



ColonyCredit

REAL ESTATE

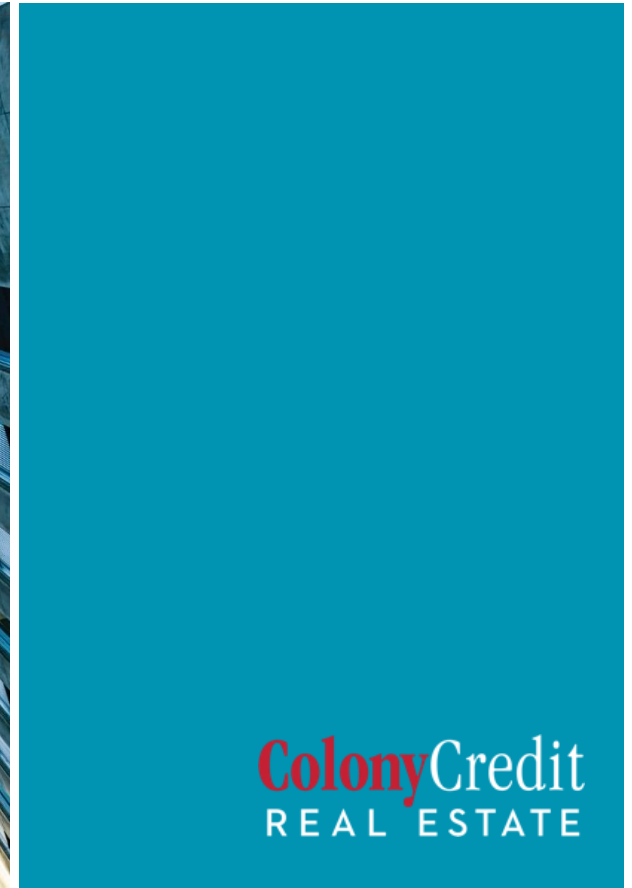
SUPPLEMENTAL FINANCIAL REPORT
THIRD QUARTER 2020

NOVEMBER 5, 2020

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This presentation may contain forward-looking statements within the meaning of the federal securities laws. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as “may,” “will,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” or “potential” or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and contingencies, many of which are beyond our control, and may cause actual results to differ significantly from those expressed in any forward-looking statement. Among others, the following uncertainties and other factors could cause actual results to differ from those set forth in the forward-looking statements: operating costs and business disruption may be greater than expected; uncertainties regarding the ongoing impact of the novel coronavirus (COVID-19), the severity of the disease, the duration of the COVID-19 outbreak, actions that may be taken by governmental authorities to contain the COVID-19 outbreak or to treat its impact, the potential negative impacts of COVID-19 on the global economy and its adverse impact on the real estate market, the economy and the Company’s investments (including, but not limited to, the Los Angeles mixed-use development loan and other hospitality loans), financial condition and business operation; defaults by borrowers in paying debt service on outstanding indebtedness and borrowers’ abilities to manage and stabilize properties; deterioration in the performance of the properties securing our investments (including depletion of interest and other reserves or payment-in-kind concessions in lieu of current interest payment obligations) that may cause deterioration in the performance of our investments and, potentially, principal losses to us; the Company’s operating results may differ materially from the information presented in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2019, as well as in Colony Credit Real Estate’s other filings with the Securities and Exchange Commission; the fair value of the Company’s investments may be subject to uncertainties; the Company’s use of leverage could hinder its ability to make distributions and may significantly impact its liquidity position; given the Company’s dependence on its external manager, an affiliate of Colony Capital, Inc., any adverse changes in the financial health or otherwise of its manager or Colony Capital, Inc. could hinder the Company’s operating performance and return on stockholder’s investment; the ability to realize substantial efficiencies as well as anticipated strategic and financial benefits, including, but not limited to expected returns on equity and/or yields on investments; adverse impacts on the Company’s corporate revolver, including covenant compliance and borrowing base capacity; adverse impacts on the Company’s liquidity, including margin calls on master repurchase facilities, debt service or lease payment defaults or deferrals, demands for protective advances and capital expenditures, or its ability to continue to generate liquidity from sales of Legacy, Non-Strategic assets; the Company’s ability to liquidate its Legacy, Non-Strategic assets within the projected timeframe or at the projected values; the timing of and ability to deploy available capital; the Company’s ability to pay, maintain or grow the dividend at all in the future; the timing of and ability to complete repurchases of the Company’s stock; the ability of the Company to refinance certain mortgage debt on similar terms to those currently existing or at all; whether Colony Capital will continue to serve as our external manager or whether we will pursue another strategic transaction; and the impact of legislative, regulatory and competitive changes, and the actions of government authorities, including the current U.S. presidential administration, and in particular those affecting the commercial real estate finance and mortgage industry or our business. The foregoing list of factors is not exhaustive. Additional information about these and other factors can be found in Part I, Item 1A of the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2019 and Part II, Item 1A of the Company’s Form 10-Q for the quarter ended June 30, 2020, as well as in Colony Credit Real Estate’s other filings with the Securities and Exchange Commission. Moreover, each of the factors referenced above are likely to also be impacted directly or indirectly by the ongoing impact of COVID-19 and investors are cautioned to interpret substantially all of such statements and risks as being heightened as a result of the ongoing impact of the COVID-19.

We caution investors not to unduly rely on any forward-looking statements. The forward-looking statements speak only as of the date of this presentation. Colony Credit Real Estate is under no duty to update any of these forward-looking statements after the date of this presentation, nor to conform prior statements to actual results or revised expectations, and Colony Credit Real Estate does not intend to do so. We caution investors not to unduly rely on any forward-looking statements. The forward-looking statements speak only as of the date of this presentation. Colony Credit Real Estate is under no duty to update any of these forward-looking statements after the date of this presentation, nor to conform prior statements to actual results or revised expectations, and Colony Credit Real Estate does not intend to do so.



