Q1 2019 Disclosure Supplement

May 8, 2019

NORTHSTAR REALTY EUROPE

Forward Looking Statements

This presentation may contain certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements such as future results, growth potential, projected leverage, projected occupancy rates, projected weighted average lease terms, future availability under the revolving credit facility, projected supply growth, projected yields, projected demand, projected economic growth, rates of return and performance, anticipated rental growth as a result of expected inflation, ability to reposition or enhance the performance of existing properties, market and industry trends, investment opportunities, business conditions and other matters, factors that may cause NorthStar Realty Europe Corp.'s, or NRE's, actual results in future periods to differ materially from these forward looking statements include, among other things: the effect of economic conditions, particularly in Europe, on the valuation of NRE's investments and on the tenants of the real property that NRE owns; the ability of Colony Capital, Inc., or CLNY, (the "Manager") to scale its operations in Europe to effectively manage NRE; the unknown impact of the exit of the United Kingdom, or Brexit, or one or more other countries from the European Union, or EU, or the potential default of one or more countries in the EU or the potential break-up of the EU; NRE’s ability to qualify and remain qualified as a real estate investment trust, or REIT; adverse domestic or international economic geopolitical conditions and the impact on the commercial real estate industry; volatility, disruption or uncertainty in the financial markets; access to debt and equity capital and NRE’s liquidity; NRE’s substantial use of leverage and NRE’s ability to comply with the terms of NRE’s borrowing arrangements; NRE’s ability to monetize NRE’s assets on favorable terms or at all; NRE’s ability to obtain mortgage financing on NRE’s real estate portfolio on favorable terms or at all; NRE’s ability to acquire attractive investment opportunities and the impact of competition for attractive investment opportunities; the affect of increased activist stockholders and stockholder activism generally; the effects of being an externally-managed company, including NRE’s reliance on CLNY and its affiliates and sub-advisors/co-venturers in providing management services to NRE, the payment of substantial base management and incentive fees to NRE’s manager, the allocation of investments by CLNY among NRE and CLNY’s other sponsored or managed companies and strategic vehicles and various conflicts of interest in NRE’s relationship with CLNY; performance of NRE’s investments relative to NRE’s expectations and the impact on NRE’s actual return on invested equity, as well as the cash provided by these investments and available for distribution; the likelihood and timing of successfully completing sales transactions and the amount of the net equity released after repayment of financing and transaction costs; the expected cost savings as a result of operational efficiencies, the time required to achieve such run rate cost savings; restrictions on NRE’s ability to engage in certain activities and the requirement that NRE may be required to access capital at inopportune times as a result of NRE’s borrowings; NRE’s ability to make borrowings under NRE’s credit facility; the impact of adverse conditions affecting office properties; the timing and certainty with respect to new lease commencements; the availability of future borrowings under the revolving credit facility; the expected use of proceeds from the sale of any properties; the ability to execute on NRE’s strategy; NRE’s ability to maintain dividend payments, at current levels, or at all, and the timing of dividend levels declared; illiquidity of properties in NRE’s portfolio; NRE’s ability to realize current and expected return over the life of NRE’s investments; tenant defaults or bankruptcy; any failure in NRE’s due diligence to identify all relevant facts in NRE’s underwriting process or otherwise; the impact of terrorism or hostilities involving Europe; NRE’s ability to manage NRE’s costs in line with NRE’s expectations and the impact on NRE’s cash available for distribution, or CAD, and net operating income, or NOI, of NRE’s properties; NRE’s ability to satisfy and manage NRE’s capital requirements; environmental and regulatory requirements, compliance costs and liabilities relating to owning and operating properties in NRE’s portfolio and to NRE’s business in general; effect of regulatory actions, litigation and contractual claims against NRE and NRE’s affiliates, including the potential settlement and litigation of such claims; changes in European, international and domestic laws or regulations governing various aspects of NRE’s business; NRE’s ability to effectively structure its investments in a tax efficient manner, including foreign, federal, state and local tax purposes; the impact that a rise in future interest rates may have on NRE’s floating rate financing; potential devaluation of foreign currencies, predominately the Euro and U.K. Pound Sterling, relative to the U.S. dollar due to quantitative easing in Europe, Brexit and/or other factors which could cause the U.S. dollar value of NRE’s investments to decline; general foreign exchange risk associated with properties located in European countries located outside of the Euro Area, including the United Kingdom; the loss of NRE’s exemption from the definition of an “investment company” under the Investment Company Act of 1940, as amended; CLNY’s ability to hire and retain qualified personnel and potential changes to key personnel providing management services to NRE; the lack of historical financial statements for properties NRE has acquired and may acquire in compliance with U.S. Securities and Exchange Commission, or SEC, requirements and U.S. generally accepted accounting principles, or U.S. GAAP, as well as the lack of familiarity of NRE’s tenants and third-party service providers with such requirements; the potential failure to maintain effective internal controls and disclosure controls and procedures; the result of the ongoing review of the strategic alternatives for the company; the historical combined consolidated financial statements included in NRE's Annual Report on Form 10-K not providing an accurate indication of NRE’s performance in the future or reflecting what NRE’s financial position, results of operations or cash flow would have been had NRE operated as an independent public company during the periods presented; NRE’s status as an emerging growth company; and compliance with the rules governing REITs. Forward-looking statements are generally identifiable by use of forward-looking terminology such as “may,” “will,” “should,” “potential,” “intend,” “expect,” “seek,” “anticipate,” “estimate,” “believe,” “could,” “project,” “predict,” “hypothetical,” “continue,” “future” or other similar words or expressions. The calculation of implied EPRA net asset value (NAV) included in the presentation is subject to numerous assumptions and may not be the best metric to use in evaluating the value of NRE and thus investors should not unduly rely on it as an indicator of value or otherwise. All forward-looking statements included in this presentation are based upon information available to NRE on the date hereof and NRE undertakes no duty to update any of the forward-looking statements after the date of this presentation to conform these statements to actual results. The forward-looking statements involve a number of significant risks and uncertainties. Factors that could have a material adverse effect on NRE’s operations and future prospects are set forth in NorthStar Realty Europe Corp.’s Form 10-K for the year ended December 31, 2018, including the sections entitled “Risk Factors”. The factors set forth in the Risk Factors sections of the aforementioned filings and otherwise described in NorthStar Realty Europe Corp. filings with the SEC could cause actual results to differ significantly from those contained in any forward-looking statement contained in this presentation. NRE does not guarantee that the assumptions underlying such forward-looking statements are free from errors.

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 NorthStar Realty Europe Corp.

