



# Columbia Pacific Income Fund

A Columbia Pacific Advisors Fund

## Second Quarter 2025 Update

*Please see the Disclaimers at the back of this letter for important information regarding this document*

August 29, 2025

Dear Limited Partner,

The second quarter of 2025 marked an important turning point for the Columbia Pacific Income Fund ("CPIF" or the "Fund"). Over the past several months, we have moved from a phase of transition into one of tangible progress, converting strategic decisions into real results. We saw liquidity events accelerate, debt obligations fall sharply, and most notably, during Q3 we achieved full repayment of the Fund's credit facility. This milestone brings us closer to our central objective: returning capital to our LPs.

This momentum did not happen by chance. It is the result of disciplined execution, proactive asset management, and a willingness to make decisive moves when conditions allow. While market headwinds remain and continue to challenge recovery values, the Fund's net asset value (or NAV) decreased by 3.2% during the second quarter.

We recognize that this progress has been achieved during a period of significant change for the Fund. We are deeply appreciative of your patience, partnership, and trust as we work to maximize recoveries. Our focus remains clear—converting loans and real estate owned assets into cash while retaining as much value as possible, returning capital efficiently, and communicating openly every step of the way.

In addition to this update, we will host an investor call on Tuesday September 9, 2025 to review Q2 results and the portfolio outlook in more detail. A Zoom invitation will follow shortly.

### Q2 Progress Highlights

Several loan payoffs and asset-level events generated meaningful cash flow, enabling the Fund to make material reductions to its line of credit. As of June 30, the balance stood at \$15.9 million, down from \$52.9 million at the end of Q1. **Subsequent inflows have since facilitated the full repayment of the credit facility.**

### Q2 2025 Repayment Activity

Q2 2025 Repayment Activity				
Loan Name	Asset Class	Activity	Principal Paydown	Source of Liquidity
Terra Farms	Land	Partial Paydown	\$5.1	Asset Sale
Lot 8	Residential	Partial Paydown	\$2.0	Asset Sale
Silo Ridge	Residential	Partial Paydown	\$2.3	Asset Sale
Fordham Landing	Mixed-Use	Payoff	\$44.5	Loan Sale
CSX II	Mixed-Use	Payoff	\$7.5	Loan Sale

*As of June 30, 2025. \$ presented in millions.*

These results reflect targeted efforts to resolve loan positions and convert illiquid holdings into cash, progress that has had a direct and positive impact on the Fund's ability to repay debt and prepare for distributions. A more detailed summary of this repayment activity can be found on page 6.

### Portfolio Composition

As of June 30, the CPIF portfolio consisted of:

- 26 loans
- 17 owned real estate (REOs)
- A joint venture interest in Columbia Pacific Industrial Logistics

Asset Classification by Fair Value, in millions				
Asset Class	Loan	REO	CPIL	Total
Industrial	100.0	-	167.9	267.9
Hospitality	61.2	140.6	-	201.8
Residential	128.2	-	-	128.2
Multifamily	63.9	40.1	-	103.9
Retail	61.3	31.9	-	93.2
Office	28.7	31.5	-	60.2
Mixed-Use	28.8	14.3	-	43.1
Senior Housing	9.1	24.7	-	33.8
Land	5.6	-	-	5.6
Other	21.8	-	-	21.8
<b>Total</b>	<b>508.6</b>	<b>283.1</b>	<b>167.9</b>	<b>959.6</b>

The Fund exited two loans collateralized by adjacent pre-development industrial lots in the Bronx, NY, resulting in net proceeds to the Fund of \$48 million, equal to the properties' combined March 31 value. While the borrower in this position had proven to be extremely litigious, we negotiated a loan sale to a third party, avoiding what could have been years of costly legal proceedings and execution delays. This transaction delivered immediate liquidity which was applied directly to debt reduction.

While there were no new REO additions or sales during the second quarter, several assets were placed under contract during the period. The REO portfolio remains a focus, with asset specific strategies in place to stabilize, lease and sell. The Fund's 17 assets can be broken down into the categories below:

Real Estate Owned Assets			
Marketing for Sale	Under Construction	Stabilizing/ Lease-Up	Total
10	3	4	17

**Anticipated Cash Flow and Line of Credit Repayment<sup>2</sup>**

Looking ahead, we believe the Fund is at a critical inflection point. Repayment of the line of credit this month allows for the prioritization of LP distributions. The terms of the credit facility previously restricted LP distributions while the line of credit was outstanding. Based on current visibility into upcoming loan repayments and potential asset sales, we have updated the 12-month cash flow summary below. We continue to emphasize that the timing and magnitude of recoveries remain inherently uncertain and subject to change. Litigation outcomes, borrower cooperation, and market behavior introduce volatility and may impact projections.

**Anticipated Cash Flow Summary - July 2025-June 2026**

<b>Anticipated Cash Flows</b>	<b>Low</b>	<b>High</b>
Beginning Cash	22,872,782	22,872,782
<b>Inflows</b>		
Loan Payoffs	173,000,000	282,000,000
REOs	2,000,000	60,000,000
Other Inflow <sup>1</sup>	10,000,000	10,000,000
<b>Net Inflows</b>	<b>185,000,000</b>	<b>352,000,000</b>
<b>Outflows</b>		
Reserve Draws	(99,000,000)	(90,000,000)
WAB Payoff	(16,000,000)	(16,000,000)
Other Loan Payoffs	(12,000,000)	(33,000,000)
Fund Fees and Expenses <sup>2</sup>	(26,000,000)	(25,000,000)
<b>Net Outflows</b>	<b>(153,000,000)</b>	<b>(164,000,000)</b>
<b>Cash Available for Distribution</b>	<b>55,000,000</b>	<b>211,000,000</b>
<b>As a Percentage of NAV</b>	<b>6%</b>	<b>23%</b>

(1) Other Inflow includes interest payments.