COMPANY HIGHLIGHTS

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Substantial commercial real estate credit REIT with conservative balance sheet

Diversified Portfolio of Primarily Senior Loans & Net Lease Assets

\$4.3B

Total At-Share Assets

94%

Core Portfolio

\$2.3B

Core Loan and Preferred Equity Portfolio

Actively rotating out of remaining LNS assets and redeploying into Core Portfolio

Robust Liquidity Position

\$609M

Total Liquidity⁽¹⁾

~2.4x

from Q1 2020

\$438M

Unrestricted Cash Today
(\$3.33 per share)⁽²⁾

Strong liquidity position w/ incremental liquidity generated from legacy asset resolutions

Conservative Balance Sheet w/ Embedded Financing Capacity

\$14.53

Undepreciated Book Value Per Share
(\$5.41 current share price)⁽³⁾

1.1x

Net-Debt-to-Equity Ratio⁽⁴⁾

93%

Non-Recourse Financing
(\$171M recourse financing)

Conservative leverage profile w/ ample capacity from diversified financing sources

THIRD QUARTER UPDATE

Financial Results

- Net income of \$5.0 million or \$0.04 per share and Total Core/LNS Earnings of \$39.7 million or \$0.30 per share
- Adjusted Core/LNS Earnings of \$31.0 million or \$0.24 per share, excluding gains/losses and a one-time tax benefit
- GAAP net book value of \$1.7 billion or **\$13.25 per share** and undepreciated book value of \$1.9 billion or **\$14.53 per share**
- Suspended monthly cash dividend on 4/17/20 beginning with the monthly period ending 4/30/20
- Expect to reinstitute a quarterly dividend in Q1'21, assuming macroeconomic conditions do not deteriorate

Liquidity & Capitalization

- **\$609 million** of available liquidity as of 11/3/20 (~**2.4x** from \$255 million as of 5/6/20)
- **\$1.5 billion** of available capacity under senior loan master repurchase facilities
- **56%** debt-to-total assets ratio and **1.1x** net debt-to-equity ratio, reduced from 60% and 1.4x at 3/31/20⁽¹⁾⁽²⁾
- Reduced at-share recourse debt exposure to **\$171 million** as of 9/30/20 from \$718 million as of 3/31/20

Portfolio Activity

- Closed one new loan for **\$23 million of committed capital** in Q4'20. Three new loans in-execution for **\$94 million of committed capital**
- Successfully executed a recapitalization of the LA mixed-use development project with new 3rd party mezzanine financing
- Asset Sales / Payoffs – Core Portfolio (Since Q2'20)
 - **Sold / resolved three investments** for **\$167 million** of net proceeds
 - Sold 11 CRE debt security tranches for **\$24 million** of net proceeds
 - **\$90 million** of gross principal repayments
- Since Q2'20, **sold 16 LNS assets** for **\$22 million** of net proceeds

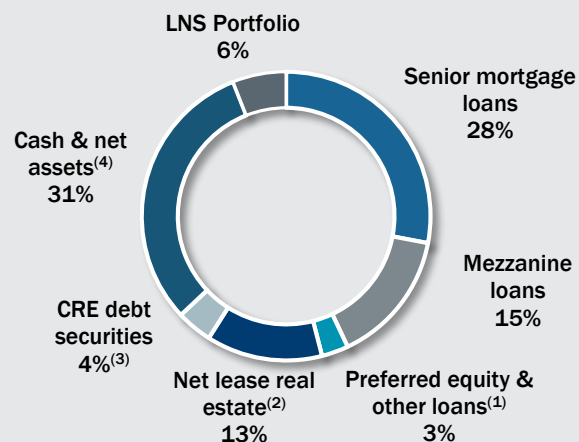
Investment Portfolio

- Total investment portfolio of **\$3.6 billion**
- **\$2.3 billion** Core loan and preferred equity portfolio
- **100%** of Core floating rate senior mortgage loans have active LIBOR floors (weighted average LIBOR floor of ~194bps)
- **\$0.7 billion** Core net lease portfolio with a weighted average lease term of 7.4 years

COMPANY SNAPSHOT

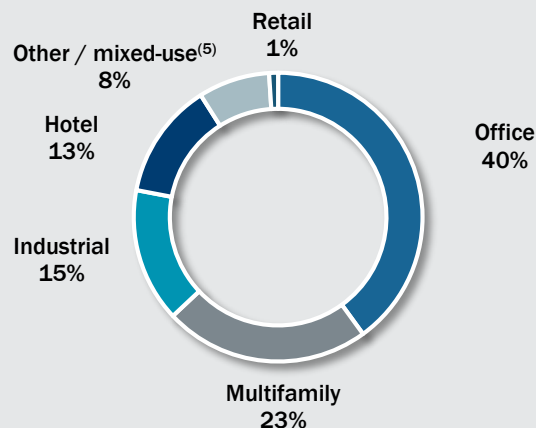
Investment Type

Based on GAAP net book value as of September 30, 2020



Collateral Type

Based on GAAP gross carrying value as of September 30, 2020



Portfolio Overview

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

FINANCIAL OVERVIEW

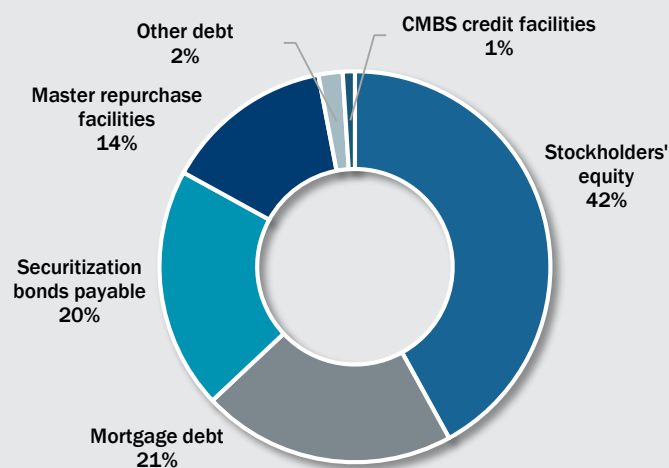
Conservative leverage ratio and steady quarter-over-quarter book value per share

