

**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): January 6, 2020**

**COLONY CAPITAL, INC.**

(Exact Name of Registrant as Specified in Its Charter)

**Maryland**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**001-37980**  
(Commission  
File Number)

**46-4591526**  
(I.R.S. Employer  
Identification No.)

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

**90071**  
(Zip Code)

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

**N/A**

(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 (see General Instruction A.2. below):

- 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 Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
<b>Class A Common Stock, \$0.01 par value</b>	<b>CLNY</b>	<b>New York Stock Exchange</b>
<b>Preferred Stock, 8.25% Series B Cumulative Redeemable, \$0.01 par value</b>	<b>CLNY.PRB</b>	<b>New York Stock Exchange</b>
<b>Preferred Stock, 8.75% Series E Cumulative Redeemable, \$0.01 par value</b>	<b>CLNY.PRE</b>	<b>New York Stock Exchange</b>
<b>Preferred Stock, 7.50% Series G Cumulative Redeemable, \$0.01 par value</b>	<b>CLNY.PRG</b>	<b>New York Stock Exchange</b>
<b>Preferred Stock, 7.125% Series H Cumulative Redeemable, \$0.01 par value</b>	<b>CLNY.PRH</b>	<b>New York Stock Exchange</b>
<b>Preferred Stock, 7.15% Series I Cumulative Redeemable, \$0.01 par value</b>	<b>CLNY.PRI</b>	<b>New York Stock Exchange</b>
<b>Preferred Stock, 7.125% Series J Cumulative Redeemable, \$0.01 par value</b>	<b>CLNY.PRJ</b>	<b>New York Stock Exchange</b>

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 7.01 Regulation FD Disclosure.**

On January 6, 2020, Colony Capital, Inc. (the “Company”) posted an investor presentation to its website at <http://www.clny.com> under the “Public Shareholders” tab, subheading “Presentations,” which will be utilized at the Citi 2020 Global TMT West Conference at The Bellagio Hotel in Las Vegas, NV on Tuesday, January 7, 2020 and Wednesday, January 8, 2020 for investor meetings and the fireside chat with Marc C. Ganzi, CEO of Digital Bridge Holdings, LLC and CEO-elect of the Company, scheduled for Wednesday, January 8, 2020 from 11:45 a.m. to 12:30 p.m. Pacific Time. A copy of the presentation is attached as Exhibit 99.1 hereto and is incorporated herein by reference. The live webcast of the fireside chat discussion will be broadcast over the Internet and can be accessed on the Public Shareholders section of the Company’s website at <http://www.clny.com>. The replay of the webcast will be available for 60 days on the Company’s website. The information contained on the Company’s website is not incorporated by reference herein.

The information included in this Current Report on Form 8-K, including Exhibit 99.1, 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 the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

*Use of Website to Distribute Material Company Information*

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

**Item 9.01 Financial Statements and Exhibits.**

*(d) Exhibits.*

<u>Exhibit No.</u>	<u>Description</u>
99.1	<a href="#">Colony Capital, Inc. Investor Presentation, Citi Global TMT Conference January 7-8, 2020</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

**SIGNATURES**

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

Date: January 6, 2020

**COLONY CAPITAL, INC.**

By: \_\_\_\_\_ /s/ Mark M. Hedstrom  
**Mark M. Hedstrom**  
**Chief Financial Officer, Chief Operating Officer**  
**and Treasurer**

# INVESTOR PRESENTATION

Citi Global TMT West Conference: January 7-8, 2020

**ColonyCapital**

**Marc C. Ganzi**  
CEO Digital Bridge Holdings, LLC and  
CEO-Elect, Colony Capital

# Disclaimer

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. You can also identify forward-looking statements by discussions of strategy, plans or intentions.

