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 June 30, 2024

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

Securities registered pursuant to Section 12(b) of the Act: None.

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 July 31, 2024, 173,698,729 shares of the Registrant's class A common stock and 166,494 shares of class B common stock were outstanding.

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

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

	June 30, 2024 (Unaudited)	December 31, 2023
Assets		
Cash and cash equivalents	$ 261,173	$ 345,335
Restricted cash	4,743	4,915
Investments ($316,670 and $572,749 at fair value)	2,517,653	2,476,093
Goodwill	465,602	465,991
Intangible assets	87,711	103,750
Other assets	70,212	78,953
Due from affiliates	94,805	85,815
Assets of discontinued operations	521	1,698
Total assets	$ 3,502,420	$ 3,562,550
Liabilities		
Debt	$ 295,315	$ 371,783
Other liabilities ($58,960 and $124,019 at fair value)	744,197	681,451
Liabilities of discontinued operations	158	153
Total liabilities	1,039,670	1,053,387
Commitments and contingencies (Note 17)		
Redeemable noncontrolling interests	19,753	17,862
Equity		
Stockholders' equity:		
Preferred stock, $0.01 par value per share; $821,899 liquidation preference; 250,000 shares authorized; 32,876 shares issued and outstanding	794,670	794,670
Common stock, $0.01 par value per share		
Class A, 237,250 shares authorized; 173,600 and 163,209 shares issued and outstanding	1,736	1,632
Class B, 250 shares authorized; 166 shares issued and outstanding	2	2
Additional paid-in capital	7,988,729	7,855,842
Accumulated deficit	(6,813,427)	(6,842,502)
Accumulated other comprehensive income (loss)	755	1,411
Total stockholders' equity	1,972,465	1,811,055
Noncontrolling interests in investment entities	389,329	605,311
Noncontrolling interests in Operating Company	81,203	74,935
Total equity	2,442,997	2,491,301
Total liabilities, redeemable noncontrolling interests and equity	$ 3,502,420	$ 3,562,550

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 June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenues				
Fee revenue ($73,376, $63,227, $143,187 and $119,616 from affiliates)	$ 78,605	$ 65,742	$ 151,560	$ 124,868
Carried interest allocation (reversal)	288,244	79,254	279,766	24,498
Principal investment income	15,982	30,409	18,827	33,971
Other income ($3,316, $1,376, $5,835 and $2,629 from affiliates)	7,505	14,469	14,576	25,033
Total revenues	390,336	189,874	464,729	208,370
Expenses				
Compensation expense—cash and equity-based	51,661	56,557	102,845	104,028
Compensation expense—incentive fee and carried interest allocation (reversal)	178,430	36,076	171,716	(755)
Administrative and other expenses	26,508	21,505	50,818	41,952
Interest expense	3,136	5,665	8,328	13,796
Transaction-related costs	671	1,113	1,431	9,640
Depreciation and amortization	8,097	11,353	17,264	18,228
Total expenses	268,503	132,269	352,402	186,889
Other income (loss)				
Other gain (loss), net	8,810	(11,881)	2,916	(156,395)
Income (loss) from continuing operations before income taxes	130,643	45,724	115,243	(134,914)
Income tax benefit (expense)	7	(2,770)	(1,239)	(3,868)
Income (loss) from continuing operations	130,650	42,954	114,004	(138,782)
Income (loss) from discontinued operations	(722)	(95,470)	(14,842)	(206,078)
Net income (loss)	129,928	(52,516)	99,162	(344,860)
Net income (loss) attributable to noncontrolling interests:				
Redeemable noncontrolling interests	158	(2,441)	891	4,502
Investment entities	32,921	(39,667)	34,388	(124,495)
Operating Company	5,426	(1,745)	2,088	(18,407)
Net income (loss) attributable to DigitalBridge Group, Inc.	91,423	(8,663)	61,795	(206,460)
Preferred stock dividends	14,660	14,675	29,320	29,351
Preferred stock repurchases	—	(927)	—	(927)
Net income (loss) attributable to common stockholders	$ 76,763	$ (22,411)	$ 32,475	$ (234,884)
Income (loss) per share—basic				
Income (loss) from continuing operations per common share—basic	$ 0.44	$ (0.06)	$ 0.27	$ (1.25)
Net income (loss) attributable to common stockholders per common share—basic	$ 0.44	$ (0.14)	$ 0.19	$ (1.48)
Income (loss) per share—diluted				
Income (Loss) from continuing operations per common share—diluted	$ 0.44	$ (0.06)	$ 0.27	$ (1.25)
Net income (loss) attributable to common stockholders per common share—diluted	$ 0.44	$ (0.14)	$ 0.19	$ (1.48)
Weighted average number of shares				
Basic	170,358	158,089	165,748	159,113
Diluted	172,066	158,089	171,033	159,113
Dividends declared per common share	$ 0.01	$ 0.01	$ 0.02	$ 0.02

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 June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income (loss)	$ 129,928	$ (52,516)	$ 99,162	$ (344,860)
Changes in accumulated other comprehensive income (loss) related to:				
Equity method investments	—	—	—	318
Foreign currency translation	45	3,143	(709)	2,912
Other comprehensive income (loss)	45	3,143	(709)	3,230
Comprehensive income (loss)	129,973	(49,373)	98,453	(341,630)
Comprehensive income (loss) attributable to noncontrolling interests:				
Redeemable noncontrolling interests	158	(2,441)	891	4,502
Investment entities	32,921	(39,307)	34,388	(124,100)
Operating Company	5,429	(1,544)	2,037	(18,187)
Comprehensive income (loss) attributable to stockholders	$ 91,465	$ (6,081)	$ 61,137	$ (203,845)

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

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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, 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
Stock repurchases	(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 9)	—	—	(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 8)	—	(4,862)	4,862	—	—	—	—	—	—
Stock repurchases	(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 9)	—	—	(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 December 31, 2023	$ 794,670	$ 1,634	$ 7,855,842	$ (6,842,502)	$ 1,411	$ 1,811,055	$ 605,311	$ 74,935	$ 2,491,301
Net income (loss)	—	—	—	(29,628)	—	(29,628)	1,467	(3,338)	(31,499)
Other comprehensive income (loss)	—	—	—	—	(700)	(700)	—	(54)	(754)
Settlement of Wafra contingent consideration (Note 6)	—	10	17,490	—	—	17,500	—	—	17,500
Reclassification of warrants (Note 10)	—	—	33,000	—	—	33,000	—	—	33,000
Exchange of notes for common stock (Note 7)	—	7	5,934	—	—	5,941	—	—	5,941
Redemption of OP Units for class A common stock	—	1	514	—	—	515	—	(515)	—
Equity-based compensation	—	14	8,127	—	—	8,141	—	39	8,180
Shares canceled for tax withholdings on vested equity awards	—	(4)	(8,299)	—	—	(8,303)	—	—	(8,303)
Contributions from noncontrolling interests	—	—	—	—	—	—	8,609	—	8,609
Distributions to noncontrolling interests	—	—	—	—	—	—	(4,695)	(123)	(4,818)
Preferred stock dividends	—	—	—	(14,660)	—	(14,660)	—	—	(14,660)
Common stock dividends declared ($0.01 per share)	—	—	—	(1,662)	—	(1,662)	—	—	(1,662)
Reallocation of equity (Notes 2 and 9)	—	—	(2,743)	—	1	(2,742)	—	2,742	—
Balance at March 31, 2024	$ 794,670	$ 1,662	$ 7,909,865	$ (6,888,452)	$ 712	$ 1,818,457	$ 610,692	$ 73,686	$ 2,502,835
Net income (loss)	—	—	—	91,423	—	91,423	32,921	5,426	129,770
Other comprehensive income (loss)	—	—	—	—	42	42	—	3	45
Exchange of notes for common stock (Note 7)	—	76	66,700	—	—	66,776	—	—	66,776
Deconsolidation of sponsored funds (Note 10)	—	—	—	—	—	—	(262,970)	—	(262,970)
Equity-based compensation	—	—	14,549	—	—	14,549	—	40	14,589
Shares canceled for tax withholdings on vested equity awards	—	—	(213)	—	—	(213)	—	—	(213)
Contributions from noncontrolling interests	—	—	—	—	—	—	10,700		10,700
Distributions to noncontrolling interests	—	—	—	—	—	—	(2,014)	(123)	(2,137)
Preferred stock dividends	—	—		(14,660)		(14,660)	—	—	(14,660)
Common stock dividends declared ($0.01 per share)	—	—		(1,738)		(1,738)	—	—	(1,738)
Reallocation of equity (Notes 2 and 9)	—	—	(2,172)		1	(2,171)	—	2,171	—
Balance at June 30, 2024	$ 794,670	$ 1,738	$ 7,988,729	$ (6,813,427)	$ 755	$ 1,972,465	$ 389,329	$ 81,203	$ 2,442,997

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

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

	Six Months Ended June 30,	
	2024	2023
Cash Flows from Operating Activities		
Net income (loss)	$ 99,162	$ (344,860)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Amortization of deferred financing costs and debt discount and premium, net	1,248	17,719
Unrealized carried interest allocation	(279,648)	(24,498)
Unrealized principal investment income	(8,281)	(30,294)
Other equity method (earnings) losses	—	13,303
Depreciation and amortization	17,264	291,136
Equity-based compensation	26,030	42,577
Deferred income tax (benefit) expense	(609)	2,469
Other (gain) loss, net	12,091	152,625
Other adjustments, net	(197)	(2,616)
(Increase) decrease in other assets and due from affiliates	(4,513)	19,916
Increase (decrease) in other liabilities and due to affiliates	132,970	(45,627)
Net cash generated by (used in) operating activities	(4,483)	91,850
Cash Flows from Investing Activities		
Contributions to and acquisition of equity investments	(74,847)	(405,703)
Return of capital from equity method investments	28,630	55,643
Proceeds from sale of equity investments	32,040	595,209
Repayments of loans receivable	1,000	6,804
Acquisition of and additions to real estate, related intangibles and leasing commissions	—	(510,973)
Investment deposits	—	(1,669)
Net receipt (payment) on settlement of derivatives	—	3,401
Acquisition of InfraBridge, net of cash acquired (Note 3)	—	(314,266)
Purchase of fixed assets	(3,305)	—
Cash derecognized in deconsolidation of sponsored funds	(745)	—
Net cash generated by (used in) investing activities	(17,227)	(571,554)

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

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

	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Cash Flows from Financing Activities		
Dividends paid to preferred stockholders	$ (29,320)	$ (29,441)
Dividends paid to common stockholders	(3,296)	(3,214)
Repayment or redemption of senior notes	(5,000)	(200,000)
Borrowings from investment level debt	—	1,617,790
Repayments of investment level debt	—	(1,158,667)
Payment of deferred financing costs and prepayment penalties on investment level debt	—	(38,012)
Contributions from noncontrolling interests	20,309	68,224
Distributions to and redemptions of noncontrolling interests	(18,597)	(127,599)
Payment of contingent consideration to Wafra	(17,500)	(90,000)
Repurchases of preferred stock	—	(4,758)
Shares canceled for tax withholdings on vested equity awards	(8,516)	(10,217)
Net cash generated by (used in) financing activities	(61,920)	24,106
Effect of exchange rates on cash, cash equivalents and restricted cash	(704)	429
Net increase (decrease) in cash, cash equivalents and restricted cash	(84,334)	(455,169)
Cash, cash equivalents and restricted cash—beginning of period	350,250	1,036,739
Cash, cash equivalents and restricted cash—end of period	$ 265,916	$ 581,570

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

	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Beginning of period		
Cash and cash equivalents	$ 345,335	$ 855,564
Restricted cash	4,915	4,854
Assets of discontinued operations—cash and cash equivalents	—	62,690
Assets of discontinued operations—restricted cash	—	113,631
Total cash, cash equivalents and restricted cash—beginning of period	$ 350,250	$ 1,036,739
End of period		
Cash and cash equivalents	$ 261,173	$ 359,393
Restricted cash	4,743	4,268
Assets of discontinued operations—cash and cash equivalents	—	67,490
Assets of discontinued operations—restricted cash	—	150,419
Total cash, cash equivalents and restricted cash—end of period	$ 265,916	$ 581,570

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

Supplemental Disclosure of Cash Flow Information

(In thousands)	Six Months Ended June 30, 2024	2023
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	$ 9,209	$ 106,269
Cash received (paid) for income taxes	5,342	123
Operating lease payments for corporate offices	4,603	4,414
Supplemental Disclosure of Cash Flows from Discontinued Operations		
Net cash generated by (used in) operating activities of discontinued operations	$ (13,407)	$ 149,727
Net cash generated by (used in) investing activities of discontinued operations	27	(252,354)
Supplemental Disclosure of Noncash Investing and Financing Activities		
Dividends and distributions payable	$ 16,698	$ 16,492
Receivables from asset sales	—	2,143
Redemption of OP Units for common stock	515	984
Exchange of notes into shares of Class A common stock	72,717	—
Settlement of Wafra contingent consideration through issuance of Class A common stock	17,500	—
Operating lease ROU assets and lease liabilities established for corporate offices	—	15,293
Assets of sponsored funds deconsolidated (Note 10)	393,612	—
Liabilities of sponsored funds deconsolidated (Note 10)	(189)	—
Noncontrolling interests of sponsored funds deconsolidated (Note 10)	(262,970)	—

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

DigitalBridge Group, Inc.
Notes to Consolidated Financial Statements
June 30, 2024
(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, liquid securities, and mid-market global infrastructure equity through InfraBridge (Note 3).

Organization

The Company operates as a taxable C Corporation and 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 June 30, 2024, 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, 2024, 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, 2023.

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 carried interest allocation to certain senior executives of the Company (Note 15), limited partners of consolidated funds, 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.

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.

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 limited partners of consolidated closed-end funds, and carried interest allocation to certain senior executives of the Company (Note 15) and to a lesser extent, to a third party investor, Wafra. 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 of the Company 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.

Business Combinations

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. 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.

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 value 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.

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.

