

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): November 5, 2020**

**Colony Credit Real Estate, Inc.**  
(Exact name of registrant as specified in its charter)

**Maryland**  
(State or other jurisdiction  
of incorporation)

**001-38377**  
(Commission  
File Number)

**38-4046290**  
(IRS Employer  
Identification No.)

**515 S. Flower Street, 44th Floor**  
**Los Angeles, CA**  
(Address of principal executive offices)

**90071**  
(Zip Code)

**Registrant's telephone number, including area code: (310) 282-8820**

**Not Applicable**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value \$0.01 per share	CLNC	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02 Results of Operations and Financial Condition.**

On November 5, 2020, Colony Credit Real Estate, Inc. (the "Company") issued a press release announcing its financial position as of September 30, 2020 and its financial results for the third quarter ended September 30, 2020. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

On November 5, 2020, the Company made available a Supplemental Financial Disclosure Presentation for the quarter ended September 30, 2020 on the Company's website at [www.clncredit.com](http://www.clncredit.com). A copy of the Supplemental Financial Disclosure Presentation is furnished herewith as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated herein by reference.

**Item 7.01 Regulation FD Disclosure.**

On November 5, 2020, the Company posted an investor presentation (the "Investor Presentation") to its website at [www.clncredit.com](http://www.clncredit.com) under the "Shareholders" tab, subheading "Events and Presentations – Presentations". Representatives of the Company expect to use such presentation in various conferences and meetings in the coming weeks. A copy of the Investor Presentation is furnished herewith as Exhibit 99.3 to this Current Report on Form 8-K and is incorporated herein by reference.

In accordance with General Instructions B.2 and B.6 of Form 8-K, the information included in this Current Report on Form 8-K (including Exhibits 99.1, 99.2 and 99.3 hereto), shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing made by the Company under the Exchange Act or Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

*Use of Website to Distribute Material Company Information*

The Company's website address is [www.clncredit.com](http://www.clncredit.com). The Company uses its website as a channel of distribution for important company information. Important information, including press releases, analyst presentations and financial information regarding the Company, is routinely posted on and accessible on the Shareholders subpage of its website, which is accessible by clicking on the tab labeled "Shareholders" on the website home page. The Company also uses its website to expedite public access to time-critical information regarding the Company in advance of or in lieu of distributing a press release or a filing with the U.S. Securities and Exchange Commission disclosing the same information. Therefore, investors should look to the Shareholders subpage of the Company's website for important and time-critical information. Visitors to the Company's website can also register to receive automatic e-mail and other notifications alerting them when new information is made available on the Shareholders subpage of the website.

**Item 9.01 Financial Statements and Exhibits.**

(d) *Exhibits.* The following exhibits are being furnished herewith to this Current Report on Form 8-K.

<u>Exhibit No.</u>	<u>Description</u>
99.1	<a href="#">Press Release, dated November 5, 2020</a>
99.2	<a href="#">Supplemental Financial Disclosure Presentation for the quarter ended September 30, 2020</a>
99.3	<a href="#">Investor Presentation, dated November 5, 2020</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: November 5, 2020

COLONY CREDIT REAL ESTATE, INC.

By: /s/ David A. Palamé

Name: David A. Palamé

Title: General Counsel & Secretary



**Colony Credit Real Estate, Inc. Announces  
Third Quarter 2020 Financial Results**

LOS ANGELES, November 5, 2020 – Colony Credit Real Estate, Inc. (NYSE: CLNC) (“Colony Credit Real Estate” or the “Company”) today announced its financial results for the third quarter ended September 30, 2020 and certain updates. The Company reported third quarter 2020 total Company GAAP net income attributable to common stockholders of \$5.0 million, or \$0.04 per share, and total Core/LNS Earnings of \$39.7 million, or \$0.30 per share. Excluding realized gains and mark to market losses on CRE debt securities, provisions for loan losses and fair value adjustments, and a one-time tax benefit, total Adjusted Core/LNS Earnings were \$31.0 million, or \$0.24 per share. From June 30, 2020 to September 30, 2020, total Company GAAP net book value increased from \$13.06 to \$13.25 per share and undepreciated book value increased from \$14.43 to \$14.53 per share.

Michael J. Mazzei commented, “After considerable efforts, we have succeeded in solidifying CLNC’s balance sheet. I am pleased to report, that as of today, we have an unrestricted cash balance of approximately \$438 million, or \$3.33 per share. We continue to focus on asset and liability management and we have begun to pivot the organization toward offense.”

Michael J. Mazzei commented, “We have started executing our plan to build earnings and redeploy cash on hand into newly originated first mortgage loans. Finally, while continuing to monitor market conditions and performance, we realize the importance of a dividend to shareholders and we plan to reinstitute a quarterly dividend in 2021.”

**Supplemental Financial Report**

A Third Quarter 2020 Supplemental Financial Report will be available on the Shareholders – Events and Presentations section of the Company’s website at [www.clncredit.com](http://www.clncredit.com). This information will be furnished to the SEC in a Current Report on Form 8-K.

**Third Quarter 2020 Conference Call**

The Company will conduct a conference call to discuss the financial results on November 5, 2020 at 2:00 p.m. PT / 5:00 p.m. ET. To participate in the event by telephone, please dial (855) 327-6837 ten minutes prior to the start time (to allow time for registration). International callers should dial (631) 891-4304. The call will also be broadcast live over the Internet and can be accessed on the Shareholders section of the Company’s website at [www.clncredit.com](http://www.clncredit.com). A webcast of the call will be available for 90 days on the Company’s website.

For those unable to participate during the live call, a replay will be available starting November 5, 2020 at 5:00 p.m. PT / 8:00 p.m. ET, through November 12, 2020, at 8:59 p.m. PT / 11:59 p.m. ET. To access the replay, dial (844) 512-2921 (U.S.), and use conference ID code 10011375. International callers should dial (412) 317-6671 and enter the same conference ID number.

**Internalization Discussions with Colony Capital, Inc.**

As previously disclosed, the Company’s Board of Directors formed a special committee consisting exclusively of independent and disinterested directors (the “Special Committee”) to explore an internalization proposal made by Colony Capital as well as other strategic alternatives. Subsequently, due to ongoing uncertainty surrounding the duration and magnitude of the COVID-19 pandemic and its impact on the global economy, on April 1, 2020, Colony Capital reported in Amendment No. 3 to Schedule 13D (filed with the U.S. Securities and Exchange Commission) that it has postponed any decision regarding a disposition of its management agreement with the Company until market conditions improve. During the third quarter, the Special Committee explored alternatives but was unable to negotiate mutually acceptable terms with Colony Capital. The Special Committee will continue to consider value-enhancing alternatives for the Company as opportunities arise.

**Non-GAAP Financial Measures and Definitions**

**Core Earnings/Legacy, Non-Strategic Earnings**

We present Core Earnings/Legacy, Non-Strategic (“LNS”) Earnings, which are non-GAAP supplemental financial measures of our performance. Our Core Earnings are generated by the Core Portfolio and Legacy, Non-Strategic Earnings are generated by the Legacy, Non-Strategic Portfolio. We believe that Core Earnings/Legacy, Non-Strategic 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”). These supplemental financial measures help 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. For information on the fees we pay our Manager, see Note 10,

“Related Party Arrangements” to our consolidated financial statements included in Form 10-Q to be filed with the SEC. In addition, we believe that our investors also use Core Earnings/Legacy, Non-Strategic 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/Legacy, Non-Strategic Earnings is useful to our investors.

We define Core Earnings/Legacy, Non-Strategic 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 or other strategic transactions, (iii) the incentive fee, (iv) acquisition costs from successful acquisitions, (v) gains or losses from sales of real estate property and impairment write-downs of depreciable real estate, including unconsolidated joint ventures and preferred equity investments, (vi) CECL reserves determined by probability of default / loss given default (or “PD/LGD”) model, (vii) depreciation and amortization, (viii) 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, (ix) one-time events pursuant to changes in U.S. GAAP and (x) certain material non-cash income or expense items that in the judgment of management should not be included in Core Earnings/Legacy, Non-Strategic Earnings. For clauses (ix) and (x), 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. U.S. GAAP net income (loss) attributable to our common stockholders and Core Earnings/Legacy, Non-Strategic Earnings include provisions for loan losses.

Prior to the third quarter of 2019, Core Earnings reflected adjustments to U.S. GAAP net income to exclude impairment of real estate and provision for loan losses. During the third quarter of 2019, we revised our definition of Core Earnings to include the provision for loan losses while excluding realized losses of sales of real estate property and impairment write-downs of preferred equity investments. This was approved by a majority of our independent directors.

Core Earnings/Legacy, Non-Strategic 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/Legacy, Non-Strategic 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/Legacy, Non-Strategic Earnings may not be comparable to the Core Earnings/Legacy, Non-Strategic Earnings reported by other companies.

The Company calculates Core Earnings/Legacy, Non-Strategic Earnings per share, which are non-GAAP supplemental financial measures, based on a weighted average number of common shares and operating partnership units (held by members other than the Company or its subsidiaries).

#### **Core Portfolio**

We present the Core Portfolio, which consists of four business and reportable segments including senior and mezzanine loans and preferred equity, CRE debt securities, net leased real estate and corporate. Senior and mezzanine loans and preferred equity consists of CRE debt investments including senior mortgage loans, mezzanine loans, and preferred equity interests as well as participations in such loans. The segment 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 Colony Capital which were deconsolidated as a result of our formation transaction and subsequently treated as equity method investments. CRE debt securities include both investment grade and non-investment grade rated CMBS bonds (including “B-pieces” of CMBS securitization pools or “B-Piece” investments). Net leased real estate includes direct investments in commercial real estate principally composed of 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. Corporate includes corporate-level asset management and other fees, related party and general and administrative expenses related to the Core Portfolio only.

#### **Legacy, Non-Strategic Portfolio**

We present the Legacy, Non-Strategic Portfolio, which is a business and reportable segment that consists of direct investments in operating real estate such as multi-tenant office and multifamily residential assets, real estate acquired in settlement of loans, real estate private equity interests and certain retail and other legacy loans originated prior to the combination that created the Company. This segment includes corporate-level asset management and other fees, related party and general and administrative expenses related to the Legacy, Non-strategic Portfolio only.

**About Colony Credit Real Estate, Inc.**

Colony Credit Real Estate (NYSE: CLNC) 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. 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 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.clncredit.com](http://www.clncredit.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. 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; uncertainties regarding the ongoing impact of the novel coronavirus (COVID-19), the severity of the disease, the duration of the COVID-19 outbreak, actions that may be taken by governmental authorities to contain the COVID-19 outbreak or to treat its impact, the potential negative impacts of COVID-19 on the global economy and its adverse impact on the real estate market, the economy and the Company’s investments (including, but not limited to, the Los Angeles mixed-use development loan and other hospitality loans), financial condition and business operation; defaults by borrowers in paying debt service on outstanding indebtedness and borrowers’ abilities to manage and stabilize properties; deterioration in the performance of the properties securing our investments (including depletion of interest and other reserves or payment-in-kind concessions in lieu of current interest payment obligations) that may cause deterioration in the performance of our investments and, potentially, principal losses to us; 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, 2019, as well as in Colony Credit Real Estate’s other filings with the Securities and Exchange Commission; 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; adverse impacts on the Company’s corporate revolver, including covenant compliance and borrowing base capacity; adverse impacts on the Company’s liquidity, including margin calls on master repurchase facilities, debt service or lease payment defaults or deferrals, demands for protective advances and capital expenditures, or its ability to continue to generate liquidity from sales of Legacy, Non-Strategic assets; the Company’s ability to liquidate its Legacy, Non-Strategic assets within the projected timeframe or at the projected values; the timing of and ability to deploy available capital; the Company’s ability to pay, 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; whether Colony Capital will continue to serve as our external manager or whether we will pursue another strategic transaction; and the impact of legislative, regulatory and competitive changes, and the actions of government authorities, including the current U.S. presidential administration, and in particular those affecting the commercial real estate finance and mortgage industry or our business. 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, 2019 and Part II, Item 1A of the Company’s Form 10-Q for the quarter ended June 30, 2020, as well as in Colony Credit Real Estate’s other filings with the 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.

