



COLONY CAPITAL ACQUIRES DIGITAL BRIDGE HOLDINGS FOR \$325 MILLION AND ANNOUNCES PLANNED STRATEGIC INITIATIVES TO BECOME THE PREMIER PLATFORM FOR DIGITAL INFRASTRUCTURE AND REAL ESTATE

COLONY EXECUTIVE CHAIRMAN AND CEO THOMAS J. BARRACK, JR. TO BE SUCCEEDED AS CEO BY MARC GANZI IN 2021; BARRACK TO RETURN TO EXECUTIVE CHAIRMAN POSITION THEREAFTER

Los Angeles, July 25, 2019 — Colony Capital, Inc. (NYSE: CLNY) (“Colony” or the “Company”), a leading global investment management firm, announced today that it has acquired Digital Bridge Holdings LLC (“Digital Bridge”) for \$325 million as part of Colony’s strategic evolution into the leading owner and investment manager of assets, businesses, and investment management products in which the digital and real estate frontiers intersect.

The Digital Bridge acquisition follows the May 2019 final closing of Digital Colony Partners, a \$4.05 billion fund sponsored by Colony and Digital Bridge. Digital Colony Partners is dedicated to global opportunities in digital infrastructure and is the largest first-time institutional fund of this type.

This transaction brings the world-class team of Digital Bridge investment professionals and management of the Digital Bridge portfolio of high performing assets under the Colony franchise. This acquisition continues Colony’s strategy of building leading investment management platforms, adding a powerful focus on assets and businesses that benefit from the increasingly digital world, including communications infrastructure, quant-driven listed securities products, artificial intelligence, digital credit products, smart logistics industrial, private equity and emerging markets infrastructure and growth equity strategies.

Digital Bridge manages nearly \$20 billion of digital infrastructure globally, directly and through Digital Colony Partners, and pro forma for Digital Colony Partners’ pending Zayo Group Holdings, Inc. transaction. Combining this portfolio with Colony’s footprint, the merged firm will manage approximately \$60 billion of assets. The Company believes this concentration on digital infrastructure and related, digitally-driven investment management businesses will be a highly compelling strategy to generate substantial and sustainable value for shareholders and is very complementary to recent initiatives in other growth areas such as emerging markets, energy, and listed securities, often with a “new economy” emphasis.

The combination of the two companies also paves the way for Colony’s leadership succession plans, which will be implemented over approximately 18 to 24 months. Following a transition period, Marc C. Ganzi, a founder and Chief Executive Officer of Digital Bridge, and a Managing Partner and an Investment Committee Member at Digital Colony, will become the CEO of Colony, succeeding Thomas J. Barrack, Jr., who will return to the position of Executive Chairman. Mr. Ganzi will focus with Mr. Barrack and the Colony board and executive team to continue Colony’s strategic plan of selling non-core assets, reducing G&A,

growing investment management, generating liquidity and de-risking, and maintaining REIT status and a dividend -- the further details of which will be announced before year end.

Mr. Barrack said, "Colony Capital was founded to pursue value-added investment opportunities in real estate and real estate operating companies and has been a pioneer across a myriad of real asset cycles, geographies, and platforms. As our experiential world gives way to a new future – a data-driven world – real estate in its current format with long-dated contractual revenue streams from traditional tenants will have to change and adapt or face substantial obsolescence. Data-driven decisions, shared space utilization, 'everything-as-a-service,' new communications networks, and last-mile delivery systems, are examples of new technologies which will disintermediate everything in their paths. In fact, location, location, location is giving way to connect, connect, connect. This pivot presents a new investable frontier across the globe for those who are armed with the proper resources and experience.

"Nine months ago when I returned to the CEO position," he continued, "part of our plan was to ensure that our leadership and direction of the Company was positioned for dominance for the next decade. I have known Marc Ganzi for over two decades and have admirably watched his progression and success as an entrepreneur, visionary, and as the leading operator and investor in the digital world. Since Marc founded Global Tower Partners in 2002, he has been at the forefront of trends in the digital world, capitalizing on the overwhelming integration of mobile connectivity into the global economy and delivering remarkable returns for his investors in the process. He is an exceptional choice to lead our combined companies, investors, and employees as we accelerate, streamline, and cull other Colony business lines through sale or joint ventures and continue to reduce corporate costs. We will utilize the transition period to prepare Marc to assume the CEO role as he executes on our digital plan. Together we will continue to grow and expand our digital, credit, and investment management platforms while realigning and redirecting our hospitality and healthcare verticals."