Key Financial Metrics (\$mm / Per Share)

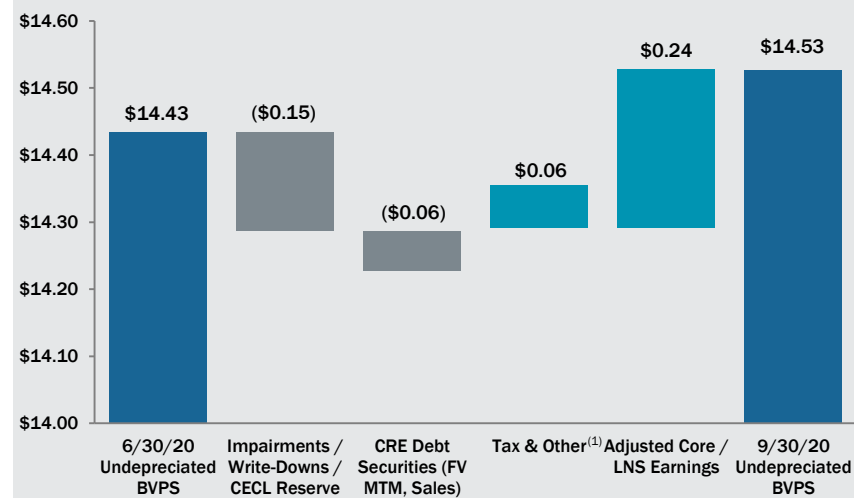
	GAAP Net Income / (Loss)	Core / LNS Earnings	Adjusted* Core / LNS Earnings	GAAP Net Book Value	Undepreciated Book Value
Core Portfolio	(\$2.7) / (\$0.02)	\$24.1 / \$0.18	\$28.3 / \$0.22	\$1,646 / \$12.50	\$1,729 / \$13.13
LNS Portfolio	\$7.7 / \$0.06	\$15.6 / \$0.12	\$2.7 / \$0.02	\$99 / \$0.75	\$183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

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

Capital Structure Summary



Undepreciated Book Value Per Share Bridge





CORE PORTFOLIO

CORE PORTFOLIO – OVERVIEW

Portfolio Summary

71

Total number of investments

\$3.7 billion

Total at-share assets

\$1.6 billion
/ \$12.50

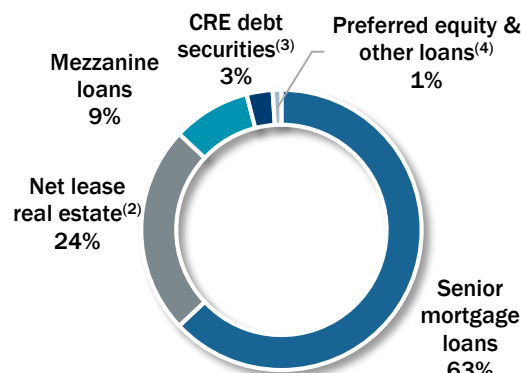
GAAP net book value / per share

\$1.7 billion
/ \$13.13

Undepreciated net book value / per share

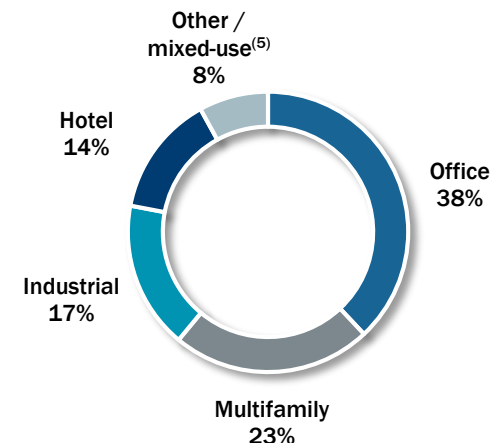
Investment Type⁽¹⁾

Based on GAAP gross carrying value as of September 30, 2020



Property Type⁽¹⁾

Based on GAAP gross carrying value as of September 30, 2020



Portfolio Overview

	Number of investments	Carrying value	Net carrying value ⁽⁶⁾
Senior mortgage loans	32	\$ 1,980,602	\$ 485,030
Mezzanine loans	9	269,676	269,676
Preferred equity & other loans ⁽⁴⁾	6	44,769	44,769
Net lease real estate ⁽²⁾	5	746,281	223,838
CRE debt securities ⁽³⁾	19	104,716	79,485
Cash & net assets ⁽⁷⁾		546,511	542,772
Total Core Portfolio – GAAP	71	\$3,692,556	\$1,645,569

Portfolio Activity

- Q3'20 Adjusted Core Earnings of \$28.3 million, or \$0.22 per share
- Closed one new loan for **\$23 million of committed capital** in Q4'20. Three new loans in-execution for **\$94 million of committed capital**
- Executed a recapitalization of the LA mixed-use development project with new 3rd party mezzanine financing
- Asset Sales / Payoffs – Since Q2'20:
 - Sold / resolved three investments** for **\$167 million** of net proceeds
 - Sold 11 CRE debt security tranches for **\$24 million** of net proceeds
 - \$90 million** of gross principal repayments