The definitions, notes and endnotes 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 notes and endnotes.

Note Regarding Non-GAAP Financial Measures

Included in this presentation are Cash Available for Distribution, or CAD, net operating income, or NOI, same store net operating income, or same store NOI, Adjusted Earnings before Interest, Taxes, Depreciation and Amortization, or Adjusted EBITDA and EPRA net asset value, or EPRA NAV, each a "non-GAAP financial measure," which measures NRE's historical or future financial performance that is different from measures calculated and presented in accordance with accounting principles generally accepted in the United States, or U.S. GAAP, within the meaning of the applicable Securities and Exchange Commission, or SEC, rules. NRE believes these metrics can be a useful measure of its performance which is further defined below. For reconciliations of these non-GAAP financial measures to the most comparable measures prepared in accordance with GAAP, please refer to the tables on the following pages, notes to this Disclosure Supplement and NRE's filings with the SEC at www.sec.gov.

CAD

We believe that CAD provides investors and management with a meaningful indicator of operating performance. We also believe that CAD is useful because it adjusts for a variety of items that are consistent with presenting a measure of operating performance (such as transaction costs, depreciation and amortization, equity-based compensation, gain on sales, net, asset impairment and non-recurring bad debt expense). We adjust for transaction costs because these costs are not a meaningful indicator of our operating performance. For instance, these transaction costs include costs such as professional fees associated with new investments, which are expenses related to specific transactions. Management also believes that quarterly distributions are principally based on operating performance and our board of directors includes CAD as one of several metrics it reviews to determine quarterly distributions to stockholders. The definition of CAD may be adjusted from time to time for our reporting purposes in our discretion, acting through our audit committee or otherwise. CAD may fluctuate from period to period based upon a variety of factors, including, but not limited to, the timing and amount of investments, new leases, repayments and asset sales, capital raised, use of leverage, changes in the expected yield of investments and the overall conditions in commercial real estate and the economy generally. We calculate CAD by subtracting from or adding to net income (loss) attributable to common stockholders, noncontrolling interests and the following items: depreciation and amortization items including straight-line rental income or expense (excluding amortization of rent free periods), amortization of above/below market leases, amortization of deferred financing costs, amortization of discount on financings and other and equity-based compensation; other gain (loss), net (excluding any realized gain (loss) on the settlement on foreign currency derivatives); gain on sales, net; impairment on depreciable property; extinguishment of debt; acquisition gains or losses; transaction costs; foreign currency gains (losses) related to sales; goodwill impairment following the sale of operating real estate and other intangible assets; the incentive fee relating to the Amended and Restated Management Agreement and one-time events pursuant to changes in U.S. GAAP and certain other non-recurring items. These items, if applicable, include any adjustments for unconsolidated ventures. CAD should not be considered as an alternative to net income (loss) attributable to common stockholders, determined in accordance with U.S. GAAP, as an indicator of operating performance. In addition, our methodology for calculating CAD 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 these companies.

NOI and Same Store NOI

We believe NOI is a useful metric for evaluating the operating performance of our real estate portfolio in the aggregate. Portfolio results and performance metrics represent 100% for all consolidated investments. Net operating income reflects total property and related revenues, adjusted for: (i) amortization of above/below market leases; (ii) straight-line rent (except with respect to rent free period); (iii) other items such as adjustments related to joint ventures and non-recurring bad debt expense and less property operating expenses. However, the usefulness of NOI is limited because it excludes general and administrative costs, interest expense, transaction costs, depreciation and amortization expense, gains on sales, net and other items under U.S. GAAP and capital expenditures and leasing costs, all of which may be significant economic costs. 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, our 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 these companies. We believe same store NOI is a useful metric for evaluating the operating performance as it reflects the operating performance of the real estate portfolio and provides a better measure of operational performance for a quarter-over-quarter comparison. Same store NOI is presented for the same store portfolio, which represents all properties that were owned by us at the end of the reporting period. We define same store net operating income as NOI excluding (i) properties that were acquired or sold during the period, (ii) impact of foreign currency changes and (iii) amortization of above/below market leases. We consider same store NOI to be an appropriate and useful supplemental performance measure. Same store 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, our methodology for calculating same store 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 these companies. Same store statistics refer to the 14 properties (excluding an asset held for sale) and our preferred equity segment that were owned in the same manner during both the current period (ownership throughout the whole period) and previous periods.

Note Regarding Non-GAAP Financial Measures (cont'd)

Adjusted EBITDA

We believe that Adjusted EBITDA provides investors and management with a meaningful indicator of operating performance. We also believe that Adjusted EBITDA is useful because it adjusts for a variety of items that are consistent with presenting a measure of operating performance (such as depreciation and amortization, interest expense, income tax benefit (expense), gain on sales, net, transaction costs, equity-based compensation and asset impairment). The definition of Adjusted EBITDA may be adjusted from time to time for our reporting purposes in our discretion, acting through our audit committee or otherwise. Adjusted EBITDA may fluctuate from period to period based upon a variety of factors, including, but not limited to, the timing and amount of investments, new leases, repayments and asset sales, capital raised, changes in the expected yield of investments and the overall conditions in commercial real estate and the economy generally. We calculate Adjusted EBITDA by subtracting from or adding to net income (loss) attributable to common stockholders, noncontrolling interests and the following items: depreciation and amortization items including straight-line rental income or expense (excluding amortization of rent free periods), amortization of above/below market leases and equity-based compensation; interest expense; income tax (benefit) expense; other gain (loss), net (excluding any realized gain (loss) on the settlement on foreign currency derivatives); gain on sales, net; impairment on depreciable property; extinguishment of debt; acquisition gains or losses; transaction costs; foreign currency gains (losses) related to sales; goodwill impairment following the sale of operating real estate and other intangible assets; the incentive fee relating to the Amended and Restated Management Agreement and one-time events pursuant to changes in U.S. GAAP and certain other non-recurring items. These items, if applicable, include any adjustments for unconsolidated ventures. Adjusted EBITDA should not be considered as an alternative to net income (loss) attributable to common stockholders, determined in accordance with U.S. GAAP, as an indicator of operating performance. In addition, our methodology for calculating Adjusted EBITDA 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 these companies.

