



# Supplemental Financial Report Fourth Quarter 2017

March 1, 2018



# 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. 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, our failure to achieve anticipated synergies in and benefits of the completed merger among NorthStar Asset Management Group Inc., Colony Capital, Inc. and NorthStar Realty Finance Corp., the impact of changes to organizational structure and employee composition, Colony NorthStar's liquidity, including its ability to complete and other potential sales of non-core investments, whether Colony NorthStar 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, the timing and pace of growth in the Company's industrial platform, the performance of the Company's investment in Colony NorthStar Credit Real Estate, Inc., whether the Company will realize any anticipated benefits from the Digital Bridge partnership, the timing of and ability to complete repurchases of Colony NorthStar's stock, Colony NorthStar's ability to maintain inclusion and relative performance on the RMZ, Colony NorthStar's leverage, including the timing and amount of borrowings under its credit facility, increased interest rates and operating costs, the impact of amendments to the Company's agreements with its managed companies, adverse economic or real estate developments in Colony NorthStar's markets, Colony NorthStar's failure to successfully operate or lease acquired properties, decreased rental rates, increased vacancy rates or failure to renew or replace expiring leases, increased costs of capital expenditures, defaults on or non-renewal of leases by tenants, the impact of economic conditions on the borrowers of Colony NorthStar's commercial real estate debt investments and the commercial mortgage loans underlying its commercial mortgage backed securities, 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 NorthStar'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 NorthStar's reports filed from time to time with the SEC. Colony NorthStar 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 NorthStar 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 NorthStar does not intend to do so.

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

**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 the Colony NorthStar. This information is not intended to be indicative of future results. Actual performance of Colony NorthStar may vary materially.**

**The appendices herein contain important information that is material to an understanding of this presentation and you should read this presentation only with and in context of the appendices.**

# Important Note Regarding Non-GAAP Financial Measures



This supplemental package includes certain “non-GAAP” supplemental measures that are not defined by generally accepted accounting principles, or GAAP, including; funds from operations, or FFO; core funds from operations, or Core FFO; net operating income (“NOI”); earnings before interest, tax, depreciation and amortization (“EBITDA”); and pro rata financial information.

The Company calculates funds from operations (“FFO”) in accordance with standards established by the Board of Governors of the National Association of Real Estate Investment Trusts, which defines FFO as net income or loss calculated in accordance with GAAP, excluding extraordinary items, as defined by GAAP, gains and losses from sales of depreciable real estate and impairment write-downs associated with depreciable real estate, plus real estate-related depreciation and amortization, and after similar adjustments for unconsolidated partnerships and joint ventures. Included in FFO are gains and losses from sales of assets which are not depreciable real estate such as loans receivable, investments in unconsolidated joint ventures as well as investments in debt and other equity securities, as applicable.

The Company computes core funds from operations (“Core FFO”) by adjusting FFO for the following items, including the Company’s share of these items recognized by its unconsolidated partnerships and joint ventures: (i) gains and losses from sales of depreciable real estate within the Other Equity and Debt segment, net of depreciation, amortization and impairment previously adjusted for FFO; (ii) gains and losses from sales of businesses within the Investment Management segment and impairment write-downs associated with the Investment Management segment; (iii) equity-based compensation expense; (iv) effects of straight-line rent revenue and straight-line rent expense on ground leases; (v) amortization of acquired above- and below-market lease values; (vi) amortization of deferred financing costs and debt premiums and discounts; (vii) unrealized fair value gains or losses on derivatives and foreign currency remeasurements; (viii) acquisition-related expenses, merger and integration costs; (ix) amortization and impairment of finite-lived intangibles related to investment management contracts and customer relationships; (x) gain on remeasurement of consolidated investment entities and the effect of amortization thereof; (xi) non-real estate depreciation and amortization; (xii) change in fair value of contingent consideration; and (xiii) tax effect on certain of the foregoing adjustments.

FFO and Core FFO should not be considered alternatives to GAAP net income as indications of operating performance, or to cash flows from operating activities as measures of liquidity, nor as indications of the availability of funds for our cash needs, including funds available to make distributions. FFO and Core FFO should not be used as supplements to or substitutes for cash flow from operating activities computed in accordance with GAAP. The Company’s calculations of FFO and Core FFO may differ from methodologies utilized by other REITs for similar performance measurements, and, accordingly, may not be comparable to those of other REITs.

The Company uses FFO and Core FFO as supplemental performance measures because, in excluding real estate depreciation and amortization and gains and losses from property dispositions, it provides a performance measure that captures trends in occupancy rates, rental rates, and operating costs. The Company also believes that, as widely recognized measures of the performance of REITs, FFO and Core FFO will be used by investors as a basis to compare its operating performance with that of other REITs. However, because FFO and Core FFO exclude depreciation and amortization and capture neither the changes in the value of the Company’s properties that resulted from use or market conditions nor the level of capital expenditures and leasing commissions necessary to maintain the operating performance of its properties, all of which have real economic effect and could materially impact the Company’s results from operations, the utility of FFO and Core FFO as measures of the Company’s performance is limited. FFO and Core FFO should be considered only as supplements to net income as a measure of the Company’s performance.

The Company believes that NOI and EBITDA are useful measures of operating performance of its respective real estate portfolios as they are more closely linked to the direct results of operations at the property level. NOI also reflects actual rents received during the period after adjusting for the effects of straight-line rents and amortization of above- and below- market leases; therefore, a comparison of NOI across periods better reflects the trend in occupancy rates and rental rates of the Company’s properties.

NOI and EBITDA exclude historical cost depreciation and amortization, which are based on different useful life estimates depending on the age of the properties, as well as adjust 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. This allows for comparability of operating performance of the Company’s properties period over period and also against the results of other equity REITs in the same sectors. Additionally, by excluding corporate level expenses or benefits such as interest expense, any gain or loss on early extinguishment of debt and income taxes, which are incurred by the parent entity and are not directly linked to the operating performance of the Company’s properties, NOI and EBITDA provide a measure of operating performance independent of the Company’s capital structure and indebtedness.

However, the exclusion of these items as well as others, such as capital expenditures and leasing costs, which are necessary to maintain the operating performance of the Company’s properties, and transaction costs and administrative costs, may limit the usefulness of NOI and EBITDA. NOI 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 comparable companies, including other REITs, when calculating the same or similar supplemental financial measures and may not be comparable with other companies.

The Company presents pro rata 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’ 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 equity REITs may not calculate their pro rata information in the same methodology, and accordingly, the Company’s pro rata information may not be comparable to such other REITs’ 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.

# Note Regarding CLNS Reportable Segments / Consolidated and OP Share of Consolidated Amounts



Colony NorthStar holds investment interests in five reportable segments: Healthcare Real Estate; Industrial Real Estate; Hospitality Real Estate; Other Equity and Debt; and Investment Management.

## **Healthcare Real Estate**

As of December 31, 2017, the consolidated healthcare portfolio consisted of 417 properties: 192 senior housing properties, 109 medical office properties, 102 skilled nursing facilities and 14 hospitals. The Company's equity interest in the consolidated Healthcare Real Estate segment was approximately 71% as of December 31, 2017. The healthcare portfolio earns rental and escalation income from leasing space to various healthcare tenants and operators. The leases are for fixed terms of varying length and generally provide for rent and expense reimbursements to be paid in monthly installments. The healthcare portfolio also generates operating income from healthcare properties operated through management agreements with independent third-party operators, predominantly through structures permitted by the REIT Investment Diversification and Empowerment Act of 2007, or RIDEA.

## **Industrial Real Estate**

As of December 31, 2017, the consolidated industrial portfolio consisted of 369 primarily light industrial buildings totaling 43.3 million rentable square feet across 17 major U.S. markets and was 95% leased. The Company's equity interest in the consolidated Industrial Real Estate segment was approximately 41% as of December 31, 2017. On December 31, 2017, the Company closed on \$26 million of new third-party capital, which was primarily used to partially redeem another third-party investor. Total third-party capital commitments were in excess of \$1.1 billion compared to cumulative balance sheet contributions of \$750 million as of December 31, 2017. The Company continues to own a 100% interest in the related operating platform. The Industrial Real Estate segment is comprised of and primarily invests in light industrial properties in infill locations in major U.S. metropolitan markets targeting multi-tenant buildings of up to 500,000 square feet and single tenant buildings of up to 250,000 square feet with an office buildout of less than 20%.

## **Hospitality Real Estate**

As of December 31, 2017, the consolidated hospitality portfolio consisted of 167 properties: 97 select service properties, 66 extended stay properties and 4 full service properties. The Company's equity interest in the consolidated Hospitality Real Estate segment was approximately 94% as of December 31, 2017. The hospitality portfolio is geographically diverse, consisting primarily of premium branded select service hotels and extended stay hotels located mostly in major metropolitan markets, of which a majority are affiliated with top hotel brands. The select service hospitality portfolio, referred to as the THL Hotel Portfolio, which the Company acquired through consensual transfer during the third quarter 2017, is not included in the Hospitality Real Estate segment and is included in the Other Equity and Debt segment.

## **Other Equity and Debt**

The Company owns a diversified group of strategic and non-strategic real estate and real estate-related debt and equity investments. Strategic investments primarily include our 37% interest in CLNC, 10% interest in NorthStar Realty Europe (NYSE: NRE) and other investments for which the Company acts as a general partner or manager ("GP Co-Investments") and receives various forms of investment management economics on the related third-party capital. Non-strategic investments are composed of those investments the Company does not intend to own for the long term including net leased assets; real estate loans; other real estate equity including the THL Hotel Portfolio and the Company's interest in Albertsons; limited partnership interests in third-party sponsored real estate private equity funds; and multiple classes of commercial real estate ("CRE") securities.

## **Investment Management**

The Company's Investment Management segment includes the business and operations of managing capital on behalf of third-party investors through closed and open-end private funds, non-traded and traded real estate investment trusts and registered investment companies.

Throughout this presentation, consolidated figures represent the interest of both the Company (and its subsidiary Colony Capital Operating Company or the "CLNS OP") and noncontrolling interests. Figures labeled as CLNS OP share represent the Company's pro rata share.

# Table of Contents



|  | <u>Page</u> |  | <u>Page</u> |
|--|-------------|--|-------------|
| <b>I. Overview</b>   |             | <b>VI. Hospitality Real Estate</b>                   |             |
| a. Summary Metrics   | 6           | a. Summary Metrics and Operating Results             | 24          |
| b. Summary of Segments                                       | 7-8         | b. Portfolio Overview                                | 25          |
| <b>II. Financial Results</b>                                 |             | <b>VII. Other Equity and Debt</b>                    |             |
| a. Consolidated Balance Sheet                                | 9           | a. Strategic Investments                             | 26          |
| b. Noncontrolling Interests' Share Balance Sheet             | 10          | b. Net Lease and Other Real Estate Equity            | 27          |
| c. Consolidated Segment Operating Results                    | 11          | c. Real Estate Debt                                  | 28-30       |
| d. Noncontrolling Interests' Share Segment Operating Results | 12          | d. Real Estate PE Fund Interests                     | 31          |
| e. Segment Reconciliation of Net Income to FFO & Core FFO    | 13          | e. CRE Securities                                    | 32          |
| <b>III. Capitalization</b>                                   |             | <b>VIII. Investment Management</b>                   |             |
| a. Overview  | 14          | a. Summary Metrics                                   | 33          |
| b. Investment-Level Debt Overview                            | 15          | b. Assets Under Management                           | 34          |
| c. Revolving Credit Facility Overview                        | 16          | c. Retail Companies                                  | 35          |
| d. Corporate Securities Overview                             | 17          | <b>IX. Appendices</b>                                |             |
| e. Debt Maturity and Amortization Schedules                  | 18          | a. Definitions                                       | 37          |
| <b>IV. Healthcare Real Estate</b>                            |             | b. Reconciliation of Net Income (Loss) to NOI/EBITDA | 38-39       |
| a. Summary Metrics and Operating Results                     | 19          |  |             |
| b. Portfolio Overview  | 20-21       |  |             |
| <b>V. Industrial Real Estate</b>                             |             |  |             |
| a. Summary Metrics and Operating Results                     | 22          |  |             |
| b. Portfolio Overview  | 23          |  |             |

# Ia. Overview - Summary Metrics



(\$ and shares in thousands, except per share data and as noted; as of or for the three months ended December 31, 2017, unless otherwise noted) (Unaudited)

## Financial Data

|   |              |
|---|--------------|
| Net income (loss) attributable to common stockholders                 | \$ (368,082) |
| Net income (loss) attributable to common stockholders per basic share | (0.69)       |
| FFO   | (295,522)    |
| FFO per basic share   | (0.51)       |
| Core FFO  | 95,069       |
| Core FFO per basic share  | 0.16         |
| Q1 2018 dividend per share  | 0.11         |
| Annualized Q1 2018 dividend per share                                 | 0.44         |

## Balance Sheet, Capitalization and Trading Statistics

|   |                 |
|---|-----------------|
| Total consolidated assets                               | \$ 24,785,650   |
| CLNS OP share of consolidated assets                    | 18,201,490      |
| Total consolidated debt <sup>(1)</sup>                  | 10,675,281      |
| CLNS OP share of consolidated debt <sup>(1)</sup>       | 7,889,015       |
| Shares and OP units outstanding as of February 26, 2018 | 572,764         |
| Share price as of February 26, 2018                     | 7.99            |
| Market value of common equity & OP units                | 4,576,384       |
| Liquidation preference of perpetual preferred equity    | 1,636,605       |
| Insider ownership of shares and OP units                | 5.8%            |
| Assets Under Management ("AUM")                         | \$ 42.7 billion |
| Fee Earning Equity Under Management ("FEEUM")           | \$ 15.4 billion |

### Notes:

In evaluating the information presented throughout this presentation see the appendices to this presentation for definitions and reconciliations of non-GAAP financial measures to GAAP measures.

