



DIGITALBRIDGE

Valuation Framework

April 2023

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This presentation may contain forward-looking statements within the meaning of the federal securities laws, including statements relating to (i) our strategy, outlook and growth prospects, (ii) our operational and financial targets and (iii) general economic trends and trends in our industry and markets. 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. In addition, this presentation contains estimated values of components of our business. The estimated values presented are indicative and based on the following assumptions (in addition to the assumptions stated elsewhere in this presentation): (i) the Company meets its 2023 guidance, (ii) existing and future funds meet or exceed their target returns, (iii) multiples to determine (A) the market value of alternative asset managers in relation to FRE and (B) data center companies to EBITDA remain steady or improve, (iv) the Company will be able to dispose of its Operating segment and legacy assets at or above book value, (v) our FRE margins will remain steady following the deconsolidation of our Operating segment and (vi) our performance fees will be valued by public market participants in a manner consistent with our calculation (using the present value of projected future performance fees applying a 15% discount rate).

Forward-looking statements involve known and unknown risks, uncertainties, assumptions and contingencies, many of which are beyond the Company’s control, and may cause the Company’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 ability to grow our business by raising capital for our funds and the companies that we manage; whether run rate metrics presented herein are reflective of actual annual data; our position as an owner, operator and investment manager of digital infrastructure and our ability to manage any related conflicts of interest; adverse changes in general economic and political conditions, including those resulting from supply chain difficulties, inflation, interest rate increases, a potential economic slowdown or a recession; our ability to deconsolidate our Operating segment; our exposure to business risks in Europe, Asia and other foreign markets; our ability to obtain and maintain financing arrangements, including securitizations, on favorable or comparable terms or at all; the ability of our managed companies to attract and retain key customers and to provide reliable services without disruption; the reliance of our managed companies on third-party suppliers for power, network connectivity and certain other services; our ability to increase assets under management (“AUM”) and expand our existing and new investment strategies; our ability to integrate and maintain consistent standards and controls, including our ability to manage our acquisitions in the digital infrastructure and investment management industries effectively; our business and investment strategy, including the ability of the businesses in which we have significant investments to execute their business strategies; performance of our investments relative to our expectations and the impact on our actual return on invested equity, as well as the cash provided by these investments and available for distribution; our ability to deploy capital into new investments consistent with our investment management strategies; the availability of, and competition for, attractive investment opportunities and the earnings profile of such new investments; our ability to achieve any of the anticipated benefits of certain joint ventures, including any ability for such ventures to create and/or distribute new investment products; our expected hold period for our assets and the impact of any changes in our expectations on the carrying value of such assets; the general volatility of the securities markets in which we participate; the market value of our assets; interest rate mismatches between our assets and any borrowings used to fund such assets; effects of hedging instruments on our assets; the impact of economic conditions on third parties on which we rely; the impact of any security incident or deficiency affecting our systems or network or the system and network of any of our managed companies or service providers; any litigation and contractual claims against us and our affiliates, including potential settlement and litigation of such claims; our levels of leverage; the impact of legislative, regulatory and competitive changes, including those related to privacy and data protection; the impact of our transition from a real estate investment trust (“REIT”) to a taxable C corporation for tax purposes, and the related liability for corporate and other taxes; whether we will be able to utilize existing tax attributes to offset taxable income to the extent contemplated; our ability to maintain our exemption from registration as an investment company under the Investment Company Act of 1940, as amended (the “1940 Act”); changes in our board of directors or management team, and availability of qualified personnel; our ability to make or maintain distributions to our stockholders; and our understanding of and ability to successfully navigate the competitive landscape in which we and our managed companies operate and other risks and uncertainties, including those detailed in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2022 under the heading “Risk Factors,” as such factors may be updated from time to time in the Company’s subsequent periodic filings 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. Additional information about these and other factors can be found in the Company’s reports filed from time to time with the SEC.

The Company cautions investors not to unduly rely on any forward-looking statements. The forward-looking statements speak only as of the date of this presentation. The Company is under no duty to update any of these forward-looking statements after the date of this presentation, nor to conform prior statements to actual results or revised expectations, and the Company does not intend to do so.

