

**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): **August 6, 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 August 6, 2020, Colony Credit Real Estate, Inc. (the “Company”) issued a press release announcing its financial position as of June 30, 2020 and its financial results for the second quarter ended June 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 August 6, 2020, the Company made available a Supplemental Financial Disclosure Presentation for the quarter ended June 30, 2020 on the Company’s website at 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, which are 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 and 99.2 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.

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 | Press Release dated August 6, 2020 |
| 99.2 | Supplemental Financial Disclosure Presentation for the quarter ended June 30, 2020 |

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: August 6, 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 Second Quarter 2020 Financial Results

LOS ANGELES, August 6, 2020 – Colony Credit Real Estate, Inc. (NYSE: CLNC) (“Colony Credit Real Estate” or the “Company”) today announced its financial results for the second quarter ended June 30, 2020 and certain updates. The Company reported second quarter 2020 total Company GAAP net income (loss) attributable to common stockholders of \$(227.1) million, or \$(1.77) per share, and total Core/LNS Earnings/(Loss) of \$(230.5) million, or \$(1.75) per share. These resulted from certain loan losses and fair value adjustments, losses incurred on sales of both loans and CMBS securities as well as the completion of a non-recourse asset level financing. Excluding such provisions for losses and fair value adjustments, total Core/LNS Earnings were \$34.7 million, or \$0.26 per share. Total Company GAAP net book value was \$13.06 per share and undepreciated book value was \$14.43 per share, as of June 30, 2020.

Michael J. Mazzei commented, “COVID-19 is persistent and remains a significant global event. We are committed to the welfare of all our stakeholders as we work through these difficult times.”

Michael J. Mazzei commented, “During the second quarter and subsequently, mindful of an unprecedented and uncertain economic environment, we focused on solidifying our business and improving overall financial flexibility by selling and financing select assets with a goal of generating balance sheet liquidity. Our strategic resolutions focused primarily on certain Core Portfolio investments which included CMBS securities, certain hotel and preferred equity interests as well as legacy, non-strategic portfolio investments. While incurring losses this quarter, we more than doubled our liquidity to approximately \$525 million while also reducing our recourse financing by over \$600 million.

Mr. Mazzei continued, “These decisive actions equip us to better navigate the challenges of COVID-19 as well as improve our positioning for future investment and growth opportunities.”

Supplemental Financial Report

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

Second Quarter 2020 Conference Call

The Company will conduct a conference call to discuss the financial results on August 6, 2020 at 2:00 p.m. PT / 5:00 p.m. ET. To participate in the event by telephone, please dial (877) 407-0784 ten minutes prior to the start time (to allow time for registration). International callers should dial (201) 689-8560. 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. 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 August 6, 2020 at 5:00 p.m. PT / 8:00 p.m. ET, through August 13, 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 13706786. 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. The Special Committee has continued to explore alternatives but has been 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.

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.

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 the ability to source additional capital commitments to support such project), 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.

ColonyCredit

REAL ESTATE

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 March 31, 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)

| | June 30, 2020 (Unaudited) | December 31, 2019 |
|---|------------------------------|---------------------|
| Assets | | |
| Cash and cash equivalents | \$ 437,951 | \$ 69,619 |
| Restricted cash | 84,011 | 126,065 |
| Loans and preferred equity held for investment, net | 2,242,574 | 2,576,332 |
| Real estate securities, available for sale, at fair value | 60,010 | 252,824 |
| Real estate, net | 823,531 | 1,484,796 |
| Investments in unconsolidated ventures (\$7,093 and \$10,283 at fair value, respectively) | 417,307 | 595,305 |
| Receivables, net | 46,325 | 46,456 |
| Deferred leasing costs and intangible assets, net | 79,780 | 112,762 |
| Assets held for sale | 760,290 | 189,470 |
| Other assets | 58,535 | 87,707 |
| Mortgage loans held in securitization trusts, at fair value | 1,839,953 | 1,872,970 |
| Total assets | \$ 6,850,267 | \$ 7,414,306 |
| Liabilities | | |
| Securitization bonds payable, net | \$ 834,088 | \$ 833,153 |
| Mortgage and other notes payable, net | 1,174,146 | 1,256,112 |
| Credit facilities | 900,173 | 1,099,233 |
| Due to related party | 9,639 | 11,016 |
| Accrued and other liabilities | 101,945 | 140,424 |
| Intangible liabilities, net | 8,378 | 22,149 |
| Liabilities related to assets held for sale | 12,131 | 294 |
| Escrow deposits payable | 50,605 | 74,497 |
| Dividends payable | - | 13,164 |
| Mortgage obligations issued by securitization trusts, at fair value | 1,758,325 | 1,762,914 |
| Total liabilities | 4,849,430 | 5,212,956 |
| Commitments and contingencies | | |
| Equity | | |
| Stockholders' equity | | |
| Preferred stock, \$0.01 par value, 50,000,000 shares authorized, no shares issued and outstanding as of June 30, 2020 and December 31, 2019, respectively | - | - |
| Common stock, \$0.01 par value per share | | |
| Class A, 950,000,000 shares authorized, 128,583,198 and 128,538,703 shares issued and outstanding as of June 30, 2020 and December 31, 2019, respectively | 1,286 | 1,285 |
| Additional paid-in capital | 2,840,134 | 2,909,181 |
| Accumulated deficit | (1,186,754) | (819,738) |
| Accumulated other comprehensive income (loss) | 25,241 | 28,294 |
| Total stockholders' equity | 1,679,907 | 2,119,022 |
| Noncontrolling interests in investment entities | 281,041 | 31,631 |
| Noncontrolling interests in the Operating Partnership | 39,889 | 50,697 |
| Total equity | 2,000,837 | 2,201,350 |
| Total liabilities and equity | \$ 6,850,267 | \$ 7,414,306 |

ColonyCredit REAL ESTATE

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

| | Three Months Ended June 30, | |
|---|-----------------------------|---------------------|
| | 2020 | 2019 |
| Net interest income | | |
| Interest income | \$ 39,508 | \$ 42,073 |
| Interest expense | (16,745) | (21,046) |
| Interest income on mortgage loans held in securitization trusts | 20,539 | 38,656 |
| Interest expense on mortgage obligations issued by securitization trusts | (18,364) | (35,756) |
| Net interest income | 24,938 | 23,927 |
| Property and other income | | |
| Property operating income | 43,722 | 64,767 |
| Other income (loss) | (8,360) | 434 |
| Total property and other income | 35,362 | 65,201 |
| Expenses | | |
| Management fee expense | 7,206 | 11,357 |
| Property operating expense | 16,311 | 28,140 |
| Transaction, investment and servicing expense | 2,907 | 1,051 |
| Interest expense on real estate | 11,818 | 13,898 |
| Depreciation and amortization | 14,020 | 29,257 |
| Provision for loan losses | (51) | 110,258 |
| Impairment of operating real estate | 25,935 | 10,124 |
| Administrative expense (including \$1,549 and \$2,713 of equity-based compensation expense, respectively) | 6,751 | 8,010 |
| Total expenses | 84,897 | 212,095 |
| Other income (loss) | | |
| Unrealized gain (loss) on mortgage loans and obligations held in securitization trusts, net | (8,975) | 5,549 |
| Other loss, net | (119,633) | (6,062) |
| Loss before equity in earnings of unconsolidated ventures and income taxes | (153,205) | (123,480) |
| Equity in earnings (loss) of unconsolidated ventures | (85,277) | 12,557 |
| Income tax benefit (expense) | (2,102) | 133 |
| Net loss | (240,584) | (110,790) |
| Net loss attributable to noncontrolling interests: | | |
| Investment entities | 8,107 | 880 |
| Operating Partnership | 5,418 | 2,569 |
| Net loss attributable to Colony Credit Real Estate, Inc. common stockholders | \$ (227,059) | \$ (107,341) |
| Net loss per common share – basic and diluted | \$ (1.77) | \$ (0.84) |
| Weighted average shares of common stock outstanding – basic and diluted | 128,539 | 128,534 |

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 (Loss)/LNS Earnings (Loss)

| | Three Months Ended June 30, 2020 | | |
|---|----------------------------------|---------------------------------|----------------|
| | Total | Legacy, Non-Strategic Portfolio | Core Portfolio |
| Net loss attributable to Colony Credit Real Estate, Inc. common stockholders | \$ (227,059) | \$ (16,728) | \$ (210,331) |
| <i>Adjustments:</i> | | | |
| Net loss attributable to noncontrolling interest of the Operating Partnership | (5,418) | (373) | (5,045) |
| Non-cash equity compensation expense | 1,549 | 697 | 852 |
| Transaction costs | 705 | 292 | 413 |
| Depreciation and amortization | 13,386 | 4,318 | 9,068 |
| Net unrealized loss (gain) on investments: | | | |
| Impairment of operating real estate and preferred equity | 25,935 | 25,935 | - |
| Other unrealized gain on investments | (23,798) | (1) | (23,797) |
| CECL reserves | (20,925) | - | (20,925) |
| Losses on sale of operating real estate and preferred equity | 13,520 | 3,437 | 10,083 |
| Adjustments related to noncontrolling interests in investment entities | (8,428) | (8,329) | (99) |
| Core Earnings (Loss) / Legacy, Non-Strategic Earnings (Loss) attributable to Colony Credit Real Estate, Inc. common stockholders and noncontrolling interest of the Operating Partnership | \$ (230,533) | \$ 9,248 | \$ (239,781) |
| Core Earnings (Loss) / Legacy, Non-Strategic Earnings (Loss) per share ⁽¹⁾ | \$ (1.75) | \$ 0.07 | \$ (1.82) |
| Weighted average number of common shares and OP units ⁽¹⁾ | 131,615 | 131,615 | 131,615 |

(1) The Company calculates Core Earnings (Loss)/Legacy, Non-Strategic Earnings (Loss) 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 June 30, 2020, the weighted average number of common shares and OP units was approximately 131.6 million; includes 3.1 million of OP units

Core Earnings (Loss)/LNS Earnings (Loss) to Core Earnings (Loss)/LNS Earnings (Loss) Excluding Gains/(Losses)

| | Three Months Ended June 30, 2020 | | |
|--|----------------------------------|---------------------------------|----------------|
| | Total | Legacy, Non-Strategic Portfolio | Core Portfolio |
| Core Earnings (Loss) / Legacy, Non-Strategic Earnings (Loss) attributable to Colony Credit Real Estate, Inc. common stockholders and noncontrolling interest of the Operating Partnership | \$ (230,533) | \$ 9,248 | \$ (239,781) |
| <i>Adjustments:</i> | | | |
| Realized loss on CRE debt securities sales | 57,045 | - | 57,045 |
| Realized loss on unwind of IRS hedges | 34,019 | - | 34,019 |
| Provision for loan losses | 58,866 | - | 58,866 |
| Reversal of provision for loan losses on note sales | (10,202) | (10,202) | - |
| Fair value adjustments on investments in unconsolidated ventures | 96,236 | - | 96,236 |
| Impairment of CRE debt securities | 29,240 | - | 29,240 |
| Core Earnings (Loss) / Legacy, Non-Strategic Earnings (Loss) excluding gains / (losses) attributable to Colony Credit Real Estate, Inc. common stockholders and noncontrolling interest of the Operating Partnership | \$ 34,670 | \$ (954) | \$ 35,625 |
| Core Earnings (Loss) / Legacy, Non-Strategic Earnings (Loss) excluding gains / (losses) per share ⁽¹⁾ | \$ 0.26 | \$ (0.01) | \$ 0.27 |
| Weighted average number of common shares and OP units ⁽¹⁾ | 131,615 | 131,615 | 131,615 |

