**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**



**FORM 8-K**



**CURRENT REPORT**

**Pursuant to Section 13 or 15(d)**

**of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): May 22, 2020**

**COLONY CAPITAL, INC.**



**(Exact Name of Registrant as Specified in Its Charter)**



**Maryland**

**(State or Other Jurisdiction of**

**Incorporation or Organization)**

|  |  |
| --- | --- |
| **001-37980** | **46-4591526** |
| **(Commission** | **(I.R.S. Employer** |
| **File Number)** | **Identification No.)** |

**515 South Flower Street, 44th Floor**

**Los Angeles, California 90071**

**(Address of Principal Executive Offices, Including Zip Code)**

**(310) 282-8820**

**Registrant’s telephone number, including area code:**

**N/A**

**(Former name or former address, if changed since last report.)**



Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

* Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
* Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
* Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
* Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))



|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Securities registered pursuant to Section 12(b) of the Act:** | | | |  |
| **Title of Class** |  |  | **Trading Symbol(s)** |  | **Name of Each Exchange on Which Registered** |
| Class A Common Stock, $0.01 par value |  |  | CLNY | | New York Stock Exchange |
| Preferred Stock, 7.50% Series G Cumulative Redeemable, $0.01 par value |  |  | CLNY.PRG | | New York Stock Exchange |
| Preferred Stock, 7.125% Series H Cumulative Redeemable, $0.01 par value |  |  | CLNY.PRH | | New York Stock Exchange |
| Preferred Stock, 7.15% Series I Cumulative Redeemable, $0.01 par value |  |  | CLNY.PRI | | New York Stock Exchange |
| Preferred Stock, 7.125% Series J Cumulative Redeemable, $0.01 par value |  |  | CLNY.PRJ | | New York Stock Exchange |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided ☐ pursuant to Section 13(a) of the Exchange Act.

**Item 7.01 Regulation FD Disclosure.**

Colony Capital, Inc., a Maryland corporation (the “Company” or “Colony Capital”), is filing this Current Report on Form 8-K (the “Form 8-K”) to provide certain financial and other information (the “Supplemental Hospitality Information”) with respect to assets held within its Hospitality Real Estate segment. In addition to the Supplemental Hospitality Information described herein, the Company has provided a presentation regarding the Supplemental Hospitality Information which is being furnished as Exhibit 99.1 to this Form 8-K and is incorporated herein solely for purposes of this Item 7.01 disclosure. This one-time disclosure, in light of the impact of COVID-19, details certain characteristics of the Hospitality portfolio to enhance visibility and transparency as the Company evaluates strategic and financial alternatives with respect to its holdings in this segment.

The Supplemental Hospitality Information highlights (1) Hotels held in seven separate portfolios - Colony’s hotel properties are held within seven legally separate and distinct portfolios with independent capitalization structures, (2) Debt is non-recourse to Colony corporate - The borrowings within these portfolios are securitized entirely at the property level and have no recourse to the Company, subject to certain customary non-recourse carve-out guarantees, (3) Portfolio structure creates enhanced flexibility - The portfolios and their borrowings are non-recourse and are not cross-collateralized with one another, allowing the Company to seek to maintain and preserve value on a portfolio-by-portfolio basis, (4) Disclosure designed to improve optionality - The Company does not anticipate allocating material amounts of its own capital to these hospitality portfolios but reserves the right to participate on a limited basis alongside third-party capital should a compelling opportunity arise to capture attractive discounts in this indebtedness or otherwise reduce leverage levels on a prudent basis. This disclosure improves the Company’s ability to explore potential transactions involving portions of the Company’s hospitality borrowings, including transacting in the borrowings either directly or through joint ventures or other collaborative efforts with third party capital sources. There is no assurance that these and other efforts by the Company will be successful, (5) Constructive dialogue ongoing - The Company continues to be in active negotiations with the respective lenders and servicers to seek forbearances and debt modifications and otherwise protect the value of these siloed investment-level portfolios.

The Supplemental Hospitality Information provides certain financial and other information with respect to the following hospitality portfolios in which the Company and its affiliates own interests: (1) the Inland Portfolio, (2) the Innkeepers Portfolio, (3) the New England Portfolio, (4) the K Partners Portfolio, (5) the CBM Portfolio, (6) the THL Portfolio, and (7) the Miami Airport Portfolio. The Company, through its operating company, wholly owns the New England Portfolio, the K Partners Portfolio, the CBM Portfolio and the Miami Airport Portfolio. The Company owns the Inland Portfolio and the Innkeepers Portfolio through joint ventures with Chatham Lodging Trust, in which the Company holds an approximately 90% ownership interest. The Company owns approximately 55% of the THL Portfolio, with the remaining interests held by certain managed investment vehicles.

The Supplemental Hospitality Information updates and supplements information previously disclosed in the Company’s Annual Report on Form 10-K (the “Form 10-K”) for the year ended December 31, 2019 and Quarterly Report on Form 10-Q (the “Form 10-Q”) for the quarter ended March 31, 2020.

The information included in this Form 8-K, including Exhibit 99.1, shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing made by the Company under the Exchange Act or the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

**Cautionary Statement Regarding Forward-Looking Statements**

This Current Report on Form 8-K contains forward-looking statements within the meaning of the federal securities laws. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as “may,” “will,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” or “potential” or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and contingencies, many of which are beyond the Company’s control, and may cause the Company’s actual results to

differ significantly from those expressed in any forward-looking statement. Factors that might cause such a difference include, without limitation, the impact of COVID-19 on the U.S. and global economy, including the duration and extent of the impact of COVID-19 on the Company's business and operations, including the performance of the Company’s hospitality portfolios, the non-recourse nature of the hospitality borrowings, whether the hospitality portfolio structure creates enhanced flexibility, whether the Company will be able to maintain or preserve value on a portfolio-by-portfolio basis, the Company's ability to explore and consummate potential transactions involving portions of the Company's hospitality borrowings, including either directly or indirectly through joint ventures or other collaborative efforts with third party capital sources, and if any such potential transactions, if consummated, would result in any anticipated benefits to the Company, the Company's allocation of capital, if any, to the hospitality portfolios, including by participating on a limited basis alongside third-party capital, the Company's ability to capture attractive discounts in the indebtedness or otherwise reduce leverage levels on a prudent basis, whether the Company will be successful in negotiations with lenders and servicers to seek forbearances and debt modifications on attractive terms or at all and otherwise protect the value of the hospitality portfolios, market conditions in the geographies where the Company’s hospitality properties are located, levels of occupancy, seasonality, and other risks and uncertainties, including those detailed in the Form 10-K and Form 10-Q, under the heading “Risk Factors,” as such factors may be updated from time to time in our subsequent periodic filings with the U.S. Securities and Exchange Commission (“SEC”). All forward-looking statements reflect the Company’s good faith beliefs, assumptions and expectations, but they are not guarantees of future performance. Additional information about these and other factors can be found in Colony Capital’s reports filed from time to time with the SEC.

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

**Item 9.01** **Financial Statements and Exhibits.**

|  |  |  |
| --- | --- | --- |
| *(d) Exhibits.* | |  |
| **Exhibit No.** | | **Description** |
| [99.1](#page5) |  | Hospitality Portfolio Overview Presentation dated May 22, 2020 |
| 104 |  | Cover Page Interactive Data File (embedded within the Inline XBRL document) |

**SIGNATURES**

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

Date: May 22, 2020 **COLONY CAPITAL, INC.**

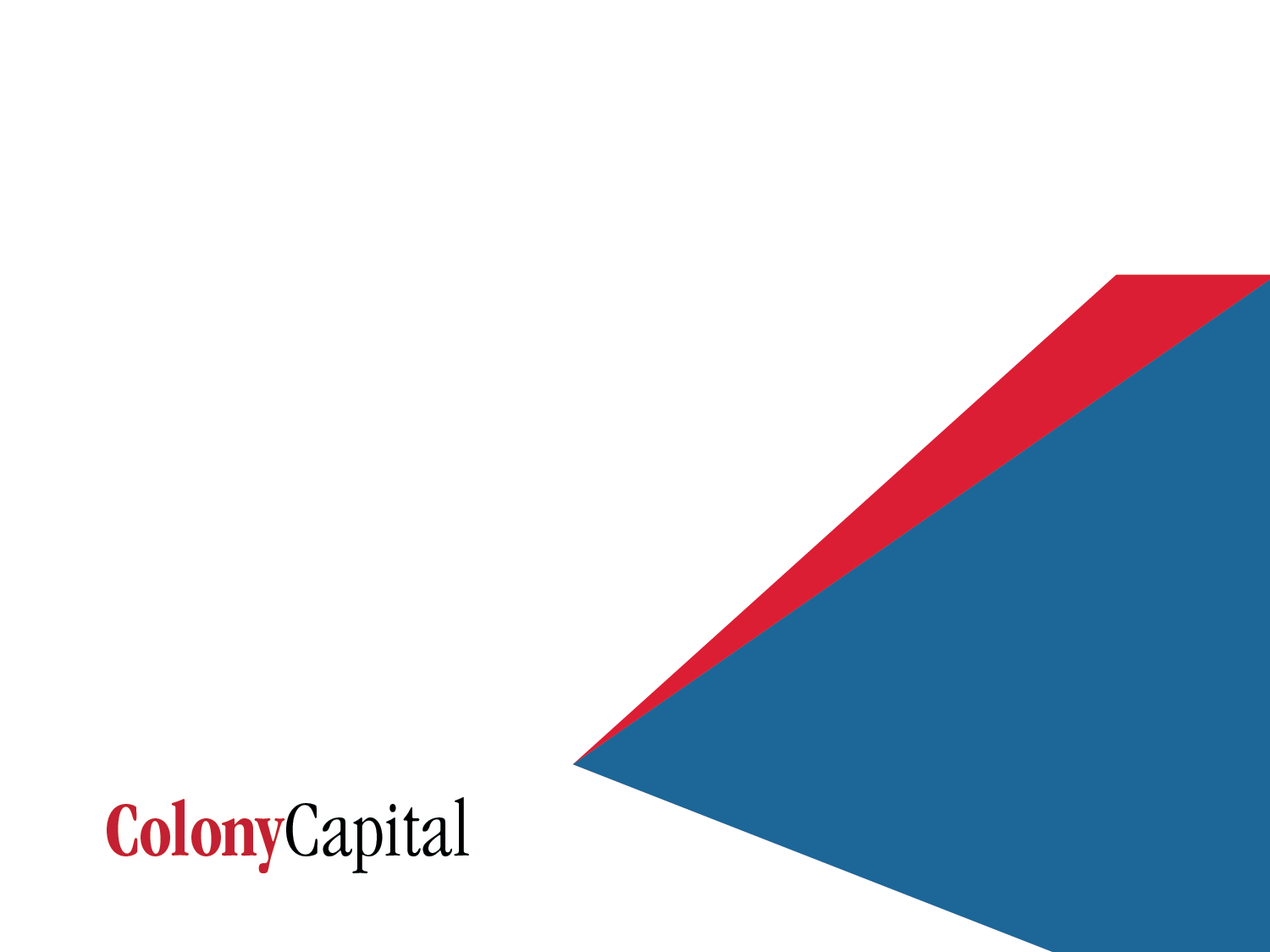
By: /s/ Mark M. Hedstrom



**Mark M. Hedstrom**

**Chief Financial Officer, Chief Operating Officer and Treasurer**

Exhibit 99.1



HOSPITALITY PORTFOLIO OVERVIEW

May 22, 2020

## DISCLAIMER

**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 control of Colony Capital, Inc. (the “Company” or “Colony Capital”) and may cause the Company’s actual results to differ significantly from those expressed in any forward-looking statement. Factors that might cause such a difference include, without limitation, the impact of COVID-19 on the Company’s business and operations, including the performance of its hospitality portfolios, the impact of market trends and conditions on key financial metrics in the Company’s hospitality portfolios, including but not limited to occupancy, average daily rate (ADR), and revenue per available room (RevPAR), capital expenditures, the ability to meet debt service on the non-recourse mortgage debt collateralized by the hospitality portfolios or whether the Company will be successful in obtaining accommodations or modifications to such mortgage debt, whether Colony Capital will be able to maintain its qualification as a REIT for U.S. federal income tax purposes, adverse general and local economic conditions, an unfavorable capital market environment, and other risks and uncertainties, including those detailed in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2019 and Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, under the heading “Risk Factors,” as such factors may be updated from time to time in our subsequent periodic filings with the U.S. Securities and Exchange Commission (“SEC”).