EPRA NAV

As our entire portfolio is based in Europe, our management calculates European Public Real Estate Association net asset value, or EPRA NAV, a non-GAAP measure, to compare our balance sheet to other European real estate companies and believes that disclosing EPRA NAV provides investors with a meaningful measure of our net asset value. Our calculation of EPRA NAV is derived from our U.S. GAAP balance sheet with adjustments reflecting our interpretation of EPRA’s best practices recommendations. Accordingly, our calculation of EPRA NAV may be different from how other European real estate companies calculate EPRA NAV, which utilize International Financial Reporting Standards (“IFRS”) to prepare their balance sheet. EPRA NAV makes adjustments to net assets as determined in accordance with U.S. GAAP in order to provide our stockholders a measure of fair value of our assets and liabilities with a long-term investment strategy. This performance measure excludes assets and liabilities that are not expected to materialize in normal circumstances. EPRA NAV includes the revaluation of investment properties and excludes the fair value of financial instruments that we intend to hold to maturity, deferred tax and goodwill that resulted from deferred tax. All other assets, including real property and investments reported at cost are adjusted to fair value based upon an independent third party valuation conducted in December and June of each year. This measure should not be considered as an alternative to measuring our net assets in accordance with U.S. GAAP.

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I. Q1 2019 Highlights

CONTINUED PROGRESS WITH EXPENSE SAVING INITIATIVES	▪ **$2.6 million of first quarter 2019 annualized cash expense savings compared to full year 2018, ahead of the $2 million stated target for 2019 and the overall target of $5 million**
CRYSTALIZING VALUE FOR STOCKHOLDERS THROUGH SALES	▪ **3 properties sold during Q1 2019** ▪ **$44 million gross value and $23 million of net equity proceeds to NRE, crystallizing an approximate 14% IRR and an aggregate 17% IRR over the last twelve months**
FURTHER REDUCED LEVERAGE AND OPTIMIZED COST OF DEBT	▪ **39% LTV as of March 31, 2019**, compared to 53% a year earlier ▪ Weighted average debt margin of 1.42%, 15 bps reduction compared to Q1 2018 ▪ NRE repaid $81 million Cale Street preferred equity, **reducing LTV to 36%**

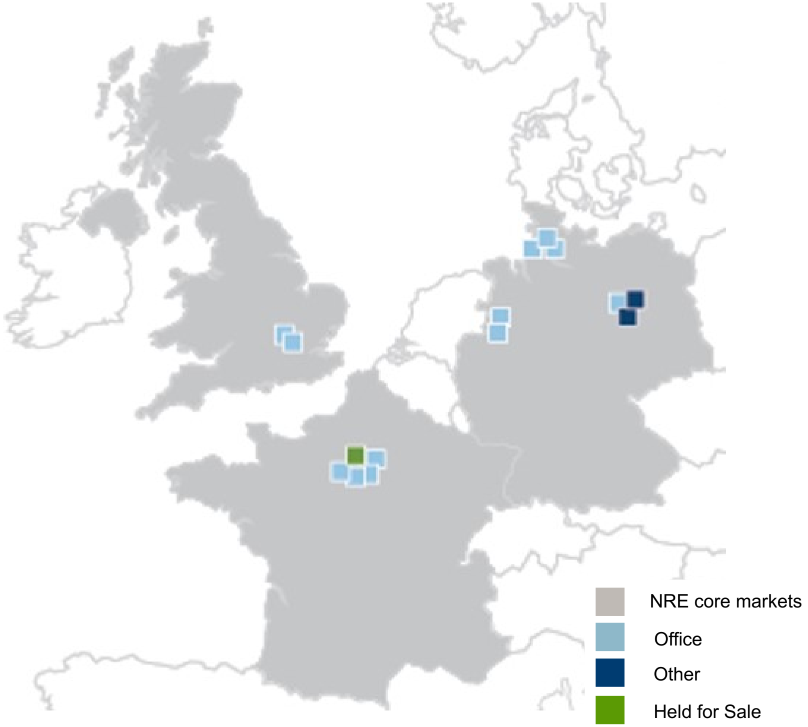
II.a. Summary Metrics

Q1 2019 RESULTS

	March 31, 2019[2]
Portfolio Market Value	$1.3 billion
LTV based on Portfolio Market Value	39%
EPRA NAV per share	$20.48
	Three Months Ended March 31, 2019
Net Operating Income (NOI)	$15.2m
Cash Available for Distribution (CAD)	$7.4m
Adjusted EBITDA	$10.8m
CAD per diluted share	$0.15
Dividend per share	$0.15

15 PROPERTIES IN 3 COUNTRIES[1]

	Office	Total Portfolio
Occupancy	96%	84%
WALT to Expiry (years)	5.9	6.2



Note: NOI, CAD, Adjusted EBITDA and EPRA NAV are non-GAAP financial measures. For reconciliations of these non-GAAP financial measures to the most comparable measures prepared in accordance with GAAP, please refer to the tables on the following pages, notes to this Disclosure Supplement and NRE's filings with the SEC at www.sec.gov.
1. Number of properties, occupancy and WALT relate to the real estate portfolio as of March 31, 2019 ("Same Store") and exclude the preferred equity investment.
2. FX rates used as of March 31, 2019 EUR/USD = 1.1219, GBP/USD = 1.3032.

II.b. Q1 2019 - Segments Overview

REAL ESTATE PORTFOLIO - 15 properties in 3 countries

Based on rent roll as of March 31, 2019	Office Portfolio Germany	 UK	 France	Total Office Portfolio	Other Asset Classes[2]	Total	Asset Held for Sale[3]	Total excl. Held for Sale
Number of Assets	6	2	4	**12**	3	**15**	**1**	**14**
Area (Sqm)[1]	67,965	21,758	32,059	**121,782**	71,555	**193,337**	**59,290**	**134,047**
Occupancy	93%	100%	98%	**96%**	63%	**84%**	**55%**	**96%**
Proforma Occupancy	95%	100%	98%	**97%**	63%	**84%**	**55%**	**97%**
WALT to Expiry (years)	8.0	6.7	3.7	**5.9**	8.8	**6.2**	**8.6**	**6.1**
Proforma WALT to Expiry (years)	8.0	6.7	3.7	**5.9**	8.8	**6.2**	**8.6**	**6.1**
Real Estate Portfolio Value ($ million)	287	471	363	**1,121**	95	**1,216**	**48**	**1,167**
Real Estate Portfolio Value (% of Total)	23%	39%	30%	**92%**	8%	**100%**	**4%**	**96%**
Contractual Rent (% of Total)	23%	37%	32%	**92%**	8%	**100%**	**3%**	**97%**
Q1 2019 NOI (% of Total)	23%	37%	33%	**93%**	7%	**100%**	**2%**	**98%**

PREFERRED EQUITY

- $34 million (£26 million) preferred equity investment in Gresham Street (London) with an 8% current yield plus profit participation rights
- $6 million (€5 million) preferred equity investment retained in Trianon (Frankfurt) with a 7% current yield

