UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2023

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number: 001-37980

DigitalBridge Group, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Maryland	**46-4591526**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**

750 Park of Commerce Drive, Suite 210
Boca Raton, Florida 33487
(Address of Principal Executive Offices, Including Zip Code)
(561) 570-4644
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Class A Common Stock, $0.01 par value	DBRG	New York Stock Exchange
Preferred Stock, 7.125% Series H Cumulative Redeemable, $0.01 par value	DBRG.PRH	New York Stock Exchange
Preferred Stock, 7.15% Series I Cumulative Redeemable, $0.01 par value	DBRG.PRI	New York Stock Exchange
Preferred Stock, 7.125% Series J Cumulative Redeemable, $0.01 par value	DBRG.PRJ	New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☒	Accelerated Filer	☐
Non-Accelerated Filer	☐	Smaller Reporting Company	☐
		Emerging Growth Company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards pursuant to Section 13(a) of the Exchange Act. Yes ☐ No ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes☐ No ☒

As of October 27, 2023, 163,244,425 shares of the Registrant's class A common stock and 166,494 shares of class B common stock were outstanding.

DigitalBridge Group, Inc.
Form 10-Q
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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

DigitalBridge Group, Inc.
Consolidated Balance Sheets
(In thousands, except per share data)

	September 30, 2023 (unaudited)	December 31, 2022
Assets		
Cash and cash equivalents	$ 434,044	$ 918,254
Restricted cash	104,626	118,485
Investments ($276,457 and $426,032 at fair value)	1,879,981	1,242,001
Real estate	3,050,577	5,921,298
Goodwill	466,092	761,368
Deferred leasing costs and intangible assets	697,754	1,092,167
Other assets ($0 and $11,793 at fair value)	165,340	654,050
Due from affiliates	69,695	45,360
Assets held for disposition	3,982	275,520
Total assets	$ 6,872,091	$ 11,028,503
Liabilities		
Corporate debt	$ 371,121	$ 568,912
Non-recourse investment-level debt	2,786,052	4,587,228
Intangible liabilities	20,833	29,824
Other liabilities ($131,435 and $183,628 at fair value)	668,572	1,272,096
Liabilities related to assets held for disposition	175	380
Total liabilities	3,846,753	6,458,440
Commitments and contingencies (Note 17)		
Redeemable noncontrolling interests	27,178	100,574
Equity		
Stockholders' equity:		
Preferred stock, $0.01 par value per share; $821,899 and $827,779 liquidation preference; 250,000 shares authorized; 32,876 and 33,111 shares issued and outstanding	794,670	800,355
Common stock, $0.01 and $0.04 par value per share		
Class A, 237,250 shares authorized; 163,264 and 159,763 shares issued and outstanding	1,632	6,390
Class B, 250 shares authorized; 166 shares issued and outstanding	2	7
Additional paid-in capital	7,835,826	7,818,068
Accumulated deficit	(6,941,470)	(6,962,613)
Accumulated other comprehensive income (loss)	113	(1,509)
Total stockholders' equity	1,690,773	1,660,698
Noncontrolling interests in investment entities	1,241,556	2,743,896
Noncontrolling interests in Operating Company	65,831	64,895
Total equity	2,998,160	4,469,489
Total liabilities, redeemable noncontrolling interests and equity	$ 6,872,091	$ 11,028,503

The accompanying notes form an integral part of the consolidated financial statements.

DigitalBridge Group, Inc.
Supplemental Schedule to Consolidated Balance Sheets
(In thousands)
(Unaudited)

	Investment Management		Operating		Corporate and Other	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Assets						
Cash and cash equivalents	$ 62,212	$ 39,563	$ 59,982	$ 65,975	$ 311,850	$ 812,716
Restricted cash	4,116	2,298	98,701	114,442	1,809	1,745
Investments (Note 4)	568,892	395,327	—	4,638	1,311,089	842,036
Real estate (Note 5)	—	—	3,050,577	5,921,298	—	—
Goodwill (Note 6)	466,092	298,248	—	463,120	—	—
Deferred leasing costs and intangible assets (Note 6)	110,287	85,172	586,987	1,006,469	480	526
Other assets (Note 7)	29,771	13,356	89,234	573,229	46,335	67,465
Due from affiliates (Note 16)	67,424	41,458	—	—	2,271	3,902
	$ 1,308,794	$ 875,422	$ 3,885,481	$ 8,149,171	$ 1,673,834	$ 1,728,390
Liabilities						
Corporate debt (Note 8)	$ 199,745	$ 198,677	$ 70,499	$ 70,120	$ 100,877	$ 300,115
Non-recourse investment-level debt (Note 8)	—	—	2,781,637	4,586,765	4,415	463
Intangible liabilities (Note 6)	—	—	20,833	29,824	—	—
Other liabilities (Note 7)	369,772	342,696	118,977	725,236	179,823	204,164
	$ 569,517	$ 541,373	$ 2,991,946	$ 5,411,945	$ 285,115	$ 504,742
Redeemable noncontrolling interests (Note 10)	$ 909	$ 680	$ —	$ —	$ 26,269	$ 99,894
Noncontrolling interests in investment entities (1)	228,838	136,668	837,793	2,463,559	173,838	113,390

(1) Excludes amounts related to assets held for disposition in connection with discontinued operations.

The accompanying notes form an integral part of the consolidated financial statements.

DigitalBridge Group, Inc.
Consolidated Statements of Operations
(In thousands, except per share data)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Revenues				
Fee income ($63,496, $40,350, $183,112 and $125,757 from affiliates)	$ 65,240	$ 41,263	$ 190,108	$ 128,418
Carried interest allocation	168,891	121,698	193,389	201,398
Principal investment income	17,943	11,531	51,914	34,429
Property operating income	214,058	244,336	679,738	681,098
Other income ($1,210, $995, $3,839 and $5,693 from affiliates)	10,948	11,024	37,024	33,975
Total revenues	477,080	429,852	1,152,173	1,079,318
Expenses				
Property operating expense	94,481	105,987	289,838	287,280
Interest expense	49,894	53,032	173,112	143,450
Investment expense	5,728	9,510	16,732	26,262
Transaction-related costs	896	3,879	10,536	6,800
Placement fees	15	—	3,668	—
Depreciation and amortization	128,000	145,594	419,136	429,513
Compensation expense—cash and equity-based	74,714	65,544	232,356	183,878
Compensation expense—incentive fee and carried interest allocation	72,865	80,831	72,110	109,548
Administrative expenses	24,077	29,909	76,346	84,147
Total expenses	450,670	494,286	1,293,834	1,270,878
Other gain (loss), net	254,827	25,908	100,545	(170,229)
Income (loss) from continuing operations before income taxes	281,237	(38,526)	(41,116)	(361,789)
Income tax benefit (expense)	143	7,841	(4,168)	17,772
Income (loss) from continuing operations	281,380	(30,685)	(45,284)	(344,017)
Income (loss) from discontinued operations	(2,603)	(90,302)	(20,799)	(188,735)
Net income (loss)	278,777	(120,987)	(66,083)	(532,752)
Net income (loss) attributable to noncontrolling interests:				
Redeemable noncontrolling interests	132	(6,442)	4,634	(31,989)
Investment entities	(17,746)	(60,623)	(142,241)	(152,770)
Operating Company	19,918	(4,834)	1,511	(30,786)
Net income (loss) attributable to DigitalBridge Group, Inc.	276,473	(49,088)	70,013	(317,207)
Preferred stock dividends	14,645	15,283	43,996	46,801
Preferred stock repurchases	—	(1,098)	(927)	(1,098)
Net income (loss) attributable to common stockholders	$ 261,828	$ (63,273)	$ 26,944	$ (362,910)
Income (loss) per share—basic				
Income (loss) from continuing operations per common share—basic	$ 1.61	$ 0.07	$ 0.29	$ (1.33)
Net income (loss) attributable to common stockholders per common share—basic	$ 1.60	$ (0.39)	$ 0.17	$ (2.37)
Income (loss) per share—diluted				
Income (Loss) from continuing operations per common share—diluted	$ 1.49	$ 0.07	$ 0.28	$ (1.33)
Net income (loss) attributable to common stockholders per common share—diluted	$ 1.48	$ (0.39)	$ 0.16	$ (2.37)
Weighted average number of shares				
Basic	160,564	162,398	159,600	153,028
Diluted	173,862	162,398	164,020	153,028
Dividends declared per common share	$ 0.01	$ 0.01	$ 0.03	$ 0.01

The accompanying notes form an integral part of the consolidated financial statements.

DigitalBridge Group, Inc.
Supplemental Schedule to Consolidated Statements of Operations
(In thousands)
(Unaudited)

	Investment Management		Operating		Corporate and Other	
	Three Months Ended September 30,		Three Months Ended September 30,		Three Months Ended September 30,	
	2023	2022	2023	2022	2023	2022
Revenues						
Fee income (Note 14)	$ 66,058	$ 42,039	$ —	$ —	$ (818)	$ (776)
Carried interest allocation	168,891	121,698	—	—	—	—
Principal investment income	1,451	1,016	—	—	16,492	10,515
Property operating income (Note 5)	—	—	214,058	225,323	—	19,013
Other income	1,255	1,914	319	64	9,374	9,046
Total revenues	237,655	166,667	214,377	225,387	25,048	37,798
Expenses						
Property operating expense	—	—	94,481	100,051	—	5,936
Interest expense	2,651	2,953	45,305	40,770	1,938	9,309
Investment expense	409	1,711	5,084	5,288	235	2,511
Transaction-related costs	881	1,282	—	—	15	2,597
Placement fees	15	—	—	—	—	—
Depreciation and amortization	9,003	5,369	118,681	130,663	316	9,562
Compensation expense—cash and equity-based	39,760	22,566	21,598	30,574	13,356	12,404
Compensation expense—incentive fee and carried interest allocation	72,865	80,831	—	—	—	—
Administrative expenses	9,410	4,517	7,525	7,400	7,142	17,992
Total expenses	134,994	119,229	292,674	314,746	23,002	60,311
Other gain (loss), net	(2,662)	(110)	(1,612)	(4,418)	259,101	30,436
Income (loss) from continuing operations before income taxes	99,999	47,328	(79,909)	(93,777)	261,147	7,923
Income tax benefit (expense)	15	(1,263)	202	5	(74)	9,099
Income (loss) from continuing operations	100,014	46,065	(79,707)	(93,772)	261,073	17,022
Income (loss) from continuing operations attributable to noncontrolling interests:						
Redeemable noncontrolling interests	—	25	—	—	132	(6,467)
Investment entities	43,666	19,888	(68,743)	(76,706)	7,386	6,422
Operating Company	3,957	1,919	(773)	(1,185)	16,913	158
Income (loss) from continuing operations attributable to DigitalBridge Group, Inc.	$ 52,391	$ 24,233	$ (10,191)	$ (15,881)	$ 236,642	$ 16,909

The accompanying notes form an integral part of the consolidated financial statements.

DigitalBridge Group, Inc.
Supplemental Schedule to Consolidated Statements of Operations
(In thousands)
(Unaudited)

	Investment Management		Operating		Corporate and Other	
	Nine Months Ended September 30,		Nine Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022	2023	2022
Revenues						
Fee income (Note 14)	$ 192,787	$ 130,789	$ —	$ —	$ (2,679)	$ (2,371)
Carried interest allocation	193,389	201,398	—	—	—	—
Principal investment income	3,373	2,049	—	—	48,541	32,380
Property operating income (Note 5)	—	—	679,738	655,480	—	25,618
Other income	4,028	4,172	1,362	116	31,634	29,687
Total revenues	393,577	338,408	681,100	655,596	77,496	85,314
Expenses						
Property operating expense	—	—	289,838	278,798	—	8,482
Interest expense	7,883	8,240	156,574	114,187	8,655	21,023
Investment expense	1,136	3,110	15,245	18,791	351	4,361
Transaction-related costs	6,686	3,180	—	—	3,850	3,620
Placement fees	3,668	—	—	—	—	—
Depreciation and amortization	26,451	16,020	391,589	399,371	1,096	14,122
Compensation expense—cash and equity-based	113,740	70,604	75,212	70,759	43,404	42,515
Compensation expense—incentive fee and carried interest allocation	72,110	109,548	—	—	—	—
Administrative expenses	23,770	13,557	23,606	23,209	28,970	47,381
Total expenses	255,444	224,259	952,064	905,115	86,326	141,504
Other gain (loss), net	(3,188)	(3,589)	501	(3,996)	103,232	(162,644)
Income (loss) from continuing operations before income taxes	134,945	110,560	(270,463)	(253,515)	94,402	(218,834)
Income tax benefit (expense)	(2,558)	(5,643)	(241)	174	(1,369)	23,241
Income (loss) from continuing operations	132,387	104,917	(270,704)	(253,341)	93,033	(195,593)
Income (loss) from continuing operations attributable to noncontrolling interests:						
Redeemable noncontrolling interests	229	(3,194)	—	—	4,405	(28,795)
Investment entities	77,842	67,168	(236,724)	(206,316)	16,204	2,394
Operating Company	3,814	3,043	(2,491)	(3,513)	1,727	(17,166)
Income (loss) from continuing operations attributable to DigitalBridge Group, Inc.	$ 50,502	$ 37,900	$ (31,489)	$ (43,512)	$ 70,697	$ (152,026)

The accompanying notes form an integral part of the consolidated financial statements.

DigitalBridge Group, Inc.
Consolidated Statements of Comprehensive Income (Loss)
(In thousands)
(Unaudited)

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Net income (loss)	$ 278,777	$ (120,987)	$ (66,083)	$ (532,752)
Changes in accumulated other comprehensive income (loss) related to:				
Equity method investments	—	(1,647)	318	(4,333)
Available-for-sale debt securities	—	—	—	(6,373)
Foreign currency translation	(2,046)	(34,809)	866	(97,090)
Net investment hedges	—	10,932	—	17,916
Other comprehensive income (loss)	(2,046)	(25,524)	1,184	(89,880)
Comprehensive income (loss)	276,731	(146,511)	(64,899)	(622,632)
Comprehensive income (loss) attributable to noncontrolling interests:				
Redeemable noncontrolling interests	132	(6,442)	4,634	(31,989)
Investment entities	(17,725)	(80,210)	(141,825)	(192,140)
Operating Company	19,825	(5,259)	1,638	(34,733)
Comprehensive income (loss) attributable to stockholders	$ 274,499	$ (54,600)	$ 70,654	$ (363,770)

The accompanying notes form an integral part of the consolidated financial statements.

DigitalBridge Group, Inc.
Consolidated Statements of Equity
(In thousands, except per share data)
(Unaudited)

	Preferred Stock	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity	Noncontrolling Interests in Investment Entities	Noncontrolling Interests in Operating Company	Total Equity
Balance at December 31, 2021	$ 854,232	$ 5,692	$ 7,820,807	$ (6,576,180)	$ 42,383	$ 2,146,934	$ 2,653,173	$ 112,283	$ 4,912,390
Net income (loss)	—	—	—	(246,557)	—	(246,557)	(63,045)	(22,862)	(332,464)
Other comprehensive income (loss)	—	—	—	—	(29,705)	(29,705)	(12,011)	(2,596)	(44,312)
Exchange of notes for common stock (Note 8)	—	256	177,562	—	—	177,818	—	—	177,818
Adjustment of redeemable noncontrolling interest and warrants to fair value (Note 10)	—	—	(690,000)	—	—	(690,000)	—	—	(690,000)
Deconsolidation of investment entities	—	—	—	—	—	—	(176,856)	—	(176,856)
Redemption of OP Units for class A common stock	—	—	2	—	—	2	—	(2)	—
Equity-based compensation	—	50	14,286	—	—	14,336	2,734	1,555	18,625
Shares canceled for tax withholdings on vested equity awards	—	(17)	(11,393)	—	—	(11,410)	—	—	(11,410)
Acquisition of noncontrolling interest	—	—	—	—	—	—	(32,076)	—	(32,076)
Contributions from noncontrolling interests	—	—	—	—	—	—	343,006	—	343,006
Distributions to noncontrolling interests	—	—	—	—	—	—	(26,018)	—	(26,018)
Preferred stock dividends	—	—	—	(15,760)	—	(15,760)	—	—	(15,760)
Reallocation of equity (Notes 2 and 10)	—	—	45,099	—	75	45,174	—	(45,174)	—
Balance at March 31, 2022	854,232	$ 5,981	$ 7,356,363	$ (6,838,497)	$ 12,753	$ 1,390,832	$ 2,688,907	$ 43,204	$ 4,122,943
Net income (loss)	—	—	—	(21,562)	—	(21,562)	(29,102)	(3,090)	(53,754)
Other comprehensive income (loss)	—	—	—	—	(11,346)	(11,346)	(7,772)	(926)	(20,044)
Adjustment of redeemable noncontrolling interest and warrants to fair value (Note 10)	—	—	(35,026)	—	—	(35,026)	—	—	(35,026)
Shares issued for redemption of redeemable noncontrolling interest (Note 10)	—	577	348,182	—	—	348,759	—	—	348,759
Transaction costs incurred in connection with redemption of redeemable noncontrolling interest	—	—	(7,137)	—	—	(7,137)	—	—	(7,137)
Reclassification of carried interest allocated to redeemable noncontrolling interest to noncontrolling interest in investment entities (Note 10)	—	—	—	—	—	—	4,087	—	4,087
Deconsolidation of investment entities	—	—	—	—	—	—	11,047	—	11,047
Redemption of OP Units for class A common stock	—	4	335	—	—	339	—	(339)	—
Equity-based compensation	—	9	7,508	—	—	7,517	1,061	591	9,169
Shares canceled for tax withholdings on vested equity awards	—	(7)	(5,060)	—	—	(5,067)	—	—	(5,067)
Contributions from noncontrolling interests	—	—	—	—	—	—	215,790	—	215,790
Distributions to noncontrolling interests	—	—	—	—	—	—	(13,490)	—	(13,490)
Preferred stock dividends	—	—	—	(15,758)	—	(15,758)	—	—	(15,758)
Reallocation of equity (Notes 2 and 10)	—	—	(18,313)	—	48	(18,265)	—	18,265	—
Balance at June 30, 2022	$ 854,232	$ 6,564	$ 7,646,852	$ (6,875,817)	$ 1,455	$ 1,633,286	$ 2,870,528	$ 57,705	$ 4,561,519

The accompanying notes form an integral part of the consolidated financial statements.

DigitalBridge Group, Inc.
Consolidated Statements of Equity (Continued)
(In thousands, except per share data)
(Unaudited)

	Preferred Stock	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity	Noncontrolling Interests in Investment Entities	Noncontrolling Interests in Operating Company	Total Equity
Balance at June 30, 2022	$ 854,232	$ 6,564	$ 7,646,852	$ (6,875,817)	$ 1,455	$ 1,633,286	$ 2,870,528	$ 57,705	$ 4,561,519
Net loss	—	—	—	(49,088)	—	(49,088)	(60,623)	(4,834)	(114,545)
Other comprehensive loss	—	—	—	—	(5,512)	(5,512)	(19,587)	(425)	(25,524)
Stock repurchases (Note 9)	(53,877)	(38)	(12,476)	—	—	(66,391)	—	—	(66,391)
DataBank recapitalization (Note 10)	—	—	170,770	—	—	170,770	(170,770)	—	—
Equity-based compensation	—	2	9,867	—	—	9,869	8,861	311	19,041
Shares canceled for tax withholdings on vested equity awards	—	(2)	(1,533)	—	—	(1,535)	—	—	(1,535)
Cost of DataBank recapitalization	—	—	(8,749)	—	—	(8,749)	(21,247)	—	(29,996)
Contributions from noncontrolling interests	—	—	—	—	—	—	1,502,454	—	1,502,454
Distributions to noncontrolling interests	—	—	—	—	—	—	(1,219,454)	(127)	(1,219,581)
Preferred stock dividends	—	—	—	(15,117)	—	(15,117)	—	—	(15,117)
Common stock dividends declared ($0.01 per share)	—	—	—	(1,636)	—	(1,636)	—	—	(1,636)
Reallocation of equity (Notes 2 and 10)	—	—	(11,239)	—	1	(11,238)	—	11,238	—
Balance at September 30, 2022	$ 800,355	$ 6,526	$ 7,793,492	$ (6,941,658)	$ (4,056)	$ 1,654,659	$ 2,890,162	$ 63,868	$ 4,608,689

The accompanying notes form an integral part of the consolidated financial statements.

DigitalBridge Group, Inc.
Consolidated Statements of Equity (Continued)
(In thousands, except per share data)
(Unaudited)

	Preferred Stock	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity	Noncontrolling Interests in Investment Entities	Noncontrolling Interests in Operating Company	Total Equity
Balance at December 31, 2022	$ 800,355	$ 6,397	$ 7,818,068	$ (6,962,613)	$ (1,509)	$ 1,660,698	$ 2,743,896	$ 64,895	$ 4,469,489
Net income (loss)	—	—	—	(197,797)	—	(197,797)	(84,828)	(16,662)	(299,287)
Other comprehensive income (loss)	—	—	—	—	33	33	35	19	87
Preferred stock repurchases (Note 9)	(52)	—	—	—	—	(52)	—	—	(52)
Equity-based compensation	—	99	10,930	—	—	11,029	5,542	41	16,612
Shares canceled for tax withholdings on vested equity awards	—	(16)	(4,847)	—	—	(4,863)	—	—	(4,863)
Contributions from noncontrolling interests	—	—	—	—	—	—	29,684	—	29,684
Distributions to noncontrolling interests	—	—	—	—	—	—	(43,436)	(126)	(43,562)
Preferred stock dividends	—	—	—	(14,676)	—	(14,676)	—	—	(14,676)
Common stock dividends declared ($0.01 per share)	—	—	—	(1,620)	—	(1,620)	—	—	(1,620)
Reallocation of equity (Notes 2 and 10)	—	—	(429)	—	(2)	(431)	—	431	—
Balance at March 31, 2023	$ 800,303	$ 6,480	$ 7,823,722	$ (7,176,706)	$ (1,478)	$ 1,452,321	$ 2,650,893	$ 48,598	$ 4,151,812
Net income (loss)	—	—	—	(8,663)	—	(8,663)	(39,667)	(1,745)	(50,075)
Other comprehensive income (loss)	—	—	—	—	2,582	2,582	360	201	3,143
Change in common stock par value (Note 9)	—	(4,862)	4,862	—	—	—	—	—	—
Preferred stock repurchases (Note 9)	(5,633)	—	927	—	—	(4,706)	—	—	(4,706)
Redemption of OP Units for class A common stock	—	3	981	—	—	984	—	(984)	—
Equity-based compensation	—	11	21,681	—	—	21,692	4,232	41	25,965
Shares canceled for tax withholdings on vested equity awards	—	(6)	(5,348)	—	—	(5,354)	—	—	(5,354)
Contributions from noncontrolling interests	—	—	—	—	—	—	38,240	—	38,240
Distributions to noncontrolling interests	—	—	—	—	—	—	(13,608)	(124)	(13,732)
Preferred stock dividends	—	—	—	(14,660)	—	(14,660)	—	—	(14,660)
Common stock dividends declared ($0.01 per share)	—	—	—	(1,622)	—	(1,622)	—	—	(1,622)
Reallocation of equity (Notes 2 and 10)	—	—	(385)	—	18	(367)	(844)	1,211	—
Balance at June 30, 2023	$ 794,670	$ 1,626	$ 7,846,440	$ (7,201,651)	$ 1,122	$ 1,442,207	$ 2,639,606	$ 47,198	$ 4,129,011

The accompanying notes form an integral part of the consolidated financial statements.

DigitalBridge Group, Inc.
Consolidated Statements of Equity (Continued)
(In thousands, except per share data)
(Unaudited)

	Preferred Stock	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity	Noncontrolling Interests in Investment Entities	Noncontrolling Interests in Operating Company	Total Equity
Balance at June 30, 2023	$ 794,670	$ 1,626	$ 7,846,440	$ (7,201,651)	$ 1,122	$ 1,442,207	$ 2,639,606	$ 47,198	$ 4,129,011
Net income (loss)	—	—	—	276,473	—	276,473	(17,746)	19,918	278,645
Other comprehensive income (loss)	—	—	—	—	(1,974)	(1,974)	21	(93)	(2,046)
DataBank recapitalization (Note 10)	—	—	(14,791)	—	—	(14,791)	33,001	—	18,210
DataBank deconsolidation (Note 10)	—	—	—	—	965	965	(1,427,435)	—	(1,426,470)
Equity-based compensation	—	12	11,023	—	—	11,035	3,934	41	15,010
Shares canceled for tax withholdings on vested equity awards	—	(4)	(7,955)	—	—	(7,959)	—	—	(7,959)
Contributions from noncontrolling interests	—	—	—	—	—	—	26,907	—	26,907
Distributions to noncontrolling interests	—	—	—	—	—	—	(16,732)	(124)	(16,856)
Preferred stock dividends	—	—	—	(14,660)	—	(14,660)	—	—	(14,660)
Common stock dividends declared ($0.01 per share)	—	—	—	(1,632)	—	(1,632)	—	—	(1,632)
Reallocation of equity (Notes 2 and 10)	—	—	1,109	—	—	1,109	—	(1,109)	—
Balance at September 30, 2023	$ 794,670	$ 1,634	$ 7,835,826	$ (6,941,470)	$ 113	$ 1,690,773	$ 1,241,556	$ 65,831	$ 2,998,160

The accompanying notes form an integral part of the consolidated financial statements.

DigitalBridge Group, Inc.
Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2023	2022
Cash Flows from Operating Activities		
Net income (loss)	$ (66,083)	$ (532,752)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Paid-in-kind interest added to loan principal	(544)	(4,887)
Straight-line rent income	(6,020)	(18,417)
Amortization of above- and below-market lease values, net	1,216	(58)
Amortization of deferred financing costs and debt discount and premium, net	19,755	102,943
Unrealized carried interest allocation	(165,462)	(105,500)
Unrealized principal investment income	(51,914)	(34,429)
Other equity method (earnings) losses	13,283	37,502
Distributions of income from equity method investments	3,727	1,105
Impairment of real estate and intangible assets	—	35,985
Depreciation and amortization	419,136	431,852
Equity-based compensation	57,587	47,119
Deferred income tax (benefit) expense	(868)	(14,794)
Loss on debt extinguishment	—	133,173
Other gain (loss), net	(102,941)	29,287
Other adjustments, net	660	(494)
(Increase) decrease in other assets and due from affiliates	3,224	9,579
Increase (decrease) in accrued and other liabilities and due to affiliates	67,324	77,559
Net cash provided by (used in) operating activities	192,080	194,773
Cash Flows from Investing Activities		
Contributions to and acquisition of equity investments	(470,183)	(445,039)
Return of capital from equity method investments	65,763	58,560
Proceeds from sale of equity investments	636,687	483,833
Acquisition of loans receivable and debt securities	—	(164,815)
Proceeds from paydown and maturity of debt securities	—	566
Net disbursements on originated loans	—	(215,918)
Repayments of loans receivable	6,804	23,956
Proceeds from sales of loans receivable and debt securities	—	360,773
Acquisition of and additions to real estate, related intangibles and leasing commissions	(613,109)	(1,952,718)
Proceeds from sales of real estate investment holding entities	—	96,660
Cash and restricted cash assumed by buyer in sales of real estate investment holding entities	—	(189,453)
Investment deposits	(2,208)	1,051
Net receipt (payment) on settlement of derivatives	3,401	13,952
Acquisition of InfraBridge, net of cash acquired (Note 3)	(314,266)	—
Cash and restricted cash derecognized in DataBank deconsolidation	(102,448)	—
Proceeds from DataBank recapitalization, net of carried interest distribution	21,487	—
Other investing activities, net	—	(769)
Net cash provided by (used in) investing activities	(768,072)	(1,929,361)

DigitalBridge Group, Inc.
Consolidated Statements of Cash Flows (Continued)
(In thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2023	2022
Cash Flows from Financing Activities		
Dividends paid to preferred stockholders	$ (44,101)	$ (47,629)
Dividends paid to common stockholders	(4,838)	—
Repurchases of common stock	—	(8,008)
Borrowings on corporate debt	—	290,000
Repayments of corporate debt, including senior notes	(200,000)	(304,237)
Borrowings from investment level debt	1,722,443	724,582
Repayments of investment level debt	(1,194,542)	(179,510)
Payment of deferred financing costs and prepayment penalties on investment level debt	(38,029)	(18,707)
Contributions from noncontrolling interests	95,131	2,072,900
Distributions to and redemptions of noncontrolling interests	(144,534)	(1,684,752)
Payment of contingent consideration to Wafra	(90,000)	—
Repurchases of preferred stock	(4,758)	(52,779)
Shares canceled for tax withholdings on vested equity awards	(18,176)	(18,012)
Acquisition of noncontrolling interest	—	(32,076)
Net cash provided by (used in) financing activities	78,596	741,772
Effect of exchange rates on cash, cash equivalents and restricted cash	(673)	(3,039)
Net increase (decrease) in cash, cash equivalents and restricted cash	(498,069)	(995,855)
Cash, cash equivalents and restricted cash—beginning of period	1,036,739	1,766,245
Cash, cash equivalents and restricted cash—end of period	$ 538,670	$ 770,390

Reconciliation of cash, cash equivalents and restricted cash to consolidated balance sheets

	Nine Months Ended September 30,	
	2023	2022
Beginning of the period		
Cash and cash equivalents	$ 918,254	$ 1,602,102
Restricted cash	118,485	99,121
Restricted cash included in assets held for disposition	—	65,022
Total cash, cash equivalents and restricted cash, beginning of period	$ 1,036,739	$ 1,766,245
End of the period		
Cash and cash equivalents	$ 434,044	$ 636,366
Restricted cash	104,626	134,024
Total cash, cash equivalents and restricted cash, end of period	$ 538,670	$ 770,390

The accompanying notes form an integral part of the consolidated financial statements.

DigitalBridge Group, Inc.
Notes to Consolidated Financial Statements
September 30, 2023
(Unaudited)

1. Business and Organization

DigitalBridge Group, Inc. ("DBRG," and together with its consolidated subsidiaries, the "Company") is a leading global digital infrastructure investment manager. The Company deploys and manages capital on behalf of its investors and shareholders across the digital infrastructure ecosystem, including data centers, cell towers, fiber networks, small cells, and edge infrastructure. The Company's investment management platform is anchored by its flagship value-add digital infrastructure equity offerings, and has expanded to include offerings in core equity, credit and liquid securities.

In February 2023, the Company further expanded its investment offerings to encompass InfraBridge, a newly-acquired mid-market global infrastructure equity platform (Note 3).

In September 2023, the Company completed a recapitalization of its portfolio company, DataBank, an edge colocation data center business. As a result of an additional sell down of the Company's ownership interest in DataBank in the final closing of the recapitalization, the Company was determined to no longer hold a controlling financial interest in DataBank and deconsolidated DataBank upon completion of the recapitalization on September 14, 2023 (Note 10).

Organization

The Company operates as a taxable C Corporation commencing with the taxable year ended December 31, 2022, except for certain subsidiaries in the Operating segment that have elected to be taxed as real estate investment trusts for U.S. federal income tax purposes. The Company conducts all of its activities and holds substantially all of its assets and liabilities through its operating subsidiary, DigitalBridge Operating Company, LLC (the "Operating Company" or the "OP"). At September 30, 2023, the Company owned 93% of the OP , as its sole managing member. The remaining 7% is owned primarily by certain current and former employees of the Company as noncontrolling interests.

2. Summary of Significant Accounting Policies

The significant accounting policies of the Company are described below.

Basis of Presentation

The accompanying unaudited interim financial statements have been prepared in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all information and footnotes required by accounting principles generally accepted in the United States of America (“GAAP”) for complete financial statements. These statements reflect all normal and recurring adjustments which, in the opinion of management, are necessary to present fairly the financial position, results of operations and cash flows of the Company for the interim periods presented. However, the results of operations for the interim period presented are not necessarily indicative of the results that may be expected for the year ending December 31, 2023, or any other future period. These interim financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in, or presented as exhibits to, the Company’s Annual Report on Form 10-K for the year ended December 31, 2022.

The accompanying consolidated financial statements include the accounts of the Company and its controlled subsidiaries. All significant intercompany accounts and transactions have been eliminated. The portions of equity, net income (loss) and other comprehensive income (loss) of consolidated subsidiaries that are not attributable to the parent are presented separately as amounts attributable to noncontrolling interests in the consolidated financial statements. Noncontrolling interests represent predominantly the majority ownership held by third party investors in the Company's Operating segment, carried interest allocation to certain senior executives of the Company (Note 16), and membership interests in the OP primarily held by certain current and former employees of the Company.

To the extent the Company consolidates a subsidiary that is subject to industry-specific guidance, such as investment company accounting applied by the Company's consolidated sponsored funds, the Company retains the industry-specific guidance applied by that subsidiary in its consolidated financial statements.

Supplemental Schedules to Consolidated Balance Sheets and Consolidated Statements of Operations

Beginning in 2023, the financial position and financial results of the Company's reportable segments of Investment Management and Operating, and its remaining investment activities and corporate level activities ("Corporate and Other") are presented in supplemental schedules to the consolidated balance sheets and consolidated statements of operations. The Company's reportable segments and Corporate and Other are described below under "—*Segment Reporting*."

The disaggregated presentation in the supplemental schedules enhances transparency and provides meaningful information to investors in understanding the Company's consolidated financial statements, specifically:

- Segregation of the Investment Management segment allows for more clarity and visibility into the financial performance and financial position of the Company's core business; and
- The Operating segment represents the consolidation of data center portfolio companies for which the Company has direct co-investments. This is represented by the consolidation of two portfolio companies up to mid-September 2023, after which the DataBank portfolio company was deconsolidated. The Company's direct co-investment in the remaining portfolio company was 13% at September 30, 2023 and December 31, 2022, while its ownership in DataBank was 11% at December 31, 2022 and through the final close of the recapitalization in mid-September 2023, thereafter the Company's remaining 9.87% interest in DataBank is presented within Corporate and Other (Note 10). Although the Operating segment makes up a majority of the balances and activities on a consolidated basis, DBRG's exposure and entitlement are limited to its ownership interest in the portfolio companies in the Operating segment. The liabilities of the Operating segment are obligations of the portfolio companies of the Operating segment and may only be settled using assets of the portfolio companies.

The supplemental schedule to the consolidated balance sheets excludes assets and liabilities held for disposition that are related to discontinued operations, and stockholders' equity and noncontrolling interests in OP, as these equity items are not specifically attributable to reportable segments.

The supplemental schedules to the consolidated statements of operations present by reportable segment the results from continuing operations attributable to DBRG, excluding discontinued operations and results attributable to common stockholders. Additionally, fee income in the Investment Management segment is presented prior to elimination of fees earned from the Company's sponsored investment vehicles that are consolidated within the Operating segment and in Corporate and Other. The elimination of intercompany fees is presented in Corporate and Other.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates and assumptions.

Principles of Consolidation

The Company consolidates entities in which it has a controlling financial interest by first considering if an entity meets the definition of a variable interest entity ("VIE") for which the Company is deemed to be the primary beneficiary, or if the Company has the power to control an entity through a majority of voting interest or through other arrangements.

Variable Interest Entities—A VIE is an entity that either (i) lacks sufficient equity to finance its activities without additional subordinated financial support from other parties; (ii) whose equity holders lack the characteristics of a controlling financial interest; and/or (iii) is established with non-substantive voting rights. A VIE is consolidated by its primary beneficiary, which is defined as the party who has a controlling financial interest in the VIE through (a) power to direct the activities of the VIE that most significantly affect the VIE’s economic performance, and (b) obligation to absorb losses or right to receive benefits of the VIE that could be significant to the VIE. This assessment may involve subjectivity in the determination of which activities most significantly affect the VIE’s performance, and estimates about current and future fair value of the assets held by the VIE and financial performance of the VIE. In assessing its interests in the VIE, the Company also considers interests held by its related parties, including de facto agents. Additionally, the Company assesses whether it is a member of a related party group that collectively meets the power and benefits criteria and, if so, whether the Company is most closely associated with the VIE. In performing the related party analysis, the Company considers both qualitative and quantitative factors, including, but not limited to: the characteristics and size of its investment relative to the related party; the Company’s and the related party's ability to control or significantly influence key decisions of the VIE including consideration of involvement by de facto agents; the obligation or likelihood for the Company or the related party to fund operating losses of the VIE; and the similarity and significance of the VIE’s business activities to those of the Company and the related party. The determination of whether an entity is a VIE, and whether the Company is the primary beneficiary, may involve significant judgment, and depends upon facts and circumstances specific to an entity at the time of the assessment.