(1) The Company calculates Core Earnings (Loss) / Legacy, Non-Strategic Earnings (Loss) excluding gains / (losses) 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 June 30, 2020, the weighted average number of common shares and OP units was approximately 131.6 million; includes 3.1 million of OP units

GAAP Net Book Value to Undepreciated Book Value

| | As of June 30, 2020 | | |
|---|---------------------|---------------------------------|---------------------|
| | Total | Legacy, Non-Strategic Portfolio | Core Portfolio |
| GAAP net book value (excl. noncontrolling interests in investment entities) | \$ 1,719,796 | \$ 88,649 | \$ 1,631,147 |
| Accumulated depreciation and amortization ⁽¹⁾ | 180,467 | 82,727 | 97,740 |
| Undepreciated book value | <u>\$ 1,900,263</u> | <u>\$ 171,376</u> | <u>\$ 1,728,887</u> |
| GAAP net book value per share (excl. noncontrolling interests in investment entities) | \$ 13.06 | \$ 0.67 | \$ 12.39 |
| Accumulated depreciation and amortization per share ⁽¹⁾ | 1.37 | 0.63 | 0.74 |
| Undepreciated book value per share | <u>\$ 14.43</u> | <u>\$ 1.30</u> | <u>\$ 13.13</u> |
| Total common shares and OP units outstanding ⁽²⁾ | <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, a non-GAAP financial measure, based on the total number of common shares and OP units (held by members other than the Company or its subsidiaries) outstanding at the end of the reporting period. As of June 30, 2020, the total number of common shares and OP units outstanding was approximately 131.7 million



ColonyCredit
REAL ESTATE

**Supplemental Financial Report
Second Quarter 2020**

August 6, 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 the ability to source additional capital commitments to support such project), 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 March 31, 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 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.

**COMPANY
HIGHLIGHTS**



SECOND QUARTER COMPANY HIGHLIGHTS

\$525M

Total Liquidity⁽¹⁾

\$4.7B

Total At-Share Assets⁽²⁾

\$14.43

Book Value Per Share⁽³⁾

1.4x

Net-Debt-to-Equity Ratio⁽⁴⁾

Financial Results

- Net loss of \$(227.1) million or \$(1.77) per share and Total Core/LNS Earnings (Loss) of \$(230.5) million or \$(1.75) per share
- Total Core/LNS Earnings excluding gains/(losses) of \$34.7 million or \$0.26 per share
- GAAP net book value of \$1.7 billion or \$13.06 per share and undepreciated book value of \$1.9 billion or \$14.43 per share
- Recorded \$164 million of impairments related to sales or valuations of certain loans, CRE debt securities and owned real estate⁽⁵⁾
- Suspended monthly cash dividend on 4/17/20 beginning with the monthly period ending 4/30/20

Liquidity & Capitalization

- **\$525 million** of available liquidity as of 8/5/20 (**more than doubled** from \$255 million as of 5/6/20)
- **\$1.6 billion** of available capacity under senior loan master repurchase facilities
- Reduced debt by approximately **\$375 million** during the second quarter and by over **\$600 million** from 3/31/20 to date
- **60%** debt-to-total assets ratio and **1.4x** net debt-to-equity ratio
- Obtained margin holidays and favorable terms on two senior loan master repurchase facilities

Portfolio Activity

- Non-Recourse Preferred Financing
 - Closed \$229 million non-recourse preferred financing on a portfolio of five investments
- Asset Sales – Core Portfolio
 - Since Q1 2020, **sold 3 investments** for **\$222 million** of net proceeds
 - Sold 27 CRE debt securities for **\$24 million** of net proceeds
 - **One investment under contract** expected to generate **\$78 million** of net proceeds and close by year-end
- Since Q1 2020, **sold 6 LNS assets** for **\$34 million** of net proceeds

Investment Portfolio

- Total investment portfolio of **\$4.1 billion**
- **\$2.5 billion** Core loan and preferred equity portfolio
- **100%** of Core floating rate senior mortgage loans have active LIBOR floors (weighted average LIBOR floor of approximately 190bps)
- **\$1.0 billion** Core net lease portfolio with a weighted average lease term of 8.8 years

SECOND QUARTER SIGNIFICANT DEVELOPMENTS

CLNC generated liquidity, further solidified the balance sheet and improved positioning for future opportunities

Asset Sales

- **Core Portfolio**
 - Sold one preferred equity interest collateralized by a portfolio of operating intensive properties for \$98 million of net proceeds; recognized a \$10 million loss
 - Sold 27 CRE debt securities for \$90 million of gross proceeds and \$24 million of net proceeds; recognized a \$21 million net loss not previously recorded in other comprehensive income⁽¹⁾
 - Subsequent to quarter end, sold one hotel and office loan for \$182 million of gross proceeds and \$125 million of net proceeds, respectively; in-line with 6/30/20 book values
 - One net lease portfolio under contract for expected gross proceeds of \$335 million and net proceeds of \$78 million
- Sold four LNS assets for \$46 million of gross proceeds and \$29 million of net proceeds; recognized a \$10 million gain

Impairments

- **LA Mixed-Use Development** – Recorded an \$89 million fair value loss on our LA mixed-use construction mezzanine loan and preferred equity interest as a result of cost overruns due to construction costs and timing delays
- **Loans & Preferred Equity Portfolio** – \$40 million of net impairments across separate borrowers collateralized by hotel, office and mixed-use properties, respectively⁽²⁾. Subsequent to the second quarter, exited the hotel and office loan at 6/30/20 book value
- **CRE Debt Securities** – \$18 million of impairments on CRE debt securities and placed such securities on cost recovery⁽³⁾
- **Operating Real Estate** – \$17 million of impairments on held for sale operating real estate in conjunction with winding down the LNS Portfolio

Non-Recourse Preferred Financing

- \$229 million of non-recourse preferred financing on portfolio of five Company investments. Borrowings of \$200 million at closing representing a 52.5% advance rate to the Company's carrying value, with access to \$29 million of additional commitments
- The financing provides a 10% preferred return and a residual interest in future cash flows. In addition, the structure of the financing resulted in a reduction in stockholders' equity of approximately \$70 million

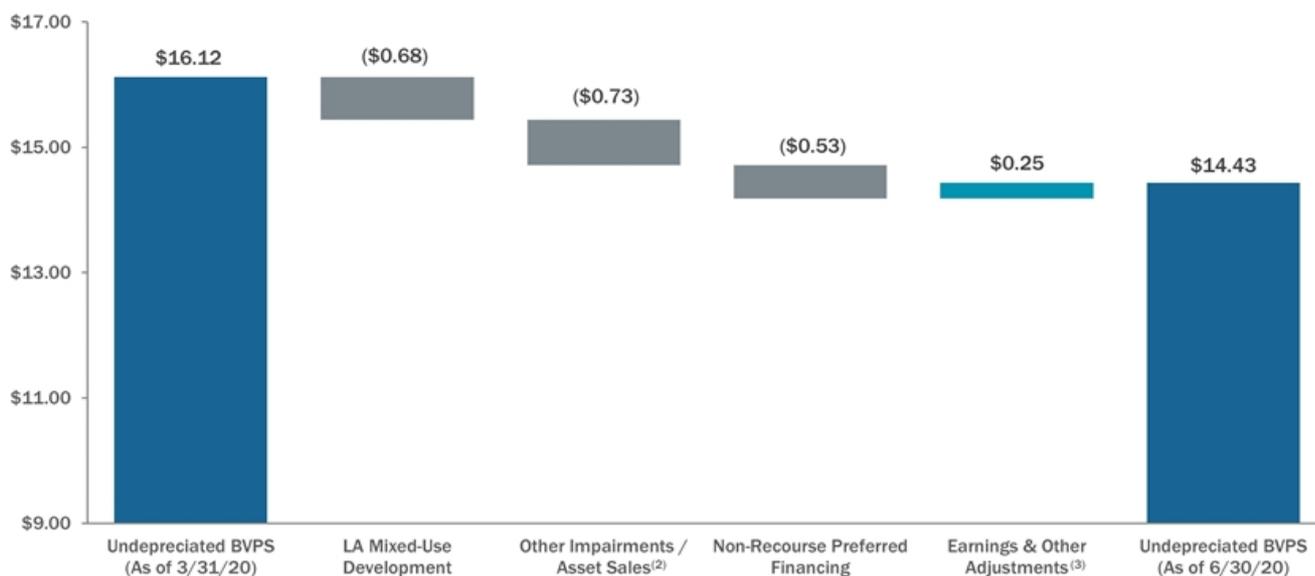
Earnings & Other Book Value Adjustments

- Total Core/LNS Earnings excluding gains/(losses) of \$35 million
- Other items including FX translations, unwind of CMBS interest rate swap and changes to other comprehensive income of \$1 million

SECOND QUARTER BOOK VALUE BRIDGE

In aggregate, events during the quarter resulted in a book value reduction of \$1.69 per share

Undepreciated Book Value Adjustments⁽¹⁾



| | As of 3/31/20 | LA Mixed-Use Development | Other Impairments / Asset Sales ⁽²⁾ | Non-Recourse Preferred Financing | Earnings & Other Adjustments ⁽³⁾ | As of 6/30/20 |
|------------------|----------------|--------------------------|--|----------------------------------|---|----------------|
| \$mm | \$2,119 | (\$89) | (\$96) | (\$70) | \$36 | \$1,900 |
| Per Share | \$16.12 | (\$0.68) | (\$0.73) | (\$0.53) | \$0.25 | \$14.43 |