(1) Represents principal balance and excludes debt issuance costs, discounts and premiums. See additional footnotes on page 14.

# Ib. Overview - Summary of Segments



(\$ in thousands; as of or for the three months ended December 31, 2017, unless otherwise noted)

|  | <u>Consolidated amount</u> | <u>CLNS OP share of consolidated amount</u> |
|--|----------------------------|---|
| <b>Healthcare Real Estate<sup>(1)</sup></b>            |                            |   |
| Q4 2017 net operating income <sup>(2)</sup>            | \$ 76,770                  | \$ 54,429                                   |
| Annualized net operating income                        | 307,080                    | 217,716                                     |
| Investment-level non-recourse financing <sup>(3)</sup> | 3,291,278                  | 2,345,866                                   |
| <b>Industrial Real Estate</b>                          |                            |   |
| Q4 2017 net operating income <sup>(2)</sup>            | 46,000                     | 19,073                                      |
| Annualized net operating income                        | 184,000                    | 76,292                                      |
| Investment-level non-recourse financing <sup>(3)</sup> | 1,014,229                  | 420,500                                     |
| <b>Hospitality Real Estate</b>                         |                            |   |
| Q4 2017 EBITDA <sup>(2)</sup>                          | 60,032                     | 56,609                                      |
| Annualized EBITDA <sup>(4)</sup>                       | 295,724                    | 278,862                                     |
| Investment-level non-recourse financing <sup>(3)</sup> | 2,608,719                  | 2,437,865                                   |

Notes:

- (1) NOI includes \$1.4 million consolidated or \$0.9 million CLNS OP share of interest earned related to \$72 million consolidated or \$51 million CLNS OP share carrying value of healthcare real estate development loans. This interest income is in the Interest Income line item on the Company's Statement of Operations for the three months ended December 31, 2017.
- (2) For a reconciliation of net income/(loss) attributable to common stockholders to NOI/EBITDA, please refer to the appendix to this presentation.
- (3) Represents unpaid principal balance.
- (4) Annualized EBITDA is calculated using the pro rata percentage of historical Q4 2016 EBITDA relative to historical full year 2016 EBITDA to account for seasonality.

# Ib. Overview - Summary of Segments (cont'd)



(\$ in thousands except as noted; as of or for the three months ended December 31, 2017, unless otherwise noted)

## Other Equity and Debt<sup>(1)</sup>

|   | <u>Consolidated amount</u> | <u>CLNS OP share of consolidated amount</u> |
|---|----------------------------|---|
| 1) Strategic Investments (refer to page 27 for details)                                     |                            |   |
| a) Interests in publicly managed companies (CLNC & NRE) - net carrying value <sup>(2)</sup> | \$ 1,235,856               | \$ 1,235,856                                |
| b) GP co-investments - net carrying value   | 1,016,871                  | 355,069                                     |
| 2) Net lease real estate equity <sup>(2)</sup>  |                            |   |
| a) Q4 2017 net operating income   | 8,189                      | 8,104                                       |
| b) Investment-level non-recourse financing <sup>(3)</sup>                                   | 337,582                    | 336,940                                     |
| c) Carrying value - unconsolidated / equity method investments                              | —                          | —   |
| 3) Other real estate equity   |                            |   |
| a) Undepreciated carrying value of real estate assets <sup>(4)</sup>                        | 2,605,847                  | 1,325,305                                   |
| b) Investment-level non-recourse financing <sup>(3)</sup>                                   | 1,796,867                  | 929,774                                     |
| c) Carrying value - unconsolidated / equity method investments (including Albertsons)       | 641,120                    | 563,146                                     |
| 4) Real estate debt <sup>(2)</sup>  |                            |   |
| a) Loans receivable <sup>(5)</sup>  | 1,270,072                  | 1,013,834                                   |
| b) Investment-level non-recourse financing <sup>(3)</sup>                                   | 399,806                    | 384,557                                     |
| c) Carrying value - equity method investments   | 28,625                     | 21,093                                      |
| d) Carrying value - real estate assets (REO within debt portfolio) and other <sup>(4)</sup> | 24,019                     | 5,939                                       |
| 5) Real estate PE fund investments <sup>(2)</sup>   |                            |   |
| a) Carrying value   |                            | 180,356                                     |
| 6) CRE securities   |                            |   |
| a) Net carrying value   |                            | 155,007                                     |
| <b>Investment Management</b>  |                            |   |
| AUM (\$ in millions)  |                            | 26,909                                      |
| FEEUM (\$ in millions)  |                            | 15,407                                      |
| Q4 2017 fee revenue and earnings of investments in unconsolidated ventures                  |                            | 58,230                                      |
| <b>Net Assets<sup>(6)</sup></b>   |                            |   |
| Cash and cash equivalents, restricted cash and other assets                                 | 1,703,897                  | 1,291,022                                   |
| Accrued and other liabilities and dividends payable   | 927,911                    | 757,280                                     |
| <b>Net assets</b>   | <u>775,986</u>             | <u>533,742</u>                              |

Notes:  
Our GP co-investment positions in CDCF IV, the Company's latest flagship private credit vehicle, were categorized by investment type in prior financial supplements. In this supplement, they are now categorized under GP co-investment.

(1) Includes assets classified as held for sale on the Company's financial statements.

(2) Net lease real estate equity, real estate debt and PE fund investments exclude investments contributed to Colony NorthStar Real Estate Credit, Inc. (NYSE: CLNC). Interests in publicly managed companies include the net carrying value of investments contributed to CLNC as of December 31, 2017. CLNC began trading on the NYSE on February 1, 2018.

(3) Represents unpaid principal balance.

(4) Includes all components related to real estate assets, including tangible real estate and lease-related intangibles, and excludes accumulated depreciation.

(5) Excludes \$3 million consolidated and CLNS OP share carrying value of real estate debt investments held in a CDO securitization and \$72 million consolidated or \$51 million CLNS OP share carrying value of healthcare real estate development loans.

(6) Other assets exclude \$10 million consolidated or \$9 million CLNS OP share of deferred financing costs and accrued and other liabilities exclude \$140 million consolidated and CLNS OP share of deferred tax liabilities and other liabilities which are not due in cash. Also, excludes net assets related to investments contributed to CLNC.



# Ila. Financial Results - Consolidated Balance Sheet



(\$ in thousands, except per share data) (Unaudited)

As of December 31, 2017

## Assets

|   |           |                   |
|---|-----------|-------------------|
| Cash and cash equivalents                         | \$        | 921,822           |
| Restricted cash                                   |           | 471,078           |
| Real estate assets, net                           |           | 14,464,258        |
| Loans receivable, net                             |           | 3,223,762         |
| Investments in unconsolidated ventures            |           | 1,655,239         |
| Securities available for sale, at fair value      |           | 383,942           |
| Goodwill  |           | 1,534,561         |
| Deferred leasing costs and intangible assets, net |           | 852,872           |
| Assets held for sale                              |           | 781,630           |
| Other assets                                      |           | 444,968           |
| Due from affiliates                               |           | 51,518            |
| <b>Total assets</b>                               | <b>\$</b> | <b>24,785,650</b> |

## Liabilities

|   |    |                   |
|---|----|-------------------|
| Debt, net                                   | \$ | 10,827,810        |
| Accrued and other liabilities               |    | 898,161           |
| Intangible liabilities, net                 |    | 191,109           |
| Liabilities related to assets held for sale |    | 273,298           |
| Due to affiliates                           |    | 23,534            |
| Dividends and distributions payable         |    | 188,202           |
| <b>Total liabilities</b>                    |    | <b>12,402,114</b> |

Commitments and contingencies

**Redeemable noncontrolling interests** 34,144

## Equity

Stockholders' equity:

|  |           |                   |
|--|-----------|-------------------|
| Preferred stock, \$0.01 par value per share; \$1,636,605 liquidation preference; 250,000 shares authorized; 65,464 shares issued and outstanding |           | 1,606,966         |
| Common stock, \$0.01 par value per share   |           |                   |
| Class A, 949,000 shares authorized; 542,599 shares issued and outstanding  |           | 5,426             |
| Class B, 1,000 shares authorized; 736 shares issued and outstanding  |           | 7                 |
| Additional paid-in capital   |           | 7,913,622         |
| Distributions in excess of earnings  |           | (1,165,412)       |
| Accumulated other comprehensive income (loss)  |           | 47,316            |
| Total stockholders' equity   |           | 8,407,925         |
| Noncontrolling interests in investment entities  |           | 3,539,072         |
| Noncontrolling interests in Operating Company  |           | 402,395           |
| <b>Total equity</b>  |           | <b>12,349,392</b> |
| <b>Total liabilities, redeemable noncontrolling interests and equity</b>   | <b>\$</b> | <b>24,785,650</b> |

# IIb. Financial Results - Noncontrolling Interests' Share Balance Sheet



(\$ in thousands, except per share data) (Unaudited)

As of December 31, 2017

## Assets

|   |           |                  |
|---|-----------|------------------|
| Cash and cash equivalents                         | \$        | 223,013          |
| Restricted cash                                   |           | 131,394          |
| Real estate assets, net                           |           | 4,441,541        |
| Loans receivable, net                             |           | 1,014,416        |
| Investments in unconsolidated ventures            |           | 306,392          |
| Securities available for sale, at fair value      |           | 10,588           |
| Goodwill  |           | —                |
| Deferred leasing costs and intangible assets, net |           | 165,912          |
| Assets held for sale                              |           | 221,863          |
| Other assets                                      |           | 73,461           |
| Due from affiliates                               |           | (4,420)          |
| <b>Total assets</b>                               | <b>\$</b> | <b>6,584,160</b> |

## Liabilities

|   |    |                  |
|---|----|------------------|
| Debt, net                                   | \$ | 2,752,114        |
| Accrued and other liabilities               |    | 177,068          |
| Intangible liabilities, net                 |    | 59,714           |
| Liabilities related to assets held for sale |    | 20,648           |
| Due to affiliates                           |    | —                |
| Dividends and distributions payable         |    | —                |
| <b>Total liabilities</b>                    |    | <b>3,009,544</b> |

Commitments and contingencies

**Redeemable noncontrolling interests** 34,144

## Equity

Stockholders' equity:

|  |           |                  |
|--|-----------|------------------|
| Preferred stock, \$0.01 par value per share; \$1,636,605 liquidation preference; 250,000 shares authorized; 65,464 shares issued and outstanding |           | —                |
| Common stock, \$0.01 par value per share   |           |                  |
| Class A, 949,000 shares authorized; 542,599 shares issued and outstanding  |           | —                |
| Class B, 1,000 shares authorized; 736 shares issued and outstanding  |           | —                |
| Additional paid-in capital   |           | —                |
| Distributions in excess of earnings  |           | —                |
| Accumulated other comprehensive income (loss)  |           | —                |
| Total stockholders' equity   |           | —                |
| Noncontrolling interests in investment entities  |           | 3,540,472        |
| Noncontrolling interests in Operating Company  |           | —                |
| <b>Total equity</b>  |           | <b>3,540,472</b> |
| <b>Total liabilities, redeemable noncontrolling interests and equity</b>   | <b>\$</b> | <b>6,584,160</b> |