Voting Interest Entities—Unlike VIEs, voting interest entities have sufficient equity to finance their activities and equity investors exhibit the characteristics of a controlling financial interest through their voting rights. The Company consolidates such entities when it has the power to control these entities through ownership of a majority of the entities' voting interests or through other arrangements.

At each reporting period, the Company reassesses whether changes in facts and circumstances cause a change in the status of an entity as a VIE or voting interest entity, and/or a change in the Company's consolidation assessment. Changes in consolidation status are applied prospectively. An entity may be consolidated as a result of this reassessment, in which case, the assets, liabilities and noncontrolling interests in the entity are recorded at fair value upon initial consolidation. Any existing equity interest held by the Company in the entity prior to the Company obtaining control will be remeasured at fair value, which may result in a gain or loss recognized upon initial consolidation. However, if the consolidation represents an asset acquisition of a voting interest entity, the Company's existing interest in the acquired assets, if any, is not remeasured to fair value but continues to be carried at historical cost. The Company may also deconsolidate a subsidiary as a result of this reassessment, which may result in a gain or loss recognized upon deconsolidation depending on the carrying values of deconsolidated assets and liabilities compared to the fair value of any interests retained.

Noncontrolling Interests

Redeemable Noncontrolling Interests—This represents noncontrolling interests in sponsored open-end funds in the liquid securities strategy that are consolidated by the Company. The limited partners of these funds have the ability to withdraw all or a portion of their interests from the funds in cash with advance notice.

Prior to full redemption in May 2022, there was also redeemable noncontrolling interests in the Company's investment management business, as discussed further in Note 10.

Redeemable noncontrolling interests is presented outside of permanent equity. Allocation of net income or loss to redeemable noncontrolling interests is based upon their ownership percentage during the period. The carrying amount of redeemable noncontrolling interests is adjusted to its redemption value at the end of each reporting period to an amount not less than its initial carrying value, except for amounts contingently redeemable which will be adjusted to redemption value only when redemption is probable. Such adjustments will be recognized in additional paid-in capital.

Noncontrolling Interests in Investment Entities—This represents predominantly the majority ownership held by third party investors in the Company's Operating segment and carried interest allocation to certain senior executives of the Company (Note 16). Excluding carried interests, allocation of net income or loss is generally based upon relative ownership interests.

Noncontrolling Interests in Operating Company—This represents membership interests in OP held primarily by certain current and former employees of the Company. Noncontrolling interests in OP are allocated a share of net income or loss in OP based upon their weighted average ownership interest in OP during the period. Noncontrolling interests in OP have the right to require OP to redeem part or all of such member's membership units in OP ("OP Units") for cash based on the market value of an equivalent number of shares of class A common stock at the time of redemption, or at the Company's election as managing member of OP, through issuance of shares of class A common stock (registered or unregistered) on a one-for-one basis. At the end of each reporting period, noncontrolling interests in OP is adjusted to reflect their ownership percentage in OP at the end of the period, through a reallocation between controlling and noncontrolling interests in OP, as applicable.

Segment Reporting

The Company conducts its business through two reportable segments: (i) Investment Management; and (ii) Operating, the Company's direct co-investment in digital infrastructure assets held by its portfolio companies.

- *Investment Management* —This segment represents the Company's global investment management platform, deploying and managing capital on behalf of a diverse base of global institutional investors. The Company's investment management platform is composed of a growing number of long-duration, private investment funds designed to provide institutional investors access to investments across different segments of the digital infrastructure ecosystem. In addition to its flagship value-add digital infrastructure equity offerings, the Company's investment offerings have expanded to include core equity, credit and liquid securities. The Company earns management fees based upon the assets or capital managed in investment vehicles, and may earn incentive fees and carried interest based upon the performance of such investment vehicles, subject to achievement of minimum return hurdles. The amount of incentive fees and carried interest recognized, a portion of which is allocated to employees and former employees, may be highly variable from period to period. Earnings from the Investment Management segment were attributed 31.5% to affiliates of Wafra, Inc. (collectively, "Wafra"), a private investment firm, prior to the Company's redemption of Wafra's interest in the investment management business at the end of May 2022 (Note 10).
- *Operating*—This segment is composed of balance sheet equity interests in digital infrastructure portfolio companies, which generally earn rental income from providing use of digital asset space and/or capacity through

leases, services and other agreements. The Company owned interests in two portfolio companies: Vantage SDC, a stabilized hyperscale data center business (DBRG ownership of 13% at September 30, 2023 and December 31, 2022), and DataBank, an edge colocation data center business (DBRG ownership of 11% at December 31, 2022 and through the final close of the recapitalization and deconsolidation in mid-September 2023; thereafter, the Company's remaining 9.87% interest in DataBank is presented within Corporate and Other) (Note 10). DataBank and Vantage SDC are portfolio companies managed by the Company under its Investment Management segment with respect to equity interests funded through third party capital.

The Company's remaining investment activities and corporate level activities are presented as Corporate and Other.

- Other investment activities are composed of the Company's equity interests in: (i) sponsored investment vehicles, primarily the DigitalBridge Partners ("DBP") flagship funds, InfraBridge funds and funds invested in DataBank, and seed investments in liquid securities and other potential new strategies; and (ii) remaining non-digital investments. Outside of its general partner interests, which are presented in the Investment Management segment, the Company's other equity interests in its sponsored and/or managed investment vehicles as general partner affiliate are considered to be incidental to its investment management business. The primary economics to the Company are represented by fee income and carried interest allocation as general partner and/or manager, rather than economics from its equity interest in the investment vehicles as a general partner affiliate or limited partner equivalent. With respect to seed investments, these are not intended to be a long-term deployment of capital by the Company and are warehoused on the Company's balance sheet potentially until such time that sufficient third party capital has been raised from sponsored funds. Remaining non-digital investments are composed of a marketable equity security, and equity interest in a non-traded REIT that is not available for immediate sale (Note 11). These other investment activities generate largely principal investment income from sponsored funds, and to a lesser extent, revenues in the form of dividend income from consolidated investment vehicles and non-digital investments.
- Corporate activities include corporate level cash and corresponding interest income, corporate level financing and related interest expense, corporate level transaction costs, costs in connection with unconsummated investments, income and expense related to cost reimbursement arrangements with affiliates, fixed assets for corporate use, compensation expense not directly attributable to the Investment Management segment, corporate level administrative and overhead costs, and adjustments to eliminate intercompany fees. Costs which are directly attributable, or otherwise can be subjected to a reasonable and systematic attribution, have been attributed to the Investment Management segment.

For all periods presented prior to its deconsolidation on September 14, 2023 (Note 10), the consolidated results of operations of DataBank was included in the Operating segment as it represented the activities of a consolidated portfolio company that directly holds and operates digital infrastructure assets. The Operating segment continues to be a separate reporting segment that reflects the results of operations of Vantage SDC, the Company's remaining consolidated portfolio company. Subsequent to deconsolidation, the Company's retained interest in DataBank that is held through a sponsored investment vehicle is treated as an equity method investment for which the Company accounts only for its share of changes in the fair value of DataBank, and is presented in Corporate and Other, consistent with the treatment and presentation of the Company's interests as general partner affiliate in its other sponsored investment vehicles. Accordingly, the change in segment presentation as a result of deconsolidating DataBank does not represent a change in reporting segments and as a result, there is no change to prior period segment presentation as it relates to the Company's interest in DataBank.

The results of operations of the Company's reportable segments are presented in the supplemental schedules to the consolidated statements of operations and reconciled to the consolidated statements of operations as follows:

	Three Months Ended September 30, 2023				Three Months Ended September 30, 2022			
(In thousands)	Investment Management	Operating	Corporate and Other	Total	Investment Management	Operating	Corporate and Other	Total
Income (Loss) attributable to DigitalBridge Group, Inc.								
Continuing operations	$ 52,391	$ (10,191)	$ 236,642	$ 278,842	$ 24,233	$ (15,881)	$ 16,909	$ 25,261
Discontinued operations				(2,369)				(74,349)
Net income (loss) attributable to DigitalBridge Group, Inc.				$ 276,473				$ (49,088)

(In thousands)	Nine Months Ended September 30, 2023 Investment Management	Operating	Corporate and Other	Total	Nine Months Ended September 30, 2022 Investment Management	Operating	Corporate and Other	Total
Income (Loss) attributable to DigitalBridge Group, Inc.								
Continuing operations	$ 50,502	$ (31,489)	$ 70,697	$ 89,710	$ 37,900	$ (43,512)	$ (152,026)	$ (157,638)
Discontinued operations				(19,697)				(159,569)
Net income (loss) attributable to DigitalBridge Group, Inc.				$ 70,013				$ (317,207)

Acquisitions

Definition of a Business—The Company evaluates each purchase transaction to determine whether the acquired assets meet the definition of a business. If substantially all of the fair value of gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets, then the set of transferred assets and activities is not a business. If not, for an acquisition to be considered a business, it would have to include an input and a substantive process that together significantly contribute to the ability to create outputs (i.e., there is a continuation of revenue before and after the transaction). A substantive process is not ancillary or minor, cannot be replaced without significant costs, effort or delay or is otherwise considered unique or scarce. To qualify as a business without outputs, the acquired assets would require an organized workforce with the necessary skills, knowledge and experience to perform a substantive process.

Asset Acquisitions—For acquisitions that are not deemed to be businesses, the assets acquired are recognized based on their cost to the Company as the acquirer and no gain or loss is recognized. The cost of assets acquired in a group is allocated to individual assets within the group based on their relative fair values and does not give rise to goodwill. Transaction costs related to acquisition of assets are included in the cost basis of the assets acquired.

Business Combinations—The Company accounts for acquisitions that qualify as business combinations by applying the acquisition method. Transaction costs related to acquisition of a business are expensed as incurred and excluded from the fair value of consideration transferred. The identifiable assets acquired, liabilities assumed and noncontrolling interests in an acquired entity are recognized and measured at their estimated fair values, except as discussed below. The excess of the consideration transferred over the values of identifiable assets acquired, liabilities assumed and noncontrolling interests in an acquired entity, net of fair value of any previously held interest in the acquired entity, is recorded as goodwill. Such valuations require management to make significant estimates and assumptions.

With respect to contract assets and contract liabilities acquired in a business combination, these are not accounted for under the fair value basis at the time of acquisition. Instead, the Company determines the value of these revenue contracts as if it had originated the acquired contracts by evaluating the associated performance obligations, transaction price and relative stand-alone selling price at the original contract inception date or subsequent modification dates.

The estimated fair values and allocation of consideration are subject to adjustments during the measurement period, not to exceed one year, based upon new information obtained about facts and circumstances that existed at time of acquisition.

Contingent Consideration—Contingent consideration is classified as a liability or equity, as applicable. Contingent consideration in connection with the acquisition of a business or a VIE is measured at fair value on acquisition date, and unless classified as equity, is remeasured at fair value each reporting period thereafter until the consideration is settled, with changes in fair value included in earnings. Contingent consideration in connection with the acquisition of assets (and that is not a VIE) is generally recognized when the liability is considered both probable and reasonably estimable, as part of the basis of the acquired assets.

Discontinued Operations

If the disposition of a component, being an operating or reportable segment, business unit, subsidiary or asset group, represents a strategic shift that has or will have a major effect on the Company’s operations and financial results, the operating profits or losses of the component when classified as held for sale, and the gain or loss upon disposition of the component, are presented as discontinued operations in the statements of operations.

A business or asset group acquired in connection with a business combination that meets the criteria to be accounted for as held for sale at the date of acquisition is reported as discontinued operations, regardless of whether it meets the strategic shift criterion.

In March 2023, the Company sold the entirety of its equity method investment in BrightSpire Capital, Inc. (NYSE: BRSP) of approximately 35.0 million shares for net proceeds totaling $201.6 million. The Company's investment in BRSP qualified as held for sale in March 2023 and its disposition represents a strategic shift that has major effects on the Company's operations and financial results, meeting the criteria as discontinued operations as of March 2023. Accordingly, for all prior periods presented, the equity method investment in BRSP is presented as assets held for disposition on the consolidated balance sheets and equity method earnings (loss) from BRSP is presented as loss from discontinued operations on the consolidated statements of operations.

In 2023, discontinued operations primarily reflect a $9.7 million impairment of BRSP shares prior to its disposition, and activities associated with equity investments excluded from the December 2021 bulk sale of the Company's non-digital investment portfolio.

In addition to the above equity investments, in 2022, discontinued operations also included two months of operations of the Wellness Infrastructure business, along with other non-core assets held by a subsidiary, NRF Holdco, LLC ("NRF Holdco"), prior to the sale of all of the equity of NRF Holdco in February 2022. The sales price for 100% of the equity of NRF Holdco was $281 million, composed of $126 million cash and a $155 million unsecured promissory note, which was fully written down in March 2023, as discussed in Note 11. In 2022, the disposition of NRF Holdco resulted in a write-off of unamortized deferred financing costs on the Wellness Infrastructure debt assumed by the buyer of $92.1 million and additional impairment loss based upon final carrying value of the Wellness Infrastructure net assets.

Loss from discontinued operations is summarized as follows.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	2023	2022	2023	2022
Revenues	$ 1,770	$ 6,375	$ 5,608	$ 88,658
Expenses	(4,325)	(7,601)	(12,684)	(245,236)
Other gain (loss)	(84)	(80,544)	(13,770)	(29,733)
Income tax benefit (expense)	36	(8,532)	47	(2,424)
Income (Loss) from discontinued operations	(2,603)	(90,302)	(20,799)	(188,735)
Income (Loss) from discontinued operations attributable to noncontrolling interests:				
Investment entities	(55)	(10,227)	437	(16,016)
Operating Company	(179)	(5,726)	(1,539)	(13,150)
Income (Loss) from discontinued operations attributable to DigitalBridge Group, Inc.	$ (2,369)	$ (74,349)	$ (19,697)	$ (159,569)

Assets and Related Liabilities Held for Disposition

The Company initially measures assets classified as held for disposition at the lower of their carrying amounts or fair value less disposal costs. For bulk sale transactions, the unit of account is the disposal group, with any excess of the aggregate carrying value over estimated fair value less costs to sell allocated to the individual assets within the group.

At September 30, 2023 and December 31, 2022, all assets and related liabilities held for disposition relate to discontinued operations. Assets held for disposition of $4.0 million at September 30, 2023 consisted of equity investments excluded from the December 2021 bulk sale of the Company's non-digital investments. Additionally, at December 31, 2022, assets held for disposition of $275.5 million also included shares in BRSP of $218.0 million that were sold in March 2023 and an equity method investment carried under the fair value option of $44.5 million prior to a sale of its underlying assets and a return of capital to the Company in January 2023.

Reclassifications

Reclassifications have been made in connection with discontinued operations, as discussed in "— *Discontinued Operations.*" Additionally, the Company determined that principal investment income from its equity interest as general partner and general partner affiliate in its sponsored investment vehicles, and its entitlement to carried interest allocation, represent a core component of returns in its investment management business. Accordingly, beginning in 2023, principal investment income and carried interest allocation are presented within total revenues on the consolidated statements of operations. Prior periods have been reclassified to conform to current presentation.

Accounting Standards Adopted in 2023

Contractual Sale Restriction on Equity Securities

In June 2022, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2022-03, *Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*, which amends Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurement,* to clarify that a contractual sale restriction that is entity-specific is not part of the unit of account of an equity security and is therefore not considered in measuring the fair value of an equity security, in which case, a discount should not be applied. The amendment further prohibits recognizing the contractual sale restriction as a separate unit of account, that is, as a contra asset or liability. Sale restrictions that are characteristics of the holder of an equity security include, but are not limited to, lock-up agreements, market stand-off agreements, or specific provisions in agreements between shareholders. In contrast, a legal restriction preventing a security from being sold on a national securities exchange or an over-the-counter market is a security-specific characteristic as the restriction would similarly apply to a market participant buyer in an assumed sale of the security. This guidance also applies to issuers of equity securities that are subject to contractual sale restrictions, for example, equity securities issued as consideration in a business combination. The ASU requires additional disclosures related to equity securities that are subject to contractual sale restrictions, specifically (1) the fair value of such equity securities, (2) the nature and remaining duration of the restrictions, and (3) any circumstances that could cause a lapse in restrictions. The ASU is effective January 1, 2024, with early adoption permitted in the interim periods. Transition is prospective with any fair value adjustments resulting from adoption recognized in earnings and the amount adjusted disclosed in the period of adoption.

For subsidiaries of the Company that are investment companies as defined in ASC Topic 946, *Financial Services—Investment Companies,* the ASU is applied prospectively to equity securities with contractual sale restrictions entered into or modified on or after the adoption date. For equity securities with contractual sale restrictions entered into or modified before the adoption date, the existing accounting policy continues to be applied until the restrictions expire or are modified, and if the existing accounting policy differs from the amended guidance, the additional disclosure requirements under the ASU would be applicable.

The Company early adopted the ASU on January 1, 2023. At the time of adoption, the Company and its investment company subsidiaries do not have equity securities subject to contractual sale restrictions.

3. Acquisitions

Business Combination

InfraBridge

In February 2023, the Company acquired the global infrastructure equity investment management business of AMP Capital Investors International Holdings Limited, which was rebranded as InfraBridge at closing. Consideration for the acquisition consisted of $314.3 million cash consideration (net of cash assumed), subject to customary post-closing working capital adjustments, plus a contingent amount based upon achievement of future fundraising targets for InfraBridge's new global infrastructure funds. The estimated fair value of the contingent consideration is subject to remeasurement each reporting period, as discussed in Note 11.

The following table summarizes the total consideration and allocation to assets acquired and liabilities assumed. The initial cash consideration was determined, in part, based upon estimated net working capital of the acquired entities at closing. The purchase price allocation is provisional and will be finalized through the one year measurement period. In the second and third quarters of 2023, certain adjustments were identified that affected the provisional accounting, as presented below. These were adjustments to net working capital and to the value of acquired interest in an InfraBridge fund based upon a revised net asset value ("NAV") of the fund, applying new information about facts and circumstances that existed at the time of acquisition.

(In thousands)	As Reported At March 30, 2023	Measurement Period Adjustments	As Revised At September 30, 2023
Consideration			
Cash	$ 364,338	$ 1,102	$ 365,440
Estimated fair value of contingent consideration	10,874	—	10,874
	$ 375,212		$ 376,314
Assets acquired and liabilities assumed			
Cash	51,174	—	51,174
Principal investments	130,810	(18,500)	112,310
Intangible assets	50,800	—	50,800
Other assets	27,682	8,517	36,199
Deferred tax liabilities	(10,198)	—	(10,198)
Other liabilities	(21,625)	(10,190)	(31,815)
Fair value of net assets acquired	228,643		208,470
Goodwill	146,569	21,275	167,844
	$ 375,212		$ 376,314

- Principal investments represent acquired interests in InfraBridge funds, valued at their most recent net asset value ("NAV") at closing.
- The investment management intangible assets of InfraBridge were composed of the following:
  - Management contracts are valued based upon estimated net cash flows expected to be generated from the contracts, with remaining term of the contracts ranging between 1 and 4 years, discounted at 8.0%.
  - Investor relationships represent the fair value of potential investment management fees, net of operating costs, to be generated from repeat InfraBridge investors in future sponsored vehicles, with a weighted average estimated useful life of 12 years, discounted at 14.0%.
- Deferred tax liabilities were recognized for the book-to-tax basis difference of identifiable intangible assets acquired, net of deferred tax asset assumed.
- Other assets acquired and liabilities assumed include management fee receivable and compensation payable associated with the pre-acquisition period, amounts due to InfraBridge funds and receivable from seller.
- Goodwill is the value of the business acquired that is not already captured in identifiable assets, largely represented by the synergies from combining the capital raising resources of DBRG and the mid-market infrastructure specialization of the InfraBridge team.

Asset Acquisitions

DataBank

Acquisitions by DataBank, prior to its deconsolidation in September 2023 (Note 10), were as follows:

2023

- A building in Dallas, Texas in May 2023, for purchase price of $151.0 million, funded by a combination of $121.0 million of debt and $40.8 million of equity, of which the Company's share was $8.2 million. In addition to the purchase price, the capital called was used to fund transaction costs, financing costs, and as working capital. A substantial portion of the acquired building was previously leased by DataBank as a co-location data center and corporate office. Upon termination of the DataBank lease concurrent with the acquisition, the associated ROU asset and lease liability were derecognized.

2022

- Four colocation data centers in Houston, Texas in March 2022 for $678 million, funded by a combination of $262.5 million of debt and $415.5 million of equity, of which the Company's share was $88.7 million.
- A data center each in Atlanta, Georgia in May 2022 for $10.9 million, and in Denver, Colorado in February 2022 that was previously leased by its zColo subsidiary for $17.6 million.

Vantage SDC Hyperscale Data Centers

In connection with the Company's acquisition of Vantage SDC in July 2020 and an additional data center in September 2021, the Company and its co-investors committed to acquire the future build-out of expansion capacity, along with lease-up of the expanded capacity and existing inventory, the costs of which are borne by the previous owners of Vantage SDC. As of September 30, 2023, the remaining consideration for the incremental lease-up acquisitions is estimated to be approximately $163 million, of which $122 million is due by September 2024. Most, if not all, of the cost of the expansion capacity has been or is expected to be funded by Vantage SDC from borrowings under its credit facilities, cash from operations and/or potential capital raise. Pursuant to this arrangement, Vantage SDC had one new tenant lease that commenced in 2023, and 15 new tenant leases that commenced in 2022 related to a portion of the expansion capacity for aggregate consideration of $31.6 million and $161.3 million, respectively. All of these payments were made to the previous owners of Vantage SDC and are treated as asset acquisitions.

Tower Assets

In June 2022, the Company acquired the mobile telecommunications tower business (“TowerCo”) of Telenet Group Holding NV (Euronext Brussels: TNET) for €740.1 million or $791.3 million (including transaction costs). In December 2022, our interest in the temporarily warehoused TowerCo investment was transferred to the Company's new core equity fund and TowerCo was deconsolidated. The TowerCo assets acquired had included owned tower sites, tower sites subject to third party leases that gave rise to right-of-use lease assets and corresponding lease liabilities, equipment, as well as customer relationships related primarily to a master lease agreement with Telenet as lessee. The acquisition had been funded through $326.1 million of debt, $278.1 million of equity from the Company, and $213.8 million in third party equity. In addition to the purchase price, the funds had been used to finance transaction costs, debt issuance costs, working capital and as operating cash. Prior to transfer, TowerCo was presented within Corporate and Other.

The following table summarizes the allocation of cash consideration to assets acquired, which includes capitalized transaction costs.

	2023		2022		
(In thousands)	Acquisition by DataBank (prior to deconsolidation)	Vantage SDC Expansion Capacity	TowerCo	Acquisitions by DataBank	Vantage SDC Expansion Capacity
Purchase price allocation					
Real estate	$ 153,944	$ 26,578	$ 363,121	$ 627,474	$ 140,140
Intangible assets	1,993	5,070	673,218	77,885	21,162
ROU and other assets	—	—	234,462	3,994	—
Deferred tax liabilities	—	—	(243,223)	—	—
Intangible, lease and other liabilities	(1,334)	—	(236,324)	(2,839)	—
	$ 154,603	$ 31,648	$ 791,254	$ 706,514	$ 161,302

- Real estate was valued based upon (i) current replacement cost for buildings (in an as-vacant state) and improvements, estimated using construction cost guidelines, or the income approach for a substantially leased building by discounting estimated future net operating income with terminal value determined using a terminal capitalization rate of 6.5% and applying a discount rate of 7.25%; (ii) current replacement cost for data center infrastructure by applying an estimated cost per kilowatt based upon current capacity of each location and also considering the associated indirect costs such as design, engineering, construction and installation; (iii) current replacement cost for towers in consideration of their remaining economic life; and (iv) recent comparable sales or current listings for land. Useful lives of real estate acquired range from 35 to 55 years for buildings and improvements, 1 to 15 years for site improvements, 1 to 4 years for tenant improvements, 11 to 71 years for towers and related equipment, and 11 to 30 years for data center infrastructure.
- Lease-related intangibles for real estate acquisitions were composed of the following:
  - In-place leases reflect the value of rental income forgone if the properties had been acquired vacant, and the leasing commissions, legal and marketing costs that would have been incurred to lease up the properties, discounted at rates between 4.75% and 7.25%, with remaining lease terms ranging between 1 and 15 years.
  - Above- and below-market leases represent the rent differential for the remaining lease term between contractual rents of acquired leases and market rents at the time of acquisition, discounted at rates between 6.0% and 11.25% with remaining lease terms ranging between 1 and 4 years.
  - Tenant relationships represent the estimated net cash flows attributable to the likelihood of lease renewal by an existing tenant relative to the cost of obtaining a new lease, taking into consideration the estimated time it would require to execute a new lease or backfill a vacant space, discounted at rates between 4.75% and 11.25%, with estimated useful lives between 5 and 15 years.
  - Customer service contracts were valued based upon estimated net cash flows generated from the zColo customer service contracts that would have been forgone if such contracts were not in place, taking into consideration the time it would require to execute a new contract, with remaining term of the contracts ranging between 1 and 6 years.
  - Customer relationships for towers were valued as the estimated future cash flows to be generated over the life of the tenant relationships based upon rental rates, operating costs, expected renewal terms and attrition, discounted at 6.8%, with estimated useful lives between 19 and 45 years.
- Deferred tax liabilities were recognized for the book-to-tax basis differences associated with the acquisition of TowerCo.
- Other assets acquired and liabilities assumed include primarily lease ROU assets associated with leasehold ground space hosting tower communication sites, along with corresponding lease liabilities. Lease liabilities were measured based upon the present value of future lease payments over the lease term, discounted at the incremental borrowing rate of the respective acquiree entities.

4. Investments

The Company's equity and debt investments are represented by the following:

(In thousands)	September 30, 2023	December 31, 2022
Investment Management		
Equity method investments		
Principal investments	$ 59,668	$ 51,665
Carried interest allocation	506,736	341,749
	566,404	393,414
Other equity investment	2,488	1,913
Total Investment Management	568,892	395,327
Operating		
Debt investments—loan receivable	—	4,638
Corporate and Other		
Equity method investments—Principal investments	990,289	358,846
Equity investments of consolidated funds	178,176	185,845
Other equity investments	91,697	113,111
Debt investments		
CLO subordinated notes	50,927	50,927
Loan receivable	—	133,307
Total Corporate and Other	1,311,089	842,036
Total Investments	$ 1,879,981	$ 1,242,001

Equity Method Investments

Principal Investments

Principal investments totaling $1.05 billion at September 30, 2023 and $410.5 million at December 31, 2022 represent investments in the Company's sponsored investment vehicles, accounted for as equity method investments as the Company exerts significant influence in its role as general partner. The Company typically has a small percentage interest in its sponsored funds as general partner or special limited partner (presented in the Investment Management segment). The Company also has additional investment as general partner affiliate alongside the funds' limited partners, primarily with respect to the Company's flagship value-add funds, DigitalBridge Partners, LP ("DBP I") and DigitalBridge Partners II, LP ("DBP II"), InfraBridge funds and funds invested in DataBank (presented within Corporate and Other).

The Company's proportionate share of net income (loss) from investments in its sponsored investment vehicles, which includes unrealized gain (loss) from changes in fair value of the underlying fund investments, is recorded in principal investment income on the consolidated statements of operations.

Carried Interest Allocation

Carried interest allocation represents a disproportionate allocation of returns to the Company, as general partner or special limited partner (which may be paid to the special limited partner entity owned by the Company in place of the general partner entity), based upon the extent to which cumulative performance of a sponsored fund exceeds minimum return hurdles. Carried interest allocation generally arises when appreciation in value of the underlying investments of the fund exceeds the minimum return hurdles, after factoring in a return of invested capital and a return of certain costs of the fund pursuant to terms of the governing documents of the fund. The amount of carried interest allocation recognized is based upon the cumulative performance of the fund if it were liquidated as of the reporting date. Unrealized carried interest allocation is driven primarily by changes in fair value of the underlying investments of the fund, which may be affected by various factors, including but not limited to: the financial performance of the portfolio company, economic conditions, foreign exchange rates, comparable transactions in the market, and equity prices for publicly traded securities. For funds that have exceeded the minimum return hurdle but have not returned all capital to the limited partners, unrealized carried interest allocation may be subject to reversal over time as preferred returns continue to accrue on unreturned capital. Realization of carried interest allocation occurs upon disposition of all underlying investments of the fund, or in part with each disposition.

Generally, carried interest allocation is distributed upon profitable disposition of an investment if at the time of distribution, cumulative returns of the fund exceed minimum return hurdles. Depending on the final realized value of all investments at the end of the life of a fund (and, with respect to certain funds, periodically during the life of the fund), if it is determined that cumulative carried interest allocation distributed has exceeded the final carried interest allocation amount earned (or amount earned as of the calculation date), the Company is obligated to return the excess carried interest allocation received. Therefore, carried interest allocation distributed may be subject to clawback if decline in investment values results in cumulative performance of the fund falling below minimum return hurdles in the interim period. If it is determined that the Company has a clawback obligation, a liability would be established based upon a hypothetical liquidation of the net assets of the fund at reporting date. The actual determination and required payment of any clawback obligation would generally occur after final disposition of the investments of the fund or otherwise as set forth in the governing documents of the fund.

Carried interest allocation on the balance sheet date represents unrealized carried interest allocation in connection with sponsored funds that are currently in the early stage of their lifecycle. Carried interest allocation is presented gross of accrued carried interest compensation (Note 7).

Carried Interest Distributed

During the three and nine months ended September 30, 2023, carried interest of $27.9 million and $28.4 million, respectively, were distributed and recognized in carried interest allocations, of which $0.8 million of the distributed carried interest in the nine months ended September 30, 2023 was allocated to current and former employees and to Wafra (Note 10), and recorded as carried interest compensation, other loss, and amounts attributable to noncontrolling interests (Note 16).

During the three and nine months ended September 30, 2022, carried interest of $123.5 million (including $51.2 million that had been previously accrued) was distributed and recognized in carried interest allocations, of which $103.2 million of the distributed carried interest (including $45.9 million that had been previously accrued) was allocated to current and former employees and to Wafra, and recorded as carried interest compensation and amounts attributable to noncontrolling interests.

Clawback Obligation

The Company did not have a liability for clawback obligations on carried interest allocation distributed to-date as of September 30, 2023 and December 31, 2022.

With respect to funds that have distributed carried interest, if in the event all of their investments are deemed to have no value, the likelihood of which is remote, carried interest distributed of $180.9 million would be subject to clawback as of September 30, 2023, of which $116.5 million would be the responsibility of the employee and former employee recipients. For this purpose, a portion of the carried interest is generally held back from these recipients at the time of distribution. The amount withheld resides in entities outside of the Company. Generally, the Company, through the OP, has guaranteed the clawback obligation of its subsidiaries that act as general partner or special limited partner of its respective sponsored funds, for the benefit of these funds and their limited partners.

Equity Investments of Consolidated Funds

The Company consolidates sponsored funds in which it has more than an insignificant equity interest in the fund as general partner, as discussed in Note 12. Equity investments of consolidated funds are composed of marketable equity securities held by funds in the liquid securities strategy, and equity interests held by a credit fund in pooling entities that invest in loan assets. Equity investments of consolidated funds are carried at fair value with changes in fair value recorded in other gain (loss) on the consolidated statements of operations.

Other Equity Investments

Other equity investments totaling $94.2 million at September 30, 2023 and $115.0 million at December 31, 2022 include investments warehoused potentially for future sponsored funds, a marketable equity security and equity interest in a non-traded REIT (Note 11) (presented within Corporate and Other), as well as an investment in a managed account (presented in the Investment Management segment). These investments are generally carried at fair value or under the measurement alternative, which is at cost, adjusted for impairment and observable price changes. Dividends or other distributions from these investments are recorded in other income while changes in the value of these investments are recorded in other gain (loss) on the consolidated statements of operations.

Debt Investments

Debt investments are composed of subordinated notes in a third party collateralized loan obligation ("CLO") and at December 31, 2022, loans receivable. Interest income from debt investments are recorded in other income.

CLO Subordinated Notes

In the third quarter of 2022, bank syndicated loans that the Company previously warehoused were transferred into a third party warehouse entity at their acquisition price totaling $232.7 million, and securitized through the issuance of CLO securities. The corresponding warehouse facility of $172.5 million was concurrently repaid. The CLO is sponsored and managed by the third party. The Company acquired all of the subordinated notes of the CLO, which are classified as available-for-sale ("AFS") debt securities. The CLO has a stated legal final maturity of 2035.

The balance of the CLO subordinated notes is summarized as follows:

(in thousands)	Amortized Cost without Allowance for Credit Loss	Allowance for Credit Loss	Gross Cumulative Unrealized Gains	Gross Cumulative Unrealized Losses	Fair Value
At September 30, 2023 and December 31, 2022	$ 50,927	$ —	$ —	$ —	$ 50,927

In estimating fair value of the CLO subordinated notes, the Company used a benchmarking approach by looking to the implied credit spreads derived from observed prices on recent comparable CLO issuances, and also considering the current size and diversification of the CLO collateral pool, and projected return on the subordinated notes. Based upon these data points, the Company determined that the issued price of the subordinated notes in September 2022 was a reasonable representation of their fair value at September 30, 2023 and December 31, 2022, classified as Level 3 of the fair value hierarchy.

Loans Receivable

At September 30, 2023, there was no outstanding balance on loans receivable. Activities in the loans receivable balance is discussed further in Note 11.

5. Real Estate

In September 2023, the Company deconsolidated DataBank. All real estate related amounts in 2023 below reflect the effect of the deconsolidation.

The following table summarizes the Company's real estate held for investment by subsidiaries in the Operating segment.

(In thousands)	September 30, 2023	December 31, 2022
Land	$ 117,409	$ 257,588
Buildings and improvements	923,308	1,573,605
Data center infrastructure	2,450,515	4,427,150
Construction in progress	25,155	395,393
	3,516,387	6,653,736
Less: Accumulated depreciation	(465,810)	(732,438)
Real estate assets, net	$ 3,050,577	$ 5,921,298

Real Estate Depreciation

Depreciation of real estate held for investment was $86.2 million and $91.3 million for the three months ended September 30, 2023 and 2022, respectively, and $272.9 million and $257.7 million for the nine months ended September 30, 2023 and 2022.

Property Operating Income

Components of property operating income are as follows.

(In thousands)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Lease income:				
Fixed lease income	$ 158,905	$ 195,701	$ 514,862	$ 537,213
Variable lease income	37,434	29,453	105,123	86,668
	196,339	225,154	619,985	623,881
Data center service revenue	16,995	18,925	56,993	56,903
Other property operating income	724	257	2,760	314
	$ 214,058	$ 244,336	$ 679,738	$ 681,098

For both the nine months ended September 30, 2023 and 2022, property operating income from a single customer accounted for approximately 14% of the Company's total revenues from continuing operations, or approximately 5% of the Company's share of total revenues from continuing operations, net of amounts attributable to noncontrolling interests in investment entities.

6. Goodwill, Deferred Leasing Costs and Other Intangibles

Goodwill

The following table presents changes in goodwill by reportable segment.

	Nine Months Ended September 30,					
	2023			2022		
thousands)	Investment Management [1]	Operating	Total	Investment Management [1]	Operating	Total
eginning balance	$ 298,248	$ 463,120	$ 761,368	$ 298,248	$ 463,120	$ 761,368
Business combination (Note 3)	167,844	—	167,844	—	—	—
Deconsolidation (Note 10)	—	(463,120)	(463,120)	—	—	—
nding balance	$ 466,092	$ —	$ 466,092	$ 298,248	$ 463,120	$ 761,368

(1) Remaining goodwill deductible for income tax purposes was $114.4 million at September 30, 2023 and $122.4 million at December 31, 2022.

Deferred Leasing Costs, Other Intangible Assets and Intangible Liabilities

All 2023 amounts below reflect the effect of the deconsolidation of DataBank in September 2023, where applicable.

Deferred leasing costs and identifiable intangible assets and liabilities are as follows.