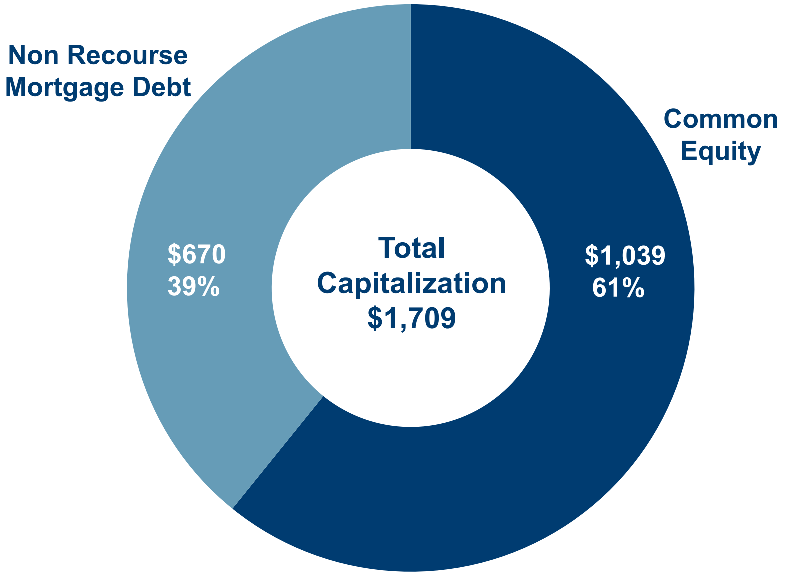
1. Portfolio areas reflect contractual rentable areas.
2. Other Asset Classes include two hotel (net lease) properties in Germany and one industrial property in France.
3. Marly Held for Sale as of March 31, 2019.