The Company's discontinued operations in the periods presented herein represent the following:

- In 2024 and 2023, the Company's former real estate investments along with an adjacent investment management business, which have predominantly been disposed as part of the Company's transformation into an investment manager with a digital infrastructure focus.
- In 2023, the operations of digital infrastructure portfolio companies that represented the Company's former Operating segment prior to their full deconsolidation and qualification as discontinued operations on December 31, 2023. The Operating segment was previously composed of balance sheet equity interests in two digital infrastructure portfolio companies, Vantage SDC and DataBank, a stabilized hyperscale and an edge colocation data center business, respectively. These portfolio companies directly held and operated data centers, earning rental income from providing use of data center space and/or capacity through leases, services and other tenant arrangements. Prior to deconsolidation and reclassification as discontinued operations, a majority of the assets, liabilities and operating results of DataBank and Vantage SDC were attributed to third party investors, presented as noncontrolling interests in investment entities.
- In 2023, the Company's equity method investment in BrightSpire Capital, Inc. (NYSE: BRSP), which was sold in March 2023 for net proceeds totaling $201.6 million, with an impairment of $9.7 million recorded in 2023 prior to its disposition. The Company's investment in BRSP qualified as discontinued operations in March 2023.

Income (loss) from discontinued operations is summarized as follows.

(In thousands)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Revenues	$ 1,924	$ 236,927	$ 3,756	$ 470,561
Expenses	(2,652)	(328,985)	(5,720)	(664,634)
Other gain (loss)	4	(2,926)	(12,957)	(11,573)
Income (Loss) from discontinued operations before income taxes	(724)	(94,984)	(14,921)	(205,646)
Income tax benefit (expense)	2	(486)	79	(432)
Income (Loss) from discontinued operations	(722)	(95,470)	(14,842)	(206,078)
Income (Loss) from discontinued operations attributable to noncontrolling interests:				
Investment entities	—	(81,752)	—	(167,489)
Operating Company	(48)	(992)	(1,038)	(2,805)
Income (Loss) from discontinued operations attributable to DigitalBridge Group, Inc.	$ (674)	$ (12,726)	$ (13,804)	$ (35,784)

Assets and Liabilities of Discontinued Operations

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 June 30, 2024 and December 31, 2023, all assets and related liabilities held for disposition relate to discontinued operations and consisted of remaining equity investments excluded from the December 2021 bulk sale of the Company's real estate related investments.

Reclassifications

As discussed in "—*Discontinued Operations*," the Company's investment in the portfolio companies previously consolidated in the Company's former Operating segment qualified as discontinued operations in December 2023, and their results of operations have been reclassified to income (loss) from discontinued operations for the three months ended June 30, 2023.

Beginning 2024, investment-related expenses, which primarily include reimbursable costs from affiliates, have been recorded within administrative and other expenses on the consolidated statements of operations. Prior period amounts were immaterial and have been reclassified to conform to current period presentation.

Recently Adopted Accounting Pronouncements

There were no recently adopted accounting pronouncements that had a material effect on the Company's consolidated financial statements.

Future Accounting Standards

Reportable Segment Disclosures

In November 2023, the FASB issued ASU 2023-07, *Improvements to Reportable Segment Disclosures*, which expands the breadth and frequency of segment disclosures to require all annual disclosures on an interim basis and provide for incremental disclosures, including the following:

- Category and amount of significant segment expenses that are regularly provided to (even if not regularly reviewed by) the chief operating decision maker ("CODM") and included in each reported segment profit (loss) measure, otherwise the nature of expense information (for example, consolidated, forecasted, budgeted) used by the CODM;
- An amount (without individual quantification) for other segment items (represents difference between segment revenue less segment expense disclosed and reported segment profit (loss) measure), including description of the composition, nature and type of the other segment items;
- Description of how CODM uses each reported segment profit (loss) measure to assess segment performance and determine resource allocation; and
- Title and position of individual or name of group or committee identified as CODM.

The ASU changes current guidance by permitting multiple measures of segment profit (loss) to be reported provided that the measure most consistent with GAAP is reported. The ASU also clarifies that a single reportable segment entity is subject to segment disclosures in its entirety, which would require reporting of segment profit (loss) measure that is not a consolidated GAAP measure and not clearly evident from existing disclosures. The ASU does not change existing guidance around identification of operating segments and determination of reportable segments. The requirements under this ASU are to be applied retrospectively to all prior periods presented unless impracticable.

The ASU is effective for fiscal years beginning January 1, 2024 (that is, Form 10-K as of and for the year ending December 31, 2024), and interim periods within fiscal years beginning January 1, 2025 (that is, Form 10-Q as of and for the three months ending March 31, 2025). Early adoption is permitted. The Company will adopt this ASU for its 2024 fiscal year with the filing of its Form 10-K as of and for the year ending December 31, 2024, and is currently evaluating the effects of this new guidance with respect to segment disclosures.

Income Tax Disclosures

In December 2023, the FASB issued ASU 2023-09, *Improvements to Income Tax Disclosures,* which enhances existing annual income tax disclosures, primarily disaggregation of: (i) effective tax rate reconciliation using both percentages and amounts into specific categories, with further disaggregation by nature and/or jurisdiction of certain categories that meet the threshold of 5% of expected tax; and (ii) income taxes paid (net of refunds received) between federal, state/local and foreign, with further disaggregation by jurisdiction if 5% or more of total income taxes paid (net of refunds received). The ASU also eliminates existing disclosures related to: (a) reasonably possible significant changes in total amount of unrecognized tax benefits within 12 months of reporting date; and (b) cumulative amount of each type of temporary difference for which deferred tax liability has not been recognized (due to exception to recognizing deferred taxes related to subsidiaries and corporate joint ventures).

This ASU is effective January 1, 2025, with early adoption permitted in the interim or annual periods. Transition is prospective with the option to apply retrospective application. The Company is currently evaluating the effects of this new guidance with respect to annual income tax disclosures.

3. Business Combinations

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 10.

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 Company finalized the purchase price allocation in the first quarter of 2024, as presented below.

(In thousands)	As Reported At December 31, 2023	Measurement Period Adjustments	Final
Consideration			
Cash	$ 365,440		$ 365,440
Contingent consideration at fair value	10,874		10,874
	$ 376,314		$ 376,314
Assets acquired and liabilities assumed			
Cash	51,174		51,174
Principal investments	112,310		112,310
Intangible assets	50,800		50,800
Other assets	34,699	16	34,715
Deferred tax liabilities	(10,198)		(10,198)
Other liabilities	(30,214)	373	(29,841)
Fair value of net assets acquired	208,571		208,960
Goodwill	167,743	(389)	167,354
	$ 376,314		$ 376,314

- Principal investments represent acquired interests in InfraBridge funds, valued at their most recent NAV at closing.
- The intangible assets of InfraBridge were composed of the following:
  - Management contracts were 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 future 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 assets 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 potential synergies from combining the capital raising resources of DBRG and the mid-market infrastructure specialization of the InfraBridge team.

4. Investments

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

(In thousands)	June 30, 2024	December 31, 2023
Equity method investments		
Principal investments	$ 1,342,275	$ 1,194,417
Carried interest allocation	956,069	676,421
Marketable equity securities	35,013	17,487
Other equity investments	35,591	53,930
CLO subordinated notes	48,539	50,927
	2,417,487	1,993,182
Equity investments of consolidated funds		
Marketable equity securities	77,166	66,297
Other investments	23,000	416,614
	$ 2,517,653	$ 2,476,093

Equity Method Investments

Principal Investments

Principal investments 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. 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, InfraBridge funds and funds invested in DataBank and Vantage SDC.

The Company's proportionate share of net income (loss) from investments in its sponsored investment vehicles, primarily unrealized gain (loss) from changes in fair value of the underlying fund investments, and any distributions received therefrom, are 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 management allocation.

Carried Interest Distributed

Carried interest allocation distributed was immaterial for the three and six months ended June 30, 2024 and 2023, respectively.

Clawback Obligation

The Company did not have a liability for clawback obligations on carried interest allocation distributed as of June 30, 2024 and December 31, 2023.

With respect to funds that have distributed carried interest, if in the event all of their investments are deemed to have no value, all of the carried interest distributed to-date of $181.0 million would be subject to clawback as of June 30, 2024, of which $120.7 million would be the responsibility of the employee/former employee recipients and Wafra. For this purpose, a portion of carried interest distributed is generally held back from employees and former employees 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.

Marketable Equity Securities

Marketable equity securities at June 30, 2024 includes securities in a healthcare REIT that was non-traded at December 31, 2023 and became publicly traded through an initial public offering in February 2024. The Company is restricted from liquidating its holdings in the new publicly traded securities, which had a fair value of $17.8 million at June 30, 2024, until expiration of the underwriters' lock-up in August 2024.

Dividends or other distributions from marketable equity securities are recorded in other income, while changes in fair value are recorded in other gain (loss) on the consolidated statements of operations.

Other Equity Investments

Other equity investments include investments warehoused potentially for future sponsored funds and an investment in a managed account.

Warehoused investments are generally carried at fair value or under the measurement alternative, which is at cost, adjusted for impairment and observable price changes. Changes in the value of these investments are recorded in other gain (loss) on the consolidated statements of operations.

Debt Investments

Interest income on debt investments is 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, and securitized through the issuance of CLO securities. 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.

Following the end of the non-call period in October 2024, the subordinated notes may be redeemed (in whole, not in part) at the option of the collateral manager or the Company with consent of the collateral manager, if there is sufficient proceeds from sale of collateral assets, including payment of expenses therewith. The redemption price for the subordinated notes is equal to the excess interest and principal proceeds payable at the time of redemption.

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		Fair Value
			Gains	Losses	
June 30, 2024	$ 48,539	$ —	$ —	$ —	$ 48,539
December 31, 2023	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, net of capital distributions of $1.3 million and $2.4 million in the three and six months ended June 30, 2024, was a reasonable representation of its fair value at June 30, 2024 and December 31, 2023, classified as Level 3 of the fair value hierarchy.

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 14. Equity investments of consolidated funds are composed primarily of marketable equity securities held by funds in the liquid securities strategy and equity investments in digital infrastructure portfolio companies held by single asset funds. 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.

5. Goodwill and Intangible Assets

Goodwill

The following table presents changes in goodwill.

(In thousands)	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Beginning balance	$ 465,991	$ 298,248
Business combination (Note 3)	(389)	161,744
Ending balance [1]	$ 465,602	$ 459,992

[1] Remaining goodwill deductible for income tax purposes was $106.5 million at June 30, 2024 and $111.8 million at December 31, 2023.

Intangible Assets

Intangible assets are composed of the following:

(In thousands)	June 30, 2024 Carrying Amount [1][2]	June 30, 2024 Accumulated Amortization[1][2]	June 30, 2024 Net Carrying Amount[1]	December 31, 2023 Carrying Amount [1][2]	December 31, 2023 Accumulated Amortization[1][2]	December 31, 2023 Net Carrying Amount[1]
Investment management contracts	$ 138,894	$ (85,731)	$ 53,163	$ 150,835	$ (84,824)	$ 66,011
Investor relationships	53,463	(21,982)	31,481	53,572	(19,190)	34,382
Trade name	4,300	(2,122)	2,178	4,300	(1,907)	2,393
Other [3]	1,518	(629)	889	1,518	(554)	964
	$ 198,175	$ (110,464)	$ 87,711	$ 210,225	$ (106,475)	$ 103,750

[1] Presented net of impairments and write-offs, if any.

[2] Exclude intangible assets that were fully amortized in prior years.

[3] Represents primarily the value of an acquired domain name.

Amortization expense for finite-lived intangible assets totaled $7.5 million and $10.9 million for the three months ended June 30, 2024 and 2023, respectively, and $15.8 million and $17.1 million for the six months ended June 30, 2024 and 2023. There was no impairment of identifiable intangible assets in the periods presented.

Future Amortization of Intangible Assets

The following table presents the expected future amortization of finite-lived intangible assets:

(In thousands)	Year Ending December 31, Remaining 2024	2025	2026	2027	2028	2029 and thereafter	Total
Amortization expense	$ 15,049	$ 25,180	$ 17,618	$ 11,978	$ 7,883	$ 10,003	$ 87,711

6. Restricted Cash, Other Assets and Other Liabilities

Restricted Cash

Restricted cash represents principally cash reserves that are maintained pursuant to the governing agreements of the securitized debt of the Company.

Other Assets

The following table summarizes the Company's other assets.

(In thousands)	June 30, 2024	December 31, 2023
Prepaid taxes and deferred tax assets, net	$ 10,614	$ 14,059
Operating lease right-of-use asset for corporate offices	29,831	33,898
Accounts receivable, net	8,211	8,919
Prepaid expenses	2,453	2,952
Other assets	8,803	11,893
Fixed assets, net [(1)]	10,300	7,232
Total other assets	$ 70,212	$ 78,953

(1) Net of accumulated depreciation of $8.8 million at June 30, 2024 and $7.3 million at December 31, 2023.

Other Liabilities

The following table summarizes the Company's other liabilities:

(In thousands)	June 30, 2024	December 31, 2023
Deferred investment management fees [(1)]	$ 9,245	$ 10,250
Interest payable on corporate debt	164	2,293
Common and preferred stock dividends payable	16,698	16,477
Securities sold short—consolidated funds	46,260	38,481
Due to custodians—consolidated funds	7,575	9,415
Current and deferred income tax liability	9,443	8,403
Contingent consideration payable—InfraBridge (Note 10)	9,500	11,338
Contingent consideration payable—Wafra [(2)]	—	35,000
Warrants issued to Wafra (Note 10)	3,200	39,200
Operating lease liability for corporate offices	44,486	49,035
Accrued compensation	35,309	63,761
Accrued incentive fee and carried interest compensation	525,808	356,316
Accounts payable and accrued expenses	17,359	13,844
Due to affiliates (Note 15)	12,130	10,664
Other liabilities	7,020	16,974
Other liabilities	$ 744,197	$ 681,451

(1) Deferred investment management fees are expected to be recognized as fee revenue over a weighted average period of 3.3 years and 2.8 years as of June 30, 2024 and December 31, 2023. Deferred investment management fees recognized as income of $1.7 million and $1.5 million in the three months ended June 30, 2024 and 2023, respectively, and $3.0 million and $2.2 million in the six months ended June 30, 2024 and 2023, respectively, pertain to the deferred management fee balance at the beginning of each respective period.

(2) In connection with the 2022 redemption of Wafra's investment in the Company's investment management business, contingent consideration was payable to Wafra based upon the Company achieving certain fundraising targets through December 31, 2023. The contingent amount was fully paid out, with $90 million paid in cash in March 2023, and the remaining $35 million in March 2024, settled 50% each in shares of the Company's Class A common stock and in cash.

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 June 30, 2024 and December 31, 2023, 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 2024 and 2023 generally reflects the income tax effect of foreign subsidiaries.

