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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2022

or

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

For the transition period from to

Commission File Number: 001-39653



BLUE OWL CAPITAL INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

86-3906032
(I.R.S. Employer
Identification No.)

399 Park Avenue, New York, NY 10022
(address of principal executive offices)

(212) 419-3000
(Registrant's telephone number, including area code)

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

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Class A common stock	OWL	New York Stock Exchange

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

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

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a 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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 provided pursuant to Section 13(a) of the Exchange Act.

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

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date.

Class	Outstanding at November 1, 2022
Class A common stock, par value \$0.0001	438,600,597
Class B common stock, par value \$0.0001	—
Class C common stock, par value \$0.0001	637,263,151
Class D common stock, par value \$0.0001	319,132,127

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DEFINED TERMS

Assets Under Management or AUM	Refers to the assets that we manage, and are generally equal to the sum of (i) net asset value (“NAV”); (ii) drawn and undrawn debt; (iii) uncalled capital commitments; (iv) total managed assets for certain Real Estate products; and (v) par value of collateral for collateralized loan obligations (“CLOs”).
Annual Report	Refers to our annual report for the year ended December 31, 2021, filed with the SEC on Form 10-K on February 28, 2022.
our BDCs	Refers to our business development companies, as regulated under the Investment Company Act of 1940, as amended: Owl Rock Capital Corporation (NYSE: ORCC) (“ORCC”), Owl Rock Capital Corporation II (“ORCC II”), Owl Rock Capital Corporation III (“ORCC III”), Owl Rock Technology Finance Corp. (“ORTF”), Owl Rock Technology Finance Corp. II (“ORTF II”), Owl Rock Core Income Corp. (“ORCIC”) and Owl Rock Technology Income Corp. (“ORTIC”).
Blue Owl, the Company, the firm, we, us, and our	Refers to the Registrant and its consolidated subsidiaries.
Blue Owl Carry	Refers to Blue Owl Capital Carry LP.
Blue Owl GP	Refers collectively to Blue Owl Capital GP Holdings LLC and Blue Owl Capital GP LLC, which are directly or indirectly wholly owned subsidiaries of the Registrant that hold the Registrants interests in the Blue Owl Operating Partnerships.
Blue Owl Holdings	Refers to Blue Owl Capital Holdings LP.
Blue Owl Operating Group	Refers collectively to the Blue Owl Operating Partnerships and their consolidated subsidiaries.
Blue Owl Operating Group Units	Refers collectively to a unit in each of the Blue Owl Operating Partnerships.
Blue Owl Operating Partnerships	Refers to Blue Owl Carry and Blue Owl Holdings, collectively.
Blue Owl Securities	Refers to Blue Owl Securities LLC, a Delaware limited liability company. Blue Owl Securities is a broker-dealer registered with the SEC, a member of FINRA and the SIPC. Blue Owl Securities is wholly owned by Blue Owl and provides distribution services to all Blue Owl Divisions.
Business Combination	Refers to the transactions contemplated by the Business Combination Agreement, which were completed on May 19, 2021.
Business Combination Agreement or BCA	Refers to the agreement dated as of December 23, 2020 (as the same has been or may be amended, modified, supplemented or waived from time to time), by and among Altamar Acquisition Corporation, Owl Rock Capital Group LLC, Owl Rock Capital Feeder LLC, Owl Rock Capital Partners LP and Neuberger Berman Group LLC.
Business Combination Date	Refers to May 19, 2021.
Class A Shares	Refers to the Class A common stock, par value \$0.0001 per share, of the Registrant.
Class B Shares	Refers to the Class B common stock, par value \$0.0001 per share, of the Registrant.
Class C Shares	Refers to the Class C common stock, par value \$0.0001 per share, of the Registrant.
Class D Shares	Refers to the Class D common stock, par value \$0.0001 per share, of the Registrant.
Class E Shares	Refers to the Class E common stock, par value \$0.0001 per share, of the Registrant.
CLOs	Refers to collateralized loan obligations.
Direct Lending	Refers to our Direct Lending products, which offer private credit solutions to middle-market companies through four investment strategies: diversified lending, technology lending, first lien lending, opportunistic lending, and also includes our CLOs. Direct Lending products are managed by the Owl Rock division of Blue Owl.
Dyal Capital	Refers to the Dyal Capital Partners business, which was acquired from Neuberger Berman Group LLC in connection with the Business Combination, and is now a division of Blue Owl.

Fee-Paying AUM or FPAUM	Refers to the AUM on which management fees are earned. For our BDCs, FPAUM is generally equal to total assets (including assets acquired with debt but excluding cash). For our other Direct Lending products, excluding CLOs, FPAUM is generally equal to NAV or investment cost. FPAUM also includes uncalled committed capital for products where we earn management fees on such uncalled committed capital. For CLOs, FPAUM is generally equal to the par value of collateral. For our GP Capital Solutions products, FPAUM for the GP minority equity investments strategy is generally equal to capital commitments during the investment period and the cost of unrealized investments after the investment period. For GP Capital Solutions' other strategies, FPAUM is generally equal to investment cost. For Real Estate, FPAUM is generally based on total assets (including assets acquired with debt).
Financial Statements	Refers to our consolidated and combined financial statements included in this report.
GP Capital Solutions	Refers to our GP Capital Solutions products, which primarily focus on acquiring equity stakes in, or providing debt financing to, large, multi-product private equity and private credit platforms through two existing investment strategies: GP minority equity investments and GP debt financing, and also including our professional sports minority investment strategy. GP Capital Solutions products are managed by the Dyal Capital division of Blue Owl.
NYSE	Refers to the New York Stock Exchange.
Oak Street	Refers to the investment advisory business of Oak Street Real Estate Capital, LLC that was acquired on December 29, 2021, and is now a division of Blue Owl.
Oak Street Acquisition	Refers to the acquisition of Oak Street completed on December 29, 2021.
Owl Rock	Refers collectively to the combined businesses of Owl Rock Capital Group LLC ("Owl Rock Capital Group") and Blue Owl Securities LLC (formerly, Owl Rock Capital Securities LLC), which was the predecessor of Blue Owl for accounting and financial reporting purposes. References to the Owl Rock division refer to Owl Rock Capital Group and its subsidiaries that manage our Direct Lending products.
Partner Manager	Refers to alternative asset management firms in which the GP Capital Solution products invest.
Part I Fees	Refers to quarterly performance income on the net investment income of our BDCs and similarly structured products, subject to a fixed hurdle rate. These fees are classified as management fees throughout this report, as they are predictable and recurring in nature, not subject to repayment, and cash-settled each quarter.
Part II Fees	Generally refers to fees from our BDCs and similarly structured products that are paid in arrears as of the end of each measurement period when the cumulative aggregate realized capital gains exceed the cumulative aggregate realized capital losses and aggregate unrealized capital depreciation, less the aggregate amount of Part II Fees paid in all prior years since inception. Part II Fees are classified as realized performance income throughout this report.
Permanent Capital	Refers to AUM in products that do not have ordinary redemption provisions or a requirement to exit investments and return the proceeds to investors after a prescribed period of time. Some of these products, however, may be required or can elect to return all or a portion of capital gains and investment income, and some may have periodic tender offers. Permanent capital includes certain products that are subject to management fee step downs or roll-offs or both over time.
Principals	Refers to our founders and senior members of management who hold, or in the future may hold, Class B Shares and Class D Shares. Class B Shares and Class D Shares collectively represent 80% of the total voting power of all shares.
Real Estate	Refers, unless context indicates otherwise, to our Real Estate products, which primarily focus on providing investors with predictable current income, and potential for appreciation, while focusing on limiting downside risk through a unique net lease strategy. Real Estate products are managed by the Oak Street division of Blue Owl.
Registrant	Refers to Blue Owl Capital Inc.
SEC	Refers to the U.S. Securities and Exchange Commission.
Tax Receivable Agreement or TRA	Refers to the Amended and Restated Tax Receivable Agreement, dated as of October 22, 2021, as may be amended from time to time by and among the Registrant, Blue Owl Capital GP LLC, the Blue Owl Operating Partnerships and each of the Partners (as defined therein) party thereto.
Wellfleet Acquisition	Refers to the acquisition of Wellfleet Credit Partners LLC completed on April 1, 2022.

AVAILABLE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information required by the Securities Exchange Act of 1934, as amended (the “Exchange Act”) with the SEC. We make available free of charge on our website (www.blueowl.com) our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements and other filing as soon as reasonably practicable after such material is electronically filed with or furnished to the SEC. We also use our website to distribute company information, including assets under management and performance information, and such information may be deemed material. Accordingly, investors should monitor our website, in addition to our press releases, SEC filings and public conference calls and webcasts.

Also posted on our website in the “Investor Relations—Governance” section is the charter for our Audit Committee, as well as our Corporate Governance Guidelines and Code of Business Conduct governing our directors, officers and employees. Information on or accessible through our website is not a part of or incorporated into this report or any other SEC filing. Copies of our SEC filings or corporate governance materials are available without charge upon written request to Blue Owl Capital Inc., 399 Park Avenue, 38th Floor, New York, New York 10022, Attention: Office of the Secretary. Any materials we file with the SEC are also publicly available through the SEC’s website (www.sec.gov).

No statements herein, available on our website or in any of the materials we file with the SEC constitute, or should be viewed as constituting, an offer of any fund.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Exchange Act, which reflect our current views with respect to, among other things, future events, operations and financial performance. You can identify these forward-looking statements by the use of forward-looking words such as “outlook,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “seeks,” “approximately,” “predicts,” “projects,” “intends,” “plans,” “estimates,” “anticipates” or the negative version of those words, other comparable words or other statements that do not relate to historical or factual matters. The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. Such forward-looking statements are subject to various risks, uncertainties (some of which are beyond our control) or other assumptions relating to our operations, financial results, financial condition, business prospects, growth strategy and liquidity that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. Some of these factors are described under the headings “Item 1A. Risk Factors” and “Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.” These factors should not be construed as exhaustive and should be read in conjunction with the risk factors and other cautionary statements that are included in this report and in our other periodic filings. If one or more of these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, our actual results may vary materially from those indicated in these forward-looking statements. New risks and uncertainties arise over time, and it is not possible for us to predict those events or how they may affect us. Therefore, you should not place undue reliance on these forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made. We do not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law.

PART I - FINANCIAL INFORMATION**Item 1. Financial Statements.**

The information required by this item is included in the Financial Statements set forth in the [F-pages](#) of this report.

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

The following Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”), should be read in conjunction with the unaudited consolidated and combined financial statements and the related notes included in this report. For a description of our business, please see “Business of Blue Owl” in the Annual Report.

2022 Third Quarter Overview

<i>(dollars in thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net Income (Loss) Attributable to Blue Owl Capital Inc. (After May 19, 2021) / Owl Rock (Prior to May 19, 2021)	\$ 2,060	\$ (53,323)	\$ (10,881)	\$ (376,253)
Fee-Related Earnings⁽¹⁾	\$ 209,814	\$ 141,858	\$ 578,261	\$ 286,339
Distributable Earnings⁽¹⁾	\$ 191,673	\$ 142,750	\$ 527,801	\$ 268,140

(1) For the specific components and calculations of these Non-GAAP measures, as well as a reconciliation of these measures to the most comparable measure in accordance with GAAP, see “—Non-GAAP Analysis” and “—Non-GAAP Reconciliations.”

Our results for the third quarter of 2021 do not include the results of Oak Street or Wellfleet; therefore, prior period amounts are not comparable to current period. Our results for the nine months ended September 30, 2021 do not include the results of Oak Street or Wellfleet, and include partial results of Dyal Capital; therefore, prior period amounts are not comparable to current period. Please see “—GAAP Results of Operations Analysis” and “—Non-GAAP Analysis” for a detailed discussion of the underlying drivers of our results, including the accretive impacts of the Dyal Acquisition, Oak Street Acquisition and Wellfleet Acquisition.

Assets Under Management

Blue Owl AUM: \$132.1 billion FPAUM: \$84.1 billion		
Direct Lending Products AUM: \$65.7 billion FPAUM: \$45.3 billion	GP Capital Solutions Products AUM: \$47.8 billion FPAUM: \$28.5 billion	Real Estate Products AUM: \$18.6 billion FPAUM: \$10.4 billion
Diversified Lending Commenced 2016 AUM: \$38.1 billion FPAUM: \$23.8 billion	GP Minority Equity Commenced 2010 AUM: \$46.1 billion FPAUM: \$27.5 billion	Net Lease Commenced 2009 AUM: \$18.6 billion FPAUM: \$10.4 billion
Technology Lending Commenced 2018 AUM: \$14.5 billion FPAUM: \$9.9 billion	GP Debt Financing Commenced 2019 AUM: \$1.4 billion FPAUM: \$0.8 billion	
First Lien Lending Commenced 2018 AUM: \$3.4 billion FPAUM: \$2.7 billion	Professional Sports Minority Investments Commenced 2021 AUM: \$0.3 billion FPAUM: \$0.1 billion	
Opportunistic Lending Commenced 2020 AUM: \$2.3 billion FPAUM: \$1.4 billion		
CLOs Commenced 2022 AUM: \$7.4 billion FPAUM: \$7.4 billion		

We finished the quarter with \$132.1 billion of AUM, which included \$84.1 billion of FPAUM. During the third quarter of 2022, approximately 93% of our management fees were earned on AUM from Permanent Capital. As of September 30, 2022, we have approximately \$10.7 billion in AUM not yet paying fees, providing approximately \$139 million of annualized management fees once deployed or upon the expiration of certain fee holidays. See “—Assets Under Management” for additional information, including important information on how we define these metrics.

Business Environment

Our business is impacted by conditions in the financial markets and economic conditions in the U.S., and to a lesser extent, elsewhere in the world.

In a continuation of the trends seen during the first half of 2022, inflation, interest rates, global gross domestic product (“GDP”) growth, geopolitical instability and the impact of COVID-19 variants on economic growth have remained in the spotlight, driving ongoing volatility in the public markets. Although U.S. inflation eased during the third quarter of 2022, it remains at a high level with slower global GDP growth forecasts. As expected, the Federal Reserve voted to increase the federal funds rate during the first three quarters of 2022.

Despite the elevated volatility in public markets, our operating trends remained positive and durable across the platform during the third quarter of 2022 with record fundraising that was diversified across institutional and private wealth channels. Direct Lending products continued to trend positively benefiting from rising interest rates and with limited impact from inflation, GP Capital Solutions products continued to fundraise successfully, and Real Estate products continued to realize 100% rent payment from tenants.

We have patient and Permanent Capital and resilient management fees, providing underlying support to our existing earnings profile even as we continue to grow. We anticipate a net positive impact to earnings as interest rates continue to rise, particularly for our Direct Lending business, where Part I Fees benefit from higher rates. At the strategy level, that same Permanent Capital allows us to provide flexible, certain financing solutions to sponsors, corporations, and alternative asset managers during a time when liquidity is scarce and public markets are closed or much more expensive than they used to be. And for the investors in our strategies, our products offer attractive qualities in volatile, uncertain markets: income generation, downside protection, positive leverage to rising rates, and structural inflation hedges.

We are continuing to closely monitor developments related to inflation, rising interest rates, global GDP growth, geopolitical instability and COVID-19, and to assess the impact of these factors on financial markets and on our business. Our future results may be adversely affected by slowdowns in fundraising activity and the pace of capital deployment, which could result in delayed or decreased management fees. It is currently not possible to predict the ultimate effects of these events on the financial markets, overall economy and our consolidated financial statements. See “Risk Factors—Risks Related to Our Business and Operations—The COVID-19 pandemic has caused severe disruptions in the U.S. and global economy, has disrupted, and may continue to disrupt, industries in which we, our products and our products’ investments operate and could potentially negatively impact us, our products or our products’ investments” and “—Difficult market and political conditions may reduce the value or hamper the performance of the investments made by our products or impair the ability of our products to raise or deploy capital, each of which could materially reduce our revenue, earnings and cash flow and adversely affect our financial prospects and condition” in our Annual Report.

Assets Under Management

We present information regarding our AUM, FPAUM and various other related metrics throughout this MD&A to provide context around our fee generating revenues results, as well as indicators of the potential for future earnings from existing and new products. Our calculations of AUM and FPAUM may differ from the calculation methodologies of other asset managers, and as a result these measures may not be comparable to similar measures presented by other asset managers. In addition, our calculation of AUM includes amounts that are fee exempt (i.e., not subject to fees).

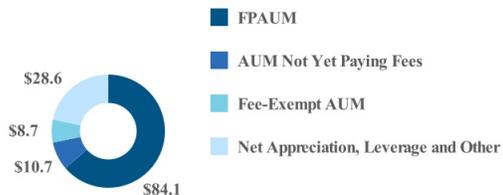
As of September 30, 2022, our assets under management included approximately \$3.1 billion (includes \$1.0 billion related to accrued carried interest) related to us, our executives and other employees. A portion of these assets under management relate to accrued carried interests and other amounts that are not charged fees.

Composition of Assets Under Management

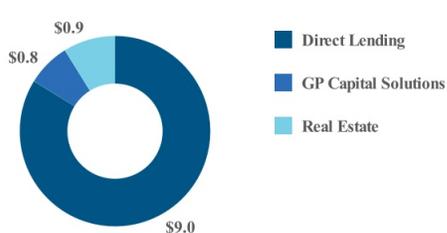
Our AUM consists of FPAUM, AUM not yet paying fees, fee-exempt AUM and net appreciation and leverage in products on which fees are based on commitments or investment cost. AUM not yet paying fees generally relates to unfunded capital commitments (to the extent such commitments are not already subject to fees), undeployed debt (to the extent we earn fees based on total asset values or investment cost, inclusive of assets purchased using debt) and AUM that is subject to a temporary fee holiday. Fee-exempt AUM represents certain investments by us, our employees, other related parties and third parties, as well as certain co-investment vehicles on which we never earn fees.

Management uses AUM not yet paying fees as an indicator of management fees that will be coming online as we deploy existing assets in products that charge fees based on deployed and not uncalled capital, as well as AUM that is currently subject to a fee holiday that will expire at a predetermined time in the future. AUM not yet paying fees could provide approximately \$139 million of additional annualized management fees once deployed or upon the expiration of the relevant fee holidays.

COMPOSITION OF AUM
as of September 30, 2022
(dollars in billions)



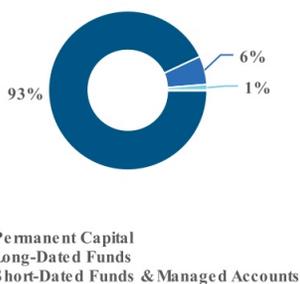
AUM NOT YET PAYING FEES
as of September 30, 2022
(dollars in billions)



Permanency and Duration of Assets Under Management

Our capital base is heavily weighted toward Permanent Capital. We view the permanency and duration of the products that we manage as a differentiator in our industry and as a means of measuring the stability of our future revenues stream. The chart below presents the composition of our management fees by remaining product duration. Changes in these relative percentages will occur over time as the mix of products we offer changes. For example, our Real Estate products have a higher concentration in what we refer to as “long-dated” funds, or funds in which the contractual remaining life is five years or more, which in isolation may cause our percentage of management fees from Permanent Capital to decline.

Management Fees
Three Months Ended September 30, 2022



Changes in AUM

(dollars in millions)	Three Months Ended September 30, 2022				Three Months Ended September 30, 2021			
	Direct Lending	GP Capital Solutions	Real Estate	Total	Direct Lending	GP Capital Solutions	Real Estate	Total
Beginning Balance	\$ 56,827	\$ 45,674	\$ 16,639	\$ 119,140	\$ 31,156	\$ 31,211	\$ —	\$ 62,367
Acquisition	—	—	—	—	—	—	—	—
New capital raised	5,472	2,910	434	8,816	724	1,598	—	2,322
Change in debt	3,058	—	1,590	4,648	2,422	—	—	2,422
Distributions	(471)	(304)	(239)	(1,014)	(239)	(249)	—	(488)
Change in value / other	800	(441)	190	549	514	3,380	—	3,894
Ending Balance	\$ 65,686	\$ 47,839	\$ 18,614	\$ 132,139	\$ 34,577	\$ 35,940	\$ —	\$ 70,517

(dollars in millions)	Nine Months Ended September 30, 2022				Nine Months Ended September 30, 2021			
	Direct Lending	GP Capital Solutions	Real Estate	Total	Direct Lending	GP Capital Solutions	Real Estate	Total
Beginning Balance	\$ 39,227	\$ 39,906	\$ 15,362	\$ 94,495	\$ 27,101	\$ 26,220	\$ —	\$ 53,321
Acquisition	6,529	—	—	6,529	—	—	—	—
New capital raised	10,425	8,434	1,002	19,861	1,708	2,990	—	4,698
Change in debt	9,818	—	1,590	11,408	5,153	—	—	5,153
Distributions	(1,135)	(1,281)	(504)	(2,920)	(616)	(453)	—	(1,069)
Change in value / other	822	780	1,164	2,766	1,231	7,183	—	8,414
Ending Balance	\$ 65,686	\$ 47,839	\$ 18,614	\$ 132,139	\$ 34,577	\$ 35,940	\$ —	\$ 70,517

Direct Lending. Increase in AUM for the nine months ended September 30, 2022 was driven by a combination of continued fundraising and debt deployment across the strategy, and the Wellfleet Acquisition.