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 the Company. This information is not intended to be indicative of future results. Actual performance of the Company may vary materially.

The appendices 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 appendices.

EVOLUTION TO AN EARNINGS-DRIVEN VALUATION FRAMEWORK

DigitalBridge has transitioned from a valuation framework based on net asset value to a framework based primarily on earnings-driven value. Three of the four principal components of value at DBRG today are earnings driven.

1) FEE RELATED EARNINGS (“FRE”) VALUE

\$14 - \$17

- Predictable and growing management fee streams associated with long-dated funds
- Valued on multiple of FRE basis, consistent with other alternative asset managers, adjusted for DBRG growth & margin profile
- **Simple Algorithm:** FEEUM multiplied by Average Fee Rate margin at IM business

2) PERFORMANCE FEES

\$5 - \$7

- DigitalBridge investors participate in performance fees (carried interest) in fund vehicles
- Future value based on targeted fund-level performance

3) OPERATING SEGMENT

\$2 - \$4

- Minority interests in DataBank and Vantage SDC
- Valued on multiple of EBITDA, consistent with comparable digital REITs, Data Centers in particular

4) NET BALANCE SHEET VALUE

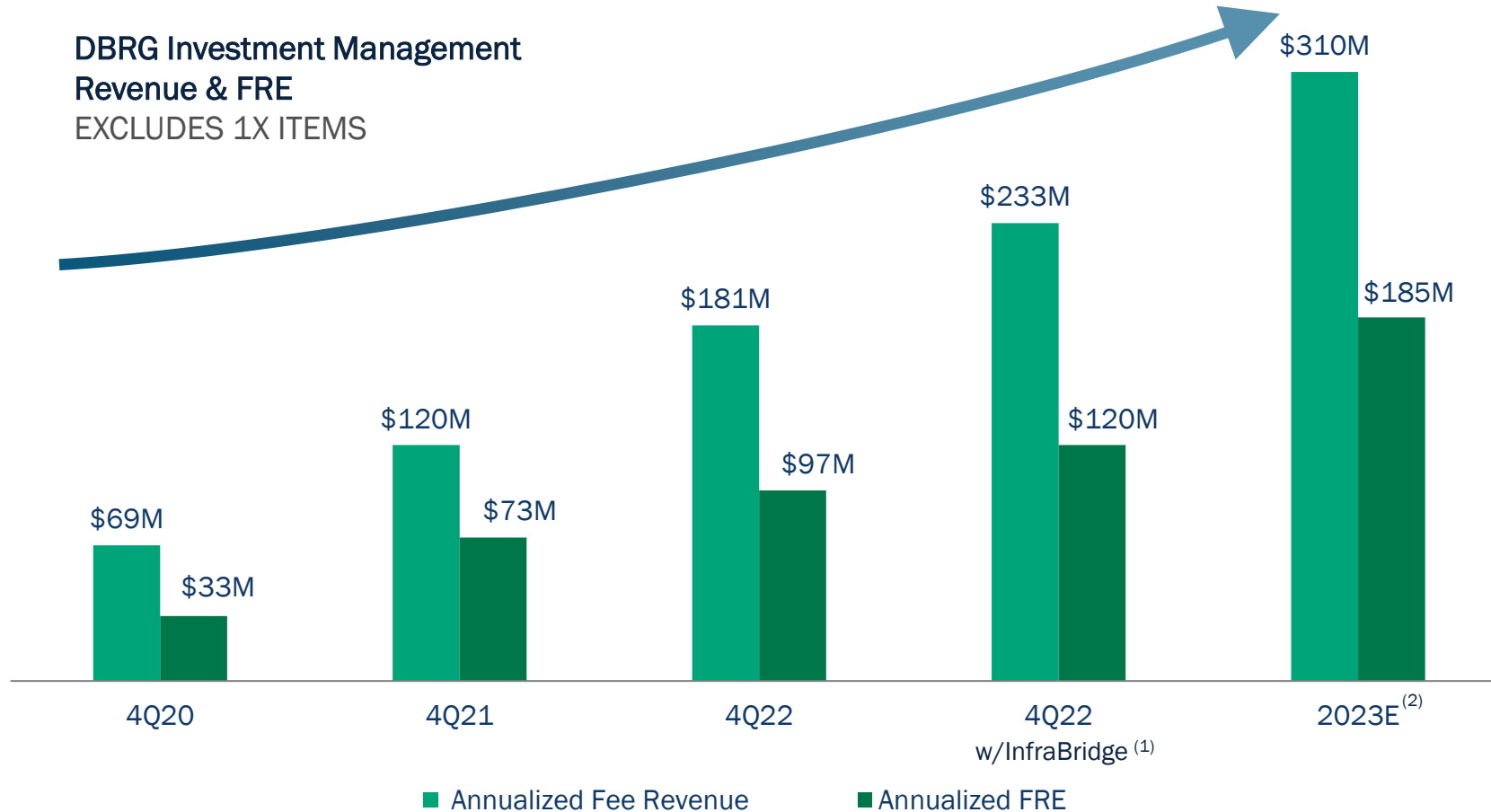
(\$0.9) – (\$1.0)