7. Debt

The Company's corporate debt is composed of a securitized financing facility and, prior to their full exchange or redemption in 2024, senior notes issued by the OP that are recourse to the Company, as discussed further below.

	June 30, 2024			December 31, 2023			
(In thousands)	Principal	Deferred Financing Cost	Amortized Cost	Principal	Premium (Discount), net	Deferred Financing Cost	Amortized Cost
Securitized financing facility	$ 300,000	$ (4,685)	$ 295,315	$ 300,000	$ —	$ (5,733)	$ 294,267
Exchangeable senior notes	—	—	—	78,422	(810)	(96)	77,516
	$ 300,000	$ (4,685)	$ 295,315	$ 378,422	$ (810)	$ (5,829)	$ 371,783

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 certain sponsored funds and portfolio companies held by subsidiaries of DBRG, as collateral.

The following table summarizes certain key terms of the securitized financing facility:

($ in thousands)	Outstanding Principal	Interest Rate (Per Annum)[1]	Anticipated Repayment Date[2]	Years Remaining to Maturity[2]
Class A-2 Notes	$ 300,000	3.93 %	September 2026	2.2
Variable Funding Notes	—	1-month Term SOFR + 3%	September 2025	NA

(1) The VFN bears interest based upon 1-month Term Secured Overnight Financing Rate ("SOFR"), adjusted to include 0.11448% as defined in the VFN purchase agreement, or an alternate benchmark as set forth in the VFN purchase agreement plus 3%. Unused capacity under the VFN facility is subject to a commitment fee of 0.5% per annum.

(2) The final maturity date of the Class A-2 Notes is in September 2051. In July 2024, the anticipated repayment date of the VFN was extended a year to September 2025. The anticipated repayment date of the VFN is subject to a remaining one-year extension.

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.

Exchangeable Senior Notes

In 2024, the remaining 5.75% exchangeable senior notes issued by the OP with outstanding principal of $78.4 million was extinguished, of which $73.4 million was exchanged for 8.2 million shares of the Company's class A common stock, and $5.0 million was redeemed for cash. In connection with the exchange, shares of Class A common stock were issued in reliance on Section 4(a)(2) of the Securities Exchange Act of 1933, as amended.

8. 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, 2022	33,111	159,763	166
Stock repurchases	(235)	—	—
Shares issued upon redemption of OP Units	—	253	—
Equity awards issued, net of forfeitures	—	3,330	—
Shares canceled for tax withholding on vested equity awards	—	(871)	—
Shares outstanding at June 30, 2023	32,876	162,475	166
Shares outstanding at December 31, 2023	32,876	163,209	166
Exchange of notes for class A common stock	—	8,245	—
Shares issued upon redemption of OP Units	—	85	—
Settlement of contingent consideration (Note 6)	—	1,020	—
Equity awards issued, net of forfeitures	—	1,471	—
Shares canceled for tax withholding on vested equity awards	—	(430)	—
Shares outstanding at June 30, 2024	32,876	173,600	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 June 30, 2024:

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.

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.

Stock Repurchases

The Company does not currently have an authorized stock repurchase program.

Pursuant to a $200 million stock repurchase program announced in July 2022 that expired in June 2023, the Company repurchased 235,223 shares in aggregate across Series H, I and J preferred stock in 2023 for approximately $4.7 million, or a weighted average price of $20.18 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)

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. There were no changes in components of AOCI attributed to noncontrolling interests in investment entities for the six months ended June 30, 2024. 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	Foreign Currency Translation Gain (Loss)	Total
AOCI at December 31, 2022	$ (295)	$ (1,214)	$ (1,509)
Other comprehensive income (loss) before reclassifications	(1)	2,954	2,953
Amounts reclassified from AOCI	296	(618)	(322)
AOCI at June 30, 2023	$ —	$ 1,122	$ 1,122
AOCI at December 31, 2023	$ —	$ 1,411	$ 1,411
Other comprehensive income (loss) before reclassifications	—	(634)	(634)
Amounts reclassified from AOCI	—	(22)	(22)
AOCI at June 30, 2024	$ —	$ 755	$ 755

Changes in Components of AOCI—Noncontrolling Interests in Investment Entities

(In thousands)	Foreign Currency Translation Gain (Loss)
AOCI at December 31, 2022	$ (3,015)
Other comprehensive income (loss) before reclassifications	863
Amounts reclassified from AOCI	(468)
AOCI at June 30, 2023	$ (2,620)

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 June 30,		Six Months Ended June 30,	
Component of AOCI reclassified into earnings	2024	2023	2024	2023
Release of foreign currency cumulative translation adjustments	$ —	$ (433)	$ 22	$ 618
Release of AOCI of equity method investments	—	—	—	(296)

9. Noncontrolling Interests

Redeemable Noncontrolling Interests

The following table presents the activities in redeemable noncontrolling interests in open-end funds in the liquid securities strategy consolidated by the Company.

	Six Months Ended June 30,	
(In thousands)	2024	2023
Redeemable noncontrolling interests		
Beginning balance	$ 17,862	$ 100,574
Contributions	1,000	300
Distributions paid and payable, including redemptions	—	(73,456)
Net income (loss)	891	4,502
Ending balance	$ 19,753	$ 31,920

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 the Company's 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 85,074 in 2024 and 253,084 in 2023 through issuance of an equal number of shares of class A common stock on a one-for-one basis.

10. 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.

Due to the inherently judgmental nature of Level 3 fair value, changes in assumptions or inputs applied as of reporting date could result in a higher or lower fair value, and realized value may differ from the estimated unrealized fair value.

(In thousands)	Fair Value Measurement Hierarchy Level 1	Level 2	Level 3	Total
June 30, 2024				
Assets				
Investments (Note 4)				
Marketable equity securities	$ 35,013	$ —	$ —	$ 35,013
CLO subordinated notes	—	—	48,539	48,539
Equity investments of consolidated funds	77,166	—	23,000	100,166
Fair Value Option:				
Equity method investment	—	—	132,952	132,952
Liabilities				
Other liabilities				
InfraBridge contingent consideration	—	—	9,500	9,500
Warrants issued to Wafra	—	—	3,200	3,200
Securities of consolidated funds sold short	46,260	—	—	46,260
December 31, 2023				
Assets				
Investments (Note 4)				
Marketable equity securities	$ 17,487	$ —	$ —	$ 17,487
CLO subordinated notes	—	—	50,927	50,927
Equity investments of consolidated funds	66,297	—	416,614	482,911
Fair Value Option:				
Equity method investment	—	—	6,700	6,700
Liabilities				
Other liabilities				
InfraBridge contingent consideration	—	—	11,338	11,338
Warrants issued to Wafra	—	—	39,200	39,200
Securities of consolidated funds sold short	38,481	—	—	38,481

Equity Investments of Consolidated Funds

Equity investments of consolidated funds include marketable equity securities held by our liquid strategy funds, valued based upon listed prices in active markets, classified as Level 1, and equity investments in digital infrastructure portfolio companies held by single asset funds. The marketable equity securities comprise publicly listed stocks primarily in the U.S. and to a lesser extent, in Europe, and primarily in the technology, media and telecommunications sectors. With respect to other equity investments, a recently acquired fund investment was valued based upon its transacted price at June 30, 2024 and December 31, 2023, classified as level 3. Additionally, at December 31, 2023, fair value of an underlying portfolio company held by two single asset funds, prior to deconsolidation of the funds, was determined using a discounted cash flow model based upon projected net operating income of the investee with exit capitalization rate of 5.5% and discounted at 10.4%, classified as level 3.

In April 2024, the two single asset funds were deconsolidated as the Company no longer holds a controlling financial interest in these funds. The Company's co-investment in the portfolio company of the funds was restructured and is no longer held through the funds, but invested in the portfolio company through a parallel vehicle. The Company's co-investment in the portfolio company is reflected as an equity method investment under the fair value option effective April 2024. The deconsolidation of the funds resulted in a removal of approximately $263.0 million of net assets attributed to the limited partners of the funds that had represented noncontrolling interests in investment entities.

Prior to December 31, 2023, equity investments of consolidated funds included equity interests in pooling entities that hold a portfolio of loans, invested alongside other parallel funds within the same credit fund complex. In December 2023, following a reorganization of the Company's ownership interest within the fund structure, the consolidated credit fund was deconsolidated. Fair value of the fund's equity interests in the pooling entities was based upon its share of expected cash flows from the loan assets held by the pooling entities, classified as level 3. 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.

Fair Value Option

Equity Method Investments

The Company has elected to account for certain equity method investments under the fair value option. Fair value was determined using a discounted cash flow model based upon projected earnings, with discount rates ranging between 11.0% and 21.0% (weighted average discount rate based on relative fair value of 11.1%) at June 30, 2024 and 18.3% at December 31, 2023, and also taking into consideration a comparison to market values of similar public companies at December 31, 2023. The fair value is classified as Level 3 of the fair value hierarchy and changes in fair value are recorded in principal investment income.

Loans Receivable

There was no outstanding loans receivable balance at June 30, 2024 and December 31, 2023. In March 2023, an unsecured promissory note that had been issued in connection with the sale of the Company's former Wellness Infrastructure business in 2022 was written off in the amount of $133.3 million following the foreclosure of certain assets within the sold Wellness Infrastructure portfolio by its mezzanine lender.

Warrants

The Company had previously issued five warrants to affiliates of Wafra Inc. (collectively "Wafra"), a private investment firm, in connection with Wafra's investment in the Company's investment management business in 2020. Wafra's investment was subsequently redeemed in 2022, with the warrants remaining outstanding. Each warrant entitled 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.

The terms of the warrant purchase agreement provided 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 resulted in the warrants being classified as liability. Accordingly, the warrants were carried at fair value with changes in fair value recorded in other gain (loss) on the consolidated statements of operations.

In March 2024, three of the warrants were reclassified to equity at their prevailing fair value following a removal of the net cash settlement feature, as the terms of the warrants were amended in connection with a sale of the three warrants by Wafra to a third party. The equity-classified warrants are no longer subject to fair value remeasurement.

At June 30, 2024, the liability-classified warrants were carried at fair value, measured using a Black-Scholes option pricing model, applying the following inputs: (a) estimated volatility for DBRG's class A common stock of 36.2% (37.8% at December 31, 2023); (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 4.70% per annum (4.11% per annum at December 31, 2023), derived from the daily U.S. Treasury yield curve rates to correspond to the remaining term to expiration of the warrants.

Contingent Consideration

In connection with the acquisition of InfraBridge, contingent consideration is payable if prescribed fundraising targets are met. In measuring the contingent consideration at June 30, 2024 and December 31, 2023, the Company applied a probability-weighted approach to the likelihood of meeting various fundraising targets and discounted the estimated future contingent consideration payment at 4.3% and 4.9%, respectively, to derive a present value amount, classified as Level 3 of the fair value hierarchy.

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).

	Level 3 Assets			Level 3 Liabilities	
	Fair Value Option				
(In thousands)	Loans Receivable	Equity Method Investments	Equity Investment of Consolidated Funds	Warrants	InfraBridge Contingent Consideration
Fair value at December 31, 2022	$ 133,307	$ —	$ 46,770	$ 17,700	$ —
Contributions	—	—	49,549	—	—
Consolidation of sponsored funds	—	—	—	—	—
Business combination	—	—	—	—	10,874
Change in consolidated fund's share of equity investment [(1)]	—	—	526	—	—
Paydown of underlying loans held by equity investment of consolidated fund	—	—	(2,294)	—	—
Change in accrued interest and capitalization of paid-in-kind interest	—	—	—	—	—
Unrealized gain (loss) in earnings, net	(133,307)	—	832	11,300	196
Fair value at June 30, 2023	$ —	$ —	$ 95,383	$ 29,000	$ 11,070
Net unrealized gain (loss) in earnings on instruments held at June 30, 2023	$ (133,307)	$ —	$ 832	$ 11,300	$ 196
Fair value at December 31, 2023	$ —	$ 6,700	$ 416,614	$ 39,200	$ 11,338
Election of fair value option	—	128,742	—	—	—
Unrealized gain (loss) in earnings, net	—	(2,490)	—	(3,000)	(1,838)
Reclassification to equity	—	—	—	(33,000)	—
Deconsolidation of sponsored funds	—	—	(393,614)	—	—
Fair value at June 30, 2024	$ —	$ 132,952	$ 23,000	$ 3,200	$ 9,500
Net unrealized gain (loss) in earnings on instruments held at June 30, 2024	$ —	$ (2,490)	$ —	$ (5,900)	$ (1,838)

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

Fair Value of Financial Instruments Reported at Cost

Fair value of financial instruments reported at amortized cost are presented below.

	Fair Value Measurements				
(In thousands)	Level 1	Level 2	Level 3	Total	Carrying Value
June 30, 2024					
Liabilities					
Secured fund fee revenue notes	$ —	$ 271,485	$ —	$ 271,485	$ 295,315
December 31, 2023					
Liabilities					
Secured fund fee revenue notes	$ —	$ 250,547	$ —	$ 250,547	$ 294,267
Exchangeable senior notes		152,296	—	152,296	77,516

Debt—Senior notes and secured fund fee revenue notes were valued based on indicative quotes.

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.

11. Earnings per Share

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

(In thousands, except per share data)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Net income (loss) allocated to common stockholders				
Income (Loss) from continuing operations attributable to DigitalBridge Group, Inc.	$ 92,097	$ 4,063	$ 75,599	$ (170,676)
Income (Loss) from discontinued operations attributable to DigitalBridge Group, Inc.	(674)	(12,726)	(13,804)	(35,784)
Net income (loss) attributable to DigitalBridge Group, Inc.	91,423	(8,663)	61,795	(206,460)
Preferred stock repurchases/redemptions (Note 8)	—	927	—	927
Preferred dividends	(14,660)	(14,675)	(29,320)	(29,351)
Net income (loss) attributable to common stockholders	76,763	(22,411)	32,475	(234,884)
Net income (loss) allocated to participating securities	(1,617)	(29)	(624)	(60)
Net income (loss) allocated to common stockholders—basic	75,146	(22,440)	31,851	(234,944)
Interest expense attributable to exchangeable notes [1]	72	—	443	—
Net income (loss) allocated to common stockholders—diluted	$ 75,218	$ (22,440)	$ 32,294	$ (234,944)
Weighted average common shares outstanding				
Weighted average number of common shares outstanding—basic	170,358	158,089	165,748	159,113
Weighted average effect of dilutive shares [1][2][3]	1,708	—	5,285	—
Weighted average number of common shares outstanding—diluted	172,066	158,089	171,033	159,113
Income (loss) per share—basic				
Income (Loss) from continuing operations	$ 0.44	$ (0.06)	$ 0.27	$ (1.25)
Income (Loss) from discontinued operations	—	(0.08)	(0.08)	(0.23)
Net income (loss) attributable to common stockholders per common share—basic	$ 0.44	$ (0.14)	$ 0.19	$ (1.48)
Income (loss) per share—diluted				
Income (Loss) from continuing operations	$ 0.44	$ (0.06)	$ 0.27	$ (1.25)
Income (Loss) from discontinued operations	—	(0.08)	(0.08)	(0.23)
Net income (loss) attributable to common stockholders per common share—diluted	$ 0.44	$ (0.14)	$ 0.19	$ (1.48)

(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 June 30, 2023, the effect of adding back interest expense of $1.7 million and 9,047,200 of weighted average dilutive common share equivalents; and (b) for the six months ended June 30, 2023, the effect of adding back $5.6 million of interest expense and 9,749,200 of weighted average dilutive common share equivalents.

