Company entered into an agreement giving AHR the right to purchase the Company's ownership interests in Trilogy at any time prior to September 30, 2025, 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 up to \$260 million depending upon the purchase price consideration, timing of the closing and certain additional fees that AHR may pay us in the interim.
- The following table presents a summary of the Trilogy joint venture's financial results (dollars in thousands):

	Three Months Ended March 31,		Increase (Decrease)	
	2024	2023	Amount	%
Property and other revenues				
Total property and other revenues	\$ 385,219	\$ 354,421	\$ 30,798	8.7 %
Expenses				
Property operating expenses	342,532	321,016	21,516	6.7 %
Interest expense	19,609	17,559	2,050	11.7 %
Administrative, transaction & other	210	82	128	156.1 %
Depreciation and amortization	16,600	17,559	(959)	(5.5)%
Total expenses	378,951	356,216	22,735	6.4 %
Other income (loss), net	(1,205)	(306)	(899)	293.8 %
Other gains (losses)	(644)	785	(1,429)	(182.0)%
Net income (loss)	\$ 4,419	\$ (1,316)	\$ 5,735	(435.8)%
Our ownership %	23.8 %	23.4 %		
Equity in earnings (losses)	\$ 1,052	\$ (309)	\$ 1,361	(440.5)%

III. SENIORS HOUSING KEY TRENDS

- The occupancy rate for the NIC MAP Primary Markets rose 0.5 percentage points to 85.6% in Q1 2024. This marked the 11th consecutive quarter of occupancy gains.
- Occupancy is 7.8 percentage points above its pandemic-related low of 77.8% and only 1.5 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.

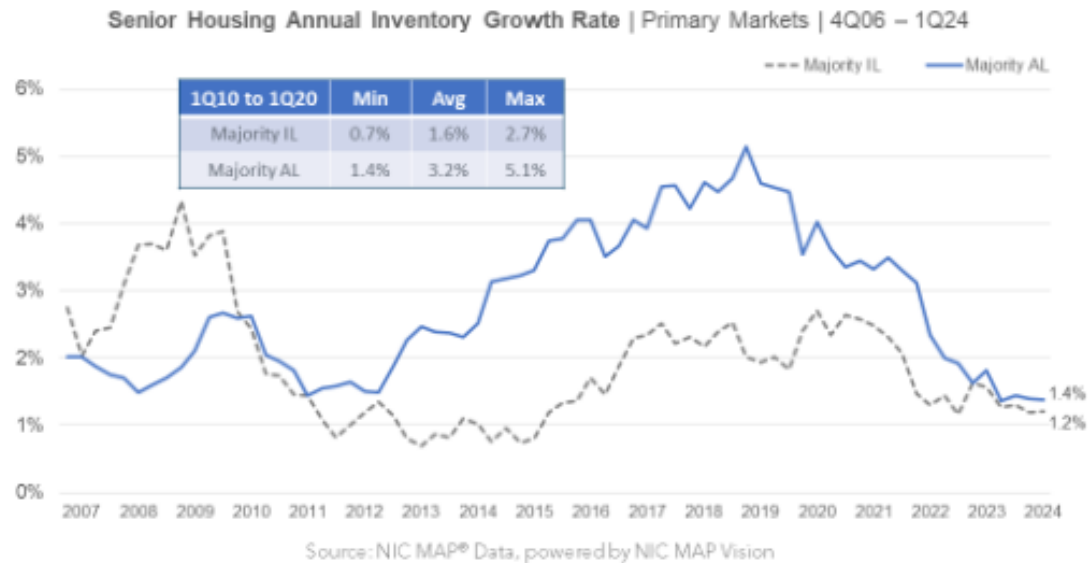
Occupied Units Continue Climbing to Record Highs



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

III. SENIORS HOUSING KEY TRENDS (CONT.)

- Inventory growth rates were steady compared to the Q4 2023, with assisted living at 1.4% and independent living at 1.2% year-over-year.
- The number of senior housing units under construction in the Primary Markets continued to decline and stood at less than 30,000 units in Q1 2024, which was the lowest level in nearly 10 years.
- By property type, majority independent living properties and majority assisted living properties each comprised roughly half of the construction under way.
- As a share of existing assisted living inventory, units under construction totaled 4.4%, well below its peak of 10.2% in 2017.
- For independent living, units under construction totaled 4.0% of existing inventory, down from its peak of 6.6% in mid-2019.

