



Supplemental Financial Report Second Quarter 2019

August 8, 2019

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This presentation 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. Among others, the following uncertainties and other factors could cause actual results to differ from those set forth in the forward-looking statements: operating costs and business disruption may be greater than expected; the Company's operating results may differ materially from the information presented in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018; the fair value of the Company's investments may be subject to uncertainties; the Company's use of leverage could hinder its ability to make distributions and may significantly impact its liquidity position; given the Company's dependence on its external manager, an affiliate of Colony Capital, Inc., any adverse changes in the financial health or otherwise of its manager or Colony Capital, Inc. could hinder the Company's operating performance and return on stockholder's investment; the ability to realize substantial efficiencies as well as anticipated strategic and financial benefits, including, but not limited to expected returns on equity and/or yields on investments; the Company's liquidity, including its ability to continue to generate liquidity by more accelerated sales of certain lower yielding and non-core assets; the timing of and ability to deploy available capital; the Company's ability to maintain or grow the dividend at all in the future; the timing of and ability to complete repurchases of the Company's stock; the ability of the Company to refinance certain mortgage debt on similar terms to those currently existing or at all; and the impact of legislative, regulatory and competitive changes. 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, 2018, as well as in Colony Credit Real Estate's other filings with the Securities and Exchange Commission.

We caution investors not to unduly rely on any forward-looking statements. The forward-looking statements speak only as of the date of this presentation. Colony Credit Real Estate 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 Colony Credit Real Estate does not intend to do so.

IMPORTANT NOTE REGARDING NON-GAAP FINANCIAL MEASURES AND DEFINITIONS

We present Core Earnings, which is a non-GAAP supplemental financial measure of our performance. We believe that Core Earnings provides meaningful information to consider in addition to our net income and cash flow from operating activities determined in accordance with accounting principles generally accepted in the United States (“U.S. GAAP” or “GAAP”). This supplemental financial measure helps us to evaluate our performance excluding the effects of certain transactions and U.S. GAAP adjustments that we believe are not necessarily indicative of our current portfolio and operations. We also use Core Earnings to determine the incentive fees we pay to our Manager. For information on the fees we pay our Manager, see Note 11, “Related Party Arrangements” to our consolidated financial statements included in Form 10-Q to be filed with the U.S. Securities and Exchange Commission. In addition, we believe that our investors also use Core Earnings or a comparable supplemental performance measure to evaluate and compare the performance of us and our peers, and as such, we believe that the disclosure of Core Earnings is useful to our investors.

We define Core Earnings as U.S. GAAP net income (loss) attributable to our common stockholders (or, without duplication, the owners of the common equity of our direct subsidiaries, such as our operating partnership or “OP”) and excluding (i) non-cash equity compensation expense, (ii) the expenses incurred in connection with our formation, (iii) the incentive fee, (iv) acquisition costs from successful acquisitions, (v) depreciation and amortization, (vi) any unrealized gains or losses or other similar non-cash items that are included in net income for the current quarter, regardless of whether such items are included in other comprehensive income or loss, or in net income, (vii) one-time events pursuant to changes in U.S. GAAP and (viii) certain material non-cash income or expense items that in the judgment of management should not be included in Core Earnings. For clauses (vii) and (viii), such exclusions shall only be applied after discussions between our Manager and our independent directors and after approval by a majority of our independent directors. Core Earnings reflects adjustments to U.S. GAAP net income to exclude impairment of real estate and provision for loan losses. Such impairment and losses may ultimately be realized, in part or full, upon a sale or monetization of the related investments and such realized losses would be reflected in Core Earnings.

Core Earnings does not represent net income or cash generated from operating activities and should not be considered as an alternative to U.S. GAAP net income or an indication of our cash flows from operating activities determined in accordance with U.S. GAAP, a measure of our liquidity, or an indication of funds available to fund our cash needs, including our ability to make cash distributions. In addition, our methodology for calculating Core Earnings may differ from methodologies employed by other companies to calculate the same or similar non-GAAP supplemental financial measures, and accordingly, our reported Core Earnings may not be comparable to the Core Earnings reported by other companies.

The Company calculates core earnings per share, a non-GAAP financial measure, based on a weighted average (“W.A.”) number of common shares and operating partnership units (held by members other than the Company or its subsidiaries).

We believe net operating income (“NOI”) and earnings before interest, tax, depreciation and amortization (“EBITDA”) are useful measures of operating performance of our net lease and other real estate portfolios as they are more closely linked to the direct results of operations at the property level. NOI and EBITDA excludes historical cost depreciation and amortization, which are based on different useful life estimates depending on the age of the properties, as well as adjusts for the effects of real estate impairment and gains or losses on sales of depreciated properties, which eliminate differences arising from investment and disposition decisions. Additionally, by excluding corporate level expenses or benefits such as interest expense, any gain or loss on early extinguishment of debt and income taxes, which are incurred by the parent entity and are not directly linked to the operating performance of the Company’s properties, NOI and EBITDA provide a measure of operating performance independent of the Company’s capital structure and indebtedness. However, the exclusion of these items as well as others, such as capital expenditures and leasing costs, which are necessary to maintain the operating performance of the Company’s properties, and transaction costs and administrative costs, may limit the usefulness of NOI and EBITDA. NOI and EBITDA may fail to capture significant trends in these components of U.S. GAAP net income (loss) which further limits its usefulness.

NOI and EBITDA should not be considered as an alternative to net income (loss), determined in accordance with U.S. GAAP, as an indicator of operating performance. In addition, the Company’s methodology for calculating NOI involves subjective judgment and discretion and may differ from the methodologies used by other companies, when calculating the same or similar supplemental financial measures and may not be comparable with other companies.

The Company presents pro rata (“at share” or “at CLNC share”) financial information, which is not, and is not intended to be, a presentation in accordance with GAAP. The Company computes pro rata financial information by applying its economic interest to each financial statement line item on an investment-by-investment basis. Similarly, noncontrolling interests’ (“NCI”) share of assets, liabilities, profits and losses was computed by applying noncontrolling interests’ economic interest to each financial statement line item. The Company provides pro rata financial information because it may assist investors and analysts in estimating the Company’s economic interest in its investments. However, pro rata financial information as an analytical tool has limitations. Other companies may not calculate their pro rata information in the same methodology, and accordingly, the Company’s pro rata information may not be comparable to other companies pro rata information. As such, the pro rata financial information should not be considered in isolation or as a substitute for our financial statements as reported under GAAP, but may be used as a supplement to financial information as reported under GAAP.