See footnotes in the appendix

BALANCE SHEET SUMMARY

(\$ in thousands, unless otherwise stated; as of June 30, 2020; at CLNC share)

| Company Overview | | Portfolio Overview | | | | |
|-----------------------------------|--|--|-------------------------------|-----------------------------------|---------------------|-----------------|
| | | Number of investments | Carrying value ⁽¹⁾ | Net carrying value ⁽⁴⁾ | Per Share | |
| \$4.7 billion | Total at-share assets ⁽¹⁾ | Core Portfolio | | | | |
| | | Senior mortgage loans | 35 | \$ 2,136,279 | \$ 557,284 | \$ 4.23 |
| 60% | Debt-to-asset ratio ⁽²⁾ | Mezzanine loans | 9 | 234,337 | 234,337 | 1.78 |
| | | Preferred equity & other loans ⁽⁵⁾ | 7 | 142,515 | 142,515 | 1.08 |
| 1.4x | Net-debt-to-equity ratio ⁽³⁾ | CRE debt securities ⁽⁶⁾ | 24 | 141,638 | 103,287 | 0.79 |
| | | Net lease real estate ⁽⁷⁾ | 6 | 1,002,622 | 308,408 | 2.34 |
| \$1.7 billion / \$13.06 per share | GAAP net book value ⁽¹⁾ | Allocated assets, liabilities & corporate debt ⁽⁸⁾ | | 497,110 | 285,316 | 2.17 |
| \$1.9 billion / \$14.43 per share | Undepreciated book value ⁽¹⁾ | Total Core Portfolio | 81 | \$ 4,154,501 | \$ 1,631,147 | \$ 12.39 |
| 95% / 5% | Core Portfolio / LNS Portfolio <small>(based on GAAP net book value as of June 30, 2020)</small> | LNS Portfolio | | | | |
| | | Investment-level - LNS Portfolio | 43 | \$ 444,702 | \$ 115,831 | \$ 0.88 |
| | | Allocated assets, liabilities & corporate debt ⁽⁸⁾ | | 124,402 | (27,182) | (0.21) |
| | | Total LNS Portfolio | 43 | \$ 569,104 | \$ 88,649 | \$ 0.67 |
| | | Total Company - GAAP | 124 | \$ 4,723,605 | \$ 1,719,796 | \$ 13.06 |
| | | Plus: accumulated depreciation & amortization⁽⁹⁾ | | | 180,467 | 1.37 |
| | | Total Company - Undepreciated | | | \$ 1,900,263 | \$ 14.43 |

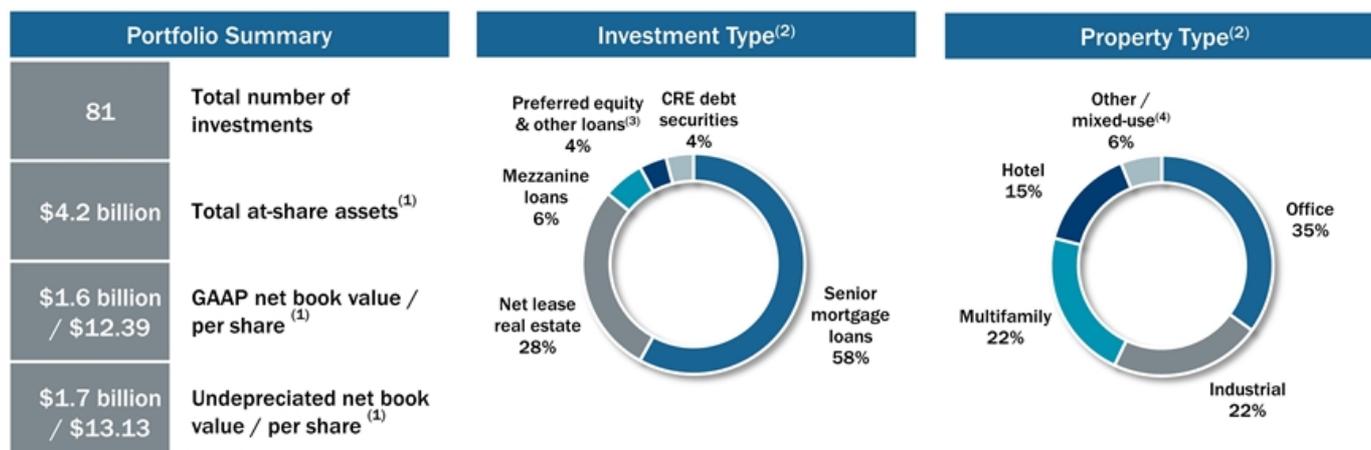
See footnotes in the appendix

CORE PORTFOLIO



CORE PORTFOLIO – OVERVIEW

(\$ in thousands, unless otherwise stated; as of June 30, 2020; at CLNC share)



| Portfolio Overview | | | | Portfolio Activity |
|---|-----------------------|-------------------------------|-----------------------------------|---|
| | Number of investments | Carrying value ⁽⁵⁾ | Net carrying value ⁽⁶⁾ | |
| Senior mortgage loans | 35 | \$ 2,136,279 | \$ 557,284 | <ul style="list-style-type: none"> Q2'20 Core Earnings ex. gains / (losses) of approximately \$35.6 million, or \$0.27 per share During the second quarter 2020, sold one preferred equity interest and 27 CRE debt securities for \$121 million of net proceeds Subsequent to the second quarter 2020, sold one senior loan and one preferred equity interest for \$125 million of net proceeds Subsequent to the second quarter 2020, one net lease investment under contract for \$78 million of net proceeds Obtained margin holidays / buffers on two senior loan master repurchase facilities Closed \$229 million non-recourse preferred financing |
| Mezzanine loans | 9 | 234,337 | 234,337 | |
| Preferred equity & other loans ⁽³⁾ | 7 | 142,515 | 142,515 | |
| CRE debt securities | 24 | 141,638 | 103,287 | |
| Net lease real estate | 6 | 1,002,622 | 308,408 | |
| Allocated assets, liabilities & corporate debt ⁽⁷⁾ | | 497,110 | 285,316 | |
| Total Core Portfolio – GAAP | 81 | \$4,154,501 | \$1,631,147 | |

See footnotes in the appendix

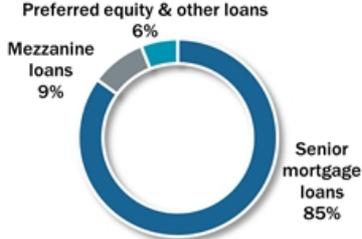
CORE PORTFOLIO – LOANS & PREFERRED EQUITY PORTFOLIO OVERVIEW

(As of June 30, 2020; at CLNC share)

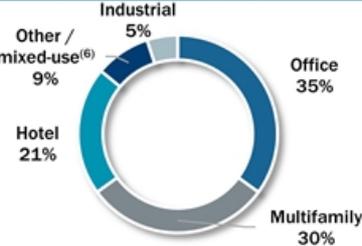
| Overview | |
|---------------|--|
| 51 | Total number of investments |
| \$2.5 billion | Total loans & preferred equity ⁽¹⁾ |
| \$49 million | Average investment size |
| 98% | % Senior loans floating rate <i>(All floating rate senior loans have LIBOR floors in-place)</i> |
| 1.4 years | W.A. remaining term ⁽²⁾ |
| 3.8 years | W.A. extended remaining term ⁽³⁾ |
| 6.3% | W.A. unlevered all-in yield ⁽⁴⁾ |
| 70% | W.A. loan-to-value (senior loans only) |
| 3.9 | W.A. risk ranking |

See footnotes in the appendix

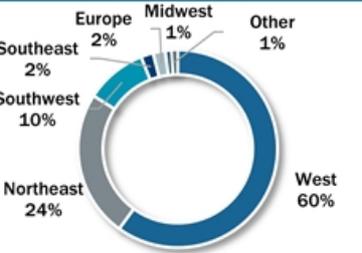
Investment Type⁽⁵⁾



Property Type⁽⁵⁾



Geography⁽⁵⁾



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

(\$ in thousands; as of June 30, 2020; at CLNC share)

| | Number of investments | Carrying value ⁽¹⁾ | Net carrying value ⁽²⁾ | W.A. unlevered all-in yield ⁽³⁾ | W.A. remaining term (years) ⁽⁴⁾ | W.A. extended term (years) ⁽⁵⁾ |
|-----------------------------------|-----------------------|-------------------------------|-----------------------------------|--|--|---|
| Floating rate | | | | | | |
| Senior mortgage loans | 34 | \$ 2,097,855 | \$ 518,860 | 5.7% | 1.2 | 3.7 |
| Mezzanine loans | 1 | 11,182 | 11,182 | 11.8% | 0.5 | 1.5 |
| Total / W.A. floating rate | 35 | 2,109,037 | 530,042 | 5.7% | 1.2 | 3.7 |
| Fixed rate | | | | | | |
| Senior mortgage loans | 1 | 38,424 | 38,424 | 15.0% | 0.5 | 3.5 |
| Mezzanine loans | 8 | 223,155 | 223,155 | 7.9% | 1.5 | 3.4 |
| Preferred equity & other loans | 7 | 142,515 | 142,515 | 9.7% | 4.9 | 5.6 |
| Total / W.A. fixed rate | 16 | 404,094 | 404,094 | 9.2% | 2.6 | 4.2 |
| Total / W.A. | 51 | \$ 2,513,131 | \$ 934,136 | 6.3% | 1.4 | 3.8 |

See footnotes in the appendix

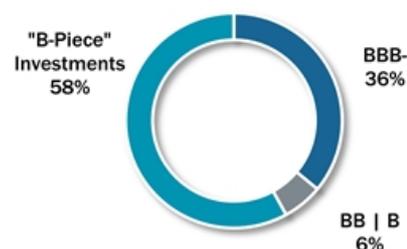
CORE PORTFOLIO – CRE DEBT SECURITIES

(As of June 30, 2020, unless otherwise stated; at CLNC share)

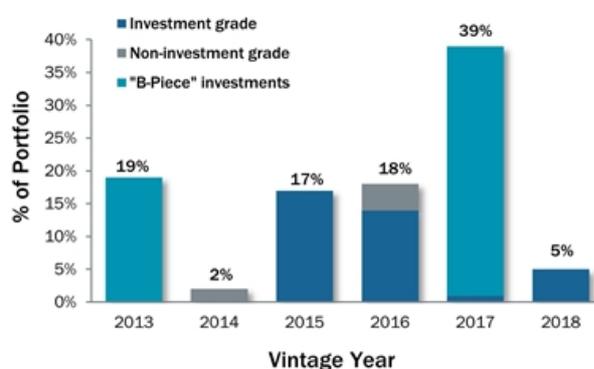
| Overview | |
|---------------|--|
| 24 | Total number of investments ⁽¹⁾ |
| \$285 million | Principal value ⁽²⁾ |
| \$142 million | Carrying value ⁽²⁾ |
| \$103 million | Net carrying value ⁽³⁾ |
| 5.6 years | W.A. remaining term ⁽⁴⁾ |

* During the second quarter 2020, placed investment grade and non-investment grade rated CRE debt securities on cost recovery and as a result, have ceased accretion of any discounts to expected maturity and applied any cash interest received against the CRE debt securities' carrying value

