

October 17, 2024

To Our Stockholders:

We are writing today to provide you with an update on your investment, principally regarding the recently announced estimated per share value of common stock (“2024 NAV Per Share”) for NorthStar Healthcare Income, Inc. (“NorthStar Healthcare” or the “Company”). In addition, we are also enclosing with this letter a set of questions and answers prepared by the Company to provide greater clarity to stockholders regarding a variety of factors affecting your investment, including the Company’s strategy, capital needs, liquidity event, distributions, repurchases and the 2024 NAV Per Share, among other things.

On October 15, 2024, the board of directors of NorthStar Healthcare (the “Board”) established the 2024 NAV Per Share of \$2.96.

The Company engaged Kroll, LLC (“Kroll”), an independent third-party valuation firm, to assist the Board in determining the 2024 NAV Per Share. To estimate a valuation range, Kroll reviewed and analyzed NorthStar Healthcare’s real estate properties and investments held by the Company as of June 30, 2024. Based on Kroll’s valuation range, and other factors deemed relevant by the independent directors that comprise the audit committee of the Board (the “Audit Committee”), the Audit Committee recommended, and the Board subsequently adopted, an estimated per share value of \$2.96 for NorthStar Healthcare’s common stock as of June 30, 2024.

Various factors were considered in determining the 2024 NAV Per Share, including assumptions and estimates that may not ultimately be accurate or complete. Furthermore, the value of NorthStar Healthcare’s common stock will fluctuate over time as a result of many factors, including, but not limited to, economic conditions, including interest rates and inflation, changes in healthcare, real estate and debt capital markets and investment-specific developments. The Board anticipates updating the estimated per share value of NorthStar Healthcare’s common stock on an annual basis.

NorthStar Healthcare’s 2024 NAV Per Share of \$2.96 represents a year-over-year increase of \$0.32 per share, or approximately 12%, compared to the previous estimated per share value of \$2.64 as of June 30, 2023. The main factors impacting NorthStar Healthcare’s 2024 NAV Per Share were as follows:

- Strong supply and demand fundamentals across the industry, combined with the Company’s strategic capital investment in its properties, resulted in significant improvements in performance across the Company’s healthcare properties, driving an increase in estimated values. During the six months ended June 30, 2024, property revenues, net of operating expenses, generated by the Company’s operating investments, excluding dispositions, were 13.8% greater than the same period during 2023. Average occupancy of the Company’s operating investments reached 89.4% for the three months ended June 30, 2024, a 1.8% increase as compared to the same period in 2023.
- The Company completed the sale of its investment in Trilogy REIT Holdings, LLC (referred to as the Trilogy investment) in September 2024 at an attractive valuation, resulting in net proceeds to the Company of \$252.4 million, which was greater than the estimated value of the Trilogy investment in connection with the estimated per share value as of June 30, 2023.
- The use of available cash to fund capital projects for the Company’s operating investments, along with its general and administrative expenses, partially offset the increase in the estimated value per share resulting from the improved operating performance.

We are pleased with the performance of the Company's investments over the past year and continue to be optimistic for the year ahead. With positive market dynamics for the seniors housing industry overall and strong year-over-year growth within our portfolio, we believe we are well-positioned to execute on our strategy – to continue to grow net operating income and pursue dispositions or other transactions as and when compelling opportunities become available.

For additional information regarding the estimated per share value, please refer to the Company's Current Report on Form 8-K filed with the United States Securities and Exchange Commission (the "SEC") on October 17, 2024, as well as the Company's other filings with the SEC, which can be obtained at www.sec.gov or at the at the Company's Investor Relations tab on its website located at www.northstarhealthcarereit.com.

If you have any questions, please contact us at (877) 940-8777.

Sincerely,

A handwritten signature in black ink, appearing to read "Kendall K. Young". The signature is fluid and cursive, with a long horizontal stroke at the end.

Kendall K. Young
Chief Executive Officer and President