(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 13) with weighted average shares of 635,600 for the three months ended June 30, 2023; and 317,800 for the six months ended June 30, 2023; and (b) class A common shares that are issuable to net settle the exercise of warrants (Note 10) with weighted average shares of 307,800 for the three months ended June 30, 2023; and 1,029,600 and 335,600 for the six months ended June 30, 2024 and 2023, respectively.

(3) OP Units may be redeemed for registered or unregistered class A common stock of the Company on a one-for-one basis and are not dilutive. At June 30, 2024 and 2023, 12,290,700 and 12,375,800 of OP Units, respectively, were not included in the computation of diluted earnings per share in the respective periods presented.

12. Fee Revenue

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

(In thousands)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Management fees	$ 75,687	$ 64,744	$ 147,531	$ 121,902
Incentive fees	1,651	171	2,532	1,040
Other fees	1,267	827	1,497	1,926
Total fee revenue	$ 78,605	$ 65,742	$ 151,560	$ 124,868

Management Fees—Management fees are generally calculated based upon the following ranges of per annum contractual rates

- Equity funds—0.25% to 2.00% of investors' committed capital during the commitment period, and thereafter, contributed or invested capital (subject to certain reductions for NAV write-downs);
- Credit and co-investment vehicles—0.11% to 1.10% of contributed or invested capital from inception; and
- Liquid Strategies and InfraBridge co-investment vehicles—0.30% to 1.15% of NAV or gross asset value, respectively.

Also, co-investment vehicles may charge a one-time fee upfront at contractual rates between 0.15% and 1.50% of committed capital, generally to be paid in tranches, but with recognition of fee revenue over the life of the vehicle. Certain co-investment vehicles may be non fee-bearing.

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 Revenue—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.

Revenue Concentration

Revenues from one fund, which comprised of fee revenue, principal investment income and carried interest allocation, accounted for approximately 72.5% and 58.4% of the Company's total revenues in the three and six months ended June 30, 2024, respectively.

13. Equity-Based Compensation

Equity-based awards granted prior to the end of March 2024, including the Company's annual equity awards, were granted under the DigitalBridge Group, Inc. 2014 Omnibus Stock Incentive Plan (the "2014 Equity Incentive Plan), which expired at the end of March 2024. As of December 31, 2023, 5.8 million shares of class A common stock remained available for issuance under the 2014 Equity Incentive Plan, and immediately prior to its expiration, 8.9 million shares of class A common stock remained available for issuance under the 2014 Equity Incentive Plan.

At the end of April 2024, the Company's shareholders approved the 2024 Omnibus Stock Incentive Plan (the "2024 Equity Incentive Plan"). The 2024 Equity Incentive Plan, consistent with the previous 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 2024 Equity Incentive Plan are subject to equitable adjustment upon the occurrence of certain corporate events. The number of shares of Class A common stock reserved and available for issuance under the 2024 Equity Incentive Plan as of its adoption in April 2024 is 5.5 million shares.

Restricted Stock—Restricted stock awards in the Company's class A common stock are granted to senior executives, directors and certain employees, subject to a service condition or a combination of both a service and performance condition, with annual time-based vesting in equal tranches, generally over a three-year period. Vesting of performance-based restricted stock awards occur upon achievement of certain Company-specific metrics over a specified performance measurement 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 specified performance measurement period. 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 over the vesting period if and when it is probable that the performance condition will be met, subject to reversal if no longer probable. For liability classified awards that met their performance conditions and became fully vested, $3.3 million of awards were cash settled in 2023, and approximately $1.0 million of awards are expected to be cash settled in the third quarter of 2024.

Performance Stock Units—PSUs are granted to senior executives, and are subject to a service condition in combination with either a market condition or a performance 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. For market condition awards, this is determined based upon the performance of the Company's class A common stock over a three-year measurement period relative to a specified peer group (such measurement metric the "relative total shareholder return"). With respect to performance condition awards, vesting is determined based upon achievement of three-year cumulative distributable earnings ("DE") per share targets, and the relative total shareholder return metric is then applied to determine the final number of shares vested.

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 the final number of shares vested for that 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.

The relative total shareholder return metric was valued using a Monte Carlo simulation under a risk-neutral premise, applying the following assumptions. This forms the fair value of market condition awards. The fair value of performance condition awards also incorporate, in addition to the relative total shareholder return metric, the probability of achieving the cumulative DE per share targets.

	2024 PSU Grants	2023 PSU Grants	2022 PSU Grants
Expected volatility of the Company's class A common stock (1)	44.6%	41.3%	32.4%
Expected annual dividend yield (2)	0.2%	0.3%	—%
Risk-free rate (per annum) (3)	4.5%	3.8%	2.0%

(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 PSU awards as common dividends were suspended beginning the second quarter of 2020 and reinstated in the third quarter of 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 is recognized on a straight-line basis over their measurement period as compensation expense. With respect to performance condition awards, expense recognition occurs only if and when it is probable that the cumulative DE per share targets will be achieved and subject to reversal if no longer probable. In contrast, expense recognized on market condition awards is not subject to reversal even if the total shareholder return metric 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 8).

LTIP units issued have 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%

(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 upon 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 is presented on the consolidated statement of operations, as follows.

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	2024	2023	2024	2023
Compensation expense	$ 17,641	$ 20,691	$ 26,855	$ 31,461
Administrative expense	—	—	—	228
	$ 17,641	$ 20,691	$ 26,855	$ 31,689

Changes in unvested equity awards 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, 2023	2,813,369	2,625,000	64,099	599,347	1,274,435	7,376,250	$ 21.66	$ 9.80
Granted	1,571,320	—	41,285	39,915	199,069	1,851,589	19.27	17.96
Vested	(1,095,737)	—	(64,352)	(599,347)	—	(1,759,436)	—	14.25
Forfeited	(100,112)	—	—	—	(643,178)	(743,290)	26.92	19.99
Unvested shares and units at June 30, 2024	3,188,840	2,625,000	41,032	39,915	830,326	6,725,113	17.01	10.59

(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, determined based upon their respective fair values at vesting date, totaled $11.5 million and $13.7 million for the three months ended June 30, 2024 and 2023, respectively, and $29.9 million and $34.6 million for the six months ended June 30, 2024 and 2023, respectively.

At June 30, 2024, aggregate unrecognized compensation cost for all unvested equity awards was $48.3 million, which is expected to be recognized over a weighted average period of 2.1 years.

14. 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) has equity holders who lack the characteristics of a controlling financial interest; and/or (iii) is established with non-substantive voting rights. 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 $62.8 million at June 30, 2024 and $200.8 million at December 31, 2023. 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 June 30, 2024, the Company had unfunded equity commitments of $20.0 million to consolidated funds.

The following table presents the assets and liabilities of the consolidated funds:

(In thousands)	June 30, 2024	December 31, 2023
Assets		
Cash and cash equivalents	$ 55,825	$ 69,654
Investments (Note 4)	100,166	482,911
Other assets	1,079	576
	$ 157,070	$ 553,141
Liabilities		
Other liabilities		
Securities sold short	$ 46,260	$ 38,482
Due to custodian	7,574	9,415
Other	1,699	16,313
	$ 55,533	$ 64,210

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 $2.17 billion at June 30, 2024 and $1.86 billion at December 31, 2023. The Company also has receivables from its unconsolidated funds for fee revenue and reimbursable or recoverable costs, as discussed in Note 15. At June 30, 2024, the Company's unfunded equity commitments to its unconsolidated funds as general partner and general partner affiliate totaled $261.1 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.

15. 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) certain of the Company's other equity investments outside of sponsored funds; and (iv) directors and employees of the Company.

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

(In thousands)	June 30, 2024	December 31, 2023
Due from Affiliates		
Investment vehicles and portfolio companies		
Fee revenue	$ 75,549	$ 71,427
Cost reimbursements and recoverable expenses	18,740	14,388
Directors, employees and other affiliates	516	—
	$ 94,805	$ 85,815
Due to Affiliates (Note 6)		
Investment vehicles—InfraBridge (Note 3)	$ 10,123	$ 10,123
Directors, employees and other affiliates	2,007	541
	$ 12,130	$ 10,664

Significant transactions with affiliates include the following:

Fee Revenue—Fee revenue earned from investment vehicles that the Company manages and/or sponsors, and may have an equity interest, are presented in Note 12. Substantially all fee revenue are from affiliates, except for management fees and incentive fee from sub-advisory accounts and generally, other fee revenue.

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) professional fees incurred in performing investment due diligence; and (iii) direct and indirect operating costs for managing the operations of certain investment vehicles and their portfolio companies.

To the extent the Company determines it acts in the capacity of principal in the incurrence of such costs, the related reimbursements and recoverable expenses are included in other income, which totaled $3.3 million and $1.4 million for the three months ended June 30, 2024 and 2023, respectively, and $5.8 million and $2.6 million for the six months ended June 30, 2024 and 2023, respectively. To the extent the Company determines that it acts in the capacity of an agent, the cost reimbursement is presented on a net basis in the consolidated statements of operations.

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.

Digital Bridge Holdings —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 included, but were not limited to, DataBank and Vantage Data Centers ("Vantage"). Vantage SDC, which the Company has a direct investment in, is a carve out of the stabilized data center portfolio of Vantage's North American business.

As a result of the personal investments made by Messrs. Ganzi and Jenkins in DataBank and Vantage 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.

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 amount of $119.4 million at June 30, 2024 and $112.2 million at December 31, 2023. Carried interest allocated is recorded as net income attributable to noncontrolling interests totaling $3.9 million and $19.2 million for the three months ended June 30, 2024 and 2023, respectively, and $7.3 million and $21.4 million for the six months ended June 30, 2024 and 2023 respectively.

Investment in Managed Investment Vehicles—Subject to the Company's related party policies and procedures, certain employees (who may thereafter become former 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 $50.4 million at June 30, 2024 and $22.7 million at December 31, 2023, reflected in redeemable noncontrolling interests and noncontrolling interests on the balance sheet. The employees' and former employees' share of net income was $2.0 million and $1.5 million for the three months ended June 30, 2024 and 2023, respectively, and $2.2 million and $2.1 million for the six months ended June 30, 2024 and 2023 respectively. Such amounts are reflected in net income (loss) attributable to noncontrolling interests on the consolidated statement of operations and exclude their share of carried interest allocation, which is reflected in incentive fee and carried interest compensation expense.

Private Aircraft—Pursuant to Mr. Ganzi's employment agreement, the Company has agreed to reimburse Mr. Ganzi for the variable 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 total number of passengers) of such variable costs for any passenger who is not traveling on Company business. The Company has also agreed to reimburse Mr. Ganzi for the cost of up to 100 hours of personal travel, which is treated as a compensatory arrangement. Additionally, the Company has agreed to reimburse Mr. Ganzi for a proportional share of the fixed cash costs of any aircraft partially or fully owned by Mr. Ganzi. The fixed cost reimbursements will be made based on an allocable portion of such aircraft's annual fixed cash operating costs, based on the total number of hours the aircraft is used for Company business and personal hours claimed (up to 100 hours annually) divided by the total hours flown. The Company reimbursed Mr. Ganzi $2.0 million and $1.0 million for the three months ended June 30, 2024 and 2023 respectively, and $3.1 million and $2.7 million for the six months ended June 30, 2024 and 2023, respectively.

16. Segment Reporting

Beginning in 2024, the entirety of the Company's business, inclusive of all income and expense from continuing operations of the Company as a whole, is reported as a single reportable segment. The Company no longer distinguishes income (loss) items and attributes costs between its investment management business and corporate activities. The approach of managing the whole Company as a single business is consistent with the manner in which its chief operating decision makers assess the allocation of resources and performance of the Company.

Prior to December 31, 2023, the Company had conducted its business through two reportable segments, that is, Investment Management and Operating. On December 31, 2023 the Operating segment was discontinued following a full deconsolidation of the portfolio companies in the Operating segment, which qualified as discontinued operations (Note 2).

At December 31, 2023, subsequent to the discontinuation of the Operating segment, the Company had conducted its business through one reportable segment of Investment Management, reflecting the Company's investment management business, which bore only operating costs that were directly attributable or otherwise can be subjected to a reasonable and systematic attribution to the investment management business. Remaining unallocated operating costs, along with corporate level financing and transaction activities, as well as income (loss) from the Company's investment in its sponsored funds as general partner affiliate, and warehoused/seed investments were not attributed to the investment management business and previously presented as Corporate and Other.

The segment earnings measure of net income (loss) from continuing operations attributable to DigitalBridge Group, Inc. remains consistent with prior periods, except that this measure was previously applied to the Investment Management segment, and beginning 2024, is applied to the Company as a whole.

Segment information for all prior periods presented have been conformed to current year presentation.