- NAV of DBRG GP Investments in our funds, Remaining Legacy Investments
- Cash, Corporate Debt, Preferred Equity

1

Fee Related Earnings (FRE) have ‘lower left to upper right trajectory’

- Steady, predictable FRE earnings stream driven by capital formation for long-dated private investment funds
- Attractive margin profile



Greater than 4x growth in Revenue and FRE in 4 years

Note: There can be no assurance that actual amounts will not be materially higher or lower than these expectations. Readers should refer to the discussion in the Cautionary Statement Regarding Forward-Looking Statements section at the beginning of this presentation.

(1) Includes run-rate adjustments for closing of the AMP Capital transaction as originally contemplated, which was finalized on February 2, 2023.

(2) Represents the mid point of 2023 Run Rate Revenue and FRE guidance, issued in the 4Q22 Earnings Presentation

1

DIGITALBRIDGE HAS STRONG RELATIVE FRE FUNDAMENTALS

DigitalBridge is growing faster, with strong margins, and has longer-dated funds than many of our peers

1 DBRG growing management fees faster than peers

Management Fees	2020A – 2023E CAGR
Alt. Asset Manager Peers ⁽¹⁾	23%
DBRG IM Platform (Consolidated, Organic)	37%
DBRG IM Platform (At Share, incl. Wafra/AMP Transactions)	65%

2 Strong Margins - Benefits of Specialization

	Average FRE Margin	FRE Range
Alternative Asset Managers ⁽¹⁾	50%	40-60%
DBRG IM Platform (Segment Level FRE)	55%	48-60%

3 Weighted average life of our funds is long-dated

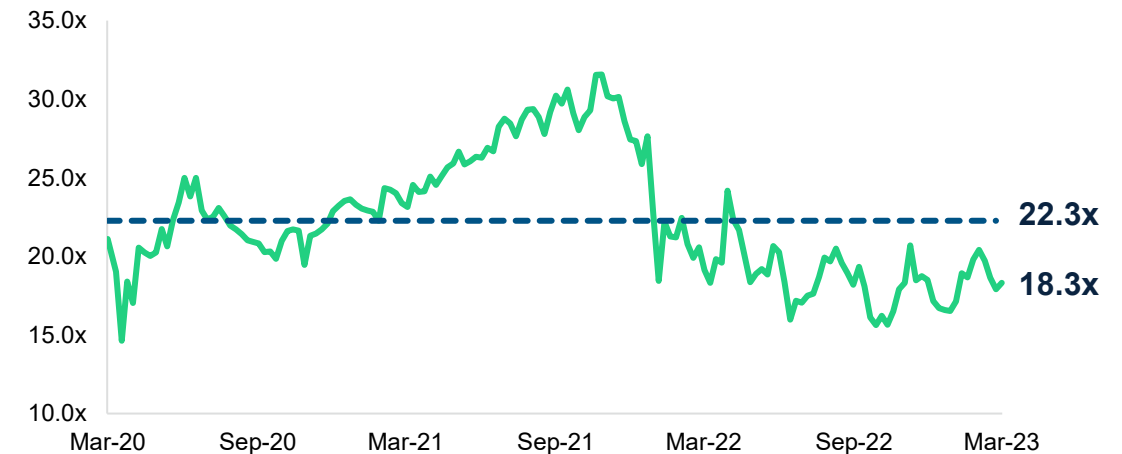
	Average Life	Avg. Harvest Period
DBRG Infrastructure Funds	10 Year +	Years 7 - 10
Traditional Private Equity	7 - 10 Years	Years 5 - 7