Forward-looking statements involve known and unknown risks, uncertainties, assumptions and contingencies, many of which are beyond the Company's control, and may cause the Company's actual results to differ significantly from those expressed in any forward-looking statement. Factors that might cause such a difference include, without limitation, the Company's ability to transform and simplify its business with direct investments in digital assets and a related investment management business in the manner and in the timeframe anticipated or at all, the size of the Company's balance sheet, the Company's liquidity, Digital Colony's ability to complete the pending acquisition of Zayo Group Holdings, Inc. on the terms and in the timeframe contemplated or at all, the impact of changes to the Company's management, employee and organizational structure, including the implementation and timing of CEO succession plans, whether the Company will complete anticipated asset monetizations within the timeframe contemplated or at all, the stabilization of the Company's healthcare portfolio, the Company's ability to achieve anticipated compensation and administrative cost savings pursuant to its corporate restructuring and reorganization plan, in the timeframe expected or at all, the Company's portfolio mix, including investments in digital real estate, whether the Company's investments will achieve target performance, the Company's investment management business, including the quality of fees, operating margins and carried interest generation, the ability to lower operating costs, the Company's leverage and ability to delever, the Company's performance relative to peers, macroeconomic factors impacting digital and other assets, the Company's ability to grow, whether Colony Capital will be able to maintain its qualification as a real estate investment trust, or REIT, for U.S. federal income tax purposes, the timing of and ability to deploy available capital, whether the Company will use the proceeds of the sale of the industrial portfolio and the related management platform as presented in this investor presentation, Company's financial flexibility, including borrowing capacity under its revolving credit facility, the performance of the Company's investment in Colony Credit Real Estate, Inc. ("CLNC") and whether the Company will be able to complete an internalization of CLNC's management on the terms contemplated or at all, the Company's ability to maintain or create future permanent capital vehicles under its management, the Company's ability to maintain inclusion and relative performance on the RMZ, increased interest rates and operating costs, adverse economic or real estate developments in Colony Capital's markets, Colony Capital's failure to successfully operate or lease acquired properties, decreased rental rates, increased vacancy rates or failure to renew or replace expiring leases, increased cost of capital expenditures, defaults on or non-renewal of leases by tenants, adverse general and local economic conditions, an unfavorable capital market environment, decreased leasing activity or lease renewals, and other risks and uncertainties detailed in our filings with the U.S. Securities and Exchange Commission ("SEC").

Statements regarding the following subjects, among others, may constitute forward-looking statements: the market, economic and environmental conditions in the Company's real estate investment sectors; the Company's business and investment strategy; the Company's ability to dispose of its real estate investments; the performance of the real estate in which the Company owns an interest; market trends in the Company's industry, interest rates, real estate values, the debt securities markets or the general economy; actions, initiatives and policies of the U.S. government and changes to U.S. government policies and the execution and impact of these actions, initiatives and policies; the state of the U.S. and global economy generally or in specific geographic regions; the Company's ability to obtain and maintain financing arrangements, including securitizations; the amount and value of commercial mortgage loans requiring refinancing in future periods; the availability of attractive investment opportunities; the general volatility of the securities markets in which the Company participates; changes in the value of the Company's assets; the impact of and changes in governmental regulations, tax law and rates, accounting guidance and similar matters; the Company's ability to maintain its qualification as a real estate investment trust, or REIT, for U.S. federal income tax purposes; and the Company's ability to maintain its exemption from registration as an investment company under the Investment Company Act of 1940, as amended.

All forward-looking statements reflect Colony Capital's good faith beliefs, assumptions and expectations, but they are not guarantees of future performance. Additional information about these and other factors can be found in Colony Capital's reports filed from time to time with the SEC. 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 presentation. Colony Capital 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 Capital does not intend to do so.

This presentation is for informational purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any securities of Colony Capital. This information is not intended to be indicative of future results. Actual performance of Colony Capital may vary materially.

This presentation may contain statistics and other data that has been obtained or compiled from information made available by third-party service providers. Colony Capital has not independently verified such statistics or data.

# Disclaimer

## Important Additional Information

The Company, its directors and its executive officers will be participants in the solicitation of proxies from the Company's stockholders in connection with the matters to be considered at the 2020 Annual Meeting of Stockholders (the "2020 Annual Meeting"). Information about the Company's directors and executive officers, including their direct and indirect interests, by security holdings or otherwise, is available in the Company's definitive proxy statement on Schedule 14A prepared in connection with the Company's 2019 Annual Meeting of Stockholders, and filed with the U.S. Securities and Exchange Commission (the "SEC") on March 28, 2019. To the extent holdings of the Company's securities by such directors or executive officers have changed since the amounts disclosed in the 2019 proxy statement, such changes have been or will be reflected on Statements of Changes in Beneficial Ownership on Form 4 filed with the SEC. The Company intends to file a proxy statement with the SEC in connection with the solicitation of proxies from the Company's stockholders for the 2020 Annual Meeting. INVESTORS AND STOCKHOLDERS ARE STRONGLY ENCOURAGED TO READ ANY SUCH PROXY STATEMENT AND ACCOMPANYING PROXY CARD AND OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE AS THEY WILL CONTAIN IMPORTANT INFORMATION. Detailed information regarding the Company's directors, executive officers and director nominees, including their direct or indirect interests, by security holdings or otherwise, will also be included in the proxy statement and other materials to be filed with the SEC in connection with the 2020 Annual Meeting. Stockholders will be able to obtain any proxy statement, any amendments or supplements to the proxy statement and other documents filed by the Company with the SEC for no charge at the SEC's website at [www.sec.gov](http://www.sec.gov). Copies will also be available at no charge at the "Public Shareholders" section of the Company's corporate website at [www.cing.com](http://www.cing.com).