CORE PORTFOLIO – LOANS & PREFERRED EQUITY PORTFOLIO OVERVIEW

Overview

47

Total number of investments

\$2.3 billion

Total loans & preferred equity⁽¹⁾

\$49 million

Average investment size

97%

% Senior loans floating rate

(All floating rate senior loans have LIBOR floors in-place)

1.1 years

W.A. remaining term⁽¹⁾

3.5 years

W.A. extended remaining term⁽²⁾

5.8%

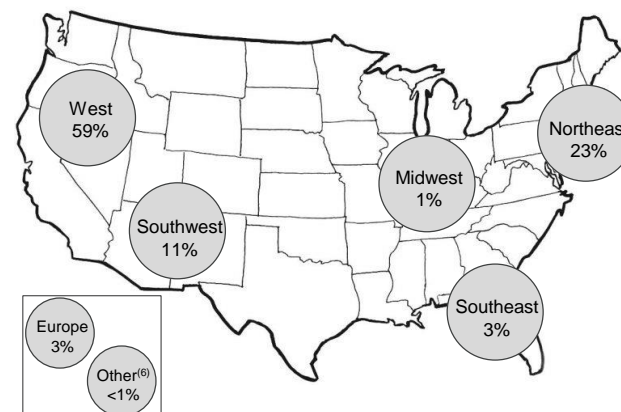
W.A. unlevered all-in yield⁽³⁾

70%

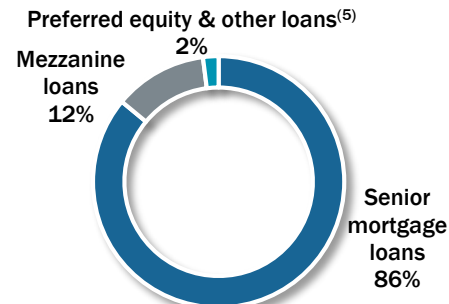
W.A. loan-to-value (senior loans only)

3.8

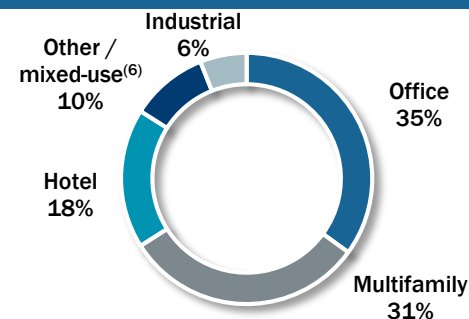
W.A. risk ranking



Investment Type⁽⁴⁾



Property Type⁽⁴⁾



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

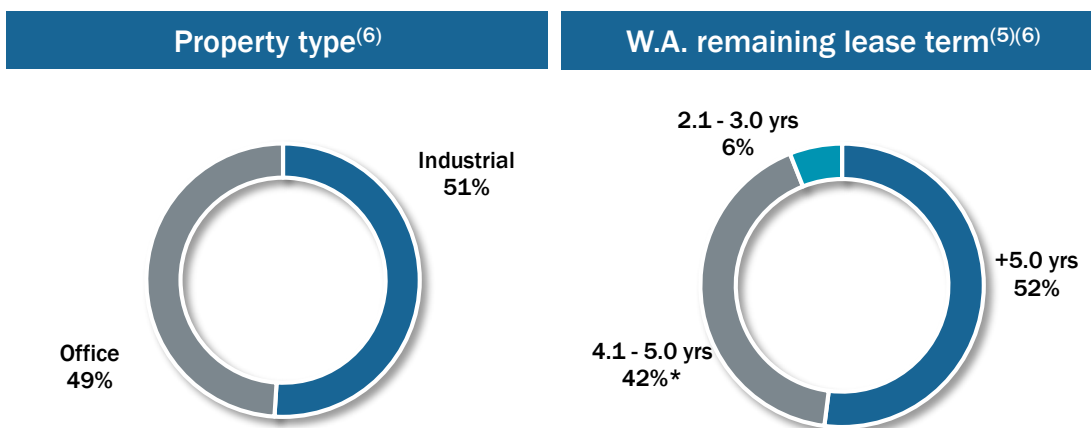
	Number of investments	Carrying value	Net carrying value ⁽¹⁾	W.A. unlevered all-in yield ⁽²⁾	W.A. remaining term (years) ⁽³⁾	W.A. extended term (years) ⁽⁴⁾
Floating rate						
Senior mortgage loans	31	\$ 1,919,851	\$ 424,278	5.6%	1.0	3.5
Mezzanine loans	1	11,182	11,182	11.5%	0.3	1.3
Preferred equity	1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