Ratings Category⁽⁵⁾



Vintage⁽⁵⁾



CORE PORTFOLIO – NET LEASE REAL ESTATE

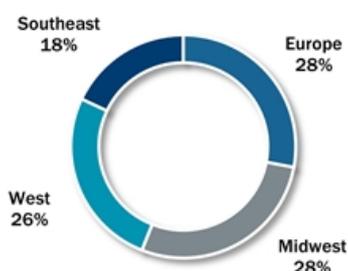
(\$ and square feet in thousands; as of June 30, 2020, unless otherwise stated; at CLNC share)

| | Number of investments | Number of properties | Rentable square feet ("RSF") | Carrying value ⁽¹⁾ | Net carrying value ⁽²⁾ | Q2'20 NOI ⁽³⁾ | Annualized Q2'20 NOI ⁽⁴⁾ | W.A. % leased at end of period ⁽⁵⁾ | W.A. remaining lease term (years) ⁽⁶⁾ |
|--|-----------------------|----------------------|------------------------------|-------------------------------|-----------------------------------|--------------------------|-------------------------------------|---|--|
| Industrial | 3 | 47 | 10,729 RSF | \$ 641,897 | \$ 168,483 | \$ 12,450 | \$ 49,800 | 94% | 8.8 |
| Office | 3 | 3 | 1,812 RSF | 360,725 | 139,925 | 5,734 | 22,936 | 100% | 8.8 |
| Total / W.A. | 6 | 50 | 12,542 RSF | \$ 1,002,622 | \$ 308,408 | \$ 18,184 | \$ 72,736 | 96% | 8.8 |
| Accumulated depreciation and amortization | | | | 97,740 | 97,740 | | | | |
| Total / W.A. – Undepreciated | | | | \$ 1,100,362 | \$ 406,148 | | | | |

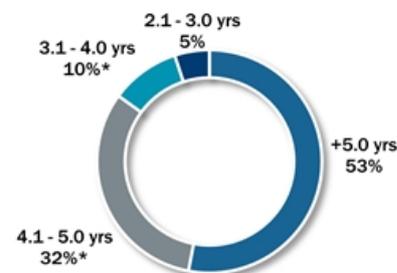
Property type⁽⁷⁾



Geography⁽⁷⁾



W.A. remaining lease term⁽⁶⁾⁽⁷⁾



* 100% is related to industrial net lease properties

See footnotes in the appendix

CORE PORTFOLIO – INVESTMENT DETAIL

(\$ in millions; as of June 30, 2020; at CLNC share)

Core Portfolio – loans & preferred equity portfolio

| | Origination date | Collateral type | City, State | Carrying value ⁽¹⁾ | Coupon type | Cash coupon | Unlevered all-in yield ⁽²⁾ | Extended maturity date ⁽³⁾ | LTV ⁽⁴⁾ | Risk ranking |
|----------------------------------|------------------|-------------------|----------------------|-------------------------------|-------------|-------------|---------------------------------------|---------------------------------------|--------------------|--------------|
| Senior loans | | | | | | | | | | |
| Loan 1 | Jun-19 | Multifamily | Milpitas, CA | \$ 174 | 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 | 118 | 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 | 113 | Floating | L+ 3.7% | 6.1% | Dec-23 | 73% | 3 |
| Loan 6 * | Oct-18 | Hotel | San Diego, CA | 105 | Floating | L+ 4.8% | 6.9% | Oct-24 | 71% | 5 |
| Loan 7 ** | Jun-19 | Multifamily | Santa Clara, CA | 100 | Floating | L+ 4.4% | 7.3% | Jun-24 | 64% | 4 |
| Loan 8 | Apr-19 | Multifamily | Various - U.S. | 92 | Floating | L+ 3.0% | 5.9% | Apr-24 | 65% | 4 |
| Loan 9 | May-19 | Office | Stamford, CT | 90 | Floating | L+ 3.5% | 5.8% | Jun-25 | 71% | 4 |
| Loan 10 | Jun-18 | Office | Burlingame, CA | 73 | Floating | L+ 2.8% | 5.1% | Jul-23 | 61% | 3 |
| Loan 11 | Jun-18 | Hotel | Englewood, CO | 72 | Floating | L+ 3.5% | 5.3% | Jul-23 | 69% | 4 |
| Loan 12 | Oct-19 | Other (mixed-use) | Brooklyn, NY | 68 | Floating | L+ 3.4% | 5.9% | Nov-24 | 66% | 4 |
| Loan 13 | Aug-18 | Office | San Jose, CA | 68 | Floating | L+ 2.5% | 4.5% | Aug-25 | 66% | 3 |
| Loan 14 | Apr-19 | Office | Long Island City, NY | 62 | Floating | L+ 3.3% | 5.8% | Apr-24 | 58% | 4 |
| Loan 15 | May-19 | Office | Long Island City, NY | 61 | Floating | L+ 3.5% | 6.0% | Jun-24 | 59% | 4 |
| 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% | 4 |
| Loan 19 | Oct-18 | Multifamily | Dupont, WA | 40 | Floating | L+ 3.3% | 5.6% | Nov-23 | 82% | 3 |
| Loan 20 ** | Oct-18 | Other (mixed-use) | Dublin, Ireland | 38 | Fixed | - | 15.0% | Dec-23 | 94% | 4 |
| Loan 21 | Feb-19 | Multifamily | Las Vegas, NV | 38 | Floating | L+ 3.2% | 5.9% | Feb-24 | 71% | 4 |
| Loan 22 | May-18 | Multifamily | Henderson, NV | 37 | Floating | L+ 3.3% | 5.3% | Jun-23 | 73% | 4 |
| Loan 23 | May-19 | Multifamily | North Phoenix, AZ | 37 | Floating | L+ 3.4% | 5.6% | May-24 | 81% | 4 |
| Loan 24 | Sep-19 | Office | Salt Lake City, UT | 36 | Floating | L+ 2.7% | 5.0% | Oct-24 | 72% | 4 |
| Loan 25 | Apr-18 | Multifamily | Oxnard, CA | 34 | Floating | L+ 5.2% | 7.2% | Nov-20 | 71% | 4 |
| Loan 26 | Jun-17 | Office | Miami, FL | 33 | Floating | L+ 4.9% | 5.9% | Jul-22 | 68% | 3 |
| Loan 27 | Mar-19 | Office | San Jose, CA | 30 | Floating | L+ 3.0% | 5.9% | Apr-24 | 64% | 4 |
| Loan 28 | Nov-13 | Hotel | Bloomington, MN | 28 | Floating | n/a | n/a | Jan-20 | 100% | 5 |
| Loan 29 | Jan-19 | Multifamily | Tempe, AZ | 27 | Floating | L+ 2.9% | 5.2% | Feb-24 | 79% | 4 |
| Loan 30 | Jan-19 | Office | Santa Barbara, CA | 26 | Floating | L+ 3.2% | 5.7% | Feb-24 | 80% | 3 |
| Loan 31 | Sep-19 | Office | San Francisco, CA | 23 | Floating | L+ 3.4% | 6.1% | Oct-24 | 72% | 3 |
| Loan 32 | Dec-18 | Multifamily | Phoenix, AZ | 22 | Floating | L+ 2.9% | 5.2% | Jan-23 | 73% | 4 |
| Loan 33 | Aug-19 | Office | San Francisco, CA | 20 | Floating | L+ 2.8% | 5.6% | Sep-24 | 73% | 3 |
| Loan 34 | Feb-19 | Office | Charlotte, NC | 20 | Floating | L+ 3.4% | 6.0% | Mar-24 | 56% | 3 |
| Loan 35 | Feb-19 | Multifamily | Las Vegas, NV | 13 | Floating | L+ 3.2% | 5.9% | Feb-24 | 71% | 4 |
| Total / W.A. senior loans | | | | \$ 2,136 | | | 5.8% | Mar-24 | 70% | 3.8 |

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

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

CORE PORTFOLIO – INVESTMENT DETAIL (CONT'D)

(\$ in millions; as of June 30, 2020; at CLNC share)

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

| | Origination date | Collateral type | City, State | Carrying value ⁽¹⁾ | Coupon type | Cash coupon | Unlevered all-in yield ⁽²⁾ | Extended maturity date ⁽³⁾ | LTV ⁽⁴⁾ | Risk ranking |
|--|------------------|-------------------|-------------------|-------------------------------|-------------|-------------|---------------------------------------|---------------------------------------|--------------------|--------------|
| Mezzanine loans | | | | | | | | | | |
| Loan 36 ** | Jul-17 | Other (mixed-use) | Los Angeles, CA | \$ 84 | n/a | n/a | n/a | Jul-22 | n/a | 5 |
| Loan 37 ** | Dec-18 | Multifamily | Santa Clarita, CA | 52 | Fixed | 7.0% | 13.8% | Dec-24 | 56% – 84% | 4 |
| Loan 38 | Sep-19 | Hotel | Berkeley, CA | 28 | Fixed | 9.0% | 11.5% | Jul-25 | 66% – 81% | 4 |
| Loan 39 ** | Jul-19 | Multifamily | Placentia, CA | 25 | Fixed | 8.0% | 13.3% | Jul-24 | 51% – 84% | 4 |
| Loan 40 ** | Dec-19 | Multifamily | Milpitas, CA | 20 | Fixed | 8.0% | 13.3% | Dec-24 | 49% – 71% | 4 |
| Loan 41 | Jan-17 | Hotel | New York, NY | 11 | Floating | L+ 11.0% | 11.8% | Jan-22 | 63% – 76% | 4 |
| Loan 42 ** | Jul-18 | Office | Dublin, Ireland | 8 | Fixed | – | 12.5% | Dec-21 | 45% – 68% | 4 |
| Loan 43 | Jul-14 | Multifamily | Various - TX | 4 | Fixed | 9.5% | 9.5% | Aug-24 | 71% – 83% | 4 |
| Loan 44 ** | Mar-13 | Other (mixed-use) | San Rafael, CA | 2 | n/a | n/a | n/a | Sep-20 | 32% – 86% | 5 |
| Total / W.A. mezzanine loans | | | | \$ 234 | | | 8.1% | Oct-23 | 54% – 77% | 4.4 |
| Preferred equity & other loans | | | | | | | | | | |
| Loan 45 * | Sep-16 | Office | Various - N.Y. | \$ 80 | Fixed | 7.0% | 12.0% | Jun-27 | n/a | 5 |
| Loan 46 ** | May-18 | Other (mixed-use) | Los Angeles, CA | 18 | n/a | n/a | n/a | Jul-22 | n/a | 5 |
| Loan 47 *** | Jul-17 | Industrial | Various - U.S. | 16 | n/a | n/a | n/a | Sep-27 | n/a | 4 |
| Loan 48 | Sep-16 | Office | Las Vegas, NV | 16 | Fixed | 8.0% | 15.5% | Sep-23 | n/a | 4 |
| Loan 49 | Aug-18 | Other | Various - U.S. | 12 | Fixed | 10.0% | 15.3% | May-24 | n/a | 4 |
| Loan 50 **,** | Jun-19 | Office | Dublin, Ireland | 1 | n/a | n/a | n/a | Dec-21 | n/a | 4 |
| Loan 51 *** | Jul-18 | Hotel | Austin, TX | 0 | n/a | n/a | n/a | n/a | n/a | n/a |
| Total / W.A. preferred equity & other loans | | | | \$ 143 | | | 9.7% | Feb-26 | n/a | 4.7 |
| Total / W.A. loans & preferred equity portfolio | | | | \$ 2,513 | | | 6.3% | Apr-24 | n/a | 3.9 |