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

**Investor Relations**

Colony Credit Real Estate, Inc.  
Addo Investor Relations  
Lasse Glassen  
310-829-5400

# ColonyCredit REAL ESTATE

COLONY CREDIT REAL ESTATE, INC.  
CONSOLIDATED BALANCE SHEETS  
(In thousands, except share and per share data)

	September 30, 2020 (Unaudited)	December 31, 2019
<b>Assets</b>		
Cash and cash equivalents	\$ 461,990	\$ 69,619
Restricted cash	73,059	126,065
Loans and preferred equity held for investment	2,143,938	2,848,956
Allowance for loan losses	(40,524)	(272,624)
Loans and preferred equity held for investment, net	2,103,414	2,576,332
Real estate securities, available for sale, at fair value	36,250	252,824
Real estate, net	1,133,318	1,484,796
Investments in unconsolidated ventures (\$7,093 and \$10,283 at fair value, respectively)	424,557	595,305
Receivables, net	80,674	46,456
Deferred leasing costs and intangible assets, net	85,881	112,762
Assets held for sale	203,466	189,470
Other assets	69,658	87,707
Mortgage loans held in securitization trusts, at fair value	1,839,390	1,872,970
<b>Total assets</b>	<b>\$ 6,511,657</b>	<b>\$ 7,414,306</b>
<b>Liabilities</b>		
Securitization bonds payable, net	\$ 834,621	\$ 833,153
Mortgage and other notes payable, net	1,102,999	1,256,112
Credit facilities	608,632	1,099,233
Due to related party	9,192	11,016
Accrued and other liabilities	111,525	140,424
Intangible liabilities, net	8,443	22,149
Liabilities related to assets held for sale	10,787	294
Escrow deposits payable	37,642	74,497
Dividends payable	—	13,164
Mortgage obligations issued by securitization trusts, at fair value	1,770,924	1,762,914
<b>Total liabilities</b>	<b>4,494,765</b>	<b>5,212,956</b>
Commitments and contingencies		
<b>Equity</b>		
Stockholders' equity		
Preferred stock, \$0.01 par value, 50,000,000 shares authorized, no shares issued and outstanding as of September 30, 2020 and December 31, 2019, respectively	—	—
Common stock, \$0.01 par value per share		
Class A, 950,000,000 shares authorized, 128,582,965 and 128,538,703 shares issued and outstanding as of September 30, 2020 and December 31, 2019, respectively	1,286	1,285
Additional paid-in capital	2,842,892	2,909,181
Accumulated deficit	(1,181,747)	(819,738)
Accumulated other comprehensive income	40,954	28,294
<b>Total stockholders' equity</b>	<b>1,703,385</b>	<b>2,119,022</b>
Noncontrolling interests in investment entities	272,803	31,631
Noncontrolling interests in the Operating Partnership	40,704	50,697
Total equity	2,016,892	2,201,350
<b>Total liabilities and equity</b>	<b>\$ 6,511,657</b>	<b>\$ 7,414,306</b>



# ColonyCredit REAL ESTATE

COLONY CREDIT REAL ESTATE, INC.  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(In thousands, except per share data) (Unaudited)

	Three Months Ended September 30,	
	2020	2019
<b>Net interest income</b>		
Interest income	\$ 36,391	\$ 46,991
Interest expense	(13,426)	(23,167)
Interest income on mortgage loans held in securitization trusts	20,462	22,586
Interest expense on mortgage obligations issued by securitization trusts	(18,204)	(20,299)
Net interest income	25,223	26,111
<b>Property and other income</b>		
Property operating income	41,678	63,492
Other income	30	820
Total property and other income	41,708	64,312
<b>Expenses</b>		
Management fee expense	7,083	11,355
Property operating expense	15,277	29,756
Transaction, investment and servicing expense	1,627	1,433
Interest expense on real estate	12,205	14,281
Depreciation and amortization	14,770	25,934
Provision for loan losses	10,404	110,314
Impairment of operating real estate	3,451	272,722
Administrative expense (including \$1,376 and \$2,910 of equity-based compensation expense, respectively)	5,780	7,732
Total expenses	70,597	473,527
<b>Other income (loss)</b>		
Unrealized loss on mortgage loans and obligations held in securitization trusts, net	(13,162)	(1,976)
Realized gain on mortgage loans and obligations held in securitization trusts, net	—	2,724
Other gain (loss), net	9,680	(2,688)
<b>Loss before equity in earnings of unconsolidated ventures and income taxes</b>	<b>(7,148)</b>	<b>(385,044)</b>
Equity in earnings (loss) of unconsolidated ventures	(1,779)	(15,905)
Income tax benefit (expense)	15,357	(1,046)
<b>Net income (loss)</b>	<b>6,430</b>	<b>(401,995)</b>
Net (income) loss attributable to noncontrolling interests:		
Investment entities	(1,222)	37,445
Operating Partnership	(201)	8,519
<b>Net income (loss) attributable to Colony Credit Real Estate, Inc. common stockholders</b>	<b>\$ 5,007</b>	<b>\$ (356,031)</b>
<b>Net income (loss) per common share – basic and diluted</b>	<b>\$ 0.04</b>	<b>\$ (2.77)</b>
<b>Weighted average shares of common stock outstanding – basic and diluted</b>	<b>128,583</b>	<b>128,541</b>

# ColonyCredit REAL ESTATE

## COLONY CREDIT REAL ESTATE, INC. RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL INFORMATION (In thousands, except per share data) (Unaudited)

### GAAP Net Income (Loss) to Core Earnings / LNS Earnings

	Three Months Ended September 30, 2020		
	Core Portfolio	Legacy, Non-Strategic Portfolio	Total
Net income (loss) attributable to Colony Credit Real Estate, Inc. common stockholders	\$ (2,710)	\$ 7,717	\$ 5,007
<i>Adjustments:</i>			
Net loss attributable to noncontrolling interest of the Operating Partnership	16	185	201
Non-cash equity compensation expense	1,046	330	1,376
Transaction costs	319	101	420
Depreciation and amortization	11,246	3,854	15,100
Net unrealized loss (gain) on investments:			
Impairment of operating real estate and preferred equity	—	3,452	3,452
Other unrealized loss (gain) on investments	13,650	(7)	13,643
CECL reserves	8,892	—	8,892
Losses (gains) on sales of real estate and preferred equity	(8,341)	183	(8,158)
Adjustments related to noncontrolling interests in investment entities	—	(186)	(186)
Core Earnings / Legacy, Non-Strategic Earnings attributable to Colony Credit Real Estate, Inc. common stockholders and noncontrolling interest of the Operating Partnership	\$ 24,118	\$ 15,629	\$ 39,747
Core Earnings / Legacy, Non-Strategic Earnings per share <sup>(1)</sup>	\$ 0.18	\$ 0.12	\$ 0.30
Weighted average number of common shares and OP units <sup>(1)</sup>	131,659	131,659	131,659

(1) The Company calculates Core Earnings / LNS Earnings per share, which are non-GAAP financial measures, based on a weighted average number of common shares and OP units (held by members other than the Company or its subsidiaries). For the three months ended September 30, 2020, the weighted average number of common shares and OP units was approximately 131.7 million; includes 3.1 million of OP units

### Core Earnings / LNS Earnings to Adjusted Core Earnings / LNS Earnings<sup>(1)</sup>

	Three Months Ended September 30, 2020		
	Core Portfolio	Legacy, Non-Strategic Portfolio	Total
Core Earnings / Legacy, Non-Strategic Earnings attributable to Colony Credit Real Estate, Inc. common stockholders and noncontrolling interest of the Operating Partnership	\$ 24,118	\$ 15,629	\$ 39,747
<i>Adjustments:</i>			
Realized gain on CRE debt securities sales	(5,156)	—	(5,156)
Realization of CRE debt securities mark-to-market loss	3,366	—	3,366
Provision for loan losses	4,066	—	4,066
Reversal of provision for loan losses on note sales	(272)	—	(272)
Fair value adjustments on investments in unconsolidated ventures	2,200	—	2,200
Income tax benefit	—	(12,926)	(12,926)
Adjusted Core Earnings / Legacy, Non-Strategic Earnings attributable to Colony Credit Real Estate, Inc. common stockholders and noncontrolling interest of the Operating Partnership <sup>(1)</sup>	\$ 28,322	\$ 2,703	\$ 31,025
Adjusted Core Earnings / Legacy, Non-Strategic Earnings per share <sup>(1)(2)</sup>	\$ 0.22	\$ 0.02	\$ 0.24
Weighted average number of common shares and OP units <sup>(2)</sup>	131,659	131,659	131,659

(1) Adjusted Core Earnings / LNS Earnings excludes all gains/losses and a significant one-time tax benefit that occurred during the third quarter 2020

(2) The Company calculates Adjusted Core Earnings / LNS Earnings per share, which are non-GAAP financial measures, based on a weighted average number of common shares and OP units (held by members other than the Company or its subsidiaries). For the three months ended September 30, 2020, the weighted average number of common shares and OP units was approximately 131.7 million; includes 3.1 million of OP units

**GAAP Net Book Value to Undepreciated Book Value**

	As of September 30, 2020		
	Core Portfolio	Legacy, Non-Strategic Portfolio	Total
GAAP net book value (excl. noncontrolling interests in investment entities)	\$1,645,569	\$ 98,520	\$1,744,089
Accumulated depreciation and amortization <sup>(1)</sup>	83,573	84,958	168,531
Undepreciated book value	<u>\$1,729,142</u>	<u>\$ 183,478</u>	<u>\$1,912,620</u>
GAAP net book value per share (excl. noncontrolling interests in investment entities)	\$ 12.50	\$ 0.75	\$ 13.25
Accumulated depreciation and amortization per share <sup>(1)</sup>	0.63	0.65	1.28
Undepreciated book value per share	<u>\$ 13.13</u>	<u>\$ 1.40</u>	<u>\$ 14.53</u>
Total common shares and OP units outstanding <sup>(2)</sup>	<u>131,659</u>	<u>131,659</u>	<u>131,659</u>

- (1) Represents at-share net accumulated depreciation and amortization on real estate investments, including related intangible assets and liabilities
- (2) The Company calculates GAAP net book value (excluding noncontrolling interests in investment entities) per share and undepreciated book value per share, which are non-GAAP financial measures, 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 September 30, 2020, the total number of common shares and OP units outstanding was approximately 131.7 million



**ColonyCredit**  
REAL ESTATE

SUPPLEMENTAL FINANCIAL REPORT  
THIRD QUARTER 2020

NOVEMBER 5, 2020



# 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; uncertainties regarding the ongoing impact of the novel coronavirus (COVID-19), the severity of the disease, the duration of the COVID-19 outbreak, actions that may be taken by governmental authorities to contain the COVID-19 outbreak or to treat its impact, the potential negative impacts of COVID-19 on the global economy and its adverse impact on the real estate market, the economy and the Company's investments (including, but not limited to, the Los Angeles mixed-use development loan and other hospitality loans), financial condition and business operation; defaults by borrowers in paying debt service on outstanding indebtedness and borrowers' abilities to manage and stabilize properties; deterioration in the performance of the properties securing our investments (including depletion of interest and other reserves or payment-in-kind concessions in lieu of current interest payment obligations) that may cause deterioration in the performance of our investments and, potentially, principal losses to us; 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, 2019, as well as in Colony Credit Real Estate's other filings with the Securities and Exchange Commission; 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; adverse impacts on the Company's corporate revolver, including covenant compliance and borrowing base capacity; adverse impacts on the Company's liquidity, including margin calls on master repurchase facilities, debt service or lease payment defaults or deferrals, demands for protective advances and capital expenditures, or its ability to continue to generate liquidity from sales of Legacy, Non-Strategic assets; the Company's ability to liquidate its Legacy, Non-Strategic assets within the projected timeframe or at the projected values; the timing of and ability to deploy available capital; the Company's ability to pay, 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; whether Colony Capital will continue to serve as our external manager or whether we will pursue another strategic transaction; and the impact of legislative, regulatory and competitive changes, and the actions of government authorities, including the current U.S. presidential administration, and in particular those affecting the commercial real estate finance and mortgage industry or our business. 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, 2019 and Part II, Item 1A of the Company's Form 10-Q for the quarter ended June 30, 2020, as well as in Colony Credit Real Estate's other filings with the 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.

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. 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.



# COMPANY HIGHLIGHTS

## COMPANY HIGHLIGHTS

Substantial commercial real estate credit REIT with conservative balance sheet

Diversified Portfolio of Primarily Senior Loans & Net Lease Assets	Robust Liquidity Position	Conservative Balance Sheet w/ Embedded Financing Capacity
<p><b>\$4.3B</b> Total At-Share Assets</p>	<p><b>\$609M</b> Total Liquidity<sup>(1)</sup></p>	<p><b>\$14.53</b> Undepreciated Book Value Per Share (<b>\$5.41</b> current share price)<sup>(3)</sup></p>
<p><b>94%</b> Core Portfolio</p> <p><b>\$2.3B</b> Core Loan and Preferred Equity Portfolio</p>	<p><b>~2.4x</b> from Q1 2020</p> <p><b>\$438M</b> Unrestricted Cash Today (<b>\$3.33 per share</b>)<sup>(2)</sup></p>	<p><b>1.1x</b> Net-Debt-to-Equity Ratio<sup>(4)</sup></p> <p><b>93%</b> Non-Recourse Financing (<b>\$171M</b> recourse financing)</p>
<p><i>Actively rotating out of remaining LNS assets and redeploying into Core Portfolio</i></p>	<p><i>Strong liquidity position w/ incremental liquidity generated from legacy asset resolutions</i></p>	<p><i>Conservative leverage profile w/ ample capacity from diversified financing sources</i></p>

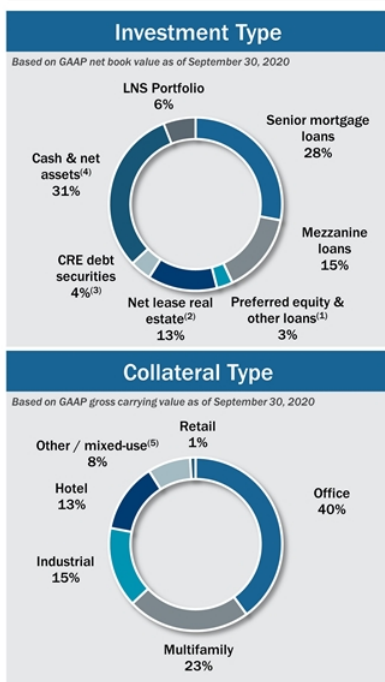
As of September 30, 2020, unless otherwise stated; at CLNC share  
See footnotes in the appendix