## Reconciliation

This presentation also includes certain forward-looking non-GAAP information. Due to the high variability and difficulty in making accurate forecasts and projections of some of the information excluded from these estimates, together with some of the excluded information not being ascertainable or accessible, the Company is unable to quantify certain amounts that would be required to be included in the most directly comparable GAAP financial measures without unreasonable efforts.





## Table of Contents

---

- 1** Digital Infrastructure Landscape

---

- 2** Colony's Converged Digital Ecosystem

---

- 3** Colony's Digital Investment Framework

---

- 4** Colony's Inaugural Balance Sheet Investment in Digital Infrastructure

1

**DIGITAL  
INFRASTRUCTURE  
LANDSCAPE**





# Data Demand: A Global Opportunity

**Mobile operators are forecasted to invest greater than \$480 BILLION WORLDWIDE between 2018 and 2020 in mobile capex, with half coming from countries expected to have launched 5G by 2020<sup>1</sup>**

## Mobile Internet Users



2018

3.6bn



CAGR 2018-25

4.8%

5.0bn



2025

## Operator Investment



Capex 2018 - 2020

**\$482bn**

5G is Driving a Sharp Acceleration in US Wireless Capex



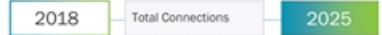
Over a fifth of the world's markets will have launched 5G by 2020

## Internet of Things

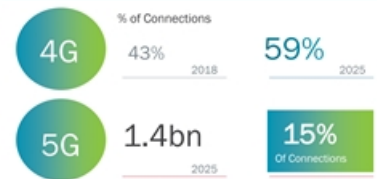


9.1bn

25.2bn



## Smartphones



# Strong Digital Infrastructure Demand Anticipated Based on Projected Cloud Capital Expenditures and 5G Phone Shipments

## Projected Cloud Capital Expenditures – Global and Chinese-based Players (2018 – 2020P)



## Projected 5G Phone Shipments (2019 – 2021P)



# Next Generation Networks Require a Converged Approach to Infrastructure Development and Ownership

## 5G End to End

5G CITIES WORLDWIDE



## FROM DEVICES THROUGH THE CORE TO THE CLOUD AND BACK



## 5G will Enable Low-Latency Applications

- Bandwidth
- Content Control
- Security
- Privacy
- Reliability

## Technology Transformation

- Data center performance will shift to the edge
- Users will experience the same quality with any device, from "anywhere"

SMART EDUCATION | WAREHOUSE & MANUFACTURING |  
SMART CITY | CONNECTED CAR | RETAIL

## Business Transformation

- Ecosystem dependencies
- Partnerships / consortiums
- New business model opportunities

TRANSPORTATION | EDGE CLOUD GAMING |  
INSPECTION & INFRASTRUCTURE | SMART STADIUM |  
VR/AR WITH LOCATION

# 2

## COLONY'S CONVERGED DIGITAL ECOSYSTEM



# Colony's Global Digital Infrastructure Footprint

Colony is the only global REIT that owns, manages, and operates across all components of the digital ecosystem driving significant synergies

## TOWER ASSETS

~350,000 Sites

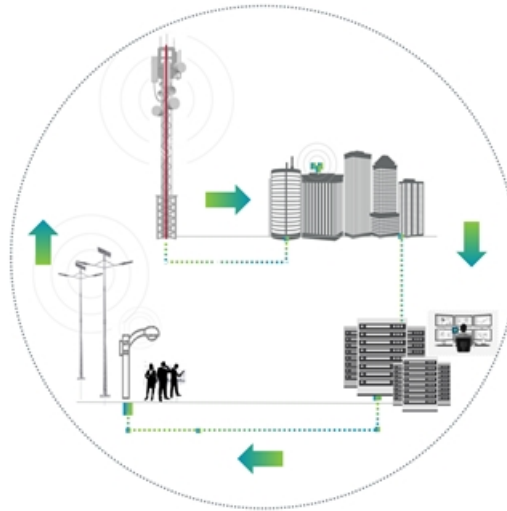
Provide critical network coverage and capacity



## SMALL CELL ASSETS

>35,000 Nodes

Enable additional network densification in high demand areas



## FIBER ASSETS

> 135,000 Route Miles<sup>2</sup>

Fueling global innovation. Providing mission-critical connectivity



## ENTERPRISE AND HYPERSCALE DATA CENTER ASSETS

95 Data Centers<sup>2</sup>

Data centers will continue to play a vital role in the ingestion, computation, storage, and management of information<sup>1</sup>