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

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

*** Represents an equity participation interest

Core Portfolio – CRE debt securities

| | Principal value ⁽¹⁾ | Carrying value ⁽¹⁾ | W.A. remaining term (yrs) ⁽⁵⁾ |
|---|--------------------------------|-------------------------------|--|
| CRE debt securities | | | |
| CRE debt securities (24 investments) | \$ 285 | \$ 142 | 5.6 |
| Total / W.A. CRE debt securities | \$ 285 | \$ 142 | 5.6 |

CORE PORTFOLIO – INVESTMENT DETAIL (CONT'D)

(\$ in millions; rentable square feet in thousands; as of June 30, 2020; at CLNC share)

Core Portfolio – net lease real estate

| | Origination date | Collateral type | City, State | Carrying value ⁽¹⁾ | Annualized Q2'20 NOI ⁽²⁾ | # of properties | # of buildings | Rentable square feet ("RSF") | W.A. % leased ⁽³⁾ | W.A. lease term (yrs) ⁽⁴⁾ |
|---|------------------|-----------------|-------------------|-------------------------------|-------------------------------------|-----------------|----------------|------------------------------|------------------------------|--------------------------------------|
| Net lease real estate | | | | | | | | | | |
| Net lease 1 - HFS | Jun-15 | Industrial | Various - U.S. | \$ 321 | \$ 22 | 22 | 22 | 6,697 RSF | 88% | 4.4 |
| Net lease 2 | Jul-18 | Office | Stavenger, Norway | 282 | 16 | 1 | 26 | 1,291 RSF | 100% | 10.2 |
| Net lease 3 | Aug-18 | Industrial | Various - U.S. | 217 | 16 | 2 | 2 | 2,197 RSF | 100% | 18.0 |
| Net lease 4 - HFS | Mar-16 | Industrial | Various - OH | 103 | 12 | 23 | 23 | 1,834 RSF | 99% | 3.3 |
| Net lease 5 | Jul-06 | Office | Aurora, CO | 46 | 4 | 1 | 1 | 184 RSF | 100% | 2.4 |
| Net lease 6 | Jun-06 | Office | Indianapolis, IN | 32 | 3 | 1 | 1 | 338 RSF | 100% | 5.5 |
| Total / W.A. net lease real estate | | | | \$ 1,003 | \$ 73 | 50 | 75 | 12,542 RSF | 96% | 8.8 |

HFS = held for sale

Core Portfolio – summary

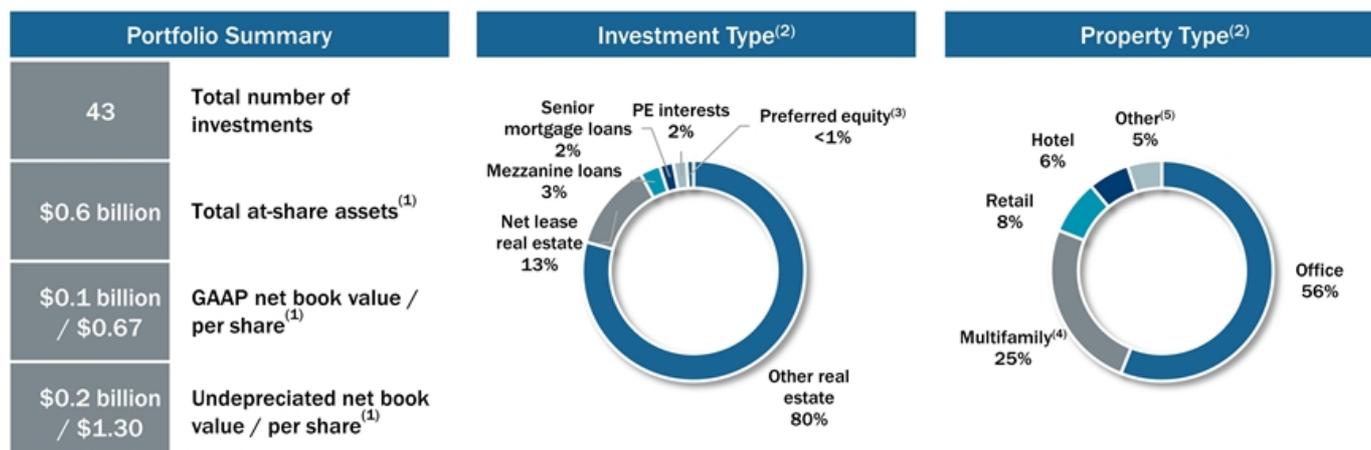
| | Number of investments | Carrying value ⁽¹⁾ |
|------------------------------------|-----------------------|-------------------------------|
| Senior loans | 35 | \$ 2,136 |
| Mezzanine loans | 9 | 234 |
| Preferred equity & other loans | 7 | 143 |
| CRE debt securities | 24 | 142 |
| Net lease real estate | 6 | 1,003 |
| Total / W.A. Core Portfolio | 81 | \$ 3,657 |

**LEGACY, NON-STRATEGIC
PORTFOLIO**



LEGACY, NON-STRATEGIC – PORTFOLIO OVERVIEW

(\$ in thousands, unless otherwise stated; as of June 30, 2020; at CLNC share)



| Portfolio Overview | | | | |
|---|------------------|-----------------------|-------------------------------|-----------------------------------|
| | Number of assets | Number of investments | Carrying value ⁽⁶⁾ | Net carrying value ⁽⁷⁾ |
| Senior mortgage loans | 1 | 1 | \$ 11,021 | \$ 11,021 |
| Mezzanine loans | 1 | 2 | 12,040 | 12,040 |
| Preferred equity ⁽³⁾ | – | 1 | 145 | 145 |
| Net lease real estate | 6 | 6 | 59,000 | 3,860 |
| Other real estate | 26 | 29 | 355,403 | 81,673 |
| PE interests | 1 | 4 | 7,093 | 7,093 |
| Allocated assets, liabilities & corporate debt ⁽⁸⁾ | | | 124,402 | (27,182) |
| Total LNS Portfolio – GAAP | 35 | 43 | \$ 569,104 | \$ 88,649 |

| Portfolio Activity | |
|---|--|
| <ul style="list-style-type: none"> Q2'20 LNS Earnings (Loss) ex. gains / (losses) of approximately \$(1.0) million, or \$(0.01) per share During the second quarter 2020, sold four LNS assets totaling \$29 million of net proceeds Subsequent to the second quarter 2020, sold two LNS assets totaling \$4 million of net proceeds Since the portfolio bifurcation plan was announced in November 2019, the Company has monetized \$208 million of LNS net carrying value, or approximately 50% of the total LNS net carrying value as of 9/30/19 | |

See footnotes in the appendix

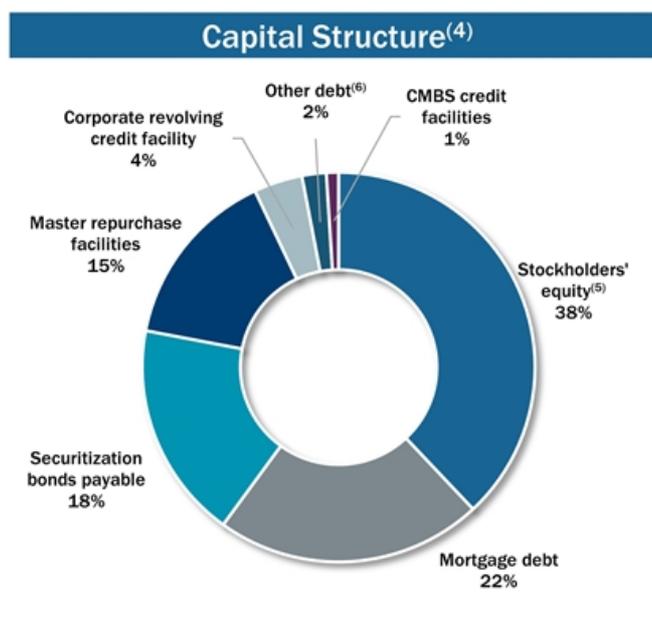
CAPITALIZATION



CAPITALIZATION HIGHLIGHTS

(As of June 30, 2020, unless otherwise stated; at CLNC share)

| Overview | |
|--|---|
| \$4.6 billion | Total capitalization (excluding cash) |
| \$2.8 billion | Total outstanding debt ⁽¹⁾ |
| \$195 million | Corporate revolving credit facility availability As of August 5, 2020 |
| \$1.6 billion (\$2.3 billion maximum facilities availability) | Master repurchase facilities availability As of August 5, 2020 |
| 1.4x | Net debt-to-equity ratio ⁽²⁾ |
| 2.96% | Blended all-in cost of financing ⁽³⁾ |



Recent Updates

- Entered temporary modifications on two master repurchase facilities to which CLNC voluntarily reduced facility advances corresponding to its financed senior mortgage loans. Agreed to six-month holidays or buffers before further margin calls, additional protections before certain repurchase obligations may be triggered and broader discretion to negotiate modifications with its borrowers to implement certain modifications to the underlying loans during such period
- As of 8/5/20, CLNC's had \$610 million senior loan master repurchase facility financing, of which \$277 million or 45% of the total outstanding repurchase financing was covered by six-month holiday periods
- CLNC reduced exposure to CMBS borrowings from \$197 million at 3/31/20 to \$38 million at 6/30/20 and extended the maturity date 6-months

CAPITALIZATION OVERVIEW

(\$ in thousands; as of June 30, 2020; at CLNC share)

| | Recourse vs. Non-recourse ⁽¹⁾ | W.A. extended maturity ⁽²⁾ | W.A. contractual interest rate ⁽²⁾ | W.A. all-in COF ⁽²⁾⁽³⁾ | Outstanding debt (UPB) ⁽⁴⁾ |
|--|--|---------------------------------------|---|-----------------------------------|---------------------------------------|
| Corporate debt | | | | | |
| Corporate revolving credit facility | Recourse | Feb-23 | L + 2.25% | 2.41% | \$ 195,000 |
| Investment-level debt | | | | | |
| Securitization bonds payable | Non-recourse | Aug-35 | L + 1.59% | 1.75% | 840,423 |
| Mortgage debt - net lease (fixed) | Non-recourse | Aug-27 | 4.31% | 4.31% | 627,333 |
| Mortgage debt - net lease (floating) | Non-recourse | Apr-21 | L + 2.50% | 2.66% | 66,880 |
| Master repurchase facilities | Limited recourse | Jun-22 | L + 2.03% | 2.65% | 666,821 |
| Other debt ⁽⁵⁾ | Non-recourse | Jun-24 | L + 3.00% | 3.16% | 71,748 |
| CMBS credit facilities (fixed) ⁽⁶⁾ | Recourse | N/A | 4.25% | 4.25% | 38,352 |
| Total core portfolio investment-level debt | | Oct-28 | | 2.82% | 2,311,557 |
| Mortgage debt - other real estate (fixed) | Non-recourse | Jun-25 | 4.34% | 4.34% | 252,230 |
| Mortgage debt - other real estate (floating) | Non-recourse | Apr-24 | L + 2.95% | 3.11% | 21,500 |
| Mortgage debt - net lease (fixed) | Non-recourse | Nov-25 | 4.33% | 4.33% | 53,627 |
| Mortgage debt - net lease (floating) | Non-recourse | Jul-23 | L + 2.15% | 2.31% | 1,514 |
| Total legacy, non-strategic portfolio investment-level debt | | Jun-25 | | 4.25% | 328,871 |
| Total / W.A. debt (CLNC share) | | Dec-27 | | 2.96% | \$ 2,835,427 |
| | | | | Book value | |
| Stockholders' equity | | | | \$ | 1,679,907 |
| Noncontrolling interests in the Operating Partnership | | | | | 39,889 |
| Total book value of common equity (CLNC share) | | | | | 1,719,796 |
| Total capitalization | | | | \$ | 4,555,223 |

See footnotes in the appendix

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 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).