# IIc. Financial Results - Consolidated Segment Operating Results



Three Months Ended December 31, 2017

| (\$ in thousands) (Unaudited)                                   | Healthcare         | Industrial      | Hospitality        | Other<br>Equity and<br>Debt | Investment<br>Management | Amounts not<br>allocated to<br>segments | Total               |
|---|--------------------|-----------------|--------------------|-----------------------------|--------------------------|---|---------------------|
| <b>Revenues</b>   |                    |                 |                    |                             |                          |   |                     |
| Property operating income                                       | \$ 155,893         | \$ 65,718       | \$ 196,386         | \$ 154,790                  | \$ —                     | \$ —                                    | \$ 572,787          |
| Interest income   | 1,374              | 226             | —                  | 80,786                      | 6                        | 947                                     | 83,339              |
| Fee income  | —                  | —               | —                  | —                           | 53,527                   | —                                       | 53,527              |
| Other income  | —                  | 651             | 223                | 2,459                       | 6,032                    | 1,326                                   | 10,691              |
| <b>Total revenues</b>   | <b>157,267</b>     | <b>66,595</b>   | <b>196,609</b>     | <b>238,035</b>              | <b>59,565</b>            | <b>2,273</b>                            | <b>720,344</b>      |
| <b>Expenses</b>   |                    |                 |                    |                             |                          |   |                     |
| Property operating expense                                      | 68,165             | 17,884          | 136,533            | 88,855                      | —                        | —                                       | 311,437             |
| Interest expense  | 47,734             | 9,403           | 36,245             | 49,211                      | —                        | 13,637                                  | 156,230             |
| Investment, servicing and commission expense                    | 2,889              | 8               | 2,582              | 13,648                      | 3,415                    | 1,087                                   | 23,629              |
| Transaction costs   | —                  | —               | —                  | 149                         | —                        | 1,294                                   | 1,443               |
| Depreciation and amortization                                   | 48,793             | 29,812          | 35,171             | 35,251                      | 14,082                   | 1,445                                   | 164,554             |
| Provision for loan loss   | —                  | —               | —                  | 6,834                       | —                        | —                                       | 6,834               |
| Impairment loss   | 6,125              | —               | —                  | 2,869                       | 366,013                  | —                                       | 375,007             |
| Compensation expense  | 1,550              | 2,030           | 1,492              | 3,307                       | 24,198                   | 56,709                                  | 89,286              |
| Administrative expenses   | 159                | 1,122           | 115                | 2,701                       | 3,154                    | 23,644                                  | 30,895              |
| <b>Total expenses</b>   | <b>175,415</b>     | <b>60,259</b>   | <b>212,138</b>     | <b>202,825</b>              | <b>410,862</b>           | <b>97,816</b>                           | <b>1,159,315</b>    |
| <b>Other income (loss)</b>                                      |                    |                 |                    |                             |                          |   |                     |
| Gain on sale of real estate assets                              | —                  | 15,917          | —                  | 24,752                      | —                        | —                                       | 40,669              |
| Other gain (loss), net  | 374                | —               | (67)               | (25,512)                    | (873)                    | 7,555                                   | (18,523)            |
| Earnings of investments in unconsolidated                       | —                  | 1,781           | —                  | 23,617                      | 5,920                    | —                                       | 31,318              |
| <b>Income (loss) before income taxes</b>                        | <b>(17,774)</b>    | <b>24,034</b>   | <b>(15,596)</b>    | <b>58,067</b>               | <b>(346,250)</b>         | <b>(87,988)</b>                         | <b>(385,507)</b>    |
| Income tax benefit (expense)                                    | (4,015)            | (88)            | (570)              | (930)                       | 97,443                   | (431)                                   | 91,409              |
| <b>Net income (loss) from continuing operations</b>             | <b>(21,789)</b>    | <b>23,946</b>   | <b>(16,166)</b>    | <b>57,137</b>               | <b>(248,807)</b>         | <b>(88,419)</b>                         | <b>(294,098)</b>    |
| Income (loss) from discontinued operations                      | —                  | —               | —                  | (486)                       | —                        | —                                       | (486)               |
| <b>Net income (loss)</b>  | <b>(21,789)</b>    | <b>23,946</b>   | <b>(16,166)</b>    | <b>56,651</b>               | <b>(248,807)</b>         | <b>(88,419)</b>                         | <b>(294,584)</b>    |
| Net income (loss) attributable to noncontrolling interests:     |                    |                 |                    |                             |                          |   |                     |
| Redeemable noncontrolling interests                             | —                  | —               | —                  | (247)                       | 20,775                   | —                                       | 20,528              |
| Investment entities   | (3,042)            | 13,751          | (998)              | 32,520                      | —                        | —                                       | 42,231              |
| Operating Company   | (1,047)            | 692             | (847)              | 1,372                       | (15,029)                 | (6,746)                                 | (21,605)            |
| <b>Net income (loss) attributable to Colony NorthStar, Inc.</b> | <b>(17,700)</b>    | <b>9,503</b>    | <b>(14,321)</b>    | <b>23,006</b>               | <b>(254,553)</b>         | <b>(81,673)</b>                         | <b>(335,738)</b>    |
| Preferred stock redemption                                      | —                  | —               | —                  | —                           | —                        | —                                       | —                   |
| Preferred stock dividends                                       | —                  | —               | —                  | —                           | —                        | 32,344                                  | 32,344              |
| <b>Net income (loss) attributable to common stockholders</b>    | <b>\$ (17,700)</b> | <b>\$ 9,503</b> | <b>\$ (14,321)</b> | <b>\$ 23,006</b>            | <b>\$ (254,553)</b>      | <b>\$ (114,017)</b>                     | <b>\$ (368,082)</b> |

# Ild. Financial Results - Noncontrolling Interests' Share Segment Operating Results



|   | Three Months Ended December 31, 2017 |                  |                 |                       |                       |                                   | Total            |
|---|--------------------------------------|------------------|-----------------|-----------------------|-----------------------|-----------------------------------|------------------|
|   | Healthcare                           | Industrial       | Hospitality     | Other Equity and Debt | Investment Management | Amounts not allocated to segments |                  |
| <i>(\$ in thousands) (Unaudited)</i>                              |                                      |                  |                 |                       |                       |                                   |                  |
| <b>Revenues</b>   |                                      |                  |                 |                       |                       |                                   |                  |
| Property operating income   | \$ 44,252                            | \$ 38,780        | \$ 11,931       | \$ 63,492             | \$ —                  | \$ —                              | \$ 158,455       |
| Interest income   | 417                                  | 132              | —               | 30,224                | —                     | —                                 | 30,773           |
| Fee income  | —                                    | —                | —               | —                     | 796                   | —                                 | 796              |
| Other income  | —                                    | 83               | 3               | 1,136                 | 31                    | —                                 | 1,253            |
| <b>Total revenues</b>   | <b>44,669</b>                        | <b>38,995</b>    | <b>11,934</b>   | <b>94,852</b>         | <b>827</b>            | <b>—</b>                          | <b>191,277</b>   |
| <b>Expenses</b>   |                                      |                  |                 |                       |                       |                                   |                  |
| Property operating expense  | 18,862                               | 10,779           | 8,271           | 40,387                | —                     | —                                 | 78,299           |
| Interest expense  | 13,703                               | 5,504            | 2,230           | 16,166                | —                     | —                                 | 37,603           |
| Investment, servicing and commission expense                      | 860                                  | 3                | 219             | 5,660                 | 42                    | —                                 | 6,784            |
| Transaction costs   | —                                    | —                | —               | 34                    | —                     | —                                 | 34               |
| Depreciation and amortization                                     | 13,818                               | 17,427           | 2,210           | 13,654                | 130                   | —                                 | 47,239           |
| Provision for loan loss   | —                                    | —                | —               | 4,574                 | —                     | —                                 | 4,574            |
| Impairment loss   | 1,687                                | —                | —               | 1,391                 | —                     | —                                 | 3,078            |
| Compensation expense  | —                                    | 143              | —               | 386                   | 299                   | —                                 | 828              |
| Administrative expenses   | 27                                   | 295              | —               | 1,095                 | 91                    | —                                 | 1,508            |
| <b>Total expenses</b>   | <b>48,957</b>                        | <b>34,151</b>    | <b>12,930</b>   | <b>83,347</b>         | <b>562</b>            | <b>—</b>                          | <b>179,947</b>   |
| <b>Other income (loss)</b>  |                                      |                  |                 |                       |                       |                                   |                  |
| Gain on sale of real estate assets                                | —                                    | 9,317            | —               | 14,621                | —                     | —                                 | 23,938           |
| Other gain (loss), net  | 113                                  | —                | (2)             | (1,208)               | —                     | —                                 | (1,097)          |
| Earnings of investments in unconsolidated ventures                | —                                    | 747              | —               | 8,335                 | —                     | —                                 | 9,082            |
| <b>Income (loss) before income taxes</b>                          | <b>(4,175)</b>                       | <b>14,908</b>    | <b>(998)</b>    | <b>33,253</b>         | <b>265</b>            | <b>—</b>                          | <b>43,253</b>    |
| Income tax benefit (expense)                                      | (1,236)                              | (52)             | —               | (758)                 | (11)                  | —                                 | (2,057)          |
| <b>Net income (loss) from continuing operations</b>               | <b>(5,411)</b>                       | <b>14,856</b>    | <b>(998)</b>    | <b>32,495</b>         | <b>254</b>            | <b>—</b>                          | <b>41,196</b>    |
| Income (loss) from discontinued operations                        | —                                    | —                | —               | (222)                 | —                     | —                                 | (222)            |
| Non-pro rata allocation of income (loss) to NCI                   | 2,369                                | (1,105)          | —               | —                     | 20,521                | —                                 | 21,785           |
| <b>Net income (loss) attributable to noncontrolling interests</b> | <b>\$ (3,042)</b>                    | <b>\$ 13,751</b> | <b>\$ (998)</b> | <b>\$ 32,273</b>      | <b>\$ 20,775</b>      | <b>\$ —</b>                       | <b>\$ 62,759</b> |

# Ile. Financial Results - Segment Reconciliation of Net Income to FFO & Core FFO



Three Months Ended December 31, 2017

|  | OP pro rata share by segment |                  |                  |                       |                       |                                   | Total OP pro rata share | Amounts attributable to noncontrolling interests | CLNS consolidated as reported |
|--|------------------------------|------------------|------------------|-----------------------|-----------------------|-----------------------------------|-------------------------|--|-------------------------------|
|  | Healthcare                   | Industrial       | Hospitality      | Other Equity and Debt | Investment Management | Amounts not allocated to segments |                         |  |                               |
| (\$ in thousands) (Unaudited)  |                              |                  |                  |                       |                       |                                   |                         |  |                               |
| Net income (loss) attributable to common stockholders  | \$ (17,700)                  | \$ 9,503         | \$ (14,321)      | \$ 23,006             | \$ (254,553)          | \$ (114,017)                      | \$ (368,082)            | \$ —   | \$ (368,082)                  |
| Net income (loss) attributable to noncontrolling common interests in Operating Company   | (1,047)                      | 692              | (847)            | 1,372                 | (15,029)              | (6,746)                           | (21,605)                | —  | (21,605)                      |
| <b>Net income (loss) attributable to common interests in Operating Company and common stockholders</b>   | <b>(18,747)</b>              | <b>10,195</b>    | <b>(15,168)</b>  | <b>24,378</b>         | <b>(269,582)</b>      | <b>(120,763)</b>                  | <b>(389,687)</b>        | <b>—</b>   | <b>(389,687)</b>              |
| <b>Adjustments for FFO:</b>  |                              |                  |                  |                       |                       |                                   |                         |  |                               |
| Real estate depreciation and amortization  | 35,200                       | 12,344           | 32,499           | 24,393                | 208                   | —                                 | 104,644                 | 46,286   | 150,930                       |
| Impairment write-downs associated with depreciable real estate   | 4,438                        | —                | —                | 1,478                 | —                     | —                                 | 5,916                   | 3,078  | 8,994                         |
| (Gain) loss from sales of depreciable real estate  | —                            | (6,600)          | —                | (10,279)              | 484                   | —                                 | (16,395)                | (23,938)   | (40,333)                      |
| Less: Net income (loss) attributable to noncontrolling interests in investment entities  | —                            | —                | —                | —                     | —                     | —                                 | —                       | (25,426)   | (25,426)                      |
| <b>FFO</b>   | <b>\$ 20,891</b>             | <b>\$ 15,939</b> | <b>\$ 17,331</b> | <b>\$ 39,970</b>      | <b>\$ (268,890)</b>   | <b>\$ (120,763)</b>               | <b>\$ (295,522)</b>     | <b>\$ —</b>                                      | <b>\$ (295,522)</b>           |
| <b>Additional adjustments for Core FFO:</b>  |                              |                  |                  |                       |                       |                                   |                         |  |                               |
| (Gains) and losses from sales of depreciable real estate within the Other Equity and Debt segment, net of depreciation, amortization and impairment previously adjusted for FFO <sup>(1)</sup> | —                            | —                | —                | 85                    | —                     | —                                 | 85                      | 5,709  | 5,794                         |
| (Gains) and losses from sales of businesses within the Investment Management segment and impairment write-downs associated with the Investment Management segment                              | —                            | —                | —                | —                     | 328,407               | —                                 | 328,407                 | (21,468)   | 306,939                       |
| Equity-based compensation expense <sup>(2)</sup>   | 309                          | 418              | 297              | 738                   | 7,303                 | 33,852                            | 42,917                  | —  | 42,917                        |
| Straight-line rent revenue and straight-line rent expense on ground leases   | (3,052)                      | (724)            | (4)              | (623)                 | —                     | 963                               | (3,440)                 | (2,842)  | (6,282)                       |
| Change in fair value of contingent consideration   | —                            | —                | —                | —                     | —                     | (6,260)                           | (6,260)                 | —  | (6,260)                       |
| Amortization of acquired above- and below-market lease values  | (5,642)                      | (49)             | (3)              | (56)                  | —                     | —                                 | (5,750)                 | (2,614)  | (8,364)                       |
| Amortization of deferred financing costs and debt premiums and discounts   | 4,912                        | 148              | 6,109            | 5,813                 | —                     | 1,098                             | 18,080                  | 6,224  | 24,304                        |
| Unrealized fair value gains or losses and foreign currency remeasurements  | (415)                        | —                | 8                | 520                   | 503                   | (1,332)                           | (716)                   | 264  | (452)                         |
| Acquisition and merger-related transaction costs   | —                            | —                | —                | 147                   | —                     | 1,294                             | 1,441                   | 34   | 1,475                         |
| Merger integration costs <sup>(3)</sup>  | —                            | —                | —                | —                     | —                     | 9,929                             | 9,929                   | —  | 9,929                         |
| Amortization and impairment of investment management intangibles   | —                            | —                | —                | —                     | 73,137                | —                                 | 73,137                  | 367  | 73,504                        |
| Non-real estate depreciation and amortization  | 518                          | 41               | 462              | 10                    | 84                    | 1,445                             | 2,560                   | 204  | 2,764                         |
| Gain on remeasurement of consolidated investment entities and the effect of amortization thereof   | —                            | —                | —                | 1,747                 | —                     | —                                 | 1,747                   | 7,659  | 9,406                         |
| Tax (benefit) expense, net <sup>(4)</sup>  | —                            | —                | —                | (649)                 | (70,897)              | —                                 | (71,546)                | 27   | (71,519)                      |
| Less: Adjustments attributable to noncontrolling interests in investment entities  | —                            | —                | —                | —                     | —                     | —                                 | —                       | 6,436  | 6,436                         |
| <b>Core FFO</b>  | <b>\$ 17,521</b>             | <b>\$ 15,773</b> | <b>\$ 24,200</b> | <b>\$ 47,702</b>      | <b>\$ 69,647</b>      | <b>\$ (79,774)</b>                | <b>\$ 95,069</b>        | <b>\$ —</b>                                      | <b>\$ 95,069</b>              |

Notes:

- (1) Net of \$19.1 million of depreciation, amortization and impairment charges previously adjusted to calculate FFO and Core Earnings, a non-GAAP measure used by Colony prior to its internalization of the manager.
- (2) Includes \$30.3 million of replacement award amortization.
- (3) Merger integration costs represent costs and charges incurred during the integration of Colony, NSAM and NRF. These integration costs are not reflective of the Company's core operating performance and the Company does not expect to incur these costs subsequent to the completion of the merger integration. The majority of integration costs consist of severance, employee costs of those separated or scheduled for separation, system integration and lease terminations.
- (4) Adjustment represents the impact of taxes on amortization and impairment of investment management intangibles assumed in business combinations.