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(1) Alternative asset manager growth rates and margins sourced from publicly available presentations with 2023 Estimated Management fees sourced from KBW 2Q22 Report. peer group consists of: APO, ARES, BX, CG, KKR and TPG
 (2) FactSet as of 3/3/2023. Multiples are not market-weighted and reflect simple average for the peer group. Alternative asset manager peer group consists of: APO, ARES, BX, CG, KKR and TPG

Alternative Asset Manager Multiples

Alternative Asset Managers - 3-Year Average FREx ⁽²⁾



Source: FactSet

Equity Value / NTM FRE

- Alternative asset managers currently trading at 18.3x FRE
- 3 Year Average is 22.3x FRE

FEE RELATED EARNINGS (FRE) VALUE

\$14–17 Value Per Share Today

Fee Related Earnings Value

(\$ in Millions)

	<u>Current Average</u>	<u>3 Year Avg</u>
2023 FRE Guide: Less Corp. Overhead ⁽¹⁾	\$ 135	\$ 135
Indicative FRE Multiple ⁽²⁾	<u>18.3x</u>	<u>22.3x</u>
Equity Value	\$ 2,470	\$ 3,010
Fully Diluted Shares Outstanding ⁽³⁾	<u>182M</u>	<u>182M</u>
Value Per Share	<u>\$ 13.57</u>	<u>\$ 16.54</u>

DBRG is currently trading below FRE value using alt manager market multiples at the low end of recent historical range

Analysis assumes the company meets or exceeds the midpoint of its 2023 FRE guidance, and does not incorporate forward-looking 2025 guidance

1 Midpoint 2023 Run Rate FRE Guidance of \$185M, offset by \$50M corporate overhead allocation; 2023 Run Rate FRE Guide Range is \$165M – 205M

2 Alternative Asset Manager Multiples, pg.5

3 Assumes dilution attributable to full redemption of \$78m 2025 converts, +8.5m shares from current levels

PERFORMANCE FEE VALUE (CARRIED INTEREST)

~\$2.5B +

Est. 10-year Performance Fees
through 2025 Guidance

~\$1.0B +

Discount Rate @ 15%

Performance Fees are forecast at >\$2.5 billion over the next ten years based on:

- Existing and projected fundraising⁽¹⁾
- Targeted fund-level performance

This represents ~\$1.0 billion⁽²⁾ in present value to DBRG shareholders, \$5 to \$7 / share of value

DBRG internal model utilizes detailed forecasts on a 'per fund' basis, including customized assumptions for MOIC, holding period, carry %, hurdles, and DBRG share

(1) Current and projected fundraising with DBRG guidance forecast through 2025, excluding any capital raised after 2025 and any projected carried interest from Liquid Funds

(2) Utilizes a 15% discount rate

(3) Capital deployed / realized on projected schedules for existing funds and evenly over period for future funds

(4) ~10% for co-invest funds, ~20% for flagship funds

KEY ASSUMPTIONS⁽¹⁾

Avg. Investment Period ⁽³⁾	3 years
Avg. Hold Period	5 years
Avg. MOIC Target	2.0x +
Avg. Preferred Return	6% to 8%
Avg. Carried Interest Share ⁽⁴⁾	10% to 20%
Corporate Share of Carried Interest	~25% hist., ~35% go-forward
Discount Rate	15%

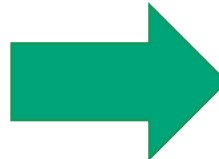
Note: The values set forth in this presentation are indicative and based on the assumptions described herein, including in the Cautionary Statement Regarding Forward-Looking Statements section at the beginning of this presentation. There can be no assurance that the target rates or investment objectives of the Company's funds will be achieved.

