



DIGITALBRIDGE ANNOUNCES THIRD QUARTER 2022 FINANCIAL RESULTS

Boca Raton, November 4, 2022 - DigitalBridge Group, Inc. (NYSE: DBRG) and subsidiaries (collectively, "DigitalBridge," or the "Company") today announced financial results for the third quarter ended September 30, 2022.

A Third Quarter 2022 Earnings Presentation and a Supplemental Financial Report are available in the Events & Presentations and Financial Information sections, respectively, of the Shareholders tab on the Company's website at www.digitalbridge.com. This information has also been furnished to the U.S. Securities and Exchange Commission in a Current Report on Form 8-K.

Marc Ganzi, CEO of DigitalBridge, said "During the third quarter, we continued to form capital around great companies and investment strategies, delivered attractive outcomes for our investors, and further simplified our business and capital structure. Despite macro headwinds, our portfolio companies continue to demonstrate strong growth, highlighting the resilience of the digital infrastructure sector."

The Company reported third quarter 2022 total revenues of \$297 million, GAAP net loss attributable to common stockholders of \$(63) million, or \$(0.39) per share, and Distributable Earnings of \$39 million, or \$0.22 per share.

Common and Preferred Dividends

During the third quarter 2022, the Company's Board of Directors reinstated the Company's quarterly common stock dividend and declared a cash dividend of \$0.01 per common share. Such dividend was paid on October 17, 2022 to shareholders of record at the close of business on September 30, 2022.

On November 3, 2022, the Company's Board of Directors declared a cash dividend of \$0.01 per common share to be paid on January 17, 2023 to shareholders of record at the close of business on December 31, 2022; and declared cash dividends with respect to each series of the Company's cumulative redeemable perpetual preferred stock in accordance with the terms of such series, as follows: Series H preferred stock: \$0.4453125 per share; Series I preferred stock: \$0.446875 per share; and Series J preferred stock: \$0.4453125 per share, which will be paid on January 17, 2023 to the respective stockholders of record on January 10, 2023.

Third Quarter 2022 Conference Call

The Company will conduct its quarterly earnings conference call and presentation to discuss the Third Quarter 2022 financial results on Friday, November 4, at 10:00 a.m. Eastern Time (ET). The earnings presentation will be broadcast live over the Internet and a webcast link can be accessed on the Shareholders section of the Company's website at ir.digitalbridge.com/events. To participate in the event by telephone, please dial (877) 407-4018 ten minutes prior to the start time (to allow time for registration). International callers should dial (201) 689-8471.

For those unable to participate during the live call, a replay will be available starting November 4, 2022, at 1:00 p.m. ET. To access the replay, dial (844) 512-2921 (U.S.), and use passcode 13733322. International callers should dial (412) 317-6671 and enter the same conference ID number.

About DigitalBridge Group, Inc.

DigitalBridge (NYSE: DBRG) is a leading global digital infrastructure firm. With a heritage of over 25 years investing in and operating businesses across the digital ecosystem including cell towers, data centers, fiber, small cells, and edge infrastructure, the DigitalBridge team manages a \$50 billion portfolio of digital infrastructure assets on behalf of its limited partners and shareholders. Headquartered in Boca Raton, DigitalBridge has key offices in New York, Los Angeles, London, and Singapore. For more information, visit: www.digitalbridge.com.

Cautionary Statement Regarding Forward-Looking Statements

This press release may contain forward-looking statements within the meaning of the federal securities laws. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as “may,” “will,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” or “potential” or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions.