- \$6.1 billion new capital raised in Diversified Lending, primarily driven by retail fundraising in ORCIC and a managed vehicle with a state pension fund.
- \$3.2 billion new capital raised in Technology Lending, driven by continued fundraising in ORTF II and ORTIC.
- \$9.8 billion of debt deployment across all of Direct Lending, as we continue to opportunistically deploy leverage in our BDCs.
- \$6.5 billion from the Wellfleet Acquisition.

GP Capital Solutions. Increase in AUM for the nine months ended September 30, 2022 was driven by new capital raised, primarily in Dyal Fund V and related co-investment vehicles, and overall appreciation across all of our major products.

Real Estate. Increase in AUM for the nine months ended September 30, 2022 was driven by new capital raised of \$1.0 billion across various products and debt deployed of \$1.6 billion, primarily related to Oak Street Real Estate Trust, our recently launched real estate investment trust (“REIT”).

Changes in FPAUM

(dollars in millions)	Three Months Ended September 30, 2022				Three Months Ended September 30, 2021			
	Direct Lending	GP Capital Solutions	Real Estate	Total	Direct Lending	GP Capital Solutions	Real Estate	Total
Beginning Balance	\$ 41,409	\$ 26,678	\$ 9,430	\$ 77,517	\$ 24,162	\$ 18,657	\$ —	\$ 42,819
Acquisition	—	—	—	—	—	—	—	—
New capital raised / deployed	3,595	2,675	1,095	7,365	2,808	1,177	—	3,985
Fee basis change	—	(881)	—	(881)	—	—	—	—
Distributions	(433)	(15)	(220)	(668)	(212)	(115)	—	(327)
Change in value / other	721	—	81	802	482	—	—	482
Ending Balance	\$ 45,292	\$ 28,457	\$ 10,386	\$ 84,135	\$ 27,240	\$ 19,719	\$ —	\$ 46,959

(dollars in millions)	Nine Months Ended September 30, 2022				Nine Months Ended September 30, 2021			
	Direct Lending	GP Capital Solutions	Real Estate	Total	Direct Lending	GP Capital Solutions	Real Estate	Total
Beginning Balance	\$ 32,029	\$ 21,212	\$ 8,203	\$ 61,444	\$ 20,862	\$ 17,608	\$ —	\$ 38,470
Acquisition	6,501	—	—	6,501	—	—	—	—
New capital raised / deployed	8,693	6,869	2,293	17,855	5,796	2,460	—	8,256
Fee basis change	—	387	—	387	—	—	—	—
Distributions	(1,092)	(11)	(494)	(1,597)	(571)	(349)	—	(920)
Change in value / other	(839)	—	384	(455)	1,153	—	—	1,153
Ending Balance	\$ 45,292	\$ 28,457	\$ 10,386	\$ 84,135	\$ 27,240	\$ 19,719	\$ —	\$ 46,959

Direct Lending. Increase in FPAUM for the nine months ended September 30, 2022 was driven by a combination of the Wellfleet Acquisition, continued fundraising and debt deployment as discussed in the AUM section above, partially offset by a change in methodology that reduced FPAUM by approximately \$1.5 billion.

GP Capital Solutions. Increase in FPAUM for the nine months ended September 30, 2022 was driven by new capital raised, primarily in Dyal Fund V, and the expiration of certain fee holidays on January 1, 2022. The expiration of the fee holiday drove an increase in FPAUM of \$2.2 billion, which was partially offset by a decrease in FPAUM for a step down in fee basis in Dyal Fund I of \$0.8 billion and Dyal Fund III of \$0.9 billion.

Real Estate. Increase in FPAUM for the nine months ended September 30, 2022 was driven primarily by new capital deployed of \$1.5 billion in Oak Street Real Estate Capital Net Lease Property Fund.

Product Performance

Product performance for certain of our products is included throughout this discussion with analysis to facilitate an understanding of our results of operations for the periods presented. The performance information of our products reflected is not indicative of our performance. An investment in Blue Owl is not an investment in any of our products. Past performance is not indicative of future results. As with any investment, there is always the potential for gains as well as the possibility of losses. There can be no assurance that any of these products or our other existing and future products will achieve similar returns. MoIC and IRR data has not been presented for products that have launched within the last two years as such information is generally not meaningful (“NM”).

Direct Lending

(dollars in millions)	Year of Inception	AUM	Capital Raised (1)	Invested Capital (2)	Realized Proceeds (3)	Unrealized Value (4)	Total Value	MoIC		IRR	
								Gross (5)	Net (6)	Gross (7)	Net (8)
Diversified Lending											
ORCC	2016	\$ 15,052	\$ 6,019	\$ 6,019	\$ 2,268	\$ 5,848	\$ 8,116	1.48x	1.35x	12.0 %	8.8 %
ORCC II (9)	2017	\$ 2,592	\$ 1,355	\$ 1,355	\$ 314	\$ 1,293	\$ 1,607	NM	1.21x	NM	6.5 %
ORCC III	2020	\$ 3,543	\$ 1,783	\$ 1,783	\$ 179	\$ 1,794	\$ 1,973	1.11x	1.10x	10.3 %	9.4 %
ORCIC	2020	\$ 12,560	\$ 4,918	\$ 4,918	\$ 224	\$ 4,706	\$ 4,930	NM	NM	NM	NM
Technology Lending											
ORTF	2018	\$ 6,922	\$ 3,220	\$ 3,220	\$ 382	\$ 3,390	\$ 3,772	1.24x	1.17x	12.3 %	8.7 %
First Lien Lending (10)											
Owl Rock First Lien Fund Levered	2018	\$ 2,907	\$ 1,161	\$ 863	\$ 146	\$ 869	\$ 1,015	1.23x	1.18x	9.3 %	7.3 %
Owl Rock First Lien Fund Unlevered	2019	\$ 153	\$ 150	\$ 150	\$ 25	\$ 143	\$ 168	1.12x	1.08x	4.8 %	3.3 %

- (1) Includes reinvested dividends and share repurchases, if applicable.
- (2) Invested capital includes capital calls, reinvested dividends and periodic investor closes, as applicable.
- (3) Realized proceeds represent the sum of all cash distributions to investors.
- (4) Unrealized value represents the product’s NAV. There can be no assurance that unrealized values will be realized at the valuations indicated.
- (5) Gross multiple of invested capital (“MoIC”) is calculated by adding total realized proceeds and unrealized values of a product’s investments and dividing by the total amount of invested capital. Gross MoIC is calculated before giving effect to management fees (including Part I Fees) and Part II Fees, as applicable.

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- (6) Net MoIC measures the aggregate value generated by a product's investments in absolute terms. Net MoIC is calculated by adding total realized proceeds and unrealized values of a product's investments and dividing by the total amount of invested capital. Net MoIC is calculated after giving effect to management fees (including Part I Fees) and Part II Fees, as applicable, and all other expenses.
- (7) Gross IRR is an annualized since inception gross internal rate of return of cash flows to and from the product and the product's residual value at the end of the measurement period. Gross IRRs are calculated before giving effect to management fees (including Part I Fees) and Part II Fees, as applicable.
- (8) Net IRRs are calculated consistent with gross IRRs, but after giving effect to management fees (including Part I Fees) and Part II Fees, as applicable, and all other expenses. An individual investor's IRR may differ from the reported IRR based on the timing of capital transactions.
- (9) For the purposes of calculating Gross IRR, the expense support provided to the fund would be impacted when assuming a performance excluding management fees (including Part I Fees) and Part II Fees, and therefore is not meaningful for ORCC II.
- (10) Owl Rock First Lien Fund is comprised of three feeder funds: Onshore Levered, Offshore Levered and Insurance Unlevered. The gross and net MoIC and IRR presented in the chart are for Onshore Levered and Insurance Unlevered as those are the largest of the levered and unlevered feeder funds. The gross and net MoIC for the Offshore Levered feeder fund is 1.22x and 1.15x, respectively. The gross and net IRR for the Offshore Levered feeder is 8.9% and 5.8%, respectively. All other values for Owl Rock First Lien Fund Levered are for Onshore Levered and Offshore Levered combined. AUM is presented as the aggregate of the three Owl Rock First Lien Fund feeders. Owl Rock First Lien Fund Unlevered Investor equity and note commitments are both treated as capital for all values.

GP Capital Solutions

(dollars in millions)	Year of Inception	AUM	Capital Raised	Invested Capital (2)	Realized Proceeds (3)	Unrealized Value (4)	Total Value	MoIC		IRR	
								Gross (5)	Net (6)	Gross (7)	Net (8)
GP Minority Equity (1)											
Dyal Fund I	2011	\$ 951	\$ 1,284	\$ 1,248	\$ 583	\$ 720	\$ 1,303	1.19x	1.04x	3.6 %	0.8 %
Dyal Fund II	2014	\$ 2,805	\$ 2,153	\$ 1,846	\$ 502	\$ 2,146	\$ 2,648	1.68x	1.43x	13.9 %	9.0 %
Dyal Fund III	2015	\$ 8,350	\$ 5,318	\$ 3,246	\$ 2,959	\$ 4,229	\$ 7,188	2.70x	2.21x	31.3 %	23.4 %
Dyal Fund IV	2018	\$ 13,879	\$ 9,041	\$ 5,119	\$ 2,634	\$ 6,339	\$ 8,973	2.10x	1.75x	93.7 %	57.6 %
Dyal Fund V	2020	\$ 13,223	\$ 12,452	\$ 1,336	\$ —	\$ 1,956	\$ 1,956	NM	NM	NM	NM

- (1) Valuation-related amounts and performance metrics are presented on a quarter lag and are exclusive of investments made by us and the related carried interest vehicles of the respective products.
- (2) Invested capital includes capital calls.
- (3) Realized proceeds represent the sum of all cash distributions to investors.
- (4) Unrealized value represents the product's NAV. There can be no assurance that unrealized values will be realized at the valuations indicated.
- (5) Gross MoIC is calculated by adding total realized proceeds and unrealized values of a product's investments and dividing by the total amount of invested capital. Gross MoIC is calculated before giving effect to management fees and carried interest, as applicable.
- (6) Net MoIC measures the aggregate value generated by a product's investments in absolute terms. Net MoIC is calculated by adding total realized proceeds and unrealized values of a product's investments and dividing by the total amount of invested capital. Net MoIC is calculated after giving effect to management fees and carried interest, as applicable, and all other expenses.
- (7) Gross IRR is an annualized since inception gross internal rate of return of cash flows to and from the product and the product's residual value at the end of the measurement period. Gross IRRs are calculated before giving effect to management fees and carried interest, as applicable.
- (8) Net IRR is an annualized since inception net internal rate of return of cash flows to and from the product and the product's residual value at the end of the measurement period. Net IRRs reflect returns to all investors. Net IRRs are calculated after giving effect to management fees and carried interest, as applicable, and all other expenses. An individual investor's IRR may differ from the reported IRR based on the timing of capital transactions.

Real Estate

(dollars in millions)	Year of Inception	AUM	Capital Raised	Invested Capital (2)	Realized Proceeds (3)	Unrealized Value (4)	Total Value	MoIC		IRR	
								Gross (5)	Net (6)	Gross (7)	Net (8)
Net Lease (1)											
Oak Street Real Estate Capital Fund IV	2017	\$ 1,261	\$ 1,250	\$ 1,250	\$ 1,128	\$ 821	\$ 1,949	1.71x	1.55x	28.1 %	22.6 %
Oak Street Real Estate Capital Net Lease Property Fund	2019	\$ 6,014	\$ 3,161	\$ 3,161	\$ 270	\$ 3,664	\$ 3,934	1.22x	1.21x	18.7 %	17.7 %
Oak Street Real Estate Capital Fund V	2020	\$ 3,643	\$ 2,500	\$ 1,267	\$ 341	\$ 1,322	\$ 1,663	NM	NM	NM	NM
Oak Street Asset-Backed Securitization (9)	2020	\$ 3,005	\$ 2,713	\$ 342	\$ 74	\$ 370	\$ 444	NM	NM	NM	NM

- (1) Valuation-related amounts and performance metrics, as well as invested capital and realized proceeds, are presented on a quarter lag where applicable.
- (2) Invested capital includes investments by the general partner, capital calls, dividends reinvested and periodic investors closes, as applicable.
- (3) Realized proceeds represent the sum of all cash distributions to all investors.
- (4) Unrealized value represents the fund's NAV. There can be no assurance that unrealized values will be realized at the valuations indicated.
- (5) Gross MoIC is calculated by adding total realized proceeds and unrealized values of a product's investments and dividing by the total amount of invested capital. Gross MoIC is calculated before giving effect to management fees and carried interest, as applicable.
- (6) Net MoIC measures the aggregate value generated by a product's investments in absolute terms. Net MoIC is calculated by adding total realized proceeds and unrealized values of a product's investments and dividing by the total amount of invested capital. Net MoIC is calculated after giving effect to management fees and carried interest, as applicable, and all other expenses.

- (7) Gross IRR is an annualized since inception gross internal rate of return of cash flows to and from the product and the product's residual value at the end of the measurement period. Gross IRRs are calculated before giving effect to management fees and carried interest, as applicable.
- (8) Net IRR is an annualized since inception net internal rate of return of cash flows to and from the product and the product's residual value at the end of the measurement period. Net IRRs reflect returns to all investors. Net IRRs are calculated after giving effect to management fees and carried interest, as applicable, and all other expenses. An individual investor's IRR may differ from the reported IRR based on the timing of capital transactions.
- (9) Capital raised for this product includes the par value of notes issued in the securitization. Invested capital, realized proceeds, unrealized and total values relate to the subordinated notes/equity of the securitization.

GAAP Results of Operations Analysis

As a result of the Dyal, Oak Street and Wellfleet Acquisitions, prior period amounts are not comparable to current period amounts or expected future trends. Dyal Capital's, Oak Street's and Wellfleet's results of operations are included from the business combination dates, May 19, 2021, December 29, 2021, and April 1, 2022, respectively.

Three Months Ended September 30, 2022, Compared to the Three Months Ended September 30, 2021

(dollars in thousands)	Three Months Ended September 30,		\$ Change
	2022	2021	
Revenues			
Management fees, net (includes Part I Fees of \$62,808 and \$43,659)	\$ 338,377	\$ 203,750	\$ 134,627
Administrative, transaction and other fees	32,609	44,125	(11,516)
Total Revenues, Net	370,986	247,875	123,111
Expenses			
Compensation and benefits	234,745	96,910	137,835
Amortization of intangible assets	65,835	46,191	19,644
General, administrative and other expenses	67,972	28,438	39,534
Total Expenses	368,552	171,539	197,013
Other Income (Loss)			
Net losses on investments	(592)	(145)	(447)
Interest expense	(15,027)	(6,112)	(8,915)
Change in TRA liability	3,599	(4,733)	8,332
Change in warrant liability	(2,747)	(27,462)	24,715
Change in earnout liability	(1,760)	(293,122)	291,362
Total Other Income (Loss)	(16,527)	(331,574)	315,047
Loss Before Income Taxes	(14,093)	(255,238)	241,145
Income tax expense (benefit)	(4,085)	(14,391)	10,306
Consolidated and Combined Net Loss	(10,008)	(240,847)	230,839
Net loss attributable to noncontrolling interests	12,068	187,524	(175,456)
Net Income (Loss) Attributable to Blue Owl Capital Inc.	\$ 2,060	\$ (53,323)	\$ 55,383

Revenues, Net

Management Fees. The increase in management fees was primarily driven by increased management fees across the Direct Lending products of \$56.7 million, which includes both the accretive impact of the Wellfleet Acquisition that closed in April 2022, as well as continued fundraising and deployment of capital within new and existing Direct Lending products. Management fees also increased \$56.8 million in our GP Capital Solutions products, primarily driven by fundraising in Dyal Fund V. Our Real Estate products contributed \$21.1 million towards the increase due to the accretive impact of the Oak Street Acquisition that closed in December 2021. See Note 6 to our Financial Statements for additional details on our GAAP management fees by product and strategy.

Administrative, Transaction and Other Fees. The decrease in administrative, transaction and other fees was driven primarily by a decrease in fee income earned for services provided to portfolio companies, reflecting a lower volume of transactions on which we earn such fees.

Expenses

Compensation and Benefits. Compensation and benefits expenses increased due to a \$92.4 million increase in equity-based compensation, which was driven by the following: (i) a \$47.1 million increase related to acquisitions, driven by the Oak Street and Wellfleet Acquisitions; (ii) a \$27.4 million increase related to recurring annual grants to employees, as such amounts were granted for the first time during the fourth quarter of 2021; and (iii) a \$17.9 million increase related to one-time grants to employees in connection with the Business Combination, as such grants were made during the fourth quarter of 2021. Additionally, compensation and benefits increased by \$16.5 million due to the amortization of cash earnouts, primarily related to the Oak Street Acquisition. The remaining increase was driven by the 73% increase in headcount from September 30, 2021 to September 30, 2022, which is inclusive of the increase in headcount related to the Oak Street Acquisition and Wellfleet Acquisition.

Amortization of Intangible Assets. Amortization of intangible assets increased due to the addition of intangible assets in connection with the Oak Street Acquisition in December 2021 and the Wellfleet Acquisition in April 2022. See Note 3 to our Financial Statements for additional information.

General, Administrative and Other Expenses. General, administrative and other expenses increased, primarily driven by a \$33.3 million increase in distribution costs due to increased fundraising.

Other Loss

Interest Expense. The increase in interest expense was driven by higher average debt outstanding.

Change in TRA Liability. The change in the TRA liability for the current year period and prior year period was not material.

Change in Warrant Liability. In August 2022, the Public Warrants were redeemed, see Note 1 for additional information. The change in the warrant liability for the current year period was not material. The change in the warrant liability in the prior year period was driven by the increase in the price of our Class A Shares.

Change in Earnout Liability. There was no material change to the earnout liability for the current year period. The change in the fair value of the earnout liability for the prior year period was primarily due to the increase in our Class A Share price, as such input was a material driver of the valuation of the Earnout Securities carried at fair value.

Income Tax Expense (Benefit)

Prior to the Business Combination, our income was generally subject to New York City Unincorporated Business Tax (“UBT”), as the operating entities are partnerships for U.S. federal income tax purposes. As a result of the Business Combination, the portion of income allocable to the Registrant is now also generally subject to corporate tax rates at the U.S. federal and state and local levels. For the period, the income tax benefit decreased due to higher pre-tax income as a result of the drivers discussed above. Please see Note 10 to our Financial Statements for a discussion of the significant tax differences that impacted our effective tax rate.

Net Income (Loss) Attributable to Noncontrolling Interests

Net income (loss) attributable to noncontrolling interests in the current year primarily represents the allocation to Common Units of their pro rata share of the Blue Owl Operating Group’s post-Business Combination net income due to the drivers discussed above. The Common Units represent an approximately 69% interest in the Blue Owl Operating Group during the third quarter of 2022. Prior to the Business Combination, amounts attributable to noncontrolling interests were not significant.

Nine Months Ended September 30, 2022, Compared to the Nine Months Ended September 30, 2021

(dollars in thousands)	Nine Months Ended September 30,		\$ Change
	2022	2021	
Revenues			
Management fees, net (includes Part I Fees of \$155,893 and 108,646)	\$ 870,334	\$ 440,598	\$ 429,736
Administrative, transaction and other fees	103,875	94,761	9,114
Total Revenues, Net	974,209	535,359	438,850
Expenses			
Compensation and benefits	646,755	1,366,459	(719,704)
Amortization of intangible assets	192,246	67,527	124,719
General, administrative and other expenses	165,655	94,818	70,837
Total Expenses	1,004,656	1,528,804	(524,148)
Other Income (Loss)			
Net losses on investments	(710)	(145)	(565)
Net losses on retirement of debt	—	(16,145)	16,145
Interest expense	(42,912)	(17,787)	(25,125)
Change in TRA liability	(4,683)	(5,879)	1,196
Change in warrant liability	35,734	(42,762)	78,496
Change in earnout liability	(2,464)	(756,092)	753,628
Total Other Income (Loss)	(15,035)	(838,810)	823,775
Loss Before Income Taxes	(45,482)	(1,832,255)	1,786,773
Income tax expense (benefit)	(3,492)	(43,402)	39,910
Consolidated and Combined Net Loss	(41,990)	(1,788,853)	1,746,863
Net loss attributable to noncontrolling interests	31,109	1,412,600	(1,381,491)
Net Loss Attributable to Blue Owl Capital Inc.	\$ (10,881)	\$ (376,253)	\$ 365,372

Revenues, Net

Management Fees. The increase in management fees was primarily driven by increased management fees across the Direct Lending products of \$136.4 million, which includes both the accretive impact of the Wellfleet Acquisition, as well as continued fundraising and deployment of capital within new and existing Direct Lending products. Management fees also increased \$235.9 million in our GP Capital Solutions products, primarily driven by the accretive impact of the Dyal Acquisition that closed in May 2021, as well as continued fundraising in Dyal Fund V. Our Real Estate products contributed \$57.5 million due to the accretive impact of the Oak Street Acquisition. See Note 6 to our Financial Statements for additional details on our GAAP management fees by product and strategy.