All forward-looking statements reflect Colony Capital’s good faith beliefs, assumptions and expectations, but they are not guarantees of future performance. Additional information about these and other factors can be found in Colony Capital’s reports filed from time to time with the SEC. Colony Capital cautions investors not to unduly rely on any forward-looking statements. The forward-looking statements speak only as of the date of this presentation. Colony Capital is under no duty to update any of these forward-looking statements after the date of this presentation, nor to conform prior statements to actual results or revised expectations, and Colony Capital does not intend to do so.

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

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

Included in this presentation are certain “non-GAAP financial measures,” within the meaning of SEC rules and regulations, that are different from measures calculated and presented in accordance with generally accepted accounting principles (GAAP). The Company considers the following non-GAAP financial measures useful to investors as key supplemental measures of the operating performance of its hospitality portfolios: (1) Net Operating Income Before Reserve for Furniture, Fixtures and Equipment Expenditures (“NOI Before FF&E Reserve”) and (2) Net Operating Income After Reserve for Furniture, Fixtures and Equipment Expenditures (“NOI After FF&E Reserve”). These non-GAAP financial measures could be considered along with, but not as alternatives to, net income or loss, or any other measures of the operating performance of the Company’s hospitality portfolios prescribed by GAAP.

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1. INLAND PORTFOLIO OVERVIEW

*Residence Inn – Chicago, IL*

**The Inland portfolio is a collection of upscale extended stay and select service hotels located throughout the U.S.**



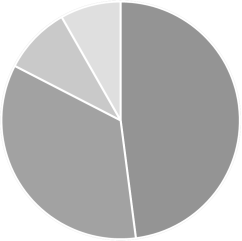
PORTFOLIO OVERVIEW



PORTFOLIO BREAKDOWN

* The Inland portfolio (“IHP”) is comprised of 48 properties and 6,402 keys
* The portfolio has an average age of 20 years and ~$44mm of improvements in hotel properties since 2018
* Properties are managed by Island Hospitality Management (34) and Marriott International, Inc. (14)
* IHP’s assets are well diversified across the South and Northeast and have a primary focus on select service properties with a portion concentrated in the extended stay segment
* Through a joint venture with Chatham Lodging Trust, the Company owns an approximate 90% interest in the IHP Portfolio

Region (% of Keys)



Midwest West(8%) (9%)

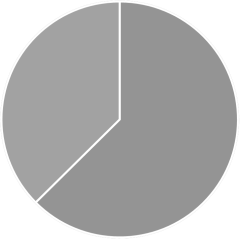
South (48%)

Northeast (35%)

Service Type (% of Keys)



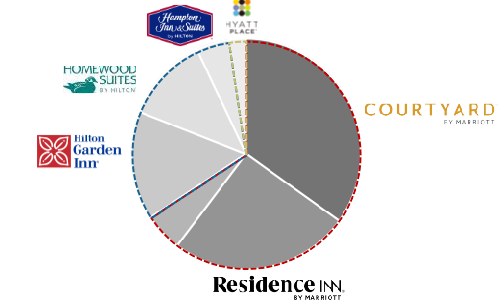
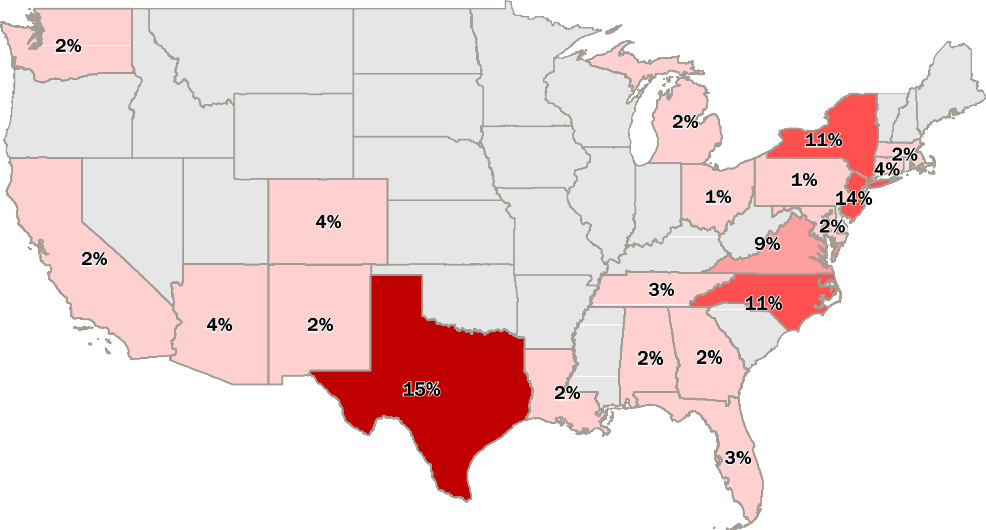
GEOGRAPHIC OVERVIEW



Extended (37%)

Select (63%)

Hotel Chain (% of Keys)



*Hyatt (2%)*

5%2%

*Marriott (66%)*

12%

35%

15%

*Hilton (32%)*

5%

Other Marriott 1

25%

% of Keys

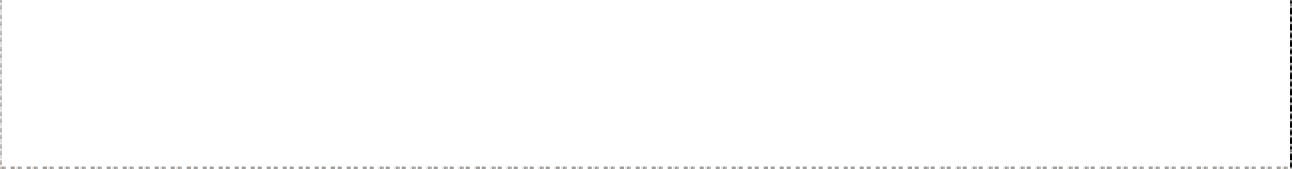
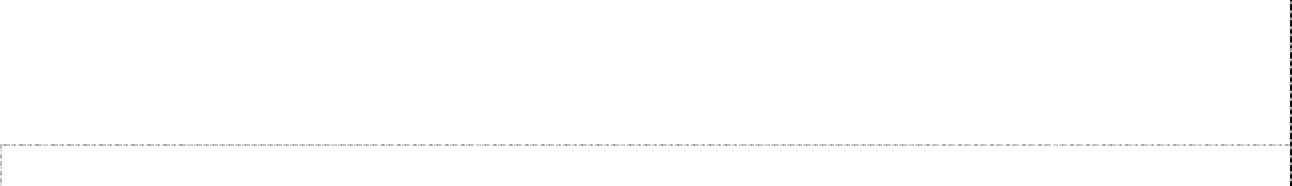
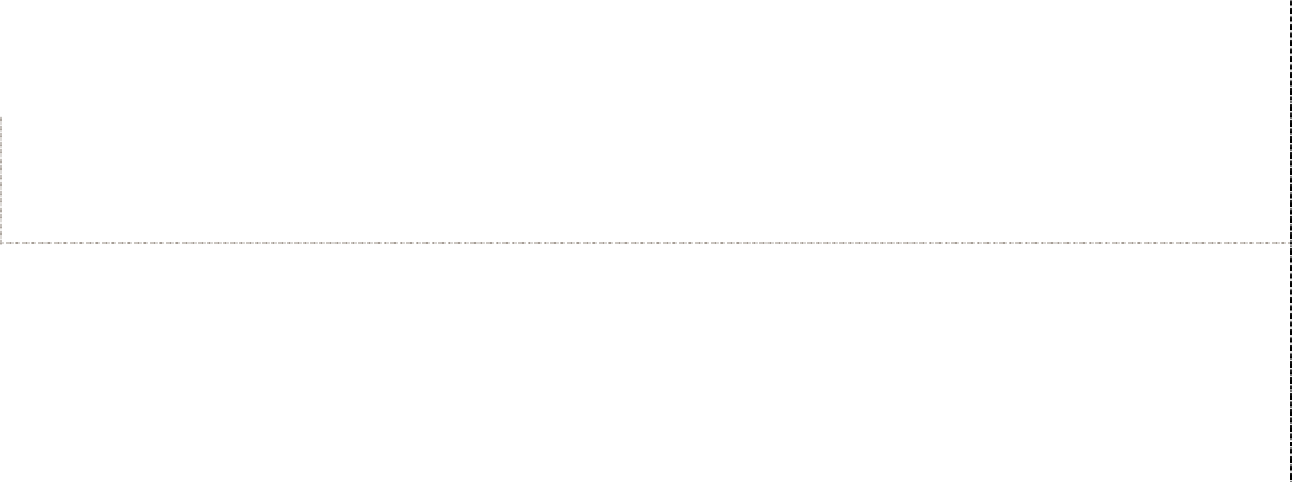
* + < 5%
  + 5% - 9.9%
  + 10% - 14.9%
  + > 15%

Source: Company filings

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* 1. Other Marriott includes SpringHill Suites and Aloft Hotels

**The table below provides an overview of IHP’s key historical financials. All financials shown on a same- store basis for the 48 properties currently owned**



|  |  |  |  |
| --- | --- | --- | --- |
| *($ in mm, except per key data)* | **2018A** | **2019A** | **Q1 2020** |
| **KPIs** |  |  |  |
| Occupancy (%) | 76% | 76% | 60% |
| ADR ($) | $125 | $125 | $119 |
| RevPAR ($) | $95 | $96 | $71 |
| **Revenue** | **$239.2** | **$241.1** | **$45.1** |
| *Growth (%)* |  | *0.8%* | *(17.1%)* |
| **NOI Before FF&E** | **$77.3** | **$80.4** | **$8.7** |
| *Margin (%)* | *32.3%* | *33.3%* | *19.3%* |
| **NOI After FF&E** | **$66.9** | **$69.9** | **$6.7** |
| *Margin (%)* | *28.0%* | *29.0%* | *14.9%* |
| **Improvements in Hotel Properties** | **$12.8** | **$25.6** | **$5.4** |
| **Credit Metrics** |  |  |  |
| Senior Debt | $780.0 | $780.0 | $780.0 |
| **Total Debt¹** | **$780.0** | **$780.0** | **$780.0** |
| Total Debt / LTM NOI Before FF&E | 10.1x | 9.7x | 10.7x |
| Total Debt Yield (LTM NOI After FF&E) | 8.6% | 9.0% | 8.0% |
| Total Debt / Key | $121,837 | $121,837 | $121,837 |

Source: Company filings

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1) Debt balance as of March 31, 2020. Current loan was put in place June 2017

### The table below provides an overview of IHP’s senior debt as of March 31, 2020

**Cumulative Debt /**

**% of Total Debt Cumulative Debt Cumulative Debt 2019 NOI Before**

**Per Key Yield¹ FF&E**

**Margin (bps)**

**Amount**

**Outstanding**

*($ in mm, except per key*

*data)*

**Cash & Reserves² $20.9**

#### Senior Debt:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| CMBS Class A | $210.5 | L+ 77 | 27.0% | $32,880 | 33.2% | 2.6x |
| CMBS Class B | 69.0 | L+ 101 | 8.8% | 43,658 | 25.0% | 3.5x |
| CMBS Class C | 51.2 | L+ 121 | 6.6% | 51,656 | 21.1% | 4.1x |
| CMBS Class D | 67.8 | L+ 191 | 8.7% | 62,246 | 17.5% | 5.0x |
| CMBS Class E | 81.5 | L+ 331 | 10.4% | 74,977 | 14.6% | 6.0x |
| CMBS Class F | 119.9 | L+ 436 | 15.4% | 93,705 | 11.7% | 7.5x |
| CMBS Class G | 70.4 | L+ 536 | 9.0% | 104,702 | 10.4% | 8.3x |
| CMBS Class H | 70.4 | L+ 736 | 9.0% | 115,698 | 9.4% | 9.2x |
| CMBS Class HHR | 39.3 | L+ 1176 | 5.0% | 121,837 | 9.0% | 9.7x |
| **Total Debt** | **$780.0** | **L+ 330** | **100.0%** | **$121,837** | **9.0%** | **9.7x** |