Forward-looking statements involve known and unknown risks, uncertainties, assumptions and contingencies, many of which are beyond the Company’s control, and may cause the Company’s actual results to differ significantly from those expressed in any forward-looking statement. Factors that might cause such a difference include, without limitation, the duration and severity of the current novel coronavirus (COVID-19) pandemic, driven by, among other factors, the treatment developments and public adoption rates and effectiveness of COVID-19 vaccines against emerging variants of COVID-19; the impact of the COVID-19 pandemic on the global market, economic and environmental conditions generally and in the digital and communications technology and investment management sectors; the effect of COVID-19 on the Company’s operating cash flows, debt service obligations and covenants, liquidity position and valuations of its real estate investments, as well as the increased risk of claims, litigation and regulatory proceedings and uncertainty that may adversely affect the Company; our status as an owner, operator and investment manager of digital infrastructure and real estate and our ability to manage any related conflicts of interest; our ability to obtain and maintain financing arrangements, including securitizations, on favorable or comparable terms or at all; the impact of initiatives related to our digital transformation, including the strategic investment by Wafra and the formation of certain other investment management platforms, on our growth and earnings profile; whether the transaction with AMP Capital will be completed within the time frame and on the terms anticipated or at all, and whether we will realize any of the anticipated benefits from the transaction; whether we will realize any of the anticipated benefits of our strategic partnership with Wafra, including whether Wafra will make additional investments in our Digital IM and Digital Operating segments; our ability to integrate and maintain consistent standards and controls, including our ability to manage our acquisitions in the digital industry effectively; the impact to our business operations and financial condition of realized or anticipated compensation and administrative savings through cost reduction programs; our business and investment strategy, including the ability of the businesses in which we have a significant investment (such as BrightSpire Capital, Inc. (BRSP)) to execute their business strategies; BRSP’s trading price and its impact on the carrying value of the Company’s investment in BRSP, including whether the Company will recognize further other-than-temporary impairment on its investment in BRSP; 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 raise new investment funds and vehicles and transfer warehoused investments; our ability to grow our business by raising capital for the companies that we manage; our ability to deploy capital into new investments consistent with our digital business strategies, including the earnings profile of such new investments; the availability of, and competition for, attractive investment opportunities; 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 ability to satisfy and manage our capital requirements; 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; changes in interest rates and 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; any litigation and contractual claims against us and our affiliates, including potential settlement and litigation of such claims; our levels of leverage; adverse domestic or international macroeconomic factors, including those resulting from the COVID-19 pandemic, supply chain difficulties, inflation, a potential economic slowdown or recession; the impact of legislative, regulatory and competitive changes; the impact of our transition from a REIT to a C-corporation for tax purposes, and the related liability for corporate and other taxes; whether we will be able to utilize existing tax attributes to offset taxable income to the extent contemplated; our ability to maintain our exemption from registration as an investment company under the Investment Company Act of 1940, as amended (the “1940 Act”); changes in our board of directors or management team, and availability of qualified personnel; our ability to make or maintain distributions to our stockholders; and our understanding of our competition; and other risks and uncertainties, including those detailed in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2021 and Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2022 and June 30, 2022, each under the heading “Risk Factors,” as such factors may be updated from time to time in the Company’s subsequent periodic filings with the U.S. Securities and Exchange Commission (“SEC”). All forward-looking statements reflect the Company’s good faith beliefs, assumptions and expectations, but they are not guarantees of future performance. Additional information about these and other factors can be found in the Company’s reports filed from time to time with the SEC.

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

Source: DigitalBridge Group, Inc.

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(FINANCIAL TABLES FOLLOW)



CONSOLIDATED BALANCE SHEETS
(In thousands, except per share data)