Administrative, Transaction and Other Fees. The increase in administrative, transaction and other fees was driven primarily by the following: (i) an increase of \$15.9 million in administrative fees, driven by a higher level of reimbursable expenses due to growth in our products and business overall; (ii) a \$14.4 million increase in dealer manager revenues due to growth in the distribution of our retail BDCs; (iii) partially offset by a \$21.1 million decrease in fee income earned for services provided to portfolio companies, reflecting a lower volume of transactions on which we earn such fees.

Expenses

Compensation and Benefits. Compensation and benefits expenses decreased due to an \$865.0 million decrease in equity-based compensation, which was driven by the following: (i) a \$988.7 million decrease related to acquisitions, primarily due to a \$1.2 billion charge related to Blue Owl Operating Group Units issued in connection with the Business Combination, with the remaining offsetting increase related to the Oak Street and Wellfleet Acquisitions; (ii) an offsetting \$69.2 million increase related to recurring annual grants to employees, as such amounts were granted for the first time during the fourth quarter of 2021; and (iii) an offsetting \$54.5 million increase related to one-time grants to employees in connection with the Business Combination, as such grants were made during the fourth quarter of 2021. Additionally, compensation and benefits was impacted by an increase of \$48.7 million due to the amortization of cash earnouts, primarily related to the Oak Street Acquisition. The remaining offsetting increase was driven by the increase in headcount, which is inclusive of the increase in headcount related to the Dyal Acquisition, Oak Street Acquisition and Wellfleet Acquisition.

Amortization of Intangible Assets. Amortization of intangible assets increased due to the addition of intangible assets in connection with the Business Combination in May 2021, the Oak Street Acquisition in December 2021 and the Wellfleet Acquisition in April 2022. See Note 3 to our Financial Statements for additional information.

General, Administrative and Other Expenses. General, administrative and other expenses increased, primarily driven by an increase in distribution costs of \$54.3 million due to increased fundraising, partially offset by a \$14.6 million decrease in professional fees due in part to Business Combination-related expenses that were incurred in the prior year period. The remaining net increase was across various categories, driven by our continued growth.

Other Loss

Interest Expense. The increase in interest expense was driven by higher average debt outstanding.

Change in TRA Liability. The change in the TRA liability for the current year period and prior year period was not material.

Change in Warrant Liability. In August 2022, the Public Warrants were redeemed, see Note 1 for additional information. The change in the warrant liability for the current year period was driven by the decrease in the price of our Class A Shares. The change in the warrant liability in the prior year period was driven by the increase in the price of our Class A Shares.

Change in Earnout Liability. There was no material change to the earnout liability for the current year period. The change in the fair value of the earnout liability in the prior year period was primarily due to the increase in our Class A Share price, as such input was a material driver of the valuation of the Earnout Securities carried at fair value.

Income Tax Expense (Benefit)

Prior to the Business Combination, our income was generally subject to New York City UBT, as the operating entities are partnerships for U.S. federal income tax purposes. As a result of the Business Combination, the portion of income allocable to the Registrant is now also generally subject to corporate tax rates at the U.S. federal and state and local levels. For the period, the income tax benefit decreased due to higher pre-tax income as a result of the drivers discussed above. Please see Note 10 to our Financial Statements for a discussion of the significant tax differences that impacted our effective tax rate.

Net Loss Attributable to Noncontrolling Interest

Net loss attributable to noncontrolling interests in the current year primarily represents the allocation to Common Units of their pro rata share of the Blue Owl Operating Group's post-Business Combination net loss due to the drivers discussed above. The Common Units represented an approximately 70% weighted average economic interest in the Blue Owl Operating Group during the nine months ended September 30, 2022. Prior to the Business Combination, amounts attributable to noncontrolling interests were not significant, and related primarily to third-party interests held in certain of our consolidated investment advisor holding companies.

Non-GAAP Analysis

In addition to presenting our consolidated and combined results in accordance with GAAP, we present certain other financial measures that are not presented in accordance with GAAP. Management uses these measures to assess the performance of our business, and we believe that this information enhances the ability of shareholders to analyze our performance from period to period. These non-GAAP financial measures supplement and should be considered in addition to and not in lieu of our GAAP results, and such measures should not be considered as indicative of our liquidity. Our non-GAAP measures may not be comparable to other similarly titled measures used by other companies. Please see “—Non-GAAP Reconciliations” for reconciliations of these measures to the most comparable measures prepared in accordance with GAAP.

Fee-Related Earnings and Related Components

Fee-Related Earnings is a supplemental non-GAAP measure of operating performance used to make operating decisions and assess our operating performance. Fee-Related Earnings excludes certain items that are required for the presentation of our results on a GAAP basis. Management also reviews the components that comprise Fee-Related Earnings (i.e., FRE Revenues and FRE Expenses) on the same basis used to calculate Fee-Related Earnings, and such components are also non-GAAP measures and have been identified with the prefix “FRE” in the tables and discussion below. Management believes that by excluding these items, which are described below, Fee-Related Earnings and its components can be useful as supplemental measures to our GAAP results in assessing our operating performance and focusing on whether our recurring revenues, primarily consisting of management fees, are sufficient to cover our recurring operating expenses.

Fee-Related Earnings exclude various items that are required for the presentation of our results under GAAP, including the following: noncontrolling interests in the Blue Owl Operating Partnerships; equity-based compensation expense; compensation expenses related to capital contributions in certain subsidiary holding companies that are in-turn paid as compensation to certain employees, as such contributions are not included in Fee-Related Earnings or Distributable Earnings; amortization of acquisition-related earnouts; amortization of intangible assets; “Transaction Expenses” as defined below; net gains (losses) on investments, changes in TRA liability, earnout and warrant liabilities; net losses on retirement of debt; interest and taxes. In addition, management reviews revenues by reducing GAAP administrative, transaction and other fees for certain expenses related to reimbursements from our products, which are presented gross for GAAP but net for non-GAAP measures. Transaction Expenses are expenses incurred in connection with the Business Combinations and other acquisitions and strategic transactions, including subsequent adjustments related to such transactions, that were not eligible to be netted against consideration or recognized as acquired assets and assumed liabilities in the relevant transaction. Starting in the first quarter of 2022, Transaction Expenses also include expenses paid on behalf of certain products that are expected to be reimbursed in subsequent periods; such amounts were not material to the prior periods presented, and therefore such periods have not been restated for this change.

Distributable Earnings

Distributable Earnings is a supplemental non-GAAP measure of operating performance that equals Fee-Related Earnings plus or minus, as relevant, realized performance income and related compensation, interest expense, as well as amounts payable for taxes and payments made pursuant to the TRA. Amounts payable for taxes presents the current income taxes payable, excluding the impact of tax contingency-related accrued expenses or benefits, as such amounts are included when paid or received, related to the respective period’s earnings, assuming that all Distributable Earnings were allocated to the Registrant, which would occur following the exchange of all Blue Owl Operating Group Units for Class A Shares. Current income taxes payable and payments made pursuant to the TRA reflect the benefit of tax deductions that are excluded when calculating Distributable Earnings (e.g., equity-based compensation expenses, net losses on retirement of debt, Transaction Expenses, tax goodwill, etc.). If these tax deductions were to be excluded from amounts payable for taxes, Distributable Earnings would be lower and our effective tax rate would appear to be higher, even though a lower amount of income taxes would have been paid or payable for a period’s earnings. We make these adjustments when calculating Distributable Earnings to more accurately reflect the net realized earnings that are expected to be or become available for distribution or reinvestment into our business. Management believes that Distributable Earnings can be useful as a supplemental performance measure to our GAAP results assessing the amount of earnings available for distribution.

Fee-Related Earnings and Distributable Earnings Summary

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
<i>(dollars in thousands)</i>				
FRE revenues	\$ 362,973	\$ 235,732	\$ 953,382	\$ 511,042
FRE expenses	(157,610)	(92,405)	(381,451)	(221,460)
Net loss (income) allocated to noncontrolling interests included in Fee-Related Earnings	4,451	(1,469)	6,330	(3,243)
Fee-Related Earnings	\$ 209,814	\$ 141,858	\$ 578,261	\$ 286,339
Distributable Earnings	\$ 191,673	\$ 142,750	\$ 527,801	\$ 268,140

Fee-Related Earnings and Distributable Earnings increased year-over-year as a result of the accretive impact of the Dyal Acquisition, Oak Street Acquisition and Wellfleet Acquisition, as well as higher FRE revenues in Direct Lending, partially offset by higher FRE expenses, as further discussed below.

FRE Revenues

(dollars in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Direct Lending Products				
Diversified lending	\$ 126,492	\$ 90,885	\$ 340,853	\$ 251,136
Technology lending	29,905	16,820	76,738	47,404
First lien lending	4,213	4,098	11,867	11,730
Opportunistic lending	2,312	1,166	6,583	2,470
CLOs	6,778	—	13,073	—
Management Fees, Net	169,700	112,969	449,114	312,740
Administrative, transaction and other fees	13,667	31,012	51,536	69,474
FRE Revenues - Direct Lending Products	183,367	143,981	500,650	382,214
GP Capital Solutions Products				
GP minority equity investments	153,563	85,426	380,097	121,767
GP debt financing	3,532	6,165	9,990	6,901
Professional sports minority investments	283	160	1,296	160
Management Fees, Net	157,378	91,751	391,383	128,828
Administrative, transaction and other fees	1,159	—	3,898	—
FRE Revenues - GP Capital Solutions Products	158,537	91,751	395,281	128,828
Real Estate Products				
Net lease	21,069	—	57,451	—
Management Fees, Net	21,069	—	57,451	—
FRE Revenues - Real Estate Products	21,069	—	57,451	—
Total FRE Revenues	\$ 362,973	\$ 235,732	\$ 953,382	\$ 511,042

For the three months ended September 30, 2022, Direct Lending FRE revenues increased due to both the accretive impact of the Wellfleet Acquisition, as well as continued fundraising and deployment of capital within new and existing Direct Lending products. GP Capital Solutions FRE revenues increased primarily driven the fundraising in Dyal Fund V. Our Real Estate products increased due to the accretive impact of the Oak Street Acquisition. These increases were partially offset by lower administrative, transaction and other fees, driven primarily by a decrease in fee income earned for services provided to portfolio companies, reflecting a lower volume of transactions on which we earn such fees.

For the nine months ended September 30, 2022, Direct Lending FRE revenues increased due to both the accretive impact of the Wellfleet Acquisition, as well as continued fundraising and deployment of capital within new and existing Direct Lending products. GP Capital Solutions FRE revenues increased primarily driven by the accretive impact of the Dyal Acquisition that closed in May 2021, as well as continued fundraising in Dyal Fund V. Our Real Estate products increased due to the accretive impact of the Oak Street Acquisition. These increases were partially offset by lower administrative, transaction and other fees, driven primarily by a decrease in fee income earned for services provided to portfolio companies, reflecting a lower volume of transactions on which we earn such fees.

FRE Expenses

(dollars in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
FRE compensation and benefits	\$ (98,535)	\$ (70,664)	\$ (259,313)	\$ (171,345)
FRE general, administrative and other expenses	(59,075)	(21,741)	(122,138)	(50,115)
Total FRE Expenses	\$ (157,610)	\$ (92,405)	\$ (381,451)	\$ (221,460)

For the three months ended September 30, 2022, FRE compensation and benefits expenses increase was driven by the 73% increase in headcount from September 30, 2021 to September 30, 2022, which is inclusive of the increase in headcount related to the Oak Street Acquisition and Wellfleet Acquisition. FRE general, administrative and other expenses increased, primarily driven by an increase of \$29.2 million in distribution costs due to increased fundraising.

For the nine months ended September 30, 2022, FRE compensation and benefits expenses increase was driven by the increase in headcount, which is inclusive of the increase in headcount related to the Dyal Acquisition, Oak Street Acquisition and Wellfleet Acquisition. FRE general, administrative and other expenses increased, primarily driven by an increase in distribution costs of \$39.6 million due to increased fundraising and the remaining net increase was across various categories, driven by our continued growth.

Non-GAAP Reconciliations

The table below presents the reconciliation of the non-GAAP measures presented throughout this MD&A. Please see “—Non-GAAP Analysis” for important information regarding these measures.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
<i>(dollars in thousands)</i>				
GAAP (Loss) Income Before Income Taxes	\$ (14,093)	\$ (255,238)	\$ (45,482)	\$ (1,832,255)
Net loss (income) allocated to noncontrolling interests included in Fee-Related Earnings	4,451	(1,469)	6,330	(3,243)
Strategic Revenue-Share Purchase consideration amortization	9,770	970	27,614	970
Equity-based compensation - other	27,381	—	69,200	—
Equity-based compensation - acquisition related	62,831	15,722	185,624	1,174,319
Equity-based compensation - Business Combination grants	17,864	—	54,538	—
Capital-related compensation	972	—	2,652	—
Acquisition-related cash earnout amortization	16,515	—	48,708	—
Amortization of intangible assets	65,835	46,191	192,246	67,527
Transaction Expenses	1,761	4,108	21,796	40,211
Interest expense	15,027	6,112	42,912	17,787
Net losses (gains) on investments	592	145	710	145
Net losses on early retirement of debt	—	—	—	16,145
Change in TRA liability	(3,599)	4,733	4,683	5,879
Change in warrant liability	2,747	27,462	(35,734)	42,762
Change in earnout liability	1,760	293,122	2,464	756,092
Fee-Related Earnings	209,814	141,858	578,261	286,339
Interest expense	(15,033)	(6,112)	(42,912)	(17,787)
Taxes and TRA payments	(3,108)	7,004	(7,548)	(412)
Distributable Earnings	191,673	142,750	527,801	268,140
Interest expense	15,033	6,112	42,912	17,787
Taxes and TRA payments	3,108	(7,004)	7,548	412
Fixed assets depreciation and amortization	235	191	694	456
Adjusted EBITDA	\$ 210,049	\$ 142,049	\$ 578,955	\$ 286,795

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
<i>(dollars in thousands)</i>				
GAAP Revenues	\$ 370,986	\$ 247,875	\$ 974,209	\$ 535,359
Strategic Revenue-Share Purchase consideration amortization	9,770	970	27,614	970
Administrative and other fees	(17,783)	(13,113)	(48,441)	(25,287)
FRE Revenues	\$ 362,973	\$ 235,732	\$ 953,382	\$ 511,042

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
<i>(dollars in thousands)</i>				
GAAP Compensation and Benefits	\$ 234,745	\$ 96,910	\$ 646,755	\$ 1,366,459
Equity-based compensation - other	(27,381)	—	(68,478)	—
Equity-based compensation - acquisition related	(62,831)	(15,722)	(185,624)	(1,174,319)
Equity-based compensation - Business Combination grants	(17,864)	—	(54,538)	—
Capital-related compensation	(973)	—	(2,652)	—
Acquisition-related cash earnout amortization	(16,515)	—	(48,708)	—
Administrative and other expenses	(10,646)	(10,524)	(27,442)	(20,795)
FRE Compensation and Benefits	\$ 98,535	\$ 70,664	\$ 259,313	\$ 171,345

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
<i>(dollars in thousands)</i>				
GAAP General, Administrative and Other Expenses	\$ 67,972	\$ 28,438	\$ 165,655	\$ 94,818
Transaction Expenses	(1,761)	(4,108)	(21,796)	(40,211)
Equity-based compensation - other	—	—	(722)	—
Administrative and other expenses	(7,136)	(2,589)	(20,999)	(4,492)
FRE General, Administrative and Other Expenses	\$ 59,075	\$ 21,741	\$ 122,138	\$ 50,115

Critical Accounting Estimates

We prepare our Financial Statements in accordance with U.S. GAAP. In applying many of these accounting principles, we make estimates that affect the reported amounts of assets, liabilities, revenues and expenses in our consolidated and combined financial statements. We base our estimates on historical experience and other factors that we believe are reasonable under the circumstances. These estimates, however, are subjective and subject to change, and actual results may differ materially from our current estimates due to the inherent nature of these estimates, including uncertainty in the current economic environment due to unexpectedly high and persistent inflation, a shifting interest rate environment, geopolitical events, and ongoing impact from COVID-19 globally. For a summary of our significant accounting policies, see Note 2 to our Financial Statements.

Estimation of Fair Values

Investments Held by our Products

The fair value of the investments held by our Direct Lending products is the primary input to the calculation for the majority of our management fees. Management fees from our GP Capital Solutions and Real Estate products are generally based on commitments or investment cost, so our management fees are generally not impacted by changes in the estimated fair values of investments held by these products. However, to the extent that management fees are calculated based on investment cost of the product's investments, the amount of fees that we may charge will increase or decrease from the effect of changes in the cost basis of the product's investments, including potential impairment losses. In the absence of observable market prices, we use valuation methodologies applied on a consistent basis and assumptions that we believe market participants would use to determine the fair value of the investments. For investments where little market activity exists, the determination of fair value is based on the best information available, we incorporate our own assumptions and involves a significant degree of judgment, and the consideration of a combination of internal and external factors.

Our products generally value their investments at fair value, as determined in good faith by each product's respective board of directors or valuation committee, as applicable, based on, among other things, the input of third party valuation firms and taking into account the nature and realizable value of any collateral, an investee's ability to make payments and its earnings, the markets in which the investee operates, comparison to publicly traded companies, discounted cash flows, current market interest rates and other relevant factors. Because such valuations are inherently uncertain, the valuations may fluctuate significantly over time due to changes in market conditions. These valuations would, in turn, have corresponding proportionate impacts on the amount of management fees that we may earn from certain products on which revenues are based on the fair value of investments.

TRA Liability

We carry a portion of our TRA liability at fair value, as it is contingent consideration related to the Dyal Acquisition. The valuation of this portion of the TRA liability is mostly sensitive to our expectation of future cash savings that we may ultimately realize related to our tax goodwill and other intangible assets deductions. We then apply a discount rate that we believe is appropriate given the nature of and expected timing of payments of the liability. A decrease in the discount rate assumption would result in an increase in the fair value estimate of the liability, which would have a correspondingly negative impact on our GAAP results of operations. However, payments under the TRA are ultimately only made to the extent we realize the offsetting cash savings on our income taxes due to the tax goodwill and other intangibles deduction. See Note 9 to our Financial Statements for additional details.

Earnout Liability and Private Placement Warrants Liability

The fair values of our Earnout Securities liability and Private Placement Warrants liability were determined using various significant unobservable inputs. The assumptions used could have a material impact on the valuation of these liabilities, and include our best estimate of expected volatility, expected holding periods and appropriate discounts for lack of marketability. Changes in the estimated fair values of these liabilities may have material impacts on our results of operations in any given period, as any increases in these liabilities have a corresponding negative impact on our GAAP results of operations in the period in which the changes occur. See Note 9 to our Financial Statements for additional details.

Equity-based Compensation

The fair values of our equity-based compensation RSU, Incentive Unit grants and Wellfleet Earnout are generally determined using our Class A Share price on the grant date, adjusted for the lack of dividend participation during the vesting period, and the application of a discount for lack of marketability on RSUs and Incentive Units that are subject to a one-year post-vesting transfer restriction. The higher these discounts, the lower the compensation expense taken over time for these grants.

For the Oak Street Earnout Units that were classified as equity-based compensation for GAAP, we used Monte Carlo simulations that had various significant unobservable inputs. The assumptions used have a material impact on the valuation of these grants, and include our best estimate of expected volatility, expected holding periods and appropriate discounts for lack of marketability. The higher the expected volatility, the higher the compensation expense taken each period for these grants. The higher the expected holding periods and discount for lack of marketability, the lower the compensation expense taken each period for these grants. See Note 8 to our Financial Statements for additional details.

Deferred Tax Assets

Substantially all of our deferred tax assets relate to the goodwill and other intangible assets deductible for tax purposes, as well as subsequent payments expected to be made under the TRA. In accordance with relevant tax rules, we expect to take substantially all of these goodwill and other intangible deductions over a 15-year period following the applicable transaction. To the extent we generate insufficient taxable income to take the full deduction in any given year, we will generate a net operating loss (“NOL”) that is available for us to use over an indefinite carryforward period in order to fully realize the deferred tax assets.