## THIRD QUARTER UPDATE

<p><b>Financial Results</b></p>	<ul style="list-style-type: none"> <li>• Net income of \$5.0 million or \$0.04 per share and Total Core/LNS Earnings of \$39.7 million or \$0.30 per share</li> <li>• Adjusted Core/LNS Earnings of \$31.0 million or \$0.24 per share, excluding gains/losses and a one-time tax benefit</li> <li>• GAAP net book value of \$1.7 billion or <b>\$13.25 per share</b> and undepreciated book value of \$1.9 billion or <b>\$14.53 per share</b></li> <li>• Suspended monthly cash dividend on 4/17/20 beginning with the monthly period ending 4/30/20</li> <li>• Expect to reinstitute a quarterly dividend in Q1'21, assuming macroeconomic conditions do not deteriorate</li> </ul>
<p><b>Liquidity &amp; Capitalization</b></p>	<ul style="list-style-type: none"> <li>• <b>\$609 million</b> of available liquidity as of 11/3/20 (~2.4x from \$255 million as of 5/6/20)</li> <li>• <b>\$1.5 billion</b> of available capacity under senior loan master repurchase facilities</li> <li>• <b>56%</b> debt-to-total assets ratio and <b>1.1x</b> net debt-to-equity ratio, reduced from 60% and 1.4x at 3/31/20<sup>(1)(2)</sup></li> <li>• Reduced at-share recourse debt exposure to <b>\$171 million</b> as of 9/30/20 from \$718 million as of 3/31/20</li> </ul>
<p><b>Portfolio Activity</b></p>	<ul style="list-style-type: none"> <li>• Closed one new loan for <b>\$23 million</b> of committed capital in Q4'20. Three new loans in-execution for <b>\$94 million</b> of committed capital</li> <li>• Successfully executed a recapitalization of the LA mixed-use development project with new 3<sup>rd</sup> party mezzanine financing</li> <li>• Asset Sales / Payoffs – Core Portfolio (Since Q2'20) <ul style="list-style-type: none"> <li>• Sold / resolved three investments for <b>\$167 million</b> of net proceeds</li> <li>• Sold 11 CRE debt security tranches for <b>\$24 million</b> of net proceeds</li> <li>• <b>\$90 million</b> of gross principal repayments</li> </ul> </li> <li>• Since Q2'20, sold <b>16 LNS assets</b> for <b>\$22 million</b> of net proceeds</li> </ul>
<p><b>Investment Portfolio</b></p>	<ul style="list-style-type: none"> <li>• Total investment portfolio of <b>\$3.6 billion</b></li> <li>• <b>\$2.3 billion</b> Core loan and preferred equity portfolio</li> <li>• <b>100%</b> of Core floating rate senior mortgage loans have active LIBOR floors (weighted average LIBOR floor of ~194bps)</li> <li>• <b>\$0.7 billion</b> Core net lease portfolio with a weighted average lease term of 7.4 years</li> </ul>



## COMPANY SNAPSHOT



**Portfolio Overview**

	Investment Count	Carrying value	Net carrying value <sup>(6)</sup>	Per Share
<b>Core Portfolio</b>				
Senior mortgage loans	32	\$ 1,981	\$ 485	\$ 3.68
Mezzanine loans	9	270	270	2.05
Preferred equity & other loans <sup>(1)</sup>	6	45	45	0.34
Net lease real estate <sup>(2)</sup>	5	746	224	1.70
CRE debt securities <sup>(3)</sup>	19	105	79	0.60
Cash & net assets <sup>(4)</sup>		547	543	4.12
<b>Total Core Portfolio</b>	<b>71</b>	<b>\$ 3,693</b>	<b>\$ 1,646</b>	<b>\$ 12.50</b>
<b>LNS Portfolio</b>				
Investment-level - LNS Portfolio	38	\$ 437	\$ 108	\$ 0.82
Cash & net assets / (liabilities) <sup>(4)</sup>		133	(9)	(0.07)
<b>Total LNS Portfolio</b>	<b>38</b>	<b>\$ 570</b>	<b>\$ 99</b>	<b>\$ 0.75</b>
<b>Total Company - GAAP</b>	<b>109</b>	<b>\$ 4,263</b>	<b>\$ 1,744</b>	<b>\$ 13.25</b>
<b>Plus: accumulated depreciation &amp; amortization<sup>(7)</sup></b>			<b>169</b>	<b>1.28</b>
<b>Total Company - Undepreciated</b>			<b>\$ 1,913</b>	<b>\$ 14.53</b>

\$ in millions, except per share data; as of September 30, 2020; at CLNC share  
See footnotes in the appendix

# FINANCIAL OVERVIEW

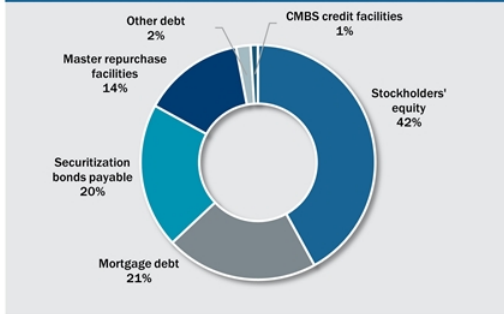
Conservative leverage ratio and steady quarter-over-quarter book value per share

## Key Financial Metrics (\$mm / Per Share)

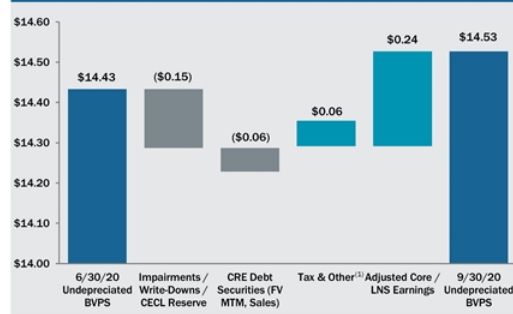
	GAAP Net Income / (Loss)	Core / LNS Earnings	Adjusted* Core / LNS Earnings	GAAP Net Book Value	Undepreciated Book Value
Core Portfolio	(\$2.7) / (\$0.02)	\$24.1 / \$0.18	\$28.3 / \$0.22	\$1,646 / \$12.50	\$1,729 / \$13.13
LNS Portfolio	\$7.7 / \$0.06	\$15.6 / \$0.12	\$2.7 / \$0.02	\$99 / \$0.75	\$183 / \$1.40
<b>Total</b>	<b>\$5.0 / \$0.04</b>	<b>\$39.7 / \$0.30</b>	<b>\$31.0 / \$0.24</b>	<b>\$1,744 / \$13.25</b>	<b>\$1,913 / \$14.53</b>

\* Excludes gains / losses and a one-time tax benefit

### Capital Structure Summary



### Undepreciated Book Value Per Share Bridge

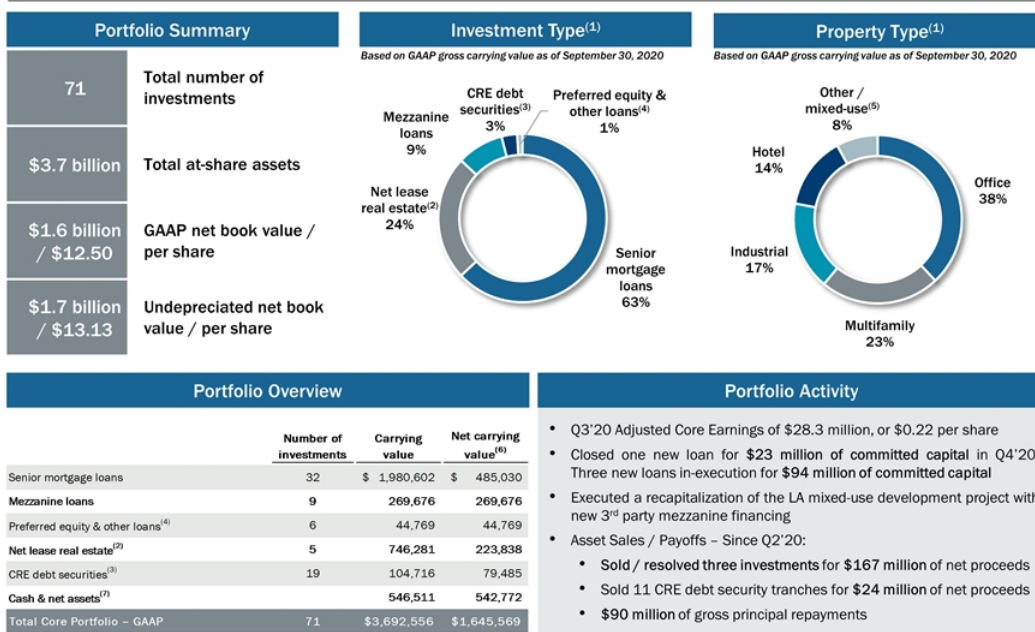


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See footnotes in the appendix



# CORE PORTFOLIO

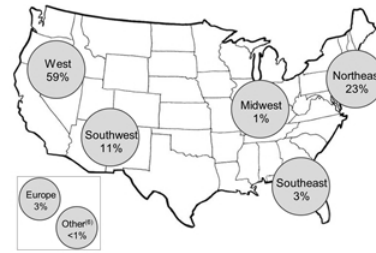
## CORE PORTFOLIO – OVERVIEW



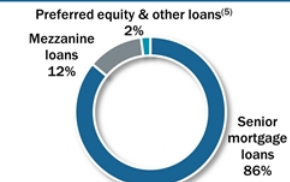
\$ in thousands, unless otherwise stated; as of September 30, 2020, unless otherwise stated; at CLNC share  
See footnotes in the appendix

# CORE PORTFOLIO – LOANS & PREFERRED EQUITY PORTFOLIO OVERVIEW

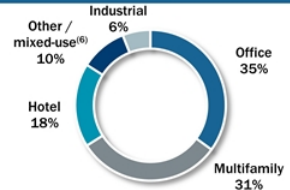
Overview	
47	Total number of investments
\$2.3 billion	Total loans & preferred equity <sup>(1)</sup>
\$49 million	Average investment size
97%	% Senior loans floating rate <i>(All floating rate senior loans have LIBOR floors in-place)</i>
1.1 years	W.A. remaining term <sup>(1)</sup>
3.5 years	W.A. extended remaining term <sup>(2)</sup>
5.8%	W.A. unlevered all-in yield <sup>(3)</sup>
70%	W.A. loan-to-value (senior loans only)
3.8	W.A. risk ranking



### Investment Type<sup>(4)</sup>



### Property Type<sup>(4)</sup>



As of September 30, 2020; at CLNC share  
See footnotes in the appendix

# CORE PORTFOLIO – LOANS & PREFERRED EQUITY PORTFOLIO OVERVIEW (CONT'D)

	Number of investments	Carrying value	Net carrying value <sup>(1)</sup>	W.A. unlevered all-in yield <sup>(2)</sup>	W.A. remaining term (years) <sup>(3)</sup>	W.A. extended term (years) <sup>(4)</sup>
<b>Floating rate</b>						
Senior mortgage loans	31	\$ 1,919,851	\$ 424,278	5.6%	1.0	3.5
Mezzanine loans	1	11,182	11,182	11.5%	0.3	1.3
Preferred equity	1	1,569	1,569	5.3%	0.3	0.3
<b>Total / W.A. floating rate</b>	<b>33</b>	<b>1,932,602</b>	<b>437,029</b>	<b>5.7%</b>	<b>1.0</b>	<b>3.5</b>
<b>Fixed rate</b>						
Senior mortgage loans	1	60,751	60,751	0.0%	0.3	3.3
Mezzanine loans	8	258,493	258,493	7.9%	1.6	3.5
Preferred equity & other loans *	5	43,201	43,201	9.1%	3.4	4.6
<b>Total / W.A. fixed rate</b>	<b>14</b>	<b>362,446</b>	<b>362,446</b>	<b>6.7%</b>	<b>1.6</b>	<b>3.6</b>
<b>Total / W.A.</b>	<b>47</b>	<b>\$ 2,295,047</b>	<b>\$ 799,475</b>	<b>5.8%</b>	<b>1.1</b>	<b>3.5</b>

\* Subsequent to the third quarter 2020, one preferred equity interest paid off at 9/30/20 carrying value

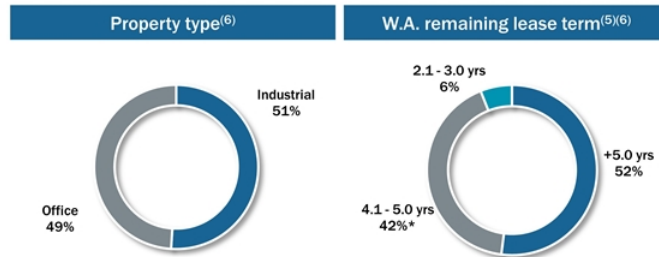
## CORE PORTFOLIO – NET LEASE REAL ESTATE

	Number of investments	Number of properties	Rentable square feet ("RSF")	Carrying value	Net carrying value <sup>(1)</sup>	Q3'20 NOI <sup>(2)</sup>	Annualized Q3'20 NOI <sup>(3)</sup>	W.A. % leased at end of period <sup>(4)</sup>	W.A. remaining lease term (years) <sup>(5)</sup>
Industrial	2	24	7,359 RSF	\$ 380,537	\$ 83,424	\$ 6,798	\$ 27,191	97%	6.5
Office	3	3	1,812 RSF	365,745	140,413	6,121	24,483	100%	8.4
Total / W.A.	5	27	9,171 RSF	\$ 746,281	\$ 223,838	\$ 12,918	\$ 51,674	98%	7.4
<b>Accumulated depreciation and amortization</b>				<b>83,573</b>	<b>83,573</b>				
Total / W.A. – Undepreciated				\$ 829,854	\$ 307,411				

\* During the third quarter 2020, the Company sold one net lease industrial investment. As a result of the sale, financial results in the above table exclude approximately \$1.7 million and \$6.9 million from Q3'20 NOI and Annualized Q3'20 NOI, respectively

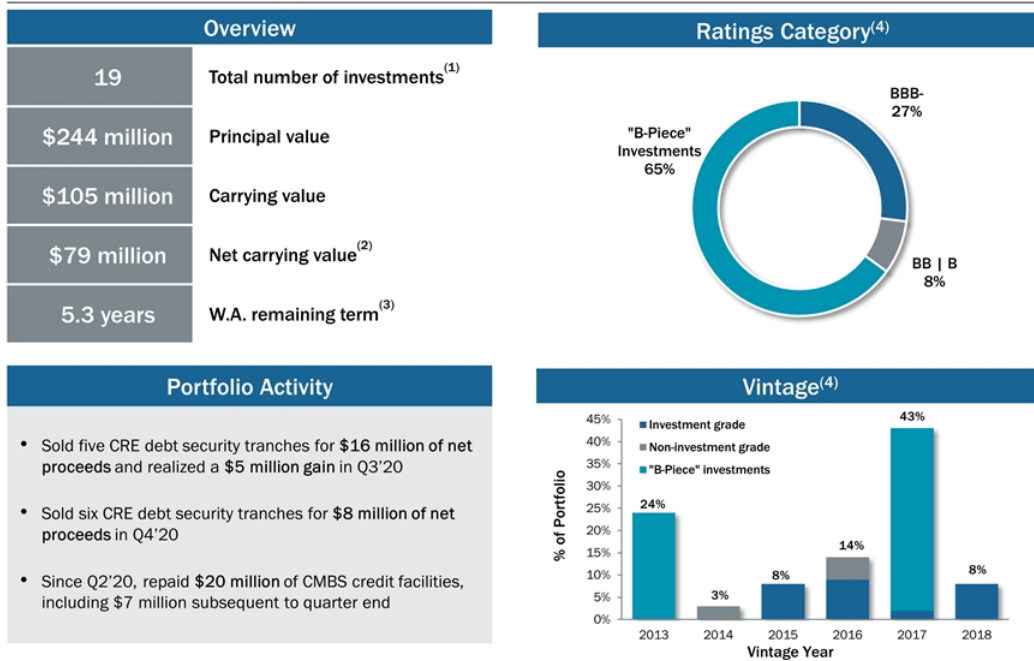


\* 100% is related to industrial net lease properties



\$ and rentable square feet in thousands; as of September 30, 2020, unless otherwise stated; at CLNC share  
See footnotes in the appendix