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

CORE PORTFOLIO – NET LEASE REAL ESTATE

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

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



* 100% is related to industrial net lease properties

CORE PORTFOLIO – CRE DEBT SECURITIES

Overview

19

Total number of investments⁽¹⁾

\$244 million

Principal value

\$105 million

Carrying value

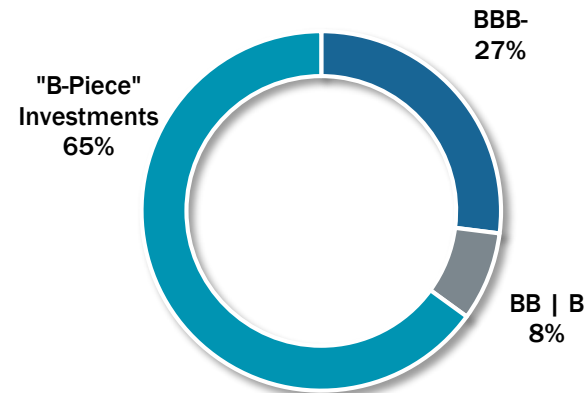
\$79 million

Net carrying value⁽²⁾

5.3 years

W.A. remaining term⁽³⁾

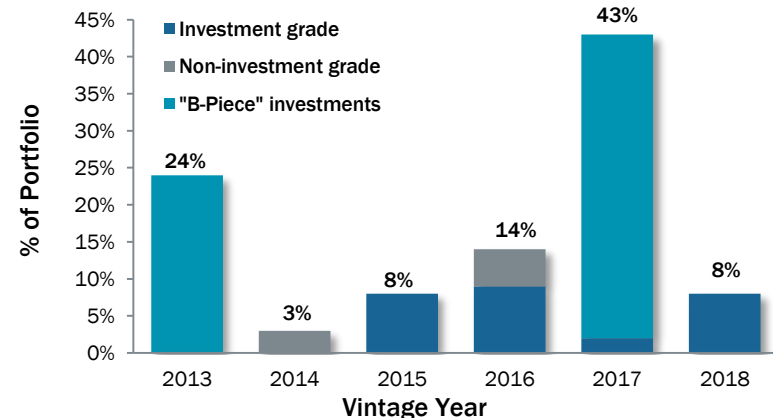
Ratings Category⁽⁴⁾



Portfolio Activity

- Sold five CRE debt security tranches for **\$16 million of net proceeds** and realized a **\$5 million gain** in Q3'20
- Sold six CRE debt security tranches for **\$8 million of net proceeds** in Q4'20
- Since Q2'20, repaid **\$20 million** of CMBS credit facilities, including \$7 million subsequent to quarter end

Vintage⁽⁴⁾



CORE PORTFOLIO – INVESTMENT DETAIL

Core Portfolio – loans & preferred equity portfolio

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

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

CORE PORTFOLIO – INVESTMENT DETAIL (CONT'D)

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

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

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

** Represents an equity participation interest

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

Core Portfolio – net lease real estate

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

CORE PORTFOLIO – INVESTMENT DETAIL (CONT'D)

Core Portfolio – CRE debt securities

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

Core Portfolio – summary

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



ColonyCredit
REAL ESTATE

LEGACY, NON-STRATEGIC PORTFOLIO

LEGACY, NON-STRATEGIC – PORTFOLIO OVERVIEW

Portfolio Summary

38

Total number of investments

\$0.6 billion

Total at-share assets

\$0.1 billion / \$0.75

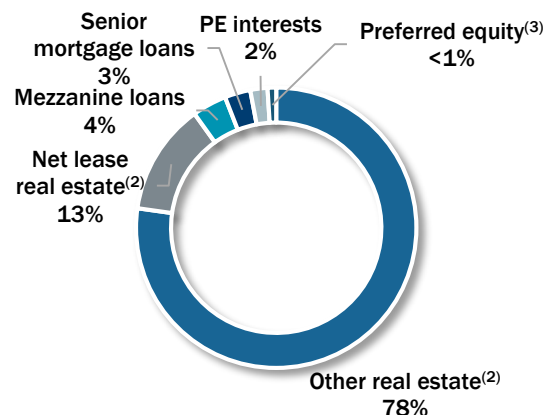
GAAP net book value / per share

\$0.2 billion / \$1.40

Undepreciated net book value / per share

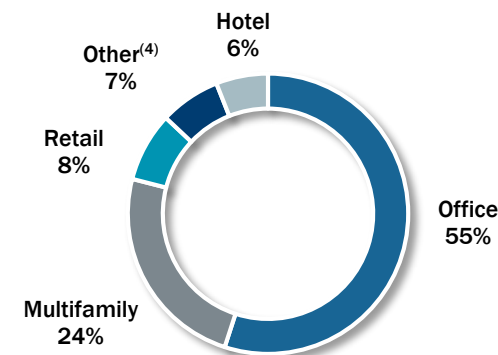
Investment Type⁽¹⁾

Based on GAAP gross carrying value as of September 30, 2020



Property Type⁽¹⁾

Based on GAAP gross carrying value as of September 30, 2020

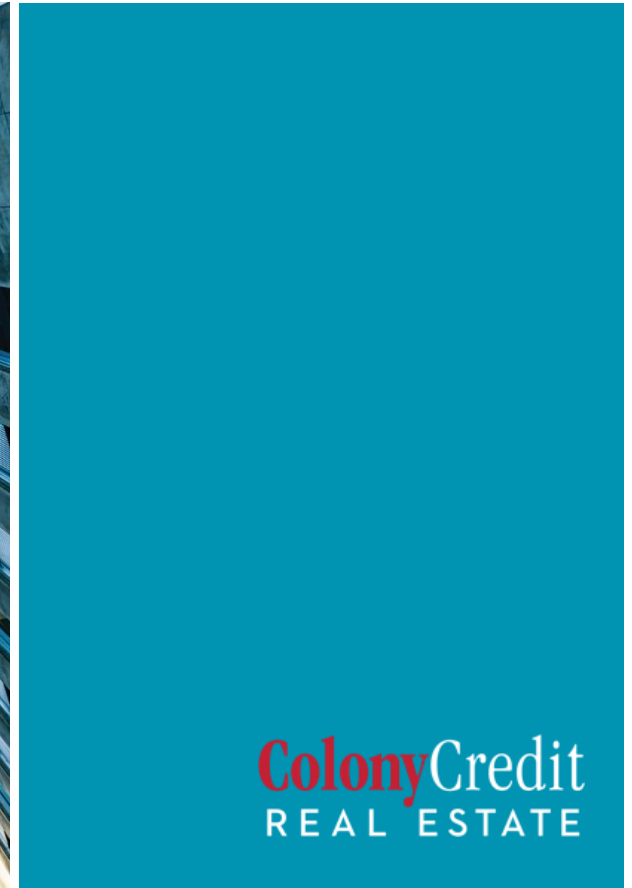


Portfolio Overview

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

Portfolio Activity

- Q3'20 Adjusted LNS Earnings of \$2.7 million, or \$0.02 per share
- LNS Portfolio **reduced to 6%** of total GAAP net book value
- Since Q2'20, sold 16 LNS assets totaling **\$22 million** of net proceeds
- Since the portfolio bifurcation plan was announced in November 2019:
 - Monetized \$235 million** of LNS net carrying value
 - Approximately 57% of the total LNS net carrying value