When evaluating the realizability of deferred tax assets, all evidence—both positive and negative—is considered. This evidence includes, but is not limited to, expectations regarding future earnings, future reversals of existing temporary tax differences and tax planning strategies. We did not take into account any tax planning strategies when arriving at this conclusion; however, the other assumptions underlying the taxable income estimates, are based on our near-term operating model. If we experience a significant decline in AUM for any extended time during the period for which these estimates relate and we do not otherwise experience offsetting growth rates in other periods, we may not generate taxable income sufficient to realize the deferred tax assets and may need to record a valuation allowance. However, given the indefinite carryforward period available for NOLs and the conservative estimates used to prepare the taxable income projections, the sensitivity of our estimates and assumptions are not likely to have a material impact on our conclusion that a valuation allowance is not needed.

Impairment of Goodwill and Other Intangible Assets

Our ongoing accounting for goodwill and other intangible assets acquired as part of the Business Combination requires us to make significant estimates and assumptions as we exercise judgement to evaluate these assets for impairment. We generally undertake a qualitative review of factors that may indicate whether an impairment exists. We take into account factors such as the growth in AUM and FPAUM, general economic conditions, and various other factors that require judgement in deciding whether a quantitative analysis should be undertaken. Our evaluation for indicators of impairment may not capture a potential impairment, which could result in an overstatement of the carrying values of goodwill and other intangible assets.

Variable Interest Entities

The determination of whether to consolidate a variable interest entity (“VIE”) under GAAP requires a significant amount of judgment concerning the degree of control over an entity by its holders of variable interests. To make these judgments, we conduct an analysis, on a case-by-case basis, of whether we are the primary beneficiary and are therefore required to consolidate an entity. We continually reconsider whether we should consolidate a VIE. Upon the occurrence of certain events, such as modifications to organizational documents and investment management agreements of our products, we will reconsider our conclusion regarding the status of an entity as a VIE. Our judgement when analyzing the status of an entity and whether we consolidate an entity could have a material impact on individual line items within our consolidated and combined statements, as a change in our conclusion would have the effect of grossing up the assets, liabilities, revenues and expenses of the entity being evaluated. In light of the relevantly insignificant direct and indirect investments into our products, the likelihood of a reasonable change in our estimation and judgement would likely not result in a change in our conclusions to consolidate or not consolidate any VIEs to which we have exposure.

Impact of Changes in Accounting on Recent and Future Trends

We believe that none of the changes to GAAP that went into effect during the nine months ended September 30, 2022, or that have been issued but that we have not yet adopted, are expected to substantively impact our future trends.

Liquidity and Capital Resources

Overview

We rely on management fees as the primary source of our operating liquidity. From time to time we may rely on the use of revolving credit facilities between management fee collection dates, which generally occur on a quarterly basis. We may also rely on our Revolving Credit Facility for liquidity needed to fund acquisitions, which we may replace with longer-term financing, subject to market conditions. To the extent that we have excess liquidity, we may invest such excess liquidity in corporate bonds, agency securities and other investments.

We ended the third quarter of 2022 with \$39.5 million of cash and cash equivalents and \$1.0 billion available under our Revolving Credit Facility. Based on management’s experience and our current level of liquidity and assets under management, we believe that our current liquidity position and cash generated from management fees will continue to be sufficient to meet our anticipated working capital needs for at least the next 12 months.

Over the short and long term, we may use cash and cash equivalents, issue additional debt or equity securities, or may seek other sources of liquidity to:

- Grow our existing investment management business.
- Expand, or acquire, into businesses that are complementary to our existing investment management businesses or other strategic growth initiatives.
- Pay operating expenses, including cash compensation to our employees.
- Repay debt obligations and interest thereon.
- Opportunistically repurchase Class A Shares pursuant to the share repurchase program discussed below.
- Pay income taxes and amounts due under the TRA.
- Pay dividends to holders of our Class A Shares, as well as make corresponding distributions to holders of Common Units at the Blue Owl Operating Group level.
- Fund debt and equity investment commitments to existing or future products.

Debt Obligations

As of September 30, 2022, our long-term debt obligations consisted of \$700.0 million of 2031 Notes, \$400.0 million of 2032 Notes and \$350.0 million of 2051 Notes. We also had \$112.0 million outstanding under our Revolving Credit Facility, which amount was fully repaid subsequent to quarter end. We expect to use cash on hand to pay interest and principal due on our financing arrangements over time, which would reduce amounts available for dividends and distributions to our shareholders. We may choose to refinance all or a portion of any amounts outstanding on or prior to their respective maturity dates by issuing new debt, which could result in higher borrowing costs. We may also choose to repay borrowing by using proceeds from the issuance of equity or other securities, which would dilute shareholders. See Note 4 to our Financial Statements in this report for additional information regarding our debt obligations.

Management regularly reviews Adjusted EBITDA to assess our ability to service our debt obligations. Adjusted EBITDA is equal to Distributable Earnings plus interest expense, taxes payable and TRA payments, and fixed assets depreciation and amortization. Adjusted EBITDA is a non-GAAP financial measure that supplements and should be considered in addition to and not in lieu of our GAAP results, and such measure should not be considered as indicative of our liquidity. Adjusted EBITDA may not be comparable to other similarly titled measures used by other companies. Adjusted EBITDA was \$210.0 million for the quarter ended September 30, 2022. Please see “—*Non-GAAP Reconciliations*” for reconciliations of Adjusted EBITDA to the most comparable measures prepared in accordance with GAAP.

Share Repurchase Program

On May 4, 2022, our Board authorized the repurchase of up to \$150.0 million of Class A Shares. Under the repurchase program (the “Program”), repurchases may be made from time to time in open market transactions, in privately negotiated transactions or otherwise. The timing and the actual numbers repurchased will depend on a variety of factors, including legal requirements, price and economic and market conditions. The Program may be changed, suspended or discontinued at any time and will terminate upon the earlier of (i) the purchase of all shares available under the Program or (ii) December 31, 2024. During the three months ended September 30, 2022, we repurchased 1,021,079 Class A Shares for an aggregate amount of \$9.8 million, excluding commission costs, using cash on hand. The Program replaced the previously authorized program, under which program we repurchased 2,000,000 shares during the first quarter of 2022 using cash on hand. Future share repurchases may be funded using cash on hand, which would reduce amounts available for dividends and distributions, or by incurring additional debt.

Tax Receivable Agreement

As discussed in Note 11 to our Financial Statements in this report, we may in the future be required to make payments under the TRA. As of September 30, 2022, assuming no material changes in the relevant tax law and that we generate sufficient taxable income to realize the full tax benefit of the increased amortization resulting from the increase in tax basis of certain Blue Owl Operating Group assets, we expect to pay approximately \$908.2 million under the TRA. Future cash savings and related payments under the TRA in respect of subsequent exchanges of Blue Owl Operating Group Units for Class A or B Shares would be in addition to these amounts.

Payments under the TRA are anticipated to increase the tax basis adjustment and, consequently, result in increasing annual amortization deductions in the taxable years of and after such increases to the original basis adjustments, and potentially will give rise to increasing tax savings with respect to such years and correspondingly increasing payments under the TRA.

The obligation to make payments under the TRA is an obligation of Blue Owl GP, and any other corporate taxpaying entities that in the future may hold GP Units, and not of the Blue Owl Operating Group. We may need to incur debt to finance payments under the TRA to the extent the Blue Owl Operating Group does not distribute cash to Registrant or Blue Owl GP in an amount sufficient to meet our obligations under the TRA.

The actual increase in tax basis of the Blue Owl Operating Group assets resulting from an exchange or from payments under the TRA, as well as the amortization thereof and the timing and amount of payments under the TRA, will vary based upon a number of factors, including the following:

- The amount and timing of our taxable income will impact the payments to be made under the TRA. To the extent that we do not have sufficient taxable income to utilize the amortization deductions available as a result of the increased tax basis in the Blue Owl Operating Partnerships’ assets, payments required under the TRA would be reduced.

- The price of our Class A Shares at the time of any exchange will determine the actual increase in tax basis of the Blue Owl Operating Partnerships' assets resulting from such exchange; payments under the TRA resulting from future exchanges, if any, will be dependent in part upon such actual increase in tax basis.
- The composition of the Blue Owl Operating Group assets at the time of any exchange will determine the extent to which we may benefit from amortizing the increased tax basis in such assets and thus will impact the amount of future payments under the TRA resulting from any future exchanges.
- The extent to which future exchanges are taxable will impact the extent to which we will receive an increase in tax basis of the Blue Owl Operating Group assets as a result of such exchanges, and thus will impact the benefit derived by us and the resulting payments, if any, to be made under the TRA.
- The tax rates in effect at the time any potential tax savings are realized, which would affect the amount of any future payments under the TRA.

Depending upon the outcome of these and other factors, payments that we may be obligated to make under the TRA in respect of exchanges could be substantial. In light of the numerous factors affecting our obligation to make payments under the TRA, the timing and amounts of any such actual payments are not reasonably ascertainable.

Warrants

We classify the warrants issued in connection with the Business Combination as liabilities in our consolidated and combined statements of financial condition, as in the event of a change in control, warrant holders have the ability to demand cash settlement from us.

In August 2022 (the "Redemption Date"), we redeemed all outstanding Public Warrants. See Note 1 to our Financial Statements for additional information. The Private Placement Warrants are not redeemable at our option and continue to remain outstanding following the Redemption Date.

Oak Street Cash Earnout and Wellfleet Earnout

A portion of the Oak Street Cash Earnout and the Wellfleet Earnout (each as defined in Note 3 to our Financial Statements) is classified as a liability and represents the fair value of the obligation to make future cash payments that would need to be made if all the respective Oak Street Triggering Events and Wellfleet Triggering Events occur. As we approach each Triggering Event, we generally would expect the respective liabilities to increase due to the passage of time, which would result in mark-to-market losses being recognized in our consolidated statement of operations. Further, the cash portion classified as compensation expense will be expensed and a corresponding accrued compensation liability will be recorded over the service period. To the extent we have insufficient cash on hand or that we opt to, we may rely on debt or equity financing to facilitate these transactions in the future. For details on the Oak Street Cash Earnout see Note 3 to the consolidated and combined audited financial statements included in the Company's Annual Report for additional information. For the Wellfleet Earnout see Note 3 to our Financial Statements for additional information.

Dividends and Distributions

We intend to continue to pay to Class A Shareholders (and Class B Shareholders in the future to the extent any Class B Shares are outstanding) a quarterly dividend representing approximately 85% of Distributable Earnings following the end of each quarter. Blue Owl Capital Inc.'s share of Distributable Earnings, subject to adjustment as determined by our Board to be necessary or appropriate to provide for the conduct of our business, to make appropriate investments in our business and products, to comply with applicable law, any of our debt instruments or other agreements, or to provide for future cash requirements such as tax-related payments, operating reserves, clawback obligations and dividends to shareholders for any ensuing quarter. All of the foregoing is subject to the qualification that the declaration and payment of any dividends are at the sole discretion of our Board, and our Board may change our dividend policy at any time, including, without limitation, to reduce or eliminate dividends entirely.

The Blue Owl Operating Partnerships will make cash distributions (“Tax Distributions”) to the partners of such partnerships, including to Blue Owl GP, if we determine that the taxable income of the relevant partnership will give rise to taxable income for its partners. Generally, Tax Distributions will be computed based on our estimate of the taxable income of the relevant partnership allocable to a partner multiplied by an assumed tax rate equal to the highest effective marginal combined U.S. federal, New York State and New York City income tax rates prescribed for an individual or corporate resident in New York City (taking into account certain assumptions set forth in the relevant partnership agreements). Tax Distributions will be made only to the extent distributions from the Blue Owl Operating Partnerships for the relevant year were otherwise insufficient to cover the estimated assumed tax liabilities.

Holders of our Class A and B Shares may not always receive distributions or may receive lower distributions on a per share basis at a time when we, indirectly through Blue Owl GP, and holders of our Common Units are receiving distributions on their interests, as distributions to the Registrant and Blue Owl GP may be used to settle tax and TRA liabilities, if any, and other obligations.

Dividends are expected to be treated as qualified dividends under current law to the extent of the Company’s current and accumulated earnings and profits, with any excess dividends treated as a return of capital to the extent of a shareholder’s basis, and any remaining excess generally treated as gain realized on the sale or other disposition of stock.

Risks to our Liquidity

Our ability to obtain financing provides us with additional sources of liquidity. Any new financing arrangement that we may enter into may have covenants that impose additional limitations on us, including with respect to making distributions, entering into business transactions or other matters, and may result in increased interest expense. If we are unable to secure financing on terms that are favorable to us, our business may be adversely impacted. No assurance can be given that we will be able to issue new debt, enter into new credit facilities or issue equity or other securities in the future on attractive terms or at all.

Adverse market conditions, including from unexpectedly high and persistent inflation, an increasing interest rate environment, geopolitical events, and ongoing impact from COVID-19 globally, may negatively impact our liquidity. Cash flows from management fees may be impacted by a slowdown or a decline in fundraising and deployment, as well as declines in the value of investments held in certain of our products.

LIBOR Transition

On March 5, 2021, the UK Financial Conduct Authority announced that it would phase out LIBOR as a benchmark immediately after December 31, 2021, for sterling, euro, Japanese yen, Swiss franc and 1-week and 2-month U.S. Dollar settings and immediately after June 30, 2023, the remaining U.S. Dollar settings. Our Notes are fixed rate borrowings, and therefore the LIBOR phase out will not have an impact on this borrowing. The Revolving Credit Facility is subject to SOFR rates at our option, or alternative rates that are not tied to LIBOR. Certain of our products hold investments and have borrowings that are tied to LIBOR, and we continue to focus on managing any risk related to those exposures. Our senior management has oversight of these transition efforts. See “Risk Factors—Risks Related to Legal and Regulatory Environment—Changes to the method of determining the London Interbank Offered Rate (“LIBOR”) or the selection of a replacement for LIBOR may affect the value of investments held by our products and could affect our results of operations and financial results” in our Annual Report.

Cash Flows Analysis

<i>(dollars in thousands)</i>	Nine Months Ended September 30,		
	2022	2021	\$ Change
<i>Net cash provided by (used in):</i>			
Operating activities	\$ 452,393	\$ 127,370	\$ 325,023
Investing activities	(345,874)	(1,274,108)	928,234
Financing activities	(109,552)	1,273,983	(1,383,535)
Net Change in Cash and Cash Equivalents	\$ (3,033)	\$ 127,245	\$ (130,278)

Operating Activities. Our net cash flows from operating activities are generally comprised of management fees, less cash used for operating expenses, including interest paid on our debt obligations. One of our largest operating cash outflows generally relates to bonus expense, which are generally paid out during the first quarter of the year following the expense.

Net cash flows from operating activities increased from the prior year period due to the inclusion of the GP Capital Solutions and Real Estate related cash flows, as well as higher management fees from our Direct Lending products. These increases were partially offset by higher 2021 discretionary bonuses, which were paid in the first quarter of 2022, as compared to discretionary bonuses in 2020, which were paid in the first quarter of 2021.

Investing Activities. Cash flows from investing activities for 2022 were primarily related to cash consideration paid in connection with the Wellfleet Acquisition. In addition, investment activities also included cash outflows related to office space-related leasehold improvements and investments by us into our products. In 2021, cash flows from investing activities were primarily related to the cash consideration paid in connection with the Dyal Acquisition.

Financing Activities. Cash flows from financing activities for 2022 were primarily driven by dividends on our Class A Shares and related distributions on our Common Units (noncontrolling interests). Our cash flows from financing activities also benefited from a net increase related to the proceeds from our 2032 Notes, which were used to finance working capital needs and general capital purposes, partially offset by repayments under our Revolving Credit Facility.

Cash flows related to financing activities for 2021 were primarily driven by cash proceeds from the Business Combination, as well as related cash consideration paid to certain pre-Business Combination Owl Rock owners. Additionally, distributions of pre-Business Combination-related earnings were also made during 2021, with a final distribution of \$52.0 million related to pre-Business Combination-related earnings to be made during the third quarter of 2021. Cash flows related to financing activities in 2021 also included the proceeds from our 2031 Notes, which proceeds were used in part to repay our previously outstanding Term Loan. We also made various borrowings and repayments under our previously outstanding revolving credit facilities.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Our primary exposure to market risk is the indirect impact that movements in the fair value of investments in products has on our management fees. In our Direct Lending products, our management fees are generally based on the fair value of the gross assets held by such products, and therefore changes in the fair value of those assets impacts the management fees we earn in any given period. These management fees will be increased (or reduced) in direct proportion to the effect of changes in the market value of our investments in the related funds. The proportion of our management fees that are based on fair value is dependent on the number and types of investment funds in existence and the current stage of each fund's life cycle. Management fees from our GP Capital Solutions and Real Estate products, however, are generally based on capital commitments or investment cost, and therefore management fees are not materially impacted by changes in fair values of the underlying investments held by those products. To the extent that management fees are calculated based on investment cost of the product's investments, the amount of fees that we may charge will increase or decrease from the effect of changes in the cost basis of the product's investments, including potential impairment losses.

Interest Rate Risk

Our Notes bear interest at fixed rates. Our Revolving Credit Facility bears interest at a variable rate based on SOFR (or an alternative base rate at our option). As of the date of this report, we have no borrowings outstanding under our Revolving Credit Facility, and therefore changes in interest rates would not have a material impact on interest expense.

Credit Risk

We generally endeavor to minimize our risk of exposure by limiting to reputable financial institutions the counterparties with which we enter into financial transactions. As of September 30, 2022 and December 31, 2021, we had cash balances with financial institutions in excess of Federal Deposit Insurance Corporation insured limits. We seek to mitigate this exposure by monitoring the credit standing of these financial institutions.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired objectives.

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of September 30, 2022. Based upon that evaluation and subject to the foregoing, our principal executive officer and principal financial officer concluded that, as of September 30, 2022, the design and operation of our disclosure controls and procedures were effective to accomplish their objectives at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended September 30, 2022, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

We may from time to time be involved in litigation and claims incidental to the conduct of our business. Our businesses are also subject to extensive regulation, which may result in regulatory proceedings against us. See “— Item 1A. Risk Factors.” We are not currently subject to any pending legal (including judicial, regulatory, administrative or arbitration) proceedings that we expect to have a material impact on our consolidated and combined financial statements. However, given the inherent unpredictability of these types of proceedings and the potentially large and/or indeterminate amounts that could be sought, an adverse outcome in certain matters could have a material effect on our financial results in any particular period. See Note 11 to our Financial Statements for additional information.

Item 1A. Risk Factors.

Some factors that could cause our actual results to differ materially from those results in this report are described as risks in our Annual Report. Any of these factors could materially and adversely affect our business, financial condition, results of operations and cash flows. As of the date of this report, there have been no material changes to the risk factors previously disclosed in the Annual Report. We may, however, disclose changes to such factors or disclose additional factors from time to time in our future filings with the SEC.

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

The table below presents purchases made by or on behalf of Blue Owl Capital Inc. or any “affiliated purchaser” (as defined in Rule 10b-18(a)(3) under the Exchange Act) of Class A Shares during each of the indicated periods:

(dollars in thousands, except per share data)

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet be Purchased Under the Plans or Programs(1)
July 1, 2022 - July 31, 2022	274,792	\$ 9.68	274,792	\$ 147,341
August 1, 2022 - August 31, 2022	—	—	—	—
September 1, 2022 - September 30, 2022	746,287	9.51	746,287	140,241
Total	1,021,079		1,021,079	

- (1) On May 4, 2022, Blue Owl’s Board authorized the repurchase of up to \$150.0 million of Class A Shares. Under the Program, repurchases may be made from time to time in open market transactions, in privately negotiated transactions or otherwise. The timing and the actual number of shares repurchased will depend on a variety of factors, including legal requirements, price and economic and market conditions. The Program may be changed, suspended or discontinued at any time and will terminate upon the earlier of (i) December 31, 2024 or (ii) the purchase of all shares available under the Program.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

None.

Item 5. Other Information.

None.

Item 6. Exhibits

<u>Exhibit Number</u>	<u>Description</u>
3.1	Certificate of Incorporation of Blue Owl Capital Inc., as amended (incorporated by reference to Exhibit 3.1 of Blue Owl Capital Inc. Quarter Report on Form 10-Q filed on May 5, 2022)
3.2	Amended and Restated Bylaws of Blue Owl Capital Inc. (incorporated by reference to Exhibit 3.2 of Blue Owl Capital Inc. Quarterly Report on Form 10-Q filed on November 9, 2021)
31.1 *	Certification of the 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 the 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 the 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 the 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*	Interactive data files pursuant to Rule 405 of Regulation S-T, formatted in Inline XBRL (eXtensible Business Reporting Language): (i) the Consolidated and Combined Statements of Financial Condition as of September 30, 2022 and December 31, 2021, (ii) the Consolidated and Combined Statements of Operations for the three and nine months ended September 30, 2022 and 2021, (iii) the Consolidated and Combined Statements of Changes in Shareholders' Equity (Deficit) for the three and nine months ended September 30, 2022 and 2021, (iv) the Consolidated and Combined Statements of Cash Flows for the nine months ended September 30, 2022 and 2021, and (v) the Notes to the Consolidated and Combined Financial Statements
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith

** This certification is not deemed filed by the SEC and is not to be incorporated by reference in any filing we make under the Securities Act of 1933 or the Securities Exchange Act of 1934, irrespective of any general incorporation language in any filings

SIGNATURES

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

Date: November 4, 2022

Blue Owl Capital Inc.

