



Colony Capital Announces Closing of Hospitality Portfolios Transaction to Highgate and Cerberus

March 25, 2021

Finalizes Previously Announced Exit from Hospitality Business

BOCA RATON, Fla.--(BUSINESS WIRE)--Mar. 25, 2021-- Colony Capital, Inc. (NYSE: CLNY) ("Colony Capital" or the "Company") today announced it has completed the final sale and assignment, as applicable, of six hospitality portfolios to Highgate and an affiliate of Cerberus Capital Management, L.P. ("Cerberus"). The transaction concludes Colony Capital's previously announced exit from the hospitality business. Consistent with the original agreement, the transaction resulted in aggregate gross proceeds to the Company of \$67.5 million and a reduction of consolidated investment-level debt of \$2.7 billion, reflecting the assumption of underlying mortgage debt and other liabilities by Highgate and its affiliates and Cerberus.

"We are excited to complete the exit of our hospitality business. When we announced this transaction last year, we targeted closing in the first quarter of 2021. Thanks to the hard work of David Schwarz and his team, as well as the folks at Highgate and Cerberus, we were able to deliver on another one of our commitments to shareholders," said Marc Ganzi, President and CEO of Colony Capital. "We remain focused on executing our digital transformation and this closing represents another positive step as we move to finish the mission."

"Highgate is excited to conclude the acquisition of Colony Capital's hospitality assets, in partnership with our friends at Cerberus," said Mahmood Khimji, Co-Founder and Managing Principal of Highgate. "We appreciate the efforts by Marc, the Colony team, and the many other key stakeholders to bring this unique transaction to fruition. This investment marks an ongoing strategic commitment by Highgate to the select service and extended stay space. We are thrilled to welcome the many associates across these hotels to the Highgate team, and look forward to working together in navigating a highly dynamic market environment and delivering exceptional results and experiences for our guests."

Tom Wagner, Head of North American Real Estate at Cerberus, added: "We are pleased to partner with Highgate to provide a tailored solution for a complex situation. This transaction provided us with the opportunity to invest in the recovery of the hospitality sector following an unprecedented market dislocation. Together, Cerberus and Highgate are committed to using our combined financial and operating expertise to help revitalize these hotel portfolios for the benefit of guests, employees, and the communities they serve."

Additional details regarding these transactions are available in a form 8-k filed with the SEC coincident with this press release.

About Colony Capital

Colony Capital, Inc. (NYSE: CLNY) is a leading global investment firm with a heritage of identifying and capitalizing on key secular trends in real estate. The Company manages a \$52 billion portfolio of real assets on behalf of its shareholders and limited partners, including \$30 billion in digital real estate investments through Digital Colony, its digital infrastructure platform. Colony Capital, structured as a REIT, is headquartered in Boca Raton with key offices in Los Angeles, New York, and London, and has over 350 employees across 18 locations in 12 countries. For more information on Colony Capital, visit www.clny.com

About Highgate

Highgate is a leading real estate investment and hospitality management company with over \$10 billion of hospitality assets under management. Highgate has a longstanding track record of operating assets for the industry's largest REITs, private equity firms, institutional funds and private investors. Highgate is a dominant hotel player in key gateway markets throughout the United States and across the Caribbean and Latin America, and operates more than 160 hotels and approximately 45,000 rooms around the world. For more information on Highgate, visit www.highgate.com

About Cerberus

Founded in 1992, Cerberus is a global leader in alternative investing with over \$50 billion in assets across complementary credit, private equity, and real estate strategies. We invest across the capital structure where our integrated investment platforms and proprietary operating capabilities create an edge to improve performance and drive long-term value. Our tenured teams have experience working collaboratively across asset classes, sectors, and geographies to seek strong risk-adjusted returns for our investors. For more information about our people and platforms, visit us at www.cerberus.com

Cautionary Statement regarding Forward-Looking Statements

This press release may contain forward-looking statements within the meaning of the federal securities laws. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," or "potential" or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and contingencies, many of which are beyond our control, and may cause actual results to differ significantly from those expressed in any forward-looking statement. Factors that might cause such a difference include, without limitation, whether the Company will realize any of the anticipated benefits from the transaction, the Company's ability to continue to execute its digital transformation and other risks and uncertainties, including those detailed in Colony Capital's Annual Report on Form 10-K for the year ended December 31, 2020, and its other reports filed from time to time with the U.S. Securities and Exchange Commission ("SEC"). All forward-looking statements reflect the Company's good faith beliefs, assumptions and expectations, but they are not guarantees of future performance. Colony Capital cautions 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 Capital is under no duty to update any of these forward-looking

statements after the date of this press release, nor to conform prior statements to actual results or revised expectations, and Colony Capital does not intend to do so.

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