CAPITALIZATION

CAPITALIZATION HIGHLIGHTS

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

Overview

\$4.1 billion

Total capitalization
(excluding cash)

\$2.4 billion

Total outstanding debt

\$171 million

Corporate revolving credit facility availability
As of November 3, 2020

\$1.5 billion

(\$2.1 billion maximum facilities availability)

Master repurchase facilities availability
As of November 3, 2020

1.1x

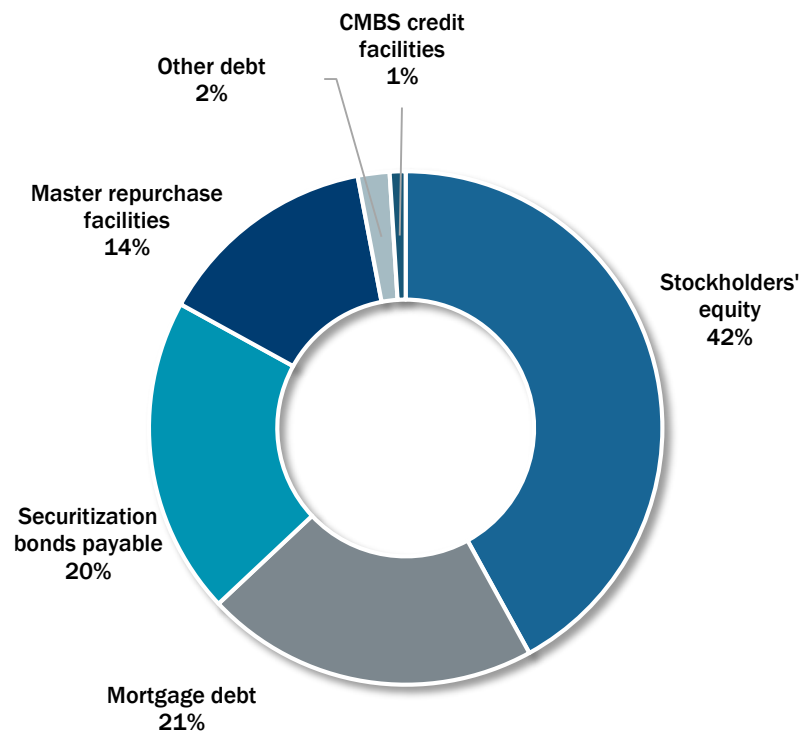
(0.1x recourse debt-to-equity ratio)

Net debt-to-equity ratio⁽¹⁾

2.93%

Blended all-in cost of financing⁽²⁾

Capital Structure



CAPITALIZATION OVERVIEW

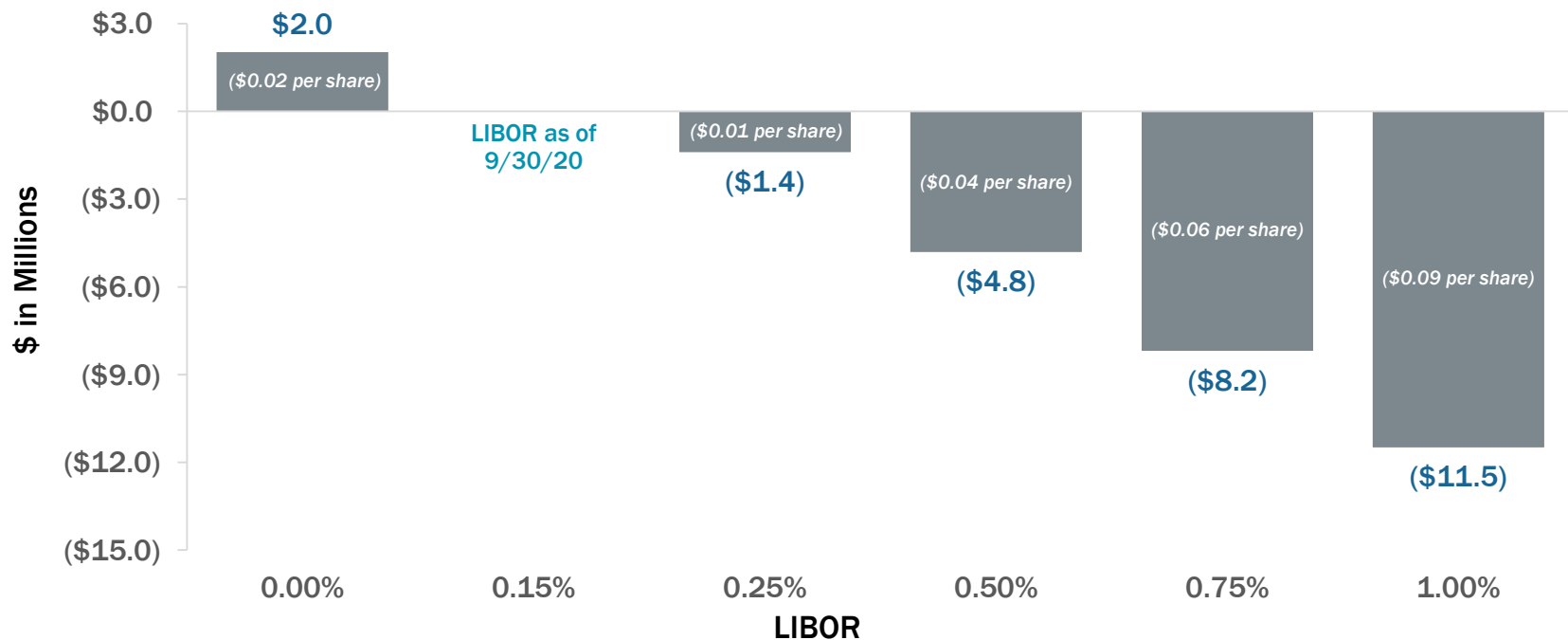
	Recourse vs. Non-recourse ⁽¹⁾	W.A. extended maturity ⁽²⁾	W.A. contractual interest rate ⁽²⁾	W.A. all-in COF ⁽²⁾⁽³⁾	Outstanding debt (UPB)
Corporate debt					
Corporate revolving credit facility	Recourse	Feb-23	L + 2.25%	2.40%	\$ -
Investment-level debt					
Securitization bonds payable	Non-recourse	Aug-35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