# Colony's Converged U.S. Ecosystem vs. Peer Group

## Colony controls and/or manages the only U.S. end-to-end digital infrastructure platform

United States Digital Infra Asset Owners / Operators	Macro Towers (Number Of Sites)	Small Cells (Number Of Sites)	Enterprise & Dark Fiber (Miles)	Colocation / Managed Service Data Centers (Number Of Sites)	Edge Data Centers (Number Of Sites)	Hyperscale Data Centers (Number Of Sites)
<b>ColonyCapital</b>	~4,600	~30,000 <sup>(1)</sup>	+135,000 <sup>(1)(2)(3)</sup>	45 <sup>(2)</sup>	19 <sup>(4)</sup>	9 <sup>(4)</sup>
<b>ALTERNATIVE ASSET MANAGERS</b>						
<b>MACQUARIE</b>	~2,400 <sup>(3)</sup>	~65 <sup>(5)</sup>	—	—	6	4
<b>Brookfield</b>	—	—	—	18 <sup>(6)</sup>	—	—
<b>REITS</b>						
<b>CROWN CASTLE</b>	~40,000	~70,000 <sup>(7)</sup>	~75,000	—	—	—
<b>AMERICAN TOWER</b>	~41,000	~410 <sup>(5)</sup>	—	—	1 <sup>(8)</sup>	—
<b>DIGITAL REALTY</b>	—	—	—	—	—	147 <sup>(9)</sup>
<b>EQUINIX</b>	—	—	—	76 <sup>(10)</sup>	—	—

Source: Company websites, company filings, BNAméricas and Infomation.

Note: Denotes latest available information, as of November 23, 2019. Numbers reflect owned and revenue generating sites or assets, unless otherwise noted. All assets refer to U.S. assets.

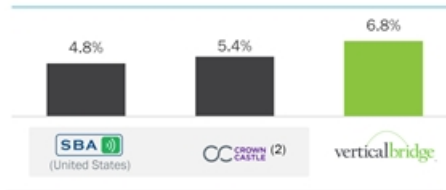
(1) Denotes contracted and in construction ("CIC") networks. (2) Pro-forma for the The Zayo transaction, which remains subject to customary closing conditions and there is no guarantee this transaction will be consummated. (3) Includes sites and / or assets outside of the United States, as country-level detail unavailable. (4) Excludes data centers under construction. (5) Denotes network count. (6) Brookfield owns 18 operational data centers in the United States that it acquired from AT&T. There is insufficient detail regarding whether any are edge-connected. (7) Denotes on-air and under contract small cell nodes. (8) Denotes acquisition of ColoAtI announced April 05, 2019. (9) Digital Realty owns 147 operational data centers in the United States, however there is insufficient detail regarding their classification. (10) Equinix owns 76 operational data centers in the United States, however there is insufficient detail regarding whether any are edge-connected.



# Performance vs. Peers in Towers

Vertical Bridge, a U.S. tower portfolio company managed by Digital Bridge, has outperformed the tower businesses of the big three public REITs over the last three years

## NET ORGANIC LEASING GROWTH<sup>(1)</sup> (2016A-2019E)

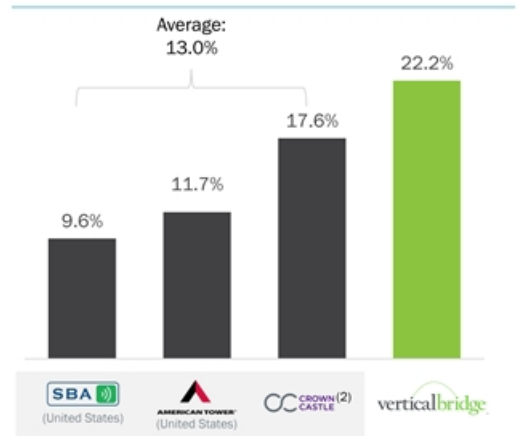


### OVERVIEW

Over the 2016A-2019E period, Vertical Bridge will have scaled its platform and significantly grown EBITDA through:

- ✓ Development and execution of its pipeline (732 build-to-suit towers)
- ✓ Accretive M&A at below-market multiples (acquisition of 2,375 towers)
- ✓ Strong lease-up performance