Source: Company filings

1. 2019 NOI After FF&E divided by the cumulative debt balance 6
2. Cash & Reserves balance (GAAP) at borrower entity



*Courtyard – Atlantic City, NJ*

1. INNKEEPERS PORTFOLIO OVERVIEW

**Innkeepers is a diversified portfolio of U.S. hotels with significant extended stay exposure**



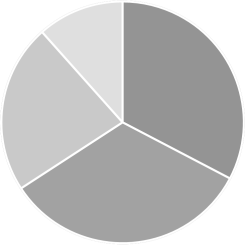
PORTFOLIO OVERVIEW



PORTFOLIO BREAKDOWN

* The Innkeepers portfolio (“INK”) is comprised of 46 properties and 5,948 keys
* Geographically diverse portfolio, with prime locations in growth oriented markets
* The portfolio has an average age of 30 years and ~$65mm of improvements in hotel properties since 2018
* All properties managed by Island Hospitality Management
* INK’s assets are well diversified geographically and have a primary focus on extended stay properties
* Through a joint venture with Chatham Lodging Trust, the Company owns an approximate 90% interest in the INK Portfolio

Region (% of Keys)



Midwest (12%)

South

West (33%)

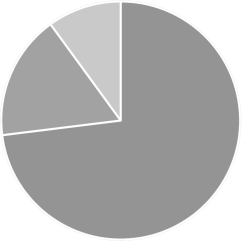
(22%)

Northeast (33%)

Service Type (% of Keys)



GEOGRAPHIC OVERVIEW

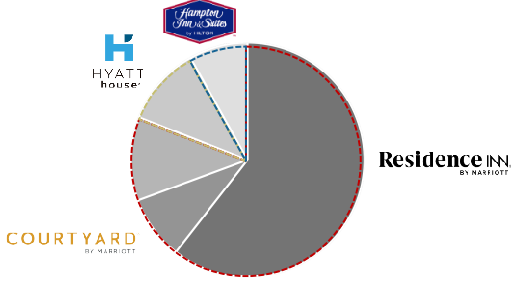
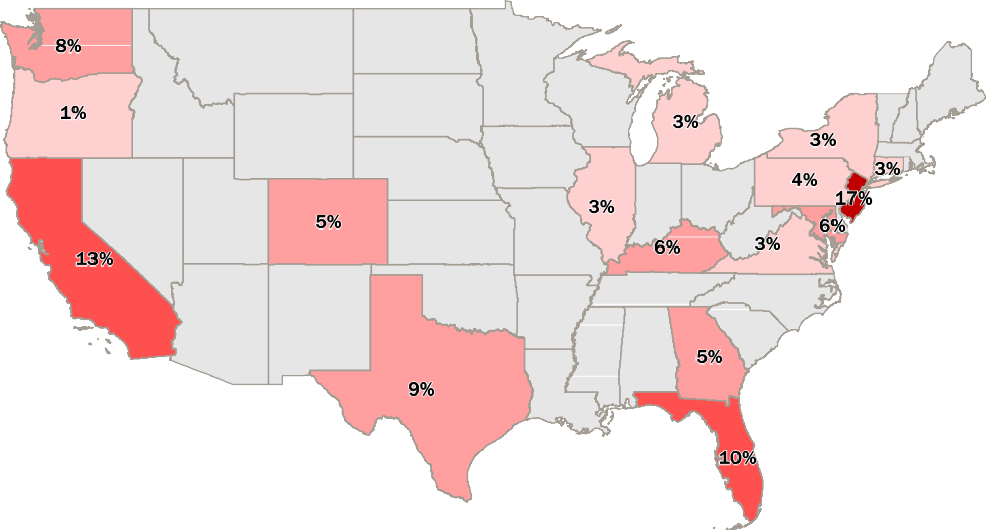


Full (10%)

Select (17%)

Extended (73%)

Hotel Chain (% of Keys)



*Hilton (8%)*

8%

*Marriott (81%)*

*Hyatt (11%)*

Other Marriott 1

11%

12%

61%

9%

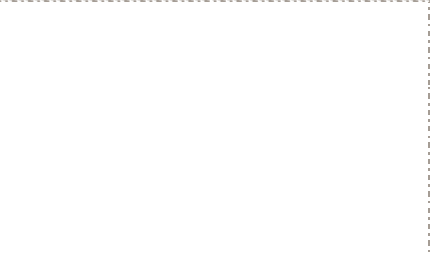
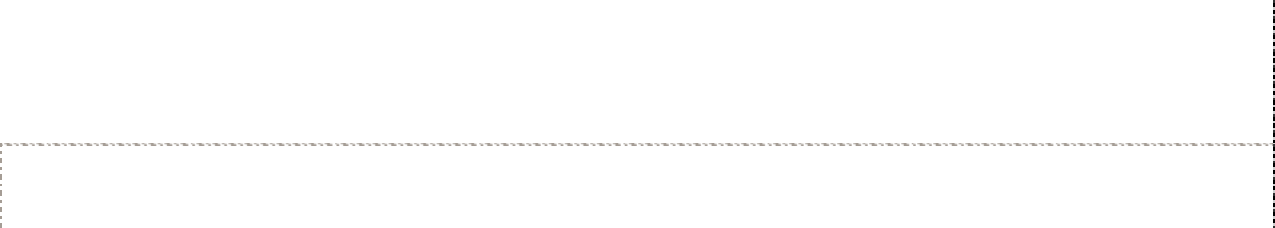
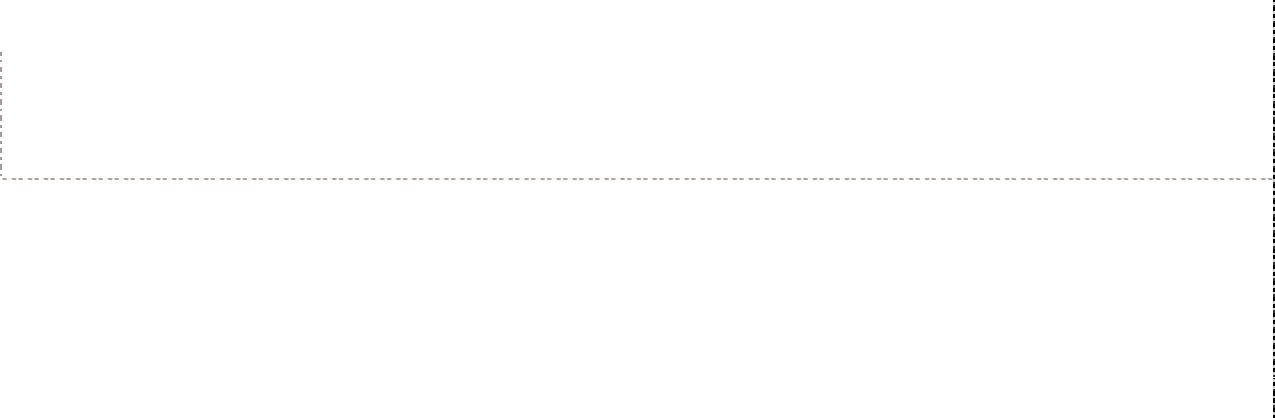
% of Keys

* + < 5%
  + 5% - 9.9%
  + 10% - 14.9%
  + > 15%

Source: Company filings 8

* 1. Other Marriott includes Westin, Four Points, TownePlace Suites and Sheraton Hotel

### The table below provides an overview of INK’s key historical financials. All financials shown on a same- store basis for the 46 properties currently owned and have been adjusted for dispositions to-date



|  |  |  |  |
| --- | --- | --- | --- |
| *(in $mm, except per key data)* | **2018A** | **2019A** | **Q1 2020** |
| **KPIs** |  |  |  |
| Occupancy (%) | 77% | 76% | 60% |
| ADR ($) | $142 | $141 | $131 |
| RevPAR ($) | $109 | $107 | $78 |
| **Revenue** | **$254.8** | **$251.3** | **$45.8** |
| *Growth (%)* |  | *(1.4%)* | *(19.3%)* |
| **NOI Before FF&E** | **$90.0** | **$85.7** | **$10.1** |
| *Margin (%)* | *35.3%* | *34.1%* | *22.1%* |
| **NOI After FF&E** | **$79.9** | **$75.7** | **$8.3** |
| *Margin (%)* | *31.4%* | *30.1%* | *18.1%* |
| **Improvements in Hotel Properties** | **$27.1** | **$30.4** | **$7.3** |
| **Credit Metrics** |  |  |  |
| Senior Debt | $755.0 | $755.0 | $755.0 |
| Mezzanine Debt | 100.0 | 100.0 | 100.0 |
| **Total Debt** 1 | **$855.0** | **$855.0** | **$855.0** |
| Total Debt / LTM NOI Before FF&E | 9.5x | 10.0x | 10.8x |
| Total Debt Yield (LTM NOI After FF&E) | 9.3% | 8.9% | 8.1% |
| Total Debt / Key | $143,746 | $143,746 | $143,746 |

Source: Company filings 9

1) Debt balance as of March 31, 2020. Current loan was put in place November 2019