3

OPERATING SEGMENT VALUE OF ~\$2 - 4 PER SHARE

Traditional ‘public comps’ analysis understates value DigitalBridge has demonstrated with DataBank recap

Traditional ‘Public Comps’ values Operating Segment at ~\$330-430M Net Equity



Operating Segment EBITDA – Post Recap ⁽¹⁾	\$50M	\$50M
Multiple ⁽²⁾	18.0x	20.0x
Enterprise Value	\$900M	\$1,000M
Less: Debt (as of 12/31/22) ⁽¹⁾	\$568M	\$568M
Total Digital Operating Value	\$330M	\$430M

Data Center Comparables

Company	Price/sh. (\$)	Mkt Cap (\$M)	EV (\$M)	EV / EBITDA	
				2022A	2023E
Equinix (EQIX)	\$709.23	\$65,840	\$80,403	23.9x	21.6x
Digital Realty (DLR)	\$94.79	\$28,205	\$46,886	20.7x	16.9x
Average				22.3x	19.3x

Source: Bloomberg, 4/3/2023

Demonstrated Value of DataBank recap + original cost on Vantage SDC is closer to \$700M, ~\$350M difference, +\$2/share of value

Databank Retained Value (at Recap pricing)	\$480M
Vantage SDC (Original Invested Equity)	\$200M
TOTAL OPERATING SEGMENT VALUE	\$680M

DBRG is seeking to harvest additional value from Operating Segment at attractive valuations to redeploy into accretive uses

1. Remaining EBITDA and Debt figures reflect post-Phase II DataBank recap, \$50M Operating Segment EBITDA is base case of 2023 Operating Guidance
2. Multiple range derived from recent trading of remaining public Data Center stocks (i.e. EQIX & DLR)

4 NET BALANCE SHEET VALUE

Tangible assets net of liabilities, inclusive of corporate debt and preferreds. (\$0.90-1.00)/share of net value

Assets

Digital

GP Investments (DBRG investments in our own funds)	\$270
GP Investments in Other DBRG Offerings ⁽¹⁾ (Credit, Core, InfraBridge, Liquid, Ventures)	312
GP Investment Total	\$582

Legacy

Remaining Legacy	50
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Corporate Cash	527
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Total Assets	\$1,159
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Includes \$733M cash balance at 12/31/22, Adjusted for AMP acquisition (\$316M), BRSP Share Sale \$200M and Wafra Earnout (\$90M)

Liabilities⁽²⁾

2023 Converts (due April 2023)	(\$200)
Fund Fee Securitization	(300)
Variable Funding Notes (Revolver, \$300M available)	--
Preferred Equity	(828)
Total ⁽²⁾	(\$1,328)

Note: The values set forth in this presentation are indicative and based on the assumptions described herein, including in the Cautionary Statement Regarding Forward-Looking Statements section at the beginning of this presentation. There can be no assurance that actual amounts will not be materially higher or lower than these expectations.

(2) Excludes \$78.4M of debt in relation to an assumed exchange of the Company's remaining in-the-money 5.75% senior notes for 8.5 million class A shares.

Reverse The Analysis

‘What am I paying for the investment management FRE stream?’

At current prices, DBRG shares imply an FRE multiple of 7.1x

This represents a unique opportunity to buy a world class digital infrastructure investment manager at a significant discount

DBRG Implied FRE Multiple

DBRG Current Price (as of 4/6/2023)	\$11.39
Shares Outstanding (fully diluted)	<u>182M</u>
Market Capitalization	\$2,073M
<u>Conservative Case</u>	
3 Digital Operating Value (pg.8)	\$680M
2 Performance Fees Value (conservative, 60% of pg.7 est.)	\$600M
4 Net Balance Sheet Value (includes debt, pg.9)	<u>(\$167M)</u>
1 Current Implied Digital FRE Value	\$960M
2023 DBRG IM FRE Est. (incl. overhead)	\$135M
Implied FRE Acquisition Multiple	7.1x

Note: The values set forth in this presentation are indicative and based on the assumptions described herein, including in the Cautionary Statement Regarding Forward-Looking Statements section at the beginning of this presentation. There can be no assurance that actual amounts will not be materially higher or lower than these expectations.