Segment Results of Operations

The following table presents net income (loss) from continuing operations attributable to DigitalBridge Group, Inc. for the Company's single reportable segment and reconciled to the consolidated statement of operations.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenues				
Fee revenue	$ 78,605	$ 65,742	$ 151,560	$ 124,868
Carried interest allocation (reversal)	288,244	79,254	279,766	24,498
Principal investment income	15,982	30,409	18,827	33,971
Other income	7,505	14,469	14,576	25,033
Total revenues	390,336	189,874	464,729	208,370
Expenses				
Compensation expense—cash and equity-based	51,661	56,557	102,845	104,028
Compensation expense—incentive fee and carried interest allocation (reversal)	178,430	36,076	171,716	(755)
Administrative and other expenses	26,508	21,505	50,818	41,952
Interest expense	3,136	5,665	8,328	13,796
Transaction-related costs	671	1,113	1,431	9,640
Depreciation and amortization	8,097	11,353	17,264	18,228
Total expenses	268,503	132,269	352,402	186,889
Other income (loss)				
Other gain (loss), net	8,810	(11,881)	2,916	(156,395)
Income (loss) from continuing operations before income taxes	130,643	45,724	115,243	(134,914)
Income tax benefit (expense)	7	(2,770)	(1,239)	(3,868)
Income (loss) from continuing operations	130,650	42,954	114,004	(138,782)
Income (loss) from continuing operations attributable to noncontrolling interests:				
Redeemable noncontrolling interests	158	(2,441)	891	4,502
Investment entities	32,921	42,085	34,388	42,994
Operating Company	5,474	(753)	3,126	(15,602)
Income (loss) from continuing operations attributable to DigitalBridge Group, Inc.	$ 92,097	$ 4,063	$ 75,599	$ (170,676)
Reconciliation of segment earnings measure to consolidated statement of operations:				
Income (loss) from continuing operations attributable to DigitalBridge Group, Inc.	$ 92,097	$ 4,063	$ 75,599	$ (170,676)
Income (loss) from discontinued operations attributable to DigitalBridge Group, Inc.	(674)	(12,726)	(13,804)	(35,784)
Net income (loss) attributable to DigitalBridge Group, Inc.	$ 91,423	$ (8,663)	$ 61,795	$ (206,460)

17. Commitments and Contingencies

Litigation

The Company may be involved in litigation in the ordinary course of business. As of June 30, 2024, 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. Subsequent Events

No other 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:

- difficult market and political conditions, including those resulting from supply chain difficulties, inflation, higher interest rates, a general economic slowdown or a recession;
- our ability to raise capital from investors for our Company, our funds and the companies that we manage;
- the performance of our funds and investments relative to our expectations and the highly variable nature of our revenues, earnings and cash flow;
- our exposure to risks inherent in the ownership and operation of infrastructure and digital infrastructure assets, including our reliance on third-party suppliers to provide power, network connectivity and certain other services to our managed companies;
- our exposure to business risks in Europe, Asia, Latin America and other foreign markets;
- our ability to increase assets under management ("AUM") and expand our existing and new investment strategies while maintaining consistent standards and controls;
- our ability to appropriately manage conflicts of interest;
- our ability to expand into new investment strategies, geographic markets and businesses, including through acquisitions in the infrastructure and investment management industries;
- the impact of climate change and regulatory efforts associated with environmental, social and governance matters;
- our ability to maintain effective information and cybersecurity policies, procedures and capabilities and the impact of any cybersecurity incident affecting our systems or network or the system and network of any of our managed companies or service providers;
- the ability of our portfolio companies to attract and retain key customers and to provide reliable services without disruption;
- any litigation and contractual claims against us and our affiliates, including potential settlement and litigation of such claims;
- our ability to obtain and maintain financing arrangements, including securitizations, on favorable or comparable terms or at all;
- the general volatility of the securities markets in which we participate;
- the market value of our assets and effects of hedging instruments on our assets;
- the impact of legislative, regulatory and competitive changes, including those related to privacy and data protection and new SEC rules governing investment advisers;
- 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, 2023 and in Part II, Item 7. “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, 2023, 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 Business

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 June 30, 2024, we had $32.7 billion of fee earning equity under management ("FEEUM").

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 and conduct substantially all of our activities and hold substantially all of our assets and liabilities through our Operating Company. At June 30, 2024, we owned 93% of the Operating Company as its sole managing member.

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 ("SAF").
- 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 (the Global Infrastructure Fund ("GIF") series of funds).

Significant Developments

The following summarizes significant developments that affected our business and results of operations in 2024 through the date of this filing.

Capital Raise

- In the year to-date period through July 2024, we have raised $3.4 billion of capital, primarily for the third series in our flagship value-add strategy and syndications through various co-investment vehicles.

Financing

- In 2024, we further reduced our leverage with the full exchange/redemption of our remaining $78.4 million of 5.75% senior notes, which results in annual interest savings of approximately $4.5 million. $73.4 million of note principal was exchanged for 8.2 million shares of the Company's class A common stock and $5.0 million of note principal was redeemed for cash.

Fund Performance Metrics

Certain performance metrics for our key investment funds from inception through June 30, 2024 are presented in the table below. Excluded are funds with less than one year of performance history as of June 30, 2024, funds and separately managed accounts in the liquid strategy, co-investment vehicles and separately capitalized portfolio companies. The historical performance of our funds is not indicative of their future performance nor indicative of the performance of our other existing funds or of any of our future funds. An investment in DBRG is not an investment in any of our funds and these fund performance metrics are not indicative of the performance of DBRG.

($ in millions)					Investment Value			MOIC [7] [9]		IRR [8] [9]	
Fund [1]	Inception Date [2]	Total Commitments	Invested Capital [3]	Available Capital [4]	Unrealized	Realized [5]	Total [6]	Gross	Net	Gross	Net
Value-Add											
DBP I	Mar-2018	$4,059	$4,836	$93	$6,296	$1,250	$7,546	1.6x	1.4x	15.1%	10.7%
DBP II	Nov-2020	8,286	7,282	1,713	8,774	819	9,593	1.3x	1.2x	13.1%	8.4%
Core											
SAF	Nov-2022	1,110	910	220	958	21	979	1.1x	1.1x	7.0%	4.3%
InfraBridge											
GIF I	Mar-2015	1,411	1,504	406	1,309	1,092	2,401	1.6x	1.4x	9.8%	7.3%
GIF II	Jan-2018	3,382	3,094	26	2,304	237	2,541	0.8x	0.7x	<0%	<0%
Credit											
Credit I	Dec-2022	697	406	402	329	124	453	1.1x	1.1x	14.0%	9.0%

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

(2) Inception date represents first close date of the fund, except for Credit I which is the first capital call date. The manager/general partner of the InfraBridge funds were acquired in February 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 represents unfunded commitments, including 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 total value of investments, that is realized proceeds and unrealized fair value, divided by invested capital, without giving effect to allocation of management fee expense, other fund expenses and general partner carried interest (both distributed and unrealized).

Total investment net MOIC is calculated as total value of investments, that is realized proceeds and unrealized fair value, 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).

MOIC calculations exclude capital not subject to fees and/or carried interest, including general partner and general partner affiliate capital. MOICs are calculated at the fund level and do not reflect MOICs at the individual investor level.

(8) Gross internal rate of return ("IRR") represents annualized time-weighted return on invested capital based upon total value of investments, that is realized proceeds and unrealized fair value, without giving effect to allocation of management fee expense, other fund expenses and general partner carried interest (both distributed and unrealized). Gross IRR is calculated from the date of investment fundings (taking into account the benefit of any credit facility at the fund level) to the date of investment distributions. For unrealized investments, gross IRR assumes a liquidating distribution equal to the investment fair value, net of amounts funded through the fund's credit facility, if any. Gross IRR is calculated at the fund level and does not reflect gross IRR of any individual investor due to timing of investor level inflows and outflows, among other factors.

Net IRR is gross IRR after giving effect to allocation of management fee expense, other fund expenses and general partner carried interest (both distributed and unrealized). Net IRR is calculated at the individual investor level based upon timing and amount of fee-paying third party investor level inflows and outflows, and excludes capital not subject to fees and/or carried interest, including general partner and general partner affiliate capital.

If an investment is later syndicated to third-party investor(s), the IRRs will include cash flows associated with such syndication. This treatment with respect to syndications was implemented in fiscal year 2024 and applied on a life-to-date basis for all funds presented.

(9) Our funds generally permit us to recycle certain capital distributed to limited partners during certain time periods. The exclusion of recycled capital generally causes invested and realized amounts to be lower and MOICs to be higher than had recycled capital been included. In addition, for funds that utilize a subscription line credit facility in advance of receiving capital contributions from investors, reported IRRs may be higher or lower than if such facility had not been utilized.

Results of Operations

(In thousands)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Change	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	Change
Revenues						
Fee revenue	$ 78,605	$ 65,742	$ 12,863	$ 151,560	$ 124,868	$ 26,692
Carried interest allocation (reversal)	288,244	79,254	208,990	279,766	24,498	255,268
Principal investment income	15,982	30,409	(14,427)	18,827	33,971	(15,144)
Other income	7,505	14,469	(6,964)	14,576	25,033	(10,457)
Total revenues	390,336	189,874	200,462	464,729	208,370	256,359
Expenses						
Compensation expense—cash and equity-based	51,661	56,557	(4,896)	102,845	104,028	(1,183)
Compensation expense—incentive fee and carried interest allocation (reversal)	178,430	36,076	142,354	171,716	(755)	172,471
Administrative and other expenses	26,508	21,505	5,003	50,818	41,952	8,866
Interest expense	3,136	5,665	(2,529)	8,328	13,796	(5,468)
Transaction-related costs	671	1,113	(442)	1,431	9,640	(8,209)
Depreciation and amortization	8,097	11,353	(3,256)	17,264	18,228	(964)
Total expenses	268,503	132,269	136,234	352,402	186,889	165,513
Other income (loss)						
Other gain (loss), net	8,810	(11,881)	20,691	2,916	(156,395)	159,311
Income (Loss) before income taxes	130,643	45,724	84,919	115,243	(134,914)	250,157
Income tax benefit (expense)	7	(2,770)	2,777	(1,239)	(3,868)	2,629
Income (Loss) from continuing operations	130,650	42,954	87,696	114,004	(138,782)	252,786
Income (Loss) from discontinued operations	(722)	(95,470)	94,748	(14,842)	(206,078)	191,236
Net income (loss)	129,928	(52,516)	182,444	99,162	(344,860)	444,022
Net income (loss) attributable to noncontrolling interests:						
Redeemable noncontrolling interests	158	(2,441)	2,599	891	4,502	(3,611)
Investment entities	32,921	(39,667)	72,588	34,388	(124,495)	158,883
Operating Company	5,426	(1,745)	7,171	2,088	(18,407)	20,495
Net income (loss) attributable to DigitalBridge Group, Inc.	91,423	(8,663)	100,086	61,795	(206,460)	268,255
Preferred stock repurchases	—	(927)	927	—	(927)	927
Preferred stock dividends	14,660	14,675	(15)	29,320	29,351	(31)
Net income (loss) attributable to common stockholders	$ 76,763	$ (22,411)	99,174	$ 32,475	$ (234,884)	267,359

Revenues

Total revenues were $390.3 million and $189.9 million for the three months ended June 30, 2024 and 2023, respectively, and $464.7 million and $208.4 million for the six months ended June 30, 2024 and 2023, respectively, driven by significant variability in unrealized carried interest, with higher fee revenues largely offset by a decrease in principal investment income.

The key components of revenue are discussed in more detail below.

Fee Revenue

(In thousands)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Change	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	Change
Management fees	$ 75,687	$ 64,744	$ 10,943	$ 147,531	$ 121,902	$ 25,629
Incentive fees	1,651	171	1,480	2,532	1,040	1,492
Other fee revenue	1,267	827	440	1,497	1,926	(429)
	$ 78,605	$ 65,742	12,863	$ 151,560	$ 124,868	26,692

Fee revenue increased $12.9 million, or 20%, in the quarter-to-date comparison and $26.7 million, or 21%, in the year-to-date comparison, as FEEUM increased $3.6 billion or 12% from $29.1 billion at June 30, 2023 to $32.7 billion at June 30, 2024.

Management fees were higher in the three and six months ended June 30, 2024, driven by (i) our third flagship fund, which held its first close in November 2023, contributing $13.6 million and $22.9 million of fees, respectively (including catch-up fees), and (ii) additional deployments in DBP I and our credit fund ($1.9 million and $3.6 million, respectively), partially offset by lower fees in DBP II due to a change in fee basis to invested capital and syndication of an investment in 2024, as well as recapitalization of a portfolio company in a co-invest vehicle (aggregate decrease of $6.1 million and $8.9 million, respectively). Additionally, in the year-to-date comparison, 2024 also had higher fees from InfraBridge funds that were acquired in February 2023 ($2.6 million).

Higher Incentive fees earned in 2024 are attributed to our liquid securities strategy.

Carried Interest Allocation (Reversal)

(In thousands)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Change	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	Change
Carried interest allocation						
Distributed	$ 118	$ —	$ 118	$ 118	$ 476	$ (358)
Unrealized	288,126	79,254	208,872	279,648	24,022	255,626
	$ 288,244	$ 79,254	208,990	$ 279,766	$ 24,498	255,268

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 as the carried interest is distributed.

Unrealized carried interest was higher in 2024 in both periods under comparison, primarily driven by DBP II.

Principal Investment Income

Principal investment income decreased $14.4 million in the quarter-to-date comparison and $15.1 million in the year-to-date comparison. Principal investment income represents the Company's proportionate share of net income (loss) from investments in its sponsored investment vehicles, which is predominantly unrealized gain (loss) from changes in fair value of underlying fund investments.

There was realized principal investment income of $8.2 million in the second quarter of 2024 and $10.5 million year-to-date 2024, including gains from syndication of an investment in DBP II and in the second quarter of 2024, $4.2 million of previously escrowed proceeds received from the partial sale of our interest in DataBank in prior years. However, in both the quarter-to-date and year-to-date periods, these increases were more than offset by lower unrealized income in 2024 from fair value decreases or lower fair value increases in other funds.

Other Income

Other income decreased $7.0 million in the quarter-to-date comparison and $10.5 million in the year-to-date comparison. In 2023, there was higher interest income from our subordinated notes in a collateralized loan obligation ("CLO") and money market deposits, and dividend income from our credit fund which was deconsolidated in the fourth quarter of 2023 (aggregate effect of $8.9 million and $13.5 million, respectively). This was partially offset by incremental costs reimbursable by InfraBridge funds in 2024 that are grossed up as other income and expense ($1.7 million and $2.6 million, respectively).

Expenses

Total expenses were $268.5 million and $132.3 million for the three months ended June 30, 2024 and 2023, respectively, and $352.4 million and $186.9 million for the six months ended June 30, 2024 and 2023, respectively, with the increase attributed primarily to unrealized carried interest compensation.

Changes in the various expense items are discussed below.