## CORE PORTFOLIO – CRE DEBT SECURITIES



As of September 30, 2020, unless otherwise stated; at CLNC share  
See footnotes in the appendix



## CORE PORTFOLIO – INVESTMENT DETAIL

### Core Portfolio – loans & preferred equity portfolio

	Origination date	Collateral type	City, State	Carrying value	Coupon type	Cash coupon	Unlevered all-in yield <sup>(1)</sup>	Extended maturity date <sup>(2)</sup>	LTV <sup>(3)</sup>	Risk ranking
<b>Senior loans</b>										
Loan 1	Jun-19	Multifamily	Milpitas, CA	\$ 177	Floating	L+ 3.1%	5.5%	Jul-24	72%	3
Loan 2	Jan-18	Hotel	San Jose, CA	170	Floating	L+ 4.3%	5.3%	Jan-23	62%	4
Loan 3	Jun-18	Hotel	Berkeley, CA	116	Floating	L+ 3.2%	5.2%	Jul-25	66%	4
Loan 4	Sep-19	Industrial	New York, NY	115	Floating	L+ 3.1%	5.8%	Sep-24	76%	4
Loan 5	Dec-18	Office	Carlsbad, CA	111	Floating	L+ 3.7%	6.1%	Dec-23	73%	3
Loan 6 *	Jun-19	Multifamily	Santa Clara, CA	103	Floating	L+ 4.4%	7.3%	Jun-24	64%	4
Loan 7	May-19	Office	Stamford, CT	94	Floating	L+ 3.5%	5.8%	Jun-25	71%	4
Loan 8	Apr-19	Multifamily	Various - U.S.	92	Floating	L+ 3.0%	5.9%	Apr-24	65%	4
Loan 9	Jun-18	Office	Burlingame, CA	73	Floating	L+ 2.8%	4.7%	Jul-23	61%	3
Loan 10	Jun-18	Hotel	Englewood, CO	72	Floating	L+ 3.5%	5.3%	Jul-23	69%	4
Loan 11	Aug-18	Office	San Jose, CA	68	Floating	L+ 2.5%	4.3%	Aug-25	66%	3
Loan 12	Oct-19	Other (mixed-use)	Brooklyn, NY	66	Floating	L+ 3.4%	5.9%	Nov-24	66%	4
Loan 13	Apr-19	Office	Long Island City, NY	62	Floating	L+ 3.3%	5.8%	Apr-24	58%	4
Loan 14	May-19	Office	Long Island City, NY	61	Floating	L+ 3.5%	6.0%	Jun-24	59%	4
Loan 15 *	Oct-18	Other (mixed-use)	Dublin, Ireland	61	n/a	n/a	n/a	Dec-23	94%	5
Loan 16	Feb-19	Office	Baltimore, MD	55	Floating	L+ 3.5%	6.2%	Feb-24	74%	4
Loan 17	Jul-19	Office	Washington, D.C.	53	Floating	L+ 2.8%	5.7%	Aug-24	68%	4
Loan 18	Jul-19	Multifamily	Phoenix, AZ	44	Floating	L+ 2.7%	5.0%	Jul-24	76%	3
Loan 19	Feb-19	Multifamily	Las Vegas, NV	39	Floating	L+ 3.2%	5.9%	Feb-24	71%	4
Loan 20	May-19	Multifamily	North Phoenix, AZ	37	Floating	L+ 3.4%	5.6%	May-24	81%	4
Loan 21	Apr-18	Multifamily	Ozard, CA	36	Floating	L+ 5.2%	6.5%	Nov-20	71%	4
Loan 22	Sep-19	Office	Salt Lake City, UT	36	Floating	L+ 2.7%	5.0%	Oct-24	72%	4
Loan 23	Jun-17	Office	Miami, FL	33	Floating	L+ 4.9%	5.6%	Jul-22	68%	3
Loan 24	Mar-19	Office	San Jose, CA	30	Floating	L+ 3.0%	5.9%	Apr-24	64%	3
Loan 25	Jan-19	Office	Santa Barbara, CA	28	Floating	L+ 3.2%	5.7%	Feb-24	80%	3
Loan 26	Jan-19	Multifamily	Tempe, AZ	27	Floating	L+ 2.9%	5.2%	Feb-24	79%	3
Loan 27	Sep-19	Office	San Francisco, CA	23	Floating	L+ 3.2%	5.9%	Oct-24	72%	3
Loan 28	Dec-18	Multifamily	Phoenix, AZ	22	Floating	L+ 2.9%	5.2%	Jan-23	73%	3
Loan 29	Aug-19	Office	San Francisco, CA	20	Floating	L+ 2.8%	5.6%	Sep-24	73%	3
Loan 30	Feb-19	Office	Charlotte, NC	20	Floating	L+ 3.4%	6.0%	Mar-24	56%	3
Loan 31	Jul-20	Hotel	Bloomington, MN	19	Floating	L+ 3.0%	4.1%	Nov-21	64%	3
Loan 32	Feb-19	Multifamily	Las Vegas, NV	14	Floating	L+ 3.2%	5.9%	Feb-24	71%	4
<b>Total / W.A. senior loans</b>				<b>\$ 1,981</b>			<b>5.5%</b>	<b>Mar-24</b>	<b>70%</b>	<b>3.7</b>

\* Reflects loans and preferred equity interests in which the underlying collateral is related to construction/development projects

## CORE PORTFOLIO – INVESTMENT DETAIL (CONT'D)

### Core Portfolio – loans & preferred equity portfolio (cont'd)

	Origination date	Collateral type	City, State	Carrying value	Coupon type	Cash coupon	Unlevered all-in yield <sup>(1)</sup>	Extended maturity date <sup>(2)</sup>	LTV <sup>(3)</sup>	Risk ranking
<b>Mezzanine loans</b>										
Loan 33 *	Sep-20	Other (mixed-use)	Los Angeles, CA	\$ 98	n/a	n/a	n/a	Jul-23	62% - 88%	5
Loan 34 *	Dec-18	Multifamily	Santa Clarita, CA	53	Fixed	7.0%	13.8%	Dec-24	56% - 84%	4
Loan 35 *	Dec-19	Multifamily	Milpitas, CA	32	Fixed	8.0%	13.3%	Dec-24	49% - 71%	4
Loan 36	Sep-19	Hotel	Berkeley, CA	27	Fixed	9.0%	11.5%	Jul-25	66% - 81%	4
Loan 37 *	Jul-19	Multifamily	Placentia, CA	27	Fixed	8.0%	13.3%	Jul-24	51% - 84%	4
Loan 38 *	Jul-18	Office	Dublin, Ireland	13	Fixed	-	12.5%	Dec-21	45% - 68%	4
Loan 39	Jan-17	Hotel	New York, NY	11	Floating	L+ 11.0%	11.5%	Jan-22	63% - 76%	4
Loan 40	Jul-14	Multifamily	Various - TX	4	Fixed	9.5%	9.5%	Aug-24	71% - 83%	4
Loan 41 *	Mar-13	Other (mixed-use)	San Rafael, CA	3	n/a	n/a	n/a	Sep-20	32% - 86%	5
<b>Total / W.A. mezzanine loans</b>				<b>\$ 270</b>			<b>8.0%</b>	<b>Feb-24</b>	<b>54% - 78%</b>	<b>4.4</b>
<b>Preferred equity &amp; other loans</b>										
Loan 42 **	Sep-16	Industrial	Various - U.S.	\$ 16	n/a	n/a	n/a	Sep-27	n/a	4
Loan 43	Aug-18	Office	Las Vegas, NV	14	Fixed	8.0%	15.3%	Sep-23	n/a	4
Loan 44 ***	Jun-19	Other	Various - U.S.	12	Fixed	10.0%	15.3%	May-24	n/a	5
Loan 45	Aug-20	Hotel	San Jose, CA	2	Floating	L+ 4.3%	5.3%	Jan-21	n/a	4
Loan 46 **,**	Jul-18	Office	Dublin, Ireland	1	n/a	n/a	n/a	Dec-21	n/a	4
Loan 47 **	Oct-14	Hotel	Austin, TX	0	n/a	n/a	n/a	n/a	n/a	n/a
<b>Total / W.A. preferred equity &amp; other loans</b>				<b>\$ 45</b>			<b>9.0%</b>	<b>Mar-25</b>	<b>n/a</b>	<b>4.3</b>
<b>Total / W.A. loans &amp; preferred equity portfolio</b>				<b>\$ 2,295</b>			<b>5.8%</b>	<b>Mar-24</b>	<b>n/a</b>	<b>3.8</b>

\* Reflects loans and preferred equity interests in which the underlying collateral is related to construction/development projects

\*\* Represents an equity participation interest

\*\*\* Represents loans and preferred equity interests which sold/paid off subsequent to the third quarter 2020

### Core Portfolio – net lease real estate

	Origination date	Collateral type	City, State	Carrying value	Annualized Q3'20 NOI <sup>(4)</sup>	# of properties	# of buildings	Rentable square feet ("RSF")	W.A. % leased <sup>(5)</sup>	W.A. lease term (yrs) <sup>(6)</sup>
<b>Net lease real estate</b>										
Net lease 1	Jun-15	Industrial	Various - U.S.	\$ 316	\$ 22	22	22	6,697 RSF	96%	4.2
Net lease 2	Jul-18	Office	Stavenger, Norway	288	18	1	26	1,291 RSF	100%	9.7
Net lease 3	Aug-18	Industrial	Various - U.S.	65	5	2	2	661 RSF	100%	17.9
Net lease 4	Jul-06	Office	Aurora, CO	46	4	1	1	184 RSF	100%	2.2
Net lease 5	Jun-06	Office	Indianapolis, IN	32	3	1	1	338 RSF	100%	5.3
<b>Total / W.A. net lease real estate</b>				<b>\$ 746</b>	<b>\$ 52</b>	<b>27</b>	<b>52</b>	<b>9,171 RSF</b>	<b>98%</b>	<b>7.4</b>

\$ and rentable square feet in thousands; as of September 30, 2020; at CLNC share  
See footnotes in the appendix

## CORE PORTFOLIO – INVESTMENT DETAIL (CONT'D)

### Core Portfolio – CRE debt securities

	Principal value	Carrying value	W.A. remaining term (yrs) <sup>(1)</sup>
CRE debt securities			
CRE debt securities (19 investments)	\$ 244	\$ 105	5.3
<b>Total / W.A. CRE debt securities</b>	<b>\$ 244</b>	<b>\$ 105</b>	<b>5.3</b>

### Core Portfolio – summary

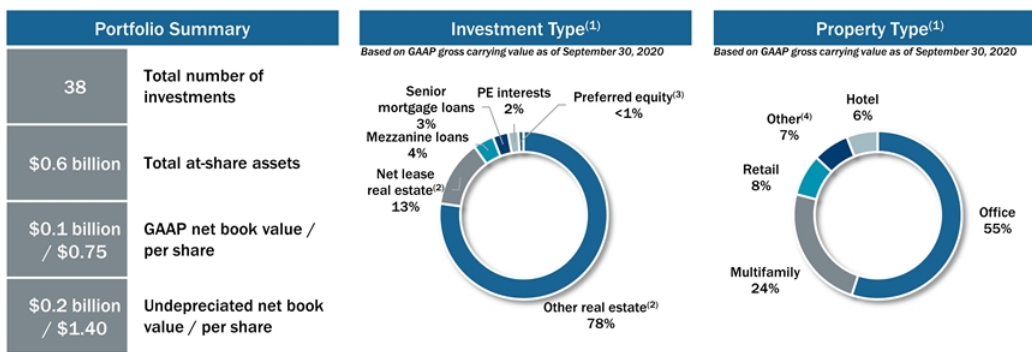
	Number of investments	Carrying value
Senior loans	32	\$ 1,981
Mezzanine loans	9	270
Preferred equity & other loans	6	45
Net lease real estate	5	746
CRE debt securities	19	105
<b>Total / W.A. Core Portfolio</b>	<b>71</b>	<b>\$ 3,146</b>

\$ in millions; as of September 30, 2020; at CLNC share  
See footnotes in the appendix



# LEGACY, NON-STRATEGIC PORTFOLIO

## LEGACY, NON-STRATEGIC – PORTFOLIO OVERVIEW



Portfolio Overview				
	Number of assets	Number of investments	Carrying value	Net carrying value <sup>(5)</sup>
Senior mortgage loans	1	1	\$ 10,997	\$ 10,997
Mezzanine loans	1	1	18,190	18,190
Preferred equity <sup>(3)</sup>	–	1	219	219
Net lease real estate <sup>(2)</sup>	6	6	58,789	4,006
Other real estate <sup>(2)</sup>	23	25	341,269	67,402
PE interests	1	4	7,093	7,093
Cash & net assets / (liabilities) <sup>(6)</sup>			133,473	(9,387)
<b>Total LNS Portfolio – GAAP</b>	<b>32</b>	<b>38</b>	<b>\$ 570,029</b>	<b>\$ 98,520</b>