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

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

IMPORTANT NOTE REGARDING NON-GAAP FINANCIAL MEASURES AND DEFINITIONS (CONT'D)

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 June 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

CRE Debt Securities

As of June 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).

Net Leased Real Estate ("Net Lease")

As of June 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.

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

Legacy, Non-Strategic Investments

As of June 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

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

| | June 30, 2020 (Unaudited) | December 31, 2019 |
|---|------------------------------|---------------------|
| Assets | | |
| Cash and cash equivalents | \$ 437,951 | \$ 69,619 |
| Restricted cash | 84,011 | 126,065 |
| Loans and preferred equity held for investment, net | 2,242,574 | 2,576,332 |
| Real estate securities, available for sale, at fair value | 60,010 | 252,824 |
| Real estate, net | 823,531 | 1,484,796 |
| Investments in unconsolidated ventures (\$7,093 and \$10,283 at fair value, respectively) | 417,307 | 595,305 |
| Receivables, net | 46,325 | 46,456 |
| Deferred leasing costs and intangible assets, net | 79,780 | 112,762 |
| Assets held for sale | 760,290 | 189,470 |
| Other assets | 58,535 | 87,707 |
| Mortgage loans held in securitization trusts, at fair value | 1,839,953 | 1,872,970 |
| Total assets | \$ 6,850,267 | \$ 7,414,306 |
| Liabilities | | |
| Securitization bonds payable, net | \$ 834,088 | \$ 833,153 |
| Mortgage and other notes payable, net | 1,174,146 | 1,256,112 |
| Credit facilities | 900,173 | 1,099,233 |
| Due to related party | 9,639 | 11,016 |
| Accrued and other liabilities | 101,945 | 140,424 |
| Intangible liabilities, net | 8,378 | 22,149 |
| Liabilities related to assets held for sale | 12,131 | 294 |
| Escrow deposits payable | 50,605 | 74,497 |
| Dividends payable | - | 13,164 |
| Mortgage obligations issued by securitization trusts, at fair value | 1,758,325 | 1,762,914 |
| Total liabilities | 4,849,430 | 5,212,956 |
| Commitments and contingencies | | |
| Equity | | |
| Stockholders' equity | | |
| Preferred stock, \$0.01 par value, 50,000,000 shares authorized, no shares issued and outstanding as of June 30, 2020 and December 31, 2019, respectively | - | - |
| Common stock, \$0.01 par value per share | | |
| Class A, 950,000,000 shares authorized, 128,583,198 and 128,538,703 shares issued and outstanding as of June 30, 2020 and December 31, 2019, respectively | 1,286 | 1,285 |
| Additional paid-in capital | 2,840,134 | 2,909,181 |
| Accumulated deficit | (1,186,754) | (819,738) |
| Accumulated other comprehensive income (loss) | 25,241 | 28,294 |
| Total stockholders' equity | 1,679,907 | 2,119,022 |
| Noncontrolling interests in investment entities | 281,041 | 31,631 |
| Noncontrolling interests in the Operating Partnership | 39,889 | 50,697 |
| Total equity | 2,000,837 | 2,201,350 |
| Total liabilities and equity | \$ 6,850,267 | \$ 7,414,306 |

APPENDIX – CONSOLIDATED STATEMENTS OF OPERATIONS

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

| | Three Months Ended June 30, | |
|--|-----------------------------|---------------------|
| | 2020 | 2019 |
| Net interest income | | |
| Interest income | \$ 39,508 | \$ 42,073 |
| Interest expense | (16,745) | (21,046) |
| Interest income on mortgage loans held in securitization trusts | 20,539 | 38,656 |
| Interest expense on mortgage obligations issued by securitization trusts | (18,364) | (35,756) |
| Net interest income | 24,938 | 23,927 |
| Property and other income | | |
| Property operating income | 43,722 | 64,767 |
| Other income (loss) | (8,360) | 434 |
| Total property and other income | 35,362 | 65,201 |
| Expenses | | |
| Management fee expense | 7,206 | 11,357 |
| Property operating expense | 16,311 | 28,140 |
| Transaction, investment and servicing expense | 2,907 | 1,051 |
| Interest expense on real estate | 11,818 | 13,898 |
| Depreciation and amortization | 14,020 | 29,257 |
| Provision for loan losses | (51) | 110,258 |
| Impairment of operating real estate | 25,935 | 10,124 |
| Administrative expense (including \$1,549 and \$2,713 of equity-based compensation expense, respectively) | 6,751 | 8,010 |
| Total expenses | 84,897 | 212,095 |
| Other income (loss) | | |
| Unrealized gain (loss) on mortgage loans and obligations held in securitization trusts, net | (8,975) | 5,549 |
| Other loss, net | (119,633) | (6,062) |
| Loss before equity in earnings of unconsolidated ventures and income taxes | (153,205) | (123,480) |
| Equity in earnings (loss) of unconsolidated ventures | (85,277) | 12,557 |
| Income tax benefit (expense) | (2,102) | 133 |
| Net loss | (240,584) | (110,790) |
| Net loss attributable to noncontrolling interests: | | |
| Investment entities | 8,107 | 880 |
| Operating Partnership | 5,418 | 2,569 |
| Net loss attributable to Colony Credit Real Estate, Inc. common stockholders | \$ (227,059) | \$ (107,341) |
| Net loss per common share – basic and diluted | \$ (1.77) | \$ (0.84) |
| Weighted average shares of common stock outstanding – basic and diluted | 128,539 | 128,534 |

APPENDIX – CONSOLIDATED STATEMENTS OF OPERATIONS BY SEGMENT

(\$ in thousands; as of June 30, 2020) (Unaudited)

| | Three Months Ended June 30, 2020 | | | | | | |
|---|----------------------------------|---------------------|-----------------------|------------|----------------------|---------------------------------|--------------|
| | Core Portfolio | | | | Total Core Portfolio | Legacy, Non-Strategic Portfolio | Total |
| | Loans and preferred equity | CRE debt securities | Net lease real estate | Corporate | | | |
| Net interest income | | | | | | | |
| Interest income | \$ 39,932 | \$ (21) | \$ 2 | \$ (523) | \$ 39,390 | \$ 118 | \$ 39,508 |
| Interest expense | (12,784) | (1,103) | - | (2,229) | (16,116) | (629) | (16,745) |
| Interest income on mortgage loans held in securitization trusts | - | 22,532 | - | (1,993) | 20,539 | - | 20,539 |
| Interest expense on mortgage obligations issued by securitization trusts | - | (20,357) | - | 1,993 | (18,364) | - | (18,364) |
| Net interest income | 27,148 | 1,051 | 2 | (2,752) | 25,449 | (511) | 24,938 |
| Property and other income | | | | | | | |
| Property operating income | - | - | 23,196 | - | 23,196 | 20,526 | 43,722 |
| Other income (loss) | 81 | - | (8,560) | 116 | (8,363) | 3 | (8,360) |
| Total property and other income | 81 | - | 14,637 | 116 | 14,833 | 20,529 | 35,362 |
| Expenses | | | | | | | |
| Management fee expense | - | - | (1) | 6,486 | 6,485 | 721 | 7,206 |
| Property operating expense | - | - | 3,275 | - | 3,275 | 13,036 | 16,311 |
| Transaction, investment and servicing expense | 1,130 | 37 | 4 | 269 | 1,440 | 1,467 | 2,907 |
| Interest expense on real estate | - | - | 8,085 | - | 8,085 | 3,733 | 11,818 |
| Depreciation and amortization | - | - | 9,297 | - | 9,297 | 4,723 | 14,020 |
| Provision for loan losses | (86) | - | - | - | (86) | 35 | (51) |
| Impairment of operating real estate | - | - | - | - | - | 25,935 | 25,935 |
| Administrative expense | 372 | 200 | 121 | 3,719 | 4,412 | 2,339 | 6,751 |
| Total expenses | 1,416 | 237 | 20,781 | 10,474 | 32,908 | 51,989 | 84,897 |
| Other income (loss) | | | | | | | |
| Unrealized gain (loss) on mortgage loans and obligations held in securitization trusts, net | - | (9,498) | - | 523 | (8,975) | - | (8,975) |
| Other gain (loss), net | (48,110) | (87,006) | 8,556 | (2) | (126,562) | 6,929 | (119,633) |
| Income (loss) before equity in earnings of unconsolidated ventures and income taxes | (22,297) | (95,690) | 2,414 | (12,589) | (128,163) | (25,042) | (153,205) |
| Equity in earnings (loss) of unconsolidated ventures | (85,328) | - | - | - | (85,328) | 51 | (85,277) |
| Income tax benefit (expense) | (2,199) | - | 98 | - | (2,101) | (1) | (2,102) |
| Net income (loss) | (109,824) | (95,690) | 2,512 | (12,589) | (215,592) | (24,992) | (240,584) |
| Net (income) loss attributable to noncontrolling interests: | | | | | | | |
| Investment entities | 442 | - | (224) | - | 218 | 7,889 | 8,107 |
| Operating Partnership | - | - | - | 5,043 | 5,043 | 375 | 5,418 |
| Net income (loss) attributable to Colony Credit Real Estate, Inc. common stockholders | \$ (109,382) | \$ (95,690) | \$ 2,288 | \$ (7,546) | \$ (210,331) | \$ (16,728) | \$ (227,059) |