# IIIa. Capitalization - Overview



(\$ in thousands; except per share data; as of December 31, 2017, unless otherwise noted)

|   | <u>Consolidated amount</u> | <u>CLNS OP share of consolidated amount</u> |
|---|----------------------------|---|
| <b>Debt (UPB)</b>                                   |                            |   |
| \$1,000,000 Revolving credit facility               | \$ 50,000                  | \$ 50,000                                   |
| Convertible/exchangeable senior notes               | 616,105                    | 616,105                                     |
| Corporate aircraft promissory note                  | 39,218                     | 39,218                                      |
| Trust Preferred Securities ("TruPS")                | 280,117                    | 280,117                                     |
| <b>Investment-level debt:</b>                       |                            |   |
| Healthcare  | 3,291,278                  | 2,345,866                                   |
| Industrial  | 1,014,229                  | 420,500                                     |
| Hospitality   | 2,608,719                  | 2,437,865                                   |
| Other Equity and Debt <sup>(1)</sup>                | 2,775,615                  | 1,699,344                                   |
| Total investment-level debt <sup>(2)</sup>          | 9,689,841                  | 6,903,575                                   |
| <b>Total debt</b>                                   | <b>\$ 10,675,281</b>       | <b>\$ 7,889,015</b>                         |
| <b>Perpetual preferred equity, redemption value</b> |                            |   |
| <b>Total perpetual preferred equity</b>             |                            | <b>\$ 1,636,605</b>                         |
| <b>Common equity as of February 26, 2018</b>        |                            |   |
|   | <b>Price per share</b>     | <b>Shares / Units</b>                       |
| Class A and B common stock                          | \$ 7.99                    | 540,482                                     |
| OP units  | 7.99                       | 32,282                                      |
| <b>Total market value of common equity</b>          |                            | <b>\$ 4,576,384</b>                         |
| <b>Total capitalization</b>                         |                            | <b>\$ 14,102,004</b>                        |

Notes:

- (1) Excludes \$393 million consolidated or \$325 million CLNS OP share of debt related to assets contributed to CLNC and \$258 million principal balance of non-recourse CDO securitization debt.  
 (2) Includes \$197 million consolidated or \$196 million CLNS OP share principal balance of debt related to assets held for sale.

## IIIb. Capitalization - Investment-Level Debt Overview



(\$ in thousands; as of or for the three months ended December 31, 2017, unless otherwise noted)

### Investment-level debt overview

|  | Type         | Consolidated             | CLNS OP share of consolidated amount |                                       |                         |
|--|--------------|--------------------------|--------------------------------------|---------------------------------------|-------------------------|
|  |              | Unpaid principal balance | Unpaid principal balance             | Wtd. avg. years remaining to maturity | Wtd. avg. interest rate |
| Healthcare                                       | Non-recourse | \$ 3,291,278             | \$ 2,345,866                         | 3.0                                   | 5.0%                    |
| Industrial                                       | Non-recourse | 1,014,229                | 420,500                              | 11.4                                  | 3.5%                    |
| Hospitality                                      | Non-recourse | 2,608,719                | 2,437,865                            | 3.6                                   | 4.7%                    |
| Other Equity and Debt <sup>(1)</sup>             |              |                          |                                      |                                       |                         |
| Net lease real estate equity                     | Non-recourse | 337,582                  | 336,940                              | 6.0                                   | 4.2%                    |
| Other real estate equity                         | Non-recourse | 1,796,867                | 929,774                              | 4.6                                   | 4.1%                    |
| Real estate debt                                 | Non-recourse | 399,806                  | 384,557                              | 4.8                                   | 3.8%                    |
| GP Co-investments in CDCF IV                     | Non-recourse | 241,360                  | 48,073                               | 2.8                                   | 3.7%                    |
| <b>Total investment-level debt<sup>(2)</sup></b> |              | <b>\$ 9,689,841</b>      | <b>\$ 6,903,575</b>                  | <b>4.2</b>                            | <b>4.6%</b>             |

Notes:

(1) Excludes \$393 million consolidated or \$325 million CLNS OP share of debt related to assets contributed to CLNC and \$258 million principal balance of non-recourse CDO securitization debt.

(2) Includes \$197 million consolidated or \$196 million CLNS OP share principal balance of debt related to assets held for sale.

# IIIc. Capitalization - Revolving Credit Facility Overview



(\$ in thousands, except as noted; as of December 31, 2017)

## **Revolving credit facility**

|                          |    |                  |
|--------------------------|----|------------------|
| Maximum principal amount | \$ | 1,000,000        |
| Amount outstanding       |    | 50,000           |
| Initial maturity         |    | January 11, 2021 |
| Fully-extended maturity  |    | January 10, 2022 |
| Interest rate            |    | LIBOR + 2.25%    |

Financial covenants as defined in the Credit Agreement:

|  | <b>Covenant level</b>   |
|--|-------------------------|
| Consolidated Tangible Net Worth          | Minimum \$4,550 million |
| Consolidated Fixed Charge Coverage Ratio | Minimum 1.50 to 1.00    |
| Consolidated Interest Coverage Ratio     | Minimum 3.00 to 1.00    |
| Consolidated Leverage Ratio              | Maximum 0.65 to 1.00    |

Company status: As of December 31, 2017, CLNS is meeting all required covenant threshold levels



# IIId. Capitalization - Corporate Securities Overview



(\$ in thousands, except per share data; as of December 31, 2017, unless otherwise noted)

## Convertible/exchangeable debt

| Description                      | Outstanding principal | Final due date   | Interest rate | Conversion price (per share of common) | Conversion ratio | Conversion shares | Redemption date                             |
|----------------------------------|-----------------------|------------------|---------------|--|------------------|-------------------|---|
| 5.0% Convertible senior notes    | \$ 200,000            | April 15, 2023   | 5.00% fixed   | \$ 15.76                               | 63.4700          | 12,694            | On or after April 22, 2020 <sup>(1)</sup>   |
| 3.875% Convertible senior notes  | 402,500               | January 15, 2021 | 3.875% fixed  | 16.57                                  | 60.3431          | 24,288            | On or after January 22, 2019 <sup>(1)</sup> |
| 5.375% Exchangeable senior notes | 13,605                | June 15, 2033    | 5.375% fixed  | 12.04                                  | 83.0837          | 1,130             | On or after June 15, 2020 <sup>(1)</sup>    |
| <b>Total convertible debt</b>    | <b>\$ 616,105</b>     |                  |               |  |                  |                   |   |

## TruPS

| Description        | Outstanding principal | Final due date     | Interest rate |
|--------------------|-----------------------|--------------------|---------------|
| Trust I            | \$ 41,240             | March 30, 2035     | 3M L + 3.25%  |
| Trust II           | 25,780                | June 30, 2035      | 3M L + 3.25%  |
| Trust III          | 41,238                | January 30, 2036   | 3M L + 2.83%  |
| Trust IV           | 50,100                | June 30, 2036      | 3M L + 2.80%  |
| Trust V            | 30,100                | September 30, 2036 | 3M L + 2.70%  |
| Trust VI           | 25,100                | December 30, 2036  | 3M L + 2.90%  |
| Trust VII          | 31,459                | April 30, 2037     | 3M L + 2.50%  |
| Trust VIII         | 35,100                | July 30, 2037      | 3M L + 2.70%  |
| <b>Total TruPS</b> | <b>\$ 280,117</b>     |                    |               |

## Perpetual preferred stock

| Description   | Liquidation preference | Shares outstanding | Callable period                |
|---|------------------------|--------------------|--------------------------------|
| Series B 8.25% cumulative redeemable perpetual preferred stock  | \$ 152,855             | 6,114              | Callable                       |
| Series D 8.5% cumulative redeemable perpetual preferred stock   | 200,000                | 8,000              | On or after April 10, 2018     |
| Series E 8.75% cumulative redeemable perpetual preferred stock  | 250,000                | 10,000             | On or after May 15, 2019       |
| Series G 7.5% cumulative redeemable perpetual preferred stock   | 86,250                 | 3,450              | On or after June 19, 2019      |
| Series H 7.125% cumulative redeemable perpetual preferred stock | 287,500                | 11,500             | On or after April 13, 2020     |
| Series I 7.15% cumulative redeemable perpetual preferred stock  | 345,000                | 13,800             | On or after June 5, 2022       |
| Series J 7.125% cumulative redeemable perpetual preferred stock | 315,000                | 12,600             | On or after September 22, 2022 |
| <b>Total preferred stock</b>                                    | <b>\$ 1,636,605</b>    | <b>65,464</b>      |                                |

Notes:

(1) Callable at principal amount only if CLNS common stock has traded at least 130% of the conversion price for 20 of 30 consecutive trading days.

# IIIe. Capitalization - Debt Maturity and Amortization Schedules



(\$ in thousands; as of December 31, 2017)

## Consolidated debt maturity and amortization schedule

|                                       | Payments due by period <sup>(1)</sup> |                     |                   |                     |                     | Total                |
|---------------------------------------|---------------------------------------|---------------------|-------------------|---------------------|---------------------|----------------------|
|                                       | 2018                                  | 2019                | 2020              | 2021                | 2022 and after      |                      |
| \$1,000,000 Revolving credit facility | \$ —                                  | \$ —                | \$ —              | \$ 50,000           | \$ —                | \$ 50,000            |
| Convertible/exchangeable senior notes | —                                     | —                   | —                 | 402,500             | 213,605             | 616,105              |
| Corporate aircraft promissory note    | 2,029                                 | 2,134               | 2,244             | 2,360               | 30,451              | 39,218               |
| TruPS                                 | —                                     | —                   | —                 | —                   | 280,117             | 280,117              |
| <i>Investment-level debt:</i>         |                                       |                     |                   |                     |                     |                      |
| Healthcare                            | 13,129                                | 2,455,303           | 58,606            | 361,058             | 403,182             | 3,291,278            |
| Industrial                            | 806                                   | 839                 | 875               | 911                 | 1,010,798           | 1,014,229            |
| Hospitality                           | —                                     | 512,000             | 247,750           | 218,969             | 1,630,000           | 2,608,719            |
| Other Equity and Debt <sup>(2)</sup>  | 296,543                               | 138,682             | 101,196           | 501,266             | 1,737,928           | 2,775,615            |
| <b>Total debt<sup>(3)</sup></b>       | <b>\$ 312,507</b>                     | <b>\$ 3,108,958</b> | <b>\$ 410,671</b> | <b>\$ 1,537,064</b> | <b>\$ 5,306,081</b> | <b>\$ 10,675,281</b> |

## Pro rata debt maturity and amortization schedule

|                                       | Payments due by period <sup>(1)</sup> |                     |                   |                     |                     | Total               |
|---------------------------------------|---------------------------------------|---------------------|-------------------|---------------------|---------------------|---------------------|
|                                       | 2018                                  | 2019                | 2020              | 2021                | 2022 and after      |                     |
| \$1,000,000 Revolving credit facility | \$ —                                  | \$ —                | \$ —              | \$ 50,000           | \$ —                | \$ 50,000           |
| Convertible/exchangeable senior notes | —                                     | —                   | —                 | 402,500             | 213,605             | 616,105             |
| Corporate aircraft promissory note    | 2,029                                 | 2,134               | 2,244             | 2,360               | 30,451              | 39,218              |
| TruPS                                 | —                                     | —                   | —                 | —                   | 280,117             | 280,117             |
| <i>Investment-level debt:</i>         |                                       |                     |                   |                     |                     |                     |
| Healthcare                            | 10,119                                | 1,716,019           | 46,772            | 289,950             | 283,006             | 2,345,866           |
| Industrial                            | 334                                   | 348                 | 363               | 378                 | 419,077             | 420,500             |
| Hospitality                           | —                                     | 512,000             | 247,750           | 213,495             | 1,464,620           | 2,437,865           |
| Other Equity and Debt <sup>(2)</sup>  | 118,322                               | 74,418              | 47,340            | 440,742             | 1,018,522           | 1,699,344           |
| <b>Total debt<sup>(3)</sup></b>       | <b>\$ 130,804</b>                     | <b>\$ 2,304,919</b> | <b>\$ 344,469</b> | <b>\$ 1,399,425</b> | <b>\$ 3,709,398</b> | <b>\$ 7,889,015</b> |

Notes:

- (1) Based on initial maturity dates or extended maturity dates to the extent criteria are met and the extension option is at the borrower's discretion.
- (2) Excludes \$393 million consolidated or \$325 million CLNS OP share of debt related to assets contributed to CLNC and \$258 million principal balance of non-recourse CDO securitization debt.
- (3) Includes \$197 million consolidated or \$196 million CLNS OP share principal balance of debt related to assets held for sale.