Portfolio Activity	
•	Q3'20 Adjusted LNS Earnings of \$2.7 million, or \$0.02 per share
•	LNS Portfolio reduced to 6% of total GAAP net book value
•	Since Q2'20, sold 16 LNS assets totaling \$22 million of net proceeds
•	Since the portfolio bifurcation plan was announced in November 2019: <ul style="list-style-type: none"> <li>• Monetized \$235 million of LNS net carrying value</li> <li>• Approximately 57% of the total LNS net carrying value</li> </ul>

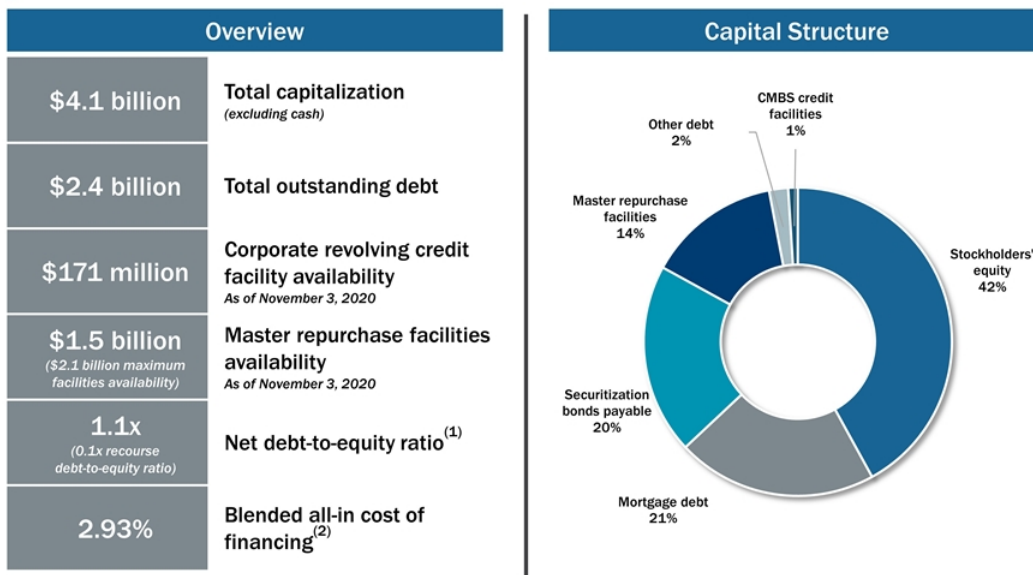
\$ in thousands, unless otherwise stated; as of September 30, 2020, unless otherwise stated; at CLNC share  
See footnotes in the appendix



# CAPITALIZATION

## CAPITALIZATION HIGHLIGHTS

Since the first quarter, reduced recourse debt exposure by approximately \$550 million to \$171 million and reduced net debt-to-equity ratio from 1.4x to 1.1x



As of September 30, 2020, unless otherwise stated; at CLNC share  
See footnotes in the appendix

## CAPITALIZATION OVERVIEW

	Recourse vs. Non-recourse <sup>(1)</sup>	W.A. extended maturity <sup>(2)</sup>	W.A. contractual interest rate <sup>(2)</sup>	W.A. all-in COF <sup>(2)(3)</sup>	Outstanding debt (UPB)
<b>Corporate debt</b>					
Corporate revolving credit facility	Recourse	Feb-23	L + 2.25%	2.40%	\$ -
<b>Investment-level debt</b>					
Securitization bonds payable	Non-recourse	Aug-35	L + 1.59%	1.74%	840,423
Master repurchase facilities	Limited recourse	May-22	L + 2.05%	2.65%	583,402
Mortgage debt – net lease (fixed)	Non-recourse	May-26	4.21%	4.21%	522,444
Other debt <sup>(4)</sup>	Non-recourse	Jun-24	L + 3.00%	3.15%	71,748
CMBS credit facilities (fixed) <sup>(5)</sup>	Recourse	N/A	4.25%	4.25%	25,232
<b>Total core portfolio investment-level debt</b>		<b>Dec-28</b>		<b>2.71%</b>	<b>2,043,248</b>
Mortgage debt – other real estate (fixed)	Non-recourse	Aug-24	4.34%	4.34%	251,079
Mortgage debt – other real estate (floating)	Non-recourse	Apr-24	L + 2.95%	3.10%	22,788
Mortgage debt – net lease (fixed)	Non-recourse	Nov-25	4.33%	4.33%	53,344
Mortgage debt – net lease (floating)	Non-recourse	Jul-23	L + 2.15%	2.30%	1,439
<b>Total legacy, non-strategic portfolio investment-level debt</b>		<b>Oct-24</b>		<b>4.24%</b>	<b>328,650</b>
<b>Total / W.A. debt (CLNC share)</b>		<b>May-28</b>		<b>2.93%</b>	<b>\$ 2,371,898</b>
					<b>Book value</b>
Stockholders' equity					\$ 1,703,385
Noncontrolling interests in the Operating Partnership					40,704
<b>Total book value of common equity (CLNC share)</b>					<b>1,744,089</b>
<b>Total capitalization</b>					<b>\$ 4,115,987</b>

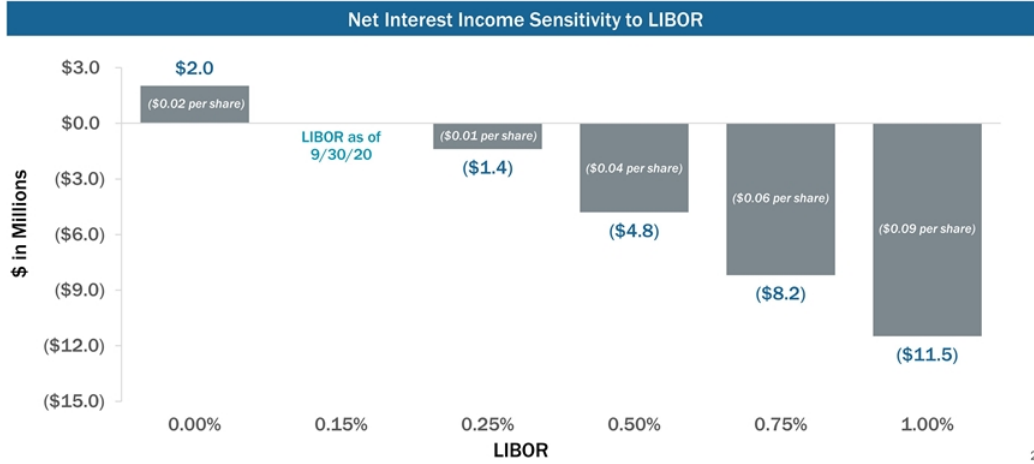
\$ in thousands, as of September 30, 2020; at CLNC share  
See footnotes in the appendix



## BENEFITING FROM LOW RATES

CLNC net interest income is well-protected and benefits from current low rates due to in-place LIBOR floors

- ✓ 97% of the total senior mortgage loan portfolio are floating rate (indexed to one-month USD LIBOR)
- ✓ 100% of the Core Portfolio floating rate senior mortgage loans have active in-place LIBOR floors (weighted average LIBOR floor of approximately 194 bps)
- ✓ 6% of outstanding at-share indebtedness is subject to a LIBOR floor



\$ in millions, except per share data; as of September 30, 2020; at CLNC share



# APPENDIX

# IMPORTANT NOTE REGARDING NON-GAAP FINANCIAL MEASURES AND DEFINITIONS

We present Core Earnings/Legacy, Non-Strategic ("LNS") Earnings, which are non-GAAP supplemental financial measures of our performance. Our Core Earnings are generated by the Core Portfolio and Legacy, Non-Strategic Earnings are generated by the Legacy, Non-Strategic Portfolio. We believe that Core Earnings/Legacy, Non-Strategic 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"). These supplemental financial measures help 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. For information on the fees we pay our Manager, see Note 10, "Related Party Arrangements" to our consolidated financial statements included in Form 10-Q to be filed with the U.S. Securities and Exchange Commission ("SEC"). In addition, we believe that our investors also use Core Earnings/Legacy, Non-Strategic 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/Legacy, Non-Strategic Earnings is useful to our investors.

We define Core Earnings/Legacy, Non-Strategic 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 or other strategic transactions, (iii) the incentive fee, (iv) acquisition costs from successful acquisitions, (v) gains or losses from sales of real estate property and impairment write-downs of depreciable real estate, including unconsolidated joint ventures and preferred equity investments, (vi) CECL reserves determined by probability of default / loss given default (or "PD/LGD") model, (vii) depreciation and amortization, (viii) 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, (ix) one-time events pursuant to changes in U.S. GAAP and (x) certain material non-cash income or expense items that in the judgment of management should not be included in Core Earnings/Legacy, Non-Strategic Earnings. For clauses (ix) and (x), 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. U.S. GAAP net income (loss) attributable to our common stockholders and Core Earnings/Legacy, Non-Strategic Earnings include provision for loan losses.

Prior to the third quarter of 2019, Core Earnings reflected adjustments to U.S. GAAP net income to exclude impairment of real estate and provision for loan losses. During the third quarter of 2019, we revised our definition of Core Earnings to include the provision for loan losses while excluding realized losses of sales of real estate property and impairment write-downs of preferred equity investments. This was approved by a majority of our independent directors.

Core Earnings/Legacy, Non-Strategic 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/Legacy, Non-Strategic 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/Legacy, Non-Strategic Earnings may not be comparable to the Core Earnings/Legacy, Non-Strategic Earnings reported by other companies.

The Company calculates Core Earnings/Legacy, Non-Strategic Earnings per share, which are non-GAAP supplemental financial measures, based on a weighted average number of common shares and operating partnership units (held by members other than the Company or its subsidiaries).

We believe net operating income ("NOI") to be a useful measure of operating performance of our net leased and other real estate portfolios as they are more closely linked to the direct results of operations at the property level. NOI 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 provides 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. NOI may fail to capture significant trends in these components of U.S. GAAP net income (loss) which further limits its usefulness.

NOI 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.

# IMPORTANT NOTE REGARDING NON-GAAP FINANCIAL MEASURES AND DEFINITIONS

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.

We present loan-to-value which reflects the initial loan amount divided by the as-is appraised value as of the date the loan was originated, or by the current principal amount divided by the appraisal value as of the date of the most recent as-is appraisal. For construction loans, loan-to-value reflects the total commitment amount of the loan divided by the as-completed appraised value, or the total commitment amount of the loan divided by the projected total cost basis.

We present risk rankings, which is a supplemental financial disclosure, for loans and preferred equity investments within the Core Portfolio. In addition to reviewing loans and preferred equity for impairments on a quarterly basis, the Company evaluates loans and preferred equity to determine if an allowance for loan loss should be established. In conjunction with this review, the Company assesses the risk factors of each loan and preferred equity investment and assigns a risk rating based on a variety of factors, including, without limitation, underlying real estate performance and asset value, values of comparable properties, durability and quality of property cash flows, sponsor experience and financial wherewithal, and the existence of a risk-mitigating loan structure. Additional key considerations include loan-to-value ratios, debt service coverage ratios, loan structure, real estate and credit market dynamics, and risk of default or principal loss. Based on a five-point scale, the Company's loans and preferred equity investments are rated "1" through "5," from less risk to greater risk. At the time of origination or purchase, loans and preferred equity investments are ranked as a "3" and will move accordingly going forward.

# NOTES REGARDING REPORTABLE SEGMENTS

Colony Credit Real Estate, Inc. ("CLNC", "Colony Credit Real Estate", the "Company" or "We") currently holds investment interests through the reportable segments below, which are based on how management reviews and manages its business. Each segment also includes corporate-level asset management and other fees, related party and general and administrative expenses related to its respective portfolio.

## **Core Portfolio**

### **Loans & Preferred Equity Portfolio (or "Loan Portfolio")**

As of September 30, 2020, the Company's Loan Portfolio included senior mortgage loans, mezzanine loans and preferred equity interests ("preferred equity") 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 Colony Capital which were deconsolidated as a result of the merger and subsequently treated as equity method investments.

- Senior mortgage loans may 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 interests include related equity participation interests

### **Net Leased Real Estate ("Net Lease")**

As of September 30, 2020, the Company's Net Lease investments included direct investments in commercial real estate principally composed of 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.

### **CRE Debt Securities**

As of September 30, 2020, 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).

### **Legacy, Non-Strategic Portfolio ("LNS Portfolio" or "LNS")**

#### **Legacy, Non-Strategic Investments**

As of September 30, 2020, the Company's Legacy, Non-Strategic Portfolio included direct investments in operating real estate such as multi-tenant office and multifamily residential assets, real estate acquired in settlement of loans ("REO"), real estate private equity interests ("Private Equity Interests" or "PE Interests") and certain retail and other legacy loans originated prior to the combination that created the Company.