By: /s/ Alan Kirshenbaum
Alan Kirshenbaum
Chief Financial Officer

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Blue Owl Capital Inc.
(Prior to May 19, 2021, Owl Rock)
Consolidated and Combined Statements of Financial Condition (Unaudited)
(Dollars in Thousands, Except Per Share Data)

	September 30, 2022	December 31, 2021
Assets		
Cash and cash equivalents	\$ 39,534	\$ 42,567
Due from related parties	368,057	224,576
Investments (includes \$3,664 and \$1,311 at fair value and \$195,359 and \$8,522 of investments in the Company's products, respectively)	201,211	12,143
Operating lease assets	229,936	86,033
Strategic Revenue-Share Purchase consideration, net	467,708	495,322
Deferred tax assets	733,286	635,624
Intangible assets, net	2,470,085	2,611,411
Goodwill	4,205,159	4,132,245
Other assets, net	77,278	26,477
Total Assets	\$ 8,792,254	\$ 8,266,398
Liabilities		
Debt obligations, net	\$ 1,525,967	\$ 1,174,167
Accrued compensation	245,795	155,606
Operating lease liabilities	237,497	88,480
Deferred tax liabilities	41,365	48,962
TRA liability (includes \$116,008 and \$111,325 at fair value, respectively)	791,990	670,676
Warrant liability, at fair value	7,450	68,798
Earnout liability, at fair value	160,046	143,800
Accounts payable, accrued expenses and other liabilities	147,208	68,339
Total Liabilities	3,157,318	2,418,828
Commitments and Contingencies (Note 11)		
Shareholders' Equity		
Class A Shares, par value \$ 0.0001 per share, 2,500,000,000 authorized, 441,838,181 and 404,919,411 issued and outstanding, respectively	44	40
Class C Shares, par value \$ 0.0001 per share, 1,500,000,000 authorized, 637,263,151 and 674,766,200 issued and outstanding, respectively	64	67
Class D Shares, par value \$ 0.0001 per share, 350,000,000 authorized, 319,132,127 and 319,132,127 issued and outstanding, respectively	32	32
Additional paid-in capital	2,292,736	2,160,934
Accumulated deficit	(638,300)	(497,506)
Total Shareholders' Equity Attributable to Blue Owl Capital Inc.	1,654,576	1,663,567
Shareholders' equity attributable to noncontrolling interests	3,980,360	4,184,003
Total Shareholders' Equity	5,634,936	5,847,570
Total Liabilities and Shareholders' Equity	\$ 8,792,254	\$ 8,266,398

The accompanying notes are an integral part of these consolidated and combined financial statements.

Blue Owl Capital Inc.
Consolidated and Combined Statements of Operations (Unaudited)
(Prior to May 19, 2021, Owl Rock)
(Dollars in Thousands, Except Per Share Data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenues				
Management fees, net (includes Part I Fees of \$ 62,808, \$43,659, \$ 155,893 and \$ 108,646, respectively)	\$ 338,377	\$ 203,750	\$ 870,334	\$ 440,598
Administrative, transaction and other fees	32,609	44,125	103,875	94,761
Total Revenues, Net	370,986	247,875	974,209	535,359
Expenses				
Compensation and benefits	234,745	96,910	646,755	1,366,459
Amortization of intangible assets	65,835	46,191	192,246	67,527
General, administrative and other expenses	67,972	28,438	165,655	94,818
Total Expenses	368,552	171,539	1,004,656	1,528,804
Other Income (Loss)				
Net losses on investments	(592)	(145)	(710)	(145)
Net losses on retirement of debt	—	—	—	(16,145)
Interest expense	(15,027)	(6,112)	(42,912)	(17,787)
Change in TRA liability	3,599	(4,733)	(4,683)	(5,879)
Change in warrant liability	(2,747)	(27,462)	35,734	(42,762)
Change in earnout liability	(1,760)	(293,122)	(2,464)	(756,092)
Total Other Income (Loss)	(16,527)	(331,574)	(15,035)	(838,810)
Loss Before Income Taxes	(14,093)	(255,238)	(45,482)	(1,832,255)
Income tax expense (benefit)	(4,085)	(14,391)	(3,492)	(43,402)
Consolidated and Combined Net Loss	(10,008)	(240,847)	(41,990)	(1,788,853)
Net loss attributable to noncontrolling interests	12,068	187,524	31,109	1,412,600
Net Income (Loss) Attributable to Blue Owl Capital Inc. (After May 19, 2021) / Owl Rock (Prior to May 19, 2021)	\$ 2,060	\$ (53,323)	\$ (10,881)	\$ (376,253)
		Three Months Ended		May 19, 2021 through
		September 30, 2021		September 30, 2021
Net Income (Loss) Attributable to Class A Shares	\$ 2,060	\$ (53,323)	\$ (10,881)	\$ (450,512)
Net Income (Loss) per Class A Share				
Basic	\$ 0.00	\$ (0.16)	\$ (0.03)	\$ (1.34)
Diluted	\$ 0.00	\$ (0.16)	\$ (0.03)	\$ (1.36)
Weighted-Average Class A Shares				
Basic ⁽¹⁾	441,487,112	338,472,456	427,172,270	335,472,904
Diluted	1,411,812,068	338,472,456	427,172,270	1,281,179,067

(1) Included in the weighted-average Class A Shares outstanding were RSUs that have vested but have not been settled in Class A Shares. These RSUs do not participate in dividends until settled in Class A Shares. See Note 13.

The accompanying notes are an integral part of these consolidated and combined financial statements.

Blue Owl Capital Inc.
Consolidated and Combined Statements of Changes in Shareholders' Equity (Deficit) (Unaudited)
(Prior to May 19, 2021, Owl Rock)
(Dollars in Thousands, Except Per Share Data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Members' Deficit Prior to the Business Combination				
Beginning balance	\$ —	\$ —	\$ —	\$ (507,687)
Distributions	—	—	—	(103,143)
Comprehensive income prior to the Business Combination Date	—	—	—	74,259
Transfer of predecessor members' deficit to additional paid-in capital and noncontrolling interests	—	—	—	536,571
Ending Balance	\$ —	\$ —	\$ —	\$ —
Class A Shares Par Value				
Beginning balance	\$ 42	\$ 32	\$ 40	\$ —
Impact of the Business Combination	—	—	—	32
Share issuance in connection with Strategic Revenue-Share Purchase	—	3	—	3
Settlement of Earnout Securities	—	1	—	1
Class C Shares and Common Units exchanged for Class A Shares	2	—	4	—
Ending Balance	\$ 44	\$ 36	\$ 44	\$ 36
Class C Shares Par Value				
Beginning balance	\$ 66	\$ 63	\$ 67	\$ —
Impact of the Business Combination	—	—	—	63
Settlement of Earnout Securities	—	3	—	3
Class C Shares and Common Units exchanged for Class A Shares	(2)	—	(3)	—
Ending Balance	\$ 64	\$ 66	\$ 64	\$ 66
Class D Shares Par Value				
Beginning balance	\$ 32	\$ 29	\$ 32	\$ —
Impact of the Business Combination	—	—	—	29
Settlement of Earnout Securities	—	2	—	2
Ending Balance	\$ 32	\$ 31	\$ 32	\$ 31
Class E Shares Par Value				
Beginning balance	\$ —	\$ 1	\$ —	\$ —
Impact of the Business Combination	—	—	—	1
Ending Balance	\$ —	\$ 1	\$ —	\$ 1

Blue Owl Capital Inc.
Consolidated and Combined Statements of Changes in Shareholders' Equity (Deficit) (Unaudited)
(Prior to May 19, 2021, Owl Rock)
(Dollars in Thousands, Except Per Share Data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Additional Paid-in Capital				
Beginning balance	\$ 2,214,274	\$ 1,496,826	\$ 2,160,934	\$ —
Transfer of predecessor Owl Rock members' deficit to additional paid-in capital and noncontrolling interests	—	—	—	(138,133)
Cash proceeds from the Business Combination	—	—	—	1,738,478
Offering costs related to the Business Combination	—	(114)	—	(126,423)
Allocation of cash proceeds to warrant liability	—	—	—	(25,128)
Allocation to earnout liability for Class E Shares issued in connection with the Business Combination	—	—	—	(83,949)
Deferred taxes recognized in the Business Combination	—	—	—	145,163
Equity classified contingent consideration in connection with Wellfleet Acquisition	969	—	969	—
Deferred taxes on capital transactions	47,135	—	90,125	—
TRA liability on capital transactions	(60,869)	—	(116,634)	—
Reallocation between additional paid-in capital and noncontrolling interests related to the Business Combination	—	—	—	(325,222)
Exercise of warrants	25,763	—	25,765	—
Equity-based compensation	662	—	8,402	311,926
Settlement of Earnout Securities	—	114,312	—	114,312
Share issuance in connection with Strategic Revenue-Share Purchase	—	200,434	—	200,434
Withholding taxes on vested RSUs	(207)	—	(600)	—
Class A Share repurchases	(9,729)	—	(33,967)	—
Reallocation between additional paid-in capital and noncontrolling interests due to changes in Blue Owl Operating Group ownership	74,738	67,582	157,742	67,582
Ending Balance	\$ 2,292,736	\$ 1,879,040	\$ 2,292,736	\$ 1,879,040
Accumulated Deficit				
Beginning balance	\$ (591,727)	\$ (397,189)	\$ (497,506)	\$ —
Cash dividends declared on Class A Shares	(48,633)	(13,100)	(129,913)	(13,100)
Comprehensive income (loss) following the Business Combination	2,060	(53,323)	(10,881)	(450,512)
Ending Balance	\$ (638,300)	\$ (463,612)	\$ (638,300)	\$ (463,612)
Total Shareholders' Equity Attributable to Blue Owl Capital Inc.	\$ 1,654,576	\$ 1,415,562	\$ 1,654,576	\$ 1,415,562

Blue Owl Capital Inc.
Consolidated and Combined Statements of Changes in Shareholders' Equity (Deficit) (Unaudited)
(Prior to May 19, 2021, Owl Rock)
(Dollars in Thousands, Except Per Share Data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Shareholders' Equity Attributable to Noncontrolling Interests				
Beginning balance	\$ 4,064,351	\$ 3,283,985	\$ 4,184,003	\$ 6,526
Transfer of predecessor Owl Rock members' deficit to additional paid-in capital and noncontrolling interests	—	—	—	(398,438)
Common Units issued as consideration related to the Dyal Acquisition	—	—	—	4,285,359
Acquisition of noncontrolling interests in the Blue Owl Operating Group in connection with the Business Combination	—	—	—	(491,956)
Allocation to earnout liability for Seller Earnout Units issued in the Business Combination	—	—	—	(160,540)
Reallocation between additional paid-in capital and noncontrolling interests related to the Business Combination	—	—	—	325,222
Equity-based compensation	98,334	15,722	272,484	952,918
Settlement of Earnout Securities	—	437,324	—	437,324
Contributions	11,550	3,566	22,311	10,737
Distributions	(106,685)	(47,688)	(308,289)	(49,167)
Withholding taxes on vested RSUs	(384)	—	(1,298)	—
Reallocation between additional paid-in capital and noncontrolling interests due to changes in Blue Owl Operating Group ownership	(74,738)	(71,257)	(157,742)	(71,257)
Comprehensive loss	(12,068)	(187,524)	(31,109)	(1,412,600)
Share issuance in connection with Strategic Revenue-Share Purchase	—	331,903	—	331,903
Ending Balance	\$ 3,980,360	\$ 3,766,031	\$ 3,980,360	\$ 3,766,031
Total Shareholders' Equity	\$ 5,634,936	\$ 5,181,593	\$ 5,634,936	\$ 5,181,593

Blue Owl Capital Inc.
Consolidated and Combined Statements of Changes in Shareholders' Equity (Deficit) (Unaudited)
(Prior to May 19, 2021, Owl Rock)
(Dollars in Thousands, Except Per Share Data)

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2022		2021		2022		2021	
Cash Dividends Paid per Class A Share	\$	0.11	\$	0.04	\$	0.31	\$	0.04
Number of Class A Shares								
Beginning balance		420,102,492		320,005,258		404,919,411		—
Impact of the Business Combination		—		—		—		320,005,258
Share issuance in connection with Strategic Revenue-Share Purchase		—		29,701,013		—		29,701,013
Class A Share repurchases		(1,021,079)		—		(3,021,079)		—
Shares delivered on vested RSUs		55,176		—		280,446		—
Settlement of Earnout Securities		—		7,495,432		—		7,495,432
Class C Shares and Common Units exchanged for Class A Shares		20,545,438		—		37,503,049		—
Exercise of warrants		2,156,154		—		2,156,354		—
Ending Balance		441,838,181		357,201,703		441,838,181		357,201,703
Number of Class C Shares								
Beginning balance		657,808,589		628,380,707		674,766,200		—
Impact of the Business Combination		—		—		—		628,380,707
Settlement of Earnout Securities		—		30,266,653		—		30,266,653
Class C Shares and Common Units exchanged for Class A Shares		(20,545,438)		—		(37,503,049)		—
Ending Balance		637,263,151		658,647,360		637,263,151		658,647,360
Number of Class D Shares								
Beginning balance		319,132,127		294,656,373		319,132,127		—
Impact of the Business Combination		—		—		—		294,656,373
Settlement of Earnout Securities		—		12,237,877		—		12,237,877
Ending Balance		319,132,127		306,894,250		319,132,127		306,894,250
Number of Class E Shares								
Beginning balance		—		14,990,864		—		—
Impact of the Business Combination		—		—		—		14,990,864
Settlement of Earnout Securities		—		(7,495,432)		—		(7,495,432)
Ending Balance		—		7,495,432		—		7,495,432

The accompanying notes are an integral part of these consolidated and combined financial statements.

Blue Owl Capital Inc.
Consolidated and Combined Statements of Cash Flows (Unaudited)
(Prior to May 19, 2021, Owl Rock)
(Dollars in Thousands)

	Nine Months Ended September 30,	
	2022	2021
Cash Flows from Operating Activities		
Consolidated and combined net loss	\$ (41,990)	\$ (1,788,853)
Adjustments to reconcile consolidated and combined net loss to net cash from operating activities:		
Amortization of intangible assets	192,246	67,527
Equity-based compensation	309,362	1,174,319
Depreciation and amortization of fixed assets	694	456
Amortization of debt discounts and deferred financing costs	3,268	1,125
Amortization of investment discounts and premiums	6	451
Non-cash lease expense	5,114	625
Net losses on retirement of debt	—	16,145
Net gains on investments, net of dividends	710	185
Change in TRA liability	4,683	5,879
Change in warrant liability	(35,734)	42,762
Change in earnout liability	2,464	756,092
Deferred income taxes	(15,174)	(43,793)
Changes in operating assets and liabilities:		
Due from related parties	(138,170)	(78,209)
Strategic Revenue-Share Purchase consideration	27,614	(49,563)
Other assets, net	(3,070)	(8,480)
Accrued compensation	61,713	48,685
Accounts payable, accrued expenses and other liabilities	78,657	(17,983)
Net Cash Provided by Operating Activities	452,393	127,370
Cash Flows from Investing Activities		
Purchases of fixed assets	(41,635)	(2,043)
Purchases of investments	(192,812)	(304,221)
Proceeds from investment sales and maturities	3,027	5,613
Cash consideration paid for acquisitions, net of cash consideration received	(114,454)	(973,457)
Net Cash Used in Investing Activities	(345,874)	(1,274,108)
Cash Flows from Financing Activities		
Cash proceeds from the Business Combination	—	1,738,603
Offering costs related to the Business Combination	—	(126,423)
Acquisition of noncontrolling interests in the Blue Owl Operating Group in connection with the Business Combination	—	(491,956)
Proceeds from debt obligations	583,060	896,008
Debt issuance costs	(8,536)	(9,862)
Repayments of debt obligations, including retirement costs	(229,000)	(577,713)
Withholding taxes on vested RSUs	(1,898)	—
Dividends paid on Class A Shares	(129,913)	(13,100)
Proceeds from exercise of warrants	151	—
Class A Share repurchases	(33,967)	—
Distributions to members prior to the Business Combination	—	(103,144)
Contributions from noncontrolling interests	18,840	10,737
Distributions to noncontrolling interests	(308,289)	(49,167)
Net Cash (Used in) Provided by Financing Activities	(109,552)	1,273,983
Net (Decrease) Increase in Cash and Cash Equivalents	(3,033)	127,245
Cash and cash equivalents, beginning of period	42,567	11,630
Cash and Cash Equivalents, End of Period	\$ 39,534	\$ 138,875
Supplemental Information		
Cash paid for interest	\$ 28,113	\$ 13,822
Cash paid for income taxes	\$ 4,620	\$ 4,355

The accompanying notes are an integral part of these consolidated and combined financial statements.

Blue Owl Capital Inc.
(Prior to May 19, 2021, Owl Rock)
Notes to Consolidated and Combined Financial Statements (Unaudited)

1. ORGANIZATION

Blue Owl Capital Inc. (the “Registrant”), a Delaware corporation, together with its consolidated subsidiaries (collectively, the “Company” or “Blue Owl”), is a global alternative asset manager. Anchored by a strong permanent capital base, the Company deploys private capital across Direct Lending, GP Capital Solutions and Real Estate strategies on behalf of institutional and private wealth clients.

The Company’s primary sources of revenues are management fees, which are generally based on the amount of the Company’s fee-paying assets under management. The Company generates substantially all of its revenues in the United States. The Company operates through one operating and reportable segment. This single reportable segment reflects how the chief operating decision makers allocate resources and assess performance under the Company’s “one-firm approach,” which includes operating collaboratively across product lines, with predominantly a single expense pool.

The Company conducts its operations through Blue Owl Capital Holdings LP (“Blue Owl Holdings”) and Blue Owl Capital Carry LP (“Blue Owl Carry”). Blue Owl Holdings and Blue Owl Carry are referred to, collectively, as the “Blue Owl Operating Partnerships,” and collectively with their consolidated subsidiaries, as the “Blue Owl Operating Group.” The Registrant holds its controlling financial interests in the Blue Owl Operating Group indirectly through Blue Owl Capital GP Holdings LLC and Blue Owl Capital GP LLC (collectively, “Blue Owl GP”), which are directly or indirectly wholly owned subsidiaries of the Registrant.

Business Combination, Including Dyal Acquisition

The Registrant was initially incorporated in the Cayman Islands as Altimar Acquisition Corporation (“Altimar”), a special purpose acquisition company. Pursuant to the Business Combination Agreement dated December 23, 2020, as amended, modified, supplemented or waived from time to time (the “Business Combination Agreement”), on May 19, 2021 (“Business Combination Date”), (i) Altimar was redomiciled as a Delaware corporation and changed its name to Blue Owl Capital Inc., (ii) Altimar merged with Owl Rock (as defined below) (the “Altimar Merger”) and (iii) the Company acquired Dyal Capital Partners (“Dyal Capital”), a former division of Neuberger Berman Group LLC (the “Dyal Acquisition”) (collectively with the Altimar Merger, the “Business Combination”). As further discussed in Note 2, for both the Altimar Merger and the Dyal Acquisition, Owl Rock was deemed to be the acquirer for accounting purposes. Therefore, the predecessor to Blue Owl is “Owl Rock,” a combined carve-out of Owl Rock Capital Group LLC and Blue Owl Securities LLC (formerly, Owl Rock Capital Securities LLC) (“Securities”).

Oak Street Acquisition

On December 29, 2021, the Company completed its acquisition of Oak Street Real Estate Capital, LLC (“Oak Street”) and its advisory business (the “Oak Street Acquisition”).

Wellfleet Acquisition

On April 1, 2022, the Company completed its acquisition of Wellfleet Credit Partners, LLC (“Wellfleet”), a manager of collateralized loan obligations (“CLOs”) (the “Wellfleet Acquisition,” and collectively with the Oak Street Acquisition and the Dyal Acquisition, the “Acquisitions”). See Note 3 for additional information.