Mr. Ganzi said, "Tom Barrack has been prescient throughout his career in recognizing transformative opportunities, and as a result, Colony has always been a market leader. I have been working closely with Tom and many of the senior Colony executives as we raised and now invest the Digital Colony Partners fund, and I'm thrilled to combine our team with their powerful arsenal of operating and financial expertise, and the Colony balance sheet and fundraising channels, which will enable us to scale and stay ahead of trends in digital infrastructure. Our combined vision will focus on the reality that ever-larger numbers of people will use ever more devices, and the true explosion of use, driven by interconnected devices, cloud computing, mobility, big data, the internet of things, and especially the 5G roll-out, is still to come. Together as the new Colony, we are excited to bring these opportunities to investors."

Digital Bridge

Mr. Ganzi and Ben Jenkins, the Chairman and co-founder of Digital Bridge, will continue to oversee Digital Colony and existing Digital Bridge Holdings' portfolio companies, supported by the full Digital Bridge team, substantially consistent with past practices. Digital Bridge Holdings' executive team has accumulated nearly 25 years of operational experience harvesting value in digital infrastructure assets across data centers, wireless towers, small cell networks, and fiber. The Digital Bridge portfolio currently includes more than 342,000 sites and 39 data centers globally, with some of the world's largest and most profitable companies as its leading tenants.

Digital Colony

Digital Colony has closed four investments to date: Andean Telecom Partners, an independent operator of wireless communications infrastructure in Colombia, Peru and Chile that was originally started by Digital Bridge; Digita Oy, an owner and operator of broadcast tower infrastructure in Finland and the country's largest independent owner of telecom towers; Freshwave Group, a rapidly growing UK platform with operations across telecom towers, in-building and outdoor small cells and DAS solutions; and Peer 1, a Toronto-based provider of colocation, network connectivity and managed services. The Fund has also signed a definitive agreement in partnership with EQT Infrastructure to acquire Zayo Group Holdings, Inc. (NYSE: ZAYO), which provides bandwidth infrastructure in the United States, Canada and Europe.

Terms of the Transaction

Colony's acquisition of Digital Bridge Holdings for \$325 million is comprised of 2/3 cash and 1/3 units of limited partnership interest in Colony's Operating Partnership ("OP Units"), with the equity subject to a lock-up burning off ratably on the 1st, 2nd and 3rd anniversaries of the deal. Payment of approximately 10% of the consideration is deferred, and would be delivered after the expiration of certain customary seller indemnification obligations following completion of the Digital Bridge Holdings 2019 audited financial statements. OP Unit pricing is based on the Company's 30-day volume-weighted average price calculation of \$5.04. While the transaction is first and foremost a strategic transaction and is expected to generate significant accretion in the near-term as the platform expands, the transaction valuation at closing implies neutral to modest accretion. Digital Bridge Holdings' principals retained their equity investments and carried interest in existing Digital Bridge funds and vehicles and in Digital Colony. Messrs. Ganzi and Jenkins have entered into employment agreements with Colony with five- and three-year terms, respectively. Mr. Ganzi also received a sign-on award of 10,000,000 OP Units under the CLNY incentive plan, which vest if CLNY shares close at \$10 or higher for 90 consecutive trading days during the five-year period following the transaction, generally contingent on continued employment.

DBO Partners served as financial adviser to Digital Bridge. Clifford Chance and Morgan, Lewis & Bockius provided legal advice to Colony and Digital Bridge, respectively.