	September 30, 2023			December 31, 2022		
(In thousands)	Carrying Amount [1][2]	Accumulated Amortization[1][2]	Net Carrying Amount[1]	Carrying Amount [1]	Accumulated Amortization[1]	Net Carrying Amount[1]
Deferred Leasing Costs and Intangible Assets						
Investment management intangibles [3]	$ 202,215	$ (94,953)	$ 107,262	$ 164,189	$ (82,432)	$ 81,757
Deferred leasing costs and lease-related intangible assets [4]	817,983	(230,996)	586,987	1,239,477	(397,975)	841,502
Customer relationships and service contracts [5]	—	—	—	218,154	(62,788)	155,366
Trade names	4,300	(1,799)	2,501	26,400	(15,656)	10,744
Other [6]	1,519	(515)	1,004	6,818	(4,020)	2,798
Total deferred leasing costs and intangible assets	$ 1,026,017	$ (328,263)	$ 697,754	$ 1,655,038	$ (562,871)	$ 1,092,167
Intangible Liabilities						
Lease intangible liabilities [4]	$ 26,716	$ (5,883)	$ 20,833	$ 46,636	$ (16,812)	$ 29,824

(1) Presented net of impairments and write-offs, if any.

(2) Exclude intangible assets and liabilities that were fully amortized in prior years.

(3) Composed of investment management contracts and investor relationships.

(4) Lease intangible assets are composed of in-place leases, above-market leases and tenant relationships. Lease-intangible liabilities are composed of below-market leases.

(5) In connection with data center services provided in the colocation data center business which was deconsolidated in September 2023.

(6) Represents primarily the value of an acquired domain name and assembled workforce in an asset acquisition.

Amortization of Intangible Assets and Liabilities

The following table summarizes amortization of deferred leasing costs and finite-lived intangible assets and intangible liabilities:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	2023	2022	2023	2022
Net increase (decrease) to rental income [1]	$ 383	$ (3)	$ 457	$ 172
Amortization expense				
Investment management intangibles	$ 8,685	$ 5,066	$ 25,496	$ 15,176
Deferred leasing costs and lease-related intangibles	25,120	34,834	92,488	118,941
Customer relationships and service contracts	3,392	7,754	11,853	18,554
Trade name	911	1,098	3,107	3,294
Other	395	477	1,354	1,431
	$ 38,503	$ 49,229	$ 134,298	$ 157,396

(1) Represents the net effect of amortizing above- and below-market leases.

The following table presents the future amortization of deferred leasing costs and finite-lived intangible assets and intangible liabilities .

	Year Ending December 31,						
(In thousands)	Remaining 2023	2024	2025	2026	2027	2028 and thereafter	Total
Net increase (decrease) to rental income	$ (447)	$ (1,759)	$ (1,875)	$ (1,301)	$ (1,049)	$ 1,043	$ (5,388)
Amortization expense	25,155	90,489	83,319	73,978	64,047	334,545	671,533

7. Restricted Cash, Other Assets and Other Liabilities

All 2023 amounts in the tables below reflect the effect of the deconsolidation of DataBank in September 2023, where applicable.

Restricted Cash

Restricted cash represents principally cash reserves that are maintained pursuant to the governing agreements of the various securitized debt of the Company and subsidiaries in the Operating segment.

Other Assets

The following table summarizes the Company's other assets.

(In thousands)	September 30, 2023	December 31, 2022
Straight-line rents	$ 52,470	$ 42,721
Investment deposits and pending deal costs	310	1,377
Derivative assets	—	11,793
Prepaid taxes and deferred tax assets, net	11,197	8,709
Receivables from resolution of investment	350	14,923
Operating lease right-of-use asset—corporate offices	34,749	23,689
Operating lease right-of-use asset—investment properties	—	305,760
Finance lease right-of-use asset—investment properties	—	120,261
Accounts receivable, net [(1)]	30,438	66,059
Prepaid expenses	16,361	28,760
Other assets	11,374	15,798
Fixed assets, net [(2)]	8,091	14,200
Total other assets	$ 165,340	$ 654,050

(1) Includes primarily receivables from tenants in the Operating segment.

(2) Net of accumulated depreciation of $8.4 million at September 30, 2023 and $17.9 million at December 31, 2022.

Other Liabilities

The following table summarizes the Company's other liabilities:

(In thousands)	September 30, 2023	December 31, 2022
Deferred investment management fees [1]	$ 8,918	$ 6,264
Other deferred income [2]	36,174	55,188
Interest payable—corporate debt	1,181	4,431
Interest payable—investment level debt	3,420	5,624
Common and preferred stock dividends payable	16,418	16,491
Securities sold short—consolidated funds	43,832	40,928
Due to custodians—consolidated funds	9,548	35,458
Current and deferred income tax liability	7,304	98
Contingent consideration payable—InfraBridge (Note 11)	11,203	—
Contingent consideration payable—Wafra (Note 10)	35,000	125,000
Warrants issued to Wafra (Note 10)	41,400	17,700
Operating lease liability—corporate offices	49,954	40,497
Operating lease liability—investment properties	—	282,433
Finance lease liability—investment properties	—	135,624
Accrued compensation	48,756	52,031
Accrued incentive fee and carried interest compensation	242,402	171,086
Accrued real estate and other taxes	6,569	21,580
Payable for Vantage SDC expansion capacity [3]	38,538	56,889
Accounts payable and accrued expenses	45,118	185,900
Due to affiliates (Note 16)	13,055	12,451
Other liabilities	9,782	6,423
Other liabilities	$ 668,572	$ 1,272,096

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(1) Deferred investment management fees are expected to be recognized as fee income over a weighted average period of 2.8 years as of September 30, 2023 and 2.9 years as of December 31, 2022. Deferred investment management fees recognized as income of $1.5 million and $0.6 million in the three months ended September 30, 2023 and 2022, respectively, and $2.8 million and $3.1 million in the nine months ended September 30, 2023 and 2022, respectively, pertain to the deferred management fee balance at the beginning of each respective period.

(2) Represents primarily prepaid rental income and upfront payment received for data center installation services in the Operating segment.

(3) Represents deferred purchase consideration associated with a Vantage SDC add-on acquisition in 2021 that is to be paid upon future lease-up.

Deferred Income Taxes

The Company has significant deferred tax assets, related principally to capital loss carryforwards, outside basis difference in DBRG's interest in the OP, outside basis difference in investment in partnerships and net operating losses generated by a taxable U.S. subsidiary. As of September 30, 2023 and December 31, 2022, a full valuation allowance has been established as the realizability of these deferred tax assets did not meet the more-likely-than-not threshold. As a result, income tax expense in 2023 generally reflects the income tax effect of foreign subsidiaries.

8. Debt

Corporate Debt—This is composed of a securitized financing facility and senior notes issued by DigitalBridge Group, Inc. or the OP and are recourse to the Company, as discussed further below. Corporate debt is presented within Corporate and Other, except that a portion of the securitized financing facility is allocated to the Investment Management and Operating segments consistent with the cash flows that service the debt and the underlying collateral that resides across the Company's various lines of business.

	September 30, 2023				December 31, 2022			
(In thousands)	Investment Management	Operating	Corporate and Other	Total	Investment Management	Operating	Corporate and Other	Total
Corporate debt								
Securitized financing facility	$ 199,745	$ 70,499	$ 23,499	$ 293,743	$ 198,677	$ 70,120	$ 23,374	$ 292,171
Convertible and exchangeable senior notes	—	—	77,378	77,378	—	—	276,741	276,741
	$ 199,745	$ 70,499	$ 100,877	$ 371,121	$ 198,677	$ 70,120	$ 300,115	$ 568,912

Investment-level Debt—This represents non-recourse debt, including: (i) investment level financing in the Operating segment, which excludes DataBank following deconsolidation in September 2023; and (ii) debt within consolidated funds and debt on warehoused investments, if any, in Corporate and Other.

The components that make up the carrying value of corporate and investment-level debt are as follows.

	Corporate Debt			
(In thousands)	Securitized Financing Facility	Convertible and Exchangeable Senior Notes	Total	Non-Recourse Investment-Level Debt
September 30, 2023				
Debt at amortized cost				
Principal	$ 300,000	$ 78,422	$ 378,422	$ 2,806,408
Premium (discount), net	—	(933)	(933)	5,119
Deferred financing costs	(6,257)	(111)	(6,368)	(25,475)
	$ 293,743	$ 77,378	$ 371,121	$ 2,786,052
December 31, 2022				
Debt at amortized cost				
Principal	$ 300,000	$ 278,422	$ 578,422	$ 4,634,235
Premium (discount), net	—	(1,293)	(1,293)	10,713
Deferred financing costs	(7,829)	(388)	(8,217)	(57,720)
	$ 292,171	$ 276,741	$ 568,912	$ 4,587,228

The following table summarizes certain key terms of corporate and investment-level debt.

($ in thousands)	Fixed Rate			Variable Rate			Total		
	Outstanding Principal	Weighted Average Interest Rate (Per Annum)[1]	Weighted Average Years Remaining to Maturity[2]	Outstanding Principal	Weighted Average Interest Rate (Per Annum)[1]	Weighted Average Years Remaining to Maturity[2]	Outstanding Principal	Weighted Average Interest Rate (Per Annum)[1]	Weighted Average Years Remaining to Maturity[2]
September 30, 2023									
Corporate debt									
Recourse									
Securitized financing facility[3]	$ 300,000	3.93 %	3.0	$ —	NA	3.0	$ 300,000	3.93 %	3.0
Exchangeable senior notes	78,422	5.75 %	1.8	—	NA	NA	78,422	5.75 %	1.8
	$ 378,422			$ —			$ 378,422		
Investment-Level Secured Debt									
Non-recourse									
Operating segment	$ 2,801,748	2.84 %	2.7	$ —	NA	NA	$ 2,801,748	2.84 %	2.7
Corporate and Other—Consolidated fund	—	NA	NA	4,660	6.92 %	0.9	4,660	6.92 %	0.9
	$ 2,801,748			$ 4,660			$ 2,806,408		
December 31, 2022									
Corporate debt									
Recourse									
Securitized financing facility[3]	$ 300,000	3.93 %	3.7	$ —	NA	3.7	$ 300,000	3.93 %	3.7
Convertible and exchangeable senior notes	278,422	5.21 %	0.9	—	NA	NA	278,422	5.21 %	0.9
	$ 578,422			$ —			$ 578,422		
Investment-Level Secured Debt									
Non-recourse									
Operating segment	$ 3,640,235	2.43 %	3.1	$ 993,500	8.41 %	2.6	$ 4,633,735	3.71 %	3.0
Corporate and Other—Consolidated fund	—	NA	NA	500	5.96 %	1.6	500	5.96 %	1.6
	$ 3,640,235			$ 994,000			$ 4,634,235		

(1) Calculated based upon outstanding debt principal at balance sheet date. For variable rate debt, weighted average interest rate is calculated based upon the applicable index plus spread at balance sheet date.

(2) Calculated based upon anticipated repayment dates for notes issued under securitization financing; otherwise based upon initial maturity dates, or extended maturity dates if extension criteria are met for extensions that are at the Company's option.

(3) Represent obligations of special-purpose subsidiaries of the OP as co-issuers and certain other special-purpose subsidiaries of DBRG, and secured by assets of these special-purpose subsidiaries, as further described below. DBRG and the OP are not guarantors to the debt.

Corporate Debt—Securitized Financing Facility

In July 2021, special-purpose subsidiaries of the OP (the "Co-Issuers") issued Series 2021-1 Secured Fund Fee Revenue Notes, composed of: (i) $300 million aggregate principal amount of 3.933% Secured Fund Fee Revenue Notes, Series 2021-1, Class A-2 (the “Class A-2 Notes”); and (ii) up to $300 million (following a $100 million increase in April 2022) Secured Fund Fee Revenue Variable Funding Notes, Series 2021-1, Class A-1 (the “VFN” and, together with the Class A-2 Notes, the “Series 2021-1 Notes”). The VFN allow the Co-Issuers to borrow on a revolving basis. The Series 2021-1 Notes were issued under an Indenture dated July 2021, as amended in April 2022, that allows the Co-Issuers to issue additional series of notes in the future, subject to certain conditions. The Series 2021-1 Notes replaced the Company's previous corporate credit facility.

The Series 2021-1 Notes represent obligations of the Co-Issuers and certain other special-purpose subsidiaries of DBRG, and neither DBRG, the OP nor any of its other subsidiaries are liable for the obligations of the Co-Issuers. The Series 2021-1 Notes are secured by net investment management fees earned by subsidiaries of DBRG, equity interests in portfolio companies in the Operating segment and limited partnership interests in certain sponsored funds held by subsidiaries of DBRG, as collateral.

The Class A-2 Notes bear interest at a rate of 3.933% per annum, payable quarterly. The VFN bear interest generally based upon 1-month Adjusted Term Secured Overnight Financing Rate or SOFR (prior to April 2022, 3-month LIBOR) or an alternate benchmark as set forth in the purchase agreement of the VFN plus 3%. Unused capacity under the VFN facility is subject to a commitment fee of 0.5% per annum. The final maturity date of the Class A-2 Notes is in September 2051, with an anticipated repayment date in September 2026. The anticipated repayment date of the VFN is in September 2024, subject to two one-year extensions at the option of the Co-Issuers. If the Series 2021-1 Notes are not repaid or refinanced prior to their anticipated repayment date, or such date is not extended for the VFN, interest will accrue at a higher rate and the Series 2021-1 Notes will begin to amortize quarterly.

The Series 2021-1 Notes may be optionally prepaid, in whole or in part, prior to their anticipated repayment dates. There is no prepayment penalty on the VFN. However, prepayment of the Class A-2 Notes will be subject to additional consideration based upon the difference between the present value of future payments of principal and interest and the outstanding principal of such Class A-2 Note that is being prepaid; or 1% of the outstanding principal of such Class A-2 Note that is being prepaid in connection with a disposition of collateral.

The Indenture of the Series 2021-1 Notes contains various covenants, including financial covenants that require the maintenance of minimum thresholds for debt service coverage ratio and maximum loan-to-value ratio, as defined. As of the date of this filing, the Co-Issuers are in compliance with all of the financial covenants, and the full $300 million under the VFN is available to be drawn.

Corporate Debt—Convertible and Exchangeable Senior Notes

Convertible and exchangeable senior notes (collectively, the senior notes) are composed of the following, representing senior unsecured obligations of DigitalBridge Group, Inc. or the OP as issuers of the senior notes:

Description	Issuance Date	Due Date	Interest Rate (per annum)	Conversion or Exchange Price (per share of common stock)	Conversion or Exchange Ratio (in shares)[1]	Conversion or Exchange Shares (in thousands)	Earliest Redemption Date	Outstanding Principal September 30, 2023	Outstanding Principal December 31, 2022
Issued by DigitalBridge Group, Inc.									
5.00% Convertible Senior Notes [2]	April 2013	April 15, 2023	5.00 %	$ 63.02	15.8675	3,174	April 22, 2020	$ —	$ 200,000
Issued by DigitalBridge Operating Company, LLC									
5.75% Exchangeable Senior Notes	July 2020	July 15, 2025	5.75 %	9.20	108.6956	8,524	July 21, 2023	78,422	78,422
								$ 78,422	$ 278,422

(1) The conversion or exchange ratio for the senior notes is subject to periodic adjustments to reflect certain carried-forward adjustments relating to common stock splits, reverse stock splits, common stock adjustments in connection with spin-offs and cumulative cash dividends paid on the Company's common stock since the issuances of the senior notes. The ratios are presented in shares of common stock per $1,000 principal of each senior note.

(2) Fully repaid in April 2023.

The senior notes mature on their due dates, unless earlier redeemed, repurchased, or exchanged. The outstanding senior notes are exchangeable at any time by holders of such notes into shares of the Company's common stock at the applicable exchange rate, which is subject to adjustment upon occurrence of certain events.

To the extent certain trading conditions of the Company's common stock are met, the senior notes are redeemable by the issuer in whole or in part for cash at any time on or after their earliest redemption dates at a redemption price equal to 100% of the principal amount of such senior notes being redeemed, plus accrued and unpaid interest (if any) up to, but excluding, the redemption date.

In the event of certain change in control transactions, holders of the senior notes have the right to require the issuer to purchase all or part of such holder's senior notes for cash in accordance with terms of the governing documents of the senior notes.

Exchange of Senior Notes For Common Stock and Cash

There were no exchange transactions in 2023.

In March 2022, DBRG and the OP completed separate privately negotiated exchange transactions with certain noteholders of the 5.75% exchangeable notes. The Company exchanged in aggregate $60.3 million of outstanding principal of the 5.75% exchangeable notes into 6,389,366 shares of the Company's class A common stock and paid $13.9 million of cash. The exchanges resulted in a debt extinguishment loss of $133.2 million, calculated as the excess of consideration paid over the carrying value of the notes exchanged, and recorded in other loss on the consolidated statement of operations. Consideration was measured at fair value based upon the closing price of the Company's class A common stock on the date of the respective exchanges, and cash paid, net of transaction costs. The exchanges did not qualify as debt conversion and were treated as debt extinguishment as the Company issued less than the number of shares issuable under the stated exchange ratio of 108.696 shares per $1,000 of note principal exchanged.

Non-Recourse Investment-Level Secured Debt

These are investment level financing that are non-recourse to DBRG and are primarily secured by data center portfolios held by subsidiaries in the Operating segment, which excludes DataBank following deconsolidation in September 2023. At September 30, 2023, the remaining subsidiary in the Operating segment was in compliance with the financial covenants underlying the respective investment-level secured debt.

In 2023, subsidiaries in the Operating segment refinanced or raised additional debt, primarily through new securitization transactions, as follows. There were no securitization activities in 2022.

In February 2023, DataBank issued $715 million of securitized notes at fixed rate coupon of 5.12% per annum (7.07% per annum effective rate as the notes were issued at a discount) with a 5-year anticipated repayment date. Separately, DataBank secured a $350 million credit facility that may be drawn over time and obtained $121.0 million financing for a data center acquisition (Note 3). Proceeds were also applied principally to refinance the data center assets of its zColo subsidiary and to repay the outstanding balance of its variable funding notes.

In March 2023, Vantage SDC issued $370 million of securitized notes at a fixed rate coupon of 6.32% per annum with a 5-year anticipated repayment date. Proceeds were applied principally to repay previously issued securitized notes which had an anticipated repayment date in November 2023 and the outstanding balance of its variable funding notes.

These refinancing transactions resulted in a net loss from debt extinguishment totaling $12.0 million, representing prepayment penalty and accelerated amortization of deferred financing costs, debt discount and premium, recorded in interest expense.

Future Minimum Principal Payments

The following table summarizes future scheduled minimum principal payments of debt at September 30, 2023. Future debt principal payments are presented based upon anticipated repayment dates for notes issued under securitization financing, or based upon initial maturity dates or extended maturity dates if extension criteria are met at September 30, 2023 for extensions that are at the option of the respective borrower entities.

(In thousands)	Remaining 2023	2024	2025	2026	2027	2028 and thereafter	Total
Corporate debt							
Securitized financing facility	$ —	$ —	$ —	$ 300,000	$ —	$ —	$ 300,000
Exchangeable senior notes	—	—	78,422	—	—	—	78,422
	$ —	$ —	$ 78,422	$ 300,000	$ —	$ —	$ 378,422
Non-recourse investment-level secured debt							
Operating segment	$ 995	$ 600,753	$ 700,000	$ 530,000	$ 600,000	$ 370,000	$ 2,801,748
Corporate and Other—Consolidated fund	—	4,660	—	—	—	—	4,660
	$ 995	$ 605,413	$ 700,000	$ 530,000	$ 600,000	$ 370,000	$ 2,806,408

9. Stockholders' Equity

The table below summarizes the share activities of the Company's preferred stock and common stock.

	Number of Shares		
(In thousands)	Preferred Stock	Class A Common Stock	Class B Common Stock
Shares outstanding at December 31, 2021	35,340	142,144	166
Stock repurchases	(2,229)	(945)	—
Exchange of notes for class A common stock	—	6,389	—
Shares issued upon redemption of OP Units	—	100	—
Shares issued for redemption of redeemable noncontrolling interest (Note 10)	—	14,435	—
Equity awards issued, net of forfeitures	—	1,533	—
Shares canceled for tax withholding on vested equity awards	—	(681)	—
Shares outstanding at September 30, 2022	33,111	162,975	166
Shares outstanding at December 31, 2022	33,111	159,763	166
Stock repurchases	(235)	—	—
Shares issued upon redemption of OP Units	—	253	—
Equity awards issued, net of forfeitures	—	4,815	—
Shares canceled for tax withholding on vested equity awards	—	(1,567)	—
Shares outstanding at September 30, 2023	32,876	163,264	166

Preferred Stock

In the event of a liquidation or dissolution of the Company, preferred stockholders have priority over common stockholders for payment of dividends and distribution of net assets.

The table below summarizes the preferred stock issued and outstanding at September 30, 2023:

Description	Dividend Rate Per Annum	Initial Issuance Date	Shares Outstanding (in thousands)	Par Value (in thousands)	Liquidation Preference (in thousands)	Earliest Redemption Date
Series H	7.125 %	April 2015	8,395	$ 84	$ 209,870	Currently redeemable
Series I	7.15 %	June 2017	12,867	129	321,668	Currently redeemable
Series J	7.125 %	September 2017	11,614	116	290,361	Currently redeemable
			32,876	$ 329	$ 821,899	

All series of preferred stock are at parity with respect to dividends and distributions, including distributions upon liquidation, dissolution or winding up of the Company. Dividends are payable quarterly in arrears in January, April, July and October.

Each series of preferred stock is redeemable on or after the earliest redemption date for that series at $25.00 per share plus accrued and unpaid dividends (whether or not declared) prorated to their redemption dates, exclusively at the Company’s option. The redemption period for each series of preferred stock is subject to the Company’s right under limited circumstances to redeem the preferred stock upon the occurrence of a change of control (as defined in the articles supplementary relating to each series of preferred stock).

Preferred stock generally does not have any voting rights, except if the Company fails to pay the preferred dividends for six or more quarterly periods (whether or not consecutive). Under such circumstances, the preferred stock will be entitled to vote, together as a single class with any other series of parity stock upon which like voting rights have been conferred and are exercisable, to elect two additional directors to the Company’s board of directors, until all unpaid dividends have been paid or declared and set aside for payment. In addition, certain changes to the terms of any series of preferred stock cannot be made without the affirmative vote of holders of at least two-thirds of the outstanding shares of each such series of preferred stock voting separately as a class for each series of preferred stock.

Common Stock

Except with respect to voting rights, class A common stock and class B common stock have the same rights and privileges and rank equally, share ratably in dividends and distributions, and are identical in all respects as to all matters. Class A common stock has one vote per share and class B common stock has thirty-six and one-half votes per share. This gives the holders of class B common stock a right to vote that reflects the aggregate outstanding non-voting economic interest in the Company (in the form of OP Units) attributable to class B common stock holders and therefore, does not provide any disproportionate voting rights. Class B common stock was issued as consideration in the Company's acquisition in April 2015 of the investment management business and operations of its former manager, which was previously controlled by the Company's former Executive Chairman. Each share of class B common stock shall convert automatically into one share of class A common stock if the former Executive Chairman or his beneficiaries directly or indirectly transfer beneficial ownership of class B common stock or OP Units held by them, other than to certain qualified transferees, which generally includes affiliates and employees. In addition, each holder of class B common stock has the right, at the holder's option, to convert all or a portion of such holder's class B common stock into an equal number of shares of class A common stock.

The Company reinstated quarterly common stock dividends at $0.01 per share beginning the third quarter of 2022, having previously suspended common stock dividends from the second quarter of 2020 through the second quarter of 2022.

Dividend Reinvestment and Direct Stock Purchase Plan

The Company's Dividend Reinvestment and Direct Stock Purchase Plan (the "DRIP Plan") provides existing common stockholders and other investors the opportunity to purchase shares (or additional shares, as applicable) of the Company's class A common stock by reinvesting some or all of the cash dividends received on their shares of the Company's class A common stock or making optional cash purchases within specified parameters. The DRIP Plan involves the acquisition of the Company's class A common stock either in the open market, directly from the Company as newly issued common stock, or in privately negotiated transactions with third parties. No shares of class A common stock have been acquired under the DRIP Plan in the form of new issuances in the last three years.

Reverse Stock Split

In August 2022, the Company effectuated a one-for-four reverse stock split of its outstanding shares of class A and class B common stock. At that time, the number of authorized shares of common stock was not concurrently adjusted and par value of common stock was proportionately increased from $0.01 to $0.04 per share. Following stockholder approval in May 2023, the number of authorized shares of class A and class B common stock was proportionally decreased to 237,250,000 shares and 250,000 shares, respectively and par value of common stock was proportionately decreased from $0.04 to $0.01 per share, resulting in approximately $4.9 million increase in additional paid-in capital.

Stock Repurchases

Pursuant to a $200 million stock repurchase program announced in July 2022 that expired in June 2023:

- In 2023, the Company repurchased 235,223 shares in aggregate across Series H, I and J preferred stock for approximately $4.7 million, or a weighted average price of $20.18 per share.
- In 2022, the Company repurchased (i) 2,228,805 shares in aggregate across Series H, I and J preferred stock for $52.6 million, or a weighted average price of $23.62 per share; and (ii) 4,195,020 shares of class A common stock for $54.9 million, or a weighted average price of $13.09 per share.

The excess or deficit of the repurchase price over the carrying value of the preferred stock results in a decrease or increase to net income attributable to common stockholders, respectively.

Accumulated Other Comprehensive Income (Loss) ("AOCI")

The following tables present the changes in each component of AOCI attributable to stockholders and noncontrolling interests in investment entities, net of immaterial tax effect. AOCI attributable to noncontrolling interests in Operating Company is immaterial.

Changes in Components of AOCI—Stockholders

(In thousands)	Company's Share in AOCI of Equity Method Investments	Unrealized Gain (Loss) on AFS Debt Securities	Foreign Currency Translation Gain (Loss)	Unrealized Gain (Loss) on Net Investment Hedges	Total
AOCI at December 31, 2021	$ 2,334	$ 5,861	$ 26,502	$ 7,686	$ 42,383
Other comprehensive income (loss) before reclassifications	(3,790)	—	(36,281)	24,477	(15,594)
Amounts reclassified from AOCI	(200)	(5,861)	(17,016)	(7,768)	(30,845)
AOCI at September 30, 2022	$ (1,656)	$ —	$ (26,795)	$ 24,395	$ (4,056)
AOCI at December 31, 2022	$ (295)	$ —	$ (1,214)	$ —	$ (1,509)
Other comprehensive income (loss) before reclassifications	(1)	—	1,264	—	1,263
Amounts reclassified from AOCI	296	—	(902)	—	(606)
Deconsolidation of DataBank	—	—	965	—	965
AOCI at September 30, 2023	$ —	$ —	$ 113	$ —	$ 113

Changes in Components of AOCI—Noncontrolling Interests in Investment Entities

(In thousands)	Foreign Currency Translation Gain (Loss)
AOCI at December 31, 2021	$ 11,057
Other comprehensive income (loss) before reclassifications	(29,551)
Amounts reclassified from AOCI	(9,819)
AOCI at September 30, 2022	$ (28,313)
AOCI at December 31, 2022	$ (3,015)
Other comprehensive income (loss) before reclassifications	(1,666)
Amounts reclassified from AOCI	2,082
Deconsolidation of DataBank	2,550
AOCI at September 30, 2023	$ (49)

Reclassifications out of AOCI—Stockholders

Information about amounts reclassified out of AOCI attributable to stockholders by component is presented below. Such amounts are included in other gain (loss) in continuing and discontinued operations on the consolidated statements of operations, as applicable, except for amounts related to equity method investments, which are included in equity method losses in discontinued operations.

(In thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
Component of AOCI reclassified into earnings	2023	2022	2023	2022
Relief of basis of AFS debt securities	$ —	$ —	$ —	$ 5,861
Release of foreign currency cumulative translation adjustments	284	(3,664)	902	17,016
Realized gain on net investment hedges	—	7,768	—	7,768
Deconsolidation of DataBank	(965)		(965)	—
Release of AOCI of equity method investments	—	—	(296)	200

10. Noncontrolling Interests

Redeemable Noncontrolling Interests

The following table presents the activities in redeemable noncontrolling interests in the Company's investment management business through its redemption in May 2022 as discussed below, and in open-end funds in the liquid securities strategy consolidated by the Company.

(In thousands)	Nine Months Ended September 30, 2023	2022
Redeemable noncontrolling interests		
Balance at January 1	$ 100,574	$ 359,223
Contributions	300	11,650
Distributions paid and payable, including redemptions by limited partners in consolidated funds	(78,330)	(20,119)
Net income (loss)	4,634	(31,989)
Adjustment of Wafra's interest to redemption value and warrants held by Wafra to fair value	—	725,026
Redemption of Wafra's interest	—	(862,276)
Reclassification of warrants held by Wafra to liability in May 2022 (Note 7)	—	(81,400)
Reclassification of Wafra's carried interest allocation to noncontrolling interests in investment entities in May 2022	—	(4,087)
Balance at September 30	$ 27,178	$ 96,028

Redeemable Noncontrolling Interest in Investment Management

On May 23, 2022, the Company redeemed the 31.5% noncontrolling interest in its investment management business held by Wafra pursuant to a purchase and sale agreement ("PSA") entered into in April 2022.

In connection with Wafra's initial investment in the Company's investment management business in July 2020, Wafra had assumed directly and also indirectly through a participation interest $124.9 million of the Company's commitments to DBP I, and has a $125.0 million commitment to DBP II that has been partially funded to-date. These are the Company's flagship value-add equity infrastructure funds. Wafra had also agreed to make commitments to the Company's future funds and investment vehicles on a pro rata basis with the Company based on Wafra's percentage interest in the investment management business, subject to certain caps.

Pursuant to the PSA, Wafra’s entitlement to carried interest in DBP II was reduced from 12.6% to 7%, and with certain limited exceptions, Wafra sold or gave up its right to invest in, or receive carried interest from, future investment management products, but except as otherwise provided, retained its investment in and its allocation of carried interest from existing investment management products.

Consideration for the redemption of Wafra's interest consisted of: (i) an upfront payment of $388.5 million in cash and 14,435,399 shares of the Company's Class A common stock valued at $348.8 million based upon the closing price of the Company's class A common stock on May 23, 2022; and (ii) Wafra's right to earn a contingent amount up to $125 million if the Company raises fee earning equity under management (as defined in the PSA) up to $6 billion during the period from December 31, 2021 to December 31, 2023, payable in March 2023 for portion earned in 2022 and March 2024 for any remaining portion earned in 2023, with up to 50% payable in shares of the Company's Class A common stock at the Company's election. The Company paid Wafra in cash $90 million of the contingent amount in March 2023.

The carrying value of Wafra's redeemable noncontrolling interest was adjusted to fair value prior to redemption, initially based upon an estimate of consideration payable at March 31, 2022 when redemption was deemed to be probable, including the maximum potential contingent amount of $125 million. This adjustment resulted in an allocation from additional paid-in capital to redeemable noncontrolling interests on the consolidated balance sheet.

The unrealized carried interest earnings allocated to Wafra that was retained and no longer subject to redemption was reclassified in May 2022 to permanent equity, included in noncontrolling interests in investment entities.

Additionally, in July 2020, the Company had also issued Wafra five warrants to purchase up to an aggregate of 5% of the Company’s class A common stock (5% at the time of the transaction, on a fully-diluted, post-transaction basis), as described further in Note 11. In connection with the redemption, the terms of the warrants were amended, among other things, to provide for net cash settlement upon exercise of the warrants, at election of either the Company or Wafra, if such exercise would result in Wafra beneficially owning in excess of 9.8% of the issued and outstanding shares of the Company's class A common stock. Inclusion of the cash settlement feature changed the classification of the warrants from equity to liability. The warrants were remeasured to fair value prior to reclassification in May 2022, with the increase in value recorded in equity to reduce additional paid-in capital. Subsequent changes in fair value of the warrant liability is recorded in earnings.

The Company's redemption of Wafra's interest in May 2022 also resulted in the assumption of $5.2 million of deferred tax asset that now accrues to the Company.

Noncontrolling Interests in Investment Entities

2022 DataBank Additional Investment

In January 2022, a shareholder of DataBank sold its equity interest to the Company and an existing investor, resulting in an additional $32.0 million investment by the Company in DataBank. Following this transaction and additional equity funded by the shareholders of DataBank in connection with its data center acquisition in March 2022 (Note 3), the Company's interest in DataBank increased from 20% to 21.8% (prior to the 2022 and 2023 recapitalizations as discussed below).

2022 DataBank Recapitalization

The Company began a partial recapitalization of DataBank in the second half of 2022 through multiple sales of equity interest to new investors, resulting in net proceeds to the Company of approximately $425.5 million, including its share of carried interest, net of allocation to employees and former employees of $20.1 million (the "2022 Recapitalization"). As a result of the 2022 Recapitalization, the Company's ownership decreased from 21.8% to 11.0% at December 31, 2022.

Upon completion of the 2022 Recapitalization, the Company reconsidered its consolidation assessment and concluded that it remained the primary beneficiary of the VIE through which it holds its interest in DataBank. As the 2022 Recapitalization involved a change in ownership of a consolidated subsidiary, it was accounted for as an equity transaction. The difference between the book value of the Company's interest and its ownership based upon the fair value of DataBank resulted in a reallocation from noncontrolling interests in investment entities to additional paid-in capital totaling $230.2 million in the third and fourth quarters of 2022.

The 2022 Recapitalization transaction triggered an accelerated vesting of certain profits interest units that had been issued by DataBank to its employees. As a result of the accelerated vesting, $10.0 million of additional equity based compensation was recorded in the third quarter of 2022 based upon DataBank's original grant date fair value of these awards, of which $7.8 million was attributable to noncontrolling interests in investment entities.

2023 DataBank Recapitalization and Deconsolidation

In September 2023, the Company completed the partial recapitalization of DataBank through additional sales of equity interest to new investors (the "2023 Recapitalization"), resulting in net proceeds to the Company of $49.4 million, including carried interest of $27.9 million. As a result of the 2023 Recapitalization, the Company's ownership interest in DataBank decreased from 11.0% to 9.87%.

Upon completion of the 2023 Recapitalization, the Company reconsidered its consolidation assessment and concluded that it no longer held a controlling financial interest in DataBank and was no longer the primary beneficiary of the VIE through which it holds its interest in DataBank. As a result, the Company derecognized the assets and liabilities of DataBank effective September 14, 2023, and accounts for its remaining investment in DataBank using the equity method. Accordingly, prior to September 14, 2023, the assets and liabilities and operating results of DataBank were included in the Company's consolidated financial statements and presented in the Operating segment, with the portion of DataBank's operating results attributable to third party investors presented as noncontrolling interests in investment entities. Subsequent to September 14, 2023, the Company's consolidated financial statements include only its equity investment and its share of changes in the fair value of DataBank, which are presented in Corporate and Other, consistent with the treatment and presentation of the Company's interests as general partner affiliate in its other sponsored investment vehicles (Note 4).

The deconsolidation of DataBank resulted in the derecognition of the following assets, liabilities and noncontrolling interests in investment entities as of September 14, 2023:

(In thousands)	September 14, 2023
Assets	
Cash and cash equivalents	$ 52,902
Restricted cash	49,546
Real estate	3,234,888
Goodwill	463,120
Deferred leasing costs and intangible assets	322,187
Other assets	461,223
Assets held for disposition	49,696
	$ 4,633,562
Liabilities	
Debt	$ 2,309,596
Intangible liabilities	6,696
Other liabilities	718,211
Liabilities related to assets held for disposition	12,165
	$ 3,046,668
Noncontrolling interests in investment entities	$ 1,427,435

In connection with the deconsolidation, the Company realized a $3.7 million gain from the sale of its equity interest in the 2023 Recapitalization, and remeasured its remaining 9.87% equity interest in DataBank at a fair value of $434.5 million (Note 4) based upon the pricing of the recapitalization, which resulted in an unrealized gain of $275.0 million. The total gain of $278.7 million was recorded in other gain (loss), net on the Company's consolidated statements of operations, and is presented in Corporate and Other.

Noncontrolling Interests in Operating Company

Certain current and former employees of the Company directly or indirectly own interests in OP, presented as noncontrolling interests in the Operating Company. Noncontrolling interests in OP have the right to require OP to redeem part or all of such member's OP Units for cash based on the market value of an equivalent number of shares of class A common stock at the time of redemption, or at the Company's election as managing member of OP, through issuance of shares of class A common stock (registered or unregistered) on a one-for-one basis. At the end of each period, noncontrolling interests in OP is adjusted to reflect their ownership percentage in OP at the end of the period, through a reallocation between controlling and noncontrolling interests in OP.