NOTES REGARDING REPORTABLE SEGMENTS

Colony Credit Real Estate, Inc. (“CLNC”, “Colony Credit Real Estate”, the “Company” or “We”) currently holds investment interests through the following four reportable segments, which are based on how management reviews and manages its business:

Loan Portfolio

As of June 30, 2019, the Company’s Loan Portfolio included senior mortgage loans, mezzanine loans and preferred equity interests as well as participations in such loans. The Loan Portfolio also includes acquisition, development and construction loan arrangements accounted for as equity method investments as well as loans and preferred equity interests held through joint ventures with an affiliate of our Sponsor (Colony Capital, Inc.) which were deconsolidated as a result of the merger and subsequently treated as equity method investments.

- Senior mortgage loans include junior participations in our originated senior mortgage loans for which we have syndicated the senior participations to other investors and retained the junior participations for our portfolio and contiguous mezzanine loans where we own both the senior and junior loan positions. We believe these investments are more similar to the senior mortgage loans we originate than other loan types given their credit quality and risk profile
- Mezzanine loans include other subordinated loans
- Preferred equity balances include related equity participation interests

CRE Debt Securities

As of June 30, 2019, the Company’s Commercial Real Estate (“CRE”) Debt Securities included both investment grade and non-investment grade rated CMBS bonds (including “B-pieces” of CMBS securitization pools or “B-Piece” investments).

Net Lease Real Estate (or “Net Lease”)

As of June 30, 2019, the Company’s Net Lease investments included direct investments in commercial real estate with long-term leases to tenants on a net lease basis, where such tenants are generally responsible for property operating expenses such as insurance, utilities, maintenance capital expenditures and real estate taxes.

Other

As of June 30, 2019, the Company’s Other assets included direct investments in operating real estate, real estate acquired in settlement of loans (“REO”) and investments in real estate private equity interests (“Private Equity Interests” or “PE Interests”).

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I. BUSINESS DEVELOPMENTS & HIGHLIGHTS

<p>Business & Financial</p>	<ul style="list-style-type: none"> ▪ Second quarter 2019 GAAP net loss attributable to common stockholders of \$(107.3) million, or \$(0.84) per common share, and core earnings of \$36.3 million, or \$0.28 per diluted share. Excluding \$14.5 million of realized losses related to completed foreclosure proceedings under a loan, core earnings of \$50.7 million, or \$0.39 per diluted share. The Company had previously recorded a \$14.5 million loan loss provision at CLNC ownership share in the fourth quarter 2018 in connection with this anticipated foreclosure⁽¹⁾ ▪ GAAP book value of \$2.6 billion, or \$19.70 per diluted share, as of June 30, 2019 ▪ Undepreciated book value of \$2.7 billion, or \$20.72 per diluted share, as of June 30, 2019 ▪ Declared and paid a monthly cash dividend of \$0.145 per share of Class A common stock for April, May and June 2019. The dividend represents an annualized dividend of \$1.74 per share of common stock, equating to an 11.1% annualized dividend yield based on the \$15.65 closing price on August 6, 2019 ▪ Subsequent to quarter end, the Company's Board of Directors declared a monthly cash dividend of \$0.145 per share of common stock for July and August 2019 ▪ During the second quarter, recorded \$119 million of loan loss provisions at CLNC ownership share related to four separate borrowers and a \$10 million impairment of real estate held for investment at CLNC ownership share, resulting from changes in market conditions during the quarter, including a reduction in the estimated holding period
<p>Investment Activity</p>	<ul style="list-style-type: none"> ▪ During the second quarter, allocated and initially funded \$750 million and \$616 million of capital, respectively, across eight investments ▪ Subsequent to quarter end, allocated and initially funded an additional \$234 million and \$107 million of capital, respectively, across four investments ▪ To date, received approximately \$121 million of cash proceeds from the sale of approximately 89% interest in real estate private equity funds, with approximately \$21 million remaining and expected to be received in the third quarter ▪ Subsequent to quarter end, sold a CMBS B-piece at a premium to 3/31/19 fair market value, which resulted in approximately \$33 million in proceeds and an \$4 million realized gain that will be recognized in the third quarter 2019
<p>Capitalization & Liquidity</p>	<ul style="list-style-type: none"> ▪ During the second quarter, executed two master repurchase facility amendments to allow for European investments concurrent with a \$200 million total upside; total master repurchase facility available of approximately \$0.8 billion as of August 6, 2019 ▪ As of August 6, 2019, total corporate liquidity of approximately \$383 million through cash-on-hand and availability under the corporate revolving credit facility

I. PORTFOLIO HIGHLIGHTS

(\$ in thousands, unless otherwise stated; as of June 30, 2019; at CLNC share)

Overview

\$5.8 Billion Total At-Share Assets⁽¹⁾ **11.1%** Annual Dividend Yield

52% Debt-to-Assets⁽²⁾ **1.1X** Net-Debt-to-Equity⁽³⁾

\$2.7 Billion Undepreciated Book Value⁽¹⁾ **\$20.72** / Undepreciated Book Value per Share

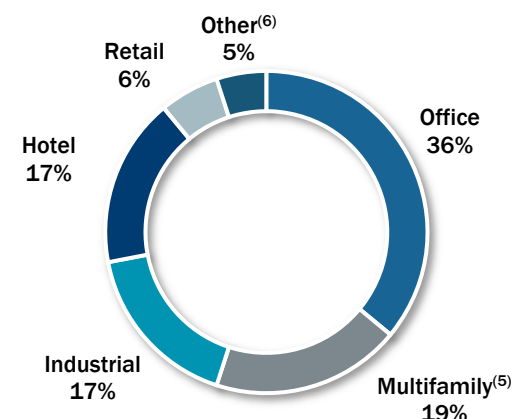
\$2.6 Billion GAAP Book Value⁽¹⁾ **\$19.70** / GAAP Book Value per Share

	Count	Undepreciated carrying value ⁽¹⁾	% of total	Undepreciated net carrying value*	% of total
Senior mortgage loans	45	\$ 2,360,592	41%	\$ 894,468	31%
Mezzanine loans	16	392,568	7%	392,568	13%
Preferred equity & other loans ⁽⁸⁾⁽⁹⁾	9	309,057	6%	309,057	11%
CRE debt securities ⁽¹⁰⁾	53	398,767	7%	192,349	7%
Net lease real estate ⁽¹¹⁾	12	1,329,802	23%	522,060	18%
Other real estate ⁽¹¹⁾	42	855,079	15%	540,791	18%
Private equity interests **	6	53,893	1%	53,893	2%
Total portfolio	183	\$ 5,699,758	100%	\$ 2,905,187	100%

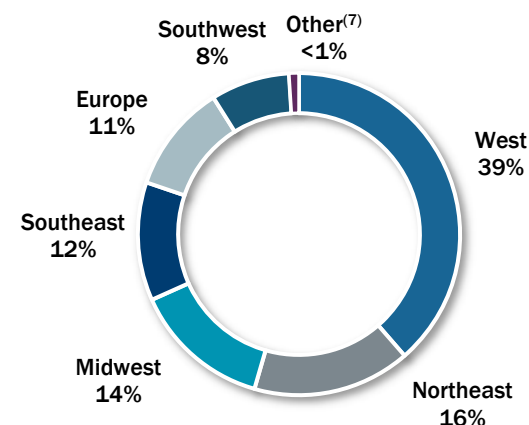
* Net carrying value represents carrying value net of any in-place investment-level financing at CLNC share as of June 30, 2019

