



Colony Capital Announces Sale of Other Equity & Debt (OED) Portfolio

June 7, 2021

Sale to Fortress Investment Group Generates \$535 Million of Gross Proceeds to Fuel Digital Investments

Transaction Represents Significant Step Towards Completing Digital Rotation Ahead of Schedule

Post-Closing, Digital Assets Under Management to Account for 80% of Total AUM

BOCA RATON, Fla.--(BUSINESS WIRE)--Jun. 7, 2021-- Colony Capital, Inc. (NYSE: CLNY) ("Colony" or the "Company"), a leading global digital infrastructure REIT, today announced it has reached an agreement to sell the bulk of its OED portfolio of real estate assets to Fortress Investment Group LLC ("Fortress") a leading, diversified global investment manager, for gross proceeds of \$535 million (the "OED Portfolio Sale"). The OED Portfolio Sale proceeds are in line with the net equity carrying value of the underlying assets as of March 31, 2021.

The OED Portfolio Sale advances several of the Company's stated strategic goals

- **Boost Digital Firepower** – Over half-billion dollars of capital available to fuel high-quality digital investments, harvested at levels in line with net carrying values
- **Simplification** – Substantial reduction in organizational complexity generates estimated overhead cost savings of over \$18 million, allows enhanced focus on digital, and simplifies investor analysis
- **Enhance Liquidity, Reduce Leverage** – The OED Portfolio Sale increases corporate liquidity to over \$1.2 billion on a pro forma basis, while at the same time reducing consolidated investment-level debt by \$945 million

"This transaction is a watershed moment for us, a big step towards our Finish-The-Mission goal as we rotate to a fully-digital business. Not only are we freeing up over a half-billion dollars to redeploy into digital, we're simplifying our business, making it easier to manage and to understand," said Marc Ganzi, President and CEO of Colony Capital. "Fortress is a world-class organization, so I know these assets will be stewarded in the most responsible way going forward, allowing us to maintain our singular focus on building the most compelling digital infrastructure REIT in the world."

"We are thrilled to announce this win-win transaction with Colony," said Fortress Managing Director Noah Shore. "It's a perfect fit with our existing business and our deep wells of experience and expertise in managing highly complex investments across a full range of asset types, structures, industries and geographies."

The transaction will result in digital assets under management (AUM) accounting for 80% of the Company's pro forma AUM, with its Wellness Infrastructure segment and ownership stake in the publicly-listed shares of Colony Credit Real Estate, Inc. (NYSE:CLNC), which are not included in the sale along with a small number of OED assets, constituting its remaining material legacy assets.

Combined with other monetizations to-date, at closing, the Company will have generated approximately \$790 million in total monetizations year-to-date, which would exceed the high end of the Company's 2021 monetization target of \$400-600 million. As importantly, the OED Portfolio Sale resolves the material ownership of its OED assets in a single transaction, while assuring their continued responsible stewardship by a leading global investment manager, Fortress, focused on optimizing their value.

Prior to the closing of this transaction, Colony's non digital European investment management platform will be privatized and will continue to provide sub advisory and management services to the relevant OED entities.

Additional details regarding the OED Portfolio Sale will be contained in a Current Report on Form 8-K to be filed by the Company with the U.S. Securities and Exchange Commission. The Company currently expects the OED Portfolio Sale to be completed during the fourth quarter of 2021.

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 \$46 billion portfolio of real assets on behalf of its shareholders and limited partners, including \$32 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, London and Singapore. For more information on Colony Capital, visit www.clny.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 complete the OED Portfolio Sale and privatization of the Company's non digital European investment management platform within the timeframe anticipated or at all, including the Company's ability to obtain any necessary third-party approvals to consummate the transactions, whether the Company will realize any of the anticipated benefits from the OED Portfolio Sale, the timing and pace of the Company's digital transformation, including the Company's ability to rotate the balance sheet and redeploy capital into digital infrastructure, whether the Company

will realize any of the anticipated benefits of such 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, Quarterly Report on Form 10-Q for the quarter ended March 31, 2021, 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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