### The table below provides an overview of INK’s senior debt as of March 31, 2020

**Cumulative Debt /**

**% of Total Debt Cumulative Debt Cumulative Debt 2019 NOI Before**

**Per Key Yield¹ FF&E**

**Margin (bps)**

**Amount**

**Outstanding**

*($ in mm, except per key*

*data)*

**Cash & Reserves² $33.3**

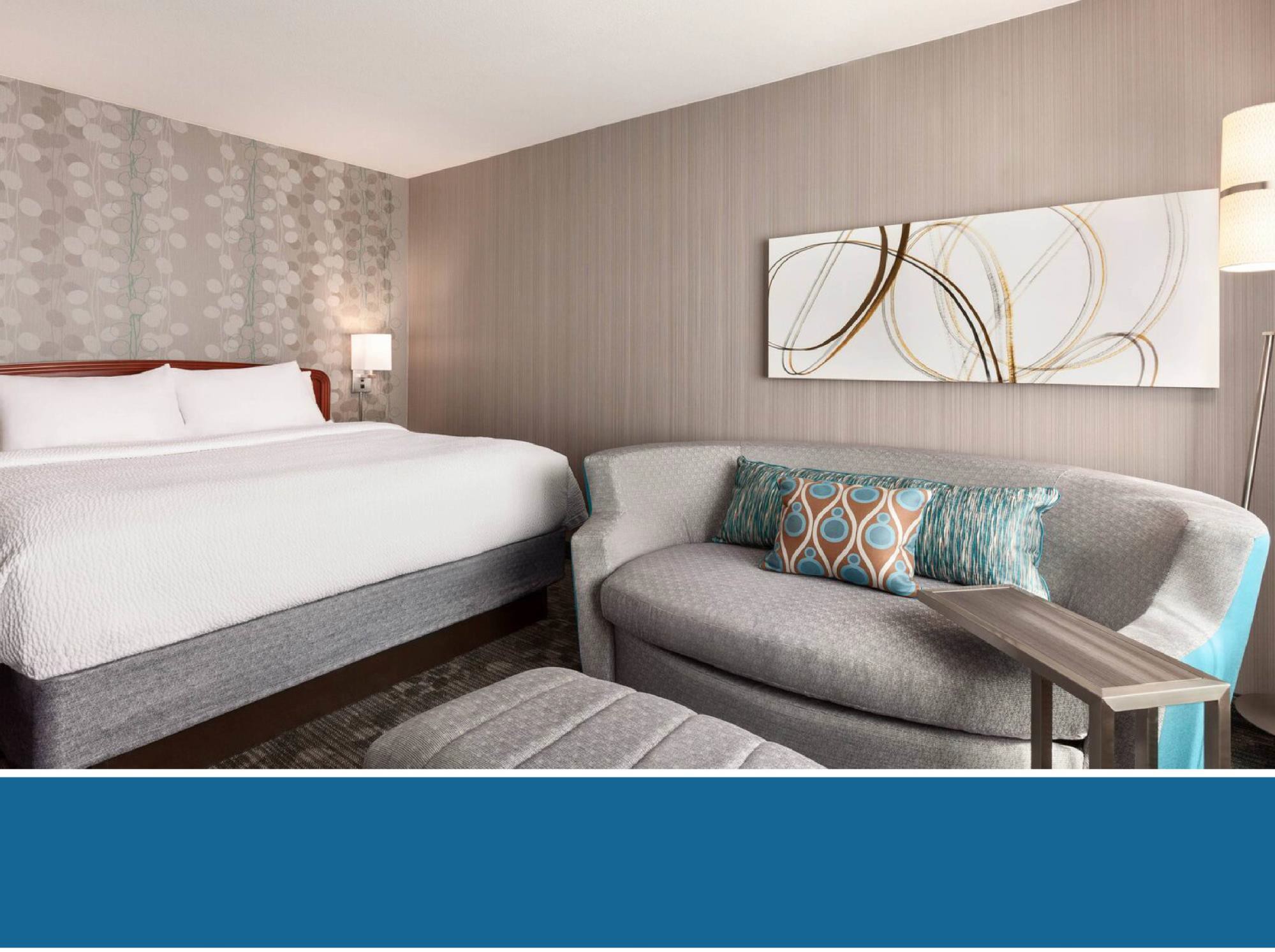
#### Senior Debt:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| CMBS Class A | $215.5 | L+ 114 | 25.2% | $36,231 | 35.1% | 2.5x |
| CMBS Class B | 76.7 | L+ 149 | 9.0% | 49,126 | 25.9% | 3.4x |
| CMBS Class C | 57.0 | L+ 168 | 6.7% | 58,709 | 21.7% | 4.1x |
| CMBS Class D | 75.3 | L+ 204 | 8.8% | 71,369 | 17.8% | 5.0x |
| CMBS Class E | 105.9 | L+ 273 | 12.4% | 89,173 | 14.3% | 6.2x |
| CMBS Class F | 107.3 | L+ 343 | 12.5% | 107,213 | 11.9% | 7.4x |
| CMBS Class G | 117.3 | L+ 447 | 13.7% | 126,933 | 10.0% | 8.8x |
| **Total Senior Debt** | **$755.0** | **L+ 237** | **88.3%** | **$126,933** | **10.0%** | **8.8x** |
| **Mezzanine Debt:**  Mezzanine A | $45.0 | L+ 504 | 5.3% | $134,499 | 9.5% | 9.3x |
| Mezzanine B | 55.0 | L+ 724 | 6.4% | 143,746 | 8.9% | 10.0x |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Total Mezzanine Debt** | **$100.0** | **L+ 625** | **11.7%** | **$143,746** | **8.9%** | **10.0x** |
| **Total Debt** | **$855.0** | **L+ 282** | **100.0%** | **$143,746** | **8.9%** | **10.0x** |

Source: Company filings

1. 2019 NOI After FF&E divided by the cumulative debt balance 10
2. Cash & Reserves balance (GAAP) at borrower entity



*Courtyard – San Jose, CA*

1. NEW ENGLAND PORTFOLIO OVERVIEW

**The New England portfolio is concentrated in the Northeast and has a primary focus on extended stay properties, with a portion concentrated in the select service segment**



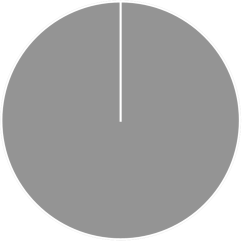
PORTFOLIO OVERVIEW



PORTFOLIO BREAKDOWN

* The New England Portfolio (“NEP”) is comprised of 9 properties and 1,007 keys
* The portfolio has an average age of 17 years and ~$2mm of improvements in hotel properties since 2018
* All properties managed by Island Hospitality Management
* All hotels operate under global hotel franchises and benefit from each respective brand’s reservation systems and national marketing efforts. The properties are flagged as Marriott or Hilton
* The Company, through its operating company, wholly owns the NEP portfolio

Region (% of Keys)

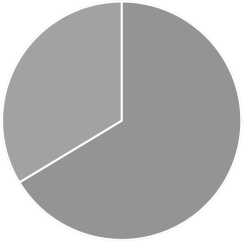


Northeast (100%)

Service Type (% of Keys)



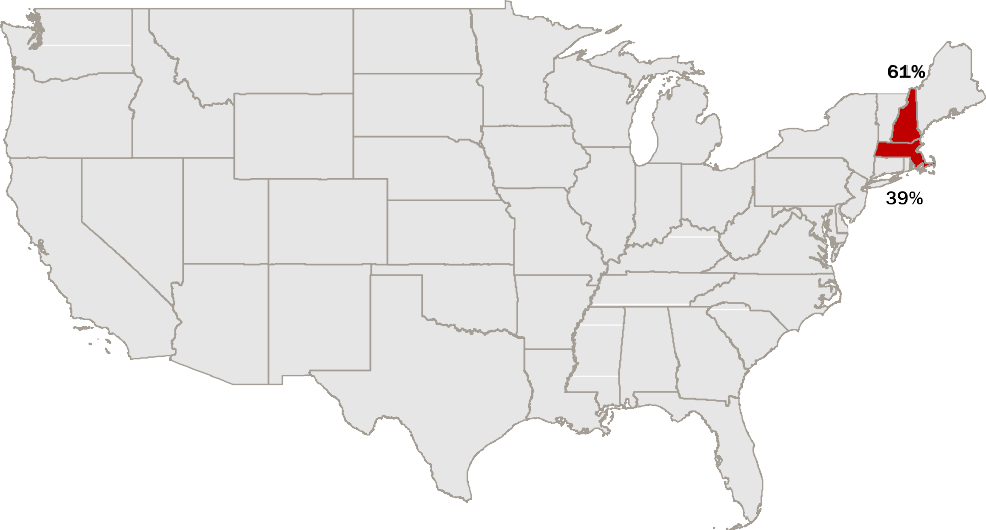
GEOGRAPHIC OVERVIEW



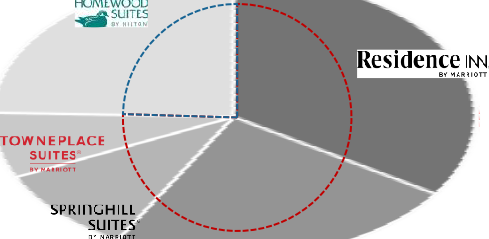
Select (34%)

Extended (66%)

Hotel Chain (% of Keys)



% of Keys



*Marriott (75%)*

*Hilton (25%)*

25%

34%

8%

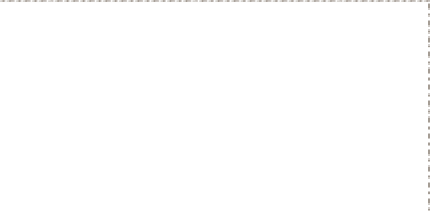
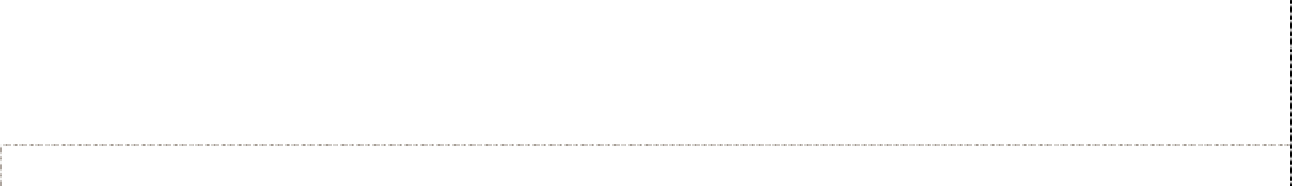
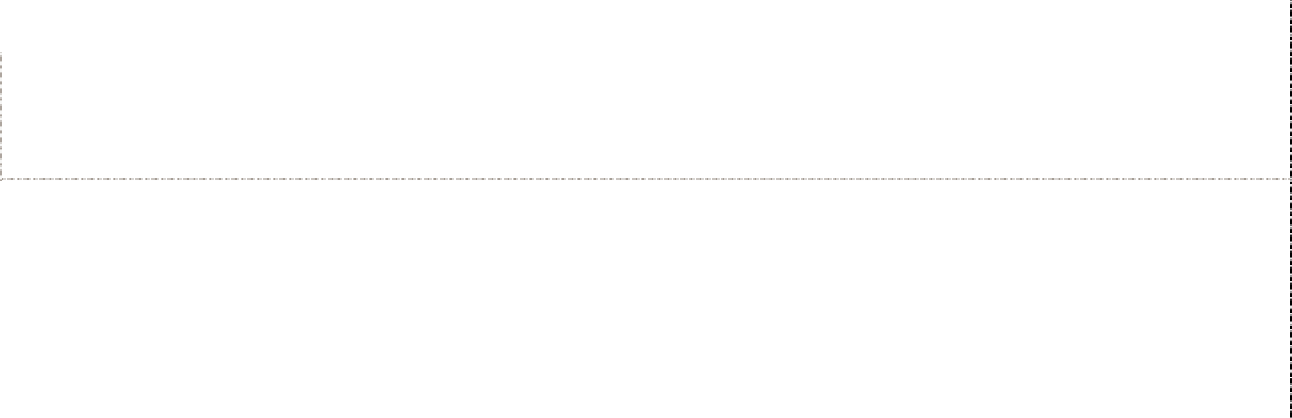
10%

24%

* + < 5%
  + 5% - 9.9%
  + 10% - 14.9%
  + > 15%

Source: Company filings 12

### The table below provides an overview of NEP’s key historical financials



|  |  |  |  |
| --- | --- | --- | --- |
| *($ in mm, except per key data)* | **2018A** | **2019A** | **Q1 2020** |
| **KPIs** |  |  |  |
| Occupancy (%) | 84% | 80% | 63% |
| ADR ($) | $138 | $134 | $138 |
| RevPAR ($) | $115 | $106 | $87 |
| **Revenue** | **$44.4** | **$41.2** | **$8.4** |
| *Growth (%)* |  | *(7.2%)* | *3.3%* |
| **NOI Before FF&E** | **$18.0** | **$15.8** | **$2.7** |
| *Margin (%)* | *40.5%* | *38.3%* | *32.1%* |
| **NOI After FF&E** | **$16.2** | **$14.1** | **$2.3** |
| *Margin (%)* | *36.5%* | *34.2%* | *27.4%* |
| **Improvements in Hotel Properties** | **$0.3** | **$1.0** | **$0.9** |
| **Credit Metrics** |  |  |  |
| Senior Debt | $135.3 | $135.3 | $135.3 |
| **Total Debt¹** | **$135.3** | **$135.3** | **$135.3** |
| Total Debt / LTM NOI Before FF&E | 7.5x | 8.6x | 8.3x |
| Total Debt Yield (LTM NOI After FF&E) | 12.0% | 10.4% | 10.8% |
| Total Debt / Key | $134,310 | $134,310 | $134,310 |

Source: Company filings

13

* 1. Debt balance as of March 31, 2020. Current loan was put in place November 2019

### The table below provides an overview of NEP’s senior debt as of March 31, 2020

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| *($ in mm, except per key data)* | **Amount Outstanding** | **Margin (bps)** | **% of Total Debt** | **Cumulative Debt**  **Per Key** | **Cumulative Debt**  **Yield¹** | **Cumulative Debt / 2019 NOI Before**  **FF&E** |
| **Cash & Reserves²** | **$3.1** | | | | | |

#### Senior Debt:

3

Mortgage Debt $135.3

L+ 280 100.0% $134,310 10.4% 8.6x

**Total Debt $135.3 L+ 280 100.0% $134,310 10.4% 8.6x**

Source: Company filings

1. 2019 NOI After FF&E divided by the cumulative debt balance
2. Cash & Reserves balance (GAAP) at borrower entity
3. Under the loan agreements, borrower has committed to funding incremental capital for renovations. As of 3/31, there were $18.9mm in remaining unfunded 14

commitments



# K PORTFOLIO OVERVIEW

*Courtyard – Pleasanton, CA*

**The K portfolio represents an assortment of premium branded select service and extended stay hotels primarily located in Texas and California**