** Subsequent to quarter end, received approximately \$19 million of private equity sale proceeds

Property type⁽⁴⁾



Geography⁽⁴⁾



II. LOAN PORTFOLIO HIGHLIGHTS

(As of June 30, 2019; at CLNC share)

Overview

\$3.1 billion

Total loan portfolio⁽¹⁾

70

Total number of investments

\$44 million

Average loan size

90%

% Senior loans floating rate

2.3 years

W.A. remaining term⁽²⁾

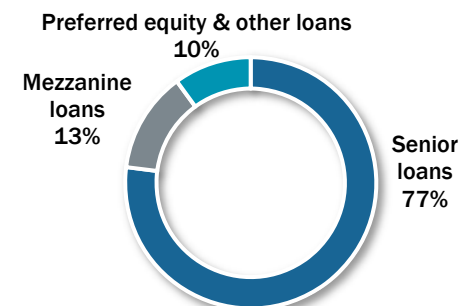
4.3 years

W.A. extended remaining term⁽³⁾

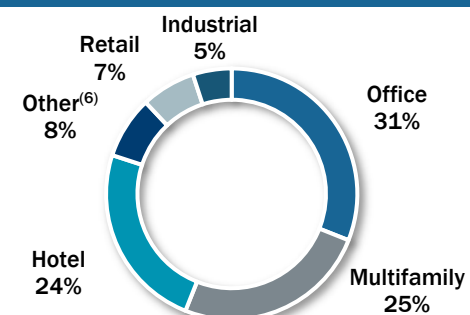
8.0%

W.A. unlevered all-in yield⁽⁴⁾

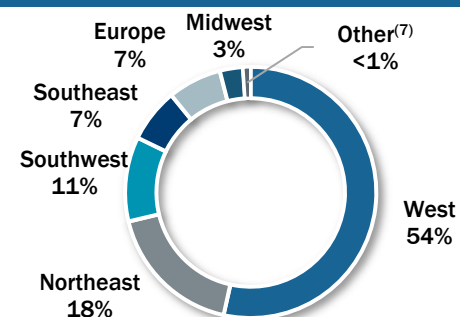
Investment type⁽⁵⁾



Property type⁽⁵⁾



Geography⁽⁵⁾



II. LOAN PORTFOLIO OVERVIEW

(\$ in thousands; as of June 30, 2019; at CLNC share)

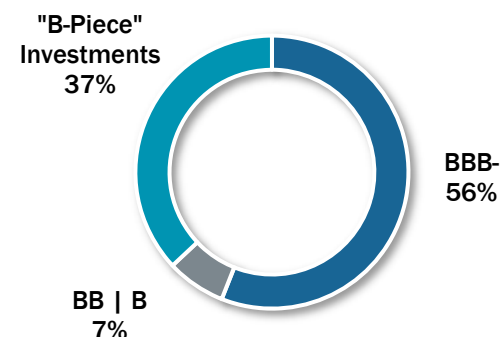
	Number of investments	Carrying value ⁽¹⁾	Net carrying value ⁽²⁾	W.A. unlevered all-in yield ⁽³⁾	W.A. remaining term (years) ⁽⁴⁾	W.A. extended term (years) ⁽⁵⁾
<u>Floating rate</u>						
Senior mortgage loans	41	\$ 2,136,303	\$ 670,179	6.1%	2.0	4.2
Mezzanine loans	5	53,572	53,572	12.4%	0.7	2.5
Total / W.A. floating rate	46	2,189,875	723,751	6.3%	1.9	4.2
<u>Fixed rate</u>						
Senior mortgage loans	4	224,289	224,289	14.1%	1.3	3.6
Mezzanine loans	11	338,996	338,996	12.3%	1.3	2.9
Preferred equity & other loans	9	309,057	309,057	10.9%	6.5	7.0
Total / W.A. fixed rate	24	872,342	872,342	12.3%	3.1	4.5
Total / W.A.	70	\$3,062,217	\$1,596,093	8.0%	2.3	4.3

III. CRE DEBT SECURITIES

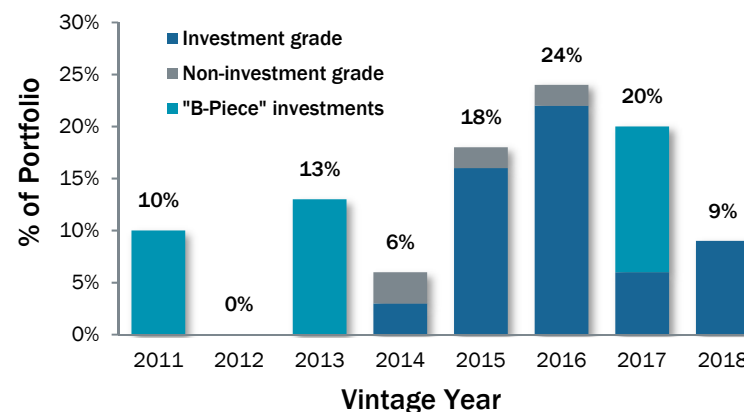
(As of June 30, 2019, unless otherwise stated; at CLNC share)

Overview	
\$519 million	Principal value ⁽¹⁾
\$399 million	Carrying value ⁽¹⁾
\$192 million	Net carrying value ⁽²⁾
53	Number of investments ⁽³⁾
6.1 years	W.A. remaining term ⁽⁴⁾
7.1%	W.A. unlevered all-in yield ⁽⁵⁾

Ratings Category⁽⁶⁾



Vintage⁽⁶⁾

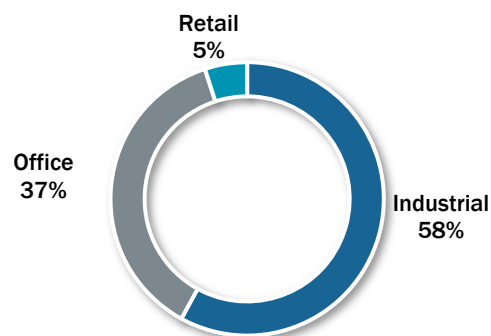


IV. NET LEASE REAL ESTATE

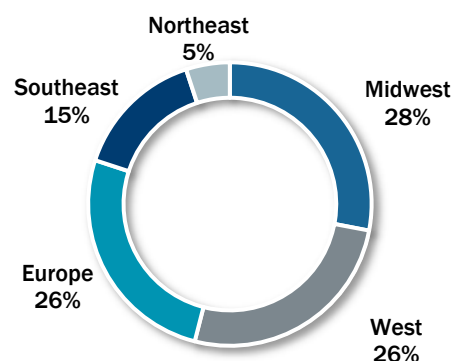
(\$ and square feet in thousands; as of June 30, 2019, unless otherwise stated; at CLNC share)