APPENDIX – OUTSTANDING COMMON SHARES AND OP UNITS

| | As of June 30, 2020 | As of March 31, 2020 |
|---|------------------------|-------------------------|
| Class A common stock | 128,583,198 | 128,366,427 |
| OP units | 3,075,623 | 3,075,623 |
| Total common stock and OP units outstanding | 131,658,821 | 131,442,050 |

APPENDIX – RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL INFORMATION

(In thousands, except per share data; as of June 30, 2020) (Unaudited)

Reconciliation of consolidated balance sheet to at CLNC share balance sheet

| | As of June 30, 2020 | | | | | | | | |
|--|---------------------|---------------------|------------------------------|---------------------|---------------------|------------------------------|---------------------------------|--------------------|------------------------------|
| | Total | | | Core Portfolio | | | Legacy, Non-Strategic Portfolio | | |
| | Consolidated | NCI ⁽¹⁾ | At CLNC share ⁽²⁾ | Consolidated | NCI ⁽¹⁾ | At CLNC share ⁽²⁾ | Consolidated | NCI ⁽¹⁾ | At CLNC share ⁽²⁾ |
| Assets | | | | | | | | | |
| Loans and preferred equity held for investment, net | \$ 2,242,574 | \$ - | \$ 2,242,574 | \$ 2,242,574 | \$ - | \$ 2,242,574 | \$ - | \$ - | \$ - |
| Real estate securities, available for sale, at fair value | 60,010 | - | 60,010 | 60,010 | - | 60,010 | - | - | - |
| Real estate, net | 823,531 | 64,893 | 758,638 | 582,829 | 51,448 | 531,381 | 240,702 | 13,445 | 227,257 |
| Investments in unconsolidated ventures | 417,307 | 230,429 | 186,878 | 353,658 | 185,048 | 168,610 | 63,649 | 45,381 | 18,268 |
| Deferred leasing costs and intangible assets, net | 79,780 | 8,639 | 71,141 | 53,619 | 6,914 | 46,705 | 26,161 | 1,725 | 24,436 |
| Assets held for sale | 760,290 | 38,041 | 722,249 | 544,629 | 14,015 | 530,614 | 215,661 | 24,026 | 191,635 |
| Mortgage loans held in securitization trusts, at fair value ⁽³⁾ | 1,839,953 | 1,758,325 | 81,628 | 1,839,953 | 1,758,325 | 81,628 | - | - | - |
| Cash, restricted cash, receivables and other assets | 626,822 | 26,335 | 600,487 | 513,048 | 20,069 | 492,979 | 113,774 | 6,266 | 107,508 |
| Total assets | \$ 6,850,267 | \$ 2,126,662 | \$ 4,723,605 | \$ 6,190,320 | \$ 2,035,819 | \$ 4,154,501 | \$ 659,947 | \$ 90,843 | \$ 569,104 |
| Liabilities | | | | | | | | | |
| Securitization bonds payable, net | \$ 834,088 | \$ - | \$ 834,088 | \$ 834,088 | \$ - | \$ 834,088 | \$ - | \$ - | \$ - |
| Mortgage and other notes payable, net | 1,174,146 | 82,844 | 1,091,302 | 791,554 | 50,414 | 741,140 | 382,592 | 32,430 | 350,162 |
| Credit facilities | 900,173 | - | 900,173 | 819,871 | - | 819,871 | 80,302 | - | 80,302 |
| Intangible liabilities, net | 8,378 | 915 | 7,463 | - | (0) | 0 | 8,378 | 915 | 7,463 |
| Liabilities related to assets held for sale | 12,131 | 493 | 11,638 | 1,289 | 110 | 1,179 | 10,842 | 383 | 10,459 |
| Mortgage obligations issued by securitization trusts, at fair value ⁽³⁾ | 1,758,325 | 1,758,325 | - | 1,758,325 | 1,758,325 | - | - | - | - |
| Due to related party, other liabilities, escrow deposits payable and dividends payable | 162,189 | 3,044 | 159,145 | 134,962 | 7,886 | 127,076 | 27,227 | (4,842) | 32,069 |
| Total liabilities | \$ 4,849,430 | \$ 1,845,621 | \$ 3,003,809 | \$ 4,340,089 | \$ 1,816,735 | \$ 2,523,354 | \$ 509,341 | \$ 28,886 | \$ 480,455 |
| Total equity (including noncontrolling interests in the Operating Partnership) | \$ 2,000,837 | \$ 281,041 | \$ 1,719,796 | \$ 1,850,231 | \$ 219,084 | \$ 1,631,147 | \$ 150,606 | \$ 61,957 | \$ 88,649 |
| Total liabilities and equity | \$ 6,850,267 | \$ 2,126,662 | \$ 4,723,605 | \$ 6,190,320 | \$ 2,035,819 | \$ 4,154,501 | \$ 659,947 | \$ 90,843 | \$ 569,104 |
| Total common shares and OP units outstanding | 131,659 | 131,659 | 131,659 | 131,659 | 131,659 | 131,659 | 131,659 | 131,659 | 131,659 |
| GAAP net book value per share | \$ 15.19 | \$ 2.13 | \$ 13.06 | \$ 14.05 | \$ 1.66 | \$ 12.39 | \$ 1.14 | \$ 0.47 | \$ 0.67 |

See footnotes in the appendix

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

(In thousands, except per share data; as of June 30, 2020) (Unaudited)

Reconciliation of GAAP net book value to undepreciated book value

| | As of June 30, 2020 | | |
|---|---------------------|------------------------------------|----------------|
| | Total | Legacy, Non-Strategic Portfolio | Core Portfolio |
| GAAP net book value (excluding noncontrolling interests in investment entities) | \$ 1,719,796 | \$ 88,649 | \$ 1,631,147 |
| Accumulated depreciation and amortization ⁽¹⁾ | 180,467 | 82,727 | 97,740 |
| Undepreciated book value | \$ 1,900,263 | \$ 171,376 | \$ 1,728,887 |
| GAAP net book value per share (excluding noncontrolling interests in investment entities) | \$ 13.06 | \$ 0.67 | \$ 12.39 |
| Accumulated depreciation and amortization per share ⁽¹⁾ | 1.37 | 0.63 | 0.74 |
| Undepreciated book value per share | \$ 14.43 | \$ 1.30 | \$ 13.13 |
| Total common shares and OP units outstanding ⁽²⁾ | 131,659 | 131,659 | 131,659 |

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

(In thousands, except per share data; as of June 30, 2020) (Unaudited)

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

Three Months Ended June 30, 2020

| | Total | Legacy, Non-Strategic | |
|---|--------------|-----------------------|----------------|
| | | Portfolio | Core Portfolio |
| Net loss attributable to Colony Credit Real Estate, Inc. common stockholders | \$ (227,059) | \$ (16,728) | \$ (210,331) |
| Adjustments: | | | |
| Net loss attributable to noncontrolling interest of the Operating Partnership | (5,418) | (373) | (5,045) |
| Non-cash equity compensation expense | 1,549 | 697 | 852 |
| Transaction costs | 705 | 292 | 413 |
| Depreciation and amortization | 13,386 | 4,318 | 9,068 |
| Net unrealized loss (gain) on investments: | | | |
| Impairment of operating real estate and preferred equity | 25,935 | 25,935 | - |
| Other unrealized gain on investments | (23,798) | (1) | (23,797) |
| CECL reserves | (20,925) | - | (20,925) |
| Losses on sale of operating real estate and preferred equity | 13,520 | 3,437 | 10,083 |
| Adjustments related to noncontrolling interests in investment entities | (8,428) | (8,329) | (99) |
| Core Earnings (Loss) / Legacy, Non-Strategic Earnings (Loss) attributable to Colony Credit Real Estate, Inc. common stockholders and noncontrolling interest of the Operating Partnership | \$ (230,533) | \$ 9,248 | \$ (239,781) |
| Core Earnings (Loss) / Legacy, Non-Strategic Earnings (Loss) per share ⁽¹⁾ | \$ (1.75) | \$ 0.07 | \$ (1.82) |
| Weighted average number of common shares and OP units ⁽¹⁾ | 131,615 | 131,615 | 131,615 |

Reconciliation of Core Earnings (Loss)/LNS Earnings (Loss) to Core Earnings (Loss)/LNS Earnings (Loss) Excl. Gains/(Losses)

Three Months Ended June 30, 2020

| | Total | Legacy, Non-Strategic | |
|--|--------------|-----------------------|----------------|
| | | Portfolio | Core Portfolio |
| Core Earnings (Loss) / Legacy, Non-Strategic Earnings (Loss) attributable to Colony Credit Real Estate, Inc. common stockholders and noncontrolling interest of the Operating Partnership | \$ (230,533) | \$ 9,248 | \$ (239,781) |
| Adjustments: | | | |
| Realized loss on CRE debt securities sales | 57,045 | - | 57,045 |
| Realized loss on unwind of IRS hedges | 34,019 | - | 34,019 |
| Provision for loan losses | 58,866 | - | 58,866 |
| Reversal of provision for loan losses on note sales | (10,202) | (10,202) | - |
| Fair value adjustments on investments in unconsolidated ventures | 96,236 | - | 96,236 |
| Impairment of CRE debt securities | 29,240 | - | 29,240 |
| Core Earnings (Loss) / Legacy, Non-Strategic Earnings (Loss) excluding gains / (losses) attributable to Colony Credit Real Estate, Inc. common stockholders and noncontrolling interest of the Operating | \$ 34,670 | \$ (954) | \$ 35,625 |
| Core Earnings (Loss) / Legacy, Non-Strategic Earnings (Loss) excluding gains / (losses) per share ⁽¹⁾ | \$ 0.26 | \$ (0.01) | \$ 0.27 |
| Weighted average number of common shares and OP units ⁽¹⁾ | 131,615 | 131,615 | 131,615 |

See footnotes in the appendix

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

(\$ in thousands; as of June 30, 2020) (Unaudited)