(2) Fund fees and expenses include administrative costs, management fees, legal fees, taxes, and audit expenses.

**Closing Thoughts**

We are encouraged by the progress made this quarter, particularly as loan resolutions and asset-level decisions begin to translate into capital recovery and the full paydown of the line of credit. The activity seen in Q2 underscores the momentum we are seeking to build—even in the face of ongoing market uncertainty—and reflects our continued focus on disciplined, outcome-oriented execution.

We also want to reiterate that transparency and open communication remain central to us. As shared last quarter, the Fund's reduced management fee is now in effect. We will continue to host quarterly investor calls to directly discuss asset-level updates in more detail. As investors in the Fund ourselves, we remain fully committed and aligned to protecting and recovering value for the Fund.

Thank you again for your continued trust and partnership. Should you have any questions, we welcome direct outreach or connection through our Investor Relations team at [ir@columbiapacific.com](mailto:ir@columbiapacific.com).

Sincerely,

Brad Shain, Portfolio Manager | [brads@columbiapacific.com](mailto:brads@columbiapacific.com) | 206-576-0092

Kevin Quinn, Portfolio Manager | [kevinq@columbiapacific.com](mailto:kevinq@columbiapacific.com) | 206-576-0082

Pete Aparico, Head of Real Estate | [petea@columbiapacific.com](mailto:petea@columbiapacific.com) | 206-519-3961

Keaton Gray, Managing Director, Investor Relations | [keatong@columbiapacific.com](mailto:keatong@columbiapacific.com) | 206-734-4518

## Repayment Activity Summary

Loan Name	Asset Class	Activity	Principal Paydown in Q2 2025	Loan Balance (as of 6/30/25)	Commentary
Terra Farms <i>Othello, WA</i>	Farmland	Partial Loan Paydown	\$5.1	\$5.6	<ul style="list-style-type: none"> <li>Sponsor sold a 45-acre parcel of land adjacent to the farm's corporate headquarters in Othello, WA. Proceeds from the all-cash transaction went directly towards a partial paydown of the CPIF loan.</li> </ul>
Lot 8 <i>Woodinville, WA</i>	Condominium residential units	Partial Loan Paydown	\$2.0	\$27.5	<ul style="list-style-type: none"> <li>The development received its certificate of occupancy for all 31 units, enabling the closing of its sold units. Net proceeds from eight closings were applied toward a partial loan paydown.</li> </ul>
Silo Ridge <i>Amenia, NY</i>	Condominium residential units	Partial Loan Paydown	\$2.3	\$49.0	<ul style="list-style-type: none"> <li>One of the Silo Ridge assets were sold in Q2 2025. The land for this lot served as collateral for CPIF's senior loan, while the home itself was collateral for the mezzanine loan.</li> </ul>
Fordham Landing <i>Bronx, NY</i>	Development project for a mixed-use facility	Loan Sale	\$44.5	\$0	<ul style="list-style-type: none"> <li>These two loans, both underwritten to the same borrower, were sold together as a package to an investment group. The sale provided a clean resolution and avoided potential years of litigation and costly delays.</li> </ul>
CSX II <i>Bronx, NY</i>	Development project for a mixed-use facility	Loan Sale	\$7.5	\$0	

*As of June 30, 2025. \$ presented in millions.*

The disclaimers, definitions and endnotes below apply to this entire document.

## ENDNOTES:

1. “Columbia Pacific Income Fund”, “CPIF” or the “Fund” refers to Columbia Pacific Income Fund I, LP and Columbia Pacific Income Fund II, LP collectively. Both Funds invest in the same underlying holding company, CPIF Investments, LLC. Columbia Pacific Income Fund I was launched in November 2011 to Accredited Investors. Columbia Pacific Income Fund II was launched in January 2015 to Qualified Purchasers.
2. The anticipated cash flow summary presented herein is based on estimates and projections as of the timing of this letter. These projections are subject to change.

## DEFINITIONS:

“Dollar amounts” are reported in millions and are rounded to the nearest \$100,000 unless noted.

“Percentages” are rounded to the nearest tenth of a percent.

## DISCLAIMERS:

Past performance is no guarantee of future results. All investments involve risk of loss of some or even all of the amounts invested. Please refer to the Fund's Private Placement Memorandum for a more detailed discussion of the risks associated with an investment in the Fund.

All 2025 figures included in this letter are subject to final year-end audit adjustments.

This letter contains “forward-looking statements,” which can be identified by use of forward-looking terminology such as “may,” “will,” “should,” “expect,” “attempt,” “anticipate,” “project,” “estimate,” “intend,” “seek,” “target,” “continue,” or “believe,” or the negatives thereof or other variations thereon or comparable terminology. Due to the various risks and uncertainties, actual events or results may differ materially from those reflected or contemplated in such forward-looking statements. Any statements regarding market events, future events or other similar statements constitute only subjective views, are based upon expectations or beliefs of Columbia Pacific Advisors (“CPA”) and involve inherent risks and uncertainties, many of which cannot be predicted or quantified and are beyond CPA’s control.

The contents of this presentation are not to be construed as legal, regulatory, business, accounting, or tax advice and you should consult your own attorney, business advisor, accountant, and tax advisor.