II.c. Q1 2019 - Capitalization

39% LTV as of March 31, 2019, down from 53% LTV as of March 31, 2018

CAPITALIZATION BASED ON PORTFOLIO MARKET VALUE

$ millions (cumulative %), includes unrestricted cash

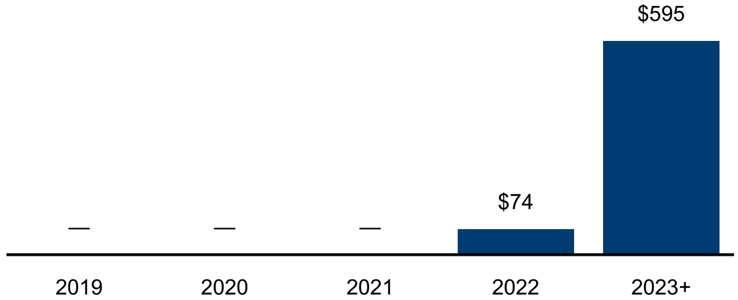


- Weighted average debt maturity: 4.5 years

DEBT MATURITY PROFILE

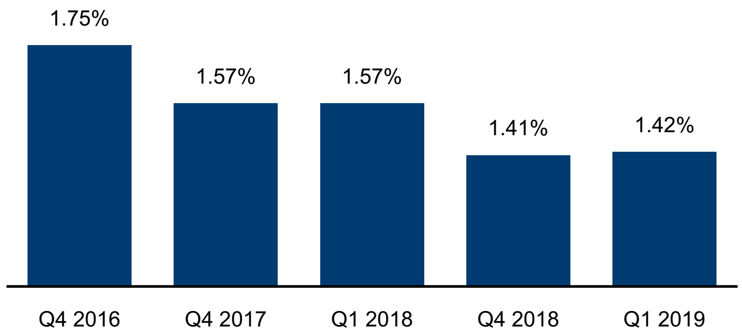
$ millions, as of March 31, 2019

$81 million preferred equity repaid in April 2019



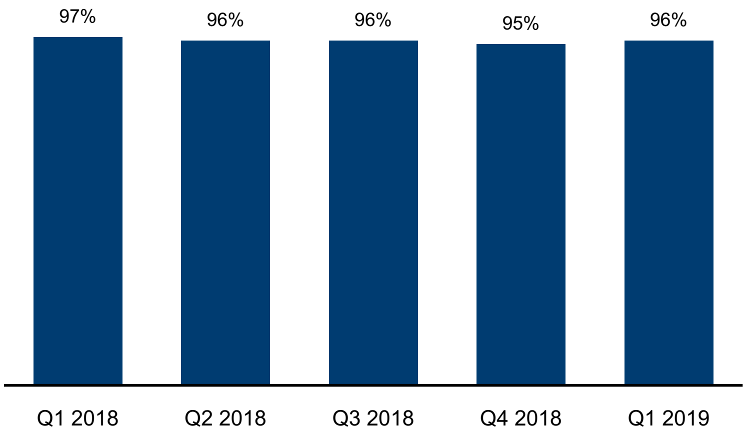
AVERAGE COST OF DEBT

Weighted Average Margin

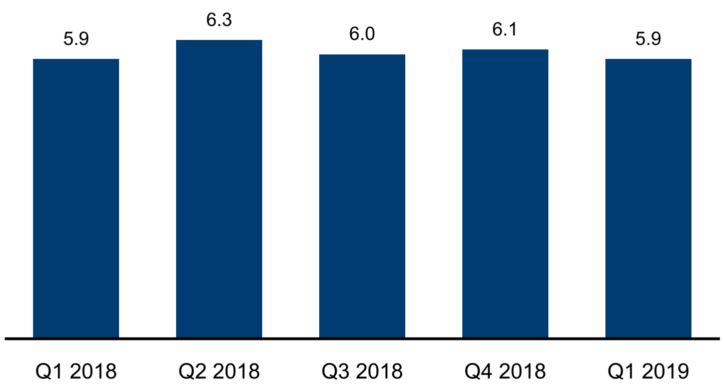


III.a. Real Estate Portfolio: Positive Same Store Performance

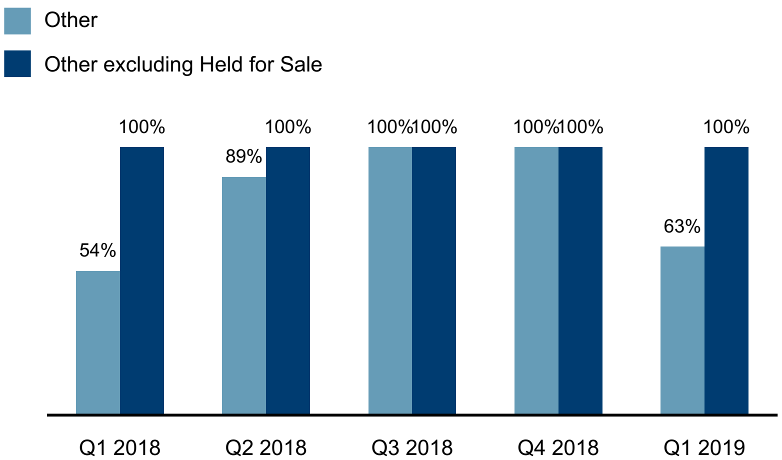
OFFICE PORTFOLIO OCCUPANCY



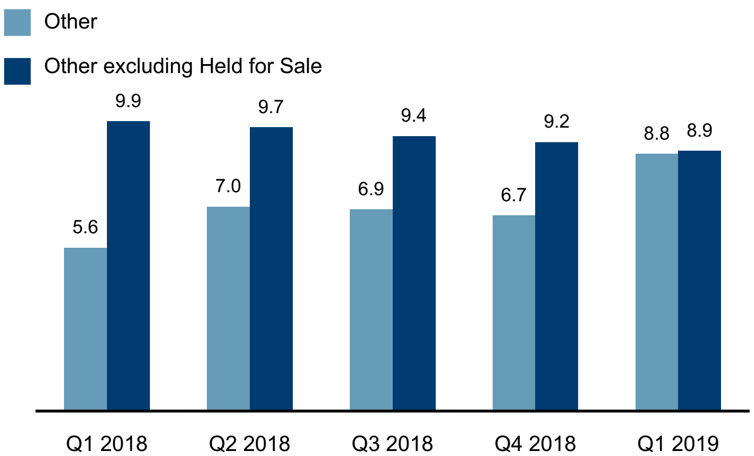
OFFICE PORTFOLIO WALT TO EXPIRY (YEARS)



OTHER PORTFOLIO OCCUPANCY



OTHER PORTFOLIO WALT TO EXPIRY (YEARS)



a. All data based on rent roll as of March 31, 2019 and relates to 15 properties that formed part of the Real Estate Portfolio.

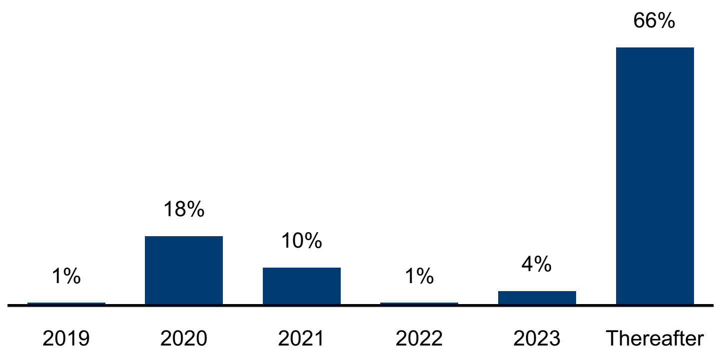
III.b. Real Estate Portfolio: Tenancy Overview

TOP 10 TENANTS

Tenant	Asset (Location)	% Contractual Rent	Area (sqm)	Remaining Lease Term (in years)
BNP PARIBAS RE	Berges de Seine (Paris, France)	17.0%	15,406	0.8
Invesco UK Limited	Portman Square (London, UK)	9.9%	4,406	8.4
BNP PARIBAS SA	Boulevard Macdonald (Paris, France)	9.5%	11,210	7.4
C & W (U.K.) LLP	Portman Square (London, UK)	9.1%	5,150	6.0
Morgan Lewis & Bockius LLP	Condor House (London, UK)	7.1%	4,848	6.8
PAREXEL International GmbH	Parexel (Berlin, Germany)	5.9%	18,254	15.2
Moelis & Co UK LLP	Condor House (London, UK)	4.9%	3,366	6.2
Bigpoint GmbH	Drehbahn (Hamburg, Germany)	4.8%	11,916	2.2
Globe Express	Marly (Paris, France)	3.3%	32,790	8.6
InterCityHotel GmbH	IC Hotel (Berlin, Germany)	2.9%	8,457	11.0
Total Top 10		**74.4%**	**115,803**	**6.2**

LEASE EXPIRY PROFILE

(through contractual term, as of March 31, 2019)



TENANTS BY INDUSTRY

Industry	% Contractual Rent
Finance	44.2%
Legal, Tax & Management Consultancy	19.0%
Consumer Goods Industry & Retail	7.9%
Hotel & Gastronomy	7.3%
Technology & Software	4.9%
Public Authorities, Organizations & Educational Organization	2.6%
Media & Entertainment Industry	2.3%
Other	11.8%
Total	**100.0%**

a. All data based on rent roll as of March 31, 2019, same store basis.
b. Rentable areas for the Top 10 Tenants include office and other rentable areas excluding parking (as applicable).

III.c. Real Estate Portfolio - Asset Overview

Asset	Location	Primary Asset Class	Area (sqm)	Occupancy	Proforma Occupancy	WALT to Expiry (Years)	Proforma WALT to Expiry (Years)	% Contractual Rent	Tenant Profile
Office Portfolio									
UK									
Portman Square	London, West End	Office	10,447	100%	100%	7.0	7.0	20%	Multi-let
Condor House	London, City	Office	11,311	99%	99%	6.2	6.2	16%	Multi-let
Germany									
Valentinskamp	Hamburg	Office	14,881	72%	82%	8.9	8.7	5%	Multi-let
Parexel	Berlin	Office	18,254	100%	100%	15.2	15.2	6%	Single-let
Drehbahn	Hamburg	Office	11,916	100%	100%	2.2	2.2	5%	Single-let
Dammtorwall	Hamburg	Office	7,496	95%	95%	5.8	5.8	3%	Multi-let
Ludwigstrasse	Cologne	Office	9,984	98%	98%	2.3	2.3	4%	Multi-let
Munster	Munster	Office	5,434	100%	100%	12.4	12.4	1%	Single-let
France									
Berges de Seine	Paris, Issy	Office	15,406	100%	100%	0.8	0.8	17%	Single-let
Boulevard Macdonald	Paris, Other	Office	11,210	100%	100%	7.4	7.4	9%	Single-let
Marceau	Paris, CBD	Office	3,815	84%	84%	6.3	6.3	4%	Multi-let
Joubert	Paris, CBD	Office	1,628	100%	100%	4.8	4.8	2%	Single-let
Subtotal Office Portfolio			**121,782**	**96%**	**97%**	**5.9**	**6.0**	**92%**	
Other Asset Classes									
IC Hotel	Berlin, Germany	Hotel (Net Lease)	8,457	100%	100%	11.0	11.0	3%	Single-let
Ibis Berlin	Berlin, Germany	Hotel (Net Lease)	3,808	100%	100%	4.9	4.9	2%	Single-let
Marly[b]	Greater Paris, France	Industrial	59,290	55%	55%	8.6	8.6	3%	Multi-let
Total			**193,337**	**84%**	**84%**	**6.2**	**6.2**	**100%**	

a. All data based on rent roll as of March 31, 2019.
b. Held for Sale as of March 31, 2019.