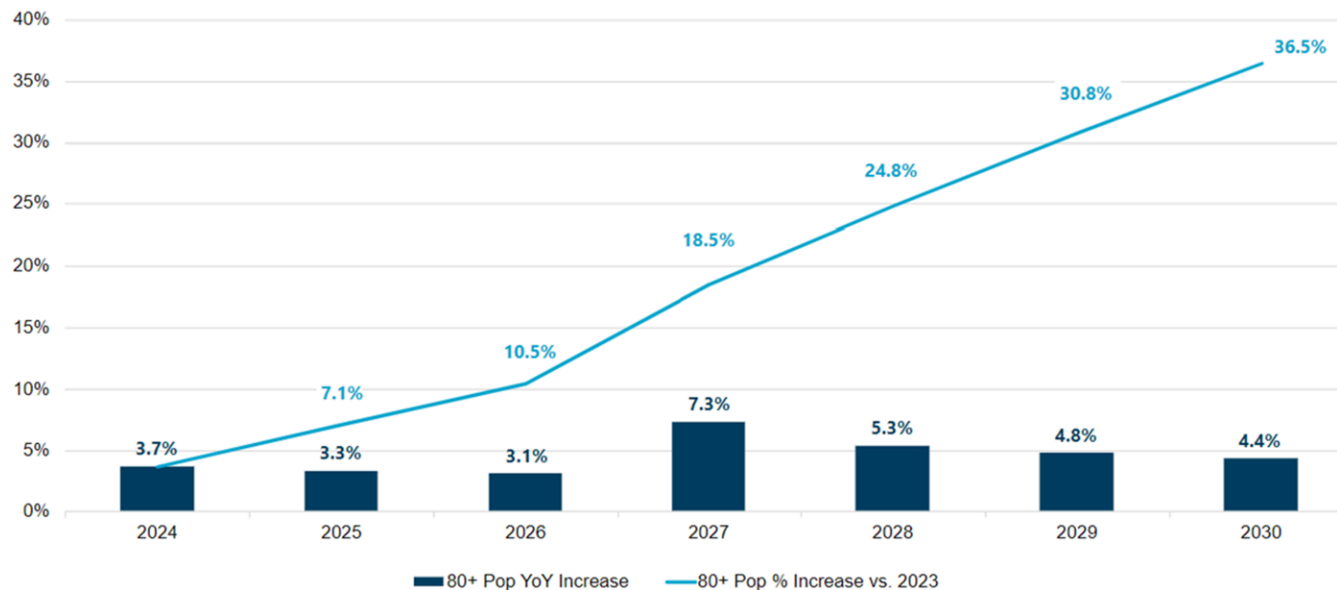


III. SENIORS HOUSING KEY TRENDS (CONT.)

- 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.

The Aging Wave is Rapidly Approaching

80+ Demographic Growth Rates | Census Bureau Projections 2023 - 2050



IV. APPENDIX



NorthStar
HEALTHCARE INCOME

CONSOLIDATED BALANCE SHEETS



(In thousands)

	March 31, 2024 (Unaudited)	December 31, 2023
Assets		
Cash and cash equivalents	\$ 80,989	\$ 85,037
Restricted cash	6,191	7,906
Operating real estate, net	815,400	821,270
Investments in unconsolidated ventures	123,963	122,949
Assets held for sale	495	11,611
Receivables, net	1,857	1,558
Intangible assets, net	1,832	1,916
Other assets	6,404	7,172
Total assets	<u>\$ 1,037,131</u>	<u>\$ 1,059,419</u>
Liabilities		
Mortgage and other notes payable, net	\$ 883,839	\$ 898,154
Due to related party	—	121
Escrow deposits payable	874	507
Accounts payable and accrued expenses	27,271	27,502
Other liabilities	1,483	1,455
Total liabilities	<u>913,467</u>	<u>927,739</u>
Equity		
Common stock	1,857	1,857
Additional paid-in capital	1,716,813	1,716,757
Retained earnings (accumulated deficit)	(1,593,657)	(1,585,725)
Equity before NCI	<u>125,013</u>	<u>132,889</u>
Non-controlling interests	(1,349)	(1,209)
Total equity	<u>123,664</u>	<u>131,680</u>
Total liabilities and equity	<u>\$ 1,037,131</u>	<u>\$ 1,059,419</u>

CONSOLIDATED STATEMENTS OF OPERATIONS



(In thousands, except per share data)