# IVa. Healthcare Real Estate - Summary Metrics and Operating Results



(\$ in thousands; as of or for the three months ended December 31, 2017, unless otherwise noted)

## Net operating income

|   | Consolidated amount | CLNS OP share of consolidated amount <sup>(1)</sup> |
|---|---------------------|---|
| Net operating income:                     |                     |   |
| Senior Housing - Operating                | \$ 15,788           | \$ 11,194   |
| Medical Office Buildings                  | 13,325              | 9,447   |
| <i>Triple-Net Lease:</i>                  |                     |   |
| Senior Housing                            | 15,226              | 10,795  |
| Skilled Nursing Facilities                | 27,250              | 19,320  |
| Hospitals                                 | 5,181               | 3,673   |
| Total net operating income <sup>(2)</sup> | <u>\$ 76,770</u>    | <u>\$ 54,429</u>                                    |
| Annualized net operating income           | <u>\$ 307,080</u>   | <u>\$ 217,716</u>                                   |

## Portfolio overview

|                            | Total number of buildings | Capacity            | % Occupied          | TTM Lease Coverage | WA Remaining Lease Term <sup>(3)</sup> |
|----------------------------|---------------------------|---------------------|---------------------|--------------------|--|
| Senior Housing - Operating | 109                       | 6,436 units         | 87.4%               | N/A                | N/A                                    |
| Medical Office Buildings   | 109                       | 3.9 million sq. ft. | 82.9%               | N/A                | 4.7                                    |
| <i>Triple-Net Lease:</i>   |                           |                     |                     |                    |  |
| Senior Housing             | 83                        | 4,135 units         | 82.9%               | 1.4x               | 12.0                                   |
| Skilled Nursing Facilities | 102                       | 12,300 beds         | 82.1%               | 1.2x               | 6.9                                    |
| Hospitals                  | 14                        | 872 beds            | 58.4%               | 2.5x               | 11.4                                   |
| <b>Total / W.A.</b>        | <u><b>417</b></u>         |                     | <u><b>82.8%</b></u> | <u><b>1.4x</b></u> | <u><b>9.0</b></u>                      |

## Same store financial/operating results related to the segment

|                            | % Occupied <sup>(4)</sup> |                     | TTM Lease Coverage <sup>(5)</sup> |                    | NOI                     |                         | % Change             |
|----------------------------|---------------------------|---------------------|-----------------------------------|--------------------|-------------------------|-------------------------|----------------------|
|                            | Q4 2017                   | Q3 2017             | 9/30/2017                         | 6/30/2017          | Q4 2017                 | Q3 2017                 |                      |
| Senior Housing - Operating | 87.4%                     | 87.8%               | n/a                               | n/a                | \$ 15,788               | \$ 18,704               | (15.6)%              |
| Medical Office Buildings   | 82.9%                     | 83.5%               | n/a                               | n/a                | 13,358                  | 13,643                  | (2.1)%               |
| <i>Triple-Net Lease:</i>   |                           |                     |                                   |                    |                         |                         |                      |
| Senior Housing             | 82.9%                     | 82.3%               | 1.4x                              | 1.4x               | 15,226                  | 14,638                  | 4.0 %                |
| Skilled Nursing Facilities | 82.1%                     | 82.2%               | 1.2x                              | 1.2x               | 27,313                  | 25,381                  | 7.6 %                |
| Hospitals                  | 58.4%                     | 61.5%               | 2.5x                              | 3.0x               | 5,181                   | 5,304                   | (2.3)%               |
| <b>Total / W.A.</b>        | <u><b>82.8%</b></u>       | <u><b>82.9%</b></u> | <u><b>1.4x</b></u>                | <u><b>1.5x</b></u> | <u><b>\$ 76,866</b></u> | <u><b>\$ 77,670</b></u> | <u><b>(1.0)%</b></u> |

### Notes:

- (1) CLNS OP Share represents Consolidated NOI multiplied by CLNS OP's interest as of December 31, 2017.
- (2) NOI includes \$1.4 million consolidated or \$1.0 million CLNS OP share of interest earned related to \$72 million consolidated or \$50 million CLNS OP share carrying value of healthcare real estate development loans. This interest income is in the Interest Income line item on the Company's Statement of Operations for the three months ended December 31, 2017. For a reconciliation of net income/(loss) attributable to common stockholders to NOI, please refer to the appendix to this presentation.
- (3) Total / Weighted Average Remaining Lease Term includes Triple-Net Lease properties only.
- (4) Occupancy % for Senior Housing - Operating represents average of the presented quarter, MOB's is as of last day in the quarter and for Triple-Net Lease represents average of the prior quarter. Occupancy represents real estate property operator's patient occupancy for all types except MOB.
- (5) Represents the ratio of EBITDAR to cash rent on a trailing twelve month basis.

# IVb. Healthcare Real Estate - Portfolio Overview



(As of or for the three months ended December 31, 2017, unless otherwise noted)

## Triple-Net Lease Coverage<sup>(1)</sup>

| September 30, 2017 TTM Lease Coverage | # of Leases | % of Triple-Net Lease TTM NOI as of September 30, 2017 |  |             | WA Remaining Lease Term |
|---------------------------------------|-------------|--|--|-------------|-------------------------|
|                                       |             | Senior Housing   | Skilled Nursing Facilities & Hospitals | % Total NOI |                         |
| Less than 0.99x                       | 3           | 3%   | 10%                                    | 13%         | 8 yrs                   |
| 1.00x - 1.09x                         | 4           | 2%   | 18%                                    | 20%         | 8 yrs                   |
| 1.10x - 1.19x                         | 2           | 4%   | 4%                                     | 8%          | 6 yrs                   |
| 1.20x - 1.29x                         | 2           | —%   | 17%                                    | 17%         | 9 yrs                   |
| 1.30x - 1.39x                         | 1           | —%   | 2%                                     | 2%          | 8 yrs                   |
| 1.40x - 1.49x                         | —           | —%   | —%                                     | —%          | —                       |
| 1.50x and greater                     | 5           | 18%  | 22%                                    | 40%         | 10 yrs                  |
| <b>Total / W.A.</b>                   | <b>17</b>   | <b>27%</b>   | <b>73%</b>                             | <b>100%</b> | <b>9 yrs</b>            |

## Revenue Mix<sup>(2)</sup>

|                            | September 30, 2017 TTM |            |            |
|----------------------------|------------------------|------------|------------|
|                            | Private Pay            | Medicare   | Medicaid   |
| Senior Housing - Operating | 87%                    | 3%         | 10%        |
| Medical Office Buildings   | 100%                   | —%         | —%         |
| <i>Triple-Net Lease:</i>   |                        |            |            |
| Senior Housing             | 64%                    | —%         | 36%        |
| Skilled Nursing Facilities | 24%                    | 21%        | 55%        |
| Hospitals                  | 11%                    | 40%        | 49%        |
| <b>W.A.</b>                | <b>58%</b>             | <b>11%</b> | <b>31%</b> |

Notes:

- (1) Represents the ratio of EBITDAR to cash rent on a trailing twelve month basis. Represents leases with EBITDAR coverage in each listed range. Excludes interest income associated with triple-net lease senior housing and hospital types. Caring Homes (U.K.) lease (EBITDAR) coverage includes additional collateral provided by the operator.
- (2) Revenue mix represents percentage of revenues derived from private, Medicare and Medicaid payor sources. The payor source percentages for the hospital category excludes two operating partners, whom do not track or report payor source data and totals approximately one-third of NOI in the hospital category. Overall percentages are weighted by NOI exposure in each category.

# IVb. Healthcare Real Estate - Portfolio Overview (cont'd)



(\$ in thousands; as of or for the three months ended December 31, 2017, unless otherwise noted)

## Top 10 Geographic Locations by NOI

|                | Number of buildings | NOI              |
|----------------|---------------------|------------------|
| United Kingdom | 44                  | \$ 9,699         |
| Illinois       | 38                  | 8,002            |
| Indiana        | 55                  | 7,258            |
| Florida        | 27                  | 6,595            |
| Pennsylvania   | 11                  | 4,813            |
| Georgia        | 22                  | 4,518            |
| Oregon         | 31                  | 4,473            |
| California     | 15                  | 4,168            |
| Ohio           | 35                  | 3,854            |
| Texas          | 32                  | 3,475            |
| <b>Total</b>   | <b>310</b>          | <b>\$ 56,855</b> |

## Top 10 Operators/Tenants by NOI

|                                    | Property Type/Primary Segment | Number of buildings | NOI              | % Occupied | TTM Lease Coverage | WA Remaining Lease Term |
|------------------------------------|-------------------------------|---------------------|------------------|------------|--------------------|-------------------------|
| Senior Lifestyle                   | Sr. Housing / RIDEA           | 82                  | \$ 12,392        | 87.8%      | n/a                | n/a                     |
| Caring Homes (U.K.) <sup>(1)</sup> | Sr. Housing / NNN             | 44                  | 8,352            | 87.3%      | 1.6x               | 15 yrs                  |
| Sentosa                            | SNF / NNN                     | 11                  | 4,813            | 90.4%      | 1.2x               | 11 yrs                  |
| Wellington Healthcare              | SNF / NNN                     | 11                  | 4,387            | 89.5%      | 1.1x               | 9 yrs                   |
| Miller                             | SNF / NNN                     | 28                  | 3,848            | 71.3%      | 2.0x               | n/a                     |
| Frontier                           | Sr. Housing / RIDEA / NNN     | 20                  | 3,392            | 84.5%      | n/a                | n/a                     |
| Opis                               | SNF / NNN                     | 11                  | 2,741            | 90.9%      | 1.2x               | 6 yrs                   |
| Consulate                          | SNF / NNN                     | 10                  | 2,664            | 78.7%      | 0.8x               | 10 yrs                  |
| Grace                              | SNF / NNN                     | 9                   | 2,600            | 80.2%      | 1.0x               | 3 yrs                   |
| Symphony                           | SNF / NNN                     | 8                   | 2,353            | 74.6%      | 1.2x               | 4 yrs                   |
| <b>Total</b>                       |                               | <b>234</b>          | <b>\$ 47,542</b> |            |                    |                         |

Notes:

(1) Caring Homes (U.K.) lease (EBITDAR) coverage includes additional collateral provided by the operator.

# Va. Industrial Real Estate - Summary Metrics and Operating Results



(\$ in thousands; as of or for the three months ended December 31, 2017, unless otherwise noted)

## Net operating income

|                                 | Consolidated amount <sup>(1)</sup> | CLNS OP share of consolidated amount <sup>(1)</sup> |
|---------------------------------|------------------------------------|---|
| Net operating income            | \$ 46,000                          | \$ 19,073   |
| Annualized net operating income | \$ 184,000                         | \$ 76,292   |

## Portfolio overview

|                                  |        |
|----------------------------------|--------|
| Total number of buildings        | 369    |
| Rentable square feet (thousands) | 43,325 |
| % leased at end of period        | 95.1%  |
| Average remaining lease term     | 3.7    |

## Same store financial/operating results related to the segment

|                                | Q4 2017   | Q3 2017   | % Change |
|--------------------------------|-----------|-----------|----------|
| Same store number of buildings | 331       | 331       | —        |
| % leased at end of period      | 95.5%     | 95.2%     | 0.3%     |
| Revenues                       | \$ 55,789 | \$ 54,565 | 2.2%     |
| NOI                            | \$ 40,200 | \$ 39,168 | 2.6%     |

## Recent acquisitions

| Property / portfolio name         | Acquisition date | Number of buildings | Rentable square feet (thousands) | % leased     | Purchase price   |
|-----------------------------------|------------------|---------------------|----------------------------------|--------------|------------------|
| <b>Q4 2017 acquisitions:</b>      |                  |                     |                                  |              |                  |
| Las Vegas industrial property     | 11/1/2017        | 1                   | 103                              | 100.0%       | \$ 8,500         |
| Jacksonville industrial property  | 11/30/2017       | 1                   | 85                               | 100.0%       | 6,100            |
| Dallas industrial property        | 12/15/2017       | 1                   | 266                              | 21.0%        | 18,600           |
| <b>Total / W.A.</b>               |                  | <b>3</b>            | <b>454</b>                       | <b>53.7%</b> | <b>\$ 33,200</b> |
| <b>Q1 2018 acquisitions:</b>      |                  |                     |                                  |              |                  |
| Phoenix industrial property       | 1/22/2018        | 1                   | 217                              | 81.3%        | \$ 13,400        |
| Jacksonville industrial portfolio | 2/21/2018        | 3                   | 305                              | 100.0%       | \$ 25,300        |
| <b>Total</b>                      |                  | <b>4</b>            | <b>522</b>                       | <b>92.2%</b> | <b>\$ 38,700</b> |

Notes:

(1) CLNS OP Share represents Consolidated NOI multiplied by CLNS OP's interest as of December 31, 2017. For a reconciliation of net income/(loss) attributable to common stockholders to NOI, please refer to the appendix to this presentation.