## APPENDIX – CONSOLIDATED BALANCE SHEET

	September 30, 2020 (Unaudited)	December 31, 2019
<b>Assets</b>		
Cash and cash equivalents	\$ 461,990	\$ 69,619
Restricted cash	73,059	126,065
Loans and preferred equity held for investment	2,143,938	2,848,956
Allowance for loan losses	(40,524)	(272,624)
Loans and preferred equity held for investment, net	2,103,414	2,576,332
Real estate securities, available for sale, at fair value	36,250	252,824
Real estate, net	1,133,318	1,484,796
Investments in unconsolidated ventures (\$7,093 and \$10,283 at fair value, respectively)	424,557	595,305
Receivables, net	80,674	46,456
Deferred leasing costs and intangible assets, net	85,881	112,762
Assets held for sale	203,466	189,470
Other assets	69,658	87,707
Mortgage loans held in securitization trusts, at fair value	1,839,390	1,872,970
<b>Total assets</b>	<b>\$ 6,511,657</b>	<b>\$ 7,414,306</b>
<b>Liabilities</b>		
Securitization bonds payable, net	\$ 834,621	\$ 833,153
Mortgage and other notes payable, net	1,102,999	1,256,112
Credit facilities	608,632	1,099,233
Due to related party	9,192	11,016
Accrued and other liabilities	111,525	140,424
Intangible liabilities, net	8,443	22,149
Liabilities related to assets held for sale	10,787	294
Escrow deposits payable	37,642	74,497
Dividends payable	-	13,164
Mortgage obligations issued by securitization trusts, at fair value	1,770,924	1,762,914
<b>Total liabilities</b>	<b>4,494,765</b>	<b>5,212,956</b>
<b>Equity</b>		
Stockholders' equity		
Preferred stock, \$0.01 par value, 50,000,000 shares authorized, no shares issued and outstanding as of September 30, 2020 and December 31, 2019, respectively	-	-
Common stock, \$0.01 par value per share		
Class A, 950,000,000 shares authorized, 128,582,965 and 128,538,703 shares issued and outstanding as of September 30, 2020 and December 31, 2019, respectively	1,286	1,285
Additional paid-in capital	2,842,892	2,909,181
Accumulated deficit	(1,181,747)	(819,738)
Accumulated other comprehensive income	40,954	28,294
<b>Total stockholders' equity</b>	<b>1,703,385</b>	<b>2,119,022</b>
Noncontrolling interests in investment entities	272,803	31,631
Noncontrolling interests in the Operating Partnership	40,704	50,697
Total equity	2,016,892	2,201,350
<b>Total liabilities and equity</b>	<b>\$ 6,511,657</b>	<b>\$ 7,414,306</b>

In thousands, except share and per share data; as of September 30, 2020 unless otherwise stated

# APPENDIX – CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended September 30,	
	2020	2019
<b>Net interest income</b>		
Interest income	\$ 36,391	\$ 46,991
Interest expense	(13,426)	(23,167)
Interest income on mortgage loans held in securitization trusts	20,462	22,586
Interest expense on mortgage obligations issued by securitization trusts	(18,204)	(20,299)
Net interest income	25,223	26,111
<b>Property and other income</b>		
Property operating income	41,678	63,492
Other income	30	820
Total property and other income	41,708	64,312
<b>Expenses</b>		
Management fee expense	7,083	11,355
Property operating expense	15,277	29,756
Transaction, investment and servicing expense	1,627	1,433
Interest expense on real estate	12,205	14,281
Depreciation and amortization	14,770	25,934
Provision for loan losses	10,404	110,314
Impairment of operating real estate	3,451	272,722
Administrative expense (including \$1,376 and \$2,910 of equity-based compensation expense, respectively)	5,780	7,732
Total expenses	70,597	473,527
<b>Other income (loss)</b>		
Unrealized loss on mortgage loans and obligations held in securitization trusts, net	(13,162)	(1,976)
Realized gain on mortgage loans and obligations held in securitization trusts, net	-	2,724
Other gain (loss), net	9,680	(2,688)
Loss before equity in earnings of unconsolidated ventures and income taxes	(7,148)	(385,044)
Equity in earnings (loss) of unconsolidated ventures	(1,779)	(15,905)
Income tax benefit (expense)	15,357	(1,046)
Net income (loss)	6,430	(401,995)
Net (income) loss attributable to noncontrolling interests:		
Investment entities	(1,222)	37,445
Operating Partnership	(201)	8,519
Net income (loss) attributable to Colony Credit Real Estate, Inc. common stockholders	\$ 5,007	\$ (356,031)
Net income (loss) per common share – basic and diluted	\$ 0.04	\$ (2.77)
Weighted average shares of common stock outstanding – basic and diluted	128,583	128,541

In thousands, except per share data; as of September 30, 2020, unless otherwise stated; Unaudited

# APPENDIX – CONSOLIDATED STATEMENTS OF OPERATIONS BY SEGMENT

	Three Months Ended September 30, 2020						
	Core Portfolio				Total Core Portfolio	Legacy, Non-Strategic Portfolio	Total
	Loans and preferred equity	CRE debt securities	Net lease real estate	Corporate			
<b>Net interest income</b>							
Interest income	\$ 36,385	\$ 588	\$ 6	\$ (588)	\$ 36,391	\$ -	\$ 36,391
Interest expense	(11,708)	(510)	-	(870)	(13,088)	(338)	(13,426)
Interest income on mortgage loans held in securitization trusts	-	22,447	-	(1,985)	20,462	-	20,462
Interest expense on mortgage obligations issued by securitization trusts	-	(20,187)	-	1,983	(18,204)	-	(18,204)
Net interest income	24,677	2,338	6	(1,460)	25,561	(338)	25,223
<b>Property and other income</b>							
Property operating income	-	-	21,121	-	21,121	20,557	41,678
Other income (loss)	(14)	-	-	76	62	(32)	30
Total property and other income	(14)	-	21,122	76	21,183	20,525	41,708
<b>Expenses</b>							
Management fee expense	-	-	-	6,445	6,445	638	7,083
Property operating expense	-	-	2,480	-	2,480	12,797	15,277
Transaction, investment and servicing expense	210	2	364	827	1,403	224	1,627
Interest expense on real estate	-	-	8,067	-	8,067	4,138	12,205
Depreciation and amortization	-	-	10,946	-	10,946	3,824	14,770
Provision for loan losses	11,229	-	-	-	11,229	(825)	10,404
Impairment of operating real estate	-	-	-	-	-	3,451	3,451
Administrative expense	66	281	28	4,163	4,538	1,242	5,780
Total expenses	11,505	283	21,885	11,435	45,108	25,489	70,597
<b>Other income (loss)</b>							
Unrealized gain (loss) on mortgage loans and obligations held in securitization trusts, net	-	(13,750)	-	588	(13,162)	-	(13,162)
Other gain (loss), net	(1,457)	1,790	9,563	-	9,896	(216)	9,680
<b>Income (loss) before equity in earnings of unconsolidated ventures and income taxes</b>	<b>11,701</b>	<b>(9,905)</b>	<b>8,806</b>	<b>(12,231)</b>	<b>(1,630)</b>	<b>(5,518)</b>	<b>(7,148)</b>
Equity in earnings (loss) of unconsolidated ventures	(1,652)	-	-	-	(1,652)	(127)	(1,779)
Income tax benefit	1,915	-	34	-	1,949	13,408	15,357
Net income (loss)	11,964	(9,905)	8,840	(12,231)	(1,333)	7,763	6,430
<b>Net (income) loss attributable to noncontrolling interests:</b>							
Investment entities	(62)	-	(1,298)	-	(1,360)	138	(1,222)
Operating Partnership	-	-	-	(17)	(17)	(184)	(201)
<b>Net income (loss) attributable to Colony Credit Real Estate, Inc. common stockholders</b>	<b>\$ 11,902</b>	<b>\$ (9,905)</b>	<b>\$ 7,542</b>	<b>\$ (12,248)</b>	<b>\$ (2,710)</b>	<b>\$ 7,717</b>	<b>\$ 5,007</b>

\$ in thousands; as of September 30, 2020; Unaudited



## APPENDIX – OUTSTANDING COMMON SHARES AND OP UNITS

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	<b>As of</b> <b>September 30, 2020</b>	<b>As of</b> <b>June 30, 2020</b>
Class A common stock	128,582,965	128,583,198
OP units	3,075,623	3,075,623
Total common stock and OP units outstanding	<u>131,658,588</u>	<u>131,658,821</u>

# APPENDIX – RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL INFORMATION

## Reconciliation of consolidated balance sheet to at CLNC share balance sheet

	As of September 30, 2020								
	Total			Core Portfolio			Legacy, Non-Strategic Portfolio		
	Consolidated	NCI <sup>(1)</sup>	At CLNC share <sup>(2)</sup>	Consolidated	NCI <sup>(1)</sup>	At CLNC share <sup>(2)</sup>	Consolidated	NCI <sup>(1)</sup>	At CLNC share <sup>(2)</sup>
<b>Assets</b>									
Loans and preferred equity held for investment, net	\$ 2,103,414	\$ -	\$ 2,103,414	\$ 2,103,414	\$ -	\$ 2,103,414	\$ -	\$ -	\$ -
Real estate securities, available for sale, at fair value	36,250	-	36,250	36,250	-	36,250	-	-	-
Real estate, net	1,133,318	197,509	935,809	893,422	184,068	709,354	239,896	13,441	226,455
Investments in unconsolidated ventures	424,557	206,127	218,430	361,045	167,095	193,950	63,512	39,032	24,480
Deferred leasing costs and intangible assets, net	85,881	26,189	59,692	61,922	24,570	37,352	23,959	1,619	22,340
Assets held for sale	203,466	23,655	179,811	-	-	-	203,466	23,655	179,811
Mortgage loans held in securitization trusts, at fair value <sup>(3)</sup>	1,839,390	1,770,924	68,466	1,839,390	1,770,924	68,466	-	-	-
Cash, restricted cash, receivables and other assets	685,381	24,668	660,713	562,064	18,294	543,770	123,317	6,374	116,943
<b>Total assets</b>	<b>\$ 6,511,657</b>	<b>\$ 2,249,072</b>	<b>\$ 4,262,585</b>	<b>\$ 5,857,507</b>	<b>\$ 2,164,951</b>	<b>\$ 3,692,556</b>	<b>\$ 654,150</b>	<b>\$ 84,121</b>	<b>\$ 570,029</b>
<b>Liabilities</b>									
Securitization bonds payable, net	\$ 834,621	\$ -	\$ 834,621	\$ 834,621	\$ -	\$ 834,621	\$ -	\$ -	\$ -
Mortgage and other notes payable, net	1,102,999	182,916	920,083	720,555	150,587	569,968	382,444	32,329	350,115
Credit facilities	608,632	-	608,632	582,930	-	582,930	25,702	-	25,702
Intangible liabilities, net	8,443	876	7,567	425	-	425	8,018	876	7,142
Liabilities related to assets held for sale	10,787	381	10,406	-	-	-	10,787	381	10,406
Mortgage obligations issued by securitization trusts, at fair value <sup>(3)</sup>	1,770,924	1,770,924	-	1,770,924	1,770,924	-	-	-	-
Due to related party, other liabilities, escrow deposits payable and dividends payable	158,359	21,172	137,187	70,928	11,885	59,043	87,431	9,287	78,144
<b>Total liabilities</b>	<b>\$ 4,494,765</b>	<b>\$ 1,976,269</b>	<b>\$ 2,518,496</b>	<b>\$ 3,980,383</b>	<b>\$ 1,933,396</b>	<b>\$ 2,046,987</b>	<b>\$ 514,382</b>	<b>\$ 42,873</b>	<b>\$ 471,509</b>
Total equity (including noncontrolling interests in the Operating Partnership)	\$ 2,016,892	\$ 272,803	\$ 1,744,089	\$ 1,877,124	\$ 231,555	\$ 1,645,569	\$ 139,768	\$ 41,248	\$ 98,520
<b>Total liabilities and equity</b>	<b>\$ 6,511,657</b>	<b>\$ 2,249,072</b>	<b>\$ 4,262,585</b>	<b>\$ 5,857,507</b>	<b>\$ 2,164,951</b>	<b>\$ 3,692,556</b>	<b>\$ 654,150</b>	<b>\$ 84,121</b>	<b>\$ 570,029</b>
<b>Total common shares and OP units outstanding</b>	<b>131,659</b>	<b>131,659</b>	<b>131,659</b>	<b>131,659</b>	<b>131,659</b>	<b>131,659</b>	<b>131,659</b>	<b>131,659</b>	<b>131,659</b>
GAAP net book value per share	\$ 15.32	\$ 2.07	\$ 13.25	\$ 14.26	\$ 1.76	\$ 12.50	\$ 1.06	\$ 0.31	\$ 0.75

In thousands, except per share data; as of September 30, 2020; Unaudited  
See footnotes in the appendix

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

## Reconciliation of GAAP net book value to undepreciated book value

	As of September 30, 2020		
	Core Portfolio	Legacy, Non-Strategic Portfolio	Total
GAAP net book value (excluding noncontrolling interests in investment entities)	\$ 1,645,569	\$ 98,520	\$ 1,744,089
Accumulated depreciation and amortization <sup>(1)</sup>	83,573	84,958	168,531
Undepreciated book value	\$ 1,729,142	\$ 183,478	\$ 1,912,620
GAAP net book value per share (excluding noncontrolling interests in investment entities)	\$ 12.50	\$ 0.75	\$ 13.25
Accumulated depreciation and amortization per share <sup>(1)</sup>	0.63	0.65	1.28
Undepreciated book value per share	\$ 13.13	\$ 1.40	\$ 14.53
Total common shares and OP units outstanding <sup>(2)</sup>	131,659	131,659	131,659

In thousands, except per share data; as of September 30, 2020; Unaudited  
See footnotes in the appendix

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

## Reconciliation of GAAP net income (loss) to Core Earnings / LNS Earnings

	Three Months Ended September 30, 2020		
	Core Portfolio	Legacy, Non-Strategic Portfolio	Total
Net income (loss) attributable to Colony Credit Real Estate, Inc. common stockholders	\$ (2,710)	\$ 7,717	\$ 5,007
<b>Adjustments:</b>			
Net loss attributable to noncontrolling interest of the Operating Partnership	16	185	201
Non-cash equity compensation expense	1,046	330	1,376
Transaction costs	319	101	420
Depreciation and amortization	11,246	3,854	15,100
Net unrealized loss (gain) on investments:			
Impairment of operating real estate and preferred equity	-	3,452	3,452
Other unrealized loss (gain) on investments	13,650	(7)	13,643
CECL reserves	8,892	-	8,892
Losses (gains) on sale of real estate and preferred equity	(8,341)	183	(8,158)
Adjustments related to noncontrolling interests in investment entities	-	(186)	(186)
Core Earnings / Legacy, Non-Strategic Earnings attributable to Colony Credit Real Estate, Inc. common stockholders and noncontrolling interest of the Operating Partnership	\$ 24,118	\$ 15,629	\$ 39,747
Core Earnings / Legacy, Non-Strategic Earnings per share <sup>(1)</sup>	\$ 0.18	\$ 0.12	\$ 0.30
Weighted average number of common shares and OP units <sup>(2)</sup>	131,659	131,659	131,659

