



## Colony Capital Reaches Agreements With Colony Credit Real Estate to Internalize Management

April 5, 2021

*Disposition of Non-Core Legacy Agreement Advances CLNY Rotation to Digital Assets*

*Colony Capital to Receive Proceeds of \$102.3 million in Connection With Agreements*

BOCA RATON, Fla.--(BUSINESS WIRE)--Apr. 5, 2021-- Colony Capital, Inc. (NYSE: CLNY) ("Colony Capital" or the "Company") today announced that its subsidiary, CLNC Manager, LLC, has signed definitive agreements with Colony Credit Real Estate, Inc. (NYSE: CLNC) ("CLNC") to consensually terminate their management agreement. This transaction is a result of CLNC's previously announced strategic alternative review process and is consistent with Colony Capital's ongoing digital transformation and strategic plan:

- **Monetization of non-core asset legacy assets** – The resolution of the Company's management of and investment in CLNC is one of the Company's stated objectives. These agreements advance that commitment.
- **Colony Capital receives proceeds of \$102.3 million** – Colony Capital receives a one-time payment, as well as any unpaid management fees and reimbursable costs accrued in accordance with the management agreement up to the closing date. These proceeds are available to be redeployed into high-quality digital assets, in accordance with the Company's strategic plan.
- **Simplify the organization** – The agreements advance the Company's efforts to streamline its organization and simplify its business profile.

"This transaction is totally aligned with our commitment to monetize non-core legacy assets at attractive prices while also simplifying and streamlining our company," said Marc Ganzi, President and CEO of Colony Capital. "In fact, this is a great outcome for both organizations. CLNC gets to chart a new, independent course removing uncertainty about their future direction while Colony Capital harvests value from its legacy assets and frees resources to devote to our high-growth digital business. We will continue to be a significant shareholder of CLNC stock, so I can truly say I wish Mike Mazzei and his team the absolute best!"

Colony Capital will continue to own approximately 48 million shares, representing 36.1% of the outstanding shares of CLNC, following the closing of this transaction. In connection with this internalization, Colony Capital will not seek re-election for its affiliated directors on CLNC's Board of Directors when their terms expire at CLNC's upcoming annual shareholders meeting in May 2021. The Company has also agreed with CLNC to enter into a new stockholders agreement, which will become effective upon closing of the internalization transaction. Pursuant to the stockholders agreement, Colony Capital will vote in director elections as recommended by CLNC's Board of Directors, so long as Colony Capital owns 10% or more of CLNC's outstanding common shares, through the 2022 annual meeting. Colony Capital has also agreed to certain customary standstill restrictions until the beginning of the advance notice window in CLNC's Bylaws for the 2023 annual meeting and that it will not acquire any additional shares of CLNC.

The transaction, which is subject to certain customary closing conditions, is expected to close in the second quarter of 2021. At that time, the management agreement between Colony Capital and CLNC will be terminated.

Additional details regarding the transaction and related matters will be contained in a Current Report on Form 8-K to be filed by CLNC with the U.S. Securities and Exchange Commission.

### About Colony Capital

Colony Capital, Inc. (NYSE: CLNY) is a leading global investment firm with a heritage of identifying and capitalizing on key secular trends in real estate. The Company manages a \$52 billion portfolio of real assets on behalf of its shareholders and limited partners, including \$30 billion in digital real estate investments through Digital Colony, its digital infrastructure platform. Colony Capital, structured as a REIT, is headquartered in Boca Raton with key offices in Los Angeles, New York, and London, and has over 350 employees across 18 locations in 12 countries. For more information on Colony Capital, visit [www.clny.com](http://www.clny.com).

### Cautionary Statement regarding Forward-Looking Statements

This press release may contain forward-looking statements within the meaning of the federal securities laws. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," or "potential" or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and contingencies, many of which are beyond our control, and may cause actual results to differ significantly from those expressed in any forward-looking statement. Factors that might cause such a difference include, without limitation, the Company's ability to continue to execute its digital transformation and other risks and uncertainties, including those detailed in Colony Capital's Annual Report on Form 10-K for the year ended December 31, 2020, and its other reports filed from time to time with the U.S. Securities and Exchange Commission ("SEC"). All forward-looking statements reflect the Company's good faith beliefs, assumptions and expectations, but they are not guarantees of future performance. Colony Capital cautions investors not to unduly rely on any forward-looking statements.

The forward-looking statements speak only as of the date of this press release. Colony Capital is under no duty to update any of these forward-looking

statements after the date of this press release, nor to conform prior statements to actual results or revised expectations, and Colony Capital does not intend to do so.

View source version on [businesswire.com](https://www.businesswire.com/news/home/20210405005221/en/): <https://www.businesswire.com/news/home/20210405005221/en/>

**Colony Capital**

Investors:

Severin White

Managing Director, Head of Public Investor Relations

(212) 547-2777

[swhite@clny.com](mailto:swhite@clny.com)

Media:

Joele Frank, Wilkinson Brimmer Katcher

Jon Keehner / Julie Hamilton

[clny-jf@joelefrank.com](mailto:clny-jf@joelefrank.com)

(212) 355-4449

Source: Colony Capital, Inc.