	Number of buildings	Rentable square feet	Undepreciated carrying value ⁽¹⁾	Undepreciated net carrying value ⁽²⁾	Q2 NOI ⁽³⁾	Annualized Q2 NOI ⁽⁴⁾	W.A. % leased at end of period ⁽⁵⁾	W.A. remaining lease term (years) ⁽⁶⁾
Industrial	47	11,577	\$ 772,650	\$ 265,419	\$ 12,457	\$ 49,828	97%	9.6
Office	30	2,133	488,035	231,376	6,384	25,534	96%	9.2
Retail	10	468	69,117	25,266	1,290	5,161	100%	5.1
Total / W.A.	87	14,178	1,329,802	522,061	\$ 20,131	\$ 80,523	97%	9.2
Accumulated depreciation and amortization			(74,147)	(74,147)				
Total / W.A., net			\$ 1,255,655	\$ 447,914				

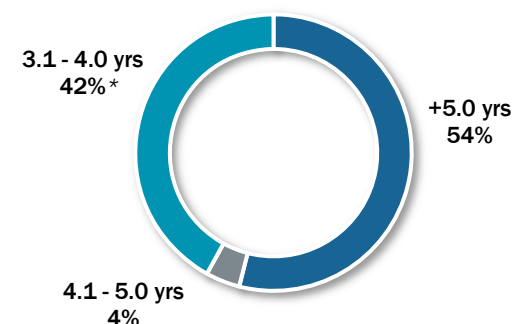
Property type⁽⁷⁾



Geography⁽⁷⁾



W.A. remaining lease term⁽⁶⁾⁽⁷⁾



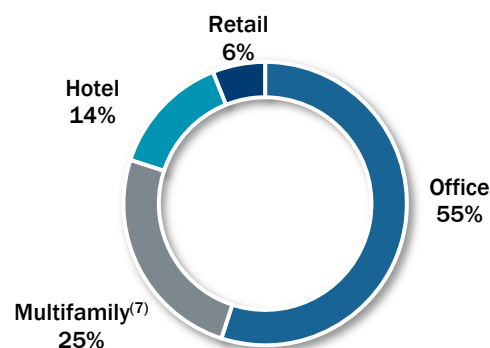
* Approximately 87% is related to industrial net lease properties

V. OTHER REAL ESTATE

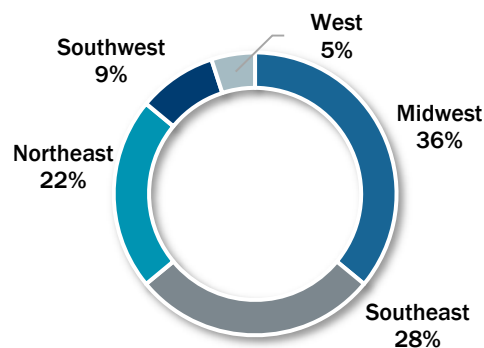
(\$ and square feet in thousands; as of June 30, 2019, unless otherwise stated; at CLNC share)

	Number of buildings	Rentable square feet ("RSF") / units / keys	Undepreciated carrying value ⁽¹⁾	Undepreciated net carrying value ⁽²⁾	Q2 NOI / EBITDA ⁽³⁾	Annualized Q2 NOI / EBITDA ⁽⁴⁾	W.A. % leased at end of period ⁽⁵⁾	W.A. remaining lease term (years) ⁽⁶⁾
Office	44	4,071 RSF	\$ 467,290	\$ 277,485	\$ 6,137	\$ 24,550	84%	3.5
Multifamily ⁽⁷⁾	113	4,250 units	214,592	111,609	3,553	14,212	90%	n/a
Hotel	3	948 keys	121,297	99,797	4,251	17,004	n/a	n/a
Retail	8	1,285 RSF	51,900	51,900	377	1,508	71%	2.7
Total / W.A.	168	n/a	855,079	540,791	\$ 14,318	\$ 57,274	85%	3.4
Accumulated depreciation and amortization			(65,790)	(65,790)				
Total / W.A., net			\$ 789,289	\$ 475,001				

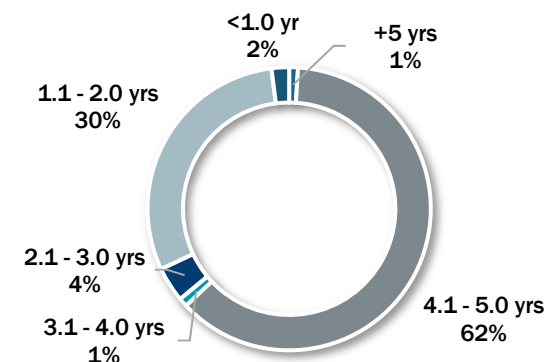
Property type⁽⁸⁾



Geography⁽⁸⁾



W.A. remaining lease term⁽⁶⁾⁽⁸⁾



* During the second quarter 2019, the Company took receipt of collateral related to one retail loan. As a result of the timing of the closing, Q2'19 NOI/EBITDA includes only a partial quarter of operating results. Adjusting for the timing of the close, Q2'19 NOI/EBITDA and annualized Q2'19 NOI/EBITDA would be approximately \$14.7 million and \$58.9 million, respectively

VI. CAPITALIZATION HIGHLIGHTS

(As of June 30, 2019, unless otherwise stated; at CLNC share)

Overview

\$5.6 billion

Total capitalization
(excluding cash)

\$3.0 billion

Total outstanding debt⁽¹⁾

\$349 million
(\$560 million maximum
facility availability)

**Corporate revolving credit
facility availability**
As of August 6, 2019

\$0.8 billion
(\$2.3 billion maximum
facilities availability)