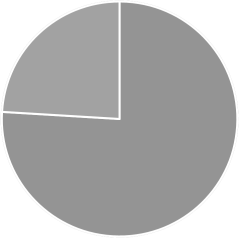
PORTFOLIO OVERVIEW



PORTFOLIO BREAKDOWN

* K portfolio is comprised of 20 properties and 1,922 keys
* The portfolio has an average age of 14 years and ~$14mm of improvements in hotel properties since 2018
* All properties managed by Island Hospitality Management
* K’s assets are concentrated in the South and West and have a primary focus on select service properties, with a portion concentrated in the extended stay segment
* The Company owns an approximate 97.5% interest in the K portfolio, with the remaining interests held by several minority shareholders

Region (% of Keys)



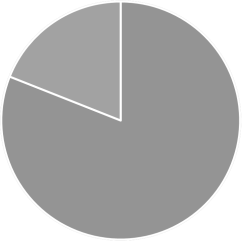
West (24%)

South (76%)

Service Type (% of Keys)



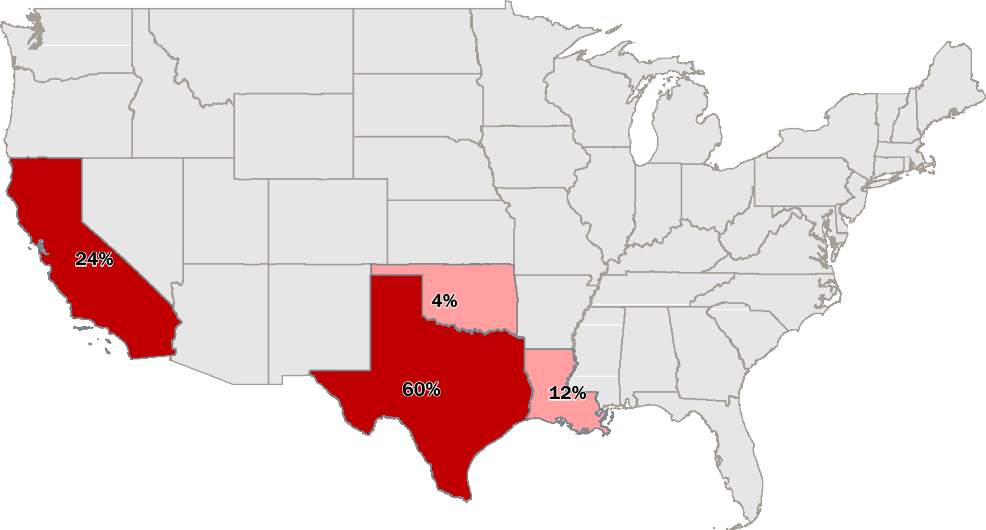
GEOGRAPHIC OVERVIEW



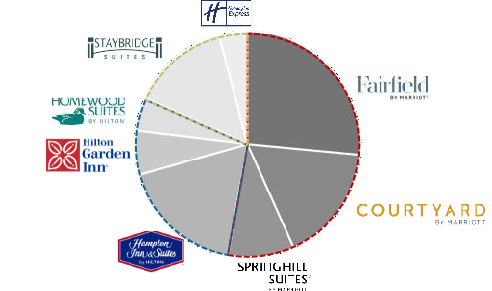
Extended (19%)

Select (81%)

Hotel Chain (% of Keys)



% of Keys



*IHG (18%)*

4%

*Marriott (53%)*

14%

26%

5%

6%

*Hilton (29%)*

17%

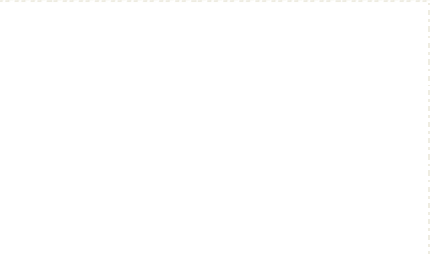
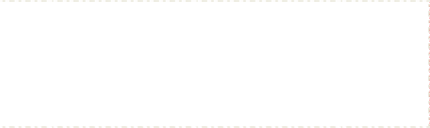
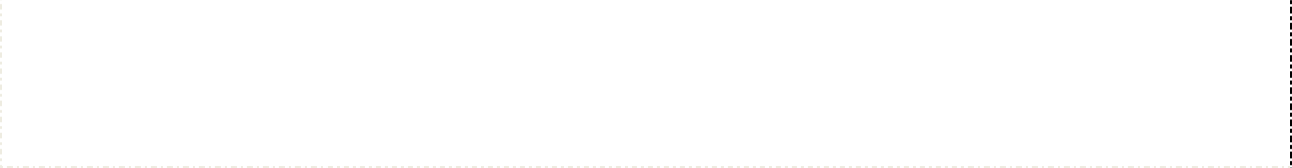
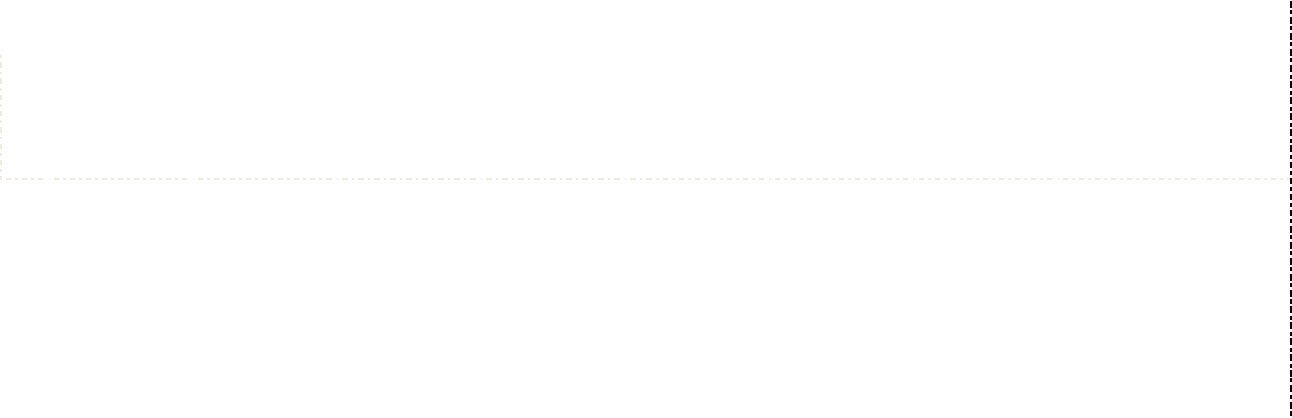
18%

10%

* + < 5%
  + 5% - 9.9%
  + 10% - 14.9%
  + > 15%

Source: Company filings 16

**The table below provides an overview of K’s key historical financials. All financials shown on a same-store basis for the 20 properties currently owned**



|  |  |  |  |
| --- | --- | --- | --- |
| *($ in mm, except per key data)* | **2018A** | **2019A** | **Q1 2020** |
| **KPIs** |  |  |  |
| Occupancy (%) | 75% | 77% | 65% |
| ADR ($) | $105 | $107 | $101 |
| RevPAR ($) | $79 | $82 | $66 |
| **Revenue** | **$59.2** | **$61.8** | **$12.3** |
| *Growth (%)* |  | *4.4%* | *(14.0%)* |
| **NOI Before FF&E** | **$17.4** | **$19.6** | **$3.0** |
| *Margin (%)* | *29.4%* | *31.7%* | *24.4%* |
| **NOI After FF&E** | **$15.0** | **$17.1** | **$2.5** |
| *Margin (%)* | *25.3%* | *27.7%* | *20.3%* |
| **Improvements in Hotel Properties** | **$7.9** | **$5.6** | **$0.6** |
| **Credit Metrics** |  |  |  |
| Senior Debt | $162.3 | $162.3 | $162.3 |
| Mezzanine Debt | 57.5 | 57.5 | 57.5 |
| **Total Debt¹** | **$219.8** | **$219.8** | **$219.8** |
| Total Debt / LTM NOI Before FF&E | 12.6x | 11.2x | 12.3x |
| Total Debt Yield (LTM NOI After FF&E) | 6.8% | 7.8% | 7.1% |
| Total Debt / Key | $114,354 | $114,354 | $114,354 |

Source: Company filings

17

* 1. Debt balance as of March 31, 2020. Current loan was put in place December 2017

### The table below provides an overview of K’s senior debt as of March 31, 2020

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| *($ in mm, except per key data)* | **Amount Outstanding** | **Margin (bps)** | **% of Total Debt** | **Cumulative Debt**  **Per Key** | **Cumulative Debt**  **Yield¹** | **Cumulative Debt / 2019 NOI Before**  **FF&E** |
| **Cash & Reserves²** | **$14.8** | | | | | |

#### Senior Debt:

Mortgage Debt $162.3 L+ 224 73.8% $84,443 10.5% 8.3x

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Total Senior Debt $162.3** | **L+ 224** | **73.8%** | **$84,443** | **10.5%** | **8.3x** |
| **Mezzanine Debt:**  Mezzanine A $30.9 | L+ 620 | 14.0% | $100,505 | 8.9% | 9.9x |
| Mezzanine B 26.6 | L+ 1094 | 12.1% | 114,354 | 7.8% | 11.2x |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Total Mezzanine Debt** | **$57.5** | **L+ 840** | **26.2%** | **$114,354** | **7.8%** | **11.2x** |
| **Total Debt** | **$219.8** | **L+ 385** | **100.0%** | **$114,354** | **7.8%** | **11.2x** |

Source: Company filings

1. 2019 NOI After FF&E divided by the cumulative debt balance 18
2. Cash & Reserves balance (GAAP) at borrower entity



*Courtyard – Herndon, VA*

1. COURTYARD BY MARRIOTT PORTFOLIO OVERVIEW

COURTYARD BY MARRIOTT PORTFOLIO OVERVIEW

### The CBM portfolio is concentrated in high quality, long-term growth markets



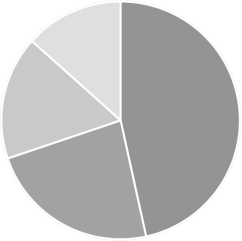
PORTFOLIO OVERVIEW



PORTFOLIO BREAKDOWN

* The Courtyard by Marriott portfolio (“CBM”) is comprised of 30 properties and 4,379 keys
* The portfolio has an average age of 33 years and ~$44mm of improvements in hotel properties since 2018
* All properties managed by Marriott
* CBM’s assets are well diversified geographically and are exclusively concentrated in the select service segment
* All the hotels operate under the Marriott franchise and benefit from the brand’s reservation systems and national marketing efforts
* The Company, through its operating company, wholly owns the CBM portfolio

Region (% of Keys)



Northeast (13%)

Midwest (17%)

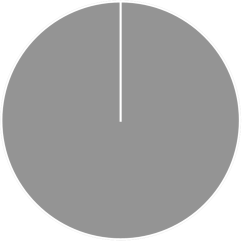
South (47%)

West (23%)

Service Type (% of Keys)

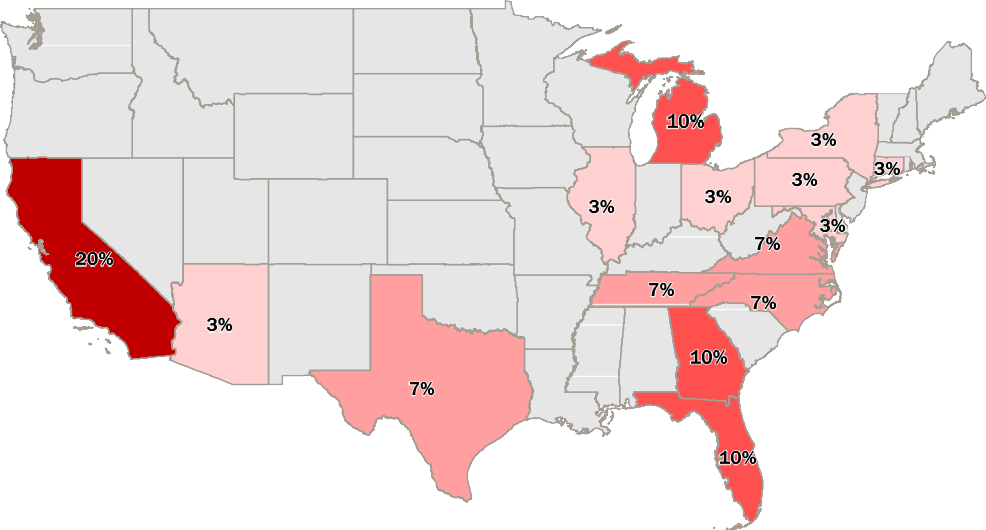


GEOGRAPHIC OVERVIEW



Select (100%)