BENEFITING FROM LOW RATES

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

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

Net Interest Income Sensitivity to LIBOR





APPENDIX

IMPORTANT NOTE REGARDING NON-GAAP FINANCIAL MEASURES AND DEFINITIONS

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

We define Core Earnings/Legacy, Non-Strategic Earnings as U.S. GAAP net income (loss) attributable to our common stockholders (or, without duplication, the owners of the common equity of our direct subsidiaries, such as our operating partnership or "OP") and excluding (i) non-cash equity compensation expense, (ii) the expenses incurred in connection with our formation or other strategic transactions, (iii) the incentive fee, (iv) acquisition costs from successful acquisitions, (v) gains or losses from sales of real estate property and impairment write-downs of depreciable real estate, including unconsolidated joint ventures and preferred equity investments, (vi) CECL reserves determined by probability of default / loss given default (or "PD/LGD") model, (vii) depreciation and amortization, (viii) any unrealized gains or losses or other similar non-cash items that are included in net income for the current quarter, regardless of whether such items are included in other comprehensive income or loss, or in net income, (ix) one-time events pursuant to changes in U.S. GAAP and (x) certain material non-cash income or expense items that in the judgment of management should not be included in Core Earnings/Legacy, Non-Strategic Earnings. For clauses (ix) and (x), such exclusions shall only be applied after discussions between our Manager and our independent directors and after approval by a majority of our independent directors. U.S. GAAP net income (loss) attributable to our common stockholders and Core Earnings/Legacy, Non-Strategic Earnings include provision for loan losses.

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

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

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

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

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

IMPORTANT NOTE REGARDING NON-GAAP FINANCIAL MEASURES AND DEFINITIONS

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

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

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

NOTES REGARDING REPORTABLE SEGMENTS

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

Core Portfolio

Loans & Preferred Equity Portfolio (or “Loan Portfolio”)

As of September 30, 2020, the Company’s Loan Portfolio included senior mortgage loans, mezzanine loans and preferred equity interests (“preferred equity”) as well as participations in such loans. The Loan Portfolio also includes acquisition, development and construction loan arrangements accounted for as equity method investments as well as loans and preferred equity interests held through joint ventures with an affiliate of Colony Capital which were deconsolidated as a result of the merger and subsequently treated as equity method investments.

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

Net Leased Real Estate (“Net Lease”)

As of September 30, 2020, the Company’s Net Lease investments included direct investments in commercial real estate principally composed of long-term leases to tenants on a net lease basis, where such tenants are generally responsible for property operating expenses such as insurance, utilities, maintenance capital expenditures and real estate taxes.

CRE Debt Securities

As of September 30, 2020, the Company’s Commercial Real Estate (“CRE”) Debt Securities included both investment grade and non-investment grade rated CMBS bonds (including “B-pieces” of CMBS securitization pools or “B-Piece” investments).

Legacy, Non-Strategic Portfolio (“LNS Portfolio” or “LNS”)

Legacy, Non-Strategic Investments

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

APPENDIX – CONSOLIDATED BALANCE SHEET

	September 30, 2020 (Unaudited)	December 31, 2019
Assets		
Cash and cash equivalents	\$ 461,990	\$ 69,619
Restricted cash	73,059	126,065
Loans and preferred equity held for investment	2,143,938	2,848,956
Allowance for loan losses	(40,524)	(272,624)
Loans and preferred equity held for investment, net	2,103,414	2,576,332
Real estate securities, available for sale, at fair value	36,250	252,824
Real estate, net	1,133,318	1,484,796
Investments in unconsolidated ventures (\$7,093 and \$10,283 at fair value, respectively)	424,557	595,305
Receivables, net	80,674	46,456
Deferred leasing costs and intangible assets, net	85,881	112,762
Assets held for sale	203,466	189,470
Other assets	69,658	87,707
Mortgage loans held in securitization trusts, at fair value	1,839,390	1,872,970
Total assets	\$ 6,511,657	\$ 7,414,306
Liabilities		
Securitization bonds payable, net	\$ 834,621	\$ 833,153
Mortgage and other notes payable, net	1,102,999	1,256,112
Credit facilities	608,632	1,099,233
Due to related party	9,192	11,016
Accrued and other liabilities	111,525	140,424
Intangible liabilities, net	8,443	22,149
Liabilities related to assets held for sale	10,787	294
Escrow deposits payable	37,642	74,497
Dividends payable	-	13,164
Mortgage obligations issued by securitization trusts, at fair value	1,770,924	1,762,914
Total liabilities	4,494,765	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 September 30, 2020 and December 31, 2019, respectively	-	-
Common stock, \$0.01 par value per share		
Class A, 950,000,000 shares authorized, 128,582,965 and 128,538,703 shares issued and outstanding as of September 30, 2020 and December 31, 2019, respectively	1,286	1,285
Additional paid-in capital	2,842,892	2,909,181
Accumulated deficit	(1,181,747)	(819,738)
Accumulated other comprehensive income	40,954	28,294
Total stockholders' equity	1,703,385	2,119,022
Noncontrolling interests in investment entities	272,803	31,631
Noncontrolling interests in the Operating Partnership	40,704	50,697
Total equity	2,016,892	2,201,350
Total liabilities and equity	\$ 6,511,657	\$ 7,414,306