**Master repurchase facilities
availability**
As of August 6, 2019

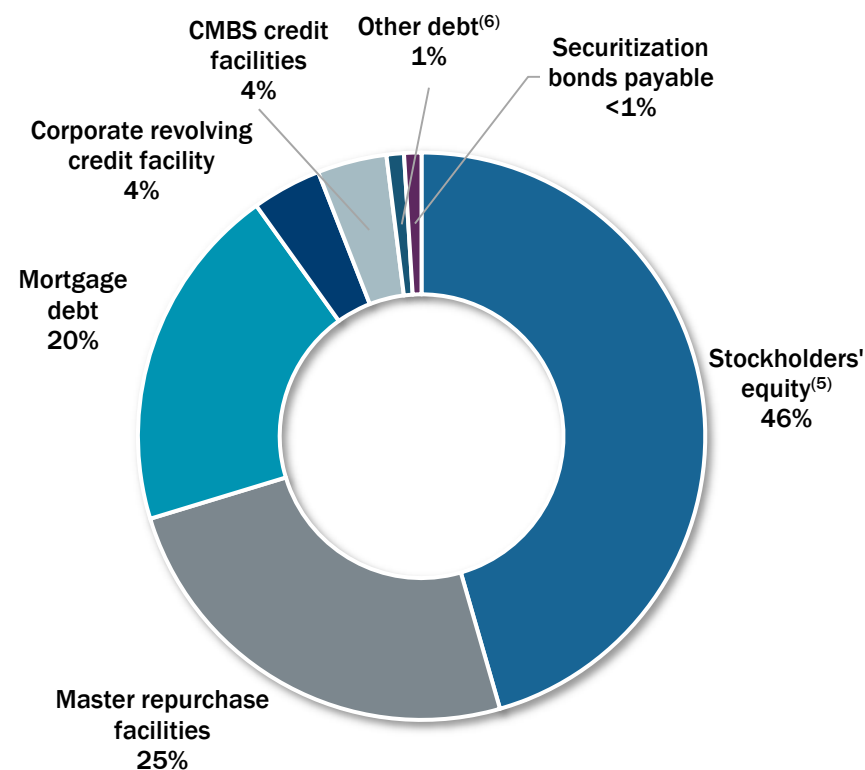
1.1x

Net debt-to-equity ratio⁽²⁾

4.44%

Blended cost of financing⁽³⁾

Capital structure⁽⁴⁾



Total capitalization
\$5.6 billion

VI. CAPITALIZATION OVERVIEW

(\$ in thousands; as of June 30, 2019; at CLNC share)

	<u>Maximum availability</u>	Recourse vs. Non-recourse ⁽¹⁾	W.A. extended maturity ⁽²⁾	W.A. contractual interest rate ⁽²⁾	W.A. all-in COF ⁽²⁾⁽³⁾	Outstanding debt (UPB) ⁽⁴⁾
<u>Corporate debt</u>						
Corporate revolving credit facility	\$560,000	Recourse	Feb-23	L + 2.25%	4.65%	\$221,500
<u>Investment-level debt</u>						
Mortgage debt – net lease (fixed)		Non-recourse	Oct-27	4.33%	4.33%	748,638
Mortgage debt – net lease (floating)		Non-recourse	Apr-21	L + 2.49%	4.89%	59,104
Mortgage debt – other real estate (fixed)		Non-recourse	Jul-24	4.56%	4.56%	261,662
Mortgage debt – other real estate (floating)		Non-recourse	Aug-23	L + 3.57%	5.97%	52,626
Master repurchase facilities	\$2,250,000	Limited recourse	Jun-22	L + 2.04%	4.44%	1,380,872
CMBS credit facilities ⁽⁵⁾		Recourse	N/A	L + 1.19%	3.59%	206,418
Other debt		Non-recourse	Jun-24	L + 3.00%	5.40%	62,700
Securitization bonds payable		Non-recourse	Apr-31	L + 3.28%	5.68%	22,552
Total / W.A. debt (CLNC share)			Mar-24		4.44%	\$3,016,071
						Book value
Stockholders' equity						\$2,532,560
Noncontrolling interests in the Operating Partnership						60,610
Total book value of common equity (CLNC share)						2,593,170
Total capitalization						\$5,609,241

VII. APPENDIX

VII. APPENDIX – CONSOLIDATED BALANCE SHEET

(In thousands, except share and per share data; as of June 30, 2019 unless otherwise stated)

	June 30, 2019 (Unaudited)	December 31, 2018
Assets		
Cash and cash equivalents	\$ 59,838	\$ 77,317
Restricted cash	114,127	110,146
Loans and preferred equity held for investment, net	2,398,191	2,020,497
Real estate securities, available for sale, at fair value	249,100	228,185
Real estate, net	1,898,299	1,959,690
Investments in unconsolidated ventures (\$53,893 and \$160,851 at fair value, respectively)	719,307	903,037
Receivables, net	47,229	48,806
Deferred leasing costs and intangible assets, net	143,521	134,068
Assets held for sale	147,707	-
Other assets	87,209	62,006
Mortgage loans held in securitization trusts, at fair value	3,175,950	3,116,978
Total assets	\$ 9,040,478	\$ 8,660,730
Liabilities		
Securitization bonds payable, net	\$ 23,377	\$ 81,372
Mortgage and other notes payable, net	1,257,915	1,173,019
Credit facilities	1,808,790	1,365,918
Due to related party	13,844	15,019
Accrued and other liabilities	133,551	106,187
Intangible liabilities, net	31,367	15,096
Escrow deposits payable	63,146	65,995
Dividends payable	19,088	18,986
Mortgage obligations issued by securitization trusts, at fair value	3,026,282	2,973,936
Total liabilities	6,377,360	5,815,528
Commitments and contingencies		
Equity		
Stockholders' equity		
Preferred stock, \$0.01 par value, 50,000,000 shares authorized, no shares issued and outstanding as of June 30, 2019 and December 31, 2018, respectively	-	-
Common stock, \$0.01 par value per share		
Class A, 950,000,000 and 905,000,000 shares authorized, 128,545,190 and 83,410,376 shares issued and outstanding as of June 30, 2019 and December 31, 2018, respectively	1,285	834
Class B-3, no shares authorized, issued and outstanding as of June 30, 2019 and 45,000,000 shares authorized and 44,399,444 shares issued and outstanding as of December 31, 2018	-	444
Additional paid-in capital	2,903,126	2,899,353
Accumulated deficit	(397,398)	(193,327)
Accumulated other comprehensive income (loss)	25,547	(399)
Total stockholders' equity	2,532,560	2,706,905
Noncontrolling interests in investment entities	69,948	72,683
Noncontrolling interests in the Operating Partnership	60,610	65,614
Total equity	2,663,118	2,845,202
Total liabilities and equity	\$ 9,040,478	\$ 8,660,730

VII. APPENDIX – CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data; as of June 30, 2019 unless otherwise stated) (Unaudited)

	Three Months Ended June 30,	
	2019	2018
Net interest income		
Interest income	\$ 42,073	\$ 36,795
Interest expense	(21,046)	(9,703)
Interest income on mortgage loans held in securitization trusts	38,656	39,496
Interest expense on mortgage obligations issued by securitization trusts	(35,756)	(36,459)
Net interest income	23,927	30,129
Property and other income		
Property operating income	64,767	39,477
Other income	434	899
Total property and other income	65,201	40,376
Expenses		
Management fee expense	11,357	11,791
Property operating expense	28,140	16,256
Transaction, investment and servicing expense	1,051	3,497
Interest expense on real estate	13,898	9,850
Depreciation and amortization	29,257	23,359
Provision for loan losses	110,258	-
Impairment of operating real estate	10,124	-
Administrative expense (including \$2,713 and \$1,798 of equity-based compensation expense, respectively)	8,010	6,884
Total expenses	212,095	71,637
Other income (loss)		
Unrealized gain on mortgage loans and obligations held in securitization trusts, net	5,549	3,696
Realized loss on mortgage loans and obligations held in securitization trusts, net	-	(2,203)
Other gain (loss), net	(6,062)	10
Income (loss) before equity in earnings of unconsolidated ventures and income taxes	(123,480)	371
Equity in earnings of unconsolidated ventures	12,557	15,661
Income tax benefit (expense)	133	(158)
Net income (loss)	(110,790)	15,874
Net (income) loss attributable to noncontrolling interests:		
Investment entities	880	470
Operating Partnership	2,569	(336)
Net income (loss) attributable to Colony Credit Real Estate, Inc. common stockholders	\$ (107,341)	\$ 16,008
Net income (loss) per common share – basic and diluted	\$ (0.84)	\$ 0.12
Weighted average shares of common stock outstanding – basic and diluted	128,534	127,887