Hotel Chain (% of Keys)



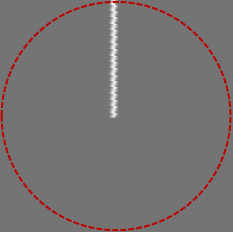
% of Keys

* + < 5%
  + 5% - 9.9%
  + 10% - 14.9%
  + > 15%

*Marriott (100%)*



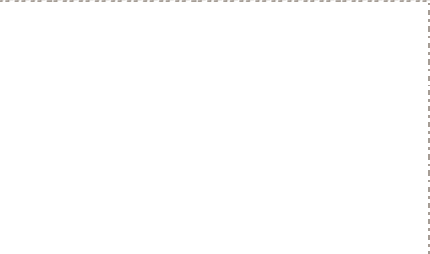
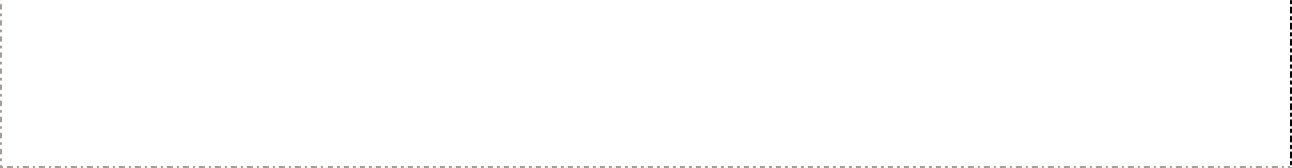
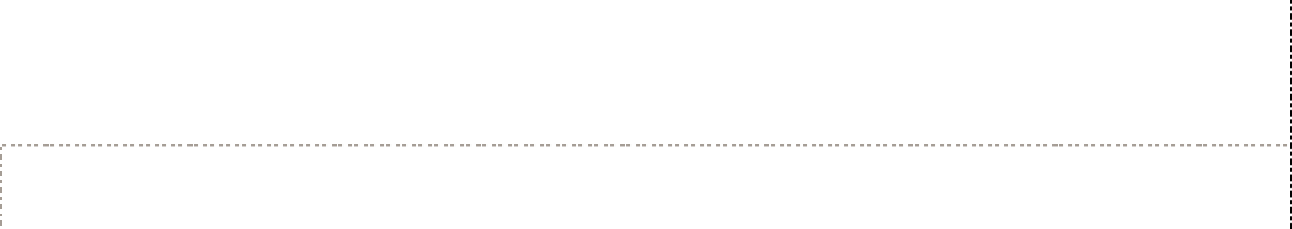
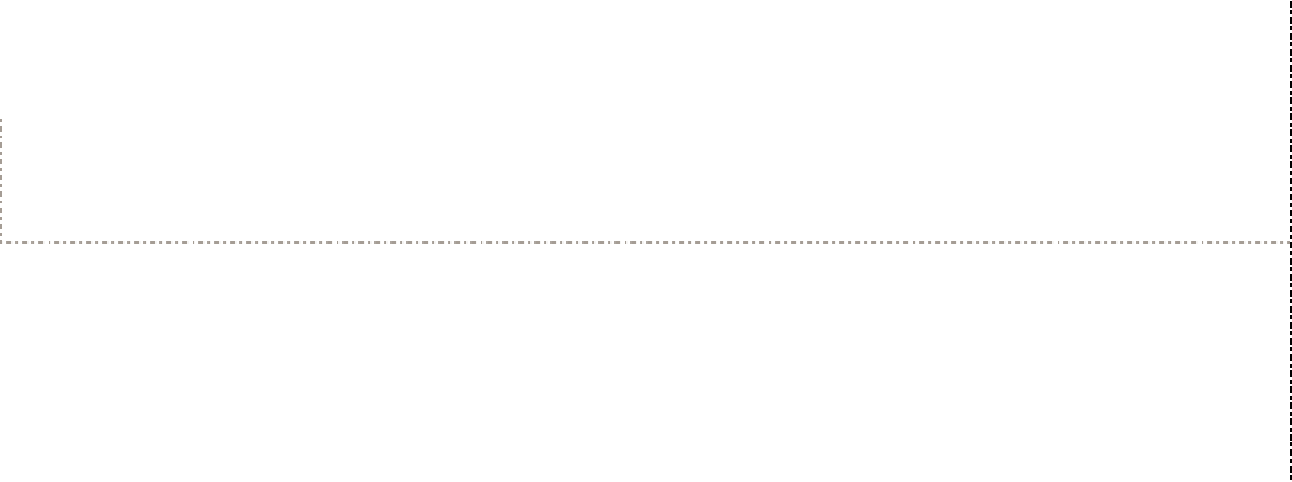
Source: Company filings 20



100%

Note: Statistics exclude one property that has been identified for future sale, and is not part of the CBM loan collateral

### The table below provides an overview of CBM’s key historical financials. All financials shown on a same- store basis for the 30 properties currently owned and have been adjusted for further dispositions to-date



|  |  |  |  |
| --- | --- | --- | --- |
| *($ in mm, except per key data)* | **2018A** | **2019A** | **Q1 2020** |
| **KPIs** |  |  |  |
| Occupancy (%) | 71% | 69% | 49% |
| ADR ($) | $131 | $133 | $132 |
| RevPAR ($) | $94 | $92 | $65 |
| **Revenue** | **$164.4** | **$162.6** | **$28.9** |
| *Growth (%)* |  | *(1.1%)* | *(28.4%)* |
| **NOI Before FF&E** | **$57.7** | **$54.4** | **$4.2** |
| *Margin (%)* | *35.1%* | *33.5%* | *14.5%* |
| **NOI After FF&E** | **$49.5** | **$46.3** | **$2.8** |
| *Margin (%)* | *30.1%* | *28.5%* | *9.7%* |
| **Improvements in Hotel Properties** | **$12.2** | **$24.8** | **$7.2** |
| **Credit Metrics** |  |  |  |
| Senior Debt | $415.0 | $415.0 | $415.0 |
| Mezzanine Debt | 135.0 | 135.0 | 135.0 |
| **Total Debt¹** | **$550.0** | **$550.0** | **$550.0** |
| Total Debt / LTM NOI Before FF&E | 9.5x | 10.1x | 13.2x |
| Total Debt Yield (LTM NOI After FF&E) | 9.0% | 8.4% | 6.2% |
| Total Debt / Key | $125,599 | $125,599 | $125,599 |

Source: Company filings

Note: Statistics exclude one property that has been identified for future sale, and is not part of the CBM loan collateral 21

* 1. Debt balance as of March 31, 2020. Current loan was put in place July 2018

### The table below provides an overview of CBM’s senior debt as of March 31, 2020

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| *($ in mm, except per key data)* | **Amount Outstanding** | **Margin (bps)** | **% of Total Debt** | **Cumulative Debt**  **Per Key** | **Cumulative Debt**  **Yield¹** | **Cumulative Debt / 2019 NOI Before**  **FF&E** |
| **Cash & Reserves²** | **$25.9** | | | | | |

#### Senior Debt:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| CMBS Class A | $156.6 | L+ 101 | 28.5% | $35,762 | 30% | 2.9x |
| CMBS Class B | 38.8 | L+ 120 | 7.1% | 44,622 | 23.7% | 3.6x |
| CMBS Class C | 33.3 | L+ 190 | 6.1% | 52,227 | 20.2% | 4.2x |
| CMBS Class D | 88.0 | L+ 240 | 16.0% | 72,322 | 14.6% | 5.8x |
| CMBS Class E | 73.2 | L+ 356 | 13.3% | 89,039 | 11.9% | 7.2x |
| CMBS Class F | 25.1 | L+ 416 | 4.6% | 94,770 | 11.2% | 7.6x |
| **Total Senior Debt** | **$415.0** | **L+ 204** | **75.5%** | **$94,770** | **11.2%** | **7.6x** |
| **Mezzanine Debt:**  Mezzanine A | $80.0 | L+ 490 | 14.5% | $113,040 | 9.4% | 9.1x |
| Mezzanine B | 55.0 | L+ 900 | 10.0% | 125,599 | 8.4% | 10.1x |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Total Mezzanine Debt** | **$135.0** | **L+ 657** | **24.5%** | **$125,599** | **8.4%** | **10.1x** |
| **Total Debt** | **$550.0** | **L+ 315** | **100.0%** | **$125,599** | **8.4%** | **10.1x** |

Source: Company filings

Note: Statistics exclude one property that has been identified for future sale, and is not part of the CBM loan collateral

1. 2019 NOI After FF&E divided by the cumulative debt balance

22

1. Cash & Reserves balance (GAAP) at borrower entity



# THL PORTFOLIO OVERVIEW

*Residence Inn – Las Vegas , NV*

**The THL portfolio, previously referenced to as the Tharaldson portfolio, is a recently renovated and well diversified US hotel portfolio**



PORTFOLIO OVERVIEW

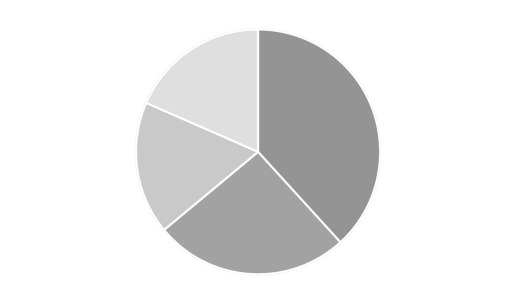


PORTFOLIO BREAKDOWN

* The THL portfolio is comprised of 89 properties and 8,585 keys
* The portfolio has an average age of 20 years
* All properties managed by Aimbridge Hospitality
* THL’s assets are well diversified geographically and have a primary focus on select service properties with a portion concentrated in the extended stay segment
* All hotels operate under global hotel franchises and benefit from the respective brand’s reservation systems and national marketing efforts. The majority of properties are flagged as Marriott or Hilton
* THL portfolio was recently renovated with ~$208mm of improvements in hotel properties since 2018
* The Company owns an approximate 55% interest in the THL Portfolio, with the remaining interests held by certain managed investment vehicles

Region (% of Keys)

Service Type (% of Keys)

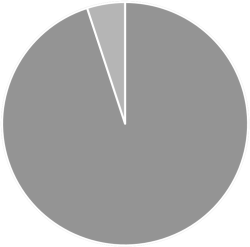


Northeast (18%)

Midwest (18%)

West (38%)

South (26%)



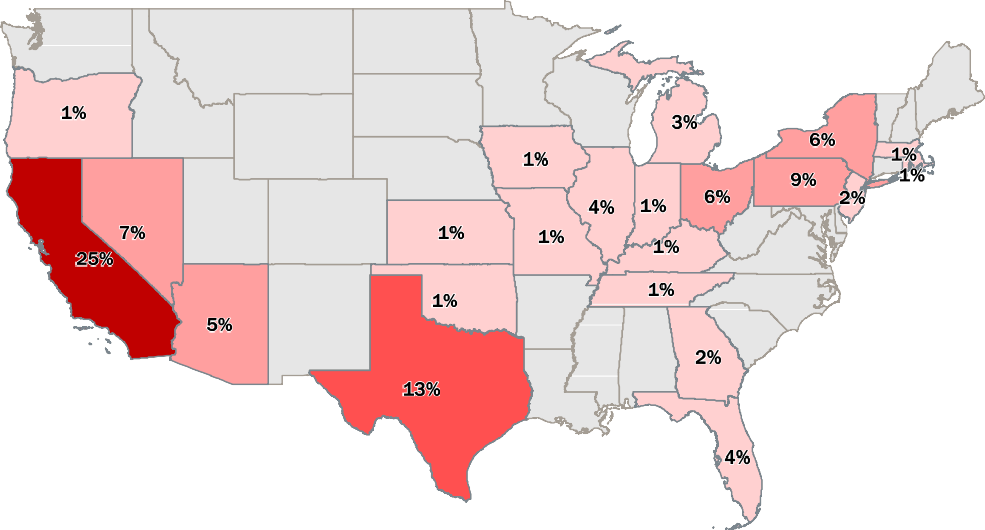
Full (5%)