Blue Owl Capital Inc.
(Prior to May 19, 2021, Owl Rock)
Notes to Consolidated and Combined Financial Statements (Unaudited)

Registrant's Capital Structure

As of September 30, 2022, the Registrant had the following instruments outstanding:

- **Class A Shares**—Shares of Class A common stock that are publicly traded. Class A Shareholders are entitled to dividends declared on the Class A Shares by the Registrant's board of directors (the "Board"). As of September 30, 2022, the Class A Shares and Class C Shares (collectively, the "Low-Vote Shares") represent a combined 20% of the total voting power of all shares. Prior to April 2022, the Low-Vote Shares represented 10% of the total voting power of all shares.
- **Class B Shares**—Shares of Class B common stock that are not publicly traded. Class B Shareholders are entitled to dividends in the same amount per share as declared on Class A Shares. As of September 30, 2022, the Class B Shares and Class D Shares (collectively, the "High-Vote Shares") represent a combined 80% of the total voting power of all shares. Prior to April 2022, the High-Vote Shares represented 90% of the total voting power of all shares. No Class B Shares have been issued from inception through September 30, 2022. Common Units (as defined below) held by certain senior members of management ("Principals") are exchangeable on a one-for-one basis for Class B Shares.
- **Class C Shares**—Shares of Class C common stock that are not publicly traded. Class C Shareholders do not participate in the earnings of the Registrant, as the holders of such shares participate in the economics of the Blue Owl Operating Group through their direct and indirect holdings of Common Units and Incentive Units (as defined below and subject to limitations on unvested units). For every Common Unit held directly or indirectly by non-Principals, one Class C Share is issued to grant a corresponding voting interest in the Registrant. The Class C Shares are Low-Vote Shares as described above.
- **Class D Shares**—Shares of Class D common stock that are not publicly traded. Class D Shareholders do not participate in the earnings of the Registrant, as the holders of such shares participate in the economics of the Blue Owl Operating Group through their direct or indirect holdings of Common Units and Incentive Units (subject to limitations on unvested units). For every Common Unit held directly and indirectly by Principals, one Class D Share is issued to grant a corresponding voting interest in the Registrant. The Class D Shares are High-Vote Shares as described above.
- **Class E Shares**—Shares of Class E common stock that were not publicly traded. Class E Shareholders were not entitled to a vote. Class E Shares accrued distributions equal to amounts declared per Class A Share; however, such distributions were not paid until the Company's Class A Shares reached certain price levels ("Class E Triggering Events"). Class E Shares and Seller Earnout Units (defined below) are collectively referred to as "Earnout Securities."

In connection with the Business Combination, the Company issued two series of Class E Shares: Series E-1 and Series E-2. Series E-1 and E-2 vested upon a Class E Triggering Event, which occurred when the volume weighted-average price of a Class A Share exceeded \$12.50 and \$15.00, respectively, for 20 consecutive trading days. The Series E-1 Class E Shares had a Class E Triggering Event on July 21, 2021, at which time 7,495,432 Class E Shares were converted into an equal number of Class A Shares. The Series E-2 Class E Shares had a Class E Triggering Event on November 3, 2021, at which time 7,495,432 Class E Shares were converted into an equal number of Class A Shares. As a result, there are no longer any Class E Shares issued or outstanding.

- **RSUs**—The Company grants Class A restricted share units ("RSUs") to its employees and independent Board members. An RSU entitles the holder to receive a Class A Share, or cash equal to the fair value of a Class A Share at the election of the Board, upon completion of a requisite service period. RSUs granted to-date do not accrue dividend equivalents. No RSUs were issued prior to the Business Combination. RSU grants are accounted for as equity-based compensation. See Note 8 for additional information.

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- **Warrants**—In connection with the Business Combination, the Company issued warrants to purchase Class A Shares at a price of \$1.50 per share. A portion of the outstanding warrants are held by the sponsor of Altimar (“Private Placement Warrants”) and the remaining warrants were held by other third-party investors (“Public Warrants”). The Private Placement Warrants will expire five years from the Business Combination Date. In August 2022, the Company redeemed all outstanding Public Warrants, as further discussed below.

The following table presents the number of shares of the Registrant, RSUs and warrants that were outstanding as of September 30, 2022:

	September 30, 2022
Class A Shares	441,838,181
Class C Shares	637,263,151
Class D Shares	319,132,127
RSUs	21,458,757
Private Placement Warrants	5,000,000

Share Repurchases, RSUs Withheld for Tax Withholding and Warrants Redeemed

On May 4, 2022, the Company’s Board authorized the repurchase of up to \$150.0 million of Class A Shares. Under the repurchase program (the “Program”), repurchases may be made from time to time in open market transactions, in privately negotiated transactions or otherwise. The timing and the actual numbers repurchased will depend on a variety of factors, including legal requirements, price and economic and market conditions. The Program may be changed, suspended or discontinued at any time and will terminate upon the earlier of (i) the purchase of all shares available under the Program or (ii) December 31, 2024. The Program replaced the previously authorized program (collectively, the “Programs”) under which the Company repurchased 2,000,000 shares during the first quarter of 2022.

Pursuant to the terms of the Company’s RSU awards, upon the vesting of RSUs to employees, the Company net settles awards to satisfy employee tax withholding obligations. In such instances, the Company cancels a number of RSUs equivalent in value to the amount of tax withholding payments that the Company is making on behalf of employees out of available cash.

During the third quarter of 2022, of the 9,159,048 Public Warrants that were outstanding on July 18, 2022, approximately 14,553 were exercised for cash at an exercise price of \$11.50 per Class A Share in exchange for an aggregate of 14,553 Class A Shares and 8,961,029 Public Warrants were exercised on a cashless basis in exchange for an aggregate of 2,141,601 Class A Shares. The remaining 183,466 Public Warrants were redeemed for \$0.10 per warrant. Total cash proceeds generated from exercises of the Public Warrants during the three months ended September 30, 2022 were \$0.2 million.

The following table presents share repurchase activity, RSUs withheld to satisfy tax withholding obligations and warrants cancelled in connection with the Public Warrants redemption during each of the indicated periods:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Number of shares purchased pursuant to the Programs	1,021,079	—	3,021,079	—
Number of RSUs withheld to satisfy tax withholding obligations	45,668	—	152,838	—
Number of warrants cancelled upon redemption, net of shares issued	7,002,894	—	7,002,894	—

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Blue Owl Operating Partnerships' Capital Structure

As of September 30, 2022, the Blue Owl Operating Partnerships had outstanding the following instruments, which are collectively referred to as “Blue Owl Operating Group Units”:

- **GP Units**—The Registrant indirectly holds a general partner interest and all of the GP Units in each of the Blue Owl Operating Partnerships. The GP Units are general partner interests in the Blue Owl Operating Partnerships that represent the Registrant’s economic ownership in the Blue Owl Operating Group. For each Class A Share and Class B Share outstanding, the Registrant indirectly holds an equal number of GP Units. References to GP Units refer collectively to a GP Unit in each of the Blue Owl Operating Partnerships. References to GP Units also include Common Units (as defined below) acquired and held directly or indirectly by the Registrant as a result of Common Units exchanged for Class A Shares.
- **Common Units**—Common Units are limited partner interests held by certain members of management, employees and other third parties in the Blue Owl Operating Partnerships. Subject to certain restrictions, Common Units are exchangeable on a one-for-one basis for either Class A Shares (if held by a non-Principal) or Class B Shares (if held by a Principal). Common Unit exchanges may be settled in cash, only at the election of the Company’s Exchange Committee (currently composed of independent members of the Board), and only if funded from proceeds of a new permanent equity offering. Common Units held by Principals are exchangeable after the two-year anniversary of the Business Combination Date. References to Common Units refer collectively to a Common Unit in each of the Blue Owl Operating Partnerships, but excludes any Common Units held directly or indirectly by the Registrant. Upon an exchange of Common Units for an equal number of Class A Shares or Class B Shares, a corresponding number of Class C Shares or Class D Shares, respectively, will be cancelled. Common Unitholders are entitled to distributions in the same amount per unit as declared on GP Units.
- **Incentive Units**—Incentive Units are Class P limited partner interests in the Blue Owl Operating Partnerships granted to certain members of management, employees and consultants (collectively, “Incentive Unit Grantees”) and are generally subject to vesting conditions, as further discussed in Note 8. Incentive Units are held indirectly through Blue Owl Management Vehicle LP on behalf of Incentive Unit Grantees. A vested Incentive Unit may convert into a Common Unit upon becoming economically equivalent on a tax basis to a Common Unit. Once vested, Incentive Unitholders are entitled to distributions in the same amount per unit as declared on GP Units and Common Units. Unvested Incentive Unitholders generally are not entitled to distributions; however, consistent with other Blue Owl Operating Group Units (other than Oak Street Earnout Units), unvested Incentive Units receive taxable income allocations that may subject holders to tax liabilities. As a result, Incentive Unitholders (consistent with other Blue Owl Operating Group Units other than Oak Street Earnout Units) may receive tax distributions on unvested units to cover a portion or all of such tax liabilities.
- **Seller Earnout Units**—Seller Earnout Units were limited partner interests held in the Blue Owl Operating Partnerships that had the same Class E Triggering Events, forfeiture provisions and distribution restrictions as the Class E Shares. In connection with the Business Combination, recipients of Earnout Securities had the option of selecting either Class E Shares or Seller Earnout Units. For recipients that elected to receive Class E Shares, a corresponding number of Seller Earnout Units were indirectly held by the Registrant. Upon meeting the respective Class E Triggering Events, Seller Earnout Units not held directly or indirectly by the Registrant automatically became Common Units, whereas the Seller Earnout Units held directly or indirectly by the Registrant automatically became GP Units.

The Series E-1 Seller Earnout Units had a Class E Triggering Event on July 21, 2021. As a result, (i) 7,495,432 Seller Earnout Units underlying an equal number of Series E-1 Class E Shares were converted into an equal number of GP Units, (ii) 42,504,530 Seller Earnout Units were converted into an equal number of Common Units, and (iii) 42,504,530 non-economic, voting shares of the Registrant were issued to the holders of the converted Common Units (0,266,653 Class C Shares and 12,237,877 Class D Shares).

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The Series E-2 Seller Earnout Units had a Class E Triggering Event on November 3, 2021. As a result, (i) 7,495,432 Seller Earnout Units underlying an equal number of Series E-2 Class E Shares were converted into an equal number of GP Units, (ii) 42,504,530 Seller Earnout Units were converted into an equal number of Common Units, and (iii) 42,504,530 non-economic, voting shares of the Registrant were issued to the holders of the converted Common Units, 10,266,653 Class C Shares and 12,237,877 Class D Shares). As a result, there are no longer any Class E Shares issued or outstanding.

The following table presents the number of Blue Owl Operating Group Units that were outstanding as of September 30, 2022:

Units	September 30, 2022
GP Units	441,838,181
Common Units	956,395,278
Incentive Units	26,907,252

Acquisitions-Related Earnouts

Units	September 30, 2022
Oak Street Earnout Units	26,074,330
Wellfleet Earnout Shares	940,668

In connection with the Oak Street Acquisition, the Company agreed to make additional payments of cash (“Oak Street Cash Earnout”) and Common Units (“Oak Street Earnout Units”) and collectively with the Oak Street Cash Earnout, the “Oak Street Earnouts”) in two tranches upon the occurrence of certain “Oak Street Triggering Events.” The Oak Street Triggering Events are based on achieving a certain level of quarterly management fee revenues from existing and future Oak Street products. See Note 3 to the consolidated and combined audited financial statements included in the Company’s Annual Report for the year ended December 31, 2021 (the “2021 Audited Financial Statements”) for additional information.

In connection with the Wellfleet Acquisition, the Company agreed to make additional payments of cash (“Wellfleet Earnout Cash”) and Class A Shares (“Wellfleet Earnout Shares”) and collectively with the Wellfleet Earnout Cash, the “Wellfleet Earnouts”) to the sellers in three tranches at each of the three anniversaries following the closing of the transaction, contingent upon the continued employment of certain Wellfleet employees (“Wellfleet Triggering Events”). See Note 3 for additional information.

Common Unit Exchanges

From time to time, the Company exchanges Common Units and Class C Shares for an equal number of Class A Shares. As a result of the exchange, the Company reallocated equity from noncontrolling interests to the Company’s additional paid-in capital and recorded additional deferred tax assets and TRA liability in connection with the exchanges. See the consolidated and combined statement of shareholders’ equity for these amounts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These unaudited, interim, consolidated and combined financial statements are prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) as set forth in the Financial Accounting Standards Board’s (“FASB”) Accounting Standards Codification (“ASC”). All intercompany transactions and balances have been eliminated in consolidation and combination. The notes are an integral part of the Company’s consolidated and combined financial statements. In the opinion of management, all adjustments necessary for a fair presentation of the Company’s consolidated and combined financial statements have been included and are of a normal and recurring nature. The Company’s comprehensive income (loss) is comprised solely of consolidated and combined net income (i.e., the Company has no other comprehensive income). These interim consolidated and combined financial statements should be read in conjunction with the 2021 Audited Financial Statements.

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Prior to the Business Combination, Blue Owl's financial statements were prepared on a consolidated and combined basis. As part of the Business Combination, Securities was contributed to the Blue Owl Operating Group. Following the Business Combination, the financial statements are prepared on a consolidated basis.

The merger between Owl Rock and Altimar was accounted for as a reverse asset acquisition, with no step-up to fair value on any assets or liabilities, and therefore no goodwill or other intangible assets were recorded. The Acquisitions were accounted for using the acquisition method of accounting. As a result, the Company recorded the fair value of the net assets acquired as of the closing date of each respective acquisition, and operating results for each acquired business are included starting as of such each respective date.

During the third quarter of 2022, the Company began presenting investments separately on its consolidated and combined statements of financial condition. Prior period amounts have been reclassified to conform to the current period presentation.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make assumptions and estimates that affect the amounts reported in the consolidated and combined financial statements. The most critical of these estimates are related to (i) the fair value of the investments held by the products the Company manages, as for many products, this impacts the amount of revenues the Company recognizes each period; (ii) the fair value of equity-based compensation grants; (iii) the fair values of liabilities with respect to the TRA (the portion considered contingent consideration), warrants and earnout liabilities; (iv) the estimate of future taxable income, which impacts the realizability and carrying amount of the Company's deferred income tax assets; and (v) the qualitative and quantitative assessments of whether impairments of acquired intangible assets and goodwill exist. Inherent in such estimates and judgements relating to future cash flows, which include the Company's interpretation of current economic indicators and market valuations, and assumptions about the Company's strategic plans with regard to its operations. While management believes that the estimates utilized in preparing the consolidated and combined financial statements are reasonable and prudent, actual results could differ materially from those estimates.

Principles of Consolidation

The Company consolidates entities in which it has a controlling financial interest based on the application of either the variable interest model or the voting interest model.

An entity is considered to be a variable interest entity ("VIE") if any of the following conditions exist: (a) the total equity investment at risk is not sufficient to permit the entity to finance its activities without additional subordinated financial support, (b) the holders of equity investment at risk, as a group, lack either the direct or indirect ability through voting rights or similar rights to make decisions that have a significant effect on the success of the entity or the obligation to absorb the expected losses or right to receive the expected residual returns, or (c) the voting rights of some equity investors are disproportionate to their obligation to absorb losses of the entity, their rights to receive returns from an entity, or both and substantially all of the entity's activities either involve or are conducted on behalf of an investor with disproportionately few voting rights.

The Company is required to consolidate any VIEs for which it is the primary beneficiary. The Company is the primary beneficiary if it holds a controlling financial interest, which is defined as having (a) the power to direct the activities of the VIE that most significantly impact the entity's economic performance and (b) the obligation to absorb losses of the entity or the right to receive benefits from the entity that could potentially be significant to the VIE. The Company does not consolidate any of the products it manages, as it does not hold any direct or indirect interests in such entities that could expose the Company to an obligation to absorb losses or right to receive benefits that are more than insignificant to such entities.

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Fees that are customary and commensurate with the level of services provided by the Company, and where the Company does not hold other economic interests in the entity that would absorb more than an insignificant amount of the expected losses or returns of the entity, are not considered to be variable interests. The Company factors in all economic interests, including proportionate interests held through related parties, to determine if fees are variable interests. The Company's interests in the products it manages are primarily in the form of management fees, realized performance income, and insignificant direct or indirect equity interests, and therefore does not have variable interests in such entities.

The Company determines whether it is the primary beneficiary of a VIE at the time it becomes involved with a VIE and continuously reconsiders that conclusion. In evaluating whether the Company is the primary beneficiary, the Company evaluates its direct and indirect economic interests in the entity. The consolidation analysis is generally performed qualitatively; however, if the primary beneficiary is not readily determinable, a quantitative analysis may also be performed. This analysis requires judgment, including: (1) determining whether the equity investment at risk is sufficient to permit the entity to finance its activities without additional subordinated financial support, (2) evaluating whether the equity holders, as a group, can make decisions that have a significant effect on the success of the entity, (3) determining whether two or more parties' equity interests should be aggregated, (4) determining whether the equity investors have proportionate voting rights to their obligations to absorb losses or rights to receive returns from an entity and (5) evaluating the nature of relationships and activities of the parties involved in determining which party within a related-party group is most closely associated with a VIE and therefore would be deemed the primary beneficiary.

For entities that are not VIEs, the Company evaluates such entities ("VOEs") under the voting interest model. The Company consolidates VOEs where the Company controls a majority voting interest. The Company will generally not consolidate VOEs where a single investor or simple majority of third-party investors with equity have the ability to exercise substantive kick-out or participation rights.

Acquisitions

For business combinations accounted for under the acquisition method, management recognizes the fair value of assets acquired and liabilities assumed on the acquisition date. The excess of purchase price consideration over the fair value of net assets acquired is recorded as goodwill. Management's determination of fair value of assets acquired and liabilities assumed at the acquisition date is based on the best information available in the circumstances and incorporates management's own assumptions and involve a significant degree of judgment.

Cash and Cash Equivalents

The Company considers highly-rated liquid investments that have an original maturity of three months or less from the date of purchase to be cash equivalents. As of September 30, 2022 and December 31, 2021, the Company holds the majority of its cash balances with a single financial institution and such balances are in excess of Federal Deposit Insurance Corporation insured limits, which exposes the Company to a certain degree of credit risk concentration.

Investments

Equity investments in the Company's products are accounted for using the equity-method of accounting, whereby the Company recognizes its share of income in current-period earnings. Distributions, when received on these investments, generally reduce the carrying value of such investments.

Investments in loans are accounted for at amortized cost, net of an allowance for current expected credit losses. The estimate of expected credit losses considers current conditions and reasonable and supportable forecasts. As of September 30, 2022 and December 31, 2021, the estimates of current expected credit losses were not material.

For certain investments in debt securities, the Company has elected the fair value option in order to simplify the accounting for these instruments, and therefore changes in unrealized gains or losses are included in current-period earnings. Such elections are irrevocable and are applied on an investment-by-investment basis at initial recognition.

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Realized and changes in unrealized gains (losses) on investments are included within net gains (losses) on investments in the consolidated and combined statements of operations. See Note 9 for additional information.

Leases

Right-of-use assets and liabilities related to operating leases are included within operating lease assets and operating lease liabilities, respectively, in the Company's consolidated and combined statements of financial condition.

The Company determines if an arrangement is a lease at inception. Right-of-use lease assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Right-of-use lease assets represent the Company's right to use a leased asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. The Company does not recognize right-of-use lease assets and lease liabilities for leases with an initial term of one year or less.

As the Company's leases do not provide an implicit rate, the Company uses its estimated incremental borrowing rate based on information available at the lease commencement date in determining the present value of lease payments. The determination of an appropriate incremental borrowing rate requires judgment. The Company determines its incremental borrowing rate based on data for instruments with similar characteristics, including recently issued debt, as well as other factors.

The operating lease assets include any lease payments made and lease incentives. Lease terms include options to extend or terminate when it is reasonably certain that the Company will exercise that option. In addition, the Company separates lease and non-lease components embedded within lease agreements. Lease expense for operating lease payments is recognized on a straight-line basis, which consists of amortization of right-of-use assets and interest accretion on lease liabilities, over the lease term and included within general, administrative and other expenses in the consolidated and combined statements of operations. The Company does not have any material finance leases.

Strategic Revenue-Share Purchase Consideration

On September 20, 2021, the Company entered into certain Agreements of Purchase and Sale (the "Strategic Revenue-Share Purchase"), whereby certain fund investors relinquished their rights to receive management fee shares with respect to certain existing and future GP Capital Solutions products. In exchange for the foregoing, the Company issued 29,701,013 Class A Shares with a fair value of \$455.0 million and paid cash of \$50.2 million (net of previously accrued management fee shares payable and other receivable) to such fund investors.

The Company determined that it was not receiving a distinct good or service from the customers as a result of the Strategic Revenue-Share Purchase, and therefore determined that the consideration paid to the customers represents a reduction of the transaction price (i.e., a reduction to revenue). Accordingly, the total consideration paid was recorded within Strategic Revenue-Share Purchase consideration in the Company's consolidated statements of financial condition and is being amortized as a reduction of management fees, net in the Company's consolidated statements of operations. See Note 6 for additional information.