IMPORTANT NOTE REGARDING NON-GAAP FINANCIAL MEASURES

This presentation includes certain “non-GAAP” supplemental measures that are not defined by generally accepted accounting principles, or GAAP, including the financial metrics defined below, of which the calculations may from methodologies utilized by other companies for similar performance measurements, and accordingly, may not be comparable to those of other companies.

This presentation includes forward-looking guidance for certain non-GAAP financial measures, including Adjusted EBITDA, FRE, Run-rate Investment Management Fee Revenue and Run-Rate Investment Management Fee Related Earnings. These measures will differ from net income, determined in accordance with GAAP, in ways similar to those described in the reconciliations of historical Adjusted EBITDA and FRE to net income. We do not provide guidance for net income, determined in accordance with GAAP, or a reconciliation of guidance for these measures to the most directly comparable GAAP measure because the Company is not able to predict with reasonable certainty the amount or nature of all items that will be included in net income.

Digital Investment Management Fee Related Earnings (Digital IM FRE): Digital IM FRE is calculated as recurring fee income and other income inclusive of cost reimbursements (related to administrative expenses), and net of compensation expense (excluding equity-based compensation, carried interest and incentive compensation) and administrative expense (excluding placement fees and straight-line rent). Digital IM FRE is used to assess the extent to which direct base compensation and operating expenses are covered by recurring fee revenues in the digital investment management business. We believe that Digital IM FRE is a useful supplemental performance measure because it may provide additional insight into the profitability of the overall digital investment management business.

Digital IM FRE is measured as Adjusted EBITDA for the Digital IM segment, adjusted to reflect the Company’s Digital IM segment as a stabilized business by excluding FRE associated with new investment strategies that have 1) not yet held a first close raising FEEUM; or 2) not yet achieved break-even Adjusted EBITDA only for investment products that may be terminated solely at the Company’s discretion, collectively referred to as “Start-up FRE.” The Company evaluates new investment strategies on a regular basis and excludes Start-Up FRE from Digital IM FRE until such time a new strategy is determined to form part of the Company’s core investment management business.

Digital Operating Earnings before Interest, Taxes, Depreciation and Amortization for Real Estate (EBITDAre) and Adjusted EBITDA: The Company calculates EBITDAre in accordance with the standards established by the National Association of Real Estate Investment Trusts, which defines EBITDAre as net income or loss calculated in accordance with GAAP, excluding interest, taxes, depreciation and amortization, gains or losses from the sale of depreciated property, and impairment of depreciated property. The Company calculates Adjusted EBITDA by adjusting EBITDAre for the effects of straight-line rental income/expense adjustments and amortization of acquired above- and below-market lease adjustments to rental income, revenues and corresponding costs related to the delivery of installation services, equity-based compensation expense, restructuring and transaction related costs, the impact of other impairment charges, gains or losses from sales of undepreciated land, gains or losses from foreign currency remeasurements, and gains or losses on early extinguishment of debt and hedging instruments. The Company uses EBITDAre and Adjusted EBITDA as supplemental measures of our performance because they eliminate depreciation, amortization, and the impact of the capital structure from its operating results. EBITDAre represents a widely known supplemental measure of performance, EBITDA, but for real estate entities, which we believe is particularly helpful for generalist investors in REITs. EBITDAre depicts the operating performance of a real estate business independent of its capital structure, leverage and non-cash items, which allows for comparability across real estate entities with different capital structure, tax rates and depreciation or amortization policies. Additionally, exclusion of gains on disposition and impairment of depreciated real estate, similar to FFO, also provides a reflection of ongoing operating performance and allows for period-over-period comparability. However, because EBITDAre and Adjusted EBITDA are calculated before recurring cash charges including interest expense and taxes and are not adjusted for capital expenditures or other recurring cash requirements, their utilization as a cash flow measurement is limited.

Fee Related Earnings Margin (FRE Margin): FRE Margin is calculated by dividing Digital IM FRE by management fee revenues, excluding one-time catch-up fees and/or incentives fees

Fee-Earning Equity Under Management (“FEEUM”): Equity for which the Company and its affiliates provides investment management services and derives management fees and/or performance allocations. FEEUM generally represents the basis used to derive fees, which may be based on invested equity, stockholders’ equity, or fair value pursuant to the terms of each underlying investment management agreement. The Company’s calculations of FEEUM may differ materially from the calculations of other asset managers, and as a result, this measure may not be comparable to similar measures presented by other asset managers.