Compensation Expense

(In thousands)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Change	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	Change
Cash and equity-based compensation						
Cash compensation	$ 34,020	$ 35,866	$ (1,846)	$ 75,990	$ 72,567	$ 3,423
Equity-based compensation	17,641	20,691	(3,050)	26,855	31,461	(4,606)
	$ 51,661	$ 56,557	(4,896)	$ 102,845	$ 104,028	(1,183)
Incentive fee and carried interest compensation allocation (reversal)	$ 178,430	$ 36,076	142,354	$ 171,716	$ (755)	172,471

Cash and equity-based compensation—Cash compensation was $1.8 million lower in the quarter-to-date comparison as 2023 included higher expenses from severance and an InfraBridge deferred bonus plan that was fully paid out in the first quarter of 2024, totaling $3.8 million, partially offset by higher headcount in 2024. In comparison, cash compensation increased $3.4 million in the year-to-date comparison, which can be attributed to higher headcount to support our growing investment management business, partially offset by lower severance costs of $3.3 million.

Equity-based compensation was lower in both periods under comparison, as 2023 had higher expenses associated with performance-based awards as a result of target metrics for such awards being achieved.

Incentive fee and carried interest compensation allocation—The increase in compensation expense is consistent with the movement in carried interest, as discussed above. The 2023 year-to-date period, however, reflected a reversal of compensation expense. This is because management allocation of carried interest is reflected entirely as compensation expense for DBP II, which recorded a reversal of carried interest in the first quarter, but such allocation is split between compensation expense and net income attributable to noncontrolling interests for DBP I and its associated co-investment vehicles (Note 15 to the consolidated financial statements), which had positive carried interest.

Administrative and Other Expenses

Administrative and other expenses increased $5.0 million in the quarter-to-date comparison and $8.9 million in the year-to-date comparison. In both periods under comparison, the increases can be attributed largely to an increase in third party professional service costs, reimbursable costs from our funds, office lease expense and information technology costs ($5.4 million and $7.7 million, respectively). In the quarter-to-date comparison, the increase was partially offset by $3.7 million of placement fees in the second quarter of 2023 in connection with fundraising for our third flagship fund and co-investment vehicles.

Interest Expense

Interest expense decreased $2.5 million in the quarter-to-date comparison and $5.5 million in the year-to-date comparison as a result of the Company's full exchange or redemption of its remaining 5.75% exchangeable senior notes in 2024 ($2.1 million decrease in both periods under comparison). Additionally, interest expense decreased in the year-to-date comparison due to the full repayment of the $200 million 5.00% convertible notes upon maturity in April 2023 ($3.1 million).

Transaction-Related Costs

Transaction-related costs decreased $0.4 million in the quarter-to-date comparison and $8.2 million in the year-to-date comparison. Both periods under comparison in 2023 included higher costs associated with the InfraBridge acquisition ($0.4 million and $7.5 million, respectively) and higher expense related to unconsummated deals.

Depreciation and Amortization

Depreciation and amortization expense decreased $3.3 million in the quarter-to-date comparison and $1.0 million in the year-to-date comparison primarily due to management contract intangible assets which have a declining amortization rate over time based upon projected cash flows to be generated from these contracts. The decrease was partially offset in the year-to-date comparison with an additional month of amortization in 2024 on InfraBridge intangible assets acquired in February 2023.

Other Gain (Loss), Net

Other gain of $8.8 million and $2.9 million was recognized in the three and six months ended June 30, 2024, respectively, and other loss of $11.9 million and $156.4 million was recognized in the three and six months ended June 30, 2023, respectively.

The net gain in 2024 was primarily driven by the fair value decrease of warrant liability ($8.4 million and $3.0 million in the three and six months ended June 30, 2024, respectively).

The net loss in 2023 can be attributed mainly to a $133.3 million write-off of an unsecured promissory note from the 2022 sale of our Wellness Infrastructure business in the year-to-date period, and additionally, in both the three and six months ended June 30, 2023, the write-down in the value of a warehoused investment ($2.9 million and $16.5 million, respectively) and fair value increase of warrant liability ($6.8 million and $11.3 million, respectively).

Income Tax Benefit (Expense)

Income tax benefit was immaterial and income tax expense was $2.8 million in the three months ended June 30, 2024 and 2023, respectively. In the year-to-date comparison, income tax expense was $1.2 million and $3.9 million, respectively. This reflects the income tax expense of foreign subsidiaries, partially offset by an income tax benefit recorded as a result of various U.S. state tax refunds, particularly in 2024. The Company otherwise has operating losses and capital loss carryforwards that can be applied against current income tax expense for its domestic entities, and has established a full valuation allowance on the deferred tax assets of these entities, resulting in no net federal income tax effect for its domestic entities.

Income (Loss) from Discontinued Operations

	Three Months Ended June 30,			Six Months Ended June 30,		
(In thousands)	2024	2023	Change	2024	2023	Change
Revenues						
Revenues	$ 1,924	$ 236,927	$ (235,003)	$ 3,756	$ 470,561	$ (466,805)
Expenses	(2,652)	(328,985)	326,333	(5,720)	(664,634)	658,914
Other gain (loss)	4	(2,926)	2,930	(12,957)	(11,573)	(1,384)
Income (Loss) from discontinued operations before income taxes	(724)	(94,984)	94,260	(14,921)	(205,646)	190,725
Income tax benefit (expense)	2	(486)	488	79	(432)	511
Income (Loss) from discontinued operations	$ (722)	$ (95,470)	94,748	$ (14,842)	$ (206,078)	191,236
Income (Loss) from discontinued operations attributable to noncontrolling interests:						
Investment entities	—	(81,752)	81,752	—	(167,489)	167,489
Operating Company	(48)	(992)	944	(1,038)	(2,805)	1,767
Income (Loss) from discontinued operations attributable to DigitalBridge Group, Inc.	$ (674)	$ (12,726)	12,052	$ (13,804)	$ (35,784)	21,980

Loss from discontinued operations for the six months ended June 30, 2024 included primarily a loss on a guarantee related to the previous bulk sale of the Company's real estate investments. The loss in 2023 represents primarily the operations of the former Operating segment and $9.7 million impairment of BRSP shares prior to disposition in March 2023, as discussed in Note 2 to the consolidated financial statements.

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 and our general partner capital. AUM is generally composed of 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 our general partner and general partner affiliate capital committed to our funds. AUM is largely determined based upon invested capital as of the reporting date, including capital funded through third party financing at the underlying portfolio companies; and committed capital for funds in their commitment stage. Our AUM is not based upon any definitions that may be set forth in the governing documents of our managed funds or other investment vehicles, and not calculated pursuant to any regulatory definitions.

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, NAV or GAV, pursuant to the terms of each underlying investment management agreement.

Presented below are total AUM and FEEUM by product:

(In billions)	June 30, 2024	December 31, 2023
Assets Under Management	**$ 84.5**	**$ 80.1**
Fee Earning Equity Under Management		
DBP Series	$ 13.9	$ 13.0
Co-Investment Vehicles	9.5	9.5
InfraBridge	5.2	5.1
Core, Credit and Liquid Strategies	2.9	2.8
Separately Capitalized Portfolio Companies	1.2	2.4
	$ 32.7	**$ 32.8**

The following table summarizes changes in FEEUM:

(In billions)	Six Months Ended June 30, 2024
Fee Earning Equity Under Management	
Balance at January 1	$ 32.8
Inflows [(1)]	2.6
Outflows [(2)]	(2.6)
Market activity and other [(3)]	(0.1)
Balance at June 30	$ 32.7

(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.

(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. Amount was less than $100 million in the first half of 2024.

There was a marginal decrease in FEEUM to $32.7 billion at June 30, 2024 compared to $32.8 billion at December 31, 2023. In the first half of 2024, FEEUM contributed by capital raise for our third flagship fund and additional invested capital from other DBP funds were offset by the effects of various recapitalization and syndication of fund investments, resulting in a marginal net decrease in our fee base.

Non-GAAP Supplemental Financial Measures

We report the following non-GAAP financial measures attributable to the Operating Company: Fee Related Earnings ("FRE") and Distributable Earnings ("DE"). FRE and DE are common metrics utilized in the investment management sector.

We present FRE and DE at the Operating Company level, which is net of amounts attributed to noncontrolling interests, composed largely of the limited partners' share of our consolidated funds and Wafra's share of earnings attributed to our general partner interest in certain funds.

Beginning in 2024, FRE is reported on a Company-wide basis, consistent with the entirety of the Company's business representing a single reportable segment (as discussed in Note 16 to the consolidated financial statements). Prior to 2024, the Company had reported Investment Management FRE, which was an FRE measure specific to its previously reported Investment Management segment. The Investment Management segment previously bore only operating costs that were directly attributable or otherwise can be subjected to a reasonable and systematic attribution to the Investment Management segment. Company-wide FRE includes all operating costs of the Company as a whole that fall within the definition of FRE.

Additionally, Adjusted Earnings before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA") is no longer reported as a non-GAAP financial measure in 2024 following the discontinuance of the Operating segment effective December 31, 2023. Adjusted EBITDA was previously reported to facilitate an evaluation of the relative contribution of the Company's former Operating segment absent the effect of leverage as the Operating segment had higher leverage relative to the Company's own capital structure.

We believe the non-GAAP financial measures of FRE and DE 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 FRE and DE in evaluating the Company's ongoing business performance and in making operating decisions. For the same reasons, we believe FRE and DE are useful financial measures to the Company's investors and analysts.

As we evaluate profitability based upon continuing operations, these non-GAAP measures exclude results from discontinued operations. DE presented for the 2023 comparative period has been recast to exclude the Operating segment which qualified as discontinued operations on December 31, 2023.

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.

Fee-Related Earnings

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. FRE represents recurring fee revenue, including incentive fees that are not subject to realization events related to underlying fund investments, net of compensation and administrative expenses. Such expenses generally exclude non-cash equity-based compensation, carried interest compensation, and placement fee expense. Also, consistent with DE, FRE excludes non-core items, and presents costs reimbursable by our managed funds on a net basis (as opposed to a gross-up of other income and administrative costs). Where applicable, FRE is adjusted for Start-Up FRE as defined below.

Fee revenues earned from consolidated funds and other investment vehicles are eliminated in consolidation. However, because the fees are funded by and earned from third party investors in these consolidated vehicles who represent noncontrolling interests, our allocated share of net income from the consolidated funds and other vehicles is increased by the amount of fees that are eliminated. The elimination of these fees, therefore, does not affect net income (loss) attributable to DBRG. Accordingly, FRE is presented without giving effect to the elimination of fee revenue to the extent such fees meet the definition of FRE.

FRE does not include distributed carried interest as these are not recurring revenues and are subject to variability given that they are dependent upon realization events related to underlying fund investments. Placement fees are also excluded from FRE as they are inconsistent in amount and frequency depending upon timing of fundraising for our funds. Other items excluded from FRE include realized principal investment income (loss); and interest, dividend and other income, all of which are not core to the investment management service business. Unlike DE, which is a post-tax measure, FRE does not incorporate the effect of income taxes as it is a pre-tax measure.

To reflect a stabilized investment management business, FRE is further adjusted to exclude Start-Up FRE, where applicable. 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 FRE only for investment products that may be terminated solely at the Company's discretion. The Company regularly evaluates new investment strategies and exclude Start-Up FRE until such time a new strategy is determined to form part of the Company's core investment management business.

We believe that FRE is a useful measure to investors as it reflects the Company's profitability based upon recurring fee streams that are not subject to realization events related to underlying fund investments, 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 in an investment management service business. This allows for better comparability of the Company's profitability on a recurring and sustainable basis and relative to its peers.

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 is an after-tax measure that reflects the ongoing operating performance of the Company's core business by including earnings that are realized and generally excluding non-cash expenses, other 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.

Realized earnings included in DE are generally comprised of fee revenue, including all incentive fees, realized principal investment income (loss), distributed carried interest, interest and dividend income. Income (loss) on principal investments is realized when the Company redeems all or a portion of its investment or when the Company receives or is due income such as dividends, interest or distributions of income.

The following items are excluded from DE: transaction-related costs; non-core items; other gain (loss); unrealized principal investment income (loss); non-cash depreciation and amortization expense, non-cash impairment charges (if any); amortization of deferred financing costs, debt premiums and discounts; our share of unrealized carried interest allocation, net of associated expense; non-cash equity-based compensation costs; and preferred stock redemption gain (loss).

Transaction-related costs are incurred in connection with acquisitions, including legal costs post-acquisition, and costs of unconsummated transactions. Non-core items primarily include acquisition-related compensation and certain severance costs, as well as litigation and settlement-related matters, which are presented within compensation expense—cash and equity-based, administrative and other expenses, and other gain (loss), net on GAAP income statement. These costs, along with certain 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.

Income taxes applied in the determination of DE generally represents GAAP income tax related to continued operations, and includes the benefit of deductions available to the Company on certain expense items excluded from DE (for example, equity-based compensation). As the income tax benefit arising from these excluded expense items do affect actual income tax paid or payable by the Company in any one period, the Company believes their inclusion in DE is appropriate to more accurately reflect amounts available for distribution.

Non-GAAP Results

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

(In thousands)	Three Months Ended June 30, 2024	2023	Change
Fee revenue	$ 78,688	$ 66,598	$ 12,090
Cash compensation	(35,644)	(31,882)	(3,762)
Administrative and other expenses	(17,076)	(14,274)	(2,802)
Start-Up FRE	—	1,165	(1,165)
Fee-Related Earnings—attributable to Operating Company	**25,968**	**21,607**	4,361
Realized principal investment income [1]	7,551	2,087	5,464
Distributed carried interest and incentive fees subject to realization events, net of associated expense allocation	186	—	186
Interest, dividend and other income	3,094	10,720	(7,626)
Interest expense and preferred dividends	(17,177)	(19,592)	2,415
Placement fee and other expenses	—	(5,384)	5,384
Income tax benefit (expense)	7	(2,770)	2,777
Start-up FRE	—	(1,165)	1,165
Distributable Earnings, after tax—attributable to Operating Company	**$ 19,629**	**$ 5,503**	14,126

(1) For purposes of DE, 2023 included distributions from a portfolio company in the former Operating segment.

Fee-Related Earnings.

FRE increased $4.4 million, or 20%, to $26.0 million, resulting from continued growth in our investment management business as FEEUM increased 12% from $29.1 billion at June 30, 2023 to $32.7 billion at June 30, 2024. This reflects primarily fee revenue from new capital raised for our third flagship fund, partially offset by decreases in fees in other funds due to change in fee basis, syndications and recapitalizations. Additionally, higher compensation and administrative costs were incurred in 2024 in supporting our growing investment management business.