Redemption of OP Units—The Company redeemed OP Units totaling 253,084 in 2023 and 100,220 in 2022 through issuance of an equal number of shares of class A common stock on a one-for-one basis.

11. Fair Value

Recurring Fair Values

Financial assets and financial liabilities carried at fair value on a recurring basis include financial instruments for which the fair value option was elected, but exclude financial assets under the NAV practical expedient. Fair value is categorized into a three tier hierarchy that is prioritized based upon the level of transparency in inputs used in the valuation techniques, as follows.

Level 1—Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2—Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in non-active markets, or valuation techniques utilizing inputs that are derived principally from or corroborated by observable data directly or indirectly for substantially the full term of the financial instrument.

Level 3—At least one assumption or input is unobservable and it is significant to the fair value measurement, requiring significant management judgment or estimate.

Marketable Equity Securities

Marketable equity securities with long positions of $84.0 million at September 30, 2023 and $155.9 million at December 31, 2022, included within equity investments of Corporate and Other (Note 4), and short positions of $43.8 million at September 30, 2023 and $40.9 million at December 31, 2022, included in other liabilities (Note 7), consist of publicly traded equity securities held predominantly by sponsored liquid strategy funds consolidated by the Company. The equity securities of the consolidated funds comprise listed stocks primarily in the U.S. and to a lesser extent, in Europe, and primarily in the technology, media and telecommunications sectors. These marketable equity securities are valued based upon listed prices in active markets and classified as Level 1 of the fair value hierarchy.

Equity Investment of Consolidated Fund

A consolidated credit fund has equity interests in pooling entities that hold a portfolio of loans, invested alongside other managed credit funds. The fund's equity interests in the pooling entities had a fair value of $107.0 million at September 30, 2023 and $46.8 million at December 31, 2022, classified as Level 3 of the fair value hierarchy. Fair value of the fund's equity interests in the pooling entities is based upon its share of expected cash flows from the loan assets held by the pooling entities. In estimating fair value of the underlying loans, the pooling entities considered the prevailing market yields at which a third party might expect to receive on equivalent loans with similar credit risk. Based upon a comparison to market yields, it was determined that the transacted price or par value of the loans held by the pooling entities approximated their fair value at September 30, 2023 and at December 31, 2022.

Derivatives

The Company's derivative instruments generally consist of: (i) foreign currency put options, forward contracts and costless collars to hedge the foreign currency exposure of certain foreign-denominated investments or investments in foreign subsidiaries (in GBP and EUR), with notional amounts and termination dates based upon the anticipated return of capital from these investments; and (ii) interest rate caps and swaps to limit the exposure to changes in interest rates on various floating rate debt obligations (indexed to SOFR or Euribor). These derivative contracts may be designated as qualifying hedge accounting relationships, specifically as net investment hedges and cash flow hedges, respectively.

The derivative instruments are subject to master netting arrangements with counterparties that allow the Company to offset the settlement of derivative assets and liabilities in the same currency by instrument type or, in the event of default by the counterparty, to offset all derivative assets and liabilities with the same counterparty. Notwithstanding the conditions for right of offset may have been met, the Company presents derivative assets and liabilities with the same counterparty on a gross basis on the consolidated balance sheets.

The Company had no outstanding derivatives at September 30, 2023. At December 31, 2022, fair value of derivative assets was $11.8 million, included in other assets, and there were no derivatives in a liability position. All derivative positions were non-designated hedges. At December 31, 2022, derivative notional amounts aggregated to the equivalent of $321.1 million for foreign exchange contracts, and there were no outstanding interest rate contracts.

Realized and unrealized gains and losses on derivative instruments are recorded in other gain (loss) on the consolidated statement of operations as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	2023	2022	2023	2022
Foreign currency contracts:				
Realized gain transferred from AOCI to earnings	$ —	$ 8,367	$ —	$ 8,367
Realized and unrealized gain in earnings on non-designated contracts[(1)]	—	(8,689)	4,053	(3,619)
Interest rate contracts:				
Realized and unrealized gain in earnings on non-designated contracts	—	10,258	—	11,284

(1) Include amount related to foreign currency contract entered into on behalf of a sponsored fund, which had no net impact to the Company's earnings, (Note 16).

The Company's foreign currency and interest rate contracts are generally traded over-the-counter, and are valued using a third-party service provider. Quotations on over-the-counter derivatives are not adjusted and are generally valued using observable inputs such as contractual cash flows, yield curve, foreign currency rates and credit spreads, and are classified as Level 2 of the fair value hierarchy. Although credit valuation adjustments, such as the risk of default, rely on Level 3 inputs, these inputs are not significant to the overall valuation of the derivatives. As a result, derivative valuations in their entirety are classified as Level 2 of the fair value hierarchy.

Warrants

As discussed in Note 10, the Company had issued five warrants to Wafra in July 2020. Each warrant entitles Wafra to purchase up to 1,338,000 shares of the Company's class A common stock at staggered strike prices between $9.72 and $24.00 each, exercisable through July 17, 2026. No warrants have been exercised to-date.

The warrants are carried at fair value effective May 2022 when they were reclassified from equity to liability, with subsequent changes in fair value recorded in other gain (loss) on the consolidated statements of operations. The warrants were valued at $41.4 million at September 30, 2023 and $17.7 million at December 31, 2022 using a Black-Scholes option pricing model, applying the following inputs: (a) estimated volatility for DBRG's class A common stock of 37.2% (40.8% at December 31, 2022); (b) closing stock price of DBRG's class A common stock on the last trading day of the quarter; (c) the strike price for each warrant; (d) remaining term to expiration of the warrants; and (e) risk free rate of 4.85% per annum (4.16% per annum at December 31, 2022), derived from the daily U.S. Treasury yield curve rates to correspond to the remaining term to expiration of the warrants. Fair value of the warrant liability, classified as Level 3 fair value, increased $23.7 million during the nine months ended September 30, 2023.

Contingent Consideration

In connection with the acquisition of InfraBridge, contingent consideration is payable if prescribed fundraising targets for InfraBridge's new global infrastructure funds are met. In measuring the contingent consideration, the Company applied a probability-weighted approach to the likelihood of meeting various fundraising targets and discounted the estimated future contingent consideration payment at 4.9% to derive a present value amount. The contingent consideration of $11.2 million at September 30, 2023 is classified as Level 3 of the fair value hierarchy, with increase in fair value of $0.3 million during the nine months ended September 30, 2023 recorded in other gain (loss).

Fair Value Option

Loans Receivable

At September 30, 2023, there was no outstanding balance on loans receivable, which had been carried at fair value under the fair value option. Previously, loans receivable consisted of two unsecured promissory notes, one in connection with the 2022 sale of the Company's Wellness Infrastructure business (Note 2) and one held by DataBank, presented within Corporate and Other and in the Operating segment, respectively. Both loans receivable had bullet repayment of principal and accrued paid-in-kind ("PIK") interest. Fair value of loans receivable included accrued interest, which was recorded in other income, while changes in fair value was recorded in other gain (loss).

At December 31, 2022, fair value of loans receivable was $137.9 million, with unpaid principal balance, inclusive of PIK interest, of $167.8 million, classified as Level 3 in the fair value hierarchy. In March 2023, the Wellness Infrastructure note was fully written down, taking into consideration foreclosure of certain assets within the Wellness Infrastructure portfolio by its mezzanine lender. In April 2023, the DataBank note was fully repaid. At December 31, 2022, loan fair values were based upon a discounted cash flow projection of principal and interest, which at the time of valuation, were expected to be collected, discounted at 10.0% and 10.5%.

Changes in Level 3 Fair Value

The following table presents changes in recurring Level 3 fair value assets held for investment. Realized and unrealized gains (losses) are included in other gain (loss).

(In thousands)	Fair Value Option Loans Receivable	Equity Investment of Consolidated Fund
Fair value at December 31, 2021	$ 82,930	$ —
Originations and drawdowns	371,415	—
Change in accrued interest and capitalization of paid-in-kind interest	4,491	—
Paydowns	(159,501)	—
Transfer of warehoused loans to sponsored fund	(83,083)	—
Consolidation of sponsored fund	—	10,536
Unrealized gain (loss) in earnings, net	(41,863)	673
Fair value at September 30, 2022	$ 174,389	$ 11,209
Net unrealized gain (loss) in earnings on instruments held at September 30, 2022	$ (38,649)	$ 673
Fair value at December 31, 2022	$ 137,945	$ 46,770
Contributions	—	58,952
Change in consolidated fund's share of equity investment[(1)]	—	1,842
Capitalization of paid-in-kind interest	544	—
Paydown of loan receivable or underlying loan assets held by equity investment of consolidated fund	(6,804)	(2,344)
Unrealized and realized gain (loss) in earnings, net	(131,685)	1,812
Fair value at September 30, 2023	$ —	$ 107,032
Net unrealized gain (loss) in earnings on instruments held at September 30, 2023	$ (133,307)	$ 1,812

(1) Represents reallocation of investment value when relative ownership of the pooling entity across its fund owners change following additional capital contributions.

Investment Carried at Fair Value Using Net Asset Value

The Company holds an investment in a non-traded healthcare REIT, valued at $34.5 million at September 30, 2023 and at December 31, 2022, presented within Corporate and Other in Note 4. The Company has no commitment for any further investment in the non-traded REIT in the future. The investment is valued based upon NAV beginning October 2021 when the investee, a healthcare real estate investor/manager, was acquired in conjunction with a merger of its co-sponsored non-traded REITs. The transaction diluted the Company's equity interest in the investee, which was previously accounted for as an equity method investment. Redemption of the Company's partnership interest in the non-traded healthcare REIT is restricted until the earliest of (1) the second anniversary of the issuance to the Company of such partnership units, (2) change in control of the general partner, and (3) initial public offering of the equity of the non-traded healthcare REIT, which may be subject to further restriction on redemption by the underwriters.

Nonrecurring Fair Values

The Company measures fair value of certain assets on a nonrecurring basis: (i) on the acquisition date for business combinations; (ii) when events or changes in circumstances indicate that the carrying value of the assets may not be recoverable; and (iii) upon deconsolidation of a subsidiary for any retained interest. Adjustments to fair value generally result from an application of the lower of amortized cost or fair value for assets held for disposition or otherwise, a write-down of asset values due to impairment.

There were no assets carried at nonrecurring fair value at September 30, 2023 and December 31, 2022.

Fair Value of Financial Instruments Reported at Cost

Fair value of financial instruments reported at amortized cost, excluding those held for disposition, are presented below.

	Fair Value Measurements				
(In thousands)	Level 1	Level 2	Level 3	Total	Carrying Value
September 30, 2023					
Liabilities					
Corporate debt					
Secured fund fee revenue notes	$ —	$ 250,547	$ —	$ 250,547	$ 293,743
Exchangeable senior notes	—	149,363	—	149,363	77,378
Non-recourse investment-level debt	—	2,542,596	4,415	2,547,011	2,786,052
December 31, 2022					
Liabilities					
Corporate debt					
Secured fund fee revenue notes	$ —	$ 250,547	$ —	$ 250,547	$ 292,171
Convertible and exchangeable senior notes		304,513	—	304,513	276,741
Non-recourse investment-level debt	—	3,268,508	944,984	4,213,492	4,587,228

Debt—Senior notes and secured fund fee revenue notes were valued using their last traded price. Fair value of investment-level debt were estimated by either discounting expected future cash outlays at interest rates available to the respective borrower subsidiaries for similar instruments, or with respect to securitized debt, based upon indicative bond prices quoted by brokers in the secondary market.

Other—The carrying values of cash and cash equivalents, accounts receivable, due from and to affiliates, interest payable and accounts payable generally approximate fair value due to their short term nature, and credit risk, if any, is negligible.

12. Variable Interest Entities

A VIE is an entity that lacks sufficient equity to finance its activities without additional subordinated financial support from other parties, or whose equity holders lack the characteristics of a controlling financial interest. The following discusses the Company's involvement with VIEs where the Company is the primary beneficiary and consolidates the VIEs or where the Company is not the primary beneficiary and does not consolidate the VIEs.

Operating Subsidiary

The Company's operating subsidiary, OP, is a limited liability company that has governing provisions that are the functional equivalent of a limited partnership. The Company holds the majority of membership interest in OP, acts as the managing member of OP and exercises full responsibility, discretion and control over the day-to-day management of OP. The noncontrolling interests in OP do not have substantive liquidation rights, substantive kick-out rights without cause, or substantive participating rights that could be exercised by a simple majority of noncontrolling interest members (including by such a member unilaterally). The absence of such rights, which represent voting rights in a limited partnership equivalent structure, would render OP to be a VIE. The Company, as managing member, has the power to direct the core activities of OP that most significantly affect OP's performance, and through its majority interest in OP, has both the right to receive benefits from and the obligation to absorb losses of OP. Accordingly, the Company is the primary beneficiary of OP and consolidates OP. As the Company conducts its business and holds its assets and liabilities through OP, the total assets and liabilities, earnings (losses), and cash flows of OP represent substantially all of the total consolidated assets and liabilities, earnings (losses), and cash flows of the Company.

Company-Sponsored Funds

The Company sponsors funds and other investment vehicles as general partner for the purpose of providing investment management services in exchange for management fees and carried interest. These funds are established as limited partnerships or equivalent structures. Limited partners of the funds do not have either substantive liquidation rights, or substantive kick-out rights without cause, or substantive participating rights that could be exercised by a simple majority of limited partners or by a single limited partner. Accordingly, the absence of such rights, which represent voting rights in a limited partnership, results in the funds being considered VIEs. The nature of the Company's involvement with its sponsored funds comprise fee arrangements and equity interests in its capacity as general partner and general partner affiliate. The fee arrangements are commensurate with the level of management services provided by the Company, and contain terms and conditions that are customary to similar at-market fee arrangements.

Consolidated Company-Sponsored Funds—The Company currently consolidates sponsored funds in which it has more than an insignificant equity interest in the fund as general partner. As a result, the Company is considered to be acting in the capacity of a principal of the sponsored fund and is therefore the primary beneficiary of the fund. The Company's exposure is limited to its capital account balance in the consolidated funds of $157.5 million at September 30, 2023 and $94.7 million at December 31, 2022. The liabilities of the consolidated funds may only be settled using assets of the consolidated funds, and the Company, as general partner, is not obligated to provide any financial support to the consolidated funds. At September 30, 2023, the Company had unfunded equity commitment to a consolidated fund of $41.9 million.

The following table presents the assets and liabilities of the consolidated funds, which are presented within Corporate and Other in the supplemental schedule to the consolidated balance sheets.

(In thousands)	September 30, 2023	December 31, 2022
Assets		
Cash and cash equivalents	$ 70,122	$ 86,433
Investments—marketable equity securities and equity interests in credit pooling entities (Note 11)	178,176	185,845
Other assets	3,219	1,895
	$ 251,517	$ 274,173
Liabilities		
Debt	$ 4,415	$ 465
Other liabilities		
Securities sold short	43,831	40,928
Due to custodian	9,547	35,457
Other	9,930	2,734
	$ 67,723	$ 79,584

Unconsolidated Company-Sponsored Funds—The Company does not consolidate its sponsored funds where it has insignificant equity interests in these funds as general partner. As such interests absorb insignificant variability from the fund, the Company is considered to be acting in the capacity of an agent of the fund and is therefore not the primary beneficiary of these funds. The Company accounts for its equity interests in unconsolidated funds under the equity method. The Company's maximum exposure to loss is limited to the outstanding balance of its investment in the unconsolidated funds (Note 4) of $1.56 billion at September 30, 2023 and $752.3 million at December 31, 2022. The Company also has receivables from its unconsolidated funds for fee income and reimbursable or recoverable costs, as discussed in Note 16. At September 30, 2023, the Company's unfunded equity commitments to its unconsolidated funds as general partner and general partner affiliate totaled $86.9 million. Generally, the timing for funding of these commitments is not known and the commitments are callable on demand at any time prior to their respective expirations.

13. Earnings per Share

The following table provides the basic and diluted earnings per common share computations.

(In thousands, except per share data)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Net income (loss) allocated to common stockholders				
Income (Loss) from continuing operations attributable to DigitalBridge Group, Inc.	$ 278,842	$ 25,261	$ 89,710	$ (157,638)
Income (Loss) from discontinued operations attributable to DigitalBridge Group, Inc.	(2,369)	(74,349)	(19,697)	(159,569)
Net income (loss) attributable to DigitalBridge Group, Inc.	276,473	(49,088)	70,013	(317,207)
Preferred stock repurchases/redemptions (Note 9)	—	1,098	927	1,098
Preferred dividends	(14,645)	(15,283)	(43,996)	(46,801)
Net income (loss) attributable to common stockholders	261,828	(63,273)	26,944	(362,910)
Net income (loss) allocated to participating securities	(4,801)	(17)	(457)	(17)
Net income (loss) allocated to common stockholders—basic	257,027	(63,290)	26,487	(362,927)
Interest expense attributable to convertible and exchangeable notes(1)	1,264	—	—	—
Net income (loss) allocated to common stockholders—diluted	$ 258,291	$ (63,290)	$ 26,487	$ (362,927)
Weighted average common shares outstanding				
Weighted average number of common shares outstanding—basic	160,564	162,398	159,600	153,028
Weighted average effect of dilutive shares(1)(2)(3)	13,298	—	4,420	—
Weighted average number of common shares outstanding—diluted	173,862	162,398	164,020	153,028
Income (loss) per share—basic				
Income (Loss) from continuing operations	$ 1.61	$ 0.07	$ 0.29	$ (1.33)
Income (Loss) from discontinued operations	(0.01)	(0.46)	(0.12)	(1.04)
Net income (loss) attributable to common stockholders per common share—basic	$ 1.60	$ (0.39)	$ 0.17	$ (2.37)
Income (loss) per share—diluted				
Income (Loss) from continuing operations	$ 1.49	$ 0.07	$ 0.28	$ (1.33)
Income (Loss) from discontinued operations	(0.01)	(0.46)	(0.12)	(1.04)
Net income (loss) attributable to common stockholders per common share—diluted	$ 1.48	$ (0.39)	$ 0.16	$ (2.37)

(1) With respect to the assumed conversion or exchange of the Company's outstanding senior notes, the following are excluded from the calculation of diluted earnings per share as their inclusion would be antidilutive: (a) for the three months ended September 30, 2022 only, the effect of adding back interest expense of $4.0 million and 11,698,000 of weighted average dilutive common share equivalents; and (b) for the nine months ended September 30, 2023 and 2022, the effect of adding back $6.9 million and $12.7 million of interest expense, respectively, and 9,744,700 and 13,307,000 of weighted average dilutive common share equivalents, respectively. Also excluded from the calculation of diluted earnings per share was $133.2 million of debt extinguishment loss (Note 8) for the nine months ended September 30, 2022.

(2) The calculation of diluted earnings per share excludes the effect of the following as their inclusion would be antidilutive: (a) class A common shares that are contingently issuable in relation to performance stock units (Note 15) with weighted average shares of 1,076,000 for the three months ended September 30, 2022; and, 1,727,000 for the nine months ended September 30, 2022; and (b) class A common shares that are issuable to net settle the exercise of warrants (Note 10) with weighted average shares of 957,600 and 1,393,000 for the three months ended September 30, 2023 and 2022, respectively, and 569,600 and 2,174,000 for the nine months ended September 30, 2023 and 2022, respectively.

(3) OP Units may be redeemed for registered or unregistered class A common stock on a one-for-one basis and are not dilutive. At September 30, 2023 and 2022, 12,375,800 and 12,628,900 of OP Units, respectively, were not included in the computation of diluted earnings per share in the respective periods presented.

14. Fee Income

The following table presents the Company's fee income by type.

(In thousands)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Management fees	$ 65,236	$ 40,697	$ 187,138	$ 126,447
Incentive fees	—	—	1,040	—
Other fees	4	566	1,930	1,971
Total fee income	$ 65,240	$ 41,263	$ 190,108	$ 128,418

Management Fees—The Company earns management fees for providing investment management services to its sponsored private funds and other investment vehicles, portfolio companies and managed accounts. Management fees are calculated generally at contractual rates ranging from 0.2% per annum to 1.5% per annum of investors' committed capital during the commitment period of the fund, and thereafter, contributed or invested capital (subject to certain reductions for NAV write-downs); invested capital for co-investment vehicles; or NAV for vehicles in the liquid securities strategy.

Incentive Fees—The Company is entitled to incentive fees from sub-advisory accounts in its liquid securities strategy. Incentive fees are determined based upon the performance of the respective accounts, subject to the achievement of specified return thresholds in accordance with the terms set out in their respective governing agreements. A portion of incentive fees earned by the Company is allocable to certain employees and former employees, included in carried interest and incentive fee compensation expense.

Other Fee Income—Other fees include primarily service fees for information technology, facilities and operational support provided to certain portfolio companies, and on a non-recurring basis, loan origination fees from co-investors.

15. Equity-Based Compensation

The DigitalBridge Group, Inc. 2014 Omnibus Stock Incentive Plan (the "Equity Incentive Plan") provides for the grant of restricted stock, performance stock units ("PSUs"), Long Term Incentive Plan ("LTIP") units, restricted stock units ("RSUs"), deferred stock units ("DSUs"), options, warrants or rights to purchase shares of the Company's common stock, cash incentives and other equity-based awards to the Company's officers, directors (including non-employee directors), employees, co-employees, consultants or advisors of the Company or of any parent or subsidiary who provides services to the Company, but excluding employees of portfolio companies. Shares reserved for the issuance of awards under the Equity Incentive Plan are subject to equitable adjustment upon the occurrence of certain corporate events, provided that this number automatically increases each January 1st by 2% of the outstanding number of shares of the Company’s class A common stock on the immediately preceding December 31st. At September 30, 2023, an aggregate 24.5 million shares of the Company's class A common stock were reserved for the issuance of awards under the Equity Incentive Plan.

Restricted Stock—Restricted stock awards in the Company's class A common stock are granted to senior executives, directors and certain employees, generally subject to a service condition only, with annual time-based vesting in equal tranches over a three-year period. Restricted stock is entitled to dividends declared and paid on the Company's class A common stock and such dividends are not forfeitable prior to vesting of the award. Restricted stock awards are valued based on the Company's class A common stock price on grant date and equity-based compensation expense is recognized on a straight-line basis over the requisite service period.

Restricted Stock Units—RSUs in the Company's class A common stock are subject to a performance condition. Vesting of performance-based RSUs occur upon achievement of certain Company-specific metrics over a performance measurement period that coincides with the recipients' term of service. Only vested RSUs are entitled to accrued dividends declared and paid on the Company's class A common stock during the time period the RSUs are outstanding. RSUs are initially valued based upon the Company's class A common stock price on grant date and not subsequently remeasured for equity-classified awards, while liability-classified awards are remeasured at fair value at the end of each reporting period until the award is fully vested. Equity-based compensation expense is recognized when it becomes probable that the performance condition will be met. A liability classified award that met its performance condition and became fully vested over the course of the year was settled in cash totaling $2.4 million and $3.3 million for the three and nine months ended September 30, 2023, respectively. There was no cash settlement of awards in 2022.

Performance Stock Units—PSUs are granted to senior executives and certain employees, and are subject to both a service condition and a market condition. Following the end of the measurement period, the recipients of PSUs who remain employed will vest in, and be issued a number of shares of the Company's class A common stock, generally ranging from 0% to 200% of the number of PSUs granted and determined based upon the performance of the Company's class A common stock relative to that of a specified peer group over a three-year measurement period (such measurement metric the "total shareholder return"). In addition, recipients of PSUs whose employment is terminated after the first anniversary of their PSU grant are eligible to vest in a portion of the PSU award following the end of the measurement period based upon achievement of the total shareholder return metric applicable to the award. PSUs also contain dividend equivalent rights which entitle the recipients to a payment equal to the amount of dividends that would have been paid on the shares that are ultimately issued at the end of the measurement period.

Fair value of PSUs, including dividend equivalent rights, was determined using a Monte Carlo simulation under a risk-neutral premise, with the following assumptions:

	2023 PSU Grants	2022 PSU Grants	2021 PSU Grants
Expected volatility of the Company's class A common stock [1]	41.3%	32.4%	35.4%
Expected annual dividend yield [2]	0.3%	—%	—%
Risk-free rate (per annum) [3]	3.8%	2.0%	0.3%

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(1) Based upon the historical volatility of the Company's stock and those of a specified peer group.

(2) Based upon the Company's expected annualized dividends. Expected dividend yield was zero for the March 2022 and 2021 PSU awards as common dividends were suspended beginning the second quarter of 2020 and reinstated in the third quarter 2022.

(3) Based upon the continuously compounded zero-coupon U.S. Treasury yield for the term coinciding with the measurement period of the award as of valuation date.

Fair value of PSU awards, excluding dividend equivalent rights, is recognized on a straight-line basis over their measurement period as compensation expense, and is not subject to reversal even if the market condition is not achieved. The dividend equivalent right is accounted for as a liability-classified award. The fair value of the dividend equivalent right is recognized as compensation expense on a straight-line basis over the measurement period, and is subject to adjustment to fair value at each reporting period.

LTIP Units—LTIP units are units in the Operating Company that are designated as profits interests for federal income tax purposes. Unvested LTIP units that are subject to market conditions do not accrue distributions. Each vested LTIP unit is convertible, at the election of the holder (subject to capital account limitation), into one common OP Unit and upon conversion, subject to the redemption terms of OP Units (Note 9).

LTIP units issued have either (1) a service condition only, valued based upon the Company's class A common stock price on grant date; or (2) both a service condition and a market condition based upon the Company's class A common stock achieving a target price over a predetermined measurement period, subject to continuous employment to the time of vesting, and valued using a Monte Carlo simulation.

The following assumptions were applied in the Monte Carlo model under a risk-neutral premise:

	2022 LTIP Grant	2019 LTIP Grant [1]
Expected volatility of the Company's class A common stock [2]	34.0%	28.3%
Expected dividend yield [3]	0.0%	8.1%
Risk-free rate (per annum) [4]	3.6%	1.8%

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(1) Represents 2.5 million LTIP units granted to the Company's Chief Executive Officer, Marc Ganzi, in connection with the Company's acquisition of Digital Bridge Holdings, LLC in July 2019, with vesting based upon the Company's class A common stock price closing at or above $40 over any 90 consecutive trading days prior to the fifth anniversary of the grant date.

(2) Based upon historical volatility of the Company's stock and those of a specified peer group.

(3) Based upon the Company's most recently issued dividend prior to grant date and closing price of the Company's class A common stock on grant date. Expected dividend yield was zero for the June 2022 award as common dividends were suspended beginning the second quarter of 2020 and reinstated in the third quarter of 2022.

(4) Based upon the continuously compounded zero-coupon US Treasury yield for the term coinciding with the measurement period of the award as of valuation date.

Equity-based compensation cost on LTIP units is recognized on a straight-line basis either over (1) the service period for awards with a service condition only; or (2) the derived service period for awards with both a service condition and a market condition, irrespective of whether the market condition is satisfied. The derived service period is a service period that is inferred from the application of the simulation technique used in the valuation of the award, and represents the median of the terms in the simulation in which the market condition is satisfied.

Deferred Stock Units—Certain non-employee directors may elect to defer the receipt of annual base fees and/or restricted stock awards, and in lieu, receive awards of DSUs. DSUs awarded in lieu of annual base fees are fully vested on their grant date, while DSUs awarded in lieu of restricted stock awards vest one year from their grant date. DSUs are entitled to a dividend equivalent, in the form of additional DSUs based on dividends declared and paid on the Company's class A common stock, subject to the same restrictions and vesting conditions, where applicable. Upon separation of service from the Company, vested DSUs will be settled in shares of the Company's class A common stock. Fair value of DSUs are determined based on the price of the Company's class A common stock on grant date and recognized immediately if fully vested upon grant, or on a straight-line basis over the vesting period as equity based compensation expense and equity.

Equity-based compensation cost pursuant to DBRG's Equity Incentive Plan is presented on the consolidated statement of operations, as follows. Separately, additional compensation expense was also recorded in 2022 in connection with the DataBank recapitalization transaction, as described in Note 10.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	2023	2022	2023	2022
Compensation expense (including $0, $16, $0 and $229 expense related to dividend equivalent rights)	$ 14,340	$ 7,824	$ 45,801	$ 24,971
Administrative expense	—	—	228	122
	$ 14,340	$ 7,824	$ 46,029	$ 25,093

Changes in unvested equity awards pursuant to DBRG's Equity Incentive Plan are summarized below.

							Weighted Average Grant Date Fair Value	
	Restricted Stock	LTIP Units [(1)]	DSUs	RSUs [(2)]	PSUs [(3)]	Total	PSUs	All Other Awards
Unvested shares and units at December 31, 2022	1,706,674	2,625,000	20,058	2,397,391	1,889,587	8,638,710	$ 17.84	$ 10.84
Granted	2,417,211	—	70,748	—	413,172	2,901,131	11.63	12.14
Vested	(1,145,622)	—	(26,747)	(1,798,044)	(603,525)	(3,573,938)	26.92	13.82
Forfeited	(21,675)	—	—	—	(424,065)	(445,740)	26.92	13.79
Unvested shares and units at September 30, 2023	2,956,588	2,625,000	64,059	599,347	1,275,169	7,520,163	8.51	9.93

(1) Represents the number of LTIP units granted subject to vesting upon achievement of market condition. LTIP units that do not meet the market condition within the measurement period will be forfeited.

(2) Represents the number of RSUs granted subject to vesting upon achievement of performance condition. RSUs that do not meet the performance condition at the end of the measurement period will be forfeited.

(3) Number of PSUs granted does not reflect potential increases or decreases that could result from the final outcome of the total shareholder return measured at the end of the performance period. PSUs for which the total shareholder return was not met at the end of the performance period are forfeited.

Fair value of equity awards that vested, as shown above, determined based upon their respective fair values at vesting date, was $13.3 million and $4.2 million for the three months ended September 30, 2023 and 2022, respectively, and $47.5 million and $53.3 million for the nine months ended September 30, 2023 and 2022, respectively.

At September 30, 2023, aggregate unrecognized compensation cost for all unvested equity awards pursuant to DBRG's Equity Incentive Plan was $44.6 million, which is expected to be recognized over a weighted average period of 1.9 years. This excludes $6.3 million of unvested RSUs that are not currently probable of achieving their performance condition and have a remaining performance measurement period of approximately one year.

16. Transactions with Affiliates

Affiliates include (i) investment vehicles that the Company sponsors and/or manages, and in which the Company may have an equity interest; (ii) portfolio companies of sponsored funds; (iii) the Company's other equity investments outside of sponsored funds; and (iv) directors and employees of the Company (collectively, "employees").

Amounts due from and due to affiliates consist of the following:

(In thousands)	September 30, 2023	December 31, 2022
Due from Affiliates		
Investment vehicles, portfolio companies and other equity investments		
Fee income	$ 58,376	$ 35,010
Cost reimbursements and recoverable expenses	10,707	7,031
Other	612	—
Employees and other affiliates	—	3,319
	$ 69,695	$ 45,360
Due to Affiliates (Note 7)		
Investment vehicles—Derivative obligation	$ —	$ 11,793
Investment vehicles—InfraBridge (Note 3)	11,123	—
Employees and other affiliates	1,932	658
	$ 13,055	$ 12,451

Significant transactions with affiliates include the following:

Fee Income—Fee income earned from investment vehicles that the Company manages and/or sponsors, and may have an equity interest, are presented in Note 14. Substantially all fee income are from affiliates, except for management fees and incentive fee from sub-advisory accounts and generally, other fee income.

Cost Reimbursements and Recoverable Expenses— The Company receives reimbursements and recovers certain costs paid on behalf of investment vehicles sponsored by the Company, which include: (i) organization and offering costs related to formation and capital raising of the investment vehicles up to specified thresholds; (ii) costs incurred in performing investment due diligence; and (iii) direct and indirect operating costs for managing the operations of certain investment vehicles.

Such cost reimbursements and recoverable expenses, included in other income, totaled $1.2 million and $1.0 million for the three months ended September 30, 2023 and 2022, respectively, and $3.8 million and $5.7 million for the nine months ended September 30, 2023 and 2022, respectively.

Warehoused Investments—The Company may acquire and temporarily warehouse investments on behalf of prospective sponsored investment vehicles that are actively fundraising (Note 4). The warehoused investments are transferred to the investment vehicle when sufficient third party capital, including debt, is raised. The Company is generally paid a fee by the investment vehicle, akin to an interest charge, typically calculated as a percentage of the acquisition price of the investment, to compensate the Company for its cost of holding the investment during the warehouse period. The terms of such arrangements may differ for each sponsored investment vehicle and by investment.

Derivative Obligations of Sponsored Fund— In the third quarter of 2022, the Company, in its capacity as general partner and for the benefit of its sponsored fund, entered into foreign currency forward contracts to economically hedge the foreign currency exposure of an investment commitment of its sponsored fund (Note 11). The investment committee of the sponsored fund has ratified the fund's responsibility and obligation to assume all resulting liabilities and benefits from the foreign currency contracts effective from trade date through the novation of the contracts to the fund. The Company recorded a payable in due to affiliates to reflect the fund's obligation to assume the resulting asset from the foreign currency contracts; accordingly, there was no net effect to the Company's earnings resulting from these foreign currency contracts. Upon the novation of the contracts to the fund in January 2023, the Company de-recognized the derivative asset and the corresponding payable in due to affiliate.

Digital Real Estate Acquisitions—Marc Ganzi, Chief Executive Officer of the Company, and Ben Jenkins, President and Chief Investment Officer of the Company, were former owners of Digital Bridge Holdings, LLC ("DBH") prior to its merger into the Company in July 2019. Messrs. Ganzi and Jenkins had retained their equity investments and general partner interests in the portfolio companies of DBH, which include DataBank and Vantage.

As a result of the personal investments made by Messrs. Ganzi and Jenkins in DataBank and Vantage SDC prior to the Company's acquisition of DBH, additional investments made by the Company in DataBank and Vantage SDC subsequent to their initial acquisitions may trigger future carried interest payments to Messrs. Ganzi and Jenkins upon the occurrence of future realization events. Such investments made by the Company include ongoing payments for the build-out of expansion capacity, including lease-up of the expanded capacity and existing inventory, in Vantage SDC (Note 3) and the acquisition of additional interest in DataBank from an existing investor in January 2022 (Note 10).

Carried Interest Allocation from Sponsored Investment Vehicles —With respect to investment vehicles sponsored by the Company for which Messrs. Ganzi and Jenkins are invested in their capacity as former owners of DBH, and not in their capacity as employees of the Company, any carried interest entitlement attributed to such investments by Messrs. Ganzi and Jenkins as general partner are not subject to continuing vesting provisions and do not represent compensatory arrangements to the Company. Such carried interest allocation to Messrs. Ganzi and Jenkins that are unrealized or distributed but unpaid are included in noncontrolling interests on the balance sheet in the Investment Management segment, in the amount of $109.9 million at September 30, 2023 and $70.4 million at December 31, 2022. Carried interest allocated is recorded as net income attributable to noncontrolling interests in the Investment Management segment totaling $18.9 million and $13.8 million for the three months ended September 30, 2023 and 2022, respectively, and $40.3 million and $43.5 million for the nine months ended September 30, 2023 and 2022 respectively. Additionally, in connection with the DataBank recapitalization (Note 10) in the second half of 2022, Messrs. Ganzi and Jenkins received distributed carried interest in the form of equity interest in vehicles that invest in DataBank, of which $86.1 million in aggregate was not deemed a compensatory arrangement. Such equity interest represent ownership interests in DataBank. A portion of such equity interest was sold by Messrs. Ganzi and Jenkins in connection with the recapitalization transaction.

Investment in Managed Investment Vehicles —Subject to the Company's related party policies and procedures, certain employees may invest on a discretionary basis in investment vehicles sponsored by the Company, either directly in the vehicle or indirectly through the Company's general partner entity. These investments are generally not subject to management fees or carried interest, but otherwise bear their proportionate share of other operating expenses of the investment vehicles. Such investments in consolidated investment vehicles and general partner entities totaled $21.0 million at September 30, 2023 and $17.7 million at December 31, 2022, reflected in redeemable noncontrolling interests and noncontrolling interests on the balance sheet in the Investment Management segment. The employees' share of net income was $1.4 million and $0.4 million for the three months ended September 30, 2023 and 2022, respectively, and $3.5 million and $0.1 million for the nine months ended September 30, 2023 and 2022, respectively. Such amounts are reflected in net income (loss) attributable to noncontrolling interests on the consolidated statement of operations in the Investment Management segment and exclude their share of carried interest allocation, which is reflected in compensation expense—incentive fee and carried interest allocation.