# Vb. Industrial Real Estate - Portfolio Overview



(\$ in thousands; as of or for the three months ended December 31, 2017, unless otherwise noted)

| <b>Top 10 Geographic Locations by NOI</b> | <b>Number of buildings</b> | <b>Rentable square feet (thousands)</b> | <b>NOI</b>       | <b>% leased at end of period</b> |
|---|----------------------------|---|------------------|----------------------------------|
| Atlanta                                   | 62                         | 6,862                                   | \$ 7,650         | 99.2%                            |
| Dallas                                    | 68                         | 7,426                                   | 7,219            | 95.2%                            |
| New Jersey, South / Philadelphia          | 34                         | 3,763                                   | 3,899            | 94.3%                            |
| Orlando                                   | 18                         | 3,032                                   | 3,896            | 98.4%                            |
| Minneapolis                               | 18                         | 2,814                                   | 3,208            | 96.6%                            |
| Maryland-BWI                              | 21                         | 2,806                                   | 2,963            | 93.0%                            |
| Phoenix                                   | 27                         | 3,012                                   | 2,940            | 90.8%                            |
| Chicago                                   | 26                         | 2,786                                   | 2,715            | 94.6%                            |
| Houston                                   | 23                         | 2,092                                   | 2,361            | 88.2%                            |
| Kansas City                               | 14                         | 2,260                                   | 2,265            | 95.1%                            |
| <b>Total / W.A.</b>                       | <b>311</b>                 | <b>36,853</b>                           | <b>\$ 39,116</b> | <b>95.2%</b>                     |

## Top 10 Tenant Base by Industry

| <b>Industry</b>                                  | <b>Total leased square feet (thousands)</b> | <b>% of total</b> |
|--|---|-------------------|
| Warehousing & Transportation                     | 15,730                                      | 38.2%             |
| Manufacturing                                    | 7,070                                       | 17.2%             |
| Professional, Scientific, and Technical Services | 3,915                                       | 9.5%              |
| Wholesale Trade                                  | 3,697                                       | 9.0%              |
| Media & Information                              | 3,077                                       | 7.5%              |
| Health & Science                                 | 2,989                                       | 7.2%              |
| Construction & Contractors                       | 2,429                                       | 5.9%              |
| Retail Trade                                     | 1,133                                       | 2.7%              |
| Entertainment & Recreation                       | 1,026                                       | 2.5%              |
| Public Administration & Government               | 113   | 0.3%              |
| <b>Total</b>                                     | <b>41,179</b>                               | <b>100.0%</b>     |

# Via. Hospitality Real Estate - Summary Metrics and Operating Results



(\$ in thousands; as of or for the three months ended December 31, 2017, unless otherwise noted)

|                                  | Consolidated amount | CLNS OP share of consolidated amount <sup>(1)</sup> |
|----------------------------------|---------------------|---|
| <b>EBITDA</b>                    |                     |   |
| EBITDA:                          |                     |   |
| Select Service                   | \$ 31,925           | \$ 30,105   |
| Extended Stay                    | 25,519              | 24,064  |
| Full Service                     | 2,588               | 2,440   |
| Total EBITDA <sup>(2)</sup>      | \$ 60,032           | \$ 56,609   |
| Annualized EBITDA <sup>(3)</sup> | \$ 295,724          | \$ 278,862  |

## Portfolio overview by type

|                     | Number of hotels | Number of rooms | Avg. qtr. % occupancy | Avg. daily rate (ADR) | RevPAR       | Q4 2017 EBITDA   | EBITDA margin |
|---------------------|------------------|-----------------|-----------------------|-----------------------|--------------|------------------|---------------|
| Select service      | 97               | 13,193          | 68.0%                 | \$ 120                | \$ 81        | \$ 31,925        | 29.2%         |
| Extended stay       | 66               | 7,936           | 75.2%                 | 131                   | 98           | 25,519           | 34.7%         |
| Full service        | 4                | 962             | 65.4%                 | 158                   | 104          | 2,588            | 17.7%         |
| <b>Total / W.A.</b> | <b>167</b>       | <b>22,091</b>   | <b>70.5%</b>          | <b>\$ 126</b>         | <b>\$ 88</b> | <b>\$ 60,032</b> | <b>30.4%</b>  |

## Same store financial/operating results related to the segment by brand

| Brand               | Avg. qtr. % occupancy |              | Avg. daily rate (ADR) |               | RevPAR       |              | EBITDA           |                  | % Change    |
|---------------------|-----------------------|--------------|-----------------------|---------------|--------------|--------------|------------------|------------------|-------------|
|                     | Q4 2017               | Q4 2016      | Q4 2017               | Q4 2016       | Q4 2017      | Q4 2016      | Q4 2017          | Q4 2016          |             |
| Marriott            | 69.4%                 | 68.5%        | \$ 126                | \$ 123        | \$ 87        | \$ 84        | \$ 47,574        | \$ 45,306        | 5.0%        |
| Hilton              | 74.0%                 | 73.7%        | 123                   | 121           | 91           | 89           | 9,046            | 9,033            | 0.1%        |
| Other               | 75.5%                 | 70.1%        | 129                   | 133           | 97           | 93           | 3,412            | 3,327            | 2.6%        |
| <b>Total / W.A.</b> | <b>70.5%</b>          | <b>69.4%</b> | <b>\$ 126</b>         | <b>\$ 123</b> | <b>\$ 88</b> | <b>\$ 85</b> | <b>\$ 60,032</b> | <b>\$ 57,666</b> | <b>4.1%</b> |

### Notes:

- (1) CLNS OP Share represents Consolidated EBITDA multiplied by CLNS OP's interest as of December 31, 2017.
- (2) Q4 2017 EBITDA excludes FF&E reserve amounts of \$8.6 million consolidated or \$8.1 million CLNS OP share. For a reconciliation of net income/(loss) attributable to common stockholders to EBITDA please refer to the appendix to this presentation.
- (3) Annualized EBITDA is calculated using the pro rata percentage of historical Q4 2016 EBITDA relative to historical full year 2016 EBITDA to account for seasonality.



# Vib. Hospitality Real Estate - Portfolio Overview



(\$ in thousands; as of December 31, 2017, unless otherwise noted)

| <i>Top 10 Geographic Locations by EBITDA</i> | Number of hotels | Number of rooms | Number of rooms-select service | Number of rooms-extended stay | Number of rooms-full service | EBITDA           |
|--|------------------|-----------------|--------------------------------|-------------------------------|------------------------------|------------------|
| California                                   | 18               | 2,254           | 1,243                          | 1,011                         | —                            | \$ 10,252        |
| Florida                                      | 12               | 2,060           | 1,186                          | 291                           | 583                          | 7,313            |
| Texas  | 28               | 3,230           | 1,952                          | 1,278                         | —                            | 6,716            |
| New Jersey                                   | 12               | 1,884           | 718                            | 942                           | 224                          | 4,802            |
| Virginia                                     | 11               | 1,473           | 1,210                          | 263                           | —                            | 2,679            |
| New York                                     | 8                | 1,010           | 710                            | 300                           | —                            | 2,602            |
| Michigan                                     | 6                | 809             | 601                            | 208                           | —                            | 2,541            |
| Washington                                   | 5                | 664             | 160                            | 504                           | —                            | 2,484            |
| North Carolina                               | 7                | 981             | 831                            | 150                           | —                            | 2,419            |
| Georgia                                      | 7                | 974             | 694                            | 280                           | —                            | 2,221            |
| <b>Total / W.A.</b>                          | <b>114</b>       | <b>15,339</b>   | <b>9,305</b>                   | <b>5,227</b>                  | <b>807</b>                   | <b>\$ 44,029</b> |

# VIIa. Other Equity and Debt - Strategic Investments



(\$ in thousands, except as noted and per share data; as of December 31, 2017, unless otherwise noted)

## **Colony NorthStar Credit Real Estate, Inc. (NYSE: CLNC)<sup>(1)</sup>**

|  | Consolidated amount | CLNS OP share of consolidated amount |
|--|---------------------|--------------------------------------|
| CLNS OP interest in CLNC as of February 26, 2018             | 36.5%               | 36.5%                                |
| CLNC shares beneficially owned by OP and common stockholders | 47.5 million        | 47.5 million                         |
| CLNC share price as of February 26, 2018                     | \$ 20.50            | \$ 20.50                             |
| Total market value of CLNC shares                            | \$ 973,239          | \$ 973,239                           |
| Net carrying value - CLNC                                    | \$ 1,162,278        | \$ 1,162,278                         |

## **NorthStar Realty Europe Corp. (NYSE: NRE)**

|   |             |             |
|---|-------------|-------------|
| CLNS OP interest in NRE as of February 26, 2018             | 10.0%       | 10.0%       |
| NRE shares beneficially owned by OP and common stockholders | 5.6 million | 5.6 million |
| NRE share price as of February 26, 2018                     | \$ 10.48    | \$ 10.48    |
| Total market value of NRE shares                            | \$ 59,071   | \$ 59,071   |
| Carrying value - NRE  | 73,578      | 73,578      |

## **CLNS's GP Co-investments in CDCF IV Investments - CLNS's Most Recent Flagship Institutional Credit Fund**

|                         |              |            |
|-------------------------|--------------|------------|
| Assets - carrying value | \$ 1,015,217 | \$ 191,413 |
| Debt - UPB              | 241,360      | 48,073     |
| Net carrying value      | \$ 773,857   | \$ 143,340 |

## **NBV by Geography:**

|        |        |        |
|--------|--------|--------|
| U.S.   | 24.3%  | 18.6%  |
| Europe | 75.7%  | 81.4%  |
| Total  | 100.0% | 100.0% |

## **Other GP Co-investments <sup>(2)</sup>**

|   |         |         |
|---|---------|---------|
| Carrying value  | 134,038 | 102,753 |
| Andean Tower Partners investment (expected to be contributed to a new Digital Real Estate Infrastructure Fund) <sup>(3)</sup> | 108,976 | 108,976 |

### Notes:

(1) On February 1, 2018, CLNC began trading on the NYSE following the completion of its public listing.

(2) Other GP co-investments represents: i) seed investments in certain registered investment companies sponsored by the Company, ii) investments in the general partnership of third party real estate operators primarily to seed investment commitments with their limited partners for which the Company will receive its share of earnings and incentive fees, or iii) general partnership capital in a fund or investment. These investments are accounted for as Investments in Unconsolidated Ventures or consolidated Securities Available for Sale.

(3) Amount excludes \$33 million of CLNS committed investment capital, which was funded subsequent to the fourth quarter 2017.

# VIIb. Other Equity and Debt - Net Lease and Other Real Estate Equity



(\$ in thousands; as of December 31, 2017, unless otherwise noted)

## Net Lease Real Estate Equity<sup>(1)</sup>

|                     | Number of buildings | Rentable square feet (thousands) | Consolidated amount | CLNS OP share of consolidated amount | % leased at end of period | Weighted average remaining lease term |
|---------------------|---------------------|----------------------------------|---------------------|--------------------------------------|---------------------------|---------------------------------------|
|                     |                     |                                  | NOI <sup>(2)</sup>  | NOI <sup>(2)</sup>                   |                           |                                       |
| U.S.:               |                     |                                  |                     |                                      |                           |                                       |
| Office              | 5                   | 878                              | \$ 2,816            | \$ 2,731                             | 81.9%                     | 5.6                                   |
| Europe:             |                     |                                  |                     |                                      |                           |                                       |
| Office              | 29                  | 1,478                            | 5,373               | 5,373                                | 100.0%                    | 12.1                                  |
| <b>Total / W.A.</b> | <b>34</b>           | <b>2,356</b>                     | <b>\$ 8,189</b>     | <b>\$ 8,104</b>                      | <b>93.2%</b>              | <b>9.7</b>                            |

## Other Real Estate Equity

|                     | Number of buildings | Rentable square feet (thousands) | Consolidated amount          | CLNS OP share of consolidated amount | % leased at end of period | Weighted average remaining lease term |
|---------------------|---------------------|----------------------------------|------------------------------|--------------------------------------|---------------------------|---------------------------------------|
|                     |                     |                                  | Undepreciated carrying value | Undepreciated carrying value         |                           |                                       |
| U.S.:               |                     |                                  |                              |                                      |                           |                                       |
| Office              | 14                  | 1,479                            | \$ 269,295                   | \$ 233,278                           | 75.1%                     | 4.3                                   |
| Multifamily         | 1                   | N/A                              | 50,359                       | 45,323                               | 94.9%                     | N/A                                   |
| Hotel               | 137                 | N/A                              | 1,196,535                    | 660,642                              | 72.2%                     | N/A                                   |
| Europe:             |                     |                                  |                              |                                      |                           |                                       |
| Industrial          | 37                  | 2,753                            | 171,041                      | 76,968                               | 100.0%                    | 6.6                                   |
| Office              | 22                  | 654                              | 107,266                      | 53,570                               | 88.3%                     | 13.2                                  |
| Mixed / Retail      | 204                 | 5,553                            | 811,351                      | 255,524                              | 67.5%                     | 5.3                                   |
| <b>Total / W.A.</b> | <b>415</b>          | <b>10,439</b>                    | <b>\$ 2,605,847</b>          | <b>\$ 1,325,305</b>                  | <b>78.5%</b>              | <b>6.0</b>                            |

## Other Real Estate Equity

|   |         |         |
|---|---------|---------|
| Unconsolidated joint ventures (Net Lease & Other RE Equity) | 551,859 | 518,497 |
|---|---------|---------|

## Albertsons

|                |        |        |
|----------------|--------|--------|
| Carrying value | 89,261 | 44,649 |
|----------------|--------|--------|

Notes:

(1) Net lease real estate equity excludes investments contributed to CLNC. The carrying value of investments contributed to CLNC is now accounted for in the net carrying value of CLNC on page 26.

(2) Excludes NOI related to an asset sold during the fourth quarter 2017.

# VIIc. Other Equity and Debt - Real Estate Debt



(\$ in thousands, except as noted; as of December 31, 2017, unless otherwise noted)

## Portfolio Overview<sup>(1)</sup>

|   | Consolidated<br>amount | CLNS OP share of<br>consolidated amount |
|---|------------------------|---|
| <u>Non-PCI loans</u>                          |                        |   |
| Loans receivables held for investment, net    | \$ 712,397             | \$ 568,535                              |
| Loans receivables held for sale, net          | —                      | —                                       |
| Non-recourse investment-level financing (UPB) | 385,273                | 377,076                                 |
| Carrying value - equity method investments    | 26,935                 | 19,403                                  |
| <u>PCI loans</u>                              |                        |   |
| Loans receivables held for investment, net    | 557,675                | 445,299                                 |
| Non-recourse investment-level financing (UPB) | 14,533                 | 7,482                                   |
| Carrying value - equity method investments    | 1,690                  | 1,690                                   |
| <u>Other</u>                                  |                        |   |
| Carrying value - real estate assets (REO)     | 24,019                 | 5,939                                   |
| <u>Total Portfolio</u>                        |                        |   |
| Loans receivables held for investment, net    | 1,270,072              | 1,013,834                               |
| Loans receivables held for sale, net          | —                      | —                                       |
| Carrying value - equity method investments    | 28,625                 | 21,093                                  |
| Carrying value - real estate assets (REO)     | 24,019                 | 5,939                                   |
| Non-recourse investment-level financing (UPB) | 399,806                | 384,558                                 |

Notes:

- (1) Real estate debt excludes investments contributed to CLNC. The carrying value of investments contributed to CLNC is now accounted for in the net carrying value of CLNC on page 26. Excludes \$3 million consolidated and CLNS OP share carrying value of real estate debt investments held in a CDO securitization and \$73 million consolidated or \$51 million CLNS OP share carrying value of healthcare real estate development loans related to the Company's healthcare real estate portfolio.