About Marc C. Ganzi

Mr. Ganzi is widely recognized as a leading visionary and entrepreneur driving communications infrastructure deployment globally. Prior to Digital Bridge, Mr. Ganzi was the founder and CEO of Global Tower Partners (GTP), which grew from its inception in 2003 into the largest privately-owned tower company in the U.S. at the time of its sale to American Tower Corporation in 2013 for \$4.8 billion. Prior to that, Mr. Ganzi worked as a consulting partner for DB Capital Partners in New York City where he oversaw investments in the Latin American tower sector. Prior to his tenure at DB Capital, Mr. Ganzi was President and Co-Founder of Apex Site Management, the largest third-party manager of wireless and wireline communication sites in the U.S. Apex merged with SpectraSite Communications in 2000 to create the largest telecommunications site portfolio in the country at the time. Mr. Ganzi also enjoyed a successful tenure for the U.S. Department of Commerce's Foreign Commercial Service Department as an assistant Commercial Attaché in Madrid, Spain in 1990. He served as a Presidential Intern in the White House for the Bush administration in the Office of Special Activities and Initiatives for the Honorable Stephen M. Studdert in 1989.

Mr. Ganzi holds a Bachelor of Science from the Wharton School of the University of Pennsylvania. He is a member of the Wireless Infrastructure Associations (WIA) and the Young Presidents' Organization (YPO). Mr. Ganzi currently sits on the boards of DataBank, Vantage Data Centers, ExteNet Systems, Vertical Bridge, Andean Tower Partners, and StrattoOpencell.

About Colony Capital

Colony Capital, Inc. (NYSE: CLNY) is a leading global investment management firm with assets under management of approximately \$60 billion post the Digital Bridge acquisition, including the prospective Zayo Group Holdings transaction. Colony manages capital on behalf of its stockholders, as well as institutional and retail investors in private funds, and traded and non-traded real estate investment trusts. Colony has significant holdings in: (a) the healthcare, industrial and hospitality property sectors; and (b) Colony Credit Real Estate, Inc. (NYSE: CLNC), an externally managed subsidiary of Colony; and (c) various other equity and debt investments. Colony is headquartered in Los Angeles with key offices in New York, Paris and London, and has over 400 employees across 19 locations in 12 countries. For additional information regarding Colony and its management and business, please refer to www.clny.com.

About Digital Bridge Holdings, LLC

Digital Bridge Holdings, LLC is a leading investor in and operator of companies enabling the next generation of mobile and internet connectivity. Led by a team of highly experienced executives with diverse operating and financial backgrounds, Digital Bridge has a track record of creating value based upon its active management of portfolio companies spanning the tower, data center, small cell/DAS and fiber markets. The firm currently has six portfolio companies across the United States and Latin American digital infrastructure markets: Andean Telecom Partners, DataBank, ExteNet Systems, Mexico Tower Partners, Vantage Data Centers, and Vertical Bridge, which collectively have raised and invested over \$9.0 billion in debt and equity capital. Digital Bridge was formed in 2013 by Marc Ganzi and Ben Jenkins. For more information, please visit www.digitalbridgellc.com.

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Cautionary Statement Regarding Forward-Looking Statements

This press release may contain forward-looking statements within the meaning of the federal securities laws. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as “may,” “will,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” or “potential” or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. 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 realization of the anticipated benefits from the Company’s acquisition of Digital Bridge, the Company’s ability to execute its strategic plan, including evolving in the manner and within the timeframe expected, the performance of Digital Bridge’s assets and the impact of such performance on the Company’s performance overall, the Company’s ability to continue building leading investment management platforms, whether the closing of the Zayo Group Holdings, Inc. acquisition will occur within the timeframe anticipated or at all and whether such potential acquisition will benefit Digital Colony Partners and the Company as anticipated or at all, whether digitally-driven investment management businesses will generate substantial and sustainable value for shareholders, the timing and impact of changes to the Company’s management team, including Mr. Ganzi’s expected succession as CEO of the Company, the Company’s ability to reduce general and administrative costs, the

growth and/or expansion of the Company's digital, credit and investment management platforms, the performance of and strategy with respect to the Company's hospitality and healthcare verticals, the performance of Digital Colony Partners, the Company's ability to continue to maintain its qualification as a real estate investment trust, the Company's dividend policy, and other risks and uncertainties detailed in our 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.

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