Select / Limited (95%)



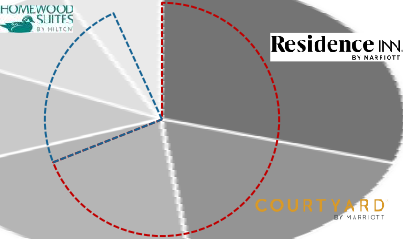
GEOGRAPHIC OVERVIEW

Hotel Chain (% of Keys)



Other 2

% of Keys



7%

*Hilton (24%)*

11%

30%

14% *Marriott*

*(69%)*

21%

18%

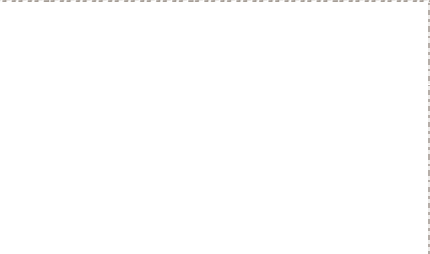
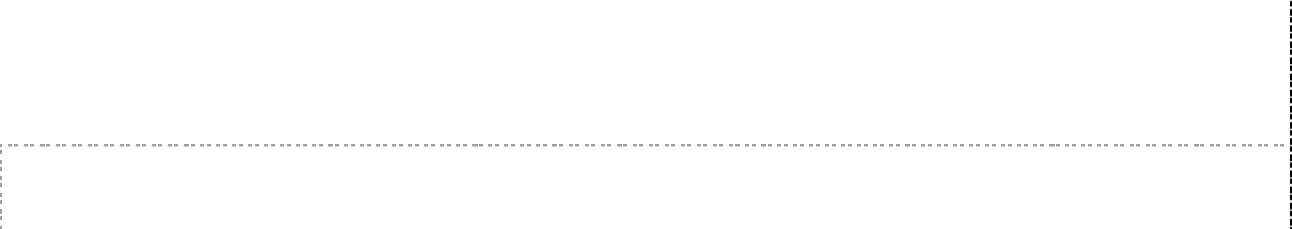
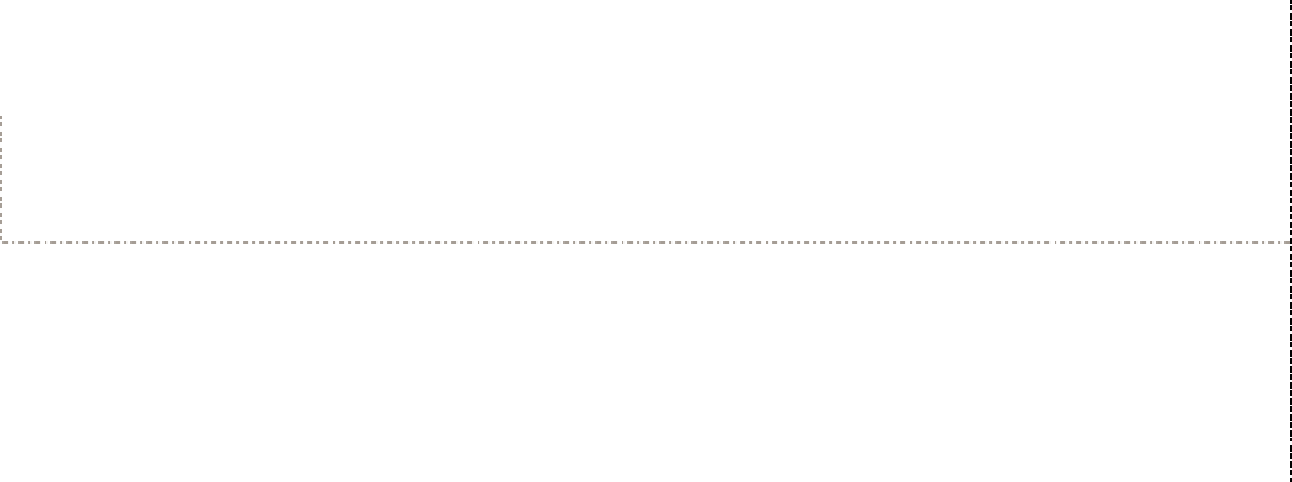
Other Marriott 1

* + < 5%
  + 5% - 9.9%
  + 10% - 14.9%
  + > 15%

Source: Company filings

* 1. Other Marriott includes Fairfield Inn, TownePlace Suites, Fairfield Inn & Suites, SpringHill Suites, Sheraton and Four Points 24
  2. Other includes Holiday Inn Express, Comfort Suites and Country Inn & Suites

**The table below provides an overview of THL’s key historical financials. All financials shown on a same- store basis for the 89 properties currently owned and have been adjusted for dispositions to-date**



|  |  |  |  |
| --- | --- | --- | --- |
| *($ in mm, except per key data)* | **2018A** | **2019A** | **Q1 2020** |
| **KPIs** |  |  |  |
| Occupancy (%) | 74% | 71% | 59% |
| ADR ($) | $124 | $126 | $124 |
| RevPAR ($) | $92 | $89 | $73 |
| **Revenue** | **$292.7** | **$288.4** | **$59.6** |
| *Growth (%)* |  | *(1.4%)* | *(14.6%)* |
| **NOI Before FF&E** | **$98.4** | **$88.2** | **$13.3** |
| *Margin (%)* | *33.6%* | *30.6%* | *22.3%* |
| **NOI After FF&E** | **$86.7** | **$76.7** | **$10.9** |
| *Margin (%)* | *29.6%* | *26.6%* | *18.3%* |
| **Improvements in Hotel Properties** | **$62.5** | **$130.3** | **$15.6** |
| **Credit Metrics** |  |  |  |
| Senior Debt | $777.9 | $777.9 | $777.9 |
| Mezzanine Debt | 64.8 | 64.8 | 64.8 |
| **Total Debt¹** | **$842.7** | **$842.7** | **$842.7** |
| Total Debt / LTM NOI Before FF&E | 8.6x | 9.6x | 10.6x |
| Total Debt Yield (LTM NOI After FF&E) | 10.3% | 9.1% | 8.1% |
| Total Debt / Key | $98,155 | $98,155 | $98,155 |

Source: Company filings

1) Debt balance as of March 31, 2020. Current loan was put in place November 2017 25

### The table below provides an overview of THL’s senior debt as of March 31, 2020

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| *($ in mm, except per key data)* | **Amount Outstanding** | **Margin (bps)** | **% of Total Debt** | **Cumulative Debt**  **Per Key** | **Cumulative Debt**  **Yield¹** | **Cumulative Debt / 2019 NOI Before**  **FF&E** |
| **Cash & Reserves²** | **$12.1** | | | | | |

#### Senior Debt:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| CMBS Class A | $222.7 | L+ 85 | 26.4% | $25,936 | 34.3% | 2.5x |
| CMBS Class B | 84.6 | L+ 120 | 10.0% | 35,790 | 24.9% | 3.5x |
| CMBS Class C | 62.9 | L+ 145 | 7.5% | 43,114 | 20.6% | 4.2x |
| CMBS Class D | 83.0 | L+ 210 | 9.8% | 52,778 | 16.9% | 5.1x |
| CMBS Class E | 131.1 | L+ 319 | 15.6% | 68,049 | 13.1% | 6.6x |
| CMBS Class F | 115.9 | L+ 396 | 13.8% | 81,546 | 10.9% | 7.9x |
| CMBS Class G | 40.5 | L+ 636 | 4.8% | 86,265 | 10.3% | 8.4x |
| CMBS Class H | 37.3 | L+ 981 | 4.4% | 90,607 | 9.8% | 8.8x |
| **Total Senior Debt** | **$777.9** | **L+ 265** | **92.3%** | **$90,607** | **9.8%** | **8.8x** |
| **Mezzanine Debt:**  Mezzanine A | $64.8 | L+ 1080 | 7.7% | $98,155 | 9.1% | 9.6x |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Total Mezzanine Debt** | **$64.8** | **L+ 1080** | **7.7%** | **$98,155** | **9.1%** | **9.6x** |
| **Total Debt** | **$842.7** | **L+ 327** | **100.0%** | **$98,155** | **9.1%** | **9.6x** |

Source: Company filings

1. 2019 NOI After FF&E divided by the cumulative debt balance 26
2. Cash & Reserves balance (GAAP) at borrower entity



# MIAMI CONNECTION OVERVIEW

*Marriott – Miami, FL*

**MIA consists of high quality and recently renovated hotels near the Miami International Airport**



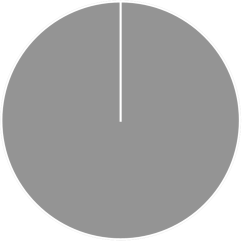
PORTFOLIO OVERVIEW



PORTFOLIO BREAKDOWN

* The Miami Connection (“MIA”) is comprised of 3 properties and 835 keys
* The portfolio has an average age of 28 years and ~$15mm of improvements in hotel properties since 2018
* All properties managed by Marriott
* MIA’s assets are located close to the Miami International Airport and include extended stay, select service and full service properties
* All hotels operate under global hotel franchises and benefit from the respective brand’s reservation systems and national marketing efforts. The properties are all flagged as Marriott
* The Company, through its operating company, wholly owns the MIA portfolio

Region (% of Keys)

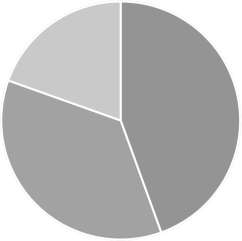


South (100%)

Service Type (% of Keys)



GEOGRAPHIC OVERVIEW

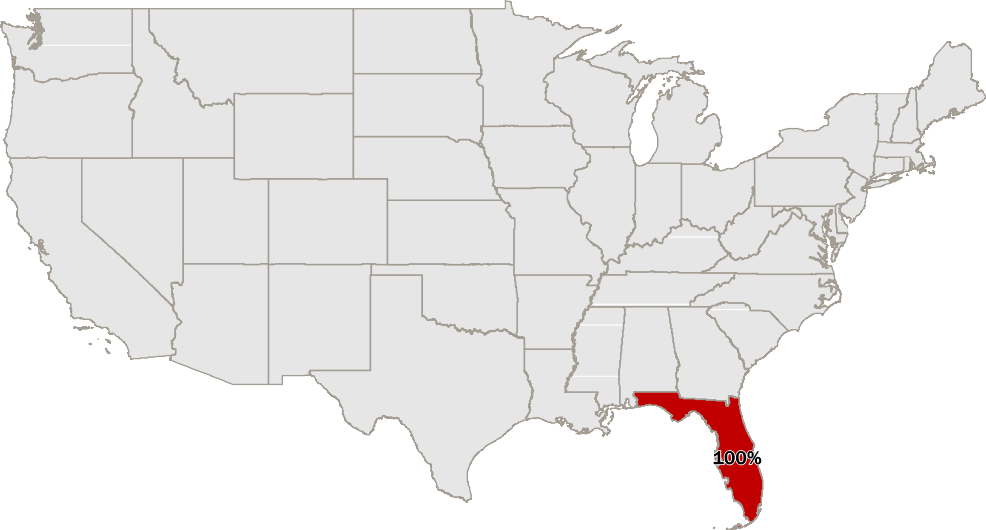


Extended (20%)

Full (44%)

Select (36%)

Hotel Chain (% of Keys)