# VIIc. Other Equity and Debt - Real Estate Debt (cont'd)



(\$ in thousands; as of or for the three months ended December 31, 2017, unless otherwise noted)

## Loans receivable held for investment by loan type<sup>(1)</sup>

|   | Consolidated amount | CLNS OP share of consolidated amount |                        |                                    |
|---|---------------------|--------------------------------------|------------------------|------------------------------------|
|   | Net carrying amount | Net carrying amount                  | Weighted average yield | Weighted average maturity in years |
| <b>Non-PCI loans</b>  |                     |                                      |                        |                                    |
| <i>Fixed rate</i>   |                     |                                      |                        |                                    |
| First mortgage loans  | \$ 65,644           | \$ 47,974                            | 6.7%                   | 9.5                                |
| Securitized mortgage loans                                      | 36,603              | 36,603                               | 6.1%                   | 16.9                               |
| Second mortgage loans / B-notes                                 | 212,756             | 117,179                              | 7.5%                   | 2.6                                |
| Mezzanine loans   | 126,432             | 96,873                               | 2.9%                   | 1.9                                |
| Corporate   | 46,156              | 46,156                               | 10.3%                  | 10.1                               |
| Total fixed rate non-PCI loans                                  | 487,591             | 344,785                              | 6.3%                   | 5.9                                |
| <i>Variable rate</i>  |                     |                                      |                        |                                    |
| First mortgage loans  | 147,593             | 145,147                              | 5.4%                   | 0.6                                |
| Securitized mortgage loans                                      | 82,534              | 82,534                               | 4.9%                   | 18.1                               |
| Second mortgage loans / B-notes                                 | —                   | —                                    | —%                     | —                                  |
| Mezzanine loans   | —                   | —                                    | —%                     | —                                  |
| Total variable rate non-PCI loans                               | 230,127             | 227,681                              | 5.2%                   | 7.0                                |
| Total non-PCI loans   | 717,718             | 572,466                              |                        |                                    |
| Allowance for loan losses                                       | (5,321)             | (3,931)                              |                        |                                    |
| <b>Total non-PCI loans, net of allowance for loan losses</b>    | <b>712,397</b>      | <b>568,535</b>                       |                        |                                    |
| <b>PCI loans</b>  |                     |                                      |                        |                                    |
| First mortgage loans  | 598,312             | 452,698                              |                        |                                    |
| Securitized mortgage loans                                      | 975                 | 975                                  |                        |                                    |
| Mezzanine loans   | 3,671               | 3,671                                |                        |                                    |
| Total PCI loans   | 602,958             | 457,344                              |                        |                                    |
| Allowance for loan losses                                       | (45,283)            | (12,045)                             |                        |                                    |
| <b>Total PCI loans, net of allowance for loan losses</b>        | <b>557,675</b>      | <b>445,299</b>                       |                        |                                    |
| <b>Total loans receivable, net of allowance for loan losses</b> | <b>\$ 1,270,072</b> | <b>\$ 1,013,834</b>                  |                        |                                    |

Notes:

(1) Real estate debt excludes investments contributed to CLNC. The carrying value of investments contributed to CLNC is now accounted for in the net carrying value of CLNC on page 26. Excludes \$3 million consolidated and CLNS OP share carrying value of real estate debt investments held in a CDO securitization and \$73 million consolidated or \$51 million CLNS OP share carrying value of healthcare real estate development loans related to the Company's healthcare real estate portfolio.

## VIIc. Other Equity and Debt - Real Estate Debt (cont'd)



(\$ in thousands; as of or for the three months ended December 31, 2017, unless otherwise noted)

### Loans receivable held for investment by collateral type<sup>(1)</sup>

|   | Consolidated amount | CLNS OP share of consolidated amount |                        |                                    |
|---|---------------------|--------------------------------------|------------------------|------------------------------------|
|   | Net carrying amount | Net carrying amount                  | Weighted average yield | Weighted average maturity in years |
| <b>Non-PCI Loans</b>  |                     |                                      |                        |                                    |
| Hospitality   | \$ 52,960           | \$ 26,480                            | 10.3%                  | 10.1                               |
| Retail  | 107,989             | 97,182                               | 6.8%                   | 4.1                                |
| Multifamily   | 285,144             | 265,139                              | 5.5%                   | 10.0                               |
| Office  | 180,106             | 113,557                              | 10.1%                  | 2.4                                |
| Other   | —                   | —                                    | —%                     | —                                  |
| Land  | 37,439              | 18,719                               | —%                     | 0.4                                |
| Residential   | 2,604               | 1,302                                | —%                     | 1.4                                |
| Corporate   | 46,155              | 46,156                               | 10.3%                  | 10.1                               |
| <b>Total non-PCI loans, net of allowance for loan losses</b>    | <b>712,397</b>      | <b>568,535</b>                       | <b>7.1%</b>            | <b>7.1</b>                         |
| <b>PCI Loans</b>  |                     |                                      |                        |                                    |
| Office  | 274,318             | 272,704                              |                        |                                    |
| Retail  | 86,393              | 58,440                               |                        |                                    |
| Multifamily   | 54,448              | 23,712                               |                        |                                    |
| Industrial  | 46,908              | 33,046                               |                        |                                    |
| Hospitality   | 22,063              | 8,688                                |                        |                                    |
| Land  | 36,366              | 29,242                               |                        |                                    |
| Other   | 23,718              | 13,200                               |                        |                                    |
| Residential   | 13,461              | 6,267                                |                        |                                    |
| <b>Total PCI loans, net of allowance for loan losses</b>        | <b>557,675</b>      | <b>445,299</b>                       |                        |                                    |
| <b>Total loans receivable, net of allowance for loan losses</b> | <b>\$ 1,270,072</b> | <b>\$ 1,013,834</b>                  |                        |                                    |

Notes:

- (1) Real estate debt excludes investments contributed to CLNC. The carrying value of investments contributed to CLNC is now accounted for in the net carrying value of CLNC on page 26. Excludes \$3 million consolidated and CLNS OP share carrying value of real estate debt investments held in a CDO securitization and \$73 million consolidated or \$51 million CLNS OP share carrying value of healthcare real estate development loans related to the Company's healthcare real estate portfolio.

# VII.d. Other Equity and Debt - Real Estate PE Fund Interests



(\$ in thousands, except as noted; as of or for the three months ended December 31, 2017, unless otherwise noted)

## Operating Results<sup>(1)</sup>

|   |    |        |
|---|----|--------|
| Q4 2017 income (excluding a \$7.7 million adjustment to basis in earnings of unconsolidated ventures) | \$ | 7,882  |
| Return of capital   |    | 16,192 |
| Total distributions   |    | 24,074 |
| Contributions   |    | 17     |
| Net   | \$ | 24,057 |

|   |    |         |
|---|----|---------|
| Carrying value  | \$ | 180,356 |
| Weighted average remaining term as of December 31, 2017 |    | 1.4 yrs |

## Portfolio Overview<sup>(1)(2)</sup>

|  |              |
|--|--------------|
| Number of funds  | 56           |
| Number of general partners                                     | 40           |
| Underlying assets, at cost                                     | \$ 7,673,700 |
| Implied leverage <sup>(3)</sup>                                | 37%          |
| Expected remaining future capital contributions <sup>(3)</sup> | \$ —         |

## Investment by Types<sup>(1)(2)(5)</sup>

| Type               | %           |
|--------------------|-------------|
| Land               | 22%         |
| Office             | 14%         |
| Multifamily        | 12%         |
| Other              | 12%         |
| Cash               | 10%         |
| Lodging            | 9%          |
| Retail             | 9%          |
| Debt               | 7%          |
| Residential/Condo  | 3%          |
| Financial Services | 1%          |
| Industrial         | 1%          |
| Healthcare         | —%          |
| <b>Total</b>       | <b>100%</b> |

## Investment by Geography<sup>(1)(2)(5)</sup>

| Location               | %           |
|------------------------|-------------|
| Northeast              | 24%         |
| West                   | 17%         |
| Primarily Various U.S. | 16%         |
| Midwest                | 12%         |
| Cash                   | 10%         |
| Southeast              | 7%          |
| Mid-Atlantic           | 6%          |
| Asia                   | 5%          |
| Europe                 | 3%          |
| <b>Total</b>           | <b>100%</b> |

### Notes:

- (1) PE fund interests exclude investments contributed to CLNC. The carrying value of investments contributed to CLNC is now accounted for in the net carrying value of CLNC on page 26.
- (2) Amounts presented exclude an immaterial economic interest retained in a real estate private equity fund portfolio which NRF sold in the fourth quarter 2015.
- (3) Represents implied leverage for funds with investment-level financing, calculated as debt divided by assets at fair value.
- (4) Represents the estimated amount of expected future capital contributions to funds as of December 31, 2017.
- (5) Represents the underlying fund interests in PE Investments by investment type and geographic location based on NAV as of September 30, 2017.

# VIIe. Other Equity and Debt - CRE Securities



(\$ in thousands; as of December 31, 2017)

## Portfolio Overview

| <b>Owned Bonds and Equity of Deconsolidated CDO's</b> | <b>Principal amount</b> | <b>Carrying Value</b> |
|---|-------------------------|-----------------------|
| Total owned deconsolidated CDO bonds                  | \$ 325,610              | \$ 74,033             |
| Total owned deconsolidated CDO equity                 |                         | 16,900                |

| <b>Consolidated CDO's</b>                     | <b>Principal amount</b> | <b>Carrying Value</b> |
|---|-------------------------|-----------------------|
| Total consolidated CDO investments            | \$ 590,128              | \$ 217,789            |
| Total consolidated non-recourse CDO financing | 258,416                 | 171,097               |
| Net book value - consolidated CDOs            | \$ 331,712              | \$ 46,692             |

| <b>CMBS</b> | <b>Principal amount</b> | <b>Carrying Value</b> |
|-------------|-------------------------|-----------------------|
|             | \$ 71,900               | \$ 17,382             |

## Income

|  |  |          |
|--|--|----------|
| Q4 2017 aggregate income (excluding \$33.8 million of Other-Than-Temporary-Impairments and adjustments to basis) |  | \$ 7,864 |
|--|--|----------|



# VIIa. Investment Management - Summary Metrics



(\$ in thousands, except as noted; as of December 31, 2017)

## Overview

| Segment  | Q4 2017 Fee Revenue<br>- CLNS OP Share |
|--|--|
| Institutional funds  | \$ 14,708                              |
| Retail companies   | 20,630                                 |
| NorthStar Realty Europe (NYSE:NRE)   | 3,508                                  |
| Townsend   | 13,464                                 |
| Pro rata corporate investments (earnings of investments in unconsolidated ventures)              | 5,920                                  |
| <b>Total Q4 2017 reported fee revenue and earnings of investments in unconsolidated ventures</b> | <b>\$ 58,230</b>                       |

## Operating Results

### Revenues

|  |           |
|--|-----------|
| Total fee revenue and earnings of investments in unconsolidated ventures | \$ 58,230 |
| Other income and commission income                                       | 6,428     |

### Expenses

|   |                  |
|---|------------------|
| Investment, servicing and commission expenses   | 3,373            |
| Depreciation and amortization   | 13,952           |
| Impairment loss   | 366,013          |
| Compensation expense  | 23,899           |
| Administrative expenses   | 3,063            |
| <b>Total expenses</b>   | <b>410,300</b>   |
| Other gain (loss), net  | (873)            |
| Income tax benefit <sup>(1)</sup>   | 97,454           |
| Non-pro rata allocation of income (loss) to NCI   | (20,521)         |
| <b>Net income attributable to common interests in OP and common stockholders</b>  | <b>(269,582)</b> |
| Real estate depreciation and amortization   | 208              |
| (Gain) loss from sales of depreciable real estate   | 484              |
| (Gains) and losses from sales of businesses within the Investment Management segment and impairment write-downs associated with the Investment Management segment | 328,407          |
| Equity-based compensation expense   | 7,303            |
| Unrealized fair value gains or losses and foreign currency remeasurements   | 503              |
| Amortization and impairment of investment management intangibles  | 73,137           |
| Non-real estate depreciation and amortization   | 84               |
| Tax (benefit) expense, net <sup>(1)</sup>   | (70,897)         |
| <b>Core FFO</b>   | <b>\$ 69,647</b> |

Notes:

(1) Net amount of \$27 million primarily due to one time income tax benefit.