IV.a. Financial Highlights: Consolidated Balance Sheets

$ Thousands, Unaudited	March 31, 2019	December 31, 2018
Assets		
Operating real estate, gross	$ 843,212	$ 844,809
Less: accumulated depreciation	(68,143)	(64,187)
Operating real estate, net	775,069	780,622
Preferred equity investments	39,754	39,090
Cash and cash equivalents	453,373	438,931
Restricted cash	5,093	5,592
Receivables, net	8,097	8,989
Assets held for sale	45,891	73,345
Derivative assets, at fair value	5,255	6,440
Intangible assets, net and goodwill	25,390	58,173
Other assets, net	47,805	14,317
Total assets	**$ 1,405,727**	**$ 1,425,499**
Liabilities		
Mortgage and other notes payable, net	$ 663,214	$ 682,912
Accounts payable and accrued expenses	21,935	22,367
Due to affiliates	10,227	9,630
Intangible liabilities, net	9,492	9,722
Liabilities related to assets held for sale	2,007	1,498
Other liabilities	16,473	21,267
Total liabilities	**723,348**	**747,396**
Commitments and contingencies		
Equity		
NorthStar Realty Europe Corp. Stockholders' Equity		
Preferred stock, $0.01 par value, 200,000,000 shares authorized, no shares issued and outstanding as of March 31, 2019 and December 31, 2018	—	—
Common stock, $0.01 par value, 1,000,000,000 shares authorized, 49,783,016 and 49,807,448 shares issued and outstanding as of March 31, 2019 and December 31, 2018, respectively	497	498
Additional paid-in capital	863,112	862,240
Retained earnings (accumulated deficit)	(167,063)	(170,669)
Accumulated other comprehensive income (loss)	(18,322)	(18,424)
Total NorthStar Realty Europe Corp. stockholders' equity	678,224	673,645
Noncontrolling interests	4,155	4,458
Total equity	682,379	678,103
Total liabilities, redeemable noncontrolling interest and equity	**$ 1,405,727**	**$ 1,425,499**

IV.b. Financial Highlights - Consolidated Statements of Operations

$ Thousands (other than per share data), Unaudited	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
Revenues		
Lease income	$ 17,084	$ 32,565
Interest income	1,611	729
Other income	475	278
Total revenues	19,170	33,572
Expenses		
Properties - operating expenses	2,906	6,802
Interest expense	3,680	6,107
Transaction costs	762	481
Management fee, related party	3,888	4,157
Other expenses	737	1,424
General and administrative expenses	1,736	1,878
Compensation expense	1,287	365
Depreciation and amortization	5,913	11,651
Total expenses	20,909	32,865
Other income (loss)		
Other gain (loss), net	(2,517)	(3,002)
Extinguishment of debt	(194)	—
Gain on sales, net	17,725	1,266
Income (loss) before income tax benefit (expense)	13,275	(1,029)
Income tax benefit (expense)	(2,152)	(39)
Net income (loss)	11,123	(1,068)
Net (income) loss attributable to noncontrolling interests	(62)	(4)
Net income (loss) attributable to NorthStar Realty Europe Corp. common stockholders	$ 11,061	$ (1,072)
Earnings (loss) per share:		
Basic	$ 0.22	$ (0.02)
Diluted	$ 0.22	$ (0.02)

IV.c. Financial Highlights - CAD[1]

$ Thousands (other than per share data), Unaudited	Three Months Ended March 31,	
	2019	2018
Net income (loss) attributable to common stockholders	$ 11,061	$ (1,072)
Noncontrolling interests	62	4
Adjustments:		
Depreciation and amortization items	7,418	12,952
Other (gain) loss, net	3,663	1,586
(Gain) on sales, net	(17,725)	(1,266)
Transaction costs and other	2,926	481
CAD	**$ 7,405**	**$ 12,685**
CAD per share	**$ 0.15**	**$ 0.23**

IV.d. Financial Highlights - NOI[2]

NOI

$ Thousands, Unaudited	Three Months Ended March 31,	
	2019	2018
Lease income	$ 17,084	$ 32,565
Other income	475	278
Total property and other income	17,559	32,843
Properties - operating expenses	2,906	6,802
Adjustments:		
Interest income	777	729
Amortization and other items	(252)	220
NOI	**$ 15,178**	**$ 26,990**

Reconciliation of Net Income (Loss) to NOI

$ Thousands, Unaudited	Three Months Ended March 31,	
	2019	2018
Net income (loss)	$ 11,123	$ (1,068)
Remaining segments[i]	9,276	9,528
Real estate equity and preferred equity segment adjustments:		
Interest expense	3,454	5,955
Other expenses	737	1,424
Depreciation and amortization	5,913	11,651
Other (gain) loss, net	331	168
Extinguishment of debt	194	—
Gain on sales, net	(17,725)	(1,266)
Income tax (benefit) expense	2,152	39
Other items	(277)	559
Total adjustments	(5,221)	18,530
NOI	**$ 15,178**	**$ 26,990**

(i) Reflects the net (income) loss in our corporate segment to reconcile to net operating income.

IV.e. Financial Highlights: Same Store NOI (Excluding Held For Sale)

$ Thousands, Unaudited	Three Months Ended March 31,		Year-over-year Increase (Decrease)		Three Months Ended December 31, 2018[1]	Quarter-over-quarter Increase (Decrease)	
	2019	2018[1]	Amount	%		Amount	%
Same Store Occupancy (end of period)	*96%*	*97%*			*95%*		
Rental income[2]	$ 13,357	$ 13,453	$ (96)	(0.7%)	$ 13,242	$ 115	0.9%
Escalation income	2,569	2,187	382		2,592	(23)	
Lease income	15,926	15,640	286	1.8%	15,834	92	0.6%
Interest income	681	674	7		688	(7)	
Other income	63	136	(73)		74	(11)	
Total revenues	16,670	16,450	220	1.3%	16,596	74	0.4%
Utilities	689	526	163		549	140	
Real estate taxes and insurance	708	571	137		660	48	
Management fees	129	209	(80)		222	(93)	
Repairs and maintenance	1,095	839	256		845	250	
Other[2,3]	203	204	(1)		268	(65)	
Properties - operating expenses	2,824	2,349	475	20.2 %	2,544	280	11.0 %
Same store net operating income	**$ 13,846**	**$ 14,101**	**$ (255)**	**(1.8%)**	**$ 14,052**	**$ (206)**	**(1.5%)**