	September 30, 2022 (unaudited)	December 31, 2021
Assets		
Cash and cash equivalents	\$ 636,366	\$ 1,602,102
Restricted cash	134,024	99,121
Real estate, net	6,141,415	4,972,284
Loans receivable	174,389	173,921
Equity and debt investments	1,050,356	935,153
Goodwill	761,368	761,368
Deferred leasing costs and intangible assets, net	1,745,560	1,187,627
Assets held for disposition	72,593	3,676,615
Other assets	964,647	740,395
Due from affiliates	60,111	49,230
Total assets	\$ 11,740,829	\$ 14,197,816
Liabilities		
Debt, net	\$ 5,325,615	\$ 4,860,402
Accrued and other liabilities	1,662,606	928,042
Intangible liabilities, net	31,304	33,301
Liabilities related to assets held for disposition	60	3,088,699
Dividends and distributions payable	16,527	15,759
Total liabilities	7,036,112	8,926,203
Commitments and contingencies		
Redeemable noncontrolling interests	96,028	359,223
Equity		
Stockholders' equity:		
Preferred stock, \$0.01 par value per share; \$827,779 and \$883,500 liquidation preference; 250,000 shares authorized; 33,111 and 35,340 shares issued and outstanding	800,355	854,232
Common stock, \$0.04 par value per share		
Class A, 949,000 shares authorized; 162,975 and 142,144 shares issued and outstanding	6,519	5,685
Class B, 1,000 shares authorized; 166 shares issued and outstanding	7	7
Additional paid-in capital	7,793,492	7,820,807
Accumulated deficit	(6,941,658)	(6,576,180)
Accumulated other comprehensive income	(4,056)	42,383
Total stockholders' equity	1,654,659	2,146,934
Noncontrolling interests in investment entities	2,890,162	2,653,173
Noncontrolling interests in Operating Company	63,868	112,283
Total equity	4,608,689	4,912,390
Total liabilities, redeemable noncontrolling interests and equity	\$ 11,740,829	\$ 14,197,816



CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data, unaudited)

	Three Months Ended September 30,	
	2022	2021
Revenues		
Property operating income	\$ 244,336	\$ 194,854
Interest income	8,725	3,086
Fee income	41,263	50,226
Other income	2,299	4,008
Total revenues	296,623	252,174
Expenses		
Property operating expense	105,987	80,226
Interest expense	53,032	39,895
Investment expense	9,510	7,263
Transaction-related costs	3,879	936
Depreciation and amortization	145,594	129,186
Compensation expense		
Cash and equity-based compensation	65,544	55,933
Carried interest and incentive fee compensation	80,831	31,736
Administrative expenses	29,909	28,933
Total expenses	494,286	374,108
Other income (loss)		
Other gain (loss), net	25,908	4,657
Equity method earnings (losses)	(52,382)	6,987
Equity method earnings (losses) - carried interest	121,698	58,382
Income (loss) before income taxes	(102,439)	(51,908)
Income tax benefit (expense)	7,841	10,973
Income (loss) from continuing operations	(94,598)	(40,935)
Income (loss) from discontinued operations	(26,389)	(10,429)
Net income (loss)	(120,987)	(51,364)
Net income (loss) attributable to noncontrolling interests:		
Redeemable noncontrolling interests	(6,442)	7,269
Investment entities	(60,623)	(124,301)
Operating Company	(4,834)	4,311
Net income (loss) attributable to DigitalBridge Group, Inc.	(49,088)	61,357
Preferred stock redemption	(1,098)	2,865
Preferred stock dividends	15,283	17,456
Net income (loss) attributable to common stockholders	\$ (63,273)	\$ 41,036
Loss per share—basic		
Loss from continuing operations per share—basic	\$ (0.30)	\$ (0.23)
Net loss attributable to common stockholders per share—basic	\$ (0.39)	\$ 0.33
Loss per share—diluted		
Loss from continuing operations per share—diluted	\$ (0.30)	\$ (0.23)
Net loss attributable to common stockholders per share—diluted	\$ (0.39)	\$ 0.33
Weighted average number of shares		
Basic	162,398	121,458
Diluted	162,398	121,458

Distributable Earnings (DE)
(In thousands, except per share data, unaudited)

