



BrightSpire Capital, Inc. (Formerly Colony Credit Real Estate) Announces Sale of Portfolio of Development and Non-Accrual Investments for \$223 Million

July 19, 2021

Portfolio Sale Projected to be Substantially in Line with Company's Book Value

NEW YORK--(BUSINESS WIRE)--Jul. 19, 2021-- BrightSpire Capital, Inc. (NYSE: BRSP) ("BrightSpire Capital" or the "Company"), formerly known as Colony Credit Real Estate, Inc. (NYSE: CLNC), one of the largest publicly traded commercial real estate (CRE) credit REITs, today announced it has reached an agreement to sell a majority of its historical development and/or non-accrual assets to managed vehicles of Fortress Investment Group LLC ("Fortress"), a leading, diversified global investment manager, for gross proceeds of \$223 million (the "Co-Invest Portfolio Sale"). The proceeds are substantially in line with the Company's aggregate GAAP and undepreciated book value of the underlying assets as of March 31, 2021.

The Co-Invest Portfolio Sale resolves 5 (of 6) legacy co-invest assets owned alongside Colony Capital, Inc. (now known as DigitalBridge Group, Inc., (NYSE: DBRG)). On June 7, 2021, Colony Capital announced a portfolio sale with Fortress that included its joint venture interests in such five underlying investments. The Co-Invest Portfolio Sale is conditioned on, and would close concurrent with, the transaction between Colony Capital and Fortress, which is anticipated in the fourth quarter of 2021 and will result in Fortress acquiring 100% control and ownership of such investments.

The Co-Invest Portfolio Sale advances key objectives of the Company, including:

- Exits Several Historical Development and/or Non-Accrual Assets – Co-Invest Portfolio Sale includes (i) the four co-investments subject to the Company's "5-Investment Preferred Financing", which includes both Dublin, Ireland development loans and two other U.S. mixed-use and single family development loans, and (ii) a residual hotel loan equity participation interest in Austin, Texas (Loan 64 on the table of loans reported by the Company), each as described in further detail in the Company's 10-Q for the quarterly period ended March 31, 2021;
- Portfolio Simplification – Reduces exposure to larger scale development investments, including two in non-US markets;
- Preservation of Book Value – \$223 million in gross proceeds, resolved substantially in line with the assets combined GAAP book value as of March 31, 2021; and
- Reduce Leverage – Proceeds from the Co-Invest Portfolio Sale targeted to payoff the "5-Investment Preferred Financing," a COVID-19 related financing secured in June 2020 for balance sheet protective purposes.

"We look forward to continuing to work with the Fortress team to effectuate this transaction which is another step toward simplifying our business by rebalancing our portfolio and reducing exposure to certain investment profiles that are no longer core to our strategy. We remain focused on delivering current and predictable earnings primarily through exposure to senior mortgages," said Andy Witt, COO of BrightSpire Capital.

"This is another clear win-win transaction, following on our June agreement to become General Partner and Manager to Colony Capital's CDCF series of funds. We are very pleased to acquire these assets, which fit perfectly with our expertise in managing complexity across a wide range of asset classes and geographies, while providing BrightSpire Capital with a 'one-stop solution' to accelerate the achievement of their strategic objectives," said Fortress Managing Director Noah Shore.

The Co-Invest Portfolio Sale is subject to certain purchase price adjustments (including for contributions, distributions and currency adjustments during the executory period), customary closing conditions and third-party consents.

About BrightSpire Capital, Inc.

BrightSpire Capital, Inc. (NYSE: BRSP), formerly Colony Credit Real Estate, Inc. (NYSE: CLNY), is one of the largest publicly traded commercial real estate (CRE) credit REITs, focused on originating, acquiring, financing and managing a diversified portfolio consisting primarily of CRE debt investments and net leased properties predominantly in the United States. CRE debt investments primarily consist of first mortgage loans, which we expect to be the primary investment strategy. BrightSpire Capital is organized as a Maryland corporation and taxed as a REIT for U.S. federal income tax purposes. For additional information regarding the Company and its management and business, please refer to www.brightspire.com.

Cautionary Statement Regarding Forward-Looking Statements

This press release 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 our control, and may cause actual results to differ significantly from those expressed in any forward-looking statement. Factors that could cause actual results to differ materially from BrightSpire Capital's expectations include, but are not limited to, the conditions to the completion of the Co-Invest Portfolio Sale may not be satisfied, or the approvals required for the transaction may not be obtained on the terms expected, on the anticipated schedule, or at all; the impact of timing, other conditions or adjustments on the ability to preserve book value; the timing or ability of the Company to payoff off the 5-Investment Preferred Financing following the Co-Invest Portfolio Sale and net effect on Company book value for such events (including the extent of purchase price

adjustments); the ability to simplify the portfolio and/or realize efficiencies, as well as achieve anticipated strategic and financial benefits of the internalization; and uncertainties regarding the ongoing impact of the novel coronavirus (COVID-19). 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, 2020, as well as in BrightSpire Capital's other filings with the U.S. Securities and Exchange Commission. Moreover, each of the factors referenced above are likely to also be impacted directly or indirectly by the ongoing impact of COVID-19 and investors are cautioned to interpret substantially all of such statements and risks as being heightened as a result of the ongoing impact of the COVID-19. Additional information about these and other factors can be found in BrightSpire Capital's reports filed from time to time with the Securities and Exchange Commission.

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

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