Aircraft—Pursuant to Mr. Ganzi’s employment agreement, as amended, the Company has agreed to reimburse Mr. Ganzi for certain variable operational costs of business travel on a chartered or private jet (including any aircraft that Mr. Ganzi may partially or fully own), provided that the Company will not reimburse the allocable share (based on the number of passengers) of variable operational costs for any passenger on such flight who is not traveling on Company business. Additionally, the Company has also agreed to reimburse Mr. Ganzi for certain defined fixed costs of any aircraft owned by Mr. Ganzi. The fixed cost reimbursements will be made based on an allocable portion of an aircraft’s annual budgeted fixed cash operating costs, based on the number of hours the aircraft will be used for business purposes. At least once a year, the Company will reconcile the budgeted fixed operating costs with the actual fixed operating costs of the aircraft, and the Company or Mr. Ganzi, as applicable, will make a payment for any difference. The Company reimbursed Mr. Ganzi $1.7 million and $0.7 million for the three months ended September 30, 2023 and 2022, respectively, and $4.3 million and $1.8 million for the nine months ended September 30, 2023 and 2022 respectively.

Advancement of Expenses—Effective April 1, 2021, Thomas J. Barrack stepped down as Executive Chairman of the Company and in July 2021, resigned as a member of the Company's Board of Directors. In October 2021, the Company entered into an Agreement Regarding Advancement of Certain Expenses ("Advancement Agreement") with Mr. Barrack, which is generally consistent with the Company’s obligations and Mr. Barrack’s rights regarding advancement of expenses under the terms of a January 2017 Indemnification Agreement between the Company and Mr. Barrack, and under the Company’s Bylaws. The Advancement Agreement (a) memorializes the parties’ disagreement as to the Company’s obligations and Mr. Barrack’s rights under the earlier Indemnification Agreement and the Company's Bylaws, and (b) obligates Mr. Barrack to reimburse the Company for such advanced expenses under certain circumstances. Pursuant to the Advancement Agreement, the Company expensed $7.5 million and $17.2 million in the three and nine months ended September 30, 2022, respectively, with immaterial expenses in 2023. The Company believes it has met all of its financial obligations under the Advancement Agreement and does not expect to make any further advances to Mr. Barrack thereunder.

17. Commitments and Contingencies

Litigation

The Company may be involved in litigation in the ordinary course of business. As of September 30, 2023, the Company was not involved in any legal proceedings that are expected to have a material adverse effect on the Company's results of operations, financial position or liquidity.

18. Supplemental Disclosure of Cash Flow Information

(In thousands)	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest, net of amounts capitalized of $5,433 and $1,674	$ 155,304	$ 163,646
Cash received (paid) for income taxes	969	5,782
Operating lease payments	46,615	50,584
Finance lease payments	11,918	11,750
Supplemental Disclosure of Cash Flows from Discontinued Operations		
Net cash provided by (used in) operating activities of discontinued operations	$ (4,930)	$ (16,038)
Net cash provided by (used in) investing activities of discontinued operations	259,446	(12,915)
Net cash provided by (used in) financing activities of discontinued operations	(28,956)	(12,503)
Supplemental Disclosure of Noncash Investing and Financing Activities		
Dividends and distributions payable	$ 16,418	$ 16,527
Payables for improvements in operating real estate and acquired lease intangibles	33,456	108,468
Receivables from asset sales	2,091	12,373
Operating lease ROU assets and lease liabilities established	29,050	16,840
Finance lease ROU assets and lease liabilities established	21,475	—
Contingent consideration for acquisition of InfraBridge	10,874	—
ROU asset and lease liability derecognized upon purchase of leased real estate (Note 3)	3,120	—
Redemption of redeemable noncontrolling interest for common stock	—	348,759
Seller note received in sale of NRF Holdco equity (Note 2)	—	154,992
Loan receivable relieved in exchange for equity investment acquired	—	20,676
Redemption of OP Units for common stock	984	341
Assets disposed or deconsolidated in sale of equity of investment entities[1]	4,633,562	3,420,783
Liabilities disposed or deconsolidated in sale of equity of investment entities[1]	3,046,668	3,144,700
Noncontrolling interests of investment entities sold and deconsolidated[1]	1,427,435	204,730
Exchange of notes for class A common shares	—	60,317

(1) Represents deconsolidation of DataBank in September 2023 and sale of Wellness Infrastructure business in February 2022 (Notes 10 and 2).

19. Subsequent Events

No subsequent events have occurred that would require recognition in the consolidated financial statements or disclosure in the accompanying notes.

FORWARD-LOOKING STATEMENTS

Some of the statements contained in this Quarterly Report on Form 10-Q (this "Quarterly Report") constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and we intend such statements to be covered by the safe harbor provisions contained therein. 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.

The forward-looking statements contained in this Quarterly Report reflect our current views about future events and are subject to numerous known and unknown risks, uncertainties, assumptions and changes in circumstances that may cause our actual results to differ significantly from those expressed in any forward-looking statement. The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements:

- our ability to grow our business by raising capital for our funds and the companies that we manage;
- our position as an investor 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 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;
- 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.

While forward-looking statements reflect our good faith beliefs, assumptions and expectations, they are not guarantees of future performance. Furthermore, we disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, of new information, data or methods, future events or other changes. Moreover, because we operate in a very competitive and rapidly changing environment, new risk factors are likely to emerge from time to time. We caution investors not to place undue reliance on these forward-looking statements and urge you to carefully review the disclosures we make concerning risks in Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 and in Part I, Item 2. “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this Quarterly Report. Readers of this Quarterly Report should also read our other periodic filings made with the Securities and Exchange Commission (the "SEC") and other publicly filed documents for further discussion regarding such factors.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion should be read in conjunction with our unaudited consolidated financial statements and accompanying notes thereto, which are included in Item 1 of this Quarterly Report, as well as information contained in our Annual Report on Form 10-K for the year ended December 31, 2022, which is accessible on the SEC's website at www.sec.gov.

In this Quarterly Report, unless specifically stated otherwise or the context indicates otherwise, the terms " the "Company," "DBRG," "we," "our" and "us" refer to DigitalBridge Group, Inc. and its consolidated subsidiaries. References to the “Operating Partnership,” our “Operating Company” and the “OP” refer to DigitalBridge Operating Company, LLC, a Delaware limited liability company and the operating company of the Company, and its consolidated subsidiaries.

Our Organization

We are a leading global digital infrastructure investment manager, deploying and managing capital across the digital ecosystem, including data centers, cell towers, fiber networks, small cells, and edge infrastructure. Our diverse global investor base includes public and private pensions, sovereign wealth funds, asset managers, insurance companies, and endowments. At September 30, 2023, we had $75 billion of assets under management ("AUM"), composed of assets managed on behalf of limited partners/investors of investment vehicles we manage, and separately, our shareholders.

We are headquartered in Boca Raton, Florida, with key offices in New York, Los Angeles, London, Luxembourg and Singapore, and have approximately 300 employees.

We operate as a taxable C Corporation, except for certain subsidiaries in the Operating segment that have elected to be taxed as real estate investment trusts. We conduct substantially all of our activities and hold substantially all of our assets and liabilities through our Operating Company. At September 30, 2023, we owned 93% of the Operating Company as its sole managing member.

Our Business

The Company conducts its business through two reportable segments: (i) Investment Management; and (ii) Operating, the Company's direct co-investment in digital infrastructure assets held by its portfolio companies.

- *Investment Management*—This segment represents the Company's global investment management platform, deploying and managing capital on behalf of a diverse base of global institutional investors. The Company's investment management platform is composed of a growing number of long-duration, private investment funds designed to provide institutional investors access to investments across different segments of the digital infrastructure ecosystem. In addition to its flagship value-add digital infrastructure equity offerings, the Company's investment offerings have expanded to include core equity, credit and liquid securities. The Company earns management fees based upon the assets or capital managed in investment vehicles, and may earn incentive fees and carried interest based upon the performance of such investment vehicles, subject to achievement of minimum return hurdles. The amount of incentive fees and carried interest recognized, a portion of which is allocated to employees and former employees, may be highly variable from period to period. Through the end of May 2022, earnings from the Investment Management segment were attributed 31.5% to Wafra, a private investment firm, prior to the Company's redemption of Wafra's interest in the investment management business.
- *Operating*—This segment is composed of balance sheet equity interests in digital infrastructure portfolio companies, which generally earn rental income from providing use of digital asset space and/or capacity through leases, services and other agreements. The Company owned interests in two portfolio companies: Vantage SDC, a stabilized hyperscale data center business (DBRG ownership of 13% at September 30, 2023 and December 31, 2022), and DataBank, an edge colocation data center business (DBRG ownership of 11% at December 31, 2022 and through the final close of the recapitalization and deconsolidation in mid-September 2023; thereafter, the Company's remaining 9.87% interest in DataBank is presented within Corporate and Other) (Note 10 to the consolidated financial statements). DataBank and Vantage SDC are portfolio companies managed by the Company under its Investment Management segment with respect to equity interests funded through third party capital.

Our Investment Management Platform

Our investment management platform is anchored by our value-add funds within the DigitalBridge Partners ("DBP") infrastructure equity offerings. In providing institutional investors access to investments across different segments of the digital infrastructure ecosystem, our investment offerings have expanded to include core equity, credit and liquid securities.

- Our DBP series of funds focus on value-add digital infrastructure, investing in and building businesses across the digital infrastructure sector.
- Core Equity invests in digital infrastructure businesses and assets with long-duration cash flow profiles, primarily in more developed geographies.
- DigitalBridge Credit is our private credit strategy that delivers credit solutions to corporate borrowers in the digital infrastructure sector globally through credit financing products such as first and second lien term loans, mezzanine debt, preferred equity and construction/delay-draw loans, among other products.
- Our Liquid Strategies are fundamental long-only and long-short public equities strategies with well-defined mandates, leveraging the network and intellectual capital of our platform to build liquid portfolios of high quality, undervalued businesses across digital infrastructure, real estate, and technology, media, and telecom.
- InfraBridge is focused on mid-market investments in the digital infrastructure and related sectors of transportation and logistics, and energy transition.

Significant Developments

The following summarizes significant developments that affected our business and results of operations in 2023 through the date of this filing.

Financing

- We repaid $200 million of 5.00% senior notes upon maturity in April 2023 using cash on hand, reducing our leverage and outstanding corporate debt to $378 million, with savings of $10 million in annual financing costs.

Investment Management

- We have raised approximately $5.4 billion of capital to-date in 2023, primarily $2.2 billion for DigitalBridge Partners III, LP ("DBP III"), the third series in our flagship value-add strategy, and syndications through various co-investment vehicles. DBP III will begin accruing fee income following its first closing on November 1, 2023.
- In February 2023, we completed our previously announced acquisition of InfraBridge for $314 million cash consideration (net of cash assumed), subject to customary post-closing working capital adjustments, plus potential contingent payments based upon future fundraising for InfraBridge's third and fourth flagship funds under the Global Infrastructure Fund ("GIF") series. The acquisition comprises InfraBridge's investment management platform and fund sponsor investments.

  The acquisition further scales our investment management business. InfraBridge’s global infrastructure equity platform will be a strategic fit alongside our value-add equity franchise, enhancing our capabilities in the mid-market segment. The acquisition added $5.1 billion in fee earning equity under management ("FEEUM"), comprising primarily GIF II and GIF I investment funds.

Operating

- The recapitalization of DataBank, which commenced in August 2022 and completed in September 2023, resulted in the sale of a portion of DataBank's equity interest to new investors totaling $2.2 billion. The Company's ownership interest in DataBank decreased from 21.8% to 11.0% as of November 2022 and decreased further to 9.87% in September 2023. The Company received its share of net proceeds from the sale totaling $475 million ($425 million in 2022 and $49 million in 2023), including its share of carried interest, net of allocation to employees and former employees, totaling $48 million ($20 million in 2022 and $28 million in 2023).

  The recapitalization implied a pre-transaction net equity value of our ownership in DataBank of $905 million, reflecting a 2.0x multiple of invested capital since our initial investment in DataBank in December 2019. The incremental third party capital raised through the recapitalization also translated into additional fee income in our Investment Management segment.

  The completion of the recapitalization on September 14, 2023 resulted in a deconsolidation of DataBank.

  The deconsolidation deleveraged the Company's balance sheet by removing $4.6 billion of assets, $3.0 billion of liabilities and $1.4 billion of noncontrolling interests, representing DataBank's balance sheet as of mid-September 2023. In connection with the deconsolidation, the Company realized a $3.7 million gain from the sale of its equity interest in the final closing of the recapitalization, and remeasured its remaining 9.87% equity interest in DataBank at a fair value of $434 million which resulted in an unrealized gain of $275 million. The total gain of $279 million, along with the Company's remaining equity interest in DataBank, are presented within Corporate and Other.

  In 2023, DataBank's operating results were included in the Company's Operating segment through the date of completion of the recapitalization on September 14, 2023. Following deconsolidation on that date, the Company's consolidated financial statements no longer include the operating results and assets and liabilities of DataBank in their entirety and instead reflect only the Company’s interest in DataBank. The Company's share of future changes in the fair value of DataBank will be reflected in principal investment income within Corporate and Other, consistent with the accounting treatment of the Company's general partner interests in other sponsored funds.

Other

- Our investment in BrightSpire Capital, Inc. (NYSE: BRSP), which was our largest remaining non-digital investment, was fully disposed in March 2023 for approximately $202 million in net proceeds.
- A non-cash charge of $133 million in fair value write-down was recorded in March 2023 on an unsecured promissory note from the 2022 sale of our Wellness Infrastructure business. This resulted from foreclosure of certain assets within the Wellness Infrastructure portfolio by its mezzanine lender.

Operating Metrics

Assets Under Management and Fee Earning Equity Under Management

We present below our AUM and FEEUM, which are key operating metrics in the alternative investment management industry. Our calculation of AUM and FEEUM may differ from other investment managers, and as a result, may not be directly comparable to similar measures presented by other investment managers.

Assets Under Management

AUM represents the total capital for which we provide investment management services. AUM is generally composed of (a) third party capital managed by the Company and its affiliates, including capital that is not yet fee earning, or not subject to fees and/or carried interest; and (b) assets invested using the Company's own balance sheet capital and managed on behalf of the Company's shareholders (composed of the Company's fund investments as GP affiliate, warehoused investments, and the Company's interest in portfolio companies consolidated in the Operating segment). Third party AUM is based upon invested capital as of the reporting date, including capital funded through third party financing, and committed capital for funds in their commitment stage. Balance sheet AUM is based upon the carrying value of the Company's balance sheet investments as of the reporting date (on an undepreciated basis as it relates to the Company's interest in portfolio companies consolidated in the Operating segment).

Fee Earning Equity Under Management

FEEUM represents the total capital managed by the Company and its affiliates which earns management fees and/or incentive fees or carried interest. FEEUM is generally based upon committed capital, invested capital, net asset value ("NAV") or gross asset value ("GAV"), pursuant to the terms of each underlying investment management agreement.

Presented below are total AUM and FEEUM by product:

(In billions)	September 30, 2023	December 31, 2022
Assets Under Management	**$ 74.6**	**$ 52.8**
Fee Earning Equity Under Management		
DBP infrastructure equity	$ 11.3	$ 11.2
InfraBridge Global Infrastructure	5.1	—
Core Equity, Credit and Liquid Strategies	2.6	2.0
Co-invest vehicles	8.5	6.5
Separately capitalized portfolio companies	2.4	2.5
	$ 29.9	**$ 22.2**

The following table summarizes changes in FEEUM:

(In billions)	Nine Months Ended September 30, 2023
Fee Earning Equity Under Management	
Balance at January 1	$ 22.2
Inflows [(1)]	8.5
Outflows [(2)]	(0.9)
Market activity and other [(3)]	0.1
Balance at September 30	$ 29.9

(1) Inflows include closing on new capital raised where fees are earned on committed capital, deployment of capital where fees are earned on invested capital, new subscriptions where fees are based on NAV, other changes in invested capital such as the effect of recapitalization and syndication, and FEEUM from acquired investment vehicles ($5.1 billion from InfraBridge in 2023). Excludes capital raised in 2023 for which fees have not been activated totaling $1.5 billion.

(2) Outflows include redemptions and withdrawals in Liquid Strategies, realizations where fees are based on invested capital, other changes in invested capital such as the effect of recapitalization and syndication, change in fee basis from committed to invested capital and expiration of fee paying capital.

(3) Market activity and other include changes in investment value based on NAV or GAV, and the effect of foreign exchange rates.

FEEUM increased by $7.7 billion or 35% to $29.9 billion at September 30, 2023, driven by the addition of $5.1 billion of InfraBridge FEEUM, and new capital raised, primarily through co-investment vehicles. The subsequent first closing of DBP III in November 2023 further contributed an additional $2.2 billion increase to FEEUM.

Fund Performance Metrics

Certain performance metrics for our key investment funds from inception through September 30, 2023 are presented in the table below. Excluded are funds with less than one year of performance history as of September 30, 2023, funds and separately managed accounts in the liquid strategy, co-investment vehicles and separately capitalized portfolio companies. The historical performance of these funds is not indicative of their future performance nor indicative of the performance of our other existing investment vehicles or of any of our future funds. An investment in DigitalBridge Group, Inc. is not an investment in any of our funds and these fund performance metrics are not indicative of the performance of DigitalBridge Group, Inc.

($ in millions)		Commitments				Investment Value			MOIC	
Fund (1)	Inception date (2)	Total	Unfunded	Invested Capital (3)	Available Capital (4)	Unrealized	Realized (5)	Total (6)	Gross (7)	Net (8)
Value-Add										
DigitalBridge Partners, LP	Mar-2018	$4,059	$494	$4,584	$494	$5,991	$1,139	$7,130	1.6x	1.4x
DigitalBridge Partners II, LP	Nov-2020	$8,286	$974	$7,681	$979	$8,340	$662	$9,002	1.2x	1.1x
InfraBridge										
Global Infrastructure Fund I, LP	Mar-2015	$1,411	$406	$1,479	$406	$1,125	$1,055	$2,180	1.5x	1.3x
Global Infrastructure Fund II, LP	Jan-2018	$3,382	$106	$2,993	$106	$2,773	$64	$2,837	0.9x	0.9x

(1) Listed herein are main fund vehicles. Performance metrics are presented in aggregate for main fund vehicle, its parallel vehicles and alternative investment vehicles.

(2) First close date of the fund. InfraBridge funds were acquired in Feb-2023.

(3) Invested capital represents the original cost and subsequent fundings to investments. Invested capital includes financing costs and investment related expenses which are capitalized. With respect to Infrabridge funds, such costs are expensed during the period and excluded from their determination of invested capital.

(4) Available capital includes recallable capital.

(5) Realized value represents proceeds from dispositions that have closed and all earnings from both realized and unrealized investments, including interest, dividend and ticking fees.

(6) Total value is the sum of unrealized fair value and realized value of investments.

(7) Total investment gross multiple of invested capital (MOIC) is calculated as unrealized fair value and realized value of investments divided by invested capital, without giving effect to allocation of expenses and general partner carried interest. Excludes capital attributable to the general partner, general partner affiliate and any other capital that is not subject to fees and/or carried interest. Gross MOIC is calculated at the fund level and does not reflect gross MOIC at the individual investor level.

(8) Total investment net MOIC is calculated as unrealized fair value and realized value of investments divided by invested capital, after giving effect to allocation of management fee expense, other fund expenses and general partner carried interest (both distributed and unrealized carried interest). Excludes capital attributable to the general partner, general partner affiliate and any other capital that is not subject to fees and/or carried interest. Net MOIC is calculated at the fund level and does not reflect net MOIC at the individual investor level.

Results of Operations

The following table summarizes our consolidated results from continuing operations by reportable segment.

(In thousands)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Change	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Change
Total revenues						
Investment Management	$ 237,655	$ 166,667	$ 70,988	$ 393,577	$ 338,408	$ 55,169
Operating	214,377	225,387	(11,010)	681,100	655,596	25,504
Corporate and Other	25,048	37,798	(12,750)	77,496	85,314	(7,818)
	$ 477,080	$ 429,852	47,228	$ 1,152,173	$ 1,079,318	72,855
Income (Loss) from continuing operations						
Investment Management	$ 100,014	$ 46,065	$ 53,949	$ 132,387	$ 104,917	$ 27,470
Operating	(79,707)	(93,772)	14,065	(270,704)	(253,341)	(17,363)
Corporate and Other	261,073	17,022	244,051	93,033	(195,593)	288,626
	$ 281,380	$ (30,685)	312,065	$ (45,284)	$ (344,017)	298,733
Income (Loss) from continuing operations attributable to DigitalBridge Group, Inc.						
Investment Management	$ 52,391	$ 24,233	$ 28,158	$ 50,502	$ 37,900	$ 12,602
Operating	(10,191)	(15,881)	5,690	(31,489)	(43,512)	12,023
Corporate and Other	236,642	16,909	219,733	70,697	(152,026)	222,723
	$ 278,842	$ 25,261	253,581	$ 89,710	$ (157,638)	247,348

Revenues

Total revenues increased $47.2 million or 11% in the quarter-to-date comparison and $72.9 million or 7% in the year-to-date comparison.

- *Investment Management*—Revenues were $71.0 million or 42.6% higher at $237.7 million in the quarter-to-date comparison, and $55.2 million or 16% higher at $393.6 million in the year-to-date comparison, attributed to fee income and gross carried interest (before management allocation).

  (a) Fee income contributed:

  - $24.0 million of the increase at $66.1 million in the quarter-to-date comparison; and
  - $62.0 million of the increase at $192.8 million in the year-to-date comparison.

  The increase in fee income is attributed to additional capital raised since October 2022 that has started accruing income for both periods under comparison, and InfraBridge funds acquired in February 2023.

  (b) Gross carried interest (before management allocation) was:

  - $47.2 million higher in the quarter-to-date comparison at $168.9 million in 2023 from $121.7 million in 2022 (of which distributions were $27.9 million in 2023 and $123.5 million in 2022); but
  - $8.0 million lower in the year-to-date comparison at $193.4 million in 2023 from $201.4 million in 2022 (of which distributions were $28.4 million in 2023 and $123.5 million in 2022).

  Distributed carried interest arose from the first liquidation of investment by DBP I in 2022 and the DataBank recapitalization in 2022 and 2023. In terms of unrealized carried interest, the higher amounts in 2023 was driven by DBP funds and a DataBank investment that was not subject to recapitalization. In comparison, 2022 included a reversal of unrealized carried interest for some of these funds.

- *Operating*—Revenues in the quarter-to-date comparison decreased due to the deconsolidation of DataBank in mid-September 2023. However, in the year-to-date comparison, the effect of deconsolidation was more than offset by higher revenues contributed by data center acquisitions in the DataBank portfolio and additional lease-up of expanded capacity in Vantage SDC during 2022.
- *Corporate and Other*—Revenues represent largely our share of earnings from our general partner affiliate investments in the DBP and InfraBridge funds, and additionally, income from warehoused investments in 2022. Revenues were lower in 2023 due to the sale of warehoused investments to our sponsored funds and to a third party sponsored CLO in the second half of 2022, partially offset by fair value increases in fund investments.

Income (Loss) from continuing operations attributable to DigitalBridge Group, Inc.

Income from continuing operations attributable to DBRG was $278.8 million in 2023 and $25.3 million in 2022 in the quarter-to-date period, and $89.7 million in 2023 with a loss of $157.6 million in 2022 in the year-to-date period.

- *Investment Management*—In 2023, net income increased $28.2 million to $52.4 million in the quarter-to-date comparison and $12.6 million to $50.5 million in the year-to-date comparison.

  The higher 2023 results were driven by an increase in carried interest of $31.6 million in the quarter-to-date period and $21.4 million in the year-to-date period, representing the OP's share, partially offset by higher operating costs attributed to the Investment Management segment in 2023 in line with the growth in business. Additionally, the higher net income in the year-to-date comparison was partially offset by $3.7 million of placement fees and $3.5 million of higher transaction costs, primarily for the InfraBridge acquisition in 2023. The amounts quoted herein are prior to allocating 7% of income (loss) to OP noncontrolling interest to arrive at amounts attributable to DBRG.

  Supplemental performance measures of the Investment Management segment are presented under " —*Non-GAAP Measures*."
- *Operating*—The Operating segment generally records a net loss, taking into account the effects of real estate depreciation and intangible asset amortization. Our share of net loss reflects a 13% ownership in Vantage SDC and our interest in DataBank, which in 2022, decreased from 22% to 13% as of September 2022, and was at 11% in 2023 prior to deconsolidation in September 2023.
- *Corporate and Other*—Both periods in 2023 reflected a $278.7 million gain recognized in connection with the recapitalization and deconsolidation of DataBank in September 2023, of which $3.7 million was realized and $275 million unrealized as of September 30, 2023 (Note 10 to the consolidated financial statements). Additionally, included within the 2023 year-to-date period was a $133 million write-down of an unsecured promissory note related to the sale of our Wellness Infrastructure business in February 2022 (Note 11 to the consolidated financial statements). In comparison, the 2022 year-to-date period included a $133 million debt extinguishment loss in connection with an early exchange of our 5.75% exchangeable notes (Note 8 to the consolidated financial statements). The amounts quoted herein are prior to allocating 7% of income (loss) to OP noncontrolling interest to arrive at amounts attributable to DBRG.

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A more detailed discussion of key components of revenue and income (loss) from continuing operations follows.

(In thousands)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Change	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Change
Revenues						
Fee income	$ 65,240	$ 41,263	$ 23,977	$ 190,108	$ 128,418	$ 61,690
Carried interest allocation	168,891	121,698	47,193	193,389	201,398	(8,009)
Principal investment income	17,943	11,531	6,412	51,914	34,429	17,485
Property operating income	214,058	244,336	(30,278)	679,738	681,098	(1,360)
Other income	10,948	11,024	(76)	37,024	33,975	3,049
Total revenues	477,080	429,852	47,228	1,152,173	1,079,318	72,855
Expenses						
Property operating expense	94,481	105,987	(11,506)	289,838	287,280	2,558
Interest expense	49,894	53,032	(3,138)	173,112	143,450	29,662
Investment expense	5,728	9,510	(3,782)	16,732	26,262	(9,530)
Transaction-related costs	896	3,879	(2,983)	10,536	6,800	3,736
Placement fees	15	—	15	3,668	—	3,668
Depreciation and amortization	128,000	145,594	(17,594)	419,136	429,513	(10,377)
Compensation expense—cash and equity-based	74,714	65,544	9,170	232,356	183,878	48,478
Compensation expense—incentive fee and carried interest allocation	72,865	80,831	(7,966)	72,110	109,548	(37,438)
Administrative expenses	24,077	29,909	(5,832)	76,346	84,147	(7,801)
Total expenses	450,670	494,286	(43,616)	1,293,834	1,270,878	22,956
Other gain (loss), net	254,827	25,908	228,919	100,545	(170,229)	270,774
Income (Loss) before income taxes	281,237	(38,526)	319,763	(41,116)	(361,789)	320,673
Income tax benefit (expense)	143	7,841	(7,698)	(4,168)	17,772	(21,940)
Income (Loss) from continuing operations	281,380	(30,685)	312,065	(45,284)	(344,017)	298,733
Income (Loss) from discontinued operations	(2,603)	(90,302)	87,699	(20,799)	(188,735)	167,936
Net income (loss)	278,777	(120,987)	399,764	(66,083)	(532,752)	466,669
Net income (loss) attributable to noncontrolling interests:						
Redeemable noncontrolling interests	132	(6,442)	6,574	4,634	(31,989)	36,623
Investment entities	(17,746)	(60,623)	42,877	(142,241)	(152,770)	10,529
Operating Company	19,918	(4,834)	24,752	1,511	(30,786)	32,297
Net income (loss) attributable to DigitalBridge Group, Inc.	276,473	(49,088)	325,561	70,013	(317,207)	387,220
Preferred stock repurchases	—	(1,098)	1,098	(927)	(1,098)	171
Preferred stock dividends	14,645	15,283	(638)	43,996	46,801	(2,805)
Net income (loss) attributable to common stockholders	$ 261,828	$ (63,273)	325,101	$ 26,944	$ (362,910)	389,854

Fee Income

(In thousands)	Three Months Ended September 30, 2023	2022	Change	Nine Months Ended September 30, 2023	2022	Change
Management fees	$ 65,236	$ 40,697	$ 24,539	$ 187,138	$ 126,447	$ 60,691
Incentive fees	—	—	—	1,040	—	1,040
Other fee income	4	566	(562)	1,930	1,971	(41)
	$ 65,240	$ 41,263	23,977	$ 190,108	$ 128,418	61,690

Fee income increased $24.0 million or 58% in the quarter-to-date comparison and $61.7 million or 48% in the year-to-date comparison. The increase was driven by management fees from InfraBridge beginning February 2023, adding $14.2 million in the quarter-to-date period and $40.8 million in the year-to-date period, as well as from capital raised since October 2022 where fees have been activated, primarily from co-investment vehicles, our new core equity fund, and the DataBank recapitalization. Additionally, incentive fees in 2023 were attributed to our liquid securities strategy.

Carried Interest Allocation

(In thousands)	Three Months Ended September 30, 2023	2022	Change	Nine Months Ended September 30, 2023	2022	Change
Carried interest allocation						
Distributed	$ 27,927	$ 123,498	$ (95,571)	$ 28,403	$ 123,498	$ (95,095)
Unrealized	140,964	(1,800)	142,764	164,986	77,900	87,086
	$ 168,891	$ 121,698	47,193	$ 193,389	$ 201,398	(8,009)

Carried interest allocation represents gross carried interest from our general partner interests in sponsored investment vehicles prior to allocations to management and Wafra. Unrealized carried interest is subject to adjustments each period, including reversals, based upon the cumulative performance of the underlying investments of these vehicles that are measured at fair value, until such time the carried interest is distributed.

Distributed carried interest arose from the DataBank recapitalization in the third quarter of 2023 ($27.9 million) and 2022 ($72.3 million), and additionally, the first liquidation of investment by DBP I in the third quarter of 2022 ($51.2 million). In terms of unrealized carried interest, the higher amounts in 2023 was driven by DBP funds and a DataBank investment that was not subject to recapitalization. In comparison, 2022 included a reversal of unrealized carried interest for some of these funds.

Principal Investment Income

Principal investment income represents the Company's proportionate share of net income (loss) from investments in its sponsored investment vehicles, which includes unrealized gain (loss) from changes in fair value of the underlying fund investments. Principal investment income increased $6.4 million in the quarter-to-date comparison to $17.9 million and $17.5 million in the year-to-date comparison to $51.9 million. The increase was driven by unrealized fair value appreciation on the underlying fund investments, primarily the DBP funds, and additionally, in the year-to-date comparison, the InfraBridge funds.

Property Operating Income and Expense

(In thousands)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Change	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Change
Property operating income						
Operating segment						
Lease income	$ 196,339	$ 206,141	$ (9,802)	$ 619,985	$ 598,263	$ 21,722
Data center service revenue	16,995	18,925	(1,930)	56,993	56,903	90
Other property operating income	724	257	467	2,760	314	2,446
	214,058	225,323	(11,265)	679,738	655,480	24,258
Other						
Lease income	—	19,013	(19,013)	—	25,618	(25,618)
	$ 214,058	$ 244,336	(30,278)	$ 679,738	$ 681,098	(1,360)
Property operating expense						
Operating segment	$ 94,481	$ 100,051	$ (5,570)	$ 289,838	$ 278,798	$ 11,040
Other	—	5,936	(5,936)	—	8,482	(8,482)
	$ 94,481	$ 105,987	(11,506)	$ 289,838	$ 287,280	2,558

Operating Segment

Property operating income and expenses were lower in the quarter-to-date comparison, reflecting the effects of deconsolidating DataBank in mid-September 2023. Absent the deconsolidation and assuming a full month of activity in September 2023 for DataBank, total property operating income and expenses in the Operating segment would have increased approximately 8% and 7%, respectively, in the quarter-to-date comparison.

In the year-to-date comparison, property operating income and expenses were higher as a result of additional acquisitions throughout 2022, including DataBank's acquisition of four data centers in March 2022, and within the Vantage SDC portfolio, additional lease-up of expanded capacity and existing inventory. This increase was partially offset by higher lease termination fees of $5.8 million quarter-to-date and $5.0 million year-to-date recognized in property operating income, primarily from the Vantage SDC portfolio, and the effects of deconsolidating DataBank in mid-September 2023.

At September 30, 2023, the Operating segment portfolio was composed of 10 data centers in the U.S. and three in Canada, following the deconsolidation of DataBank.

	September 30, 2023	December 31, 2022
Operating segment [(1)]		
Number of data centers		
Owned	13	35
Leasehold	—	49
	13	84
(In thousands, except %)		
Max Critical I.T. Square Feet or Total Rentable Square Feet	777	2,405
Leased Square Feet	752	1,888
% Utilization Rate (% Leased)	97%	78%

(1) Amounts at September 30, 2023 reflect remaining operations in the Operating segment after deconsolidation of DataBank.

Other

This represents property operating income and expense from a tower portfolio, acquired in June 2022 as a warehoused investment and transferred to our core equity fund in December 2022.

Other Income

Other income decreased $0.1 million in the quarter-to-date comparison to $10.9 million, but increased $3.0 million in the year-to-date comparison to $37.0 million.

Key drivers are higher interest income from money market deposits and beginning in 2023, from our subordinated notes in a collateralized loan obligation (increase totaling $3.5 million quarter-to-date and $16.6 million year-to-date) and dividend income from our consolidated credit fund (increased $2.0 million quarter-to-date and $5.5 million year-to-date). However, these amounts were partially offset by interest income in 2022 from warehoused investments that were transferred to our new credit fund during the second half of 2022 and amounts previously accrued on our Wellness Infrastructure promissory note that was written off in the first quarter of 2023 (totaling $8.3 million quarter-to-date and $20.2 million year-to-date in 2022).

Interest Expense

(In thousands)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Change	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Change
Interest expense						
Corporate debt	$ 5,133	$ 8,295	$ (3,162)	$ 18,471	$ 24,645	$ (6,174)
Non-recourse investment-level debt	44,761	44,737	24	154,641	118,805	35,836
	$ 49,894	$ 53,032	(3,138)	$ 173,112	$ 143,450	29,662

Corporate Debt—Interest expense decreased $3.2 million in the quarter-to-date comparison and $6.2 million in the year-to-date comparison driven by repayment of our 5.00% convertible notes in April 2023 (decreased $2.7 million quarter-to-date and $5.0 million year-to-date) and to a lesser extent, lower interest expense on our securitized debt with a lower outstanding balance on the VFN in 2023 (decreased $0.5 million for both quarter-to-date and year-to-date). Additionally, in the year-to-date period, the early exchange of our 5.75% exchangeable notes for common stock in March 2022 contributed a $0.7 million decrease in interest expense.

Non-Recourse Investment-Level Debt—Interest expense was consistent in the quarter-to-date comparison but increased $35.8 million in the year-to-date comparison. Interest expense on investment-level debt in the Operating segment increased $4.6 million quarter-to-date and $42.5 million year-to-date, reflecting higher outstanding debt balance and higher interest rates on new debt in 2023, partially offset by the deconsolidation of DataBank in mid-September 2023. Included in the year-to-date increase is also the net effect of writing off unamortized deferred financing costs and debt premium on refinanced debt in the first half of 2023 totaling $13.8 million. The increase in interest expense in the Operating segment was partially offset by interest expense on outstanding debt balance in 2022 in connection with the financing of warehoused tower assets and credit investments (totaling $4.3 million quarter-to-date and $6.7 million year-to-date), all of which were repaid in the second half of 2022, and additionally in the quarter-to-date period, a decrease in interest expense ($0.3 million) on lower outstanding debt balance of our consolidated credit fund.