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

APPENDIX – CONSOLIDATED STATEMENTS OF OPERATIONS

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

APPENDIX – CONSOLIDATED STATEMENTS OF OPERATIONS BY SEGMENT

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

APPENDIX – OUTSTANDING COMMON SHARES AND OP UNITS

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

APPENDIX – RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL INFORMATION

Reconciliation of consolidated balance sheet to at CLNC share balance sheet

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

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

Reconciliation of GAAP net book value to undepreciated book value

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

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

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

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

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

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

Reconciliation of GAAP net income (loss) to NOI

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

APPENDIX – FOOTNOTES

Page 4

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

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

Page 6

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

Page 7

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

Page 9

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

Page 10

1. Represents the remaining loan term based on the current contractual maturity date of loans and is weighted by carrying value at CLNC share as of 9/30/20
2. Represents the remaining loan term based on maximum maturity date assuming all extension options on loans are exercised by the borrower and is weighted by carrying value at CLNC share as of 9/30/20
3. In addition to the stated cash coupon rate, unlevered all-in yield includes non-cash payment in-kind interest income and the accrual of origination, extension and exit fees. Unlevered all-in yield for the loan portfolio assumes the applicable floating benchmark rate as of 9/30/20 for W.A. calculations
4. Based on carrying values at CLNC share as of 9/30/20
5. Preferred equity includes \$17 million related to equity participation interests
6. Other / mixed-use includes: (i) commercial and residential development and predevelopment and (ii) mixed-use assets

Page 11

1. Represents carrying values net of any in-place investment-level financing at CLNC share as of 9/30/20
2. In addition to the stated cash coupon rate, unlevered all-in yield includes non-cash payment in-kind interest income and the accrual of origination, extension and exit fees. Unlevered all-in yield for the loan portfolio assumes the applicable floating benchmark rate as of 9/30/20 for W.A. calculations
3. Represents the remaining loan term based on the current contractual maturity date of loans and is weighted by carrying value at CLNC share as of 9/30/20
4. Represents the remaining loan term based on maximum maturity date assuming all extension options on loans are exercised by the borrower and is weighted by carrying value at CLNC share as of 9/30/20

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

APPENDIX – FOOTNOTES (CONT'D)

Page 13

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

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1. In addition to the stated cash coupon rate, unlevered all-in yield includes non-cash payment in-kind interest income and the accrual of origination, extension and exit fees. Unlevered all-in yield for the loan portfolio assumes the applicable floating benchmark rate as of 9/30/20 for W.A. calculations
2. Represents the remaining loan term based on maximum maturity date assuming all extension options on loans are exercised by the borrower and is weighted by carrying value at CLNC share as of 9/30/20
3. Senior loans reflect the initial loan amount divided by the as-is value as of the date the loan was originated, or the principal amount divided by the appraised value as of the date of the most recent as-is appraisal. Construction senior loans’ loan-to-value reflect the total commitment amount of the loan divided by the as completed appraised value, or the total commitment amount of the loan divided by the projected total cost basis

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1. In addition to the stated cash coupon rate, unlevered all-in yield includes non-cash payment in-kind interest income and the accrual of origination, extension and exit fees. Unlevered all-in yield for the loan portfolio assumes the applicable floating benchmark rate as of 9/30/20 for W.A. calculations
2. Represents the remaining loan term based on maximum maturity date assuming all extension options on loans are exercised by the borrower and is weighted by carrying value at CLNC share as of 9/30/20
3. Mezzanine loans include attachment and detachment loan-to-values, respectively. Attachment loan-to-value reflects initial funding of loans senior to our position divided by the as-is value as of the date the loan was originated, or the principal amount divided by the appraised value as of the date of the most recent appraisal. Detachment loan-to-value reflects the cumulative initial funding of our loan and the loans senior to our position divided by the as-is value as of the date the loan was originated, or the cumulative principal amount divided by the appraised value as of the date of the most recent appraisal. Construction mezzanine loans include attachment and detachment loan-to-value, respectively. Attachment loan-to-value reflects the total commitment amount of loans senior to our position divided by as-completed appraised value, or the total commitment amount of loans senior to our position divided by projected total cost basis. Detachment loan-to-value reflect the cumulative commitment amount of our loan and the loans senior to our position divided by as-completed appraised value, or the cumulative commitment amount of our loan and loans senior to our position divided by projected total cost basis
4. Represents annualized reported NOI for the third quarter 2020 at CLNC share
5. Represents the percent leased as of 9/30/20 and is weighted by carrying value at CLNC share as of 9/30/20
6. Based on in-place leases (defined as occupied and paying leases) as of 9/30/20 and assumes that no renewal options are exercised. W.A. calculation based on carrying value at CLNC share as of 9/30/20

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

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

Page 20

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

Page 21

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

Page 31

1. Represents interests in assets held by third party partners
2. Represents the proportionate share attributed to CLNC based on CLNC’s ownership % by asset
3. Reflects the net impact of securitization assets and related obligations which are consolidated for accounting purposes

APPENDIX – FOOTNOTES (CONT'D)

Page 32

1. Represents net accumulated depreciation and amortization on real estate investments, including related intangible assets and liabilities
2. The Company calculates GAAP net book value (excluding noncontrolling interests in investment entities) per share and undepreciated book value per share, a non-GAAP financial measure, based on the total number of common shares and OP units (held by members other than the Company or its subsidiaries) outstanding at the end of the reporting period. As of 9/30/20, the total number of common shares and OP units outstanding was approximately 131.7 million

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

COMPANY INFORMATION

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

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