Reconciliation of GAAP net income (loss) to NOI/EBITDA

| | Three Months Ended June 30, 2020 | | | | | | |
|---|----------------------------------|----------------------|-------------------------|---------------------------------|----------------------|------------------------|-------------|
| | Core Portfolio | | | Legacy, Non-Strategic Portfolio | | | |
| | Net lease real estate | Other real estate | Total Core Portfolio | Net lease real estate | Other real estate | Total LNS Portfolio | Total |
| Net income (loss) attributable to Colony Credit Real Estate, Inc. common stockholders | \$ 2,301 | \$ (2) | \$ 2,299 | \$ 461 | \$ (23,997) | \$ (23,536) | \$ (21,237) |
| Adjustments: | | | | | | | |
| Net income (loss) attributable to noncontrolling interests in investment entities | 225 | - | 225 | - | (7,520) | (7,520) | (7,295) |
| Amortization of above- and below-market lease intangibles | (290) | - | (290) | 25 | 105 | 130 | (160) |
| Interest income | (2) | - | (2) | - | - | - | (2) |
| Interest expense on real estate | 8,085 | - | 8,085 | 848 | 2,885 | 3,733 | 11,818 |
| Other income | 8,560 | - | 8,560 | - | (3) | (3) | 8,557 |
| Transaction, investment and servicing expense | 3 | 1 | 4 | 100 | 40 | 140 | 144 |
| Depreciation and amortization | 9,297 | - | 9,297 | 641 | 4,082 | 4,723 | 14,020 |
| Impairment of operating real estate | - | - | - | - | 25,935 | 25,935 | 25,935 |
| Administrative expense | 122 | - | 122 | 12 | 4 | 16 | 138 |
| Other (gain) loss on investments, net | (8,556) | - | (8,556) | (1) | 4,002 | 4,001 | (4,555) |
| Income tax (benefit) expense | (98) | (1) | (99) | - | - | - | (99) |
| NOI/EBITDA attributable to noncontrolling interest in investment entities | (1,463) | - | (1,463) | - | (465) | (465) | (1,928) |
| Total NOI/EBITDA attributable to Colony Credit Real Estate, Inc. common stockholders | \$ 18,184 | \$ (2) | \$ 18,182 | \$ 2,086 | \$ 5,068 | \$ 7,154 | \$ 25,336 |

APPENDIX – FOOTNOTES

Page 4

1. Represents cash-on-hand and availability under the corporate revolving credit facility as of 8/5/20
2. Represents CLNC share as of 6/30/20. This includes noncontrolling interests in the Operating Partnership ("OP") and excludes noncontrolling interests in investment entities
3. Represents undepreciated book value at CLNC share as of 6/30/20. This includes noncontrolling interests in the OP and excludes noncontrolling interests in investment entities
4. Represents CLNC's share of total outstanding secured debt agreements (UPB) less unrestricted cash at CLNC's share divided by total stockholders' equity as of 6/30/20; stockholders' equity includes noncontrolling interests in the OP and excludes noncontrolling interests in investment entities
5. Excludes fair value mark-to-markets ("FV MTM") related to CRE debt securities which were previously recorded through other comprehensive income ("OCI") at 3/31/20 and impairments related to two investments within the loan & preferred equity portfolio which were previously recorded through CECL reserve at 3/31/20

Page 5

1. Excludes realized losses which were previously recorded through OCI at 3/31/20
2. Excludes impairments related to two investments within the loan & preferred equity portfolio which were previously recorded through CECL reserve at 3/31/20
3. Excludes FV MTM which were previously recorded through OCI at 3/31/20

Page 6

1. Represents undepreciated book value at CLNC share as of 6/30/20, unless otherwise stated
2. Other Impairments / Assets Sales excludes the following: (i) realized losses related to sales of CRE debt securities and FV MTM on CRE debt securities which were previously recorded through OCI at 3/31/20 and (ii) impairments related to two investments within the loan & preferred equity portfolio which were previously recorded through CECL reserve at 3/31/20
3. Earnings & Other Adjustments includes the following: (i) Total Core/LNS Earnings excluding gains/(losses), (ii) FX translation realized gain, (iii) interest rate hedge realized loss related to the CRE debt securities portfolio (net of what was previously recorded through OCI at 3/31/20), (iv) changes in CECL reserve and (v) adjustments for shares issued during the quarter and other adjustments

Page 7

1. Represents CLNC share as of 6/30/20. This includes noncontrolling interests in the OP and excludes noncontrolling interests in investment entities
2. Debt-to-asset ratio based on total outstanding secured debt agreements (unpaid principal balance or "UPB") at CLNC share divided by total assets at CLNC share as of 6/30/20
3. Represents CLNC's share of total outstanding secured debt agreements (UPB) less unrestricted cash at CLNC's share divided by total stockholders' equity as of 6/30/20; stockholders' equity includes noncontrolling interests in the OP and excludes noncontrolling interests in investment entities
4. Represents carrying values net of any in-place investment-level financing at CLNC share as of 6/30/20
5. Preferred equity includes \$17 million related to equity participation interests
6. Includes securitization assets which are presented net of the impact from consolidation
7. Net lease real estate includes deferred leasing costs and other net intangibles and includes the impact of accumulated depreciation and amortization
8. Represents Core Portfolio's and LNS Portfolio's proportionate share of outstanding debt related to the corporate revolving credit facility as well as other 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)
9. Represents net accumulated depreciation and amortization on real estate investments, including related intangible assets and liabilities

Page 9

1. Represents CLNC share as of 6/30/20. This includes noncontrolling interests in the OP and excludes noncontrolling interests in investment entities
2. Based on carrying values at CLNC share as of 6/30/20. Property type excludes CMBS and mortgage loans held in securitization trusts
3. Preferred equity includes \$17 million related to equity participation interests
4. Other / mixed-use includes: (i) commercial and residential development and predevelopment and (ii) mixed-use assets
5. Represents carrying values at CLNC share as of 6/30/20
6. Represents carrying values net of any in-place investment-level financing at CLNC share as of 6/30/20
7. Represents Core Portfolio's proportionate share of outstanding debt related to the corporate revolving credit facility as well as other 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 carrying values at CLNC share as of 6/30/20
2. Represents the remaining loan term based on the current contractual maturity date of loans and is weighted by carrying value at CLNC share as of 6/30/20
3. Represents the remaining loan term based on maximum maturity date assuming all extension options on loans are exercised by the borrower and is weighted by carrying value at CLNC share as of 6/30/20
4. In addition to the stated cash coupon rate, unlevered all-in yield includes non-cash payment in-kind interest income and the accrual of origination, extension and exit fees. Unlevered all-in yield for the loan portfolio assumes the applicable floating benchmark rate as of 6/30/20 for W.A. calculations

APPENDIX – FOOTNOTES (CONT'D)

Page 10 (Cont'd)

5. Based on carrying values at CLNC share as of 6/30/20
6. Other / mixed-use includes: (i) commercial and residential development and predevelopment and (ii) mixed-use assets

Page 11

1. Represents carrying values at CLNC share as of 6/30/20
2. Represents carrying values net of any in-place investment-level financing at CLNC share as of 6/30/20
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 6/30/20 for W.A. calculations
4. Represents the remaining loan term based on the current contractual maturity date of loans and is weighted by carrying value at CLNC share as of 6/30/20
5. Represents the remaining loan term based on maximum maturity date assuming all extension options on loans are exercised by the borrower and is weighted by carrying value at CLNC share as of 6/30/20

Page 12

1. Investment count represents total number of tranches acquired; two total "B-piece" transactions
2. Represents principal amounts and carrying values at CLNC share as of 6/30/20; for securitization assets, carrying values at CLNC share are presented net of the impact from consolidation
3. Represents carrying values net of any in-place investment-level financing at CLNC share as of 6/30/20
4. W.A. calculation based on carrying value at CLNC share as of 6/30/20
5. Based on carrying values at CLNC share as of 6/30/20

Page 13

1. Represents carrying values at CLNC share as of 6/30/20; includes deferred leasing costs and other net intangibles; includes the impact of accumulated depreciation and amortization
2. Represents carrying values net of any in-place investment-level financing at CLNC share as of 6/30/20
3. Represents reported NOI for the second quarter 2020 at CLNC share
4. Represents annualized reported NOI for the second quarter 2020 at CLNC share
5. Represents the percent leased as of 6/30/20 and is weighted by carrying value at CLNC share as of 6/30/20
6. Based on in-place leases (defined as occupied and paying leases) as of 6/30/20 and assumes that no renewal options are exercised. W.A. calculation based on carrying value at CLNC share as of 6/30/20
7. Based on carrying values at CLNC share as of 6/30/20

Page 14

1. Represents carrying values at CLNC share as of 6/30/20
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 6/30/20 for W.A. calculations
3. Represents the remaining loan term based on maximum maturity date assuming all extension options on loans are exercised by the borrower and is weighted by carrying value at CLNC share as of 6/30/20
4. 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. Represents principal values and carrying values at CLNC share as of 6/30/20
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 6/30/20 for W.A. calculations
3. Represents the remaining loan term based on maximum maturity date assuming all extension options on loans are exercised by the borrower and is weighted by carrying value at CLNC share as of 6/30/20
4. Mezzanine loans include attachment loan-to-value and detachment loan-to-value, 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 loan-to-value 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
5. W.A. calculation based on carrying value at CLNC share as of 6/30/20

APPENDIX – FOOTNOTES (CONT'D)

Page 16

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

Page 18

1. Represents CLNC share as of 6/30/20. This includes noncontrolling interests in the OP and excludes noncontrolling interests in investment entities
2. Based on carrying values at CLNC share as of 6/30/20. Property type excludes private equity interests
3. Related to an equity participation interest
4. Multifamily includes: (i) apartments, (ii) student housing and (iii) manufactured housing communities
5. Other includes commercial and residential development and predevelopment assets
6. Represents carrying values at CLNC share as of 6/30/20
7. Represents carrying values net of any in-place investment-level financing at CLNC share as of 6/30/20
8. Represents LNS Portfolio's proportionate share of outstanding debt related to the corporate revolving credit facility as well as other 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. Represents UPB at CLNC share as of 6/30/20
2. Represents CLNC's share of total outstanding secured debt agreements (UPB) less unrestricted cash at CLNC's share divided by total stockholders' equity as of 6/30/20; stockholders' equity includes noncontrolling interests in the OP and excludes noncontrolling interests in investment entities
3. Assumes the applicable floating benchmark rate as of 6/30/20 for W.A. calculations and is weighted on outstanding debt (UPB) at CLNC share as of 6/30/20
4. Outstanding debt based on UPB at CLNC share as of 6/30/20
5. Includes noncontrolling interests in the OP and excludes noncontrolling interests in investment entities as of 6/30/20
6. Represents financing on one senior loan investment in the Core Portfolio

Page 21

1. Subject to customary non-recourse carve-outs
2. W.A. calculation based on outstanding debt (UPB) at CLNC share as of 6/30/20. W.A. extended maturity excludes CMBS facilities
3. Assumes the applicable floating benchmark rate as of 6/30/20 for W.A. calculations
4. Represents UPB at CLNC share as of 6/30/20
5. Represents financing on one senior loan investment in the Core Portfolio
6. Maturity dates are dependent on asset type and typically range from one to three month rolling periods

Page 30

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

Page 31

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 6/30/20, the total number of common shares and OP units outstanding was approximately 131.7 million

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1. The Company calculates Core Earnings (Loss) / Legacy, Non-Strategic Earnings (Loss) per share and Core Earnings (Loss) / Legacy, Non-Strategic Earnings (Loss) excluding gains / (losses) 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 6/30/20, the weighted average number of common shares and OP units was approximately 131.6 million; includes 3.1 million of OP units

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.

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