Run-rate Investment Management Fee Related Earnings: Calculated as Run-rate Investment Management Fee Revenues less compensation expense (excluding equity-based compensation, carried interest and incentive compensation) and administrative expense (excluding placement fees and straight-line rent, net of any cost reimbursements) calculated on annualized basis at the end of the time period being presented.

Run-rate Investment Management Fee Revenue: Calculated as FEEUM, inclusive of uncalled contractual commitments expected to be called within their commitment periods by investment vehicles that charge fees on invested capital once called, multiplied by the blended average fee rate as of the most recent reporting period. The Company’s calculations of Run-rate Investment Management Fee Revenues may not be achieved if all uncalled commitments are not called

In evaluating the information presented throughout this presentation see definitions and reconciliations of non-GAAP financial measures to GAAP measures. For purposes of comparability, historical data in this presentation may include certain adjustments from prior reported data at the historical period.

NON-GAAP RECONCILIATIONS

(\$ in thousands)

	FY 2022	4Q22	3Q22	2Q22	1Q22	FY 2021	4Q21	3Q21	2Q21	1Q21
IM net income (loss)	\$ 186,084	\$ 81,167	\$ 46,065	\$ 67,995	\$ (9,143)	\$ 90,915	\$ 28,194	\$ 39,272	\$ 15,786	\$ 7,663
Adjustments:										
Interest expense (income)	10,377	2,200	2,906	2,771	2,500	4,748	2,499	2,250	-	(1)
Investment expense, net of reimbursement	324	156	230	(200)	138	20	(12)	-	-	32
Depreciation and amortization	22,155	6,135	5,369	5,375	5,276	29,380	5,928	8,242	6,298	8,912
Compensation expense—equity-based	15,845	6,639	2,654	3,361	3,191	7,376	2,011	2,046	1,786	1,533
Compensation expense—carried interest and incentive	202,286	92,738	80,831	49,069	(20,352)	65,890	25,921	31,736	8,266	(33)
Administrative expenses—straight-line rent	1,844	1,541	68	76	159	197	75	74	50	(2)
Administrative expenses—placement agent fee	-	-	-	-	-	10,967	880	3,069	6,959	59
Transaction-related and restructuring charges	18,402	8,101	2,317	4,042	3,942	5,194	2,516	2,627	51	-
Incentive/performance fee income	(409,381)	(176,944)	(121,698)	(110,779)	40	(11,522)	(5,720)	(1,313)	(4,489)	-
Equity method (earnings) losses	26,958	(2,072)	(1,016)	(1,016)	31,062	(101,812)	(31,608)	(59,196)	(11,203)	195
Other (gain) loss, net	3,341	(248)	110	424	3,055	(797)	(52)	(461)	(119)	(165)
Income tax (benefit) expense	7,815	2,172	1,263	2,006	2,374	7,184	1,852	3,089	2,236	7
IM Adjusted EBITDA	\$ 86,050	\$ 21,585	\$ 19,099	\$ 23,124	\$ 22,242	\$ 107,740	\$ 32,484	\$ 31,435	\$ 25,621	\$ 18,200
Exclude: Start-up FRE of certain new strategies	9,739	2,643	2,399	2,335	2,362	8,527	2,306	2,224	2,059	1,938
IM FRE	\$ 95,789	\$ 24,228	\$ 21,498	\$ 25,459	\$ 24,604	\$ 116,267	\$ 34,790	\$ 33,659	\$ 27,680	\$ 20,138
Wafra's 31.5% ownership	(12,315)	-	-	(4,700)	(7,615)	(36,535)	(11,033)	(10,737)	(8,210)	(6,555)
DBRG OP share of IM FRE	\$ 83,474	\$ 24,228	\$ 21,498	\$ 20,759	\$ 16,989	\$ 79,732	\$ 23,757	\$ 22,922	\$ 19,470	\$ 13,583