VII. APPENDIX – CONSOLIDATED STATEMENTS OF OPERATIONS BY SEGMENT

(In thousands; as of June 30, 2019 unless otherwise stated) (Unaudited)

	Three Months Ended June 30, 2019					
	Loan portfolio	CRE debt securities	Net lease real estate	Other	Corporate	Total
Net interest income						
Interest income	\$ 38,058	\$ 4,407	\$ 3	\$ -	\$ (395)	\$ 42,073
Interest expense	(15,751)	(1,865)	-	-	(3,430)	(21,046)
Interest income on mortgage loans held in securitization trusts	-	41,225	-	-	(2,569)	38,656
Interest expense on mortgage obligations issued by securitization trusts	-	(38,325)	-	-	2,569	(35,756)
Net interest income	22,307	5,442	3	-	(3,825)	23,927
Property and other income						
Property operating income	-	-	25,209	39,558	-	64,767
Other income	148	74	184	27	1	434
Total property and other income	148	74	25,393	39,585	1	65,201
Expenses						
Management fee expense	-	-	-	-	11,357	11,357
Property operating expense	-	-	4,696	23,444	-	28,140
Transaction, investment and servicing expense	906	-	60	365	(280)	1,051
Interest expense on real estate	-	-	9,493	4,405	-	13,898
Depreciation and amortization	-	-	13,040	16,217	-	29,257
Provision for loan losses	110,258	-	-	-	-	110,258
Impairment of operating real estate	-	-	-	10,124	-	10,124
Administrative expense (including \$2,713 of equity-based compensation expense)	65	348	43	25	7,529	8,010
Total expenses	111,229	348	27,332	54,580	18,606	212,095
Other income (loss)						
Unrealized gain on mortgage loans and obligations held in securitization trusts, net	-	5,154	-	-	395	5,549
Other gain (loss), net	-	(6,157)	123	(28)	-	(6,062)
Income (loss) before equity in earnings of unconsolidated ventures and income taxes	(88,774)	4,165	(1,813)	(15,023)	(22,035)	(123,480)
Equity in earnings of unconsolidated ventures	12,557	-	-	-	-	12,557
Income tax benefit (expense)	-	-	(46)	179	-	133
Net income (loss)	(76,217)	4,165	(1,859)	(14,844)	(22,035)	(110,790)
Net (income) loss attributable to noncontrolling interests:						
Investment entities	593	-	111	176	-	880
Operating Partnership	-	-	-	-	2,569	2,569
Net income (loss) attributable to Colony Credit Real Estate, Inc. common stockholders	\$ (75,624)	\$ 4,165	\$ (1,748)	\$ (14,668)	\$ (19,466)	\$ (107,341)

VII. APPENDIX – OUTSTANDING COMMON SHARES AND OP UNITS

On February 1, 2019, all Class B-3 common stock converted to Class A common stock (the “common stock”). As of August 6 2019, the Company had approximately 128.5 million shares of common stock outstanding and the Company’s operating partnership had approximately 3.1 million operating partnership units (“OP units”) outstanding held by members other than the Company or its subsidiaries.

	As of June 30, 2019	As of March 31, 2019
Class A common stock	128,545,190	128,513,280
Class B-3 common stock	-	-
OP units	3,075,623	3,075,623
Total common stock and OP units outstanding	131,620,813	131,588,903

VII. APPENDIX – RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL INFORMATION

(\$ and shares in thousands, except per share data; as of June 30, 2019) (Unaudited)

Reconciliation of GAAP total assets to CLNC share of total assets

	As of June 30, 2019		
	Consolidated	NCI ⁽¹⁾	At CLNC share ⁽²⁾
Cash and cash equivalents	\$ 59,838	\$ 1,971	\$ 57,867
Restricted cash	114,127	2,986	111,141
Loans and preferred equity held for investment, net	2,398,191	1,377	2,396,814
Real estate securities, available for sale, at fair value	249,100	-	249,100
Real estate, net	1,898,299	113,373	1,784,926
Investments in unconsolidated ventures	719,307	-	719,307
Receivables, net	47,229	13,168	34,061
Deferred leasing costs and intangible assets, net	143,521	6,420	137,101
Assets held for sale	147,707	24,780	122,927
Other assets	87,209	293	86,916
Mortgage loans held in securitization trusts, at fair value ⁽³⁾	3,175,950	3,026,282	149,668
Total assets	<u>\$ 9,040,478</u>	<u>\$ 3,190,650</u>	<u>\$ 5,849,828</u>

Reconciliation of GAAP book value to undepreciated book value

	As of June 30, 2019	
	Amount	Per Diluted Share ⁽⁵⁾
GAAP book value (excluding noncontrolling interests in investment entities)	\$ 2,593,170	\$ 19.70
Accumulated depreciation and amortization ⁽⁴⁾	133,455	1.02
Undepreciated book value	<u>\$ 2,726,625</u>	<u>\$ 20.72</u>
Total common shares and OP units outstanding ⁽⁵⁾		<u>131,621</u>

VII. APPENDIX – RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL INFORMATION (CONT'D)

(\$ and shares in thousands, except per share data; as of June 30, 2019 unless otherwise stated) (Unaudited)

Reconciliation of GAAP net loss to core earnings

	Three Months Ended June 30, 2019
Net loss attributable to Colony Credit Real Estate, Inc. common stockholders	\$ (107,341)
<i>Adjustments:</i>	
Net loss attributable to noncontrolling interest of the Operating Partnership	(2,569)
Non-cash equity compensation expense	2,713
Transaction costs ⁽¹⁾	478
Depreciation and amortization	29,118
Net unrealized loss:	
Provision for loan losses	119,062
Impairment of operating real estate	10,124
Other unrealized loss	883
Provision for loan losses previously adjusted for Core Earnings on loans foreclosed	(14,466)
Adjustments related to noncontrolling interests in investment entities	(1,738)
Core Earnings attributable to Colony Credit Real Estate, Inc. common stockholders and noncontrolling interest of the Operating Partnership ⁽²⁾	\$ 36,264
Core Earnings per share ⁽³⁾	\$ 0.28
Weighted average number of common shares and OP units ⁽³⁾	131,609