Distributable Earnings.

DE increased $14.1 million to $19.6 million. In addition to the improvement in FRE, DE also benefited from the receipt of final proceeds from the 2023 sale of our interest in DataBank which represented a gain in 2024, lower interest expense following the exchange into equity or redemption of our exchangeable notes, and the absence of placement fee expense in 2024. However, DE was partially reduced by lower interest income in 2024.

Distributable Earnings and Fee-Related Earnings Reconciliation

(In thousands)	Three Months Ended June 30, 2024	2023
Net income (loss) attributable to common stockholders	$ 76,763	$ (22,411)
Net income (loss) attributable to noncontrolling interests in Operating Company	5,426	(1,745)
Net income (loss) attributable to Operating Company	82,189	(24,156)
Transaction-related and non-core items [(1)]	5,344	6,611
Other (gain) loss, net [(2)]	(13,451)	11,739
Unrealized principal investment income	(7,813)	(30,409)
Unrealized carried interest, net of associated expense (allocation) reversal [(3)]	(75,065)	(9,974)
Equity-based compensation	17,641	20,691
Depreciation and amortization expense	8,097	11,353
Amortization of deferred financing costs, debt premiums and discounts	584	690
Preferred stock redemption (gain) loss	—	(927)
Adjustments attributable to noncontrolling interests in investment entities [(4)]	1,381	4,080
OP share of (income) loss from discontinued operations [(5)] [(6)]	722	15,805
Distributable Earnings, after tax—attributable to Operating Company	**19,629**	**5,503**
Realized principal investment income [(6)]	(7,551)	(2,087)
Distributed carried interest and incentive fees subject to realization events, net of associated expense allocation [(3)]	(186)	—
Interest, dividend and other income	(3,094)	(10,720)
Interest expense and preferred dividends	17,177	19,592
Placement fee and other expenses	—	5,384
Income tax (benefit) expense	(7)	2,770
Start-up FRE	—	1,165
Fee-Related Earnings—attributable to Operating Company	**$ 25,968**	**$ 21,607**

(1) Non-core items primarily include acquisition-related compensation and certain severance costs, as well as litigation and settlement-related matters, which are presented within compensation expense—cash and equity-based, administrative and other expenses, and other gain (loss), net on GAAP income statement.

(2) Comprises (i) all unrealized gains and losses; and (ii) realized gains and losses recorded by consolidated funds or associated with non-core investments.

(3) Carried interest and incentive fees are presented net of expense allocation or reversal. The expense component is included within compensation expense—incentive fees and carried interest allocation (reversal), other gain (loss), and net income (loss) attributable to noncontrolling interests in investment entities on the GAAP income statement.

(4) Adjustments attributable to noncontrolling interests in investment entities pertain to other gain/loss attributed to limited partners of consolidated funds, and a third party investor's share of principal investment income attributed to our general partner interest in certain sponsored funds. Allocation of unrealized carried interest to management and a third party investor is netted against "unrealized carried interest, net of expense (allocation) reversal" for all periods presented (recasted for periods prior to the second quarter of 2024 when it was presented gross in "adjustments attributable to noncontrolling interests in investment entities").

(5) OP share of discontinued operations represents primarily operating results of portfolio companies consolidated in the former Operating segment prior to 2024, net of associated noncontrolling interests in investment entities.

(6) For purposes of DE, 2023 included distributions from a portfolio company in the former Operating segment.

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;
- our operations, including compensation, administrative and overhead costs;
- principal and interest payments on our debt;
- dividends to our preferred and common stockholders;

- our liability for corporate and other taxes;
- acquisitions of target investment management businesses;
- warehouse investments pending the raising of third party capital for future investment vehicles; and
- obligation for lease payments on our corporate offices.

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;
- proceeds from full or partial realization of investments; and
- proceeds from public or private equity and debt offerings.

Overview

At June 30, 2024, our liquidity position was approximately $427 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 continuously 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 2024

- We continued to reduce higher cost corporate indebtedness through the full exchange or redemption of the remaining $78.4 million of 5.75% senior notes, which will result in annual interest savings of approximately $4.5 million.
- We settled the remaining $35 million contingent consideration payable to Wafra in connection with the 2022 redemption of their investment in the Company's investment management business, 50% each in shares of the Company's Class A common stock and in cash.

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.

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 our securitized financing facility, as summarized below.

($ in thousands)	Outstanding Principal	Interest Rate (Per Annum)	Anticipated Repayment Date	Years Remaining to Maturity
Class A-2 Notes	$ 300,000	3.93 %	September 2026	2.2

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 June 30, 2024, we have unfunded commitments totaling $281.1 million to our sponsored funds. 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

InfraBridge Acquisition—In connection with the InfraBridge acquisition in February 2023, contingent consideration of up to AUD 180 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 $9.5 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 June 30, 2024, warehoused investments aggregated to $51 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 a decline in investment values results in the 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. The Company withholds a portion of the distribution of carried interest to employees to satisfy their potential clawback obligation.

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.

At June 30, 2024, the Company had no liability for clawback obligations on distributed carried interest.

Lease Obligations

At June 30, 2024, we had $44 million of operating lease obligations on our corporate offices, which will be 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 $300 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 business, generally encompassing recurring fee revenue net of associated compensation and administrative expenses. Management fee revenue 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 revenue 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, primarily in our sponsored funds as general partner affiliate, generate cash largely through capital appreciation upon liquidation, and interest income from our credit fund.

Asset Monetization

We intend to monetize and recycle capital from our non-core investments through opportunistic asset sales. In July 2024, we monetized marketable equity securities that form non-core investments for total net proceeds of $9.8 million. Following this sale, remaining marketable equity securities available for future monetization totaled $25.1 million based upon their June 30, 2024 market price.

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.

	Six Months Ended June 30,	
(In thousands)	2024	2023
Cash, cash equivalents and restricted cash—beginning of period	$ 350,250	$ 1,036,739
Net cash generated by (used in):		
Operating activities	(4,483)	91,850
Investing activities	(17,227)	(571,554)
Financing activities	(61,920)	24,106
Effect of exchange rates on cash, cash equivalents and restricted cash	(704)	429
Cash, cash equivalents and restricted cash—end of period	$ 265,916	$ 581,570

Operating Activities

Cash inflows from operating activities are generated primarily through fee-related earnings, distributions of our share of net carried interest, distribution of earnings from our general partner affiliate interests in our sponsored funds, and prior to deconsolidation of the portfolio companies in the former Operating segment during 2023, net operating income from investment properties.

Our operating activities generated net cash outflows of $4.5 million in 2024 and inflows of $91.9 million in 2023. 2023 cash inflows were driven largely by the operating activities of portfolio companies in the former Operating segment.

Investing Activities

Investing activities relate to general partner and general partner affiliate investments in sponsored funds, including drawdown of commitments and return of investments from realized fund investments; origination or acquisition of warehoused investments and subsequent repayments, sales and transfers of warehoused investments; business combinations; and prior to deconsolidation of portfolio companies in the Operating segment in 2023, acquisition of real estate.

Our investing activities generated net cash outflows of $17.2 million in 2024 and $571.6 million in 2023.

- In 2024, equity investments recorded net cash outflows of $14.2 million, attributed primarily to fundings of our general partner and general partner affiliate commitments in our sponsored funds, net of return of capital. This was partially offset by net proceeds from investing activities of our consolidated liquid funds which hold marketable equity securities.
- The large net cash outflows in 2023 can be attributed to (i) real estate investing activities which generated net cash outflows of $511.0 million, attributable to capital expenditures in the data center portfolio of our former Operating segment; and (ii) $314.3 million paid, net of cash assumed, for the acquisition of InfraBridge. These outflows were partially offset by net cash inflows of $245.1 million from equity investments, largely representing $201.6 million proceeds 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, partially offset by funding of our general partner and general partner affiliate commitments, net of return of capital.

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, prior to deconsolidation in 2023, portfolio companies in the former Operating segment financed their investing activities largely through investment-level secured debt and incurred cash outlays for debt servicing and distributions to their third party investors who represented noncontrolling interests.

Financing activities generated net cash outflows in 2024 and inflows in 2023.

- In 2024, net cash outflows of $61.9 million represent cash settlement of the Wafra contingent consideration of $17.5 million, $5.0 million cash redemption of our 5.75% senior notes, $14.6 million of investor capital redeemed by our consolidated liquid funds, net of contribution, and $32.6 million payment of our preferred and common stock dividends. This was partially offset by a $6.1 million syndication of our interest in a consolidated fund and separately, Wafra's share of our general partner funding of commitments in DBP I.
- Net cash inflows of $24.1 million in 2023 represent primarily $421.1 million of additional investment-level debt in the former Operating segment, largely offset by the full repayment of our $200 million 5.00% convertible senior notes, $90 million contingent consideration payment to Wafra, $73.5 million distributed for capital redeemed by a noncontrolling interest in a consolidated liquid fund, and income distribution to noncontrolling interests in our former Operating segment.

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, 2023.

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 2024 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 revenue, principal investment 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, held primarily by consolidated investment vehicles.

Market Risk Effect on Fee Revenue, Principal Investment 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 revenue. Generally, our management fee revenue 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, or invested capital from inception for Credit and co-investment vehicles. To a lesser extent, management fees are based upon the NAV of vehicles in our Liquid Strategies or GAV for certain InfraBridge vehicles, measured at fair value. At June 30, 2024, vehicles with NAV or GAV fee basis made up 5% of our $32.7 billion FEEUM. Accordingly, most of our management fee revenue will not be directly affected by changes in investment fair values.

Principal Investment Income (Loss)—This is our share of income (loss) from equity interests in our sponsored funds, which in turn is largely driven by fair value changes in the underlying investments of the funds.

A hypothetical 10% decline in the fair value of fund investments at June 30, 2024 would decrease the OP's share of principal investment income by approximately $121 million.

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. 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. Carried interest is subject to reversal until such time it is distributed. 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.

A hypothetical 10% decline in the fair value of fund investments at June 30, 2024 would decrease carried interest by approximately $140 million, representing the OP's share of carried interest net of allocations to employees, former employees and Wafra. In the same scenario, generally no incentive fees would be realized.

Foreign Currency Risk

As of June 30, 2024, 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 InfraBridge advisor subsidiary which receives fee revenue predominantly in U.S. dollars but incur operating costs in Pound Sterling.

We may have foreign currency denominated investments held by our U.S. subsidiaries that are temporarily warehoused on the balance sheet. At June 30, 2024, our foreign currency exposure is limited to only one AUD equity investment (cost of investment at AUD 35 million). Based upon book value of the investment (which is lower than cost), a hypothetical 100 basis point decline in the AUD/USD rate at June 30, 2024 would have an immaterial effect on earnings.

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.

Our corporate debt exposure to variable interest rates is limited to our VFN revolver, which had no outstanding balance as of June 30, 2024.

Equity Price Risk

At June 30, 2024, we had $112 million of long positions and $46 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 stockholders is further reduced as our consolidated liquid funds are partially owned by third party capital, which represent redeemable noncontrolling interests.

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 June 30, 2024.

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 June 30, 2024 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 June 30, 2024, 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, 2023, which is available on the SEC's website at www.sec.gov.

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

Shares of class A common stock, as described below, were issued in reliance on Section 4(a)(2) of the Securities Act of 1933, as amended.

Redemption of Membership Units in OP ("OP Units")

Holders of OP Units have the right to require the OP to redeem all or a portion of their OP units for cash or, at our option, shares of our class A common stock on a one-for-one basis. In the second quarter of 2024, in satisfaction of redemption request by a former employee OP Unit holder, 74 shares of our class A common stock were issued to the former employee.

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 June 30, 2024, 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."

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Item 6. Exhibits.

EXHIBIT INDEX

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 3.2 to the Company's Quarterly Report on Form 10-Q filed on August 4, 2023)
3.3	Articles Supplementary designating 7.15% Series I Cumulative Redeemable Perpetual Preferred Stock, liquidation preference $25.00 per share, par value $0.01 per share (incorporated by reference to Exhibit 3.2 to the Company's Form 8-A filed on June 5, 2017)
3.4	Articles Supplementary designating 7.125% Series J Cumulative Redeemable Perpetual Preferred Stock, liquidation preference $25.00 per share, par value $0.01 per share (incorporated by reference to Exhibit 3.3 to the Company's Registration Statement on Form 8-A filed on September 22, 2017)
10.1†	DigitalBridge Group, Inc. 2024 Omnibus Stock Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Registration Statement on Form S-8, filed on April 29, 2024)
10.2†	Form of Restricted Stock Agreement under 2024 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q, filed on May 3, 2024)
10.3†	Form of Performance Restricted Stock Unit Agreement under 2024 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q, filed on May 3, 2024)
10.4†*	Consulting Agreement between Jacky Wu and the Company (pursuant to the terms of Mr. Wu's employment agreement), dated as of June 30, 2024
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 Thomas Mayrhofer, 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 Thomas Mayrhofer, 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: August 8, 2024

DigitalBridge Group, Inc.

By: /s/ Marc C. Ganzi

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

By: /s/ Thomas Mayrhofer

Thomas Mayrhofer
Chief Financial Officer
(Principal Financial Officer)

By: /s/ Tracey Teh

Tracey Teh
Chief Accounting Officer
(Principal Accounting Officer)

CONSULTING AGREEMENT

THIS CONSULTING AGREEMENT ("Agreement"), made as of the 30th day of June, 2024 by and between DigitalBridge Group Advisors, LLC ("DBG") and Jacky Wu (the "Consultant").

RECITALS:

WHEREAS, Consultant was employed by DigitalBridge Group, Inc. ("DBRG"), the parent company of DBG, pursuant to an Employment Agreement dated as of November 13, 2023 (the "Employment Agreement");

WHEREAS, Consultant and DBRG are also party to a Restrictive Covenant Agreement, which was effective as of March 23, 2020 (the "Restrictive Covenant Agreement");

WHEREAS, Consultant's employment with DBRG terminates as of the date hereof pursuant to the Employment Agreement;

WHEREAS, Section 2(c) of the Employment Agreement provides that Mr. Wu and DBRG will enter into a consulting agreement providing for Mr. Wu to serve as a non-employee strategic advisor to the Company through December 31, 2024 and Section 8(o) of the Employment Agreement provides that Mr. Wu will provide cooperation with respect to matters relating to events that occurred during his employment with DBRG; and

WHEREAS, DBG desires to engage Consultant to provide such services and cooperation;

NOW, **THEREFORE**, in consideration of the foregoing, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Engagement**. DBG hereby engages Consultant to provide the Services during the Term (as defined below), and Consultant hereby accepts such engagement upon the terms and conditions hereinafter set forth.