## Reconciliation of Core Earnings / LNS Earnings to Adjusted Core Earnings / LNS Earnings

	Three Months Ended September 30, 2020		
	Core Portfolio	Legacy, Non-Strategic Portfolio	Total
Core Earnings / Legacy, Non-Strategic Earnings attributable to Colony Credit Real Estate, Inc. common stockholders and noncontrolling interest of the Operating Partnership	\$ 24,118	\$ 15,629	\$ 39,747
<b>Adjustments:</b>			
Realized gain on CRE debt securities sales	(5,156)	-	(5,156)
Realization of CRE debt securities mark-to-market loss	3,366	-	3,366
Provision for loan losses	4,066	-	4,066
Reversal of provision for loan losses on note sales	(272)	-	(272)
Fair value adjustments on investments in unconsolidated ventures	2,200	-	2,200
Income tax benefit	-	(12,926)	(12,926)
Adjusted Core Earnings / Legacy, Non-Strategic Earnings attributable to Colony Credit Real Estate, Inc. common stockholders and noncontrolling interest of the Operating Partnership <sup>(3)</sup>	\$ 28,322	\$ 2,703	\$ 31,025
Adjusted Core Earnings / Legacy, Non-Strategic Earnings per share <sup>(1)(3)</sup>	\$ 0.22	\$ 0.02	\$ 0.24
Weighted average number of common shares and OP units <sup>(2)</sup>	131,659	131,659	131,659

In thousands, except per share data; as of September 30, 2020; Unaudited  
See footnotes in the appendix

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

## Reconciliation of GAAP net income (loss) to NOI

	Three Months Ended September 30, 2020					
	Core Portfolio		Legacy, Non-Strategic Portfolio			Total
	Net lease real estate	Total Core Portfolio	Net lease real estate	Other real estate	Total LNS Portfolio	
Net income (loss) attributable to Colony Credit Real Estate, Inc. common stockholders	\$ 7,538	\$ 7,538	\$ 493	\$ (4,673)	\$ (4,180)	\$ 3,358
<b>Adjustments:</b>						
Net income (loss) attributable to noncontrolling interests in investment entities	1,301	1,301	-	(39)	(39)	1,262
Amortization of above- and below-market lease intangibles	156	156	28	(28)	-	156
Interest income	(6)	(6)	-	-	-	(6)
Interest expense on real estate	8,067	8,067	659	3,478	4,137	12,204
Other loss	-	-	-	257	257	257
Transaction, investment and servicing expense	364	364	23	50	73	437
Depreciation and amortization	10,946	10,946	567	3,257	3,824	14,770
Impairment of operating real estate	-	-	-	3,452	3,452	3,452
Administrative expense	28	28	32	9	41	69
Other (gain) loss on investments, net	(9,563)	(9,563)	(7)	222	215	(9,348)
Income tax benefit	(34)	(34)	-	-	-	(34)
NOI attributable to noncontrolling interest in investment entities	(4,148)	(4,148)	-	(506)	(506)	(4,654)
Total NOI attributable to Colony Credit Real Estate, Inc. common stockholders	\$ 14,649	\$ 14,649	\$ 1,795	\$ 5,479	\$ 7,274	\$ 21,923

\$ in thousands; as of September 30, 2020; Unaudited

## APPENDIX – FOOTNOTES

### Page 4

1. Represents cash-on-hand and availability under the corporate revolving credit facility as of 11/3/20
2. Represents cash-on-hand as of 11/3/20
3. Represents CLNC closing stock price as of 11/3/20
4. Net-debt-to-equity ratio based on CLNC's share of total outstanding secured debt agreements (UPB) less unrestricted cash at CLNC's share divided by total stockholders' equity; stockholders' equity includes noncontrolling interests in the OP and excludes noncontrolling interests in investment entities

### Page 5

1. 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
2. Net-debt-to-equity ratio based on CLNC's share of total outstanding secured debt agreements (UPB) less unrestricted cash at CLNC's share divided by total stockholders' equity; stockholders' equity includes noncontrolling interests in the OP and excludes noncontrolling interests in investment entities

### Page 6

1. Preferred equity includes \$18 million related to equity participation interests
2. Net lease real estate includes deferred leasing costs and other net intangibles and includes the impact of accumulated depreciation and amortization
3. Includes securitization assets which are presented net of the impact from consolidation
4. Represents Core Portfolio's proportionate share of allocated balance sheet assets and liabilities (including cash, restricted cash, net receivables, other assets, due to related party, accrued and other liabilities and escrow deposits payable)
5. Other / mixed-use includes: (i) commercial and residential development and predevelopment and (ii) mixed-use assets
6. Represents carrying values net of any in-place investment-level financing at CLNC share as of 9/30/20
7. Represents net accumulated depreciation and amortization on real estate investments, including related intangible assets and liabilities

### Page 7

1. Tax & other includes the following: (i) one-time tax benefit, (ii) FX translation realized gain and (iii) realized gains/losses related to owned real estate sales

### Page 9

1. Based on carrying values at CLNC share as of 9/30/20. Property type excludes CMBS and mortgage loans held in securitization trusts
2. Net lease real estate includes deferred leasing costs and other net intangibles and includes the impact of accumulated depreciation and amortization
3. Includes securitization assets which are presented net of the impact from consolidation
4. Preferred equity includes \$17 million related to equity participation interests
5. Other / mixed-use includes: (i) commercial and residential development and predevelopment and (ii) mixed-use assets
6. Represents carrying values net of any in-place investment-level financing at CLNC share as of 9/30/20
7. Represents Core Portfolio's proportionate share of allocated balance sheet assets and liabilities (including cash, restricted cash, net receivables, other assets, due to related party, accrued and other liabilities and escrow deposits payable)

### Page 10

1. 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 9/30/20
2. 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 9/30/20
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 9/30/20 for W.A. calculations
4. Based on carrying values at CLNC share as of 9/30/20
5. Preferred equity includes \$17 million related to equity participation interests
6. Other / mixed-use includes: (i) commercial and residential development and predevelopment and (ii) mixed-use assets

### Page 11

1. Represents carrying values net of any in-place investment-level financing at CLNC share as of 9/30/20
2. 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 9/30/20 for W.A. calculations
3. 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 9/30/20
4. 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 9/30/20

### Page 12

1. Represents carrying values net of any in-place investment-level financing at CLNC share as of 9/30/20
2. Represents reported NOI for the third quarter 2020 at CLNC share
3. Represents annualized reported NOI for the third quarter 2020 at CLNC share
4. Represents the percent leased as of 9/30/20 and is weighted by carrying value at CLNC share as of 9/30/20
5. Based on in-place leases (defined as occupied and paying leases) as of 9/30/20 and assumes that no renewal options are exercised. W.A. calculation based on carrying value at CLNC share as of 9/30/20
6. Based on carrying values at CLNC share as of 9/30/20

## APPENDIX – FOOTNOTES (CONT'D)

### Page 13

1. Investment count represents total number of tranches acquired; two total "B-piece" transactions
2. Represents carrying values net of any in-place investment-level financing at CLNC share as of 9/30/20
3. W.A. calculation based on carrying value at CLNC share as of 9/30/20
4. Based on carrying values at CLNC share as of 9/30/20

### Page 14

1. 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 9/30/20 for W.A. calculations
2. 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 9/30/20
3. Senior loans reflect the initial loan amount divided by the as-is value as of the date the loan was originated, or the principal amount divided by the appraised value as of the date of the most recent as-is appraisal. Construction senior loans' loan-to-value reflect the total commitment amount of the loan divided by the as completed appraised value, or the total commitment amount of the loan divided by the projected total cost basis

### Page 15

1. 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 9/30/20 for W.A. calculations
2. 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 9/30/20
3. Mezzanine loans include attachment and detachment loan-to-values, respectively. Attachment loan-to-value reflects initial funding of loans senior to our position divided by the as-is value as of the date the loan was originated, or the principal amount divided by the appraised value as of the date of the most recent appraisal. Detachment loan-to-value reflects the cumulative initial funding of our loan and the loans senior to our position divided by the as-is value as of the date the loan was originated, or the cumulative principal amount divided by the appraised value as of the date of the most recent appraisal. Construction mezzanine loans include attachment and detachment loan-to-value, respectively. Attachment loan-to-value reflects the total commitment amount of loans senior to our position divided by as-completed appraised value, or the total commitment amount of loans senior to our position divided by projected total cost basis. Detachment loan-to-value reflect the cumulative commitment amount of our loan and the loans senior to our position divided by as-completed appraised value, or the cumulative commitment amount of our loan and loans senior to our position divided by projected total cost basis
4. Represents annualized reported NOI for the third quarter 2020 at CLNC share
5. Represents the percent leased as of 9/30/20 and is weighted by carrying value at CLNC share as of 9/30/20
6. Based on in-place leases (defined as occupied and paying leases) as of 9/30/20 and assumes that no renewal options are exercised. W.A. calculation based on carrying value at CLNC share as of 9/30/20

### Page 16

1. W.A. calculation based on carrying value at CLNC share as of 9/30/20

### Page 18

1. Based on carrying values at CLNC share as of 9/30/20. Property type excludes private equity interests
2. Net lease and other real estate includes deferred leasing costs and other net intangibles and includes the impact of accumulated depreciation and amortization
3. Related to an equity participation interest
4. Other includes commercial and residential development and predevelopment assets
5. Represents carrying values net of any in-place investment-level financing at CLNC share as of 9/30/20
6. Represents LNS Portfolio's proportionate share of allocated balance sheet assets and liabilities (including cash, restricted cash, net receivables, other assets, due to related party, accrued and other liabilities and escrow deposits payable)

### Page 20

1. Net-debt-to-equity ratio based on CLNC's share of total outstanding secured debt agreements (UPB) less unrestricted cash at CLNC's share divided by total stockholders' equity; stockholders' equity includes noncontrolling interests in the OP and excludes noncontrolling interests in investment entities
2. Assumes the applicable floating benchmark rate as of 9/30/20 for W.A. calculations and is weighted on outstanding debt (UPB) at CLNC share as of 9/30/20

### Page 21

1. Subject to customary non-recourse carve-outs
2. W.A. calculation based on outstanding debt (UPB) at CLNC share as of 9/30/20. W.A. extended maturity excludes CMBS facilities
3. Assumes the applicable floating benchmark rate as of 9/30/20 for W.A. calculations
4. Represents financing on one senior loan investment in the Core Portfolio
5. Maturity dates are dependent on asset type and typically range from one to six month rolling periods

### Page 31

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

## APPENDIX – FOOTNOTES (CONT'D)

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**Page 32**

1. Represents net accumulated depreciation and amortization on real estate investments, including related intangible assets and liabilities
2. The Company calculates GAAP net 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 9/30/20, the total number of common shares and OP units outstanding was approximately 131.7 million

**Page 33**

1. The Company calculates Core Earnings / Legacy, Non-Strategic Earnings per share and Adjusted Core Earnings / LNS Earnings per share, which are non-GAAP financial measures, based on a weighted average number of common shares and OP units (held by members other than the Company or its subsidiaries)
2. For the three months ended 9/30/20, the weighted average number of common shares and OP units was approximately 131.7 million; includes 3.1 million of OP units
3. Adjusted Core Earnings / Legacy, Non-Strategic Earnings excludes all gains/losses and a significant one-time tax benefit that occurred during the third quarter 2020



## COMPANY INFORMATION

Colony Credit Real Estate (NYSE: CLNC) 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. 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 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.clncredit.com](http://www.clncredit.com).

### Shareholder Information

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**Company Website:**

[www.clncredit.com](http://www.clncredit.com)

**NYSE Ticker:**  
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**ColonyCredit**  
REAL ESTATE

# INVESTOR PRESENTATION

November 5, 2020



**ColonyCredit**  
REAL ESTATE

# Cautionary Statement Regarding Forward-looking Statements

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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 or 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; uncertainties regarding the ongoing impact of the novel coronavirus (COVID-19), the severity of the disease, the duration of the COVID-19 outbreak, actions that may be taken by governmental authorities to contain the COVID-19 outbreak or to treat its impact, the potential negative impacts of COVID-19 on the global economy and its adverse impact on the real estate market, the economy and the Company's investments (including, but not limited to, the Los Angeles mixed-use development loan and other hospitality loans), financial condition and business operation; defaults by borrowers in paying debt service on outstanding indebtedness and borrowers' abilities to manage and stabilize properties; deterioration in the performance of the properties securing our investments (including depletion of interest and other reserves or payment-in-kind concessions in lieu of current interest payment obligations) that may cause deterioration in the performance of our investments and, potentially, principal losses to us; 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, 2019, as well as in Colony Credit Real Estate's other filings with the Securities and Exchange Commission; 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; adverse impacts on the Company's corporate revolver, including covenant compliance and borrowing base capacity; adverse impacts on the Company's liquidity, including margin calls on master repurchase facilities, debt service or lease payment defaults or deferrals, demands for protective advances and capital expenditures, or its ability to continue to generate liquidity from sales of Legacy, Non-Strategic assets; the Company's ability to liquidate its Legacy, Non-Strategic assets within the projected timeframe or at the projected values; the timing of and ability to deploy available capital; the Company's ability to pay, 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; whether Colony Capital will continue to serve as our external manager or whether we will pursue another strategic transaction; and the impact of legislative, regulatory and competitive changes, and the actions of government authorities, including the current U.S. presidential administration, and in particular those affecting the commercial real estate finance and mortgage industry or our business. 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, 2019 and Part II, Item 1A of the Company's Form 10-Q for the quarter ended June 30, 2020, as well as in Colony Credit Real Estate's other filings with the 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.

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. 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.