## ADJ. EBITDA CAGR<sup>(3)</sup> (2016A-2019E)

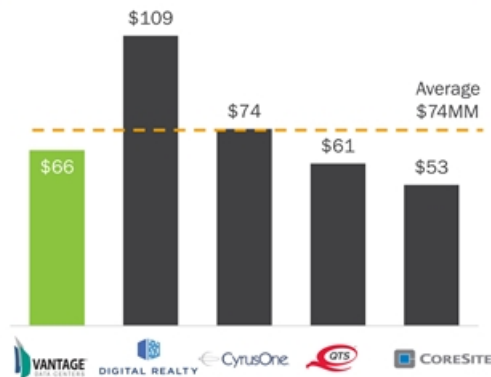


# Performance vs. Peers in Hyper-scale Data Centers

Vantage, a U.S. data center portfolio company managed by Digital Bridge, has consistently proven the ability to “punch above its weight-class”, exemplified by a track record of out-leasing much larger peers

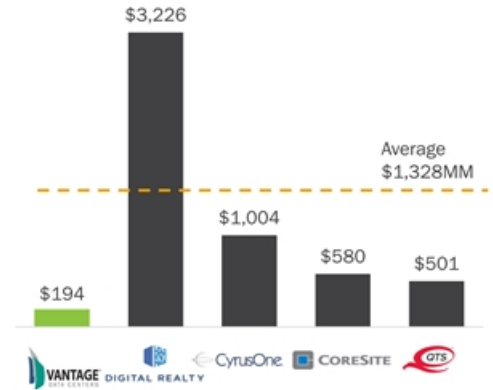
## TTM Domestic Leasing (\$ in mm)

Vantage leasing in-line with public peers...



## LQA Revenue (\$ in mm)

...despite being 7x smaller on a revenue basis

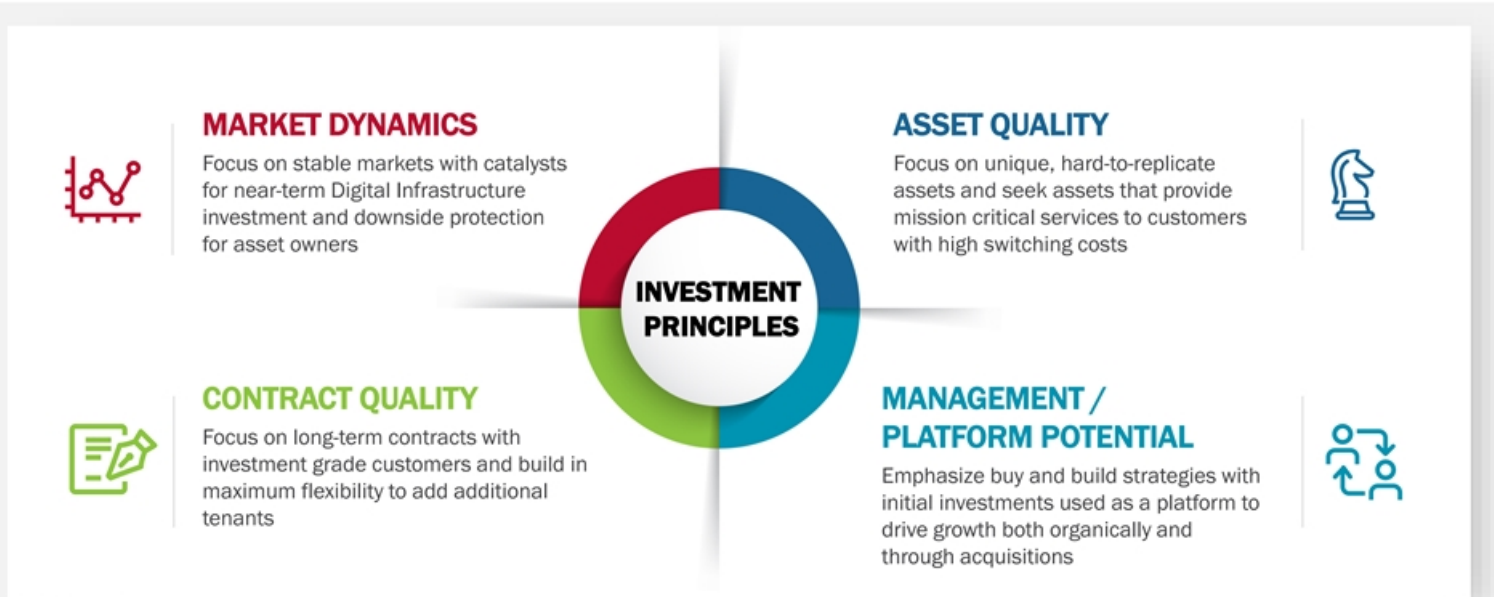


# 3

## COLONY'S DIGITAL INVESTMENT FRAMEWORK



# Four Corners of Asset Selection



# Alpha Creation Framework

Digital Colony seeks outperformance in our companies through hands-on participation in all of our businesses