Reconciliation of Net Income (Loss) to Same Store NOI

$ Thousands, Unaudited	Three Months Ended		
	March 31, 2019	March 31, 2018	December 31, 2018
Net income (loss)	$ 11,123	$ (1,068)	$ 171,466
Corporate segment net (income) loss	9,276	9,528	13,305
(Gain) on sales, net	(17,725)	(1,266)	(198,767)
Other (income) loss	12,504	19,796	36,351
NOI	**15,178**	**26,990**	**22,355**
Sale of real estate investments and other[1]	(1,332)	(12,889)	(8,303)
Same Store NOI	**$ 13,846**	**$ 14,101**	**$ 14,052**

Note: Includes 14 properties (excluding an asset held for sale) and Gresham Street preferred equity owned by NRE as of March 31, 2019.
1. Three months ended March 31, 2018 and December 31, 2018 are translated using the average exchange rate for the three months ended March 31, 2019.
2. Adjusted to exclude amortization of above/below market leases and ground leases.
3. Includes non-recoverable VAT, administrative costs and other non-reimbursable expenses.

IV.f. Financial Highlights - Adjusted EBITDA(3)

$ Thousands, Unaudited	Three Months Ended		
	March 31, 2019	December 31, 2018	March 31, 2018
Net income (loss) attributable to common stockholders	$ 11,061	$ 170,271	$ (1,072)
Noncontrolling interests	62	1,195	4
Adjustments:			
Depreciation and amortization items	6,948	12,157	12,236
Impairments	—	8,889	—
Incentive fee	—	5,445	—
Income tax (benefit) expense	2,152	949	39
Interest expense	3,680	4,663	6,107
Other (gain) loss, net	3,663	(351)	1,586
(Gain) loss on sales, net	(17,725)	(198,767)	(1,266)
Transaction costs and other	956	11,067	481
Adjusted EBITDA	**$ 10,797**	**$ 15,518**	**$ 18,115**

IV.g. Financial Highlights - EPRA NAV

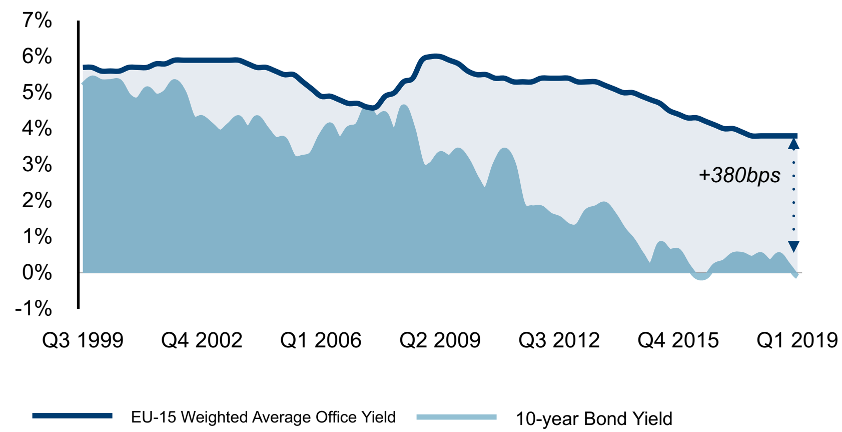
$ Thousands, other than per share data, Unaudited		March 31, 2019
Total Equity	**$**	**682,379**
Adjustments		
Operating real estate, net intangibles and other		(871,448)
Fair value of properties		1,216,000
Adjusted NAV		1,026,931
Diluted NAV, after the exercise of options, convertibles and other equity interests		1,026,931
Fair value of financial instruments		(901)
EPRA NAV[1]		**1,026,030**
EPRA NAV per diluted share[2]	**$**	**20.48**

1. EPRA NAV is derived from NRE's U.S. GAAP balance sheet with adjustments reflecting NRE's interpretation of the EPRA guidance.
2. Based on 50.1 million common shares, operating partnership units and RSUs not subject to performance hurdles outstanding as of March 31, 2019. EPRA NAV per diluted share does not take into account any potential dilution from restricted stock units subject to performance metrics not currently achieved.

V. European Real Estate Market Overview

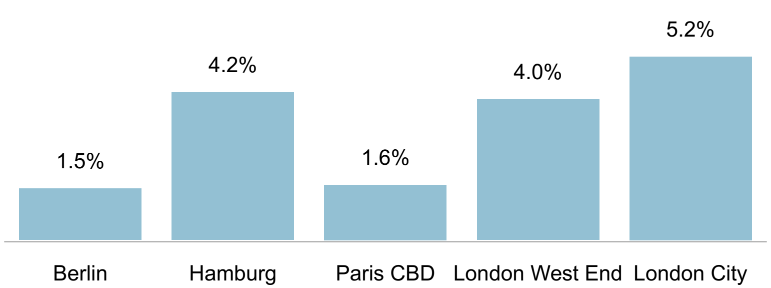
- Q1 2019 investment volume of €54 billion (22% below Q1 2018)
  - Approx. 38% in office sector
  - Approx. 58% of total transactions in Germany, the UK and France
- Prime property yields in some asset classes and markets softened slightly, but continued to remain at historic lows and a significant premium to sovereign yields
- European office vacancy decreased by a further 10bps to 6.0% in Q1, the lowest level since 2002

Prime Office Yields at Significant Premium to Long Term Sovereign Bond Yields



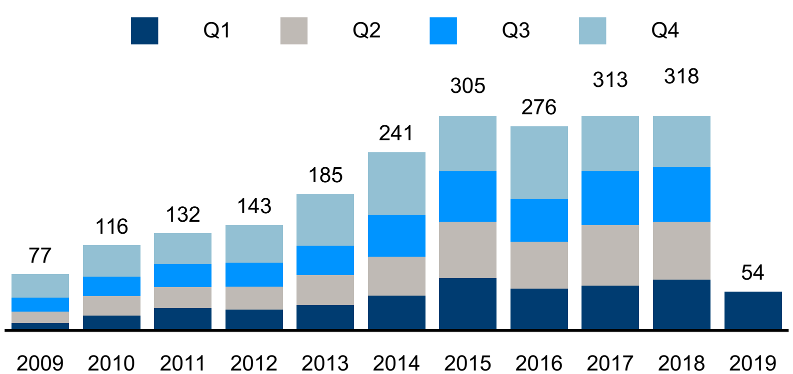
Historically Low Vacancy Rates in Key European Cities

%, Q1 2019



European Commercial Real Estate Investment Volume

€ billion



Source: CBRE, Savills, JLL, FactSet.