# VIIIb. Investment Management – Assets Under Management



(\$ in millions, except as noted; as of December 31, 2017, unless otherwise noted)

| Segment <sup>(1)</sup>                 | Products  | Description   | AUM CLNS<br>OP Share | FEEUM CLNS<br>OP Share | Fee Rate |
|--|---|---|----------------------|------------------------|----------|
| <b>Institutional Funds</b>             | <ul style="list-style-type: none"> <li>Credit (\$3.9 billion)</li> <li>Core plus / value-added (\$1.0 billion)</li> <li>Opportunistic (\$1.6 billion)</li> <li>Colony Industrial (\$1.8 billion)</li> <li>Other co-investment vehicles (\$1.6 billion)</li> </ul>                           | <ul style="list-style-type: none"> <li>26 years of institutional investment management experience</li> <li>Sponsorship of private equity funds and vehicles earning asset management fees and performance fees</li> <li>More than 300 investor relationships</li> <li>\$10 billion of private equity capital raised since the beginning of 2008; \$25 billion of private equity capital raised since inception<sup>(2)</sup></li> </ul> | \$ 9,888             | \$ 5,845               | .9%      |
| <b>Retail Companies</b> <sup>(3)</sup> | <ul style="list-style-type: none"> <li>NorthStar Healthcare (\$3.6 billion)<sup>(4)</sup></li> <li>NorthStar/RXR NY Metro Real Estate</li> <li>NorthStar Real Estate Capital Income Funds<sup>(5)</sup></li> <li>NorthStar/Townsend Institutional Real Estate Fund<sup>(6)</sup></li> </ul> | <ul style="list-style-type: none"> <li>Wholly-owned broker-dealer subsidiary engaged as dealer-manager and/or wholesale marketing agent for retail product offerings</li> <li>Manage public non-traded vehicles earning asset management and performance fees</li> </ul>  | 3,689                | 1,651                  | 1.5%     |
| <b>Public Company</b>                  | <ul style="list-style-type: none"> <li>Colony NorthStar Credit Real Estate<sup>(3)</sup></li> <li>NorthStar Realty Europe Corp.<sup>(7)</sup></li> </ul>  | <ul style="list-style-type: none"> <li>CLNC: NYSE-listed credit focused REIT</li> <li>NRE: NYSE-listed European equity REIT</li> <li>Contracts with base management fees with potential for incentive fees</li> </ul>   | 5,463                | 4,288                  | 1.5%     |
| <b>Pro Rata Corporate Investments</b>  | <ul style="list-style-type: none"> <li>RXR Realty</li> <li>American Healthcare Investors</li> <li>Steelwave</li> <li>Hamburg Trust</li> </ul>   | <ul style="list-style-type: none"> <li>CLNS recognizes at-share earnings from underlying pro rata corporate investments</li> <li>27% investment in RXR Realty, a real estate owner, developer and investment management company with \$18 billion of AUM</li> <li>43% investment in American Healthcare Investors, a healthcare investment management firm and sponsor of non-traded vehicles with \$3 billion of AUM</li> </ul>        | 7,869                | 3,623                  | N/A      |
| <b>Total</b>                           |   |   | <b>\$ 26,909</b>     | <b>\$ 15,407</b>       |          |

Notes:

- (1) During the fourth quarter 2017, Colony NorthStar completed the sale of its interest in The Townsend Group.
- (2) Capital raised includes amounts raised by Colony Capital, LLC since its inception in 1991.
- (3) On February 1, 2018, a new permanent capital commercial real estate credit REIT named Colony NorthStar Credit Real Estate, Inc., externally managed by the Company, completed its public listing on the New York Stock Exchange and began trading under the ticker symbol "CLNC".
- (4) On December 20, 2017, the Company agreed to amend and restate its management agreement with NorthStar Healthcare Income, Inc. effective January 1, 2018.
- (5) NorthStar Real Estate Capital Income Funds represents a master/feeder structure and pools investor capital raised through three feeder funds.
- (6) NorthStar/Townsend Institutional Real Estate Fund Inc. filed an amended registration statement on Form N-2 to the SEC in May 2017, which as of February 26, 2018, is not yet effective.
- (7) On November 9, 2017, the Company agreed to amend and restate its management agreement with NorthStar Realty Europe effective January 1, 2018.

# VIIIc. Investment Management - Retail Companies



(\$ in thousands, except as noted; as of December 31, 2017, unless otherwise noted)

|                        | NorthStar<br>Income <sup>(1)</sup> | NorthStar<br>Healthcare <sup>(2)</sup> | NorthStar<br>Income II <sup>(1)</sup> | NorthStar/RXR<br>NY Metro Real<br>Estate <sup>(3)</sup> | NorthStar Real<br>Estate Capital<br>Income Fund | Total           |
|------------------------|------------------------------------|--|---------------------------------------|---|---|-----------------|
| Capital Raising Status | Completed<br>July 2013             | Completed<br>January 2016              | Completed<br>November 2016            | Active  | Active  |                 |
| Primary Strategy       | CRE Debt                           | Healthcare<br>Equity and<br>Debt       | CRE Debt                              | NY Metro Area CRE<br>Equity and Debt                    | CRE Debt  |                 |
| Offering Size          | \$1.2 billion <sup>(4)</sup>       | \$2.1 billion <sup>(4)</sup>           | \$1.65 billion <sup>(4)</sup>         | \$2.0 billion <sup>(4)</sup>                            | \$3.2 billion <sup>(4)</sup>                    | \$10.15 billion |

## Capital Raised<sup>(5)</sup>

|                              |           |           |           |          |          |           |
|------------------------------|-----------|-----------|-----------|----------|----------|-----------|
| During Q4 2017               | \$ —      | \$ 16,580 | \$ —      | \$ 6,102 | \$ 7,867 | \$ 30,549 |
| Year-to-date through 2-26-18 | 26,832    | 67,173    | 26,378    | 28,468   | 28,735   | 177,586   |
| Inception to 2-26-18         | 1,310,543 | 1,944,897 | 1,165,841 | 40,209   | 28,968   | 4,490,458 |

## Investments<sup>(6)</sup>

|                     |           |           |           |        |        |           |
|---------------------|-----------|-----------|-----------|--------|--------|-----------|
| During Q4 2017      | 119,220   | —         | 21,314    | —      | 5,400  | 145,934   |
| As of 12-31-17      | 1,511,301 | 3,624,749 | 1,731,137 | 32,531 | 31,641 | 6,931,359 |
| Cash as of 12-31-17 | 208,757   | 50,046    | 58,213    | 10,883 | 4,572  | 332,471   |

## Fees earned during Q4 2017

|                       |          |          |          |      |      |           |
|-----------------------|----------|----------|----------|------|------|-----------|
| Asset management fees | 4,223    | 8,931    | 5,217    | —    | —    | 18,371    |
| Acquisition fees      | 1,077    | 334      | 213      | —    | —    | 1,624     |
| Disposition fees      | 363      | —        | 272      | —    | —    | 635       |
| Total fees            | \$ 5,663 | \$ 9,265 | \$ 5,702 | \$ — | \$ — | \$ 20,630 |

### Notes:

- (1) On February 1, 2018, a new permanent capital commercial real estate credit REIT named Colony NorthStar Credit Real Estate, Inc., externally managed by the Company, completed its public listing on the New York Stock Exchange and began trading under the ticker symbol "CLNC".
- (2) On December 20, 2017, the Company agreed to amend and restate its management agreement with NorthStar Healthcare Income, Inc. effective January 1, 2018.
- (3) Fees earned are split 50/50 with partner.
- (4) Represents dollar amounts of shares registered to offer pursuant to each company's public offering, distribution reinvestment plan, and follow-on public offering.
- (5) Includes amounts contributed by CLNS.
- (6) Based on cost for real estate equity investments, which includes net purchase price allocation related to intangibles, deferred costs and other assets, if any, committed principal amount for real estate debt and securities and carrying value plus deferred acquisition prices for limited partnership interests in private equity funds.



# APPENDICES



## **Assets Under Management (“AUM”)**

Assets for which the Company and its affiliates provide investment management services, including assets for which the Company may or may not charge management fees and/or performance allocations. AUM is generally based on reported gross undepreciated carrying value of managed investments as reported by each underlying vehicle at December 31, 2017, while retail companies and NorthStar Realty Europe are presented as of February 26, 2018. AUM further includes a) uncalled capital commitments and b) for corporate investments in affiliates with asset and investment management functions, includes the Company’s pro-rata share of each affiliate’s assets as presented and calculated by the affiliate. Affiliates include RXR Realty LLC, SteelWave, LLC, American Healthcare Investors and Hamburg Trust. The Company’s calculations of AUM may differ materially from the calculations of other asset managers, and as a result, this measure may not be comparable to similar measures presented by other asset managers.

## **CLNS OP**

The operating partnership through which the Company conducts all of its activities and holds substantially all of its assets and liabilities. CLNS OP share excludes noncontrolling interests in investment entities.

## **Fee-Earning Equity Under Management (“FEEUM”)**

Equity for which the Company and its affiliates provides investment management services and derives management fees and/or performance allocations. FEEUM generally represents a) the basis used to derive fees, which may be based on invested equity, stockholders’ equity, or fair value pursuant to the terms of each underlying investment management agreement and b) for corporate investments in affiliates with asset and investment management functions, includes the Company’s pro-rata share of fee bearing equity of each affiliate as presented and calculated by the affiliate. Affiliates include RXR Realty LLC, SteelWave, LLC, American Healthcare Investors and Hamburg Trust. FEEUM is presented pro-forma for transactions subsequent to the fourth quarter 2017, including the NorthStar Healthcare and NorthStar Realty Europe management agreement amendments and the public listing of CLNC. The Company’s calculations of FEEUM may differ materially from the calculations of other asset managers, and as a result, this measure may not be comparable to similar measures presented by other asset managers.

**NOI:** Net Operating Income. NOI for healthcare and industrial segments represents total property and related income less property operating expenses, adjusted for the effects of (i) straight-line rental income adjustments; (ii) amortization of acquired above- and below-market lease adjustments to rental income; and (iii) other items such as adjustments for the Company’s share of NOI of unconsolidated ventures.

**EBITDA:** Earnings before Interest, Income Taxes, Depreciation and Amortization. EBITDA for the hospitality segment represents net income from continuing operations of that segment excluding the impact of interest expense, income tax expense or benefit, and depreciation and amortization.

**ADR:** Average Daily Rate

**RevPAR:** Revenue per Available Room

**UPB:** Unpaid Principal Balance

**PCI:** Purchased Credit-Impaired

# IXb. Appendices - Reconciliation of Net Income (Loss) to NOI/EBITDA



(\$ in thousands; for the three months ended December 31, 2017)

| <i>NOI and EBITDA Determined as Follows</i>  | Healthcare       | Industrial       | Hospitality      | Other Equity and Debt—Net Lease Properties |
|--|------------------|------------------|------------------|--|
| Total revenues   | \$ 157,267       | \$ 66,595        | \$ 196,609       | \$ 10,710                                  |
| Straight-line rent revenue and amortization of above- and below-market lease intangibles | (12,332)         | (1,841)          | (44)             | (962)                                      |
| Interest income  | —                | (226)            | —                | —  |
| Other income   | —                | (121)            | —                | —  |
| Property operating expenses <sup>(1)</sup>   | (68,165)         | (17,884)         | (136,533)        | (1,559)                                    |
| Compensation expense <sup>(1)</sup>  | —                | (523)            | —                | —  |
| <b>NOI or EBITDA</b>   | <b>\$ 76,770</b> | <b>\$ 46,000</b> | <b>\$ 60,032</b> | <b>\$ 8,189</b>                            |

## *Reconciliation of Net Income (Loss) from Continuing Operations to NOI/EBITDA*

|  | Healthcare       | Industrial       | Hospitality      |
|--|------------------|------------------|------------------|
| Net income (loss) from continuing operations   | \$ (21,789)      | \$ 23,946        | \$ (16,166)      |
| Adjustments:   |                  |                  |                  |
| Straight-line rent revenue and amortization of above- and below-market lease intangibles | (12,332)         | (1,841)          | (44)             |
| Interest income  | —                | (226)            | —                |
| Interest expense   | 47,734           | 9,403            | 36,245           |
| Transaction, investment and servicing costs  | 2,889            | 8                | 2,582            |
| Depreciation and amortization  | 48,793           | 29,812           | 35,171           |
| Impairment loss  | 6,125            | —                | —                |
| Compensation and administrative expense  | 1,709            | 2,629            | 1,607            |
| Gain on sale of real estate  | —                | (15,917)         | —                |
| Other (gain) loss, net   | (374)            | —                | 67               |
| Other income   | —                | (121)            | —                |
| Earnings from investments in unconsolidated ventures                                     | —                | (1,781)          | —                |
| Income tax (benefit) expense   | 4,015            | 88               | 570              |
| <b>NOI or EBITDA</b>   | <b>\$ 76,770</b> | <b>\$ 46,000</b> | <b>\$ 60,032</b> |

Notes:

(1) For healthcare and hospitality, property operating expenses includes property management fees paid to third parties. For industrial, there are direct costs of managing the portfolio which are included in compensation expense.

# IXb. Appendices - Reconciliation of Net Income (Loss) to NOI/EBITDA (cont'd)



(\$ in thousands; for the three months ended December 31, 2017)

## Reconciliation of Net Income from Continuing Operations of Other Equity and Debt Segment to NOI of Net Lease Real Estate Equity

|   | Other Equity and Debt |
|---|-----------------------|
| Net income from continuing operations   | \$ 57,137             |
| Adjustments:  |                       |
| Property operating income of other real estate equity   | (128,244)             |
| Straight-line rent revenue and amortization of above- and below-market lease intangibles for net lease real estate equity | (1,174)               |
| Interest income   | (80,786)              |
| Fee and other income  | (2,452)               |
| Property operating expense of other real estate equity  | 85,252                |
| Interest expense  | 49,211                |
| Transaction, investment and servicing costs   | 13,797                |
| Depreciation and amortization   | 35,251                |
| Provision for loan loss   | 6,834                 |
| Impairment loss   | 2,869                 |
| Compensation and administrative expense   | 6,008                 |
| Gain on sale of real estate assets  | (24,752)              |
| Other loss, net   | 25,512                |
| Earnings of investments in unconsolidated ventures  | (23,617)              |
| Income tax expense  | 930                   |
| NOI of net lease real estate equity   | \$ 21,776             |
| Less: assets contributed to CLNC  | (4,200)               |
| Less: one-time gain and asset sold in Q4  | (9,387)               |
| NOI of net lease real estate equity, excluding assets contributed to CLNC and a one-time gain                             | \$ 8,189              |