## Human Capital

Recruiting, developing and retaining top talent and industry thought leadership



## Direct Operating Experience

The principals at Digital Bridge have negotiated and closed tens of thousands of telecom leases and have efficiently managed field operations for thousands of active facilities



## Proprietary Back-Office Systems

Drive scale, margins and operational metrics with powerful internally-developed platforms



## Differentiated M&A Program

Focus on proprietary deal flow & transaction tactics that avoid competitive auctions and drive down entry multiples



## Dynamic Balance Sheet Management

Digital Bridge has institutional relationships with leading international banks and bond investors that provide unique structures and lower cost of capital

# Balance Sheet Investment Framework

Colony believes in a disciplined and methodical approach to investing balance sheet capital with a sharp focus on achieving the highest risk-adjusted returns and targeting a reasonable amount of corporate leverage

## Capital Allocation Opportunities:

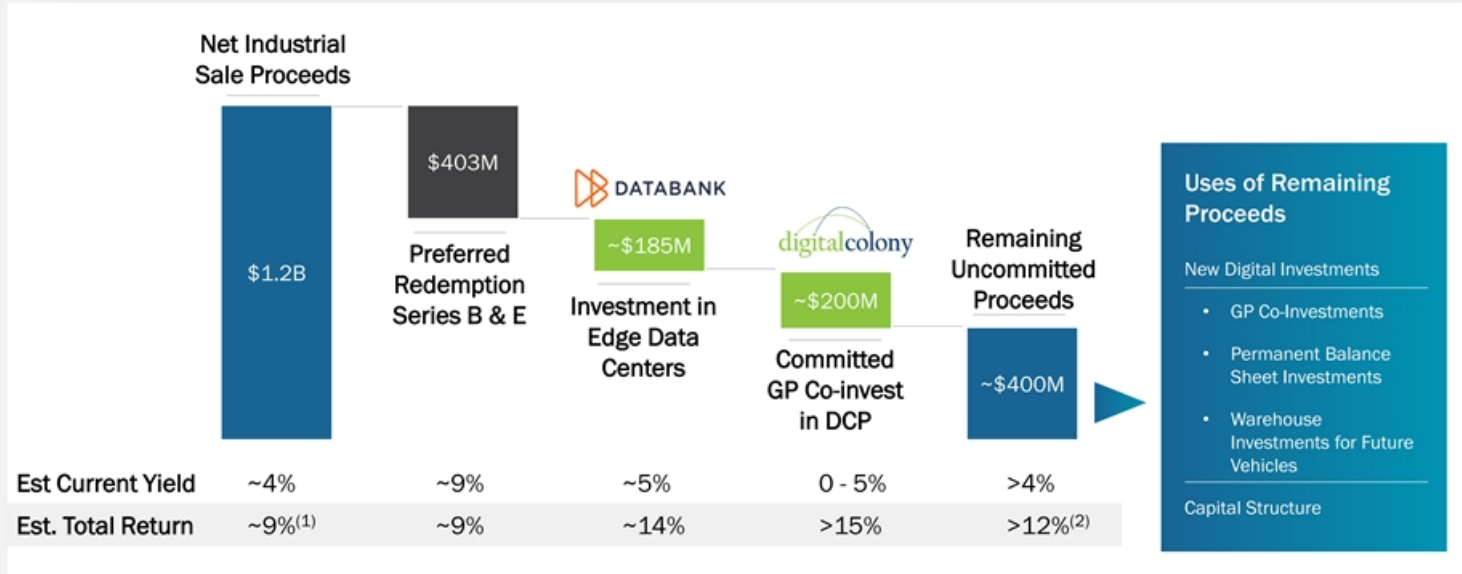
- 1
  - GP Commitments
  - Direct Digital Investing
  - Warehouse Transactions
- 2
  - Pay Down Debt
- 3
  - Share Buybacks
- 4
  - Special Dividend



Colony will continually evaluate these uses of balance sheet capital to ensure maximum shareholder value is achieved



# Use of Industrial Sales Proceeds





# 4

## **COLONY'S INAUGURAL BALANCE SHEET INVESTMENT IN DIGITAL INFRASTRUCTURE**

# Colony's Inaugural Balance Sheet Investment In Digital Infrastructure

Colony has acquired an ownership interest of 20.4% in DataBank from existing third-party investors for approximately \$185 million; DataBank is the leading private owner and manager of Edge Data Centers in the U.S. with a nationwide footprint