	Three Months Ended	
	September 30, 2022	September 30, 2021
Net income (loss) attributable to common stockholders	\$ (63,273)	\$ 41,036
Net income (loss) attributable to noncontrolling common interests in Operating Company	(4,834)	4,311
Net income (loss) attributable to common interests in Operating Company and common stockholders	(68,107)	45,347
Adjustments for Distributable Earnings (DE):		
Transaction-related and restructuring charges ⁽¹⁾	23,249	19,501
Non-real estate (gains) losses, excluding realized gains or losses of digital assets within the Corporate and Other segment	51,162	11,319
Net unrealized carried interest	(1,228)	(27,953)
Equity-based compensation expense	18,619	9,038
Depreciation and amortization	149,131	140,110
Straight-line rent revenue and expense	(8,895)	(1,925)
Amortization of acquired above- and below-market lease values, net	80	(172)
Impairment loss	—	(8,210)
Gain from sales of real estate	—	(514)
Non-revenue enhancing capital expenditures	(10,992)	(1,349)
Debt prepayment penalties and amortization of deferred financing costs and debt premiums and discounts	5,627	7,651
Adjustment to reflect BRSP cash dividend declared	10,201	9,478
Preferred share redemption (gain) loss	—	2,865
Income tax effect on certain of the foregoing adjustments	—	1,663
Adjustments attributable to noncontrolling interests in investment entities	(136,338)	(83,074)
DE from discontinued operations	6,808	(123,075)
After-tax DE	\$ 39,317	\$ 700
DE per common share / common OP unit ⁽²⁾	\$ 0.22	\$ 0.01
DE per common share / common OP unit—diluted ⁽²⁾⁽³⁾	\$ 0.22	\$ 0.01
Weighted average number of common OP units outstanding used for DE per common share and OP unit ⁽²⁾	176,827	136,669
Weighted average number of common OP units outstanding used for DE per common share and OP unit—diluted ⁽²⁾⁽³⁾	179,296	136,669

(1) Restructuring charges primarily represent costs and charges incurred as a result of corporate restructuring and reorganization to implement the digital evolution. These costs and charges include severance, retention, relocation, transition, shareholder settlement and other related restructuring costs, which are not reflective of the Company's core operating performance.

(2) Calculated based on weighted average shares outstanding including participating securities and assuming the exchange of all common OP units outstanding for common shares.

(3) For the three months ended September 30, 2022, included in the calculation of diluted DE per share are Class A common stock or OP units issuable in connection with performance stock units, performance based restricted stock units and Wafra's warrants, of which the issuance and/or vesting are subject to the performance of the Company's stock price or the achievement of certain Company specific metrics. For the three months ended September 30, 2022, excluded from the calculation of diluted DE per share are the effects of adding back interest expense associated with convertible senior notes and weighted average dilutive common share equivalents for the assumed conversion of the convertible senior notes as the effect of including such interest expense and common share equivalents would be antidilutive. For the three months ended September 30, 2021, excluded from the calculation of diluted DE per share are Class A common stock or OP units issuable in connection with performance stock units, performance based restricted stock units and Wafra's warrants, of which the issuance and/or vesting are subject to the performance of the Company's stock price or the achievement of certain Company specific metrics, and the effect of adding back interest expense associated with convertible senior notes and weighted average dilutive common share equivalents for the assumed conversion of the convertible senior notes as the effect of including such interest expense and common share equivalents would be antidilutive.

Distributable Earnings (DE)

DE is an after-tax measure that differs from GAAP net income or loss from continuing operations as a result of the following adjustments, including adjustment for our share of similar items recognized by our equity method investments: transaction-related and restructuring charges; realized and unrealized gains and losses, except realized gains and losses from digital assets in Corporate and Other; depreciation, amortization and impairment charges; debt prepayment penalties, and amortization of deferred financing costs, debt premiums and debt discounts; our share of unrealized carried interest, net of associated compensation expense; equity-based compensation expense; equity method earnings from BrightSpire Capital, Inc. (BRSP) which is replaced with dividends declared by BRSP; effect of straight-line lease income and expense; impairment of equity investments directly attributable to decrease in value of depreciable real estate held by the investee; non-revenue enhancing capital expenditures; income tax effect on certain of the foregoing adjustments. Income taxes included in DE reflect the benefit of deductions arising from certain expenses that are excluded from the calculation of DE, such as equity-based compensation, as these deductions do decrease actual income tax paid or payable by the Company in any one period. There are no differences in the Company's measurement of DE and AFFO. Therefore, previously reported AFFO is the equivalent to DE and prior period information has not been recast. DE is presented on a reportable segment basis and for the Company in total.

We believe that DE is a meaningful supplemental measure as it reflects the ongoing operating performance of our core business by generally excluding items that are non-core in nature and allows for better comparability of operating results period-over-period and to other companies in similar lines of business.