Investment Expense

Investment expense decreased $3.8 million in the quarter-to-date comparison to $5.7 million and $9.5 million in the year-to-date comparison to $16.7 million. 2022 had included additional expenses, primarily: (i) third party costs attributed to our warehoused tower assets that were transferred to our core equity fund in December 2022 ($1.2 million quarter-to-date and $1.7 million year-to-date in 2022); (ii) transition services that ended in the second quarter of 2022 related to DataBank's acquisition of zColo ($1.0 million year-to-date in 2022); (iii) higher compensatory expense in 2022 in connection with equity awards granted to the management team of Vantage who perform the day-to-day operations of Vantage SDC ($1.9 million higher year-to-date 2022); and (iv) higher costs incurred in 2022 that are reimbursable by our managed investment vehicles.

Transaction-Related Costs

In the quarter-to-date comparison, transaction-related costs were $3.0 million lower at $0.9 million, largely due to costs incurred in connection with unconsummated investments in 2022. In the year-to-date comparison, transaction-related costs were $3.7 million higher at $10.5 million, driven by the InfraBridge acquisition.

Placement Fees

Placement fees of $3.7 million in 2023 were incurred in connection with fundraising for DBP III and co-investment vehicles.

Depreciation and Amortization

Depreciation and amortization expense decreased $17.6 million in the quarter-to-date comparison and $10.4 million in the year-to-date comparison. Depreciation and amortization expense in the Operating segment decreased $11.9 million quarter-to-date and $7.8 million year-to-date, driven by the combined effects of deconsolidating DataBank in mid-September 2023, and higher amortization of lease intangibles from lease terminations in 2022 and expiration of short term leases at DataBank, partially offset by additional expenses related to data center acquisitions and improvements placed in service. Additionally, the sale of warehoused tower assets acquired in June 2022 to our core equity fund in December 2022 also contributed to a decrease in depreciation and amortization expenses ($8.4 million quarter-to-date and

$11.3 million year-to-date). These decreases were partially offset by amortization expense on InfraBridge intangible assets acquired in February 2023 ($4.1 million quarter-to-date and $11.1 million year-to-date).

Compensation Expense

(In thousands)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Change	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Change
Cash and equity-based compensation						
Cash compensation and benefits	$ 38,776	$ 27,146	$ 11,630	$ 111,343	$ 88,148	$ 23,195
Equity-based compensation	14,340	7,824	6,516	45,801	24,971	20,830
	53,116	34,970	18,146	157,144	113,119	44,025
Operating segment						
Cash and equity-based compensation	21,598	30,574	(8,976)	75,212	70,759	4,453
	$ 74,714	$ 65,544	9,170	$ 232,356	$ 183,878	48,478
Incentive and carried interest compensation allocation	$ 72,865	$ 80,831	$ (7,966)	$ 72,110	$ 109,548	$ (37,438)

Cash and equity-based compensation—Excluding the Operating segment, compensation expense increased $18.1 million in the quarter-to-date comparison and $44.0 million in the year-to-date comparison. Equity-based compensation expense was higher in 2023, driven by performance-based awards that met their target in 2023 (increased $1.9 million quarter-to-date and $14.7 million year-to-date), awards granted in 2023 with shortened vesting periods (increased $3.1 million in both quarter-to-date and year-to-date), and the effect of award modifications in the fourth quarter of 2022 (increased $3.6 million year-to-date), partially offset by full vesting in 2022 of an LTIP grant and awards in connection with sale of the Wellness Infrastructure business in February 2022 (decrease totaling $3.4 million year-to-date). There was also an increase in cash compensation in 2023, attributed largely to InfraBridge ($7.2 million quarter-to-date and $19.3 million year-to-date, of which $1.8 million and $4.8 million, respectively, represent deferred bonus amounts funded by the seller in the InfraBridge acquisition) and higher severance and retention costs.

In the Operating segment, the third quarter of 2022 had included $10.1 million of equity-based compensation due to an accelerated vesting of profits interest units issued by DataBank that was triggered by the first closing of the DataBank recapitalization. Excluding the acceleration, compensation expense increased $1.1 million in the quarter-to-date comparison and $14.6 million in the year-to-date comparison. The higher compensation expense in 2023 can be attributed to new stock awards and higher headcount at DataBank. In the quarter-to-date comparison, the increase was partially offset by the effect of deconsolidating DataBank in mid-September 2023.

Incentive and carried interest compensation allocation— The third quarter of 2022 had included $57.3 million of carried interest compensation expense that was fully recognized in connection with the first closing of the DataBank recapitalization. No further compensation expense was recognized in subsequent closings of the DataBank recapitalization. Excluding the expense associated with the recapitalization, incentive and carried interest compensation increased $49.5 million in the quarter-to-date comparison and $16.9 million in the year-to-date comparison, driven by carried interest from the DBP funds quarter-to-date and in both periods under comparison, carried interest from the DataBank investment that was not subject to recapitalization.

Administrative Expenses

(In thousands)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Change	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Change
Administrative expenses	$ 16,552	$ 22,509	$ (5,957)	$ 52,740	$ 60,938	$ (8,198)
Administrative expenses—Operating segment	7,525	7,400	125	23,606	23,209	397
	$ 24,077	$ 29,909	(5,832)	$ 76,346	$ 84,147	(7,801)

Total administrative expenses decreased $5.8 million in the quarter-to-date comparison and $7.8 million in the year-to-date comparison, driven by lower legal costs. Additionally, in the year-to-date period, the decrease in legal costs ($17.3 million) were partially offset by increases in other administrative costs such as other third-party professional services and travel-related expenses (totaling $5.9 million).

Other Gain (Loss), Net

In the quarter-to-date comparison, other gain was $254.8 million in 2023 and $25.9 million in 2022. The year-to-date comparison had other gain of $100.5 million in 2023 and other loss of $170.2 million in 2022.

Both periods under comparison had the following significant items:

- In September 2023, $278.7 million of gain recognized in connection with the deconsolidation of DataBank, of which $3.7 million was realized and $275.0 million unrealized (Note 10 to the consolidated financial statements);
- In March 2023, $133 million fair value write-down on an unsecured promissory note from the 2022 sale of our Wellness Infrastructure business; and
- In March 2022, $133 million debt extinguishment loss in connection with an early exchange of our 5.75% exchangeable notes.

Excluding these significant one-off events, quarter-to-date period would have recorded a loss of $23.9 million in 2023 compared to a gain of $26.8 million in 2022, and year-to-date period would have recorded losses of $44.9 million in 2023 and $36.2 million in 2022.

Other loss of $23.9 million in the third quarter of 2023 reflected primarily an increase in the liability fair value of warrants issued to Wafra of $12.4 million and net loss on marketable equity securities of $9.7 million, including those held by our consolidated liquid funds. In contrast, other gain of $26.8 million in the third quarter of 2022 was driven by a decrease in the warrant liability fair value of $32.4 million and net gain on non-designated derivatives of $9.9 million in connection with our warehoused investments, partially offset by net loss of $8.9 million on marketable equity securities held largely by our consolidated liquid funds, and additionally, unrealized foreign exchange losses.

In the year-to-date period, other loss increased $8.7 million to $44.9 million in 2023, driven by an increase in the warrant liability fair value of $81.1 million and net write-down in value of warehoused investments of $13.2 million, largely offset by net gain of $63.4 million on marketable equity securities, including those held by our consolidated liquid funds, net gains on non-designated derivatives in 2022 of $16.0 million in connection with our warehoused investments, and additionally, decrease in unrealized foreign exchange losses.

Income Tax Benefit (Expense)

In 2023, income tax benefit of $0.1 million was recorded quarter-to-date and income tax expense of $4.2 million year-to-date. In 2022, income tax benefit was recorded in both periods of $7.8 million quarter-to-date and $17.8 million year-to-date.

2023 primarily reflects the income tax effect of foreign subsidiaries, largely the InfraBridge investment management business. The net income tax benefit in the third quarter of 2023 resulted from deferred tax benefit associated with an InfraBridge subsidiary. The Company has otherwise established a full valuation allowance on the deferred tax assets of its taxable U.S. entities, resulting in no U.S. income tax provision for these subsidiaries in 2023, outside of the Operating segment.

Income tax benefit in 2022 can be attributed primarily to deferred tax benefit on net operating losses of a subsidiary. A valuation allowance was subsequently established against this deferred tax asset in the fourth quarter of 2022.

Income (Loss) from Discontinued Operations

	Three Months Ended September 30,			Nine Months Ended September 30,		
(In thousands)	2023	2022	Change	2023	2022	Change
Income (Loss) from discontinued operations	$ (2,603)	$ (90,302)	$ 87,699	$ (20,799)	$ (188,735)	$ 167,936
Income (Loss) from discontinued operations attributable to noncontrolling interests:						
Investment entities	(55)	(10,227)	10,172	437	(16,016)	16,453
Operating Company	(179)	(5,726)	5,547	(1,539)	(13,150)	11,611
Income (Loss) from discontinued operations attributable to DigitalBridge Group, Inc.	$ (2,369)	$ (74,349)	71,980	$ (19,697)	$ (159,569)	139,872

Loss from discontinued operations in 2023 was immaterial quarter-to-date, and in the year-to-date period, included $9.7 million impairment of BRSP shares prior to disposition in March 2023, as well as unrealized losses on various remaining investments and legal costs associated with discontinued businesses and investments.

Loss from discontinued operations in 2022 included $59.6 million of impairment on BRSP shares and losses incurred in connection with dispositions as well as fair value decreases on various remaining investments in the quarter-to-date period. Additionally, the year-to-date loss also included the Wellness Infrastructure business that was disposed in February 2022, in particular, a $92.1 million write-off of unamortized deferred financing costs on the Wellness Infrastructure debt assumed by the buyer and $35 million impairment loss based upon final carrying value of the Wellness Infrastructure net assets upon disposition, partially offset by our share of BRSP earnings prior to disposition of $19.4 million.

Non-GAAP Supplemental Financial Measures

We currently conduct our business through two reportable segments: (i) Investment Management; and (ii) Operating, our direct co-investment in digital infrastructure assets held by our portfolio companies. In order to enhance a full understanding of our business, we present certain non-GAAP measures that allow for comparability with companies that operate in each of these two reportable segments. We report the following non-GAAP financial measures attributable to the Operating Company: Distributable Earnings ("DE") and Adjusted Earnings before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA") on a Company-wide basis, and specific to our Investment Management segment, Fee Related Earnings ("FRE") and FRE before the effects of new investment strategies, as represented by Investment Management Adjusted EBITDA. DE and FRE are the most common metrics utilized in the investment management sector, which represents our core business, while presenting Adjusted EBITDA allows for some measure of comparability against companies that hold digital infrastructure assets similar to assets in our Operating segment.

We believe these non-GAAP financial measures supplement and enhance the overall understanding of our underlying financial performance and trends, and facilitate comparison among current, past and future periods and to other companies in similar lines of business. We use these non-GAAP financial measures in evaluating the Company's ongoing business performance and in making operating decisions. For the same reasons, we believe these non-GAAP measures are useful to the Company's investors and analysts.

As we evaluate profitability based upon continuing operations, these non-GAAP measures exclude results from discontinued operations.

These non-GAAP financial measures should be considered as a supplement to and not an alternative or in lieu of GAAP net income (loss) as measures of operating performance, or to cash flows from operating activities as indicators of liquidity. Our calculation of these non-GAAP measures may differ from methodologies utilized by other companies for similarly titled performance measures and, as a result, may not be fully comparable to those calculated by our peers.

Results of our non-GAAP measures attributable to the Operating Company were as follows:

	Three Months Ended September 30,	
(In thousands)	2023	2022
Attributable to Operating Company:		
Distributable Earnings	$ 35,048	$ 32,335
Adjusted EBITDA	33,591	29,097
Investment Management FRE	29,202	21,498

Distributable Earnings

DE generally represents the net realized earnings of the Company and is an indicative measure used by the Company to assess ongoing operating performance and in making decisions related to distributions and reinvestments. Accordingly, we believe DE provides investors and analysts transparency into the measure of performance used by the Company in its decision making.

DE reflects the ongoing operating performance of the Company's core business by generally excluding non-cash expenses, income (loss) items that are unrealized and items that may not be indicative of core operating results. This allows the Company, and its investors and analysts to assess its operating results on a more comparable basis period-over-period.

DE is calculated as an after-tax measure that differs from GAAP net income (loss) from continuing operations as a result of the following adjustments to net income (loss): transaction-related costs; restructuring charges; other gain (loss); unrealized principal investment income (loss); non-cash depreciation, amortization and impairment charges; debt prepayment penalties and amortization of deferred financing costs, debt premiums and discounts; our share of unrealized carried interest allocation, net of associated compensation expense; non-cash equity-based compensation costs; preferred stock redemption gain (loss); straight-line adjustment to lease income and expense; interest expense on finance leases in the Operating segment, amortization of above and below market leases in the Operating segment; straight-line adjustment to lease income and expense in the Operating segment, non-revenue enhancing capital expenditures necessary to maintain operating real estate in the Operating segment; and income tax effect on certain of the foregoing adjustments.

Transaction-related costs are incurred in connection with acquisitions and include costs of unconsummated transactions, while restructuring charges are related primarily to severance and retention costs. These costs, along with other gain (loss) amounts, are excluded from DE as they are related to discrete items, are not considered part of our ongoing operating cost structure, and are not reflective of our core operating performance.

Other items excluded from DE are generally non-cash in nature, including income (loss) items that are unrealized, or otherwise do not represent current or future cash obligations such as amortization of deferred financing costs and straight-line lease adjustment. These items are excluded from DE as they do not contribute to the measurement of DE as a net realized earnings measure that is used in decision making related to distributions and reinvestments.

Generally, the income tax effect associated with income and expense items excluded from the calculation of DE are similarly excluded from DE. However, where the resulting income tax liability or benefit arising from these excluded items increase or decrease actual income tax paid or payable by the Company in any one period, the income tax effect of these items are included in DE (for example, equity-based compensation).

In connection with our Operating segment, non-revenue enhancing capital expenditures are excluded as these are not recurring capital expenditures and are not incurred to maintain and extend the useful life of operating digital assets that support the generation of revenues.

The items we have excluded from DE are generally consistent with the exclusions made by our peers, which we believe allows for better comparability to the DE presented by our peers.

Adjusted EBITDA

Adjusted EBITDA is a supplemental measure derived from DE and generally presents the Company’s core operating performance on a pre-tax basis, based upon recurring revenues and independent of our capital structure and leverage.

We view Adjusted EBITDA as particularly helpful in evaluating the relative contribution of our Operating segment, absent the effects of leverage, as the consolidated portfolio companies in the Operating segment have higher leverage relative to the Company’s own capital structure.

We believe Adjusted EBITDA is useful to investors as an indicative measure of the Company’s profitability that is recurring and sustainable and allows for better comparability of the Company’s performance relative to its peers independent of capital structure and leverage. However, because Adjusted EBITDA is calculated without the effects of certain recurring cash charges, including interest expense, preferred stock dividends, income taxes, capital expenditures or other recurring cash requirements, its usefulness as a performance measure may be limited.

Adjusted EBITDA is calculated as DE adjusted to generally exclude the following items attributable to the Operating Company that are included in DE: interest expense as included in DE and income tax benefit (expense) as included in DE consistent with an EBITDA measure, preferred stock dividends, placement fee expense, our share of incentive fees and distributed carried interest net of associated compensation expense, and capital expenditures in the Operating segment as deducted in DE.

Items excluded from Adjusted EBITDA include preferred stock dividends as Adjusted EBITDA removes the effects to earnings associated with the Company's capital structure, and placement fees as they are inconsistent in amount and frequency depending upon timing of fundraising for our funds. Additionally, Adjusted EBITDA excludes incentive fees and distributed carried interest net of associated compensation expense to be consistent with the FRE measure for our Investment Management segment, as discussed further below.

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Distributable Earnings and Adjusted EBITDA Reconciliation

(In thousands)	Three Months Ended September 30, 2023	2022
Net income (loss) attributable to common stockholders	$ 261,828	$ (63,273)
Net income (loss) attributable to noncontrolling interests in Operating Company	19,918	(4,834)
Net income (loss) attributable to Operating Company	281,746	(68,107)
Transaction-related and restructuring charges	7,522	23,249
Other (gain) loss, net	(254,737)	(9,880)
Unrealized principal investment income	(17,943)	2,669
Unrealized carried interest allocation, net of associated expense allocation	(68,099)	(1,228)
Equity-based compensation cost	18,621	18,619
Depreciation and amortization expense	128,156	146,810
Straight-line adjustment to lease (income) and expense, net	(2,169)	(8,895)
Amortization of acquired above-market and (below-market) leases, net	(141)	80
Non-revenue enhancing capital expenditures	(11,396)	(10,992)
Finance lease interest expense, debt prepayment penalties and amortization of deferred financing costs, debt premiums and discounts	3,745	5,627
Adjustments attributable to noncontrolling interests in investment entities[1]	(52,496)	(136,338)
DE of discontinued operations [2]	2,239	70,721
Distributable Earnings, after tax—attributable to Operating Company	**35,048**	**32,335**
Adjustments attributable to Operating Company:		
Interest expense included in DE	9,524	16,348
Income tax (benefit) expense included in DE	37	(7,839)
Preferred stock dividends	14,645	15,283
Principal investment income included in DE	—	(9,303)
Placement fees	15	—
Distributed incentive fee and carried interest, net of associated expense allocation	(27,927)	(20,258)
Non-revenue enhancing capital expenditures deducted from DE	2,249	2,531
Adjustments EBITDA—attributable to Operating Company	**$ 33,591**	**$ 29,097**

(1) Noncontrolling interests' share of adjustments pertain largely to depreciation and amortization; interest expense on finance leases, debt prepayment penalties and amortization of deferred financing costs, debt premiums and discounts; unrealized carried interest allocation, net of associated compensation expense allocation; and non-revenue enhancing capital expenditures.

(2) Equity method earnings (loss) from BRSP, which qualified as discontinued operations in March 2023, is included in DE of discontinued operations for all periods presented.

Investment Management FRE and Investment Management Adjusted EBITDA

Investment Management FRE is presented as Investment Management Adjusted EBITDA, further adjusted to exclude FRE associated with new investment strategies, as discussed below.

Investment Management FRE is used to assess the extent to which direct base compensation and core operating expenses are covered by recurring fee revenues in a stabilized investment management business. Investment Management FRE is measured as recurring fee income that is not subject to future realization events and other income (inclusive of cost reimbursements associated with administrative expenses), net of the following: compensation expense (excluding non-cash equity-based compensation, and incentive and carried interest compensation expense), administrative expense (excluding placement fee expense and straight-line adjustment to lease expense) and FRE associated with new investment strategies.

In reconciling Investment Management FRE to GAAP net income (loss), adjustments are made to first arrive at Investment Management Adjusted EBITDA, which generally excludes the following: our share of incentive fees and carried interest net of associated compensation expense; unrealized principal investment income (loss); other gain (loss); transaction-related and restructuring charges; non-cash equity-based compensation costs; straight-line adjustment to lease expense; placement fee expense; investment expense; and in line with an EBITDA measure, non-cash depreciation and amortization expense, interest expense, and income tax benefit (expense).

Consistent with an FRE measure, Investment Management Adjusted EBITDA excludes incentive fees and carried interest net of associated compensation expense, as these are not recurring fee income and are subject to variability given that they are performance-based and/or dependent upon future realization events.

In calculating Investment Management FRE which reflects the Company's Investment Management segment as a stabilized business, Investment Management Adjusted EBITDA is further adjusted to exclude Start-Up FRE. Start-Up FRE is 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. The Company evaluates new investment strategies on a regular basis and excludes Start- Up FRE from Investment Management FRE until such time as a new strategy is determined to form part of the Company's core investment management business.

We believe that Investment Management FRE and Investment Management Adjusted EBITDA are useful measures to investors as they reflect the Company's profitability based upon recurring fee streams that are not subject to future realization events, and without the effects of income taxes, leverage, non-cash expenses, income (loss) items that are unrealized and other items that may not be indicative of core operating results. This allows for better comparability of the profitability of the Company's investment management business on a recurring and sustainable basis.

Investment Management FRE Reconciliation

(In thousands)	Three Months Ended September 30, 2023	2022
Net income (loss)—Investment Management	$ 100,014	$ 46,065
Interest expense, net of interest income	2,128	2,906
Investment expense, net of reimbursement	97	230
Depreciation and amortization expense	9,003	5,369
Equity-based compensation cost	7,218	2,654
Incentive fee and carried interest allocation, net of associated expense allocation	(96,026)	(40,867)
Straight-line rent expense	511	68
Placement fees	15	—
Transaction-related and restructuring charges	3,891	2,317
Unrealized principal investment income	(1,451)	(1,016)
Other (gain) loss, net	2,662	110
Income tax (benefit) expense	(15)	1,263
Investment Management Adjusted EBITDA	**28,047**	**19,099**
Start-up FRE	1,155	2,399
Investment Management FRE—attributable to Operating Company	**$ 29,202**	**$ 21,498**

Liquidity and Capital Resources

We regularly evaluate our liquidity position, debt obligations, and anticipated cash needs to fund our business and operations based upon our projected financial performance. Our evaluation of future liquidity requirements is regularly reviewed and updated for changes in internal projections, economic conditions, competitive landscape and other factors as applicable.

Liquidity Needs and Sources of Liquidity

Our primary liquidity needs are to fund:

- our general partner and general partner affiliate commitments to our investment vehicles;
- acquisitions of target investment management businesses;
- warehouse investments pending the raising of third party capital for future investment vehicles;
- principal and interest payments on our debt;
- our operations, including compensation, administrative and overhead costs;
- dividends to our preferred and common stockholders;
- our liability for corporate and other taxes;
- obligation for lease payments, principally corporate offices and leasehold data centers;
- development, construction and capital expenditures on our operating real estate; and

Our primary sources of liquidity are:

- cash on hand;
- fees received from our investment management business, including our share of distributed net incentive fees and carried interest;

- cash flow generated from our investments, both from operations and return of capital;
- availability under our Variable Funding Notes ("VFN");
- issuance of additional term notes under our corporate securitization;
- third party co-investors in our consolidated investments and/or businesses;
- proceeds from full or partial realization of investments;
- investment-level financing; and
- proceeds from public or private equity and debt offerings.

Overview

At September 30, 2023, our liquidity position was approximately $530 million, composed of corporate unrestricted cash and including the full $300 million availability under our VFN.

We believe we have sufficient cash on hand, and anticipated cash generated from operating activities and external financing sources, to meet our short term and long term capital requirements.

While we have sufficient liquidity to meet our operational needs, we continue to evaluate alternatives to manage our capital structure and market opportunities to strengthen our liquidity and to provide further operational and strategic flexibility.

Significant Liquidity and Capital Activities in 2023

Sources of Funds

- $49 million net proceeds from the September 2023 recapitalization of DataBank
- $202 million in net proceeds from full disposition of our BRSP shares in March 2023

Uses of Funds

- Acquisition of InfraBridge in February 2023 for $314 million, net of cash assumed
- $200 million repayment of our convertible senior notes upon maturity in April 2023
- $90 million contingent earnout payment to Wafra in March 2023.

Liquidity Needs and Capital Activities

Dividends

Common Stock—The payment of common stock dividends and determination of the amount thereof is at the discretion of our Board of Directors. The Company reinstated quarterly common stock dividends at $0.01 per share beginning the third quarter of 2022, having previously suspended common stock dividends from the second quarter of 2020 through the second quarter of 2022.

Preferred Stock—We have outstanding preferred stock totaling $822 million, bearing a weighted average dividend rate of 7.135% per annum, with aggregate dividend payments of $14.7 million per quarter.

Contractual Obligations, Commitments and Contingencies

Debt Obligations

As of the date of this filing, our corporate debt is composed of a securitized financing facility and exchangeable senior notes issued by the OP, all of which are recourse to the Company, as described in Note 8 to the consolidated financial statements.

($ in thousands)	Outstanding Principal	Interest Rate (Per Annum)	Maturity or Anticipated Repayment Date	Years Remaining to Maturity
Corporate debt:				
Securitized financing facility—fixed rate	$ 300,000	3.93 %	September 2026	3.0
Exchangeable senior notes—fixed rate	78,422	5.75 %	July 2025	1.8
	$ 378,422			

Investment-level secured debt is non-recourse to DBRG and serviced through operating and/or investing cash generated by the respective borrower subsidiaries in the Operating segment and by our consolidated fund. Corporate-level cash is not applied to service investment-level debt.

Investment Commitments

Fund Commitments—As general partner, we typically have minimum capital commitments to our sponsored funds. With respect to our flagship value-add DBP fund series, and InfraBridge funds, we have made additional capital commitments as a general partner affiliate alongside our limited partner investors. Our fund capital investments further align our interests to our investors. As of the date of filing, we have unfunded commitments totaling $245 million to our sponsored funds, including DBP III which had its first closing on November 1, 2023. Generally, the timing for funding of these commitments is not known and the commitments are callable on demand at any time prior to their respective expirations.

Contingent Consideration

Wafra Redemption—In connection with the May 2022 redemption of Wafra's interest in our investment management business, additional contingent consideration is payable based upon future capital raise thresholds, with up to 50% payable in shares of our class A common stock at our election. Depending upon cumulative capital raised through 2023, up to $35 million of the remaining contingent consideration may become payable in March 2024.

InfraBridge Acquisition—In connection with the InfraBridge acquisition in February 2023, contingent consideration of up to $129 million may become payable based upon achievement of future fundraising targets for the third and fourth flagship InfraBridge funds. The current estimated fair value of the contingent consideration is $11 million.

Warehoused Investments

We temporarily warehouse investments on behalf of prospective sponsored investment vehicles that are actively fundraising. The warehoused investments are transferred to the investment vehicle if and when sufficient third party capital, including debt, is raised. Generally, the timing of future warehousing activities is not known. Nevertheless, investment warehousing is undertaken only if it is determined that we will have sufficient liquidity through the anticipated warehousing period.

At September 30, 2023, warehoused investments aggregate to $50 million at cost.

Carried Interest Clawback

Depending on the final realized value of all investments at the end of the life of a fund (and, with respect to certain funds, periodically during the life of the fund), if it is determined that cumulative carried interest distributions have exceeded the final carried interest amount earned (or amount earned as of the calculation date), we are obligated to return the excess carried interest received. Therefore, carried interest distributions may be subject to clawback if decline in investment values results in cumulative performance of the fund falling below minimum return hurdles in the interim period. If it is determined that the Company has a clawback obligation, a liability would be established based upon a hypothetical liquidation of the net assets of the fund at reporting date. The actual determination and required payment of any clawback obligation would generally occur after final disposition of the investments of the fund or otherwise as set forth in the governing documents of the fund.

If the related carried interest distributions received by the Company are subject to clawback, the previously distributed carried interest would be similarly subject to clawback from employees. The Company generally withholds a portion of the distribution of carried interest to employees to satisfy their potential clawback obligation.

At September 30, 2023, the Company has no liability for clawback obligations on distributed carried interest.

Lease Obligations

At September 30, 2023, we had $50.0 million of operating lease obligations on our corporate offices, which are funded through corporate operating cash. The lease obligation amount represents fixed lease payments, excluding any contingent or other variable lease payments, and factor in lease renewal or termination options only if it is reasonably certain that such options would be exercised.

Sources of Liquidity

Debt Funding

As of the date of this filing, we have $378 million of outstanding principal on our corporate debt, as discussed above under " —*Debt Obligation*."

Our securitized financing facility is subject to various covenants, including financial covenants that require the maintenance of minimum thresholds for debt service coverage ratio and maximum loan-to-value ratio, as defined. As of the date of this filing, we are in compliance with all of the financial covenants, and the full $300 million is available to be drawn on our VFN.

Our securitized financing facility allows for the issuance of additional term notes in the future to supplement our liquidity. The decision to enter into a particular financing arrangement is made after consideration of various factors including future cash needs, current sources of liquidity, demand for the Company’s debt or equity, and prevailing interest rates.

Cash From Operations

Fee-Related Earnings—We generate FRE from our Investment Management segment, generally encompassing recurring fee income net of associated compensation and administrative expenses. Following the redemption of Wafra's 31.5% interest in our investment management business in May 2022, 100% of Investment Management FRE is attributable to us. Management fee income is generally a predictable and stable revenue stream. Our ability to generate new management fee streams through establishing new investment vehicles and raising investor capital depends on general market conditions and availability of attractive investment opportunities as well as availability of debt capital.

Incentive Fees—Incentive fees, net of employee allocations, are earned based upon the financial performance of a vehicle above a specified return threshold, which is largely driven by appreciation in value of underlying investments. Incentive fees are recognized as fee income when they are no longer probable of significant reversal. As investment fair values and changes thereof could be affected by various factors, including market and economic conditions, incentive fees are by nature less predictable in amount and timing.

Carried Interest Distributions—Carried interest is distributed generally upon profitable disposition of an investment if at the time of distribution, cumulative returns of the fund exceed minimum return hurdles. Carried interest distributions are recognized in earnings net of clawback obligations, if any. The amount and timing of carried interest distributions received may vary substantially from period to period depending upon the occurrence and size of investments realized by our sponsored funds.

Investments—Our investments generate cash through income distributions and return of our invested capital.

Asset Monetization

We periodically monetize our investments through opportunistic asset sales or to recycle capital from non-core assets. In March 2023, our BRSP shares were fully disposed for net proceeds of $202 million.

We have other marketable equity securities that are available for future monetization, with our share valued at $12.8 million at September 30, 2023.

Public Offerings

We may offer and sell various types of securities from time to time at our discretion based upon our needs and depending upon market conditions and available pricing.

Consolidated Cash Flows

The following table summarizes the activities from our consolidated statements of cash flows, including discontinued operations.

	Nine Months Ended September 30,	
(In thousands)	2023	2022
Cash, cash equivalents and restricted cash—beginning of period	$ 1,036,739	$ 1,766,245
Net cash provided by (used in):		
Operating activities	192,080	194,773
Investing activities	(768,072)	(1,929,361)
Financing activities	78,596	741,772
Effect of exchange rates on cash, cash equivalents and restricted cash	(673)	(3,039)
Cash, cash equivalents and restricted cash—end of period	$ 538,670	$ 770,390

Operating Activities

Cash inflows from operating activities are generated primarily through fee income, including incentive fees, and distributions of our share of net carried interest from our investment management business, property operating income from our real estate investments, and distributions of earnings received from equity investments. This is partially offset by payment of operating expenses, including property management and operations, investment transaction-related costs, as well as compensation and general administrative costs.

Our operating activities generated net cash inflows of $192.1 million in 2023 and $194.8 million in 2022.

Investing Activities

Investing activities include primarily cash outlays for business combination, acquisition of real estate, origination or acquisition of warehoused loans and disbursement on subsequent drawdowns, and new equity investments and subsequent capital contributions. These are partially offset by repayments, sales and transfers of warehoused investments, distributions of capital received from equity investments, and proceeds from sale of real estate and equity investments.

Our investing activities generated net cash outflows of $768.1 million in 2023 and $1.9 billion in 2022. Cash outlays in 2023 can be attributed primarily to the acquisition of InfraBridge and deconsolidation of DataBank, partially offset by the sale of BRSP shares. 2022 cash outlays were driven by the acquisitions of TowerCo and data centers in the Operating segment.

- *DataBank recapitalization and deconsolidation*—In 2023, we received proceeds of $21.5 million, net of carried interest distribution, from the recapitalization of DataBank. Following the recapitalization, DataBank was deconsolidated, effective September 14, 2023, resulting in the derecognition of $102.4 million of cash and restricted cash (Note 10).
- *Business combination*—In 2023, we paid $314.3 million (net of cash assumed) for the acquisition of InfraBridge.
- *Equity investments*—Equity investments generated net cash inflows in both years.

  In 2023, equity investments recorded net cash inflows of $232.3 million, attributed primarily to $201.6 million from the sale of BRSP shares, return of capital from a non-digital equity investment following a final sale of its underlying assets, and investing activities of our consolidated liquid funds which hold marketable equity securities. These cash inflows were partially offset by funding of our fund commitments.

  2022 saw net cash inflows of $97.4 million, largely representing the trading activities in marketable equity securities by our consolidated liquid funds, and a return of capital from the first sale of investment by DBP I, partially offset by additional contributions to our digital funds.
- *Real estate investments*—Real estate investing activities generated net cash outflows in both years.

  Net cash outflows in 2023 was $613.1 million, attributed to DataBank's data center acquisition in Dallas and capital expenditures in our data center portfolio, including payments for build-out of expansion capacity and lease-up within the Vantage SDC portfolio.

  2022 saw net cash outflows of $1.9 billion, attributed primarily to the acquisition of TowerCo and, to a lesser extent, to DataBank's Houston portfolio acquisition, data center capital expenditures, and payments for build-out of expansion capacity and lease-up within the Vantage SDC portfolio. Also contributing to the cash outflows was cash assumed by the buyer in the sale of real estate investment holding entities in our Wellness Infrastructure business. All of these outflows were partially offset by proceeds received from our Wellness Infrastructure sale.
- *Debt investments*—Our debt investments generated minimal net cash inflows in 2023 and 2022.

  Having relinquished all of our warehoused debt investments in 2022, the only cash activity with respect to debt investments in 2023 was the full repayment of a loan held by DataBank of $6.8 million.

  In 2022, net cash inflows was relatively immaterial at $4.6 million as we had largely transferred our acquired or originated warehoused loans to our sponsored credit fund and to a third party sponsored collateralized loan obligation ("CLO").

Financing Activities

We may draw upon our securitized financing facility to finance our operating activities, as well as have the ability to raise capital in the public markets through issuances of preferred stock, common stock and private placement notes. Accordingly, we incur cash outlays primarily for payments on our corporate debt, and dividends to our preferred stockholders and common stockholders. Separately, subsidiaries in the Operating segment, including DataBank prior to its deconsolidation in September 2023, finance their investing activities largely through investment-level secured debt and incur cash outlays for debt servicing and distributions to their third party investors who represent noncontrolling interests.

Financing activities generated net cash inflows in both years.

- In 2023, the net cash inflows of $78.6 million represent primarily $489.9 million of additional investment-level debt in the Operating segment, largely offset by repayment of our $200 million 5.00% convertible senior notes, $90 million contingent consideration payment to Wafra, $78.3 million distributed for capital redeemed by a noncontrolling interest in a consolidated liquid fund, and income distribution to noncontrolling interests in Vantage SDC.
- The financing net cash inflows of $741.8 million in 2022 was driven by financing for the acquisition of TowerCo and the DataBank data center acquisition through term loans and capital contributions from noncontrolling interests totaling $1.1 billion. Additionally, cash inflows included our share of proceeds recorded in equity of $302.8 million from sale a portion of our interest in our DataBank subsidiary in connection with the partial recapitalization in August 2022 that was treated as an equity transaction (Note 10). The cash inflows were partially offset by $388.5 million of cash paid to redeem Wafra's interest in our investment management business. Financing cash outflows also included repayment of our warehouse credit facility of $172.5 million with proceeds from a transfer of the warehoused loans to a third party CLO, and paydowns on amortizing debt in our Operating segment. Other notable cash outflows included preferred and common stock repurchases totaling $60.8 million and distributions to various controlling interests.

Guarantees and Off-Balance Sheet Arrangements

We have no guarantees or off-balance sheet arrangements that we believe are reasonable likely to have a material effect on our financial condition.

Critical Accounting Policies and Estimates

Our financial statements are prepared in accordance with GAAP, which requires the use of estimates and assumptions that involve the exercise of judgment and that affect the reported amounts of assets, liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Our critical accounting policies and estimates are integral to understanding and evaluating our reported financial results as they require subjective or complex management judgments, resulting from the need to make estimates about the effect of matters that are inherently uncertain and unpredictable.

There have been no changes to our critical accounting policies or those of our unconsolidated joint ventures since the filing of our Annual Report on Form 10-K for the year ended December 31, 2022.

With respect to all critical estimates, we have established policies and control procedures which seek to ensure that estimates and assumptions are appropriately governed and applied consistently from period to period. We believe that all of the decisions and assessments applied were reasonable at the time made, based upon information available to us at that time. Due to the inherently judgmental nature of the various projections and assumptions used, and unpredictability of economic and market conditions, actual results may differ from estimates, and changes in estimates and assumptions could have a material effect on our financial statements in the future.

Recent Accounting Updates

The effects of accounting standards adopted in 2023 and the potential effects of accounting standards to be adopted in the future are described in Note 2 to our consolidated financial statements in Item 1 of this Quarterly Report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market risk represents the risk of financial loss from adverse movement in market prices. The primary sources of market risk are interest rates, foreign currency rates, equity prices and commodity prices.