- DataBank is the leading private owner and manager of Edge Data Centers in the United States with a nationwide footprint
- DataBank is a portfolio company sponsored by Digital Bridge and invested in by its founders and other senior professionals alongside institutional partners
  - Digital Bridge principals will continue to retain their interests alongside Colony and will provide Colony the ability to appoint a majority of DataBank board members
- Represents the first step for Colony to gain exposure to the edge/colocation data center sector with significant organic growth and acquisition opportunities
  - We expect to fund potential add-on acquisitions and greenfield edge data center developments at DataBank, which would increase CLNY's ownership
- Transaction price represents a 17.6x multiple on in-place EBITDA
  - Minimal annual fees (~\$300K) from third-party selling investor to cease



## GEOGRAPHIC FOOTPRINT

### KEY METRICS

<b>\$200M</b> Est. Dec-19 LQA Revenue <sup>(1)</sup>	<b>\$82M</b> Est. Dec-19 LQA Adj. EBITDA <sup>(1)</sup>
<b>10%</b> '16-'18 Organic Revenue CAGR	<b>41%</b> Adj. EBITDA Margin
<b>19</b> Data Centers <sup>(2)</sup>	<b>9</b> Markets
<b>37%</b> FCF Conversion Before Growth Capex <sup>(3)</sup>	<b>75%</b> Space Utilization <sup>(4)</sup>
<b>1,800+</b> Customers	<b>0.7%</b> Average Monthly Churn Rate <sup>(5)</sup>

# DataBank's Advantage in Edge Data Centers

## DataBank's tier II strategy is currently serving Edge Computing needs

### What is "the Edge"

- The "Edge" is a broadly used term that is generally used to describe the migration of information closer to the end users, typically to provide lower latency and support a range of applications from autonomous vehicles to artificial intelligence to robotic surgery
- We believe that the Edge currently and for the foreseeable future resides in traditional data centers in secondary markets
- The key driver for the interest in Edge deployments is targeted latency – the amount of time it takes for a user to retrieve data from the source – of 10 milliseconds (ms) compared to LTE's average latency of 50 to 100 ms
- DataBank estimates its latency to be 3 to 5 ms within a 10-mile radius of its data centers with limited need to develop additional "micro" deployments to deliver targeted latency within its current markets

### DataBank has built a leadership position in key Edge markets where cloud and content demand is expected to accelerate

- Existing relationships with leading cloud and content customers who leverage DataBank's unique geographic footprint
- Control of key interconnection points, which drive a compelling value proposition for cloud and content players as they push workloads towards the Edge
- High quality colocation inventory with in-place expansion capacity allows for accelerated time to market in key locations

## Low Latency applications driving need for Edge Computing

### Sample 4G/LTE network – average latency of 50 to 100ms



As more latency-dependent applications are rolled out, computing power and data centers will be required closer to the end user

### Sample 5G network – latency is dependent on distance of transport



With 5G wireless networks can achieve latency of 2-3ms before transport. Decreasing transport latency requires moving the core compute and cloud interface closer to the customer

Edge Computing Customers

# DataBank's Diversified, Blue Chip Customer Base

More than 1,800 customers trust DataBank for its experience, expertise, and service offerings

Top 10 customers represent **~25%** of total Monthly Recurring Revenue (MRR), and top 100 customers represent **~66%** of MRR with increasing concentration of high MRR customers

**104<sup>(1)</sup>** customers with deployments in multiple DataBank facilities

Average monthly churn rate of **0.7%<sup>(2)</sup>**

NPS<sup>(3)</sup> of **54**, one of the best in the industry

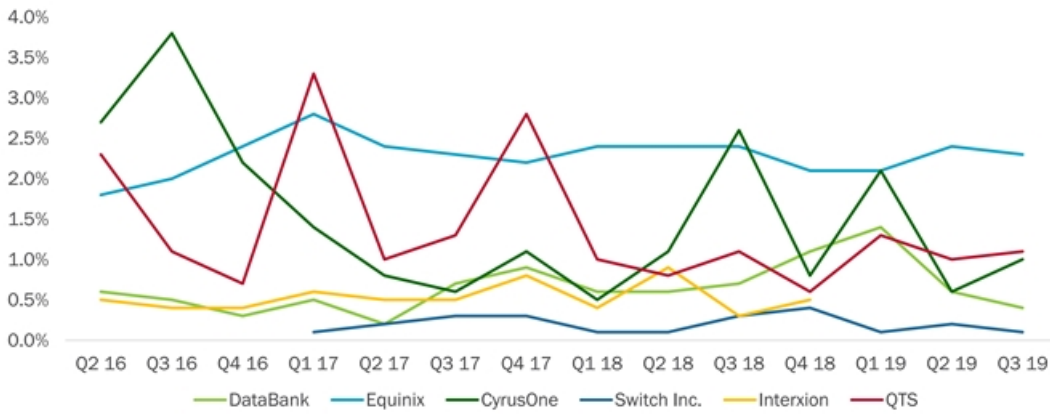
Well diversified geography of data centers and customer industries