VII. APPENDIX – RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL INFORMATION (CONT'D)

(\$ in thousands; as of June 30, 2019 unless otherwise stated) (Unaudited)

Reconciliation of segment GAAP net income/(loss) to core earnings

	Three Months Ended June 30, 2019					
	Loan portfolio	CRE debt securities	Net lease real estate	Other	Corporate	Total
Net income (loss) attributable to Colony Credit Real Estate, Inc. common stockholders	\$ (75,624)	\$ 4,165	\$ (1,748)	\$ (14,668)	\$ (19,466)	\$ (107,341)
<i>Adjustments:</i>						
Net loss attributable to noncontrolling interest of the Operating Partnership	-	-	-	-	(2,569)	(2,569)
Non-cash equity compensation expense	-	-	-	-	2,713	2,713
Transaction costs ⁽¹⁾	-	-	-	262	216	478
Depreciation and amortization	686	-	13,150	15,282	-	29,118
Net unrealized loss (gain):						
Provision for loan losses	119,062	-	-	-	-	119,062
Impairment of operating real estate	-	-	-	10,124	-	10,124
Other unrealized loss (gain)	-	1,002	(119)	-	-	883
Provision for loan losses previously adjusted for Core Earnings on loans foreclosed	(14,466)	-	-	-	-	(14,466)
Adjustments related to noncontrolling interests in investment entities	(511)	-	(288)	(939)	-	(1,738)
Core Earnings attributable to Colony Credit Real Estate, Inc. common stockholders and noncontrolling interest of the Operating Partnership ⁽²⁾	\$ 29,147	\$ 5,167	\$ 10,995	\$ 10,061	\$ (19,106)	\$ 36,264
Core Earnings per share ⁽³⁾	\$ 0.22	\$ 0.04	\$ 0.08	\$ 0.08	\$ (0.15)	\$ 0.28

VII. APPENDIX – RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL INFORMATION (CONT'D)

(\$ in thousands; as of June 30, 2019) (Unaudited)

Reconciliation of GAAP net loss to NOI/EBITDA

	Three Months Ended June 30, 2019	
	Net lease real estate	Other real estate
Net loss attributable to Colony Credit Real Estate, Inc. common stockholders	\$ (1,748)	\$ (15,235)
<i>Adjustments:</i>		
Net loss attributable to noncontrolling interests in investment entities	(111)	(176)
Amortization of above- and below-market lease intangibles	(99)	(829)
Interest income	(3)	-
Interest expense on real estate	9,493	4,405
Other income	(184)	(27)
Transaction, investment and servicing expense	60	329
Depreciation and amortization	13,040	16,218
Impairment of operating real estate	-	10,124
Administrative expense	43	25
Other gain on investments, net	(123)	-
Income tax expense	46	450
NOI/EBITDA attributable to noncontrolling interest in investment entities	(283)	(966)
Total NOI/EBITDA, at share	<u>\$ 20,131</u>	<u>\$ 14,318</u>

VII. APPENDIX – FOOTNOTES

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1. The Company calculates Core Earnings per share, a non-GAAP financial measure, based on a weighted average number of common shares and OP units (held by members other than the Company or its subsidiaries). For the second quarter 2019, the weighted average number of common shares and OP units was approximately 131.6 million

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1. Represents CLNC share as of June 30, 2019. This includes noncontrolling interests in the Operating Partnership and excludes noncontrolling interests in investment entities
2. Debt-to-asset ratio based on total outstanding secured debt agreements (unpaid principal balance or “UPB”) at CLNC share divided by total assets at CLNC share as of June 30, 2019
3. Represents CLNC’s share of total outstanding secured debt agreements (UPB) less unrestricted cash at CLNC’s share divided by total stockholders’ equity as of June 30, 2019; stockholders’ equity includes noncontrolling interests in the Operating Partnership and excludes noncontrolling interests in investment entities
4. Based on carrying values at CLNC share as of June 30, 2019 and excludes CMBS, mortgage loans held in securitization trusts and private equity interests
5. Multifamily includes: (i) apartments, (ii) student housing and (iii) manufactured housing communities
6. Other includes: (i) commercial and residential development and predevelopment and (ii) mixed-use assets
7. Other includes a corporate term loan secured by the borrowers limited partnership interests in a fund and a preferred equity investment in a loan origination platform
8. Preferred equity balances include \$52.7 million of carrying value at CLNC share related to equity participation interests
9. Other loans includes a corporate term loan secured by the borrowers limited partnership interests in a fund
10. Includes securitization assets which are presented net of the impact from consolidation
11. Net lease real estate and other real estate includes deferred leasing costs and other intangible assets and excludes the impact of accumulated depreciation and amortization

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1. Represents carrying values at CLNC share as of June 30, 2019
2. Represents the remaining loan term based on the current contractual maturity date of loans and is weighted by carrying value at CLNC share as of June 30, 2019
3. Represents the remaining loan term based on maximum maturity date assuming all extension options on loans are exercised by the borrower and is weighted by carrying value at CLNC share as of June 30, 2019
4. In addition to the stated cash coupon rate, unlevered all-in yield includes non-cash payment in-kind interest income and the accrual of origination, extension and exit fees. Unlevered all-in yield for the loan portfolio assumes the applicable floating benchmark rate as of June 30, 2019 for W.A. calculations
5. Based on carrying values at CLNC share as of June 30, 2019
6. Other includes: (i) commercial and residential development and predevelopment and (ii) mixed-use assets
7. Other loans includes a corporate term loan secured by the borrowers limited partnership interests in a fund and a preferred equity investment in a loan origination platform

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1. Represents carrying values at CLNC share as of June 30, 2019
2. Represents carrying values net of any in-place investment-level financing at CLNC share as of June 30, 2019
3. In addition to the stated cash coupon rate, unlevered all-in yield includes non-cash payment in-kind interest income and the accrual of origination, extension and exit fees. Unlevered all-in yield for the loan portfolio assumes the applicable floating benchmark rate as of June 30, 2019 for W.A. calculations
4. Represents the remaining loan term based on the current contractual maturity date of loans and is weighted by carrying value at CLNC share as of June 30, 2019
5. Represents the remaining loan term based on maximum maturity date assuming all extension options on loans are exercised by the borrower and is weighted by carrying value at CLNC share as of June 30, 2019

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1. Represents principal amounts and carrying values at CLNC share as of June 30, 2019; for securitization assets, carrying values at CLNC share are presented net of the impact from consolidation
2. Represents carrying values net of any in-place investment-level financing at CLNC share as of June 30, 2019
3. Investment count represents total number of tranches acquired; three total “B-piece” transactions
4. W.A. calculation based on carrying value at CLNC share as of June 30, 2019
5. In addition to the stated cash coupon rate, unlevered all-in yield includes non-cash interest income related to the accretion of purchase discounts and are loss-adjusted for the non-rated CRE debt securities. W.A. calculation based on carrying value at CLNC share as of June 30, 2019
6. Based on carrying values at CLNC share as of June 30, 2019