Intangible Assets, Net and Goodwill

The Company recognized certain finite-lived intangible assets and goodwill as a result of the Acquisitions. The Company's finite-lived intangible assets consist of contractual rights to earn future management fees from the acquired investment management agreements and value associated with the acquired client relationships and trademarks. Finite-lived intangible assets are amortized on a straight-line basis over their estimated useful lives.

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The Company uses its best estimates and assumptions to accurately assign fair value to identifiable intangible assets acquired at the acquisition date as well as the useful lives of those acquired intangible assets. Examples of critical estimates in valuing certain of the intangible assets acquired include, but are not limited to, future expected cash inflows and outflows, expected useful life and discount rates. The Company's estimates for future cash flows are based on historical data, various internal estimates and certain external sources, and are based on assumptions that are consistent with the plans and estimates the Company uses to manage the underlying assets acquired. The Company estimates the useful lives of the intangible assets based on the expected period over which the Company anticipates generating economic benefit from the asset. The Company bases its estimates on assumptions it believes to be reasonable but that are unpredictable and inherently uncertain. Unanticipated events and circumstances may occur that could affect the accuracy or validity of such assumptions, estimates or actual results.

The Company tests finite-lived intangible assets for impairment if certain events occur or circumstances change indicating that the carrying amount of the intangible asset may not be recoverable. The Company evaluates impairment by comparing the estimated fair value attributable to the intangible asset with its carrying amount. If an impairment exists, the Company adjusts the carrying value to equal the fair value by taking a charge through earnings. No impairments have been recognized to-date on the Company's acquired intangible assets.

Goodwill represents the excess of consideration over identifiable net assets of an acquired business. The Company tests goodwill annually for impairment. If, after assessing qualitative factors, the Company believes that it is more-likely-than-not that the fair value of the reporting unit inclusive of goodwill is less than its carrying amount, the Company will perform a quantitative assessment to determine whether an impairment exists. If an impairment exists, the Company adjusts the carrying value of goodwill so that the carrying value of the reporting unit is equal to its fair value by taking a charge through earnings. The Company also tests goodwill for impairment in other periods if an event occurs or circumstances change such that it is more-likely-than-not to reduce the fair value of the reporting unit below its carrying amount. No impairments have been recognized to-date on the Company's goodwill.

Fixed Assets

Fixed assets are recorded at cost, less accumulated depreciation and amortization, and are included within other assets, net in the Company's consolidated and combined statements of financial condition. Fixed assets are depreciated or amortized on a straight-line basis, with the corresponding depreciation and amortization expense included within general, administrative and other expenses in the Company's consolidated and combined statements of operations. The estimated useful life for leasehold improvements is the lesser of the remaining lease term or the life of the asset, while other fixed assets are generally depreciated over a period of three to seven years. Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Debt Obligations, Net

The Company's debt obligations, other than revolving credit facilities, are recorded at amortized cost, net of any debt issuance costs, discounts and premiums. Debt issuance costs are deferred and along with discounts and premiums are amortized to interest expense in the consolidated and combined statements of operations over the life of the related debt instrument using the effective interest method. Unamortized debt issuance costs, discounts and premiums are written off to net losses on retirement of debt in the consolidated and combined statements of operations when the Company prepays borrowings prior to maturity. The Company defers debt issuance costs associated with revolving credit facilities and presents them within other assets, net in the consolidated and combined statements of financial condition, and such amounts are amortized to interest expense in the consolidated and combined statements of operations on a straight-line basis over the life of the related facility.

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TRA Liability

The tax receivable agreement (“TRA”) liability represents amounts payable to certain pre-Business Combination equity holders of Owl Rock and Dyal Capital. The portion of the TRA liability related to the Dyal Acquisition is deemed contingent consideration payable to the previous owners of Dyal Capital, and therefore is carried at fair value, with changes in fair value reported within other loss in the consolidated and combined statements of operations. The remaining portion of the TRA is carried at a value equal to the expected future payments due under the TRA. The Company recorded its initial estimate of future payments under the TRA portion that is not related to the Dyal Acquisition, including as a result of exchanges of Common Units for Class A or B Shares, as a decrease to additional paid-in capital in the consolidated and combined statements of financial condition. Subsequent adjustments to the liability for future payments under the tax receivable agreement related to changes in estimated future tax rates or state income tax apportionment are recognized through current period earnings in the consolidated and combined statements of operations. See Note 11 for additional information.

Warrant Liability, at Fair Value

The Company’s warrants are recorded as liabilities carried at fair value, with changes in fair value included within other income (loss) in the Company’s consolidated and combined statements of operations.

The Private Placement Warrants contain exercise and settlement features that may change with a change in the holder, which precludes the Private Placement Warrants from being considered indexed to the Company’s own stock, and therefore the Private Placement Warrants are precluded from being classified within equity and are accounted for as derivative liabilities.

Prior to the redemption of the Public Warrants in August 2022, the Public Warrants included a provision that, in the event of a tender offer or exchange offer made to and accepted by holders of more than 50% of the outstanding Class A Shares, all holders of the warrants would be entitled to receive cash for their warrants. Such an event would not constitute a change in control because the Class A Shares do not represent a majority of the Registrant’s voting shares. Accordingly, the Public Warrants were also precluded from being classified within equity and were accounted for as derivative liabilities. This provision also applies to the Private Placement Warrants.

Earnout Liability, at Fair Value

Earnout liability is comprised of the Oak Street Cash Earnout and the Wellfleet Earnouts (collectively, the “Earnouts”). The Earnouts represent contingent consideration on the Oak Street and Wellfleet Acquisitions and are recorded at fair value until the contingencies have been resolved, with changes in fair value included within change in earnout liability in the Company’s consolidated and combined statements of operations. Once recognized, earnout liabilities are not derecognized until the contingencies are resolved and the consideration is paid or becomes payable. Earnout liabilities may expire and upon expiration, the consideration would not be paid or payable.

Noncontrolling Interests

Noncontrolling interests are primarily comprised of Common Units, which are interests in the Blue Owl Operating Group not held by the Company.

Allocations to noncontrolling interests in the consolidated and combined statements of operations are based on the substantive profit-sharing arrangements in the operating agreements of the Blue Owl Operating Partnerships. The Company does not record income or loss allocations to noncontrolling interests to the extent that such allocations would be provisional in nature, such as for unvested Incentive Units (other than certain minimum tax distributions) or Seller Earnout Units prior to achieving their respective Class E Triggering Events. Provisional allocations to these interests would be subject to reversal in the event the unvested Incentive Units are forfeited or if the Seller Earnout Units would not have achieved their Class E Triggering Events.

Certain consolidated holding companies for investment advisor subsidiaries of the Blue Owl Operating Group are partially owned by third-party investors. Such interests are also presented as noncontrolling interests.

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Revenue Recognition

Revenues consist of management fees; administrative, transaction and other fees; and realized performance income. The Company recognizes revenues when such amounts are probable that a significant reversal would not occur. The Company recognizes revenue at the time of transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services (i.e., the transaction price). Under this method, revenue is based on a contract with a determinable transaction price and distinct performance obligations with probable collectability. Revenues cannot be recognized until the performance obligations are satisfied and control is transferred to the customer.

Management Fees, Net

Management fees are recognized over the period in which the investment management services are performed because customers simultaneously consume and receive benefits continuously over time. Payment terms and fee rates of management fees vary by product but are generally collected on a quarterly basis and are not subject to clawback.

Management fees for the Company's business development company ("BDC") products are typically based on a percentage of average fair value of gross assets excluding cash or net asset value. For certain BDCs, the management fee base may also include uncalled capital commitments. For the Company's other Direct Lending products, management fees are typically based on gross or net asset value or investment cost, and also may include uncalled capital.

Management fees also include a fee based on the net investment income of the Company's BDCs and similarly structured products ("Part I Fees"), which are subject to performance hurdles. Such Part I Fees are classified as management fees in the consolidated and combined statements of operations as they are predictable and recurring in nature, not subject to repayment and cash-settled each quarter.

Management fees for the Company's collateralized loan obligations ("CLOs") are generally based on the outstanding par value of the underlying collateral and recognized over time as the services are rendered.

Management fees for the Company's GP minority equity investments strategy are generally based on a percentage of capital committed during the investment period, and thereafter generally based on the cost of unrealized investments. For the other GP Capital Solutions strategies, management fees are generally determined based on a percentage of investment cost.

Management fees for the Company's net lease strategy are generally based on either a percentage of capital committed and/or called during the investment period, and thereafter generally based on the total cost of unrealized investments, or net asset value.

Management fees, including Part I Fees, are generally cash settled every quarter and not subject to repayment, and therefore uncertainty underlying these fees are resolved each quarter. As such, on a quarterly basis, a subsequent significant reversal in relation to the cumulative revenue recognized is not probable for the quarter in arrears.

As discussed above, amortization of the Strategic Revenue-Share Purchase consideration is recorded as a reduction of management fees, net in the Company's consolidated and combined statements of operations.

Administrative, Transaction and Other Fees

Administrative, transaction and other fees primarily include fee income, administrative fees and dealer manager revenue.

Fee income is earned for services provided to portfolio companies, which may include arrangement, syndication, origination, structuring analysis, capital structure and business plan advice and other services. The fees are generally recognized as income at the point in time when the services rendered are completed, as there is no ongoing performance requirement.

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Administrative fees represent expenses incurred by certain professionals of the Company and reimbursed by products managed by the Company. The Company may incur certain costs in connection with satisfying its performance obligations under administrative agreements – including, but not limited to, employee compensation and travel costs – for which it receives reimbursements from the products it manages. The Company reports these expenses within compensation and benefits and general, administrative and other expenses and reports the related reimbursements as revenues within administrative, transaction and other fees (i.e., on a gross basis) in the consolidated and combined statements of operations.

Dealer manager revenue consists of commissions earned for providing distribution services to certain products. Dealer manager revenue is recorded on an accrual basis at the point in time when the services are completed, as there is no ongoing performance requirement.

Realized Performance Income

The Company is entitled to receive certain realized performance income in the form of realized performance income and carried interest from the products that it manages. Realized performance income is based on the investment performance generated over time, subject to the achievement of minimum return levels in certain products. Realized performance income from the Company's BDCs and certain products within the GP debt financing strategy ("Part II Fees") are realized at the end of a measurement period, typically quarterly or annually. Once realized, such realized performance income is no longer subject to reversal.

For certain non-BDC Direct Lending products and substantially all of the GP Capital Solutions and Real Estate products, realized performance income is in the form of carried interest that is allocated to the Company based on cumulative fund performance over time, subject to the achievement of minimum return levels in certain products. The Company recognizes carried interest only to the extent that it is not probable that a significant reversal will occur for amounts recognized. Generally, carried interest is earned after a return of all contributions and may be subject to a preferred return to investors; however, the Company is able to catch-up amounts subject to the preferred return in certain cases. Substantially all of the carried interest generated by the Company's products is allocable to investors, including certain related parties, in vehicles in which the Company does not have a controlling financial interest, and therefore is not included in the Company's consolidated and combined financial statements.

Compensation and Benefits

Cash-Based Compensation

Compensation and benefits consist of salaries, bonuses, commissions, long-term deferral programs, benefits and payroll taxes. Compensation is accrued over the related service period.

Equity-Based Compensation

Equity-based compensation awards are reviewed to determine whether such awards are equity-classified or liability-classified. Compensation expense related to equity-classified awards is equal to their grant-date fair value and generally recognized on a straight-line basis over the awards' requisite service period. When certain settlement features require an award to be liability-classified, compensation expense is recognized over the service period, and such amount is adjusted at each balance sheet date through the settlement date to the then current fair value of such award.

The Company accounts for forfeitures on equity-based compensation arrangements as they occur. The Company recognizes deferred income tax benefits throughout the service period, based on the grant date fair value. Any tax deduction shortfall or windfall due to the difference between grant date fair value and the ultimate deduction taken for tax purposes is recognized at the time of settlement. Expenses related to equity-based grants to employees are included within compensation and benefits in the consolidated and combined statements of operations.

See Note 8 for additional information on the Company's equity-based compensation plans.

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Foreign Currency

The functional currency of the Company's foreign consolidated subsidiaries is the U.S. dollar, as their operations are considered extensions of U.S. parent operations. Monetary assets and liabilities denominated in foreign currencies are remeasured into U.S. dollars at the closing rates of exchange on the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies are remeasured into U.S. dollars using the historical exchange rate. The profit or loss arising from foreign currency transactions are remeasured using the rate in effect on the date of any relevant transaction. Gains and losses on transactions denominated in foreign currencies due to changes in exchange rates are recorded within general, administrative and other expenses.

Income Taxes

Substantially all of the earnings of the Blue Owl Operating Group are subject to New York City and Connecticut unincorporated business tax ("UBT") and additionally, the portion of earnings allocable to the Registrant is subject to corporate tax rates at the U.S. federal and state and local levels.

The computation of the effective tax rate and provision at each interim period requires the use of certain estimates and significant judgment including, but not limited to, the expected operating income for the year, projections of the proportion of income that is subject to tax, permanent differences between the Company's GAAP earnings and taxable income, and the likelihood of recovering deferred tax assets existing as of the balance sheet date. The estimates used to compute the provision for income taxes may change throughout the year as new events occur, additional information is obtained or as tax laws and regulations change. Accordingly, the effective tax rate for future interim periods may vary materially.

Deferred income tax assets and liabilities resulting from temporary differences between the GAAP and tax bases of assets and liabilities are measured at the balance sheet date using enacted income tax rates expected to apply to taxable income in the years the temporary differences are expected to reverse. The Company offsets deferred income tax assets and liabilities for presentation in its consolidated and combined statements of financial condition when such assets and liabilities are within the same taxpayer and related to the same taxing jurisdiction.

The realization of deferred tax assets depends upon the existence of sufficient taxable income within the carryback or carryforward periods under the enacted tax law in the applicable tax jurisdiction. A valuation allowance is established when management determines, based on available information, that it is more-likely-than-not that deferred income tax assets will not be realized. Significant judgment is required in determining whether a valuation allowance should be established, as well as the amount of such valuation allowance.

The Company recognizes uncertain income tax positions when it is not more-likely-than-not a tax position will be sustained upon examination. If the Company were to recognize an uncertain tax position, the Company would accrue interest and penalties related to uncertain tax positions as a component of the income tax provision in the consolidated and combined statements of operations.

New Accounting Pronouncements

The Company considers the applicability and impact of all ASUs issued by the FASB. None of the ASUs that have been issued but not yet adopted are expected to have a material impact on the Company's consolidated and combined financial statements.

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3. ACQUISITIONS AND INTANGIBLE ASSETS, NET***Wellfleet Acquisition***

The following table presents the consideration and net identifiable assets acquired and goodwill related to the Wellfleet Acquisition:

(dollars in thousands)

Consideration	
Cash consideration ⁽¹⁾	\$ 113,272
Earnout consideration ⁽²⁾	14,751
Total Consideration	\$ 128,023
Net Identifiable Assets Acquired and Goodwill	
Assets acquired:	
Intangible assets:	
Investment management agreements	\$ 39,120
Investor relationships	10,700
Trademarks	1,100
Total intangible assets	50,920
Due from related parties	5,272
Net Identifiable Assets Acquired	\$ 56,192
Goodwill⁽³⁾	\$ 71,831

(1) Includes cash consideration paid to reimburse seller for certain pre-acquisition expenses.

(2) Represents the fair value of the portion of the Wellfleet Earnouts determined to be contingent consideration, as further discussed below. See Note 9 for additional information on the valuation of this liability.

(3) Goodwill represents the amount of total consideration in excess of net identifiable assets acquired. Approximately \$11.5 million of the goodwill and intangible assets recognized are expected to be deductible by the Blue Owl Operating Partnerships for tax purposes.

The acquired investment management agreements, investor relationships and trademarks had a weighted-average amortization period from the date of acquisition of 4.7 years, 8.5 years and 7.0 years, respectively.

Wellfleet's results are included in the Company's consolidated results starting from the date the acquisition closed, April 1, 2022. For the three and nine months ended September 30, 2022, the Company's consolidated results included \$6.8 million and \$13.1 million, respectively, of GAAP revenues related to the acquired business. Given the Company operates through one operating and reportable segment, the impact of the Wellfleet Acquisition to GAAP consolidated net income is not tracked on a standalone basis. The Company incurred \$3.7 million of acquisition-related costs, which costs were included within general, administrative and other expenses in the Company's consolidated and combined statements of operations.

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Wellfleet Earnouts

The table below summarizes the Wellfleet Earnouts and their respective Wellfleet Triggering Events. The Wellfleet Earnouts payable to non-employee sellers have been classified as contingent consideration on the Wellfleet Acquisition; whereas, the Wellfleet Earnouts payable to individuals that are subject to ongoing employment arrangements with the Company have been classified as compensation and are being amortized over the service period. See Note 8 for additional information on the compensation-classified Wellfleet Earnout Shares.

(dollars in thousands)

Wellfleet Earnouts	Trigger Date	Cash	# of Shares
<i>Contingent consideration:</i>			
First Wellfleet Earnout	4/1/2023	\$ 5,000	26,131
Second Wellfleet Earnout	4/1/2024	5,000	26,131
Third Wellfleet Earnout	4/1/2025	5,000	26,131
<i>Compensation:</i>			
First Wellfleet Earnout	4/1/2023		287,425
Second Wellfleet Earnout	4/1/2024		287,425
Third Wellfleet Earnout	4/1/2025		287,425
Total		\$ 15,000	940,668

Intangible Assets, Net

The following table summarizes the Company's intangible assets, net:

<i>(dollars in thousands)</i>	September 30, 2022	December 31, 2021	Useful Life (in years)	Remaining Weighted-Average Amortization Period as of September 30, 2022
Investment management agreements	\$ 2,222,320	\$ 2,183,200	0.1 - 20.0	14.0 years
Investor relationships	459,500	448,800	5.8 - 13.0	11.0 years
Trademarks	94,400	93,300	7.0 - 7.0	7.0 years
Total Intangible Assets	2,776,220	2,725,300		
Less: accumulated amortization	(306,135)	(113,889)		
Total Intangible Assets, Net	\$ 2,470,085	\$ 2,611,411		

The following table presents expected future amortization of finite-lived intangible assets as of September 30, 2022:

(dollars in thousands)

Period	Amortization
October 1, 2022 to December 31, 2022	\$ 64,729
2023	238,236
2024	237,542
2025	233,302
2026	219,053
Thereafter	1,477,223
Total	\$ 2,470,085

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Pro Forma Financial Information

Unaudited pro forma revenues were \$338.4 million and \$220.8 million for the three months ended September 30, 2022 and 2021, respectively, and \$874.9 million and \$491.6 million for the nine months ended September 30, 2022 and 2021, respectively. Unaudited pro forma net income (loss) allocated to Class A Shareholders was \$4.1 million and \$(61.2) million for the three months ended September 30, 2022 and 2021, respectively, and \$0.0 million and \$(400.7) million for the nine months ended September 30, 2022 and 2021, respectively. This proforma financial information was computed by combining the historical financial information of the Company, including Owl Rock and Altimar for periods prior to the Business Combination, and Dyal Capital and Oak Street as though these acquisitions were consummated on January 1, 2020, and as if the Wellfleet Acquisition was consummated on January 1, 2021. These pro forma amounts assume a consistent ownership structure, annual effective tax rates and amortization of the fair value of acquired assets as of each respective acquisition date. The proforma information does not reflect the potential benefits of cost and funding synergies, opportunities to earn additional revenues, or other factors, and therefore does not represent what the actual revenues and net income would have been had the businesses actually been combined as of the dates above.

4. DEBT OBLIGATIONS, NET

The table below summarizes outstanding debt obligations of the Company:

September 30, 2022					
<i>(dollars in thousands)</i>	Maturity Date	Aggregate Facility Size	Outstanding Debt	Amount Available	Net Carrying Value
2031 Notes	6/10/2031	\$ 700,000	\$ 700,000	\$ —	\$ 685,034
2032 Notes	2/15/2032	400,000	400,000	—	391,576
2051 Notes	10/7/2051	350,000	350,000	—	337,357
Revolving Credit Facility	6/15/2027	1,115,000	112,000	997,876	112,000
Total		\$ 2,565,000	\$ 1,562,000	\$ 997,876	\$ 1,525,967

December 31, 2021					
<i>(dollars in thousands)</i>	Maturity Date	Aggregate Facility Size	Outstanding Debt	Amount Available	Net Carrying Value
2031 Notes	6/10/2031	\$ 700,000	\$ 700,000	\$ —	\$ 684,154
2051 Notes	10/7/2051	350,000	350,000	—	337,013
Revolving Credit Facility	12/7/2024	640,000	153,000	487,000	153,000
Total		\$ 1,690,000	\$ 1,203,000	\$ 487,000	\$ 1,174,167

Amounts available for the Company's Revolving Credit Facility as presented in the tables above are reduced by outstanding letters of credit related to certain leases.