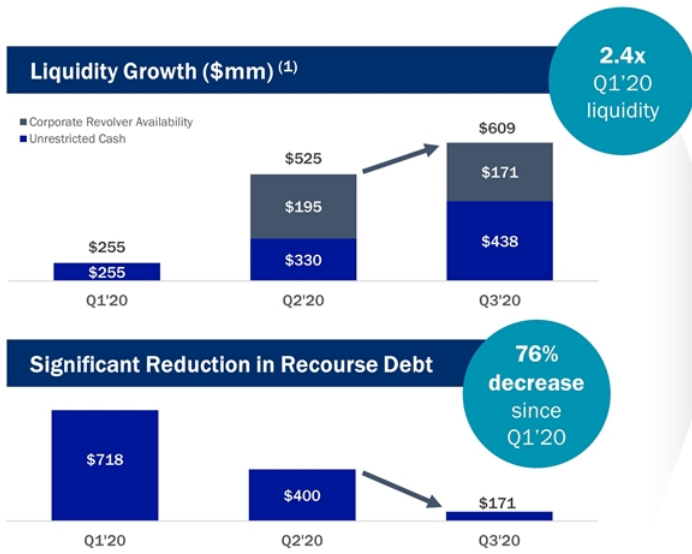
# Company Highlights

Substantial commercial real estate credit REIT with conservative balance sheet.



# Where Are We Now?

In response to COVID-19, CLNC has taken decisive action.



## Experienced Leadership

- Team led by Michael Mazzei, CEO & President
- 30+ years of extensive commercial mortgage experience

## Increased Liquidity

- \$609M total liquidity
- More than doubled since Q1 2020

## Reduced Leverage

- Debt-to-equity from 1.4x to 1.1x
- Recourse debt exposure reduced from \$718M to \$171M (0.1x recourse debt-to-equity exposure)

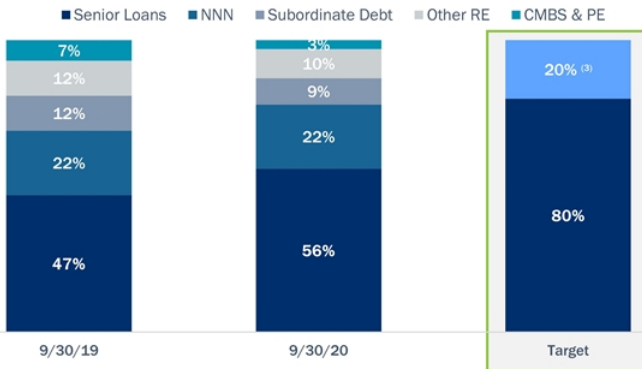
## Stable Portfolio

- \$4.3B total at-share assets
- GAAP book value of \$13.25 per share
- Undepreciated book value of \$14.53 per share

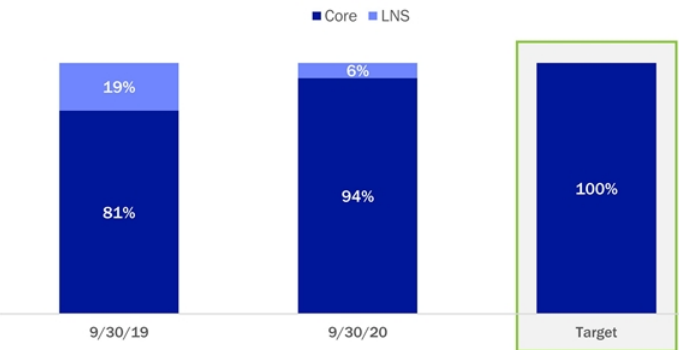
# Portfolio Transition Underway

CLNC is steadily transitioning its portfolio. Focus on floating rate first mortgages while reducing exposure to mezzanine loans and preferred equity.

## Investment Type (%) <sup>(1)</sup>



## Core Portfolio vs. Legacy, Non-Strategic Portfolio <sup>(2)</sup>



### ✓ Increased Senior Loan Exposure

- Lower risk profile, limited credit-loss risk
- Significant equity cushion to absorb potential losses in downside scenarios

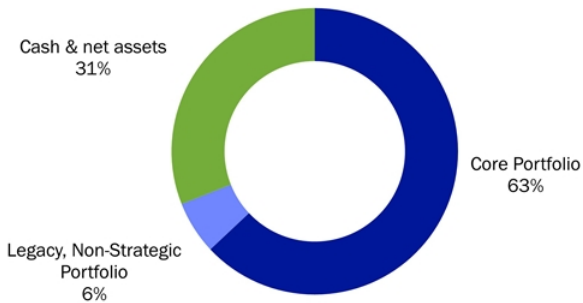
### ✓ Clear Path to Exit Legacy, Non-Strategic Portfolio

- 6% of total portfolio net book value...and declining
- Anticipate exiting remainder of the portfolio in 2021

# Now Positioned to Play Offense

Initiating strategy to build earnings power into 2021 and beyond.

## Ample Cash Available for Deployment



Total Company GAAP Net Book Value  
\$1.7 Billion / \$13.25 per share

### ✓ Convert Liquidity into New First Mortgage Loan Originations

- Ample liquidity to fund new deals with predictable earnings
- One investment closed since Q3'20; three others under contract

### ✓ Reactivating Powerful Originations Platform

- \$1.6B+ of new originations in 2019, predominately in first mortgages
- Over \$700M of first mortgage loans quoted since late Q3'20

### ✓ Strengthening Team with Proven Credit Expertise

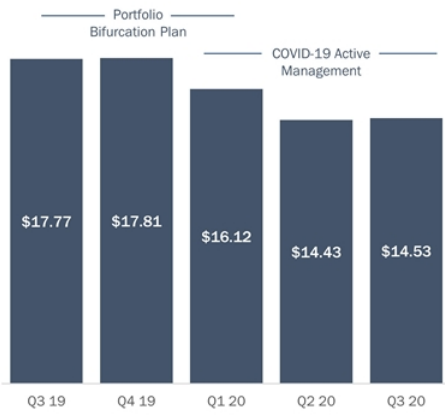
- George Kok hired as Head of Credit & Underwriting
- 35 years of experience as proven leader and business builder in CRE finance and CMBS



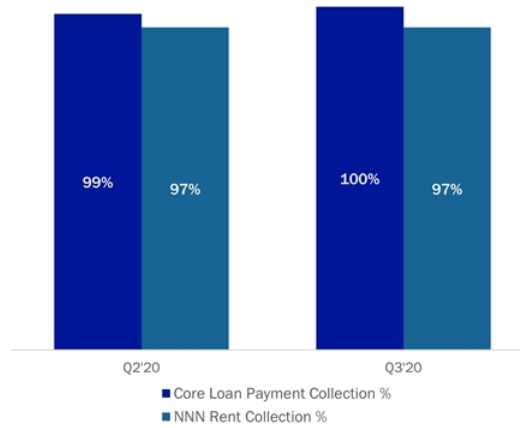
# Performing Through the Pandemic

Collections have remained strong throughout COVID-19 and book value has stabilized.

## Book Value Per Share (Undepreciated)



## Core Portfolio Collections



### ✓ Strong Collections throughout the Pandemic

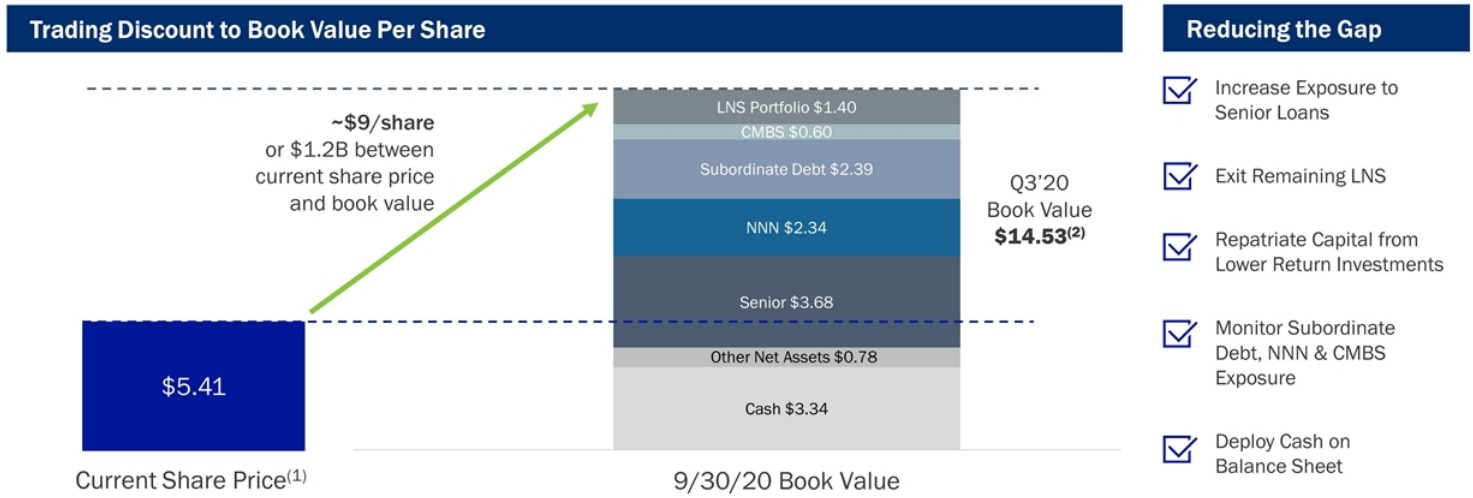
- 100% interest on the core loan portfolio was collected during the third quarter
- 97% of rent due across the Core Net Lease portfolio was collected during the third quarter

### ✓ Stabilized Book Value

- GAAP book value of \$13.25 per share increased from \$13.06 in Q2'20
- Undepreciated book value of \$14.53 per share, increased from \$14.43 in Q2'20

# CLNC Trading Discount

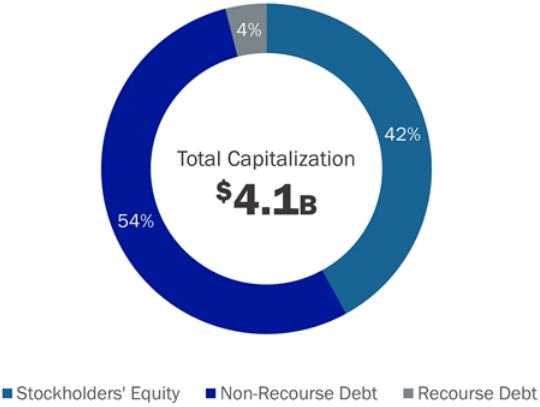
CLNC's book value is approximately \$1.2 billion, or approximately \$9 per share, greater than recent trading prices. Current cash represents approximately 62% of current share price.



# Prudent Capital Structure Positioned for Growth

Current capital structure provides flexibility and support to drive growth and return on equity.

## Capital Structure



## Access to Diverse and Efficient Financing Sources

- Robust liquidity: \$438M of cash and \$609M of total liquidity
- Reduced leverage ratios and limited recourse debt exposure. (\$171M recourse debt, down from \$718M)
- Embedded financing capacity within existing structure and access to additional financing sources
  - Fully undrawn corporate revolver (\$450M total size)
  - Master repurchase facilities / term facilities (\$1.5B availability)
  - Mortgage debt
  - Capital markets securitizations
  - Public capital markets

# CLNC Investment Opportunity

CLNC's strong balance sheet positions the firm on a path towards substantial earnings growth and shareholder value creation.

## Positioned for Growth



- Robust liquidity position
- Embedded financing capacity
- Team in-place to capitalize on growth opportunities

## A Simple Game Plan



- Deploy cash on balance sheet in senior loans
- Repatriate proceeds from lower yielding asset and redeploy the capital
- Build earnings and reinstate a dividend

## Stable and Recurring Earnings



- Valuation discount between current share price and underlying book value
- Path to build earnings
- Ultimately CLNC will trade to an earnings yield

# Company Information

Colony Credit Real Estate (NYSE: CLNC) 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. 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 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.clncredit.com](http://www.clncredit.com).

## Shareholder information

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# Important Note Regarding Non-GAAP Financial Measures and Definitions

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We present Core Earnings/Legacy, Non-Strategic ("LNS") Earnings, which are non-GAAP supplemental financial measures of our performance. Our Core Earnings are generated by the Core Portfolio and Legacy, Non-Strategic Earnings are generated by the Legacy, Non-Strategic Portfolio. We believe that Core Earnings/Legacy, Non-Strategic 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"). These supplemental financial measures help 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. For information on the fees we pay our Manager, see Note 10, "Related Party Arrangements" to our consolidated financial statements included in Form 10-Q to be filed with the U.S. Securities and Exchange Commission ("SEC"). In addition, we believe that our investors also use Core Earnings/Legacy, Non-Strategic 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/Legacy, Non-Strategic Earnings is useful to our investors.

We define Core Earnings/Legacy, Non-Strategic 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 or other strategic transactions, (iii) the incentive fee, (iv) acquisition costs from successful acquisitions, (v) gains or losses from sales of real estate property and impairment write-downs of depreciable real estate, including unconsolidated joint ventures and preferred equity investments, (vi) CECL reserves determined by probability of default / loss given default (or "PD/LGD") model, (vii) depreciation and amortization, (viii) 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, (ix) one-time events pursuant to changes in U.S. GAAP and (x) certain material non-cash income or expense items that in the judgment of management should not be included in Core Earnings/Legacy, Non-Strategic Earnings. For clauses (ix) and (x), 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. U.S. GAAP net income (loss) attributable to our common stockholders and Core Earnings/Legacy, Non-Strategic Earnings include provision for loan losses.

Prior to the third quarter of 2019, Core Earnings reflected adjustments to U.S. GAAP net income to exclude impairment of real estate and provision for loan losses. During the third quarter of 2019, we revised our definition of Core Earnings to include the provision for loan losses while excluding realized losses of sales of real estate property and impairment write-downs of preferred equity investments. This was approved by a majority of our independent directors.

Core Earnings/Legacy, Non-Strategic 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/Legacy, Non-Strategic 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/Legacy, Non-Strategic Earnings may not be comparable to the Core Earnings/Legacy, Non-Strategic Earnings reported by other companies.

The Company calculates Core Earnings/Legacy, Non-Strategic Earnings per share, which are non-GAAP supplemental financial measures, based on a weighted average number of common shares and operating partnership units (held by members other than the Company or its subsidiaries).

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.

**ColonyCredit**  
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