Our business is exposed primarily to the effect of market risk on our fee income and net carried interest allocation, foreign currency risk on non-U.S. investment management business and foreign denominated warehoused investments (if any), interest rate risk on our VFN and other variable rate debt financing warehoused investments (if any), and, equity price risk on marketable equity securities of consolidated funds.

Separately, the Operating segment is exposed to interest rate risk on variable rate debt, foreign currency risk on its non-U.S. business and commodity price risk.

Market Risk Effect on Fee Income and Net Carried Interest Allocation

Management Fees—To the extent management fees are based upon fair value of the underlying investments of our managed investment vehicles, an increase or decrease in fair value will directly affect our management fee income. Generally, our management fee income is calculated based upon investors' committed capital during the commitment period of the vehicle, and thereafter, contributed or invested capital during the investing and liquidating periods. To a lesser extent, management fees are based upon the net asset value of vehicles in our Liquid Strategies, measured at fair value. At September 30, 2023, our Liquid Strategies make up 4% of our $30 billion FEEUM. Accordingly, most of our management fee income will not be directly affected by changes in investment fair values.

Incentive Fees and Carried Interest—Incentive fees and carried interest, net of management allocations, are earned based upon the financial performance of a vehicle above a specified return threshold, which is largely driven by appreciation in value of underlying investments. Carried interest is subject to reversal until such time it is distributed, which generally occurs upon disposition of all underlying investments of an investment vehicle, or in part with each disposition. The extent of the effect of fair value changes to the amount of incentive fees and carried interest earned will depend upon the cumulative performance of an investment vehicle relative to its return threshold, the performance measurement period used to calculate incentives and carried interest, and the stage of the vehicle's lifecycle. Investment fair values in turn could be affected by various factors, including but not limited to, the financial performance of the portfolio company, economic conditions, foreign exchange rates, comparable transactions in the market, and equity prices for publicly traded securities. Therefore, fair value changes are unpredictable and the effect on incentive fee and carried interest varies across different investment vehicles.

Foreign Currency Risk

As of September 30, 2023, we have limited direct foreign currency exposure from our foreign operations and foreign currency denominated investments warehoused on the balance sheet for future sponsored vehicles. Changes in foreign currency rates can adversely affect earnings and the value of our foreign currency denominated investments, including investments in our foreign subsidiaries.

We have exposure to foreign currency risk from the operations of our foreign subsidiaries to the extent these subsidiaries do not transact in U.S. dollars. Generally, this is limited to our recently acquired InfraBridge advisor subsidiary which receives fee income predominantly in U.S. dollars but incur operating costs in Pound Sterling ("GBP").

Our foreign currency denominated investments, which are temporarily warehoused on the balance sheet, are held by our U.S. subsidiaries. Our foreign currency exposure is limited to only one AUD equity investment (cost of investment at AUD 35 million).

Operating segment—For the substantial majority of subsidiaries in Canada that operate hyperscale data centers, the U.S. dollar is largely used as the transactional currency, in which case, there is generally very limited foreign currency exposure.

Interest Rate Risk

Instruments bearing variable interest rates include debt obligations, which are subject to interest rate fluctuations that will affect future cash flows, specifically interest expense.

Corporate debt—Our corporate debt exposure to variable interest rates is limited to our VFN revolver, which had no outstanding amount as of September 30, 2023.

Investment-level debt—Investment level financing, which totals $2.8 billion, consists predominantly of fixed rate securitized notes issued by the Vantage SDC subsidiary in the Operating segment. Of this amount, only $4.7 million or 0.2% is composed of variable rate debt at September 30, 2023, which is indexed primarily to Term SOFR. Additionally, as the Company's subsidiary in the Operating segment is substantially (87%) owned by third party investors, the resulting increase in interest expense from higher interest rates will be attributed predominantly to noncontrolling interests, with a minimal share of that effect attributed to DBRG. Therefore the effect to DBRG of increases in interest rates on variable rate debt in the Operating segment is not material.

Equity Price Risk

At September 30, 2023, we had $84 million of long positions and $44 million of short positions in marketable equity securities, held predominantly by our consolidated sponsored liquid funds. Realized and unrealized gains and losses from marketable equity securities are recorded in other gain (loss) on the consolidated statement of operations. Market prices for publicly traded equity securities may fluctuate due to a myriad of factors, including but not limited to, financial performance of the investee, industry conditions, economic and political environment, trade volume, and general sentiments in the equity markets. Therefore the level of volatility and price fluctuations are unpredictable. Our funds constantly rebalance their investment portfolio to take advantage of market opportunities and to manage risk. Additionally, one of our funds employs a long/short equity strategy, taking long positions that serve as collateral for short positions, which in combination, reduces its market risk exposure. The effect of equity price decreases to earnings attributable to our shareholders is further reduced as our consolidated liquid funds are substantially owned by third party capital, which represent noncontrolling interests.

Commodity Price Risk

Operating segment—Certain operating costs in the data center portfolio in the Operating segment are subject to price fluctuations caused by volatility of underlying commodity prices, primarily electricity used in our data center operations. The cost of electricity is closely monitored at all locations and power utility contracts may be entered into to purchase electricity at fixed prices in certain locations in the U.S., with such contracts generally representing less than forecasted usage. The building of new data centers and expansion of existing data centers will also subject the Operating segment to commodity price risk with respect to building materials such as steel and copper. Additionally, the lead time to procure data center equipment is substantial and procurement delays could increase construction cost and delay revenue generation.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) of the Exchange Act) that are designed to ensure that information required to be disclosed in our reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time period specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

As required by Rule 13a-15(b) of the Exchange Act, we have evaluated, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures. Based upon our evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at September 30, 2023.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) of the Exchange Act) during the quarter ended September 30, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

The Company may be involved in litigation and claims in the ordinary course of business. As of September 30, 2023, the Company was not involved in any material legal proceedings.

Item 1A. Risk Factors.

There have been no material changes from the risk factors previously disclosed in response to "Part I—Item 1A. Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2022, which is available on the SEC's website at www.sec.gov.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Rule 10b5-1 Trading Plans

During the quarter ended September 30, 2023, none of the Company's directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

Item 6. Exhibits.

Exhibit Number	Description
3.1	Restated Charter of DigitalBridge Group, Inc.(incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q filed on August 4, 2023)
3.2	Amended and Restated Bylaws of DigitalBridge Group, Inc., effective August 1, 2023 (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q filed on August 4, 2023)
10.1*†	Employment Agreement, dated as of August 22, 2023, between DigitalBridge Group, Inc. and Geoffrey Goldschein
31.1*	Certification of Marc C. Ganzi, Chief Executive Officer, pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Jacky Wu, Chief Financial Officer, pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Marc C. Ganzi, Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of Jacky Wu, Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS**	XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase
104**	Cover Page Interactive Data File

† Denotes a management contract or compensatory plan contract or arrangement.
* Filed herewith.
** The document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: November 3, 2023

DigitalBridge Group, Inc.

By: /s/ Marc C. Ganzi

Marc C. Ganzi
Chief Executive Officer
(Principal Executive Officer)

By: /s/ Jacky Wu

Jacky Wu
Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

Exhibit 10.1

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement"), dated as of August 22, 2023, is made by and between DigitalBridge Group, Inc., a Maryland corporation ("DBRG"), and Geoffrey Goldschein (the "Executive"). DBRG, together with its subsidiaries is hereinafter referred to as "the Company," and where the context permits, references to "the Company" shall include the Company and any successor to the Company.

WHEREAS, Executive is currently employed by the Company; and

WHEREAS, DBRG desires to enter into this Agreement with Executive, effective as of May 11, 2023 (the " Effective Date") setting forth the terms by which Executive will continue to be employed by the Company, and will serve as Chief Legal Officer and Secretary of the Company.

NOW, THEREFORE, in consideration of the foregoing premises, the mutual covenants, terms and conditions set forth herein, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. EMPLOYMENT TERM. The Executive's employment under the terms and conditions of this Agreement shall commence on the Effective Date and shall expire on the third anniversary of the Effective Date (the "Initial Term"); provided, however, that on the second anniversary of the Effective Date and on each subsequent anniversary thereof, the term of this Agreement shall automatically be extended for an additional one-year period (each a "Renewal Term") unless, not later than 180 days prior to the expiration of the Initial Term or the then current Renewal Term, as applicable, either party provides written notice to the other party hereto that such extension shall not take effect (a "Non-Renewal Notice"). The period during which the Executive is employed by the Company during the Initial Term and any Renewal Term pursuant to this Agreement is referred to herein as the "Employment Term". Notwithstanding anything set forth in this Section 1 to the contrary, the Employment Term and the Executive's employment shall earlier terminate upon the termination of the Executive's employment pursuant to Section 4 hereof.

2. POSITION; REPORTING AND DUTIES; LOCATION.

(a) Position and Reporting. During the Employment Term, the Executive shall serve as Chief Legal Officer and Secretary of the Company. The Executive shall report directly to the Chief Executive Officer of DBRG.

(b) Duties and Responsibilities.

(i) During the Employment Term, the Executive shall devote his full business time (excepting vacation time, holidays, sick days and periods of disability) and attention to the performance of his duties hereunder, shall faithfully serve the Company and shall have no other employment which is undisclosed to the Company or which conflicts with his duties under this Agreement; provided, that, nothing contained herein shall prohibit the Executive from (A) participating in trade associations or industry organizations, (B) engaging in charitable, civic, educational or political activities, (C) delivering lectures or fulfilling speaking engagements, (D) engaging in personal investment activities and personal real estate-related activities for himself and his family or (E) accepting directorships or similar positions (together, the "Personal Activities"), in each case so long as the Personal Activities do not unreasonably interfere, individually or in the aggregate, with the performance of the Executive's duties to the Company under this Agreement. The Company hereby acknowledges and approves the current activities of the Executive as set forth on **Schedule 1** hereto, each of which shall be deemed a Personal Activity. Notwithstanding the foregoing, to the extent that the Personal Activities include the Executive providing services to any for-profit company (excluding DBRG and any subsidiaries or portfolio companies thereof) as a member of such company's board of directors, only one such directorship shall be permitted as a Personal Activity.

(ii) During the Employment Term, in serving in his capacity as set forth above, the Executive shall (A) perform such duties and provide such services as are usual and customary for such position, and (B) provide such other duties as are consistent with such role, as reasonably requested from time to time by DBRG's board of directors (the "Board") or the Chief Executive Officer of DBRG.

(iii) The parties acknowledge and agree that all of the compensation and benefits provided to the Executive hereunder will be in respect of services performed by the Executive for the Company.

(c) Location of Employment. The Executive's principal place of business shall be at the Company's office in New York, New York or, as circumstances dictate, remotely; provided, that, the Executive may be required to engage in travel during the Employment Term in the performance of his duties hereunder.

3. COMPENSATION AND BENEFITS.

(a) Base Salary. During the Employment Term, the Company will pay to the Executive a base salary at the annualized rate of not less than $575,000 (the base salary in effect from time to time, the "Base Salary"). The Base Salary will be paid to the Executive in accordance with the Company's customary compensation practices from time to time in effect for the Company's senior executive officers. The Board (or a committee of directors delegated by the Board) will review the Base Salary from time to time, but at least annually, during the Employment Term, but may not reduce the Executive's then-existing Base Salary without the Executive's prior written consent and agreement.

(b) Annual Cash Bonus

(i) For each calendar year during the Employment Term beginning with the calendar year in which the Effective Date occurs, the Executive shall be given an opportunity to earn an annual incentive cash bonus based on an evaluation by the Board (or a committee of directors delegated by the Board) of the Executive's performance in respect of the applicable calendar year; provided, that, the Board or such committee may determine prior to the beginning of any such calendar year to instead condition the payment of all or a portion of the cash bonus with respect to the applicable calendar year upon the achievement of performance measures, determined by the Board or such committee in consultation with the Executive (as applicable, the "Annual Bonus"). The Executive's target Annual Bonus for each calendar year during the Employment Term (including the calendar year in which the Effective Date occurs) shall be no less than $725,000 (such amount, as increased from time to time, the "Target Bonus Amount"). If the Board (or a committee of directors delegated by the Board) establishes reasonable performance measures as provided for above, the actual Annual Bonus amount paid to the Executive in respect of any calendar year during the Employment Term shall be based on the achievement of the applicable performance measures and may be less or more than the applicable Target Bonus Amount. The Board (or a committee of directors delegated by the Board) will review the Target Bonus Amount from time to time, but at least annually, during the Employment Term, but may not reduce the Executive's then-existing Target Bonus Amount without the Executive's prior written consent and agreement.

(ii) Any Annual Bonus payment that becomes payable to the Executive hereunder will be paid to him in a cash lump sum by no later than March 15 of the calendar year following the calendar year to which it relates (and no later than the date on which bonuses are paid to other senior executive officers of DBRG); provided, that, except as otherwise set forth in this Agreement, the Executive is an active employee as of, and has not given or received notice of termination of employment as of, the date such payment would otherwise be made.

(c) Equity Incentives and Related Awards.

(i) For each calendar year during the Employment Term beginning with the calendar year in which the Effective Date occurs, the Executive shall be eligible to receive equity and equity-based incentive awards ("LTIP Awards"), with an annual target LTIP Award opportunity of no less than $950,000 (the target amount in effect from time to time, the "Target LTIP Award"). The Board (or a committee of directors delegated by the Board) will review the Target LTIP Award (and any applicable performance measures) from time to time, but at least annually, during the Employment Term, but may not reduce the Executive's then-existing Target LTIP Award without the Executive's prior written consent and agreement.

(ii) The Executive and, provided such transfer was permitted pursuant to the Fund Incentives (as defined below), his transferees, shall (x) continue to receive allocations in respect of carried interests, incentive fees and other such remuneration in respect of funds and similar vehicles, as applicable, managed by the Company that were granted to the Executive prior to the Effective Date and (y) be eligible to receive allocations in respect of carried interests, incentive fees and other such remuneration in respect of funds and similar vehicles, as applicable, managed by the Company (collectively as to both (x) and (y), "Fund Incentives"). Allocations of all Fund Incentives shall be made as determined by the Board (or a committee of directors delegated by the Board) in consultation with the Executive.

(iii) The terms and conditions (including with respect to vesting and repurchase rights) of any LTIP Awards and Fund Incentives shall be no less favorable than the terms and conditions of any LTIP Awards and Fund Incentives, as applicable, granted to the senior executive officers of the Company during the same calendar year (including any subsequent amendments thereto and waivers thereof).

(d) Retirement, Welfare and Fringe Benefits. During the Employment Term, the Executive shall be eligible to participate in the retirement savings, medical, disability, life insurance, perquisite and other welfare and fringe benefit plans applicable to senior executive officers of DBRG generally in accordance with the terms of such plans as are in effect from time to time. The foregoing shall not be construed to limit the ability of the Company to amend, modify or terminate any such benefit plans, policies or programs in accordance with their terms or to cease providing such benefit plans, policies or programs at any time and from time to time; provided, that, the terms and conditions imposed on Executive's participation in such plans, policies or programs and any adverse amendments, terminations and modifications are at least as favorable to Executive as those applicable to other senior executive officers of the Company.

(e) Paid Time Off. During the Employment Term, the Executive shall be eligible to participate in the paid time off policies generally applicable to DBRG's senior executives as are in effect from time to time. The current policy provides for twenty days per calendar year of paid time off.

(f) Business Expenses. The Company shall pay or reimburse the Executive for all reasonable out-of-pocket expenses that the Executive incurs in connection with his employment during the Employment Term upon presentation of expense statements or vouchers and such other information as the Company may require in accordance with the generally applicable policies and procedures of the Company applicable to DBRG's senior executive officers as are in effect from time to time. No expense payment or reimbursement under this Section 3(f) shall be "grossed up" or increased to take into account any tax liability incurred by the Executive as a result of such payment or reimbursement.

(g) Insurance; Indemnification. The Executive shall be covered by such comprehensive directors' and officers' liability insurance and errors and omissions liability insurance as the Company shall have established and maintained in respect of its directors and officers generally at its expense, and the Company shall cause such insurance policies to be maintained in a manner reasonably acceptable to the Executive both during and, in accordance with the provisions of Section 4(a)(i)(D) below, after Executive's employment with the Company. The Executive shall also be entitled to indemnification rights, benefits and related expense advances and reimbursements to the same extent as any other director or officer of DBRG and to the maximum extent permitted under applicable law pursuant to an indemnification agreement (the "Indemnification Agreement").

(h) Attorneys' Fees. The Company shall promptly pay or reimburse the Executive for reasonable attorneys' fees incurred by the Executive in connection with the review, negotiation, drafting and execution of this Agreement and any related arrangements, in an aggregate amount not to exceed $30,000, subject to the Executive providing the Company with reasonable documentation of such fees within 30 days following the later of the Effective Date and Executive's receipt of a fully-executed version of this Agreement. The Company shall reimburse the Executive for such fees within 10 business days following Executive's submission to the Company of the documentation evidencing the fees.

4. TERMINATION OF EMPLOYMENT.

(a) General Provisions.

(i) Upon any termination of Executive's employment with the Company, the Executive shall be entitled to receive the following: (A) any accrued but unpaid Base Salary and vacation (determined in accordance with Company policy) through the date of termination (paid in cash within 30 days (or such shorter period required by applicable law) following the date of termination); (B) reimbursement for expenses and fees incurred by the Executive prior to the date of termination in accordance with Sections 3(f) and 3(h); (C) vested and accrued benefits, if any, to which the Executive may be entitled under the Company's employee benefit plans as of the date of termination; and (D) any additional amounts or benefits due under any applicable plan, program, agreement or arrangement of the Company (including continuing "tail" indemnification and directors and officers liability insurance for actions and inactions occurring while the Executive provided services for DBRG and its affiliates and continued coverage for any actions or inactions by the Executive while providing cooperation under this Agreement), including any such plan, program, agreement or arrangement relating to equity or equity-based awards (the amounts and benefits described in clauses (A) through (D) above, collectively, the "Accrued Benefits"). The Accrued Benefits shall in all events be paid in accordance with the Company's payroll procedures, expense reimbursement procedures or plan terms, as applicable.

(ii) During any notice period required under this Section 4, (A) the Executive shall remain employed by the Company and shall continue to be bound by all the terms of this Agreement and any other applicable duties and obligations to the Company, (B) the Company may direct the Executive not to report to work, and (C) the Executive shall only undertake such actions on behalf of the Company, consistent with his position, as expressly directed by the Company.

(b) Termination for Cause or by the Executive without Good Reason.

(i) The Employment Term and the Executive's employment hereunder may be terminated at any time either (A) by the Company for "Cause" (as defined and determined below), effective as set forth in Section 4(b)(iii), or (B) by the Executive without Good Reason, effective 30 days following the date on which notice of such termination is given by the Executive to the Company.

(ii) If the Executive's employment is terminated by the Company for Cause, or by the Executive without Good Reason, the Executive shall only be entitled to receive the Accrued Benefits.

(iii) For purposes of this Agreement, a termination for "Cause" shall mean a termination of the Executive's employment with the Company because of (A) the Executive's conviction of, or plea of no contest to, any felony under the laws of the United States or any state within the United States (other than a traffic-related felony) which termination shall become effective immediately as of the date the Board determines to terminate the Agreement, which action must be taken on or after the date of such conviction or plea or within 60 days thereafter; (B) the Executive's willful and gross misconduct in connection with the performance of his duties to the Company (other than by reason of his incapacity or disability), it being expressly understood that the Company's dissatisfaction with the Executive's performance shall not constitute Cause; or (C) a continuous, willful and material breach by the Executive of this Agreement after written notice of such breach has been provided to the Executive by the Board; provided, that, in no event shall any action or omission in subsections (B) or (C) constitute "Cause" unless (1) the Company gives notice to the Executive stating that the Executive will be terminated for Cause, specifying the particulars thereof in reasonable detail and the effective date of such termination (which shall be no less than 10 business days following the date on which such written notice is received by the Executive) and (2) the Executive fails or refuses to materially cure or cease such misconduct or breach within 10 business days after such written notice is given to him. For purposes of the foregoing sentence, no act, or failure to act, on the Executive's part shall be considered willful unless done or omitted to be done, by him not in good faith and without reasonable belief that his action or omission was in the best interest of the Company, and any act or omission by the Executive pursuant to the direction of the Board or on the advice of counsel for the Company will be deemed made in good faith and in the best interests of the Company.

(c) Termination by the Company without Cause or by the Executive for Good Reason.

(i) The Employment Term and the Executive's employment hereunder may be terminated (A) by the Company at any time without Cause, effective four business days following the date on which written notice to such effect is delivered to the Executive, or (B) by the Executive for "Good Reason" (as defined and determined below), effective as set forth in Section 4(c)(ii). If the Executive's employment is terminated by the Company without Cause or by the Executive for Good Reason, the Company shall pay or provide to the Executive (A) the Accrued Benefits and (B) upon the Executive's execution, within 60 days after receipt, of a separation agreement containing a general release of claims substantially in the form attached as Exhibit A hereto (the "Release") and the expiration of the applicable revocation period with respect to such Release (the date on which the Release becomes effective, the "Release Effective Date"):

(A) A lump sum cash payment equal to the product of (i) two, and (ii) the sum of (1) the Base Salary in effect immediately prior to the date of termination (without regard to any reduction that gives rise to Good Reason) and (2) (x) if such termination occurs on or after the date on which the Annual Bonus, if any, is paid to the Executive in respect of the second calendar year following the calendar year in which the Effective Date occurs (the "Third Annual Bonus"), the greater of (I) the average Annual Bonus paid in respect of each of the three calendar years prior to the date of termination and (II) the Target Bonus

Amount, or (y) if such termination occurs prior to the date on which the Third Annual Bonus, if any, is paid, the Target Bonus Amount in effect immediately prior to the date of termination (without regard to any reduction that gives rise to Good Reason), payable on the first regularly scheduled payroll date of the Company following the Release Effective Date (the actual date of payment, the "Severance Payment Date");

(B) A lump sum cash payment equal to the Annual Bonus, if any, that the Executive would have received in respect of the calendar year prior to the calendar year in which the termination occurs had the Executive remained an active employee of the Company, based on the achievement of the applicable performance measures, to the extent unpaid as of the termination date, payable on the date such amount would have been paid had the Executive continued in employment (the "Unpaid Bonus");

(C) A lump-sum payment equal to the product of (i) the Target Bonus Amount in effect for the calendar year in which the termination occurs, and (ii) a fraction, the numerator of which shall equal the number of days during the year in which the termination date occurs that the Executive was employed by the Company and the denominator of which shall equal 365, payable on the Severance Payment Date (the "Pro-Rated Bonus");

(D) Continuation of the Company's contributions necessary to maintain the Executive's coverage for the 24 calendar months immediately following the end of the calendar month in which the termination date occurs under the medical, dental and vision programs in which the Executive participated immediately prior to his termination of employment (and such coverage shall include the Executive's eligible dependents); provided, that, if the Company determines in good faith that such contributions would cause adverse tax consequences to the Company or the Executive under applicable law, the Company shall instead provide the Executive with monthly cash payments during such 24 month period in an amount that, after reduction for applicable taxes (assuming the Executive pays taxes at the highest marginal rates in the applicable jurisdictions), is equal to the amount of the Company's monthly contributions referenced above. The applicable period of health benefit continuation under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") shall begin on the expiration of such 24-month period; and

(E) Full vesting as of the Severance Payment Date of any and all equity or equity-based awards relating to the securities of the Company and any Fund Incentives that are, in each case, outstanding and unvested immediately prior to the date of such termination. If such termination of employment occurs (i) at a time when a Change in Control (as defined in the DigitalBridge Group, Inc. 2014 Omnibus Stock Incentive Plan as in effect on the date hereof) ("Change in Control") is being anticipated, whether or not a Change of Control is actually consummated, or (ii) within two years after either the consummation of a Change of Control or cessation of plans or actions intended to result in a Change in Control, no repurchase right or option with respect to any equity or equity-based awards relating to the securities of the Company or any Fund Incentives, whether or not vested immediately prior to the date of such termination, shall be exercised.

(ii) For purposes of this Agreement, "Good Reason" shall mean any action or omission by the Company, in each case without the Executive's prior written consent, that (A) results in a material diminution in the Executive's duties, authority or responsibilities or a diminution in the Executive's title or position; (B) requires the Executive to report to any person other than the Chief Executive Officer of DBRG; (C) reduces the Base Salary, Target Annual Bonus or Target LTIP Award then in effect; (D) relocates the Executive's principal place of employment to a location more than 25 miles from the location in effect immediately prior to such relocation; (E) constitutes a material breach by the Company of this Agreement or any other material agreement between the Executive and the Company, or (F) results in any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all of the business or assets of the Company not, as a condition of such succession, assuming expressly, and agreeing to perform, this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place; provided, that, in no event shall the occurrence of any such condition constitute Good Reason unless (1) the Executive gives notice to the Company of the existence of the Executive's knowledge of the condition giving rise to Good Reason within 90 days following the Executive's knowledge of its initial existence, (2) the Company fails to cure such condition within 30 days following the date such notice is given and (3) the Executive terminates his employment with the Company within 30 days following the expiration of such cure period.

(d) Termination Due to Death or Disability.

(i) The Employment Term and the Executive's employment hereunder (A) may be terminated by the Company as a result of the Executive's "Disability" (as defined and determined below) and (B) shall terminate immediately as a result of the Executive's death.

(ii) If the Executive's employment is terminated by the Company as a result of the Executive's Disability or terminates as a result of the Executive's death, the Company shall provide the Executive (or his estate) with: (A) the Accrued Benefits, (B) the Unpaid Bonus, (C) a lump sum payment equal to the Pro-Rated Bonus with respect to the calendar year in which the termination occurs and (D) full vesting as of the date of termination of any and all equity or equity-based awards relating to the securities of the Company and any Fund Incentives that are outstanding and unvested immediately prior to the date of such termination. If such termination of employment occurs (1) at a time when a Change in Control is being anticipated, whether or not a Change of Control is actually consummated, or (2) within two years after either the consummation of a Change of Control or cessation of plans or actions intended to result in a Change in Control, no repurchase right or option with respect to any equity or equity-based awards relating to the securities of the Company or any Fund Incentives, whether or not vested immediately prior to the date of such termination, shall be exercised.

(iii) For purposes of this Agreement, "Disability" shall mean a physical or mental incapacity that substantially prevents the Executive from performing his duties hereunder and that has continued for at least 180 consecutive days. Any dispute as to whether or not the Executive is disabled within the meaning of the preceding sentence shall be resolved by a qualified, independent physician reasonably satisfactory to the Executive and the Company, and the determination of such physician shall be final and binding upon both the Executive and the Company. All fees and expenses of any such physician shall be borne solely by the Company.

(e) Non-Renewal of Agreement

(i) If the Company gives a Non-Renewal Notice to the Executive, the Employment Term and the Executive's employment hereunder shall terminate as of the expiration of the Initial Term or then-current Renewal Term, as applicable, and the Company shall provide the Executive with all of the payments and benefits set forth in Section 4(c) hereof, subject to his execution and non-revocation of the Release by the Release Effective Date.

(ii) If the Executive gives a Non-Renewal Notice to the Company and the Company has not as of that time given a Non-Renewal Notice to the Executive, the Employment Term and the Executive's employment hereunder shall terminate as of the expiration of the Initial Term or then-current Renewal Term, as applicable, and the Company shall provide the Executive with (A) the Accrued Benefits, (B) any Unpaid Bonus in respect of the calendar year prior to the calendar year in which the termination occurs and (C) the Pro-Rated Bonus in respect of the calendar year in which the termination occurs.

(f) Return of Property. Upon any termination of the Executive's employment hereunder, the Executive shall as soon as practicable following such termination deliver or cause to be delivered to the Company the tangible property owned by the Company, which is in the possession or control of the Executive. Notwithstanding the foregoing, the Executive shall be permitted to retain his calendar and his contacts and investor lists, all compensation-related plans and agreements, any documents reasonably needed for personal tax purposes and his personal notes, journals, diaries and correspondence (including personal emails). In addition, the Executive shall be able to retain his mobile phone(s) and personal computer(s) and his cell phone number(s).

(g) Resignation as Officer or Director. Unless requested otherwise by the Company, upon any termination of the Executive's employment hereunder the Executive shall resign each position (if any) that the Executive then holds as an officer or director of the Company, any affiliate of the Company and any other entity that the Company manages or that the Executive is serving at the request of the Company. The Executive's execution of this Agreement shall be deemed the grant by the Executive to the officers of the Company of a limited power of attorney to sign in the Executive's name and on the Executive's behalf any such documentation as may be required to be executed solely for the limited purposes of effectuating such resignations.

(h) No Set-Off or Mitigation. The Company's obligations to make payments under this Agreement shall not be affected by any set-off, counterclaim, recoupment or other claim the Company or any of its affiliates may have against the Executive. The Executive does not need to seek other employment or take any other action to mitigate any amounts owed to the Executive under this Agreement, and those amounts shall not be reduced if the Executive does obtain other employment.

5. RESTRICTIVE COVENANTS. The Executive is entering into the Restrictive Covenant Agreement, in the form attached as Exhibit B hereto (the "Restrictive Covenant Agreement"), as of the Effective Date. The Restrictive Covenant Agreement shall become effective as of the Effective Date and shall continue in effect at all applicable times following the Effective Date in accordance with the terms and conditions thereof.

6. SECTION 280G.

(a) Treatment of Payments. Notwithstanding anything in this Agreement or any other plan, arrangement or agreement to the contrary, in the event that an independent, nationally recognized, accounting firm which shall be designated by the Company with the Executive's written consent (which consent shall not be unreasonably withheld) (the "Accounting Firm") shall determine that any payment or benefit received or to be received by the Executive from the Company or any of its affiliates or from any person who effectuates a change in control or effective control of the Company or any of such person's affiliates (whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement) (all such payments and benefits, the "Total Payments") would fail to be deductible under Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), or otherwise would be subject (in whole or part) to the excise tax imposed by Section 4999 of the Code (the "Excise Tax") then the Accounting Firm shall determine if the payments or benefits to be received by the Executive that are subject to Section 280G of the Code shall be reduced to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax, but such reduction shall occur if and only to the extent that the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income taxes, and employment, Social Security and Medicare taxes on such reduced Total Payments), is greater than or equal to the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income taxes and employment, Social Security and Medicare taxes on such Total Payments and the amount of

Excise Tax (or any other excise tax) to which the Executive would be subject in respect of such unreduced Total Payments). For purposes of this Section 6(a), the above tax amounts shall be determined by applying the highest marginal rate under Section 1 of the Code and under state and local laws which applied (or is likely to apply) to the Executive's taxable income for the tax year in which the transaction which causes the application of Section 280G of the Code occurs, or such other rate(s) as the Accounting Firm determines to be likely to apply to the Executive in the relevant tax year(s) in which any of the Total Payments is expected to be made. If the Accounting Firm determines that the Executive would not retain a larger amount on an after-tax basis if the Total Payments were so reduced, then the Executive shall retain all of the Total Payments.

(b) Ordering of Reduction. In the case of a reduction in the Total Payments pursuant to Section 6(a) and to the extent necessary for such reduction to comply with Section 409A of the Code, the Total Payments will be reduced in the following order: (i) payments that are payable in cash that are valued at full value under Treasury Regulation Section 1.280G-1, Q&A 24(a) will be reduced (if necessary, to zero), with amounts that are payable last reduced first; (ii) payments and benefits due in respect of any equity valued at full value under Treasury Regulation Section 1.280G-1, Q&A 24(a), with the highest values reduced first (as such values are determined under Treasury Regulation Section 1.280G-1, Q&A 24) will next be reduced; (iii) payments that are payable in cash that are valued at less than full value under Treasury Regulation Section 1.280G-1, Q&A 24, with amounts that are payable last reduced first, will next be reduced; (iv) payments and benefits due in respect of any equity valued at less than full value under Treasury Regulation Section 1.280G-1, Q&A 24, with the highest values reduced first (as such values are determined under Treasury Regulation Section 1.280G-1, Q&A 24) will next be reduced; and (v) all other non-cash benefits not otherwise described in clauses (ii) or (iv) will be next reduced pro-rata.

(c) Certain Determinations. For purposes of determining whether and the extent to which the Total Payments will be subject to the Excise Tax: (i) no portion of the Total Payments the receipt or enjoyment of which the Executive shall have waived at such time and in such manner as not to constitute a "payment" within the meaning of Section 280G(b) of the Code will be taken into account; (ii) no portion of the Total Payments will be taken into account which, in the opinion of tax counsel ("Tax Counsel") reasonably acceptable to the Executive and selected by the Accounting Firm, does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) and, in calculating the Excise Tax, no portion of such Total Payments will be taken into account which, in the opinion of Tax Counsel, constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the "base amount" (as set forth in Section 280G(b)(3) of the Code) that is allocable to such reasonable compensation; and (iii) the value of any non-cash benefit or any deferred payment or benefit included in the Total Payments will be determined by the Accounting Firm in accordance with the principles of Sections 280G(d)(3) and (4) of the Code. The Executive and the Company shall furnish such documentation and documents as may be necessary for the Accounting Firm to perform the requisite calculations and analysis under this Section 6 (and shall cooperate to the extent necessary for any of the determinations in this Section 6(c) to be made), and the Accounting Firm shall provide a written report of its determinations hereunder, including detailed supporting calculations. If the Accounting Firm determines that aggregate Total Payments should be reduced as described above, it shall promptly notify the Executive and the Company to that effect. In the absence of manifest error, all determinations by the Accounting Firm under this Section 6 shall be binding on the Executive and the Company and shall be made as soon as reasonably practicable and in no event later than 15 days following the later of the Executive's date of termination of employment or the date of the transaction which causes the application of Section 280G of the Code. The Company shall bear all costs, fees and expenses of the Accounting Firm and any legal counsel retained by the Accounting Firm.

(d) Additional Payments. If the Executive receives reduced payments and benefits by reason of this Section 6 and it is established pursuant to a determination of a court of competent jurisdiction or other presiding factfinder which is not subject to review or as to which the time to appeal has expired, or pursuant to an Internal Revenue Service proceeding, that the Executive could have received a greater amount without resulting in any Excise Tax, then the Company shall thereafter pay the Executive the aggregate additional amount which could have been paid without resulting in any Excise Tax as soon as reasonably practicable following such determination.

7. ASSIGNMENT; ASSUMPTION OF AGREEMENT. No right, benefit or interest hereunder shall be subject to assignment, encumbrance, charge, pledge, hypothecation or setoff by the Executive in respect of any claim, debt, obligation or similar process. This Agreement may not be assigned by DBRG other than to a successor, and DBRG will require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all of the business or assets of the Company to assume expressly and to agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. For the avoidance of doubt, an assignment of this Agreement by DBRG that is permitted by the immediately preceding sentence shall not be deemed a termination without Cause or give rise to Good Reason.

8. MISCELLANEOUS PROVISIONS.

(a) No Breach of Obligation to Others. The Executive represents and warrants that his entering into this Agreement does not, and that his performance under this Agreement and consummation of the transactions contemplated hereby and thereby will not, violate the provisions of any agreement or instrument to which the Executive is a party or any decree, judgment or order to which the Executive is subject, and that this Agreement constitutes a valid and binding obligation of the Executive enforceable against the Executive in accordance with its terms.

(b) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to agreements entered into and to be performed entirely within such state.

(c) Entire Agreement. This Agreement, together with the documents referred to herein, constitutes and expresses the whole agreement of the parties hereto with reference to any of the matters or things herein provided for or herein before discussed or mentioned with reference to the Executive's employment with the Company, and it cancels and replaces any and all prior understandings, agreements and term sheets between the Executive and DBRG and any of its subsidiaries or affiliates; provided, that, this Agreement shall not alter, amend or supersede, except as set forth in Sections 4(c)(i)(E) and 4(d)(ii), (i) any Fund Incentives issued to Executive by the Company in connection with his prior employment, (ii) any interest the Executive or any of his affiliates may have in any general partner of any fund or related entity managed by the Company, (iii) the Indemnification Agreement referenced in Section 3(g) of this Agreement to which the Executive or any of his affiliates is a party or beneficiary, (iv) any equity grant made by the Company to the Executive prior to the Effective Date and (v) any benefits accrued prior to the Effective Date. All promises, representations, collateral agreements and understandings not expressly incorporated in this Agreement are hereby superseded by this Agreement.

