



Colony NorthStar to Combine Retail Distribution Business with S2K Financial Holdings

December 12, 2017

LOS ANGELES & NEW YORK--(BUSINESS WIRE)--Dec. 12, 2017-- Colony NorthStar, Inc. (NYSE:CLNS) and/or its subsidiaries ("Colony NorthStar") bolstered its commitment to its retail distribution platform today by signing a non-binding letter of intent with S2K Financial Holdings LLC ("S2K") regarding the combination of Colony NorthStar's broker-dealer, NorthStar Securities, LLC ("NorthStar Securities") with S2K to create a market leading broker-dealer retail distribution business (the "Proposed Transaction"). S2K is the holding company of S2K Financial LLC, a registered broker-dealer wholesale distributor of investment vehicles and funds, and S2K Servicing LLC, a provider of administrative services to institutional investment managers.

The Proposed Transaction would include Colony NorthStar contributing its broker-dealer, NorthStar Securities, in exchange for a majority ownership interest in S2K, which would be rebranded as Colony S2K Holdings LLC ("Colony S2K"). Colony S2K would distribute both the current and future investment product slate of Colony NorthStar and S2K. The Proposed Transaction contemplates Colony S2K having offices in Denver and New York, and is expected to include significant senior leadership representation from the legacy NorthStar Securities team.

Subject to the negotiation and execution of definitive transaction documents, and the satisfaction of customary conditions included in such definitive transaction documents (including the completion of required regulatory filings), the Proposed Transaction is expected to close in the first quarter of 2018.

Colony S2K will be led by Steven L. Kantor, Chief Executive Officer. Mr. Kantor has over 30 years of investment banking and capital markets experience, including as Global Head of Investment Banking and Co-Founder of CCRE at Cantor Fitzgerald, Global Head of Securities and Alternative Investments at Credit Suisse, and Head of the Real Estate Investment Banking and Financing Divisions at Donaldson Lufkin & Jenrette. Throughout Mr. Kantor's career, he has successfully led some of the largest equity and debt financings for REITs and other real estate companies.

Richard B. Saltzman, CEO and President of Colony NorthStar, said, "We're very pleased and excited about this new construct with S2K for our broker-dealer and retail distribution platform. For a variety of different reasons, the industry is going through a significant transformation and this strengthens and renews our commitment to the space in a way that maximizes our opportunity to be a 'best-in-class' market leader. We've known Steve Kantor for more than 25 years and have tremendous confidence in his leadership capabilities and resourcefulness to achieve this objective."

Steven L. Kantor, Chairman and CEO of S2K, said, "Colony NorthStar and NorthStar Securities have an unparalleled reputation as both an investment manager and distributor of financial products to the nation's leading broker dealers and RIAs. We believe retail investors will benefit meaningfully from the Colony S2K platform through broader client reach, expertise in emerging suitable products and greater access to capital."

Colony NorthStar is being represented in this transaction by Willkie Farr & Gallagher LLP. S2K is being represented by Alston & Bird, LLP.

The Proposed Transaction discussed herein is subject to the negotiation and execution of definitive transaction documents and the satisfaction of all closing conditions set forth in such definitive transaction documents, including satisfaction of regulatory filings and related conditions. There is no assurance that the Proposed Transaction discussed herein will be consummated on the terms and timeline discussed herein, or at all.

About Colony NorthStar

Colony NorthStar, Inc. (NYSE:CLNS) is a leading global real estate and investment management firm. Colony NorthStar resulted from the January 2017 merger between Colony Capital, Inc., NorthStar Asset Management Group Inc. and NorthStar Realty Finance Corp. Colony NorthStar has significant property holdings in the healthcare, industrial and hospitality sectors, other equity and debt investments and an embedded institutional and retail investment management business. Colony NorthStar currently has assets under management of \$57 billion and manages capital on behalf of its stockholders, as well as institutional and retail investors in private funds, non-traded and traded real estate investment trusts and registered investment companies. In addition, Colony NorthStar owns NorthStar Securities, LLC, a captive broker-dealer platform which raises capital in the retail market. The firm maintains principal offices in Los Angeles and New York, with more than 500 employees in offices located across 18 cities in ten countries. Colony NorthStar will elect to be taxed as a REIT for U.S. federal income tax purposes. For additional information regarding Colony NorthStar and its management and business, please refer to www.clns.com.

About S2K Financial Holdings LLC

S2K Financial Holdings LLC is a New York City-based financial services organization encompassing S2K Financial LLC and S2K Servicing LLC. S2K Financial LLC is an independent wholesale broker-dealer focused on delivering retail investor-focused financial products through innovative third party distribution strategies that support IBDs and RIA firms across the country. S2K Financial LLC is committed to attracting top institutional product sponsors into the retail space, and is supported in this mission by its deep bench of senior leaders, who have experience with institutional capital markets, retail financial product manufacturing and retail financial advice. S2K Servicing LLC provides due diligence, operations, administrative and marketing services to institutional investment managers. S2K's affiliated investment management business focused on corporate credit and energy will also be contributed into the company at closing. For more information, please visit <http://www.s2kfinancial.com>.

Cautionary Statement Regarding Forward-Looking Statements

This press release may contain forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange of 1934, as amended. 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 Colony NorthStar's control, and may cause the Colony NorthStar'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 negotiate definitive agreements with S2K to acquire a majority ownership stake, the ability, if negotiated, to consummate any transaction with S2K; our failure to achieve anticipated synergies in and benefits of a transaction with S2K; the impact of changes to organizational structure and employee composition; the inability to obtain any required regulatory approvals, including FINRA approvals; increased interest rates and operating costs; adverse economic or real estate developments in Colony NorthStar's markets; adverse general and local economic conditions; an unfavorable capital market environment; and other risks and uncertainties detailed in Colony NorthStar's filings with the U.S. Securities and Exchange Commission ("SEC"). 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 press release. Colony NorthStar 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 NorthStar does not intend to do so.

This is not an offer to sell or solicitation of an offer to purchase any security or other investment product.

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