Definitions

Contractual Rent
Contractual rent represents annualized in place income based on rent roll as of March 31, 2019 ("Contractual Rent").

IRR
Internal Rate of Return

Loan to Value
Loan to Value ("LTV") is property level debt plus portfolio level preferred equity divided by the Portfolio Market Value and unrestricted cash net of any outstanding balance on the revolving credit facility.

Portfolio Market Value
Portfolio market value ("Portfolio Market Value") includes Real Estate Portfolio Value and the value of NRE's preferred equity segment. The $1.3 billion Portfolio Market Value comprises $1.2 billion real estate portfolio value based on the independent valuation by Cushman & Wakefield LLP and $40 million across two preferred equity investments (please refer to Note 11, “Fair Value” in the NRE Quarterly Report on Form 10-Q for the three months ended March 31, 2019 included in Part I Item 1. “Financial Statements”).

Proforma Occupancy and Proforma Weighted Average Lease Term
Pro forma occupancy ("Proforma Occupancy") and weighted average remaining contractual lease term ("WALT" and "Proforma WALT") based on rent roll as of March 31, 2019, adjusted for new leases signed as of March 31, 2019, but commencing in 2019.

Market Value and Real Estate Portfolio Value
The $1.2 billion real estate market value ("Market Value" or "Real Estate Portfolio Value") is based on independent valuation by Cushman & Wakefield ("C&W"). The external third-party valuation was prepared by Cushman & Wakefield LLP in accordance with the current U.K. and Global edition of the Royal Institution of Chartered Surveyors' (RICS) Valuation - Professional Standards (the "Red Book") on the basis of "Fair Value", which is widely recognized within Europe as the leading professional standards for independent valuation professionals. Each property is classified as an investment and has been valued on the basis of Fair Value adopted by the International Accounting Standards Board. This is the equivalent to the Red Book definition of Market Value. The Red Book defines Market Value as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion. The Cushman & Wakefield LLP valuation assumes that certain properties would be purchased through market accepted structures resulting in lower purchaser transaction expenses (taxes, duties, and similar costs). This Cushman & Wakefield LLP valuation is as of December 31, 2018, adjusted for currency movements as of March 31, 2019.
As an opinion, appraisals are not a measure of realizable value and may not reflect the amount that would be received if the property in question were sold. Real estate valuation is inherently subjective due to, among other factors, the individual nature of each property, its location, the expected future rental revenues from that particular property and the valuation methodology adopted. Real estate valuations are subject to a large degree of uncertainty and are made on the basis of assumptions and methodologies that may not prove to be accurate, particularly in periods of volatility, low transaction flow or restricted debt availability in the commercial or residential real estate markets. For example, in the appraisal, a number of the properties were valued using the special assumption that such properties would be purchased through a tax-efficient special purpose vehicle, and is therefore subject to lower purchaser transaction expenses. If one or more assumptions are incorrect, the value may be materially lower than the appraised value.

Endnotes

1. Financial Highlights – Cash Available for distribution (CAD)
    a. Three months ended March 31, 2019 reflects an adjustment to exclude depreciation and amortization of $5.9 million, amortization expense of capitalized above/below market leases of $(0.3) million, amortization of deferred financing costs of $0.5 million and amortization of equity-based compensation of $1.3 million. Three months ended March 31, 2018 reflects an adjustment to exclude depreciation and amortization of $11.7 million, amortization expense of capitalized above/below market leases of $0.2 million, amortization of deferred financing costs of $0.7 million and amortization of equity-based compensation of $0.4 million.
    b. Three months ended March 31, 2019 CAD includes a $1.1 million net gain related to the settlement of foreign currency derivatives. Three months ended March 31, 2018 CAD includes a $1.4 million net loss related to the settlement of foreign currency derivatives.
    c. Three months ended March 31, 2019 reflects an adjustment to exclude $0.8 million of transaction costs, $0.2 million related to extinguishment of debt and $2.0 million of taxes related to sales. Three months ended March 31, 2018 reflects an adjustment to exclude $0.5 million of transaction costs and other one-time items.
    d. CAD per share is based on 50.1 million and 55.8 million weighted average shares (common shares outstanding including operating partnership units and RSUs not subject to performance hurdles) for the three months ended March 31, 2019 and 2018, respectively. CAD per share does not take into account any potential dilution from restricted stock units subject to performance metrics not currently achieved.

2. Financial Highlights - NOI
    a. Three months ended March 31, 2019 primarily excludes $(0.3) million of amortization of above/below market leases. Three months ended March 31, 2018 primarily excludes $0.2 million of amortization of above/below market leases and $0.1 million of other one-time items.

3. Financial Highlights - Adjusted EBITDA
    a. Three months ended March 31, 2019 reflects an adjustment to exclude depreciation and amortization of $5.9 million, amortization expense of capitalized above/below market leases of $(0.3) million and amortization of equity-based compensation of $1.3 million. Three months ended December 31, 2018 reflects an adjustment to exclude depreciation and amortization of $10.9 million and amortization of equity-based compensation of $1.3 million. Three months ended March 31, 2018 reflects an adjustment to exclude depreciation and amortization of $11.7 million, amortization expense of capitalized above/below market leases of $0.2 million and amortization of equity-based compensation of $0.4 million.
    b. Three months ended December 31, 2018 reflects an adjustment to exclude a goodwill impairment following the sale of operating real estate of $8.1 million and an impairment loss related to assets held-for-sale of $0.8 million.
    c. Three months ended March 31, 2019 Adjusted EBITDA includes a $1.1 million net gain related to the settlement of foreign currency derivatives. Three months ended December 31, 2018 Adjusted EBITDA includes a $0.1 million net gain related to the settlement of foreign currency derivatives. Three months ended March 31, 2018 Adjusted EBITDA includes a $1.4 million net loss related to the settlement of foreign currency derivatives.
    d. Three months ended March 31, 2019 reflects an adjustment to exclude $0.8 million of transaction costs and $0.2 million related to extinguishment of debt. Three months ended December 31, 2018 reflects an adjustment to exclude $8.3 million of transaction costs and $2.8 million related to extinguishment of debt. Three months ended March 31, 2018 reflects an adjustment to exclude $0.5 million of transaction costs and other one-time items.

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