



DigitalBridge Announces Agreement to Sell Wellness Infrastructure Business

September 8, 2021

\$3.2 Billion Sale to Generate \$316 Million of Net Value to DigitalBridge

Transaction Marks Final Stage of Company's Digital Rotation

Portfolio Includes More Than 300 Facilities Across Senior Housing, Skilled Nursing, Medical Office Buildings, and Hospitals

BOCA RATON, Fla.--(BUSINESS WIRE)--Sep. 8, 2021-- DigitalBridge Group, Inc. (NYSE: DBRG) ("DigitalBridge" or the "Company"), a leading global digital infrastructure REIT, today announced it has reached an agreement to sell its Wellness Infrastructure business (the "Wellness Sale") to an investment group comprised of two leading real estate investment firms, Highgate Capital Investments ("Highgate") and Aurora Health Network ("Aurora") in a transaction valued at \$3.2 billion. The total consideration includes \$316 million of net value to DigitalBridge (comprised of \$226 million in cash and a \$90 million 5-year seller note) and the assumption of \$2.6 billion in consolidated investment-level debt and \$294 million of subsidiary-level debt.

The Wellness Sale, upon completion, advances several of the Company's stated strategic goals:

- *'Finish the Mission'* – The Wellness Sale represents the final step in the Company's digital transformation, which has seen six non-digital, legacy segments monetized in the past two years, in line with net carrying values and ahead of schedule by over a year.
- *Simplification* – The sale of the final legacy segment reduces organizational complexity, generates overhead savings, and allows for a sole focus on digital.
- *Enhance Liquidity, Reduce Leverage* – The Wellness Sale increases corporate liquidity to over \$1.5 billion on a pro forma basis, while at the same time reducing consolidated investment-level debt by \$2.6 billion and subsidiary-level debt by an additional \$294 million.

"We are thrilled to announce an agreement to sell our Wellness Infrastructure business ahead of schedule and in-line with our carrying values. Having completed our digital transformation in less than two years, this final step will allow us to emerge as the pure-play, fast-growing digital infrastructure REIT we envisioned from day one," said Marc Ganzi, President and CEO of DigitalBridge. "I want to thank Rich Welch and his team, who have done an incredible job managing our Wellness business through the pandemic, strategically positioning our team to generate positive equity value for our shareholders and remain focused on growing our digital infrastructure platform."

"We are excited to announce another significant transaction with DigitalBridge," said Mahmood Khimji, Co-Founder and Managing Principal of Highgate. "In partnership with Aurora, we look forward to continuing to operate and effectively steward these high-quality healthcare facilities, serving patients and communities across the United States and the United Kingdom."

"We are pleased to enter into this transaction," said Joel Landau, Co-Founder and Managing Director of Aurora. "We look forward to a productive and value-enhancing partnership with Highgate in accordance with our core principles, which combine a focus on clinical excellence and quality of care alongside our deep knowledge of the market."

The Wellness Infrastructure business is composed of a portfolio of more than 300 facilities across senior housing, skilled nursing, medical office buildings and hospitals. Additionally, the Wellness Infrastructure business includes the Company's equity interest in and management of its sponsored non-traded REIT, NorthStar Healthcare Income, Inc. In connection with the Wellness Sale, Highgate and Aurora will assume \$2.6 billion in consolidated investment-level debt collateralized by the Wellness Infrastructure portfolio as well as \$294 million in subsidiary-level debt, including the Company's trust preferred securities (TruPS) and 5.375% exchangeable senior notes, which are obligations of NRF Holdco, the holding company for the Wellness Infrastructure business. The Wellness Sale net value of \$316 million is in line with the net equity carrying value of the underlying assets as of June 30, 2021 when accounting for the transfer of the \$294 million in subsidiary-level debt included in the Wellness Sale.

The Company currently expects the Wellness Sale to be completed in early 2022, subject to closing conditions and third-party approvals. Additional details regarding the Wellness Sale will be contained in a Current Report on Form 8-K to be filed by the Company with the U.S. Securities and Exchange Commission.

Barclays served as financial advisor to DigitalBridge in connection with the transaction and Willkie Farr & Gallagher LLP served as legal counsel. Deutsche Bank Securities Inc. served as financial advisor to Highgate and Aurora and Latham & Watkins LLP served as legal counsel.

About DigitalBridge

DigitalBridge (NYSE: DBRG) is a leading global digital infrastructure REIT. With a heritage of over 25 years of investing in and operating businesses across the digital ecosystem including cell towers, data centers, fiber, small cells, and edge infrastructure, the DigitalBridge team manages a \$35 billion portfolio of digital infrastructure assets on behalf of its limited partners and shareholders. DigitalBridge is headquartered in Boca Raton with key offices in Los Angeles, New York, London, and Singapore. To learn more, visit www.digitalbridge.com.

About Highgate

Highgate is a leading real estate investment and hospitality management company with over \$15 billion of assets under management. Highgate has a 30-year track record as an investment manager, operating partner, and developer for REITs, private equity firms, sovereign wealth funds, high net worth individuals, and other institutional investors. With a particular focus in hospitality real estate, Highgate's portfolio includes over 350 owned and/or managed hotels comprising over 65,000 rooms across the United States, Europe, Latin America, and the Caribbean. Highgate's capabilities extend to adjacent real estate verticals including multifamily, short-term rentals, and diversified healthcare real estate, as well as investments in real estate-linked securities, technology platforms, and hospitality-related operating businesses. Highgate maintains corporate offices in New York, Dallas, London, Miami, Seattle, and Waikiki. www.highgate.com.

About Aurora

Aurora Health Network is a premier healthcare-focused investment firm managing high-performing facilities throughout the US. Through a strategic, long-term outlook, Aurora develops lasting value for both investors and the healthcare establishments within its portfolio.

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, whether the Company will complete the Wellness Sale within the timeframe anticipated or at all, including the Company's ability to obtain any necessary third-party approvals to consummate the transaction, whether the Company will realize any of the anticipated benefits from the Wellness Sale, the timing and pace of the Company's digital transformation, including the Company's ability to rotate the balance sheet and redeploy capital into digital infrastructure, whether the Company will realize any of the anticipated benefits of such transformation, and other risks and uncertainties, including those detailed in DigitalBridge's Annual Report on Form 10-K for the year ended December 31, 2020, Quarterly Reports on Form 10-Q for the quarters ended March 31, 2021 and June 30, 2021, 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. DigitalBridge 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. DigitalBridge 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 DigitalBridge does not intend to do so.

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Investors:

Severin White
DigitalBridge Group, Inc.
Managing Director, Head of Public Investor Relations
severin.white@digitalbridge.com
(212) 547-2777

Media:

Joele Frank, Wilkinson Brimmer Katcher
Julie Hamilton / Jon Keehner
dbrg-jf@joelefrank.com
(212) 355-4449

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