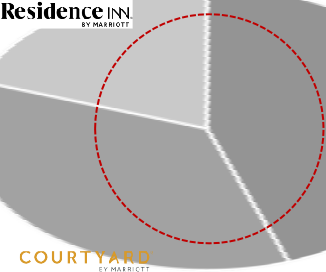
% of Keys

* + < 5%
  + 5% - 9.9%
  + 10% - 14.9%
  + > 15%

*Marriott (100%)*



Source: Company filings 28

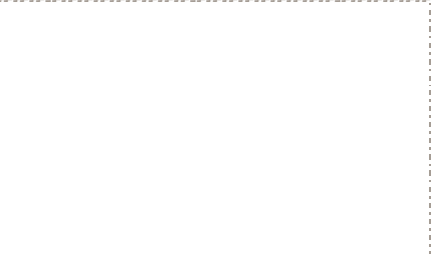
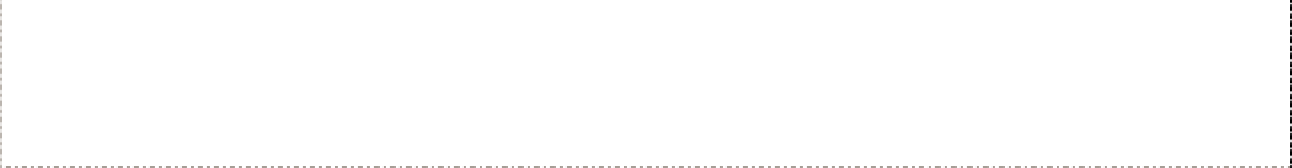
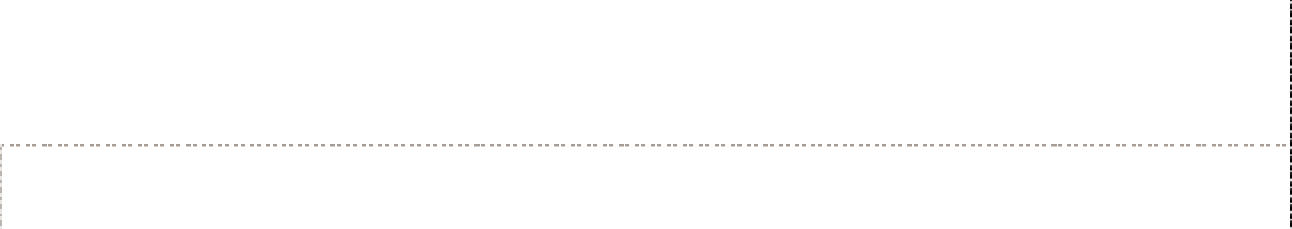


20%

44%

36%

**The table below provides an overview of MIA’s key historical financials**



|  |  |  |  |
| --- | --- | --- | --- |
| *($ in mm, except per key data)* | **2018A** | **2019A** | **Q1 2020** |
| **KPIs** |  |  |  |
| Occupancy (%) | 81% | 83% | 77% |
| ADR ($) | $136 | $133 | $169 |
| RevPAR ($) | $111 | $111 | $131 |
| **Revenue** | **$42.5** | **$43.4** | **$12.7** |
| *Growth (%)* |  | *2.1%* | *(12.2%)* |
| **NOI Before FF&E** | **$13.3** | **$12.4** | **$4.2** |
| *Margin (%)* | *31.3%* | *28.6%* | *33.1%* |
| **NOI After FF&E** | **$11.2** | **$10.3** | **$3.6** |
| *Margin (%)* | *26.4%* | *23.7%* | *28.3%* |
| **Improvements in Hotel Properties** | **$9.2** | **$6.2** | **$0.1** |
| **Credit Metrics** |  |  |  |
| Senior Debt | $107.0 | $107.0 | $107.0 |
| Mezzanine Debt | 19.8 | 19.8 | 19.8 |
| **Total Debt¹** | **$126.8** | **$126.8** | **$126.8** |
| Total Debt / LTM NOI Before FF&E | 9.5x | 10.2x | 11.9x |
| Total Debt Yield (LTM NOI After FF&E) | 8.8% | 8.1% | 6.8% |
| Total Debt / Key | $151,856 | $151,856 | $151,856 |

Source: Company filings

29

* 1. Debt balance as of March 31, 2020. Current loan was put in place February 2019

### The table below provides an overview of MIA’s senior debt as of March 31, 2020

**Cumulative Debt /**

**% of Total Debt Cumulative Debt Cumulative Debt 2019 NOI Before**

**Per Key Yield¹ FF&E**

**Margin (bps)**

**Amount**

**Outstanding**

*($ in mm, except per key*

*data)*

**Cash & Reserves² $8.2**

#### Senior Debt:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Mortgage Loan $107.0 | L+ 280 | 84.4% | $128,144 | 9.6% | 8.6x |
| **Total Senior Debt $107.0** | **L+ 280** | **84.4%** | **$128,144** | **9.6%** | **8.6x** |
| **Mezzanine Debt:**  Mezzanine A $9.9 | L+ 700 | 7.8% | $140,000 | 8.8% | 9.4x |
| Mezzanine B 9.9 | L+ 700 | 7.8% | 151,856 | 8.1% | 10.2x |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Total Mezzanine Debt** | **$19.8** | **L+ 700** | **15.6%** | **$151,856** | **8.1%** | **10.2x** |
| **Total Debt** | **$126.8** | **L+ 346** | **100.0%** | **$151,856** | **8.1%** | **10.2x** |

Source: Company filings

1. 2019 NOI After FF&E divided by the cumulative debt balance 30
2. Cash & Reserves balance (GAAP) at borrower entity



# NON-GAAP RECONCILIATION

*Four Points – Fort Walton Beach, FL*

INCOME (LOSS) FROM CONTINUING OPERATIONS BY COLONY SEGMENT

|  |  |  |  |
| --- | --- | --- | --- |
| *($ in mm)* | **2018A** | **2019A** | **Q1 2020** |
| Income (Loss) From Continuing Operations |  |  |  |
| Digital | $6.0 | $43.8 | ($19.2) |
| Healthcare | (283.5) | (239.9) | (64.1) |
| Hospitality | (90.6) | (107.1) | (295.8) |
| CLNC | (65.4) | (241.4) | (10.1) |
| Other Equity and Debt | 266.9 | 87.0 | 30.0 |
| Other Investment Management | (145.2) | (754.3) | 18.1 |
| Amounts Not Allocated to Segments | (223.0) | (438.8) | (63.4) |
| **Total Income (Loss) From Continuing Operations** | **($534.8)** | **($1,650.7)** | **($404.5)** |
| Income From Discontinued Operations | 39.6 | 1,501.8 | 0.5 |
| **Net Loss** | **($495.2)** | **($148.9)** | **($404.0)** |

Source: Company filings 32

|  |  |  |  |
| --- | --- | --- | --- |
| **Hospitality Segment Same-Store NOI by Portfolio** | | | |
| *($ in mm)* | **2018A** | **2019A** | **Q1 2020** |
| **Revenue**  Inland Portfolio | $239.2 | $241.1 | $45.1 |
| Innkeepers Portfolio | 254.8 | 251.3 | 45.8 |
| New England Portfolio | 44.4 | 41.2 | 8.4 |
| K Portfolio | 59.2 | 61.8 | 12.3 |
| Courtyard By Marriott Portfolio | 164.4 | 162.6 | 28.9 |
| Miami Connection Portfolio | 42.5 | 43.4 | 12.7 |
| **Total Revenue** | **$804.5** | **$801.4** | **$153.2** |
| **Same-Store NOI Before FF&E Reserve**  Inland Portfolio | $77.3 | $80.4 | $8.7 |
| Innkeepers Portfolio | 90.0 | 85.7 | 10.1 |
| New England Portfolio | 18.0 | 15.8 | 2.7 |
| K Portfolio | 17.4 | 19.6 | 3.0 |
| Courtyard By Marriott Portfolio | 57.7 | 54.4 | 4.2 |
| Miami Connection Portfolio | 13.3 | 12.4 | 4.2 |
| **Total Same-Store NOI Before FF&E Reserve** | **$273.7** | **$268.3** | **$32.9** |
| **Same-Store NOI After FF&E Reserve** |  |  |  |
| Inland Portfolio | $66.9 | $69.9 | $6.7 |
| Innkeepers Portfolio | 79.9 | 75.7 | 8.3 |
| New England Portfolio | 16.2 | 14.1 | 2.3 |
| K Portfolio | 15.0 | 17.1 | 2.5 |
| Courtyard By Marriott Portfolio | 49.5 | 46.3 | 2.8 |
| Miami Connection Portfolio | 11.2 | 10.3 | 3.6 |
| **Total Same-Store NOI After FF&E Reserve** | **$238.7** | **$233.4** | **$26.2** |

 Source: Company filings 33



|  |  |  |  |
| --- | --- | --- | --- |
| **Reconciliation of Loss From Continuing Operations of Hospitality Segment to Same-Store Hospitality Segment NOI Before FF&E Reserve and NOI After**  **FF&E Reserve** | | | |
| *(in $mm)* | **2018A** | **2019A** | **Q1 2020** |
| **Loss from continuing operations of Hospitality segment** | **($90.6)** | **($107.1)** | **($295.8)** |
| Adjustments: |  |  |  |
| Property operating income | ($44.5) | ($27.0) | ($0.3) |
| Other income | (0.6) | (0.1) | - |
| Property operating expense | 32.8 | 21.9 | 0.8 |
| Interest expense | 153.4 | 169.8 | 39.8 |
| Transaction, investment and servicing costs | 8.4 | 7.8 | 1.4 |
| Depreciation and amortization | 144.5 | 145.4 | 36.4 |
| Impairment loss | 72.5 | 50.5 | 250.2 |
| Compensation and administrative expense | 7.7 | 7.8 | 2.5 |
| Gain on sale of real estate | - | (0.3) | - |
| Other (gain) loss, net | - | (1.3) | (0.2) |
| Income tax (benefit) expense | (9.9) | 0.9 | (1.9) |
| **Total Adjustments** | **$364.3** | **$375.4** | **$328.7** |
| **Same-Store Hospitality Segment NOI Before FF&E Reserve** | **$273.7** | **$268.3** | **$32.9** |
| FF&E Reserve | (35.0) | (34.9) | (6.7) |
| **Same-Store Hospitality Segment NOI After FF&E Reserve** | **$238.7** | **$233.4** | **$26.2** |

Source: Company filings 34

|  |  |  |  |
| --- | --- | --- | --- |
| **Reconciliation of Income From Continuing Operations of Other Equity and Debt Segment to Same-Store THL NOI Before FF&E and NOI After FF&E** | | | |
| *($ in mm)* | **2018A** | **2019A** | **Q1 2020** |
| **Income From Continuing Operations of Other Equity and Debt Segment** | **$266.9** | **$87.0** | **$30.0** |
| Adjustments: |  |  |  |
| Property operating income¹ | ($232.3) | ($156.0) | ($28.9) |
| Interest income | (206.4) | (158.7) | (30.2) |
| Other income | (7.3) | (11.4) | (2.4) |
| Property operating expense¹ | 121.3 | 73.1 | 12.8 |
| Interest expense | 150.0 | 113.8 | 20.6 |
| Transaction, investment and servicing costs | 32.8 | 42.7 | 5.7 |
| Depreciation and amortization | 99.5 | 85.9 | 22.2 |
| Provision for loan loss | 42.8 | 35.9 | - |
| Impairment loss | 79.4 | 110.0 | 9.6 |
| Compensation and administrative expense | 22.4 | 23.7 | 5.2 |
| Gain on sale of real estate | (159.6) | (61.3) | (7.9) |
| Other (gain) loss, net | (18.0) | 12.1 | (7.0) |
| Equity method earnings | (97.4) | (115.9) | (17.7) |
| Income tax expense | 4.3 | 7.3 | 1.3 |
| **Total Adjustments** | **($168.5)** | **$1.2** | **($16.7)** |
| **Same-Store THL NOI Before FF&E Reserve** | **$98.4** | **$88.2** | **$13.3** |
| FF&E Reserve | (11.7) | (11.5) | (2.4) |
| **Same-Store THL NOI After FF&E Reserve** | **$86.7** | **$76.7** | **$10.9** |

Source: Company filings

* 1. Includes adjustments for straight line rent, amortization of above- and below-market lease intangibles and bad debt expense on straight line rent of same store 35

THL properties