VII. APPENDIX – FOOTNOTES (CONT'D)

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1. Represents undepreciated carrying values at CLNC share as of June 30, 2019; includes deferred leasing costs and other intangible assets
2. Represents undepreciated carrying values net of any in-place investment-level financing at CLNC share as of June 30, 2019
3. Represents reported NOI for the second quarter 2019 at CLNC share and includes approximately \$1.2 million of straight-line rent
4. Annualized NOI is calculated by annualizing reported NOI for the second quarter 2019 at CLNC share and includes approximately \$4.6 million of straight-line rent
5. Represents the percent leased as of June 30, 2019 and is weighted by undepreciated carrying value at CLNC share as of June 30, 2019
6. Based on in-place leases (defined as occupied and paying leases) as of June 30, 2019 and assumes that no renewal options are exercised. W.A. calculation based on undepreciated carrying value at CLNC share as of June 30, 2019
7. Based on undepreciated carrying values at CLNC share as of June 30, 2019

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1. Represents undepreciated carrying values at CLNC share as of June 30, 2019; includes deferred leasing costs and other intangible assets
2. Represents undepreciated carrying values net of any in-place investment-level financing at CLNC share as of June 30, 2019
3. Represents reported NOI/EBITDA for the second quarter 2019 at CLNC share and includes approximately \$0.6 million of straight-line rent
4. Annualized NOI/EBITDA is calculated by annualizing reported NOI/EBITDA for the second quarter 2019 at CLNC share and includes approximately \$2.5 million of straight-line rent
5. Represents the percent leased as of June 30, 2019. W.A. calculation based on undepreciated carrying value at CLNC share as of June 30, 2019. Excludes hotel properties
6. Based on in-place leases (defined as occupied and paying leases) as of June 30, 2019 and assumes that no renewal options are exercised. W.A. calculation based on undepreciated carrying value at CLNC share as of June 30, 2019. Includes office and retail properties only
7. Multifamily includes: (i) apartments, (ii) student housing and (iii) manufactured housing communities
8. Based on undepreciated carrying values at CLNC share as of June 30, 2019

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1. Represents UPB at CLNC share as of June 30, 2019
2. Represents CLNC's share of total outstanding secured debt agreements (UPB) less unrestricted cash at CLNC's share divided by total stockholders' equity as of June 30, 2019; stockholders' equity includes noncontrolling interests in the Operating Partnership and excludes noncontrolling interests in investment entities
3. Assumes the applicable floating benchmark rate as of June 30, 2019 for W.A. calculations and is weighted on outstanding debt (UPB) at CLNC share as of June 30, 2019
4. Outstanding debt based on UPB at CLNC share as of June 30, 2019
5. Includes noncontrolling interests in the Operating Partnership and excludes noncontrolling interests in investment entities as of June 30, 2019
6. Represents financing on one senior loan investment

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1. Subject to customary non-recourse carve-outs
2. W.A. calculation based on outstanding debt (UPB) at CLNC share as of June 30, 2019. W.A. extended maturity excludes CMBS facilities
3. Assumes the applicable floating benchmark rate as of June 30, 2019 for W.A. calculations
4. Represents UPB at CLNC share as of June 30, 2019
5. Maturity dates are dependent on asset type and typically range from one to two month rolling periods

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1. Represents interests in assets held by third party partners
2. Represents the proportionate share attributed to CLNC based on CLNC's ownership % by asset
3. Reflects the net impact of securitization assets and related obligations which are consolidated for accounting purposes
4. Represents net accumulated depreciation and amortization on real estate investments, including related intangible assets and liabilities
5. The Company calculates GAAP book value (excluding noncontrolling interests in investment entities) per share and undepreciated book value per share, a non-GAAP financial measure, based on the total number of common shares and OP units (held by members other than the Company or its subsidiaries) outstanding at the end of the reporting period. As of June 30, 2019, the total number of common shares and OP units outstanding was approximately 131.6 million

VII. APPENDIX – FOOTNOTES (CONT'D)

Page 21

1. Represents transaction costs incurred as a result of the formation of Colony Credit Real Estate, Inc.
2. Core Earnings reflects adjustments to U.S. GAAP net income to exclude impairment of real estate and provision for loan losses. Upon realization of the related investments, such impairment and losses, to the extent realized, would be reflected in Core Earnings
3. The Company calculates Core Earnings per share, a non-GAAP financial measure, based on a weighted average number of common shares and OP units (held by members other than the Company or its subsidiaries). For the second quarter 2019, the weighted average number of common shares and OP units was approximately 131.6 million

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1. Represents transaction costs incurred as a result of the formation of Colony Credit Real Estate, Inc.
2. Core Earnings reflects adjustments to U.S. GAAP net income to exclude impairment of real estate and provision for loan losses. Upon realization of the related investments, such impairment and losses, to the extent realized, would be reflected in Core Earnings
3. The Company calculates Core Earnings per share, a non-GAAP financial measure, based on a weighted average number of common shares and OP units (held by members other than the Company or its subsidiaries). For the second quarter 2019, the weighted average number of common shares and OP units was approximately 131.6 million

VII. COMPANY INFORMATION

Colony Credit Real Estate, Inc. (NYSE: CLNC) is one of the largest publicly traded commercial real estate credit REITs, focused on originating, acquiring, financing and managing a diversified portfolio consisting primarily of CRE senior mortgage loans, mezzanine loans, preferred equity, debt securities and net leased properties predominantly in the United States. Colony Credit Real Estate is externally managed by a subsidiary of leading global real estate and investment management firm, Colony Capital, Inc. Colony Credit Real Estate is organized as a Maryland corporation that intends to elect to be taxed as a REIT for U.S. federal income tax purposes for its taxable year ending December 31, 2018. For additional information regarding the Company and its management and business, please refer to www.clnccredit.com.

Shareholder information

Headquarters:

Los Angeles
515 South Flower Street
44th Floor
Los Angeles, CA 90071
310-282-8220

Stock & Transfer Agent:

American Stock & Transfer
Trust Company (AST)
866-751-6317
help@astfinancial.com

Company Website:

www.clnccredit.com

NYSE Ticker:

CLNC

Press & Media:

Owen Blicksilver P.R., Inc.
Caroline Luz
203-656-2829
caroline@blicksilverpr.com

Investor Relations:

ADDQ Investor Relations
Lasse Glassen
310-829-5400
lglassen@addoir.com

Analyst Coverage:

Raymond James
Stephen Laws
901-579-4868

B. Riley FBR
Randy Binner
703-312-1890