	Three Months Ended March 31,	
	2024	2023
Property and other revenues		
Resident fee income	\$ 12,296	\$ 11,850
Rental income	35,559	36,999
Other revenue	897	719
Total property and other revenues	<u>48,752</u>	<u>49,568</u>
Expenses		
Property operating expenses	33,381	35,077
Interest expense	12,862	11,359
Transaction costs	16	97
General and administrative expenses	3,327	3,910
Depreciation and amortization	8,901	9,649
Impairment loss	456	—
Total expenses	<u>58,943</u>	<u>60,092</u>
Other income (loss)		
Other income, net	1,000	132
Gain (loss) on investments and other	150	332
Income (loss) before equity in earnings and taxes	<u>(9,041)</u>	<u>(10,060)</u>
Equity in earnings (losses) of unconsolidated ventures	1,014	(3,922)
Income tax expense	(20)	(15)
Net income (loss)	<u>(8,047)</u>	<u>(13,997)</u>
Net (income) loss attributable to non-controlling interests	115	71
Net income (loss) attributable to common stockholders	<u>\$ (7,932)</u>	<u>\$ (13,926)</u>
Net income (loss) per share of common stock	<u>\$ (0.04)</u>	<u>\$ (0.07)</u>
Weighted average shares of common stock outstanding	<u>185,712,103</u>	<u>195,421,656</u>
Distributions declared per share of common stock	<u>\$ —</u>	<u>\$ —</u>

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL INFORMATION



(In thousands)

	Three Months Ended March 31,	
	2024	2023
Funds from operations:		
Net income (loss) attributable to NHI	\$ (7,932)	\$ (13,926)
Adjustments:		
Depreciation and amortization	8,901	9,649
Depreciation and amortization related to non-controlling interests	(33)	(73)
Depreciation and amortization related to unconsolidated ventures	4,042	5,648
(Gain) loss from sales of property	38	(136)
Gain (loss) from sales of property related to non-controlling interests	(1)	4
(Gain) loss from sales of property related to unconsolidated ventures	—	258
Impairment losses of depreciable real estate	456	—
Impairment loss on real estate related to non-controlling interests	(3)	—
Funds from operations attributable to NHI	\$ 5,468	\$ 1,424
Modified funds from operations:		
Funds from operations attributable to NHI	\$ 5,468	\$ 1,424
Adjustments:		
Transaction costs	16	97
Amortization of premiums, discounts and fees on investments and borrowings	1,005	985
(Gain) loss on investments and other	(188)	(196)
Adjustments related to unconsolidated ventures	480	1,359
Adjustments related to non-controlling interests	(7)	3
Modified funds from operations attributable to NHI	\$ 6,774	\$ 3,672

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



(In thousands)

	Three Months Ended March 31,	
	2024	2023
Direct Operating Investments Segment		
Net income (loss)	\$ (6,016)	\$ (5,184)
Adjustments:		
Income tax expense	20	15
Gain (loss) on investments and other	(150)	(332)
Other income, net	—	(132)
Impairment loss	456	—
Depreciation and amortization	8,218	8,920
General and administrative expenses	(39)	—
Transaction costs	2	2
Interest expense	12,000	10,483
Net operating income - Direct Operating Investments	<u>\$ 14,491</u>	<u>\$ 13,772</u>

FOOTNOTES AND DEFINITIONS



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 an aggregate principal amount outstanding of \$99.8 million as of March 31, 2024.
3. **Rochester Sub-Portfolio** represents the seven healthcare properties in or around Rochester, NY that serve as collateral for the Rochester Sub-Portfolio Loan. The properties were placed into a receivership in October 2023.
4. **RevPor** represents average revenues generated per occupied room per month.
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 March 31, 2024. For unconsolidated investments, amount represents the carrying value of the investments in unconsolidated ventures as presented in our consolidated financial statements as of March 31, 2024.
3. Rochester portfolio excludes the Rochester Sub-Portfolio.
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. Solstice is a joint venture of which affiliates of Integral Senior Living own 80%.
4. Property count and units exclude properties sold and the Rochester Sub-Portfolio.
5. Consists primarily of interest income earned on corporate-level cash and cash equivalents.
6. The table presents the total properties and licensed beds/units managed by Trilogy Management Services and our 23.8% ownership share of the property and other revenues generated by the Trilogy joint venture.
7. Classification based on predominant services provided, but may include other services.

Page 7 - Financial Update - Direct Operating Investments

1. Average quarterly occupancy excludes properties sold and the Rochester Sub-Portfolio.
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 March 31, 2024 and 2023, refer to "- Reconciliation of GAAP 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 property and other revenues, 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

Headquarters:

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