## Select Customer Logos



# DataBank Outperforms the Average Public Peers on Churn

## Retail Colocation Data Center Churn Rates



Company	Avg. Churn <sup>1</sup>
DataBank	0.7%
Equinix	2.3%
CyrusOne	1.5%
Switch Inc.	0.2%
Interxion	0.5%
QTS	1.4%

Median churn of 0.6% at DataBank is 40% lower than the peer group median of 1.0%

Average churn of 0.7% at DataBank is 49% lower than the peer group average of 1.2%



# DataBank Transaction Process and Structure

## Colony's acquisition of its interest in DataBank was underpinned by a thorough and robust transaction process

- DataBank was acquired in 2016 by a Digital Bridge-led consortium including personal investment from Marc Ganzi and Ben Jenkins and third-party capital from unrelated institutional investors, which would pay to (i) Digital Bridge annual base management fees and (ii) Digital Bridge principals and DataBank management potential incentive payments based on the financial performance of DataBank
- Prior to the combination of Colony Capital and Digital Bridge, two unrelated institutional investors, Edgewater and Allstate, came to an agreement to sell 100% and 50% of their respective interests (representing an aggregate 20.4% interest) to Digital Bridge and new third-party investors for a total price of approximately \$185 million based on a process defined by DataBank's organizational documents
- Resulting from the combination of Colony Capital and Digital Bridge (and prior to closing of Edgewater and Allstate's sale of the 20.4% interests in Databank), Colony Capital obtained the option to acquire the 20.4% Databank stake on its balance sheet (rather than being funded by Digital Bridge and third-party investors) and ultimately purchased the stake given that Databank is an attractive investment for its balance sheet, furthers its strategic pivot and meets its targeted return profile
- Given the pre-existing personal investment in DataBank by Messrs. Ganzi and Jenkins and the incentive units held by them, legacy Colony executives undertook an extensive process to mitigate potential conflicts of interest including:
  - Entering into a voting agreement with Messrs. Ganzi and Jenkins to allow Colony to appoint a majority of DataBank's board
  - Retaining independent legal counsel and a nationally recognized third-party valuation firm to provide a fairness opinion
  - Utilizing the pre-existing formula in the DataBank organizational documents and the implied valuation from the \$185 million purchase price, the embedded value of Messrs. Ganzi's and Jenkins' carried interest with respect to the interests being acquired by Colony is \$3.1 million, so Messrs. Ganzi and Jenkins exchanged 20.4% of their incentive units for Colony OP units with a value of \$3.1 million (based on 30-day VWAP) subject to a multi-year lock up evidencing their alignment of interests with Colony, with no further incentive payments or fees due on Colony's investment
    - Proceeds to the sellers were reduced by the \$3.1 million embedded value of such carried interest, such that the cost thereof was borne by the sellers
    - Messrs. Ganzi and Jenkins did not sell any of their personal interests in DataBank, received \$3.1 million of Colony OP units in exchange for 20.4% of their incentive units and did not receive any other consideration as a result of the DataBank transaction
  - Obtaining unanimous approval from Colony's Board, which would not typically be required for a transaction of this size

# Definitions and Important Notes

**Current Yield:** Represents Core FFO less maintenance capital expenditures dividend by equity.

**EBITDA:** Generally represents net income before interest expense, income tax provision (benefit), depreciation and amortization as defined and reported by each respective company, which may differ in methodology, and therefore, may not be directly comparable with other companies.

**IRR:** A supplemental financial measure that represents the rate of return of an investment over a specific holding period expressed as a percentage of the net equity capital invested. It is the discount rate that makes net present value of all cash outflows equal to the net present value of cash inflows. The Company's methodology for calculating IRR involves subjective judgement and discretion and may differ from methodologies used by other companies, and therefore may not be comparable with other companies. Actual results may differ materially from the Company's expectations.

**Total Return:** Represents the estimated IRR over a ten year period except for the total return received by Colony Financial, Inc. shareholders, which is for the period from inception to April 2nd, 2015, the date upon which Colony Financial, Inc. was internalized.

**Note Regarding Use of Information from Third-Party Sources:**

Certain of the information contained in this presentation is based on or derived from information provided by independent third-party sources. While the Company believes that such information is accurate as of the date it was produced and that the sources from which such information has been obtained are reliable, the Company does not guarantee the accuracy or completeness of such information and has not independently verified such information or the assumptions on which such information is based.