2. **Term.** The term of this Agreement shall commence on July 1, 2024 (the "Effective Date") and shall continue until terminated in accordance with Section 5 below (the "Term").

3. **Duties**. Consultant agrees to serve as a non-employee strategic advisor to DBRG and to provide such services and advice as are requested by the executive officers and board of directors of DBRG, subject to an aggregate limit of 300 hours, through December 31, 2024 (the "Advisory Services"). Advisory Services shall include advice and support relating to the dissolution and winding up of legacy DBRG entities (including CLAF), post-closing matters

related to the sale of legacy Colony assets, the SEC investigation of CCIA and matters relating to former DBRG executives. In addition, Consultant shall provide reasonable cooperation to DBG and its affiliates pursuant to clause 8(o) of the Employment Agreement through December 31, 2025 (the "Cooperation Services, and, together with the Advisory Services, the "Services"). Consultant shall perform all Services in accordance with this Agreement and in compliance with all applicable laws.

4. **Fees; Expense Reimbursement**.

a) Retainer Fee. In consideration of the Advisory Services provided by Consultant under this Agreement, DBG shall pay or cause to be paid to Consultant a fee of $60,000 per month, and, in consideration of the Cooperation Services provided by Consultant under this Agreement that exceed 8 hours in any 12-month period, DBG shall pay or cause to be paid to Consultant a fee of $1,000 per hour (together, the "Retainer Fee"). The Retainer Fee shall be paid by or on behalf of DBG, monthly in arrears. In addition, in the event Consultant is requested to provide Advisory Services in excess of 300 hours, Consultant may agree to provide such services at the Retainer Fee rate.

b) Reimbursement of Expenses. Consultant shall be reimbursed for all reasonable and documented out-of-pocket expenses paid to third parties incurred by Consultant in connection with the performance of the Services hereunder in accordance with DBG's policies.

c) Taxes. In no event shall DBG or any Affiliate thereof be responsible for any value-added, export, withholding or other applicable taxes related to or in connection with payment of any Retainer Fee; in the event any such taxes are due and payable, such taxes shall be remitted by Consultant to the appropriate taxing authority as a deduction from the foregoing payments.

5. **Termination of the Agreement.** This Agreement shall terminate upon either Consultant or DBG electing, for any reason or no reason, to terminate this Agreement upon five (5) days' prior written notice to the other party on or after December 31, 2025 (the "Termination Date). Following the Termination Date, DBG shall pay or cause to be paid to Consultant, within thirty (30) days of receipt from Consultant of an invoice therefor: (a) any Retainer Fee earned, but unpaid, for Services rendered to DBG on or prior to the Termination Date; and (b) any unreimbursed expenses reimbursable to Consultant pursuant to Section 4 hereof for expenses incurred on or prior to the Termination Date.

6. **Restrictive Covenant Agreement**.

Consultant and DBG agree that Sections 3, 4, 5, 6 and 7 of the Restrictive Covenant Agreement, as well as the related definitions, are hereby incorporated in this Agreement and will apply to the Services and all other activities undertaken pursuant to this Agreement.

7. **Notices**. All demands, notices, requests, consents and other communications required or permitted under this Agreement shall be in writing and shall be personally delivered or sent by email (with a confirmation copy sent by one of the other methods authorized in this Section), reputable commercial overnight delivery service (including Federal Express and U.S. Postal Service overnight delivery service) or, deposited with the U.S. Postal Service mailed first class, registered or certified mail, postage prepaid, as set forth below:

If to DBG, addressed to:

DigitalBridge Group Advisors, LLC
Attn: Human Resources
750 Park of Commerce Drive, Suite 210
Boca Raton, FL 33487
Email: legal@digitalbridge.com

If to Consultant, addressed to:

Jacky Wu
[ ]
Email: [ ]

Notices shall be deemed given upon the earlier to occur of (i) receipt by the party to whom such notice is directed; (ii) if sent by electronic mail, on the day such notice is sent if sent prior to 5:00 p.m. Eastern Time and, if sent after 5:00 p.m. Eastern Time, on the day after which such notice is sent; (iii) on the first business day (other than a Saturday, Sunday or legal holiday in the jurisdiction to which such notice is directed) following the day the same is deposited with the commercial courier if sent by commercial overnight delivery service; or (iv) the third day (other than a Saturday, Sunday or legal holiday in the jurisdiction to which such notice is directed) following deposit thereof with the U.S. Postal Service as aforesaid. Each party, by notice duly given in accordance therewith, may specify a different address for the giving of any notice hereunder.

8. **Entire Agreement**. This Agreement constitutes the full and entire understanding and agreement between the parties with respect to the provision of the Services pursuant to this Agreement and supersedes all prior agreements and understandings, whether written or oral, among the parties, with respect thereto. For the avoidance of doubt, this Agreement does not supersede prior agreements between Consultant, DBRG, DBG or their affiliates to the extent not relating to the provision of the Services pursuant to this Agreement.

9. **Assignment**. Consultant shall not assign this agreement to another party without the prior written consent of DBG, which consent may or

may not be given at DBG's sole and absolute discretion. The provisions hereof shall inure to the benefit of, and be binding upon, DBG's successors and assigns. DBG shall have the right to assign this Agreement to an Affiliate thereof with notice to Consultant.

10. **Waivers and Amendments**. The respective rights and obligations of DBG and Consultant under this Agreement may be waived (either generally or in a particular instance, either retroactively or prospectively, and either for a specified period of time or indefinitely) by such respective party in writing. This Agreement may be amended only with the written consent, of a duly authorized representative of DBG and Consultant.

11. **Controlling Law**. This Agreement is made under, and shall be construed and enforced in accordance with and governed by the laws of the State of New York applicable to agreements made and to be performed solely therein (without giving effect to any principles of conflicts of law or choice of law thereof that would cause the application of the domestic substantive laws of any other jurisdiction).

12. **Mandatory and Binding Arbitration**. Consultant and DBG agree that the arbitration provisions set forth in Section 8(i) of the Employment Agreement are hereby incorporated in this Agreement and, except as provided in Section 13 of this Agreement, shall apply to any dispute arising between the parties to this Agreement, including, but not limited to, any act which allegedly has or would violate any provisions of this Agreement, and including, but not limited to, disputes pertaining to the formation, validity, interpretation, effect, or alleged breach of this Agreement.

13. **Equitable Remedies**. Consultant acknowledges and agrees that DBG's remedies at law for a breach or threatened breach of any of the provisions of Section 6 might be inadequate and DBG could suffer irreparable damages as a result of such breach or threatened breach. In recognition of this fact, Consultant agrees that, in the event of such a breach or threatened breach, in addition to any remedies at law, DBG, without posting any bond, shall be entitled to seek to obtain equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction or any other equitable remedy which may then be available. DBG and Consultant agree that the covenants set forth in this Agreement shall be enforced to the fullest extent permitted by law. In the event that any one or more of such covenants shall, either by itself or together with other covenants be adjudged to go beyond what is reasonable in all the circumstances for the protection of the interests of DBG and its members, but would be adjudged reasonable if any particular covenant or covenants or parts thereof were deleted, restricted, or limited in a particular manner, then the said covenants shall apply with such deletions, restrictions, or limitations, as the case may be. DBG and Consultant further agree that the covenants set forth in this Agreement are reasonable in all circumstances for the protection of the legitimate interests of DBG and its members. Notwithstanding

the foregoing, in addition to any other right or remedy available to DBG, DBG may cease making any payments otherwise due under this Agreement, in the event of a breach or threatened breach by Consultant of Section 6 of this Agreement.

14. **Limited Role of Consultant**. DBG acknowledges and agrees that in connection with the provision of the Services, Consultant is not providing legal, tax or accounting advice. DBG is solely relying on its own internal and external advisors with respect to obtaining advice on all such matters.

15. **Indemnification.**

(i) DBG shall indemnify and hold harmless Consultant from and against all claims, actions, losses, damages, liabilities, costs and expenses (including, without limitation, reasonable attorneys' fees and disbursement and other legal expenses) (collectively, "Losses"), arising directly or indirectly from or in connection with the provision of the Services or other actions taken in connection with this Agreement, except to the extent such Losses are caused by actions or omissions of Consultant constituting fraud, willful misconduct, bad faith or gross negligence. If Consultant is, or is threatened to be made, a party to any such claim or action, DBG shall without requiring a preliminary determination of the Consultant's ultimate entitlement to indemnification hereunder, advance all reasonable expenses incurred by or on behalf of Consultant in connection with such claim or action. DBG shall make such advance within ten days after the receipt by DBG of a statement or statements requesting such advance or advances from time to time, whether prior to or after final disposition of such claim or action. For the avoidance of doubt, nothing in this Section 15 or in this Agreement shall in any way modify, alter or amend the terms of the Indemnification Agreement dated July 1, 2020 between Consultant and DBRG, and the terms of such Indemnification Agreement shall remain in full force and effect.

(ii) Notwithstanding Section 15(i) above, Consultant shall have full responsibility for all applicable taxes for all compensation paid to Consultant under this Agreement, including any withholding requirements that apply to any such taxes, and for compliance with all applicable labor and employment requirements with respect to Consultant's self-employment, sole proprietorship or other form of business organization, and to the extent applicable, state worker's compensation insurance coverage requirements and any U.S. immigration visa requirements. Consultant agrees to indemnify, defend and hold DBG harmless from any liability for, or assessment of, any claims or penalties or interest with respect to such taxes, labor or employment requirements, including any liability for, or assessment of, taxes imposed on the Company by the relevant taxing authorities with respect to any compensation paid under this Agreement or any liability related to the withholding of such taxes.

16. **Survival**. Sections 5 through 20 shall survive any termination or expiration of this Agreement.

17. **Independent Contractor**. Consultant is an independent contractor of DBG. Nothing contained in this Agreement shall be construed to create the relationship of employer and employee, principal and agent, partnership or joint venture, or any other fiduciary relationship. Consultant and DBG acknowledge and agree that Consultant's employment with DBRG terminated on June 30, 2024, and nothing contained in this Agreement shall be construed to change Consultant's status as a former officer and employee of DBRG, provided, that (i) Consultant's Fund Incentives (as defined in the Employment Agreement) shall continue to vest through December 31, 2024 and (ii) certain Fund Incentives shall vest as of the Release Effective Date (as defined in the Employment Agreement) pursuant to Section 4(e)(iii) of the Employment Agreement. Consultant has no authority to act as agent for, or on behalf of, DBG, or to represent DBG, or bind DBG in any manner. Consultant will not be entitled to worker's compensation, retirement, insurance or other benefits afforded to employees of DBG or any Affiliate thereof. For the avoidance of doubt and notwithstanding anything to the contrary in this Agreement, the parties agree and acknowledge that neither party nor any of their Affiliates shall have any obligation to enter into an employment relationship at any time. The parties may only enter into an employment relationship upon the entry into a separate employment agreement, which each party shall determine in its sole and absolute discretion.

18. **Conflicts with this Agreement**. Consultant represents and warrants that Consultant is not under any pre-existing obligation in conflict or in any way inconsistent with the provisions of this Agreement. Consultant represents and warrants that Consultant's performance of all the terms of this Agreement will not breach any agreement to keep in confidence proprietary information acquired by Consultant in confidence or in trust prior to commencement of this Agreement. Consultant represents and warrants that Consultant has the right to disclose and/or or use all ideas, processes, techniques and other information, if any, which Consultant has gained from third parties or in the performance of services for third parties, and which Consultant discloses to DBG or uses in the course of performance of this Agreement, without liability to such third parties. Notwithstanding the foregoing, Consultant shall not bundle with or incorporate into any deliverables provided to DBG hereunder any third party products, ideas, processes, or other techniques, without the express, written prior approval of DBG. Consultant represents and warrants that Consultant has not granted and will not grant any rights or licenses to any intellectual property or technology that would conflict with Consultant's obligations under this Agreement. Consultant will not infringe upon any copyright, patent, trade secret or other property right of any former employer, client or third party in the performance of the Services. Consultant shall not enter into any written or oral agreement that conflicts with the provisions of this Agreement.

19. **Representations and Warranties**. Consultant represents to DBG that (i) neither the execution, delivery and performance of this Agreement nor the provision of the Services hereunder will violate any applicable Laws, including, without limitation, any and all "pay-to-play", anti-bribery, anti-corruption or other similar Laws, (ii) Consultant has not been found liable for or settled any legal actions, suits or arbitrations in connection with any services that are similar to the Services, or has been charged or convicted of any crime of moral turpitude or violation of securities Laws and (iii) Consultant agrees to immediately notify DBG in the event any of the above representations or warranties become untrue or if Consultant would no longer be able to make any of the above representations or warranties on any day during the Term.

20. **Severability: Title and Subtitles; Gender; Singular and Plural Counterparts; Electronic Transmission**.

(i) In case any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

(ii) The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

(iii) The use of any gender in this Agreement shall be deemed to include the other genders, and the use of the singular in this Agreement shall be deemed to include the plural (and vice versa), wherever appropriate.

(iv) This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together constitute one instrument.

(v) Counterparts of this Agreement (or applicable signature pages hereof) that are manually signed and delivered by electronic mail or other electronic transmission shall be deemed to constitute signed original counterparts hereof and shall bind the parties signing and delivering in such manner.

[remainder of page intentionally left blank]

WITNESS THE DUE EXECUTION AND DELIVERY HEREOF on the date first above written.

COMPANY:

DIGITALBRIDGE GROUP ADVISORS, LLC

By: /s/ Thomas Mayrhofer
Name: Thomas Mayrhofer

Title: Vice President

CONSULTANT:

By: /s/ Jacky Wu
Name: Jacky Wu

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: August 8, 2024

/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, Thomas Mayrhofer, 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: August 8, 2024

/s/ Thomas Mayrhofer

Thomas Mayrhofer
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 June 30, 2024 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:	August 8, 2024	/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-K for the three months ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Thomas Mayrhofer, 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: August 8, 2024

/s/ Thomas Mayrhofer

Thomas Mayrhofer
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.