(d) Notices. All notices, requests, demands and other communications required or permitted hereunder must be made in writing and will be deemed to have been duly given and effective: (a) on the date of delivery, if delivered personally; (b) on the earlier of the fourth day after mailing or the date of the return receipt acknowledgment, if mailed, postage prepaid, by certified or registered mail, return receipt requested; or (c) on the date of requested delivery if sent by a recognized overnight courier:

If to the Company: DigitalBridge Group, Inc.
750 Park of Commerce Drive
Suite 210
Boca Raton, FL 33487

Attention: Chief Executive Officer and Chief Financial Officer

If to the Executive: to the last address of the Executive in the Company's records specifically identified for notices under this Agreement or to such other address as is provided by a party to the other from time to time.

(e) Survival. The representations, warranties and covenants of the Executive contained in this Agreement will survive any termination of the Executive's employment with the Company.

(f) Amendment; Waiver; Termination. No provision of this Agreement may be amended, modified, waived or discharged unless such amendment, modification, waiver or discharge is agreed to in writing and signed by the Executive and DBRG. No waiver by either party hereto at any time of any breach by the other party hereto of compliance with any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

(g) Further Assurances. The parties hereto will from time to time after the date hereof execute, acknowledge where appropriate and deliver such further instruments and take such other actions as any other party may reasonably request in order to carry out the intent and purposes of this Agreement.

(h) Severability. If any term or provision hereof is determined to be invalid or unenforceable in a final court or arbitration proceeding, (i) the remaining terms and provisions hereof shall be unimpaired and (ii) to the extent permitted by applicable law, the invalid or unenforceable term or provision shall be deemed replaced by a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision.

(i) Arbitration. Except as otherwise set forth in the Restrictive Covenant Agreement, any dispute or controversy arising under or in connection with this Agreement that cannot be mutually resolved by the parties hereto shall be settled exclusively by arbitration in New York, New York before a panel of three neutral arbitrators, each of whom shall be selected jointly by the parties, or, if the parties cannot agree on the selection of the arbitrators, as selected by the American Arbitration Association. The commercial arbitration rules of the American Arbitration Association (the "AAA Rules") shall govern any arbitration between the parties, except that the following provisions are included in the parties' agreement to arbitrate and override any contrary provisions in the AAA Rules:

(i) The agreement to arbitrate and the rights of the parties hereunder shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflict or choice of law rules;

(ii) The arbitration, the agreement to arbitrate, and any proceedings to enforce, confirm, modify or vacate the award shall be governed by applicable New York and federal law;

(iii) The arbitrators shall apply New York law;

(iv) Any petition or motion to modify or vacate the award shall be filed in a court of competent jurisdiction located in New York, New York;

(v) The award shall be written, reasoned, and shall include findings of fact as to all factual issues and conclusions of law as to all legal issues;

(vi) The arbitration shall be confidential; and

(vii) Judgment may be entered on the arbitrators' award in any court having jurisdiction.

The parties hereby agree that the arbitrators shall be empowered to enter an equitable decree mandating specific enforcement of the terms of this Agreement. Each party shall bear its own legal fees and out-of-pocket expenses incurred in any arbitration hereunder and the Company shall bear all expenses of the arbitrators; provided, that, the arbitrator shall have the same authority to award reasonable attorneys' fees to the prevailing party in any arbitration as part of the arbitrator's award as would be the case had the dispute or controversy been argued before a court of competent jurisdiction.

(j) Section 409A. The intent of the parties is that payments and benefits under this Agreement comply with Section 409A of the Code, to the extent subject thereto, and accordingly, to the maximum extent permitted, this Agreement shall be interpreted and administered to be in compliance therewith. In the event that any provision of Agreement or any other agreement or award referenced herein is mutually agreed by the parties to be in violation of Section 409A of the Code, the parties shall cooperate reasonably to attempt to amend or modify this Agreement (or other agreement or award) in order to avoid a violation of Section 409A of the Code while attempting to preserve the economic intent of the applicable provision. Notwithstanding anything contained herein to the contrary, the Executive shall not be considered to have terminated employment with the Company for purposes of any payments under this Agreement which are subject to Section 409A of the Code until the Executive would be considered to have incurred a "separation from service" from the Company within the meaning of Section 409A of the Code. Each amount to be paid or benefit to be provided under this Agreement shall be construed as a separate identified payment for purposes of Section 409A of the Code. Without limiting the foregoing and notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to this Agreement or any other arrangement between the Executive and the Company during the six-month period immediately following the Executive's separation from service shall instead be paid on the first business day after the date that is six months following the Executive's separation from service (or, if earlier, the Executive's date of death). To the extent required to avoid an accelerated or additional tax under Section 409A of the Code, amounts reimbursable to the Executive under this Agreement shall be paid to the Executive on or before the last day of the year following the year in which the expense was incurred and the amount of expenses eligible for reimbursement (and in kind benefits provided to the Executive) during one year may not affect amounts reimbursable or provided in any subsequent year. DBRG makes no representation that any or all of the payments described in this Agreement will be exempt from or comply with Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to any such payment. For purposes of this Section 8(j), Section 409A of the Code shall include all regulations and guidance promulgated thereunder.

(k) Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

(l) Construction. The parties acknowledge that this Agreement is the result of arm's- length negotiations between sophisticated parties, each afforded representation by legal counsel. Each and every provision of this Agreement shall be construed as though both parties participated equally in the drafting of the same, and any rule of construction that a document shall be construed against the drafting party shall not be applicable to this Agreement.

(m) Counterparts. This Agreement may be executed by the parties hereto in counterparts, each of which shall be deemed an original, but both such counterparts shall together constitute one and the same document.

(n) Tax Withholding. The Company may withhold from any amounts payable under this Agreement all federal, state, city or other taxes as the Company is required to withhold pursuant to any applicable law, regulation or ruling. Notwithstanding any other provision of this Agreement, the Company shall not be obligated to guarantee any particular tax result for the Executive with respect to any payment provided to the Executive hereunder, and the Executive shall be responsible for any taxes imposed on Executive with respect to any such payment.

(o) Cooperation. For a period of 12 months following the termination of the Executive's employment with the Company for any reason, the Executive shall provide reasonable cooperation in connection with any action or proceeding (or any appeal from any action or proceeding) which relates to events during the Executive's employment hereunder of which the Executive has knowledge, other than one in which the Executive is a party against the Company. The Company shall reimburse the Executive for the Executive's reasonable travel and other out-of-pocket expenses incurred in connection with the foregoing, in accordance with the Company's policies (and consistent with the Executive's travel practices during the Executive's employment with the Company) and subject to the delivery of reasonable support for such expenses. Any such requests for cooperation shall be subject to the Executive's business and personal schedule and the Executive shall not be required to cooperate against his own legal interests or the legal interests of his employer or partners or business ventures. In the event the Executive reasonably determines that he needs separate legal counsel in connection with his cooperation, the Company shall reimburse the Executive for the reasonable costs of such counsel as soon as practicable (and in any event within 30 days) following its receipt of an invoice for such costs. In the event the Executive is required to cooperate for more than 8 hours in any 12-month period, the Executive shall be paid an hourly consulting fee in an amount mutually agreed between the Company and Executive at the time.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

DIGITALBRIDGE GROUP, INC.

By: /s/ Jacky Wu____________________
Name: Jacky Wu
Title: EVP, Chief Financial Officer and Treasurer

EXECUTIVE

/s/ Geoffrey Goldschein

Geoffrey Goldschein

(Signature Page to Employment Agreement)

Schedule 1

Current Activities

Exhibit A
Form of Release

Geoffrey Goldschein ("Executive"), a former employee of DigitalBridge Group, Inc. ("DBRG" and together with its subsidiaries, the "Employer"), hereby enters into and agrees to be bound by this General Waiver and Release of Claims (the " Release"). Executive acknowledges that he is required to execute this Release in order to be eligible for certain post-termination benefits (the "Post-Termination Benefits") as set forth in Section [4(c)(i)] / [4(e)(i)] of his Employment Agreement with DBRG, dated August 22, 2023 and effective as of May 11, 2023 (the "Employment Agreement"). Unless otherwise indicated, capitalized terms used but not defined herein shall have the meanings specified in the Employment Agreement.

1. SEPARATION DATE. Executive acknowledges and agrees that his separation from Employer was effective as of_____, 20XX (the "Separation Date").

2. WAGES FULLY PAID. Executive acknowledges and agrees that he has received payment in full for all salary and other wages, including without limitation any accrued, unused vacation or other similar benefits earned through the Separation Date.

3. EXECUTIVE'S GENERAL RELEASE OF CLAIMS.

(a) Waiver and Release. Pursuant to Section [4(c)(i)] / [4(e)(i)] of the Employment Agreement, and in consideration of the Post-Termination Benefits to be provided to Executive as outlined in the Employment Agreement and this Release as set forth herein, Executive, on behalf of himself and his heirs, executors, administrators and assigns, forever waives, releases and discharges Employer, its officers, directors, owners, shareholders, affiliates and agents (collectively referred to herein as, the "Employer Group"), and each of its and their respective officers, directors, shareholders, members, managers, employees, agents, servants, accountants, attorneys, heirs, beneficiaries, successors and assigns (together with the Employer Group, the "Employer Released Parties"), from any and all claims, demands, causes of actions, fees, damages, liabilities and expenses (including attorneys' fees) of any kind whatsoever, whether known or unknown, that Executive has ever had or might have against the Employer Released Parties that directly or indirectly arise out of, relate to, or are connected with, Executive's services to, or employment by the Company, including, but not limited to (i) any claims under Title VII of the Civil Rights Act, as amended, the Americans with Disabilities Act, as amended, the Family and Medical Leave Act, as amended, the Fair Labor Standards Act, as amended, the Equal Pay Act, as amended, the Employee Retirement Income Security Act, as amended (with respect to unvested benefits), the Civil Rights Act of 1991, as amended, Section 1981 of Title 42 of the United States Code, the Sarbanes-Oxley Act of 2002, as amended, the Worker Adjustment and Retraining Notification Act, as amended, the Age Discrimination in Employment Act, as amended, the Uniform Services Employment and Reemployment Rights Act, as amended, the California Fair Employment and Housing Act, as amended, and the California Labor Code, as amended, and/or any other federal, state or local law (statutory, regulatory or otherwise) that may be legally waived and released and (ii) any tort and/or contract claims, including any claims of wrongful discharge, defamation, emotional distress, tortious interference with contract, invasion of privacy, nonphysical injury, personal injury or sickness or any other harm. Executive acknowledges that if the Equal Employment Opportunity Commission or any other administrative agency brings any charge or complaint on his behalf or for his benefit, this Release bars Executive from receiving, and Executive hereby waives any right to, any monetary or other individual relief related to such a charge or complaint. This Release, however, excludes (i) any claims made under state workers' compensation or unemployment laws, and/or any claims that cannot be waived by law, (ii) claims with respect to the breach of any covenant (including any payments under the Employment Agreement) to be performed by Employer after the date of this Release, (iii) any rights to indemnification or contribution or directors' and officers' liability insurance under the Employment Agreement, Indemnification Agreement, any operative documents of the Company or any applicable law, (iv) any claims as a holder of Company equity awards under the Company's equity incentive plans or as a holder of Fund Incentives; and (v) any claims for vested benefits under any employee benefit plan (excluding any severance plan and including claims under the Consolidated Omnibus Budget Reconciliation Act of 1985) or any claims that may arise after the date Executive signs the Release.

(b) Waiver of Unknown Claims; Section 1542. Executive intends to fully waive and release all claims against Employer; therefore, he expressly understands and hereby agrees that this Release is intended to cover, and does cover, not only all known injuries, losses or damages, but any injuries, losses or damages that he does not now know about or anticipate, but that might later develop or be discovered, including the effects and consequences of those injuries, losses or damages. Executive expressly waives the benefits of and right to relief under California Civil Code Section 1542 ("Section 1542"), or any similar statute or comparable common law doctrine in any jurisdiction. Section 1542 provides:

> Section 1542. (General Release-Claims Extinguished) A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him or his must have materially affected his settlement with the debtor.

Executive understands and acknowledges the significance and consequences of this specific waiver of Section 1542 and, having had the opportunity to consult with legal counsel, hereby knowingly and voluntarily waives and relinquishes any rights and/or benefits which he may have thereunder. Without limiting the generality of the foregoing, Executive acknowledges that by accepting the benefits and payments offered in exchange for this Release, he assumes and waives the risks that the facts and the law may be other than he believes and that, after signing this Release, he may discover losses or claims that are released under this Release, but that are presently unknown to him, and he understands and agrees that this Release shall apply to any such losses or claims.

(c) Acknowledgement of ADEA Waiver. Without in any way limiting the scope of the foregoing general release of claims, Executive acknowledges that he is waiving and releasing any rights he may have under the Age Discrimination in Employment Act of 1967 (the "ADEA") and that such waiver and release is knowing and voluntary. This waiver and release does not govern any rights or claims that might arise under the ADEA after the date this Release is signed by Executive. Executive acknowledges that: (i) the consideration given for this Release is in addition to anything of value to which Executive otherwise would be entitled to receive; (ii) he has been advised in writing to consult with an attorney of his choice prior to signing this Release; (iii) he has been provided a full and ample opportunity to review this Release, including a period of at least twenty-one (21) days within which to consider it (which will not be lengthened by any revisions or modifications); (iv) he has read and fully understands this Release and has had the opportunity to discuss it with an attorney of his choice; (v) to the extent that Executive takes less than twenty-one (21) days to consider this Release prior to execution, he acknowledges that he had sufficient time to consider this Release with counsel and that he expressly, voluntarily and knowingly waives any additional time; and (vi) Executive is aware of his right to revoke this Release at any time within the seven (7)-day period following the date on which he executes this Release. Executive further understands that he shall relinquish any right he has to Post-Termination Benefits described in the Employment Agreement if he exercises his right to revoke this Release. Notice of revocation must be made in writing and must be received by [Name, Title], no later than 5:00 p.m. Eastern Time on the seventh (7th) calendar day immediately after the day on which Executive executes this Release.

4. EMPLOYER GROUP’S GENERAL RELEASE OF CLAIMS.

(a) Waiver and Release. Pursuant to Section [4(c)(i)] / [4(e)(i)] of the Employment Agreement, and in consideration of the covenants and promises to be provided by Executive to the Employer Group including, without limitation, the promises set forth in Paragraph 3 of this Release (Executive’s General Release of Claims), the Employer Group forever waives, releases and discharges Executive, his heirs, executors, administrators, agents, and assigns (collectively referred to herein as, the “Executive Group”), and each of its and their respective agents, servants, accountants, attorneys, heirs, beneficiaries, successors and assigns (together with the Executive Group, the “Executive Released Parties”), from any and all claims, demands, causes of actions, fees, damages, liabilities and expenses (including attorneys’ fees) of any kind whatsoever, whether known or unknown, that the Employer Group has ever had or might have against the Executive Released Parties that directly or indirectly arise out of, relate to, or are connected with, Executive’s services to, association with, or employment by the Company, including, but not limited to (i) any claims under any federal, state or local law (statutory, regulatory or otherwise) that may be legally waived and released and (ii) any tort and/or contract claims, including any claims of defamation, tortious interference with contract, invasion of privacy, nonphysical injury, personal injury or sickness or any other harm. This Release, however, excludes (i) any claims which the Company is required to pursue under the terms of the Company’s clawback policy which terms are mandated by applicable law and/or by the listing standards of a national securities exchange on which the securities of the Company are listed, and (ii) any claims that may arise after the date on which Employer Group signs the agreement containing this Release.

5. NO CLAIMS BY EXECUTIVE OR EMPLOYER GROUP. Executive and Employer Group each affirm and warrant that they have not filed, initiated or caused to be filed or initiated any claim, charge, suit, complaint, grievance, action or cause of action against the other or, as applicable, any of the other Employer Released Parties or Executive Released Parties.

6. NO ASSIGNMENT OF CLAIMS. Executive and Employer Group each affirm and warrant that they have made no assignment of any right or interest in any claim which they may have, as applicable, against any of the Employer Released Parties or Executive Released Parties.

7. ADVICE OF COUNSEL. Executive acknowledges: (a) that he has been advised to consult with an attorney regarding this Release; (b) that he has, in fact, consulted with an attorney regarding this Release; (c) that he has carefully read and understands all of the provisions of this Release; and (d) that he is knowingly and voluntarily executing this Release in consideration of the Post-Termination Benefits provided under the Employment Agreement.

[Remainder of page intentionally left blank]

By his signature, Geoffrey Goldschein hereby knowingly and voluntarily executes this Release as of the date indicated below.

____
Geoffrey Goldschein

Dated: ______

Exhibit B
Form of Restrictive Covenant Agreement

(attached)

RESTRICTIVE COVENANT AGREEMENT

THIS RESTRICTIVE COVENANT AGREEMENT (this "Agreement"), dated as of August 22, 2023, and effective as of the Effective Date (as defined below), is made by and between DigitalBridge Group, Inc., a Maryland corporation ("DBRG"), and Geoffrey Goldschein ("Executive"). DBRG, together with its Subsidiaries is hereinafter referred to as "the Company," and where the context permits, references to "the Company" shall include the Company and any successor to the Company. Any capitalized term that is used but not otherwise defined in this Agreement shall have the meaning set forth in the Employment Agreement (as defined below).

WHEREAS, Executive entered into an Employment Agreement with DBRG (the " Employment Agreement"), which is effective as of May 11, 2023 (the "Effective Date"), setting forth the terms by which the Executive will continue to be employed by the Company and will initially serve as Chief Legal Officer and Secretary of DBRG;

WHEREAS, the Company desires to protect its investment in its assets, businesses and goodwill and, accordingly, as a material condition to its willingness to enter into the Employment Agreement, has required that Executive agree to limit certain activities by Executive (as contemplated hereby) that would compete with or otherwise harm such assets, businesses or goodwill;

WHEREAS, as part of the consideration and inducement to DBRG to enter into the Employment Agreement, Executive is willing to agree to enter into this Agreement and abide by such restrictions; and

WHEREAS, the parties intend this Agreement to be in compliance with, and further intend for it to be fully enforceable under, any applicable law.

NOW, THEREFORE, in consideration of the foregoing premises, the mutual covenants, terms and conditions set forth herein, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Defined Terms. For purposes of this Agreement, the following terms have the respective meanings set forth below:

(a) "Business" means (x) the business of acquiring, originating and managing (i) real estate related debt and equity investments and (ii) debt and equity investments focused on the intersection points of technology and hard assets (the "Digital Realty Sector"); provided, that, for purposes of clarification, the Business shall not include debt or equity investments in operating companies primarily engaged in businesses outside of the real estate industry or the Digital Realty Sector even though such businesses may own or lease real property and (y) any alternative asset management business in the Digital Realty Sector in which more than 25% of the total capital committed is third party capital from passive investors (which term shall exclude natural persons who are partners or employees of the business and are actively engaged in the management of the business) and that advises, manages or invests the assets of funds or related investment vehicles or separate accounts.

(b) "Company Materials" means all Materials that Executive makes or conceives, or has made or conceived, solely or jointly, during the period of Executive's retention by or employment with the Company, whether or not patentable or registerable under copyright, trademark or similar statutes, which (i) are related to the current or demonstrably (by expenditure of material resources or material time spent by senior management) anticipated business or activities of the Company (which includes any fund managed by the Company during or prior to the period of Executive's retention by or employment with the Company); and (ii) are otherwise developed by Executive through the use of the Company's confidential information, equipment, software, or other facilities or resources at a time during which Executive has been a consultant, or employee (temporary or otherwise) of the Company. Notwithstanding the foregoing, Company Materials shall not include any Materials conceived or made, solely or jointly, by Executive in connection with the performance of Permitted Activities.

(c) "Confidential Information" means information that is not generally known to the public and that is or was used, developed or obtained by Executive (in his capacity as a member or employee of the Company); provided, however, Confidential Information will not include any information that is generally available to the public or within the industry prior to the date Executive proposes to disclose or use such information. For the avoidance of doubt, "Confidential Information" does not include (x) information concerning non-proprietary business or investment practices, methods or relationships customarily employed or entered into by comparable business enterprises, (y) the identity of investors and their investment practices, methods and relationships, financing sources or capital market intermediaries and (z) information that is used, developed or obtained by Executive exclusively in connection with the performance of Permitted Activities.

(d) "Inventions" means any inventions, improvements, developments, ideas or discoveries whether patentable or unpatentable, that meets any one of the following criteria: (i) relates at the time of conception or reduction to practice to: (A) the business, projects or products of the Company, or to the utilization thereof; or (B) the actual or demonstrably anticipated research or development of the Company; (ii) results from any work performed directly or indirectly by Executive for the Company; or (iii) results, at least in part, from Executive's use of the Company's time, equipment, supplies, facilities or trade secret information; provided, however, that Inventions shall not include (x) any idea or invention which is developed entirely on Executive's own time without using the Company's equipment, supplies, facilities or trade secret information, and which is not related to the business (either actual or demonstrably anticipated), and which does not result from work performed for the Company and (y) inventions, improvements, developments, ideas or discoveries conceived or reduced to practice by Executive exclusively in connection with the performance of Permitted Activities.

(e) "Materials" means all articles, reports, documents, memoranda, notes, other works of authorship, data, databases, discoveries, designs, developments, ideas, creative works, improvements, inventions, know-how, processes, computer programs, software, source code, techniques and useful ideas of any description whatsoever (or portions thereof).

(f) "Permitted Activities" means each of the activities described in Section 2 hereof.

(g) "Person" means any individual, company, limited liability company, limited or general partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

(h) "Restricted Period" means the period commencing on the Effective Date and ending on the first anniversary of the termination of Executive's employment with the Company; provided that the Restricted Period shall immediately cease if such termination of employment is by the Company without Cause, by Executive for Good Reason, or as a result of the Company providing Executive with a Non-Renewal Notice.

(i) "Restricted Territory" means (i) any of Austria, Belgium, China, Czech Republic, Denmark, England, Finland, France, Germany, Hungary, Ireland, Italy, Japan, Monaco, Netherlands, Norway, Poland, Portugal, Scotland, South Korea, Spain, Sweden, Switzerland and the United States, (ii) any state in the United States and/or other country listed in clause (i) and (iii) any other jurisdiction in which the Company or its subsidiaries engages in Business in any material respect.

2. Permitted Activities. Notwithstanding anything set forth herein to the contrary, nothing contained herein shall prohibit Executive from:

(a) engaging in the Personal Activities;

(b) owning, directly or indirectly, solely as an investment, securities of any such Person which are traded on any national securities exchange or NASDAQ if Executive (A) is not a controlling person of, or a member of a group which controls, such Person; and (B) does not, directly or indirectly, own five percent (5%) or more of any class of securities of such Person;

(c) making passive investments in private equity funds, mutual funds, hedge funds and other managed accounts (provided that such funds or accounts do not have a primary investment strategy, as set forth in the applicable fund's or account's published statement of its primary investment strategy, of investing in the Business);

(d) making any passive investment (or group of related passive investments) of less than $20 million in private equity funds, mutual funds, hedge funds and other managed accounts that have a primary investment strategy, as set forth in the applicable fund's or account's published statement of its primary investment strategy, of investing in the Business;

(e) making investments in private companies that are (x) not engaged in the Business, (y) do not predominantly make investments in the Business and (z) do not make investments similar to those made by DBRG and DigitalBridge Operating Company (inclusive of DigitalBridge Operating Company's subsidiaries), equal to the lesser of (A) 5% of the outstanding equity securities of such private company and (B) $30 million per company or group of affiliated companies operating as part of one business; or

(f) becoming employed, whether as a partner or otherwise, by a law firm (including a law firm founded by Executive) and, pursuant to such employment, providing legal services to or otherwise representing such law firm's clients, including, without limitation, clients who are or may be Persons engaged in the Business in the Restricted Territory.

3. <u>Non-Competition</u>. Executive shall not, during the Restricted Period, directly or indirectly, in any manner within the Restricted Territory: (i) engage in the Business (other than through the Company and its Affiliates and their portfolio companies); (ii) render any services as an employee, officer, director or consultant to any Person (other than the Company or its Affiliates and their portfolio companies) engaged in the Business; or (iii) make an investment in a Person engaged in the Business as a partner, shareholder, principal, member or other owner of equity interests (or securities convertible into or exercisable for, equity interests); provided, however, nothing contained in this Agreement shall restrict Executive from (x) engaging in any activity that he determines in good faith is in furtherance of the interests of the Company in the performance of his duties for the Company and/or (y) engaging in any Permitted Activity. In addition, nothing herein shall prohibit Executive from providing services to an entity engaged in the Business if Executive's services are solely limited to a unit, division, or subsidiary of such entity which does not engage in the Business and Executive does not provide services directly or indirectly to, or with respect to, the Business.

4. <u>Non-Solicitation</u>. Except as necessary, appropriate or desirable to perform his duties to the Company during his employment, Executive shall not during the Restricted Period, without DBRG's prior written consent, (i) directly or indirectly, on his own behalf or for any other Person, knowingly solicit or induce any officer, director, employee or independent contractor who is a natural person that provides consulting or advisory services with respect to sourcing or consummating financings or investments of the Company (A) to terminate his relationship with the Company, or (B) hire any such individual whom Executive knows left the employment of the Company during the previous 12 months or (ii) directly or indirectly, on his own behalf or for any other Person, solicit or induce any investors to terminate (or diminish in any material respect) his, his or its relationship with the Company. For the avoidance of doubt, identification or doing business with or co-investing with any limited partners, investors, financing sources or capital markets intermediaries with regard to activity that is not prohibited by Section 3 above shall not be deemed to be a breach of this Section 4 or otherwise. Executive shall not be in violation of this Section 4 by reason of providing a personal reference for any officer, director or employee of the Company or soliciting individuals for employment through a general advertisement not targeted specifically to officers, directors or employees of the Company.

5. <u>Confidential Information</u>. At all times on and following the Effective Date, Executive shall not disclose or use for his benefit or the benefit of others, except in connection with the business and affairs of the Company or any of its affiliates, any Confidential Information except to the extent that (i) such disclosure or use is related to, necessary, appropriate or desirable in connection with Executive's performance of his duties to the Company or (ii) is related to any good faith dispute between Executive and the Company or any of its affiliates or otherwise in connection with any action by Executive to enforce his rights or defend his actions under this Agreement, the Employment Agreement or any other agreement with the Company or any of its affiliates. Nothing contained herein shall preclude Executive from disclosing Confidential Information to his immediate family and personal legal and financial advisor(s), provided that Executive informs such family member(s) and/or advisor(s) that the information is confidential in nature and receives reasonable assurances that the family member(s) and/or advisor(s) shall not disclose such information except as required by law or by any Authority with apparent jurisdiction over such Person. Nothing in this Agreement shall be construed to prevent Executive from complying with applicable Law,

or disclosing information pursuant to the valid order of a court of competent jurisdiction or an authorized government agency, provided that such compliance does not in Executive's reasonable judgment exceed the extent of disclosure required by such law. Executive shall, to the extent legally permitted, promptly provide written notice of any such order to an authorized officer of the Company after receiving such order and reasonably cooperate (at the Company's expense) with any efforts of the Company to seek a protective order or other measure to protect the confidentiality of such information.

6. Mutual Non-Disparagement.

(a) At all times on and following the Effective Date, Executive shall refrain from making any disparaging statements about the Company or any of its present or (to the extent such Persons serve in such capacity during Executive's employment with the Company) future officers, directors, and, in their capacity as such, employees to any third Persons, including, without limitation, to any press or other media, except (i) to the extent required by law or legal process, by any Authority with apparent jurisdiction or applicable securities considerations, (ii) related to any good faith litigation or similar proceeding between Executive and the Company or any of such officers or directors or otherwise in connection with any good faith litigation or similar proceeding or other efforts by Executive to enforce his rights or defend his actions under this Agreement, the Employment Agreement or any other agreement with the Company or any of such officers or directors or (iii) for the making of any critical remarks about any such Person in connection with any analyses made or opinions expressed in the ordinary course of his duties to the Company during his employment therewith.

(b) At all times on and following the Effective Date, neither the senior executive officers of the Company, nor the Board, nor any member of the Board, shall make, or cause to be made by the Company and/or the Board, any disparaging or negative statements about Executive to any third Persons, including, without limitation, to any press or other media, except (i) to the extent required by law or legal process, by any Authority with apparent jurisdiction or applicable securities considerations, (ii) related to any good faith litigation or similar proceeding between Executive and the Company or otherwise in connection with any good faith litigation or similar proceeding by Executive to enforce his rights or defend his actions under this Agreement, the Employment Agreement or any other agreement with the Company or (iii) for the making of any critical remarks about Executive in connection with any analyses made or opinions expressed in the ordinary course of their respective duties to the Company during their employment therewith.

7. Intellectual Property.

(a) Executive agrees that all Company Materials shall be deemed "work made for hire" by the Company as the "author" and owner to the extent permitted by United States copyright law. To the extent (if any) that some or all of the Company Materials do not constitute "work made for hire," Executive hereby irrevocably assigns to the Company for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, all right, title and interest in and to such Company Materials (including without limitation any and all copyright rights, patent rights and trademark rights and goodwill associated therewith). The provisions of this paragraph will apply to all Company Materials which are or have been conceived or developed by Executive, solely or jointly, whether or not further development or reduction to practice may take place after the termination of Executive's employment or retention, by the Company.

(b) Executive further agrees that he will execute and deliver to DBRG any and all further documents or instruments and do any and all further acts which the Company reasonably requests in order to perfect, confirm, defend, police and enforce the Company's intellectual property rights, and hereby grants to the officers of the Company an irrevocable power of attorney, coupled with interest, to such end. Executive shall be promptly reimbursed by the Company for all costs and expenditures incurred in connection with any cooperation referenced in this Section 7(b).

8. Injunctive Relief; Other Remedies. The parties agree that the remedy at law for any breach of this Agreement is and will be inadequate, and in the event of a breach or threatened breach by Executive of the provisions of Sections 3, 4, 5, 6, or 7 of this Agreement, the Company shall be entitled to seek an injunction restraining Executive from the conduct which would constitute a breach of this Agreement. Nothing herein contained shall be construed as prohibiting the Company from pursuing any other

remedies available to it or them for such breach or threatened breach, including, without limitation, specific performance and/or the recovery of damages from Executive.

9. Reasonableness and Enforceability of Covenants.

(a) The recitals to this Agreement are incorporated herein by this reference. The parties acknowledge and agree with such recitals, and further agree that preservation of the confidential and proprietary information, goodwill, stable workforce, and client and customer relations of the Company is a material part of the consideration being provided in connection with the Company entering into the Employment Agreement.

(b) The parties expressly agree that the character, duration and geographical scope of this Agreement are reasonable in light of the circumstances as they exist on the date upon which this Agreement has been executed, including, but not limited to, Executive's position of confidence and trust as a stockholder of DBRG.

(c) Executive acknowledges that, the restrictive covenants and the other agreements contained herein (collectively, the " Restrictive Covenants") are an essential part of this Agreement and the Employment Agreement. Executive and the Company agree not to challenge the enforceability of the covenants (and the limitations and qualifications included as part thereof) contained in this Agreement.

(d) Executive agrees to be bound by the Restrictive Covenants and the other agreements contained in this Agreement to the maximum extent permitted by law, it being the intent and spirit of the parties that the Restrictive Covenants and the other agreements contained herein shall be valid and enforceable in all respects, and, subject to the terms and conditions of, and limitations and qualifications included in, this Agreement.

10. Acknowledgements. Executive acknowledges that (i) his work for the Company will continue to give him access to the confidential affairs and proprietary information of the Company; (ii) the agreements and covenants of Executive contained in this Agreement are essential to the business and goodwill of the Company; and (iii) DBRG would not have entered into the Employment Agreement but for the covenants and agreements set forth herein.

11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to agreements entered into and to be performed entirely within such state.

12. Notices. All notices, requests, demands and other communications required or permitted hereunder must be made in writing and will be deemed to have been duly given and effective: (a) on the date of delivery, if delivered personally; (b) on the earlier of the fourth day after mailing or the date of the return receipt acknowledgment, if mailed, postage prepaid, by certified or registered mail, return receipt requested; or (c) on the date of requested delivery if sent by a recognized overnight courier:

If to the Company:
750 Park of Commerce Drive, Suite 210
Boca Raton, FL 33487
Attention: Chief Financial Officer

If to the Executive:
to the last address of Executive
in the Company's records specifically identified for notices under this Agreement or to such other address as is provided by a party to the other from time to time.

13. Survival. The representations, warranties and covenants of Executive and the Company contained in this Agreement will survive any termination of Executive's employment with the Company; provided that the covenants set forth in Sections 3 and 4 shall only survive through the end of the Restricted Period.

14. Amendment; Waiver. No provision of this Agreement may be amended, modified, waived or discharged unless such amendment, modification, waiver or discharge is agreed to in writing and signed

by Executive and DBRG. No waiver by either party hereto at any time of any breach by the other party hereto of compliance with any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

15. Severability. Executive acknowledges and agrees that (i) he has had an opportunity to seek advice of counsel in connection with this Agreement and (ii) the Restrictive Covenants are reasonable in geographic and temporal scope and in all other respects. If any term or provision of this Agreement is determined to be invalid or unenforceable in a final court or arbitration proceeding, (A) the remaining terms and provisions hereof shall be unimpaired and (B) to the extent permitted by applicable law, the invalid or unenforceable term or provision shall be deemed replaced by a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision.

16. Arbitration. Any dispute or controversy arising under or in connection with this Restrictive Covenant Agreement that cannot be mutually resolved by the parties hereto shall be settled exclusively by arbitration in New York, New York before a panel of three neutral arbitrators, each of whom shall be selected jointly by the parties, or, if the parties cannot agree on the selection of the arbitrators, as selected by the American Arbitration Association. The commercial arbitration rules of the American Arbitration Association (the "AAA Rules") shall govern any arbitration between the parties, except that the following provisions are included in the parties' agreement to arbitrate and override any contrary provisions in the AAA Rules:

(i) The agreement to arbitrate and the rights of the parties hereunder shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflict or choice of law rules;

(ii) The arbitration, the agreement to arbitrate, and any proceedings to enforce, confirm, modify or vacate the award shall be governed by applicable New York and federal law;

(iii) The arbitrators shall apply New York law;

(iv) Any petition or motion to modify or vacate the award shall be filed in a court of competent jurisdiction located in New York, New York;

(v) The award shall be written, reasoned, and shall include findings of fact as to all factual issues and conclusions of law as to all legal issues;

(vi) The arbitration shall be confidential; and

(vii) Judgment may be entered on the arbitrators' award in any court having jurisdiction.

The parties hereby agree that the arbitrators shall be empowered to enter an equitable decree mandating specific enforcement of the terms of this Agreement. Each party shall bear its own legal fees and out-of-pocket expenses incurred in any arbitration hereunder and the Company shall bear all expenses of the arbitrators; provided, that, the arbitrator shall have the same authority to award reasonable attorneys' fees to the prevailing party in any arbitration as part of the arbitrator's award as would be the case had the dispute or controversy been argued before a court with competent jurisdiction.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

DIGITALBRIDGE GROUP, INC.

By: _____________________________
Name: Jacky Wu
Title: EVP; Chief Financial Officer and Treasurer

EXECUTIVE

Geoffrey Goldschein

Exhibit 31.1

Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Marc C. Ganzi, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of DigitalBridge Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 3, 2023

/s/ Marc C. Ganzi
Marc C. Ganzi
Chief Executive Officer

Exhibit 31.2

Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Jacky Wu, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of DigitalBridge Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2023

/s/ Jacky Wu
Jacky Wu
Chief Financial Officer

Exhibit 32.1

Certification of Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of DigitalBridge Group, Inc. (the “Company”) on Form 10-Q for the three months ended September 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Marc C. Ganzi, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(i) the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date:	November 3, 2023	/s/ Marc C. Ganzi
		Marc C. Ganzi
		Chief Executive Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C §1350 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended or incorporated by reference in any registration statement of the Company filed under the Securities Act of 1933, as amended.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

Certification of Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of DigitalBridge Group, Inc. (the “Company”) on Form 10-Q for the three months ended September 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Jacky Wu, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(i) the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date:	November 3, 2023	/s/ Jacky Wu
		Jacky Wu
		Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C §1350 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended or incorporated by reference in any registration statement of the Company filed under the Securities Act of 1933, as amended.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.