2031 Notes

On June 10, 2021, the Company, through its indirect subsidiary, Blue Owl Finance LLC, issued \$700.0 million aggregate principal amount of 3.125% Senior Notes due 2031 (the "2031 Notes"). The 2031 Notes bear interest at a fixed rate of 3.125% per annum and mature on June 10, 2031. Interest on the 2031 Notes is payable semi-annually in arrears on June 10 and December 10 of each year.

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The 2031 Notes are fully and unconditionally guaranteed, jointly and severally, by the Blue Owl Operating Partnerships and certain of their respective subsidiaries. The guarantees are unsecured and unsubordinated obligations of the guarantors. All or a portion of the 2031 Notes may be redeemed at the Company's option in whole, at any time, or in part, from time to time, prior to their stated maturity, subject to a make-whole redemption price; provided, however, that if the Company redeems any amounts on or after March 10, 2031, the redemption price for the 2031 Notes will be equal to 100% of the principal amount of the amounts redeemed, in each case, plus any accrued and unpaid interest. If a change of control repurchase event occurs, the 2031 Notes are subject to repurchase by the Company at a repurchase price in cash equal to 101% of the aggregate principal amount repurchased plus any accrued and unpaid interest. The 2031 Notes also provide for customary events of default and acceleration.

2032 Notes

On February 15, 2022, the Company, through its indirect subsidiary, Blue Owl Finance LLC, issued \$400.0 million aggregate principal amount of 4.375% Senior Notes due 2032 (the "2032 Notes"). The 2032 Notes bear interest at a fixed rate of 4.375% per annum and mature on February 15, 2032. Interest on the 2032 Notes is payable semi-annually in arrears on February 15 and August 15 of each year, commencing August 15, 2022.

The 2032 Notes are fully and unconditionally guaranteed, jointly and severally, by the Blue Owl Operating Partnerships and certain of their subsidiaries. The guarantees are unsecured and unsubordinated obligations of the guarantors. All or a portion of the 2032 Notes may be redeemed at the Company's option in whole, at any time, or in part, from time to time, prior to their stated maturity, subject to a make-whole redemption price; provided, however, that if the Company redeems any amounts on or after November 15, 2031, the redemption price for the 2032 Notes will be equal to 100% of the principal amount of the amounts redeemed, in each case, plus any accrued and unpaid interest. If a change of control repurchase event occurs, the 2032 Notes are subject to repurchase by the Company at a repurchase price in cash equal to 101% of the aggregate principal amount repurchased plus any accrued and unpaid interest. The 2032 Notes also provide for customary events of default and acceleration.

2051 Notes

On October 7, 2021, the Company, through its indirect subsidiary, Blue Owl Finance LLC, issued \$350.0 million aggregate principal amount of 4.125% Senior Notes due 2051 (the "2051 Notes"). The 2051 Notes bear interest at a fixed rate of 4.125% per annum and mature on October 7, 2051. Interest on the 2051 Notes is payable semi-annually in arrears on April 7 and October 7 of each year, commencing April 7, 2022.

The 2051 Notes are fully and unconditionally guaranteed, jointly and severally, by the Blue Owl Operating Partnerships and certain of their subsidiaries. The guarantees are unsecured and unsubordinated obligations of the guarantors. All or a portion of the 2051 Notes may be redeemed at the Company's option in whole, at any time, or in part, from time to time, prior to their stated maturity, subject to a make-whole redemption price; provided, however, that if the Company redeems any amounts on or after April 7, 2051, the redemption price for the 2051 Notes will be equal to 100% of the principal amount of the amounts redeemed, in each case, plus any accrued and unpaid interest. If a change of control repurchase event occurs, the 2051 Notes are subject to repurchase by the Company at a repurchase price in cash equal to 101% of the aggregate principal amount repurchased plus any accrued and unpaid interest. The 2051 Notes also provide for customary events of default and acceleration. The 2031 Notes, 2032 Notes and 2051 Notes are collectively referred to as the "Notes."

Revolving Credit Facility

On December 7, 2021, the Company entered into a revolving credit facility (the "Revolving Credit Facility"), which was amended on June 15, 2022, with a total borrowing capacity of \$1.1 billion and a maturity date of June 15, 2027. Borrowings under the Revolving Credit Facility may be used to finance working capital needs and general corporate purposes. The amount borrowed under the Revolving Credit Facility as of September 30, 2022 was fully repaid subsequent to quarter end.

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Borrowings under the Revolving Credit Facility bear interest at the Company’s discretion at a rate per annum of adjusted-term secured overnight financing rate (“SOFR”) plus a margin of 1.25% to 1.875%, or (b) the greater of (i) prime rate, (ii) New York Fed Bank Rate plus 0.50% and (iii) adjusted-term SOFR plus 1%, plus a margin of 0.25% to 0.875%. The Company is subject to an undrawn commitment fee rate of 0.125% to 0.375% of the daily amount of available revolving commitment. The average borrowing rates for borrowings made under the Company’s Revolving Credit Facility and prior revolving credit facilities were 3.85% and 1.34% for the nine months ended September 30, 2022 and 2021, respectively.

The Revolving Credit Facility contains customary events of defaults, as well as a financial covenant generally providing for a maximum net leverage ratio of 5.5 to 1. The net leverage ratio is generally calculated as the ratio of total consolidated debt less unrestricted cash and cash equivalents (up to \$500.0 million) to the trailing 12-month consolidated EBITDA (each as defined in the agreement). The Revolving Credit Facility also requires the Company to maintain a minimum level of fee-paying assets under management of at least \$50.5 billion as of September 30, 2022, plus 70% of any new fee-paying assets under management as a result of any future acquisitions.

5. LEASES

The Company primarily has non-cancelable operating leases for its headquarters in New York and various other offices. The operating lease for the Company’s headquarters does not include any renewal options.

(dollars in thousands)

Lease Cost	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Operating lease cost	\$ 4,795	\$ 2,181	\$ 11,907	\$ 4,809
Short term lease cost	513	117	1,319	166
Net Lease Cost	\$ 5,308	\$ 2,298	\$ 13,226	\$ 4,975

(dollars in thousands)

Supplemental Lease Cash Flow Information	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows for operating leases	\$ 3,078	\$ 1,390	\$ 8,112	\$ 4,184
Right-of-use assets obtained in exchange for lease obligations:				
Operating leases	\$ 149,365	\$ 10,841	\$ 153,638	\$ 56,909

Lease Term and Discount Rate	September 30, 2022	December 31, 2021
Weighted-average remaining lease term:		
Operating leases	13.2 years	10.2 years
Weighted-average discount rate:		
Operating leases	4.0 %	3.1 %

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(dollars in thousands)

Future Maturity of Operating Lease Payments	Operating Leases
October 1, 2022 to December 31, 2022	\$ 590
2023	10,936
2024	6,152
2025	25,642
2026	26,626
Thereafter	256,184
Total Lease Payments	326,130
Imputed interest	(88,633)
Total Lease Liabilities	\$ 237,497

Amounts presented in the table above are presented net of tenant improvement allowances and reflect the impacts of rent holiday periods.

6. REVENUES

The following table presents a disaggregated view of the Company's revenues:

<i>(dollars in thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Direct Lending Products				
Diversified lending	\$ 126,492	\$ 90,885	\$ 340,853	\$ 251,136
Technology lending	29,905	16,820	76,738	47,404
First lien lending	4,213	4,098	11,867	11,730
Opportunistic lending	2,312	1,166	6,583	2,470
CLOs	6,778	—	13,073	—
Management Fees, Net	169,700	112,969	449,114	312,740
Administrative, transaction and other fees	25,666	37,434	86,541	85,280
Total GAAP Revenues - Direct Lending Products	195,366	150,403	535,655	398,020
GP Capital Solutions Products				
GP minority equity investments	153,563	85,426	380,097	121,767
GP debt financing	3,532	6,165	9,990	6,901
Professional sports minority investments	283	160	1,296	160
Strategic Revenue-Share Purchase consideration amortization	(9,770)	(970)	(27,614)	(970)
Management Fees, Net	147,608	90,781	363,769	127,858
Administrative, transaction and other fees	5,818	6,691	16,209	9,481
Total GAAP Revenues - GP Capital Solutions Products	153,426	97,472	379,978	137,339
Real Estate Products				
Net lease	21,069	—	57,451	—
Management Fees, Net	21,069	—	57,451	—
Administrative, transaction and other fees	1,125	—	1,125	—
Total GAAP Revenues - Real Estate Products	22,194	—	58,576	—
Total GAAP Revenues	\$ 370,986	\$ 247,875	\$ 974,209	\$ 535,359

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The table below presents the beginning and ending balances of the Company's management fees, realized performance income and administrative, transaction and other fees receivable and unearned management fees. Substantially all of the amounts receivable are collected during the following quarter. A liability for unearned management fees is generally recognized when management fees are paid to the Company in advance. The entire change in unearned management fees shown below relates to amounts recognized as revenues in the current year period. Management fees, realized performance income and administrative, transaction and other fees receivable are included within due from related parties and unearned management fees are included within accounts payable, accrued expenses and other liabilities in the Company's consolidated and combined statements of financial condition.

<i>(dollars in thousands)</i>	Nine Months Ended September 30,	
	2022	2021
Management Fees Receivable		
Beginning balance	\$ 168,057	\$ 78,586
Ending balance	\$ 261,166	\$ 132,867
Administrative, Transaction and Other Fees Receivable		
Beginning balance	\$ 19,535	\$ 9,876
Ending balance	\$ 35,361	\$ 16,376
Realized Performance Income Receivable		
Beginning balance	\$ 10,496	\$ —
Ending balance	\$ —	\$ —
Unearned Management Fees		
Beginning balance	\$ 10,299	\$ 11,846
Ending balance	\$ 9,913	\$ 10,702

The table below presents the changes in the Company's Strategic Revenue-Share Purchase consideration. The consideration paid, which includes \$455.0 million paid in Class A Shares and \$50.2 million in cash, is being amortized as a reduction of management fees, net in the Company's consolidated statements of operations over a weighted-average period of 12 years, which represents the average period over which the related customer revenues are expected to be recognized.

<i>(dollars in thousands)</i>	Nine Months Ended September 30,	
	2022	2021
Beginning Balance	\$ 495,322	\$ —
Amortization	(27,614)	—
Ending Balance	\$ 467,708	\$ —

7. OTHER ASSETS, NET

<i>(dollars in thousands)</i>	September 30,	December 31, 2021
	2022	
Fixed assets, net:		
Leasehold improvements	\$ 46,697	\$ 6,692
Furniture and fixtures	1,639	1,631
Computer hardware and software	3,590	1,968
Accumulated depreciation and amortization	(3,034)	(2,340)
Fixed assets, net	48,892	7,951
Prepaid expenses	6,564	8,496
Other assets	21,822	10,030
Total	\$ 77,278	\$ 26,477

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8. EQUITY-BASED COMPENSATION

The Company grants equity-based compensation awards in the form of RSUs and Incentive Units to its management, employees, consultants and independent members of the Board under the 2021 Omnibus Equity Incentive Plan ("2021 Equity Incentive Plan"). The total number of Class A Shares and Blue Owl Operating Group Units, collectively, that may be issued under the 2021 Equity Incentive Plan is 101,230,522, of which 45,857,254 remain available as of September 30, 2022. To the extent that an award expires or is canceled, forfeited, terminated, surrendered, exchanged or withheld to cover tax withholding obligations, the unissued awards will again be available for grant under the 2021 Equity Incentive Plan.

In addition, the Company granted Common Units and Seller Earnout Units in connection with the Business Combination, which grants were not made under the 2021 Equity Incentive Plan. A portion of these Common Units and Seller Earnout Units were considered equity-based compensation grants and a portion were considered consideration related to the Dyal Acquisition. The portion considered equity-based compensation is included in the disclosures below. On July 21, 2021, a Triggering Event occurred with respect to one-half of the Earnout Securities, as the volume weighted average Class A Share price equaled or exceeded \$12.50 per share for 20 consecutive trading days ending July 21, 2021. In connection with the Triggering Event, the Company recognized \$15.0 million of non-cash equity-based compensation expense in the third quarter of 2021.

The table below presents information regarding equity-based compensation expense.

<i>(dollars in thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
<i>Acquisition related</i>				
Common Units issued in connection with the Business Combination	\$ —	\$ —	\$ —	\$ 1,121,139
Seller Earnout Units issued in connection with the Business Combination	—	15,722	—	53,180
Oak Street Earnout Units	62,002	—	183,984	—
Wellfleet Earnout Shares	829	—	1,640	—
Total acquisition related	62,831	15,722	185,624	1,174,319
Incentive Units	36,912	—	98,238	—
RSUs	8,333	—	25,500	—
Equity-Based Compensation Expense	\$ 108,076	\$ 15,722	\$ 309,362	\$ 1,174,319
Corresponding tax benefit	\$ 152	\$ —	\$ 456	\$ —
Fair value of RSUs settled in Class A Shares	\$ 715	\$ —	\$ 3,474	\$ —
Fair value of RSUs withheld to satisfy tax withholding obligations	\$ 590	\$ —	\$ 1,897	\$ —

The table below presents activity related to the Company's unvested equity-based compensation awards for the nine months ended September 30, 2022.

	Incentive Units		RSUs		Oak Street Earnout Units		Wellfleet Earnout Shares	
	Number of Units	Weighted-Average Grant Date Fair Value Per Unit	Number of Units	Weighted-Average Grant Date Fair Value Per Unit	Number of Units	Weighted-Average Grant Date Fair Value Per Unit	Number of Units	Weighted Average Grant Date Fair Value Per Unit
December 31, 2021	23,080,845	\$ 13.87	10,118,104	\$ 13.84	26,074,330	\$ 12.53	—	\$ —
Granted	3,789,937	10.33	1,384,889	10.71	—	—	862,275	11.44
Vested	(1,962,310)	11.06	(357,196)	14.17	—	—	—	—
Forfeited	(127,058)	12.69	(552,291)	13.81	—	—	—	—
September 30, 2022	24,781,414	\$ 13.56	10,593,506	\$ 13.42	26,074,330	\$ 12.53	862,275	\$ 11.44

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Incentive Units

The grant date fair value of Incentive Units was determined using the Company's Class A Share price on the grant date, adjusted for the lack of dividend participation during the vesting period, and the application of a 14% - 18% discount for lack of marketability on certain Incentive Units that are subject to a one-year post-vesting transfer restriction. As of September 30, 2022, unamortized expense related to Incentive Units was \$269.1 million, with a weighted-average amortization period of 3.9 years.

RSUs

The grant date fair value of RSUs was determined using the Company's Class A Share price on the grant date, adjusted for the lack of dividend participation during the vesting period, and as applicable a 14% discount for lack of marketability on RSUs that are subject to a one-year post-vesting transfer restriction. As of September 30, 2022, unamortized expense related to RSUs was \$84.8 million, with a weighted-average amortization period of 3.1 years.

Oak Street Earnout Units

The grant date fair value of the Oak Street Earnout Units was determined using a Monte Carlo simulation valuation model, with the following weighted average assumptions: annualized revenue volatility of 38%, revenue discount rate of 15%, discount for lack of marketability of 13% and expected holding period of approximately 2.0 years. As of September 30, 2022, unamortized expense related to the Oak Street Earnout Units was \$142.6 million, with a weighted average amortization period of 1.0 years.

Wellfleet Earnout Shares

The grant date fair value of the Wellfleet Earnout Shares treated as compensation was determined using the Company's Class A Share price on the grant date, adjusted for the lack of dividend participation during the vesting period. As of September 30, 2022, unamortized expense related to the Wellfleet Earnout Shares was \$8.2 million, with a weighted-average amortization period of 2.5 years.

9. INVESTMENTS AND FAIR VALUE DISCLOSURES

The following table presents the components of the Company's investments:

<i>(dollars in thousands)</i>	September 30, 2022	December 31, 2021
Loans, at amortized cost (includes \$150,000 and \$— of investments in the Company's products, respectively)	\$ 152,188	\$ 2,310
Equity investments in the Company's products, equity method	45,359	8,522
Investments in the Company's CLOs, at fair value	3,664	—
Corporate bonds, at fair value	—	1,311
Total	\$ 201,211	\$ 12,143

Fair Value Measurements Categorized within the Fair Value Hierarchy

Fair value represents the price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date (i.e., an exit price). The Company and the products it manages hold a variety of assets and liabilities, certain of which are not publicly traded or that are otherwise illiquid. Significant judgement and estimation go into the assumptions that drive the fair value of these assets and liabilities. The fair value of these assets and liabilities may be estimated using a combination of observed transaction prices, prices from third parties (including independent pricing services and relevant broker quotes), models or other valuation methodologies based on pricing inputs that are neither directly nor indirectly market observable. Due to the inherent uncertainty of valuations of assets and liabilities that are determined to be illiquid or do not have readily ascertainable fair values, the estimates of fair value may differ from the values ultimately realized, and those differences can be material.

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GAAP prioritizes the level of market price observability used in measuring assets and liabilities at fair value. Market price observability is impacted by a number of factors, including the type of assets and liabilities and the specific characteristics of the financial assets and liabilities. Financial assets and liabilities with readily available, actively quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and lesser degree of judgment used in measuring fair value.

Financial assets and liabilities measured at fair value are classified and disclosed into one of the following categories based on the observability of inputs used in the determination of fair values:

- Level I – Quoted prices that are available in active markets for identical financial assets or liabilities as of the reporting date.
- Level II – Valuations obtained from independent third-party pricing services, the use of models or other valuation methodologies based on pricing inputs that are either directly or indirectly market observable as of the measurement date. These financial assets and liabilities exhibit higher levels of liquid market observability as compared to Level III financial assets and liabilities.
- Level III – Pricing inputs that are unobservable in the market and includes situations where there is little, if any, market activity for the financial asset or liability. The inputs into the determination of fair value of financial assets and liabilities in this category may require significant management judgment or estimation. The fair value of these financial assets and liabilities may be estimated using a combination of observed transaction prices, independent pricing services, models or other valuation methodologies based on pricing inputs that are neither directly nor indirectly market observable (e.g., cash flows, implied yields).

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, a financial asset or liability's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the financial asset or liability when the fair value is based on unobservable inputs.

The table below summarizes the Company's liabilities measured at fair value on a recurring basis as of September 30, 2022:

	September 30, 2022			
	Level I	Level II	Level III	Total
<i>(dollars in thousands)</i>				
Investments, at Fair Value				
CLOs	\$ —	\$ —	\$ 3,664	\$ 3,664
Total Assets, at Fair Value	\$ —	\$ —	\$ 3,664	\$ 3,664
Liabilities, at Fair Value				
TRA liability	\$ —	\$ —	\$ 116,008	\$ 116,008
Warrant liability	—	—	7,450	7,450
Earnout liability	—	—	160,046	160,046
Total Liabilities, at Fair Value	\$ —	\$ —	\$ 283,504	\$ 283,504

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The table below summarizes the Company's assets and liabilities measured at fair value on a recurring basis as of December 31, 2021:

<i>(dollars in thousands)</i>	December 31, 2021			
	Level I	Level II	Level III	Total
Investments, at Fair Value				
Corporate bonds	\$ —	\$ 1,311	\$ —	\$ 1,311
	\$ —	\$ 1,311	\$ —	\$ 1,311
Liabilities, at Fair Value				
TRA liability	\$ —	\$ —	\$ 111,325	\$ 111,325
Warrant liability	43,048	—	25,750	68,798
Earnout liability	—	—	143,800	143,800
Total Liabilities, at Fair Value	\$ 43,048	\$ —	\$ 280,875	\$ 323,923

Reconciliation of Fair Value Measurements Categorized within Level III

Unrealized gains and losses on the Company's assets and liabilities carried at fair value on a recurring basis are included within other loss in the consolidated and combined statements of operations. There were no transfers in or out of Level III. The following table sets forth a summary of changes in the fair value of the Level III measurements for the three months ended September 30, 2022:

<i>(dollars in thousands)</i>	Level III Assets and Liabilities				
	Investment in CLOs	TRA Liability	Warrant Liability	Earnout Liability	Total
Beginning balance	\$ —	\$ 119,607	\$ 11,100	\$ 159,255	\$ 289,962
Acquisitions	3,738	—	—	(969)	2,769
Net (gains) losses	(74)	(3,599)	(3,650)	1,760	(5,563)
Ending Balance	\$ 3,664	\$ 116,008	\$ 7,450	\$ 160,046	\$ 287,168
Change in net unrealized losses on liabilities still recognized at the reporting date	\$ (74)	\$ (3,599)	\$ (3,650)	\$ 1,760	\$ (5,563)

The following table sets forth a summary of changes in the fair value of the Level III measurements for the nine months ended September 30, 2022:

<i>(dollars in thousands)</i>	Level III Assets and Liabilities				
	Investment in CLOs	TRA Liability	Warrant Liability	Earnout Liability	Total
Beginning balance	\$ —	\$ 111,325	\$ 25,750	\$ 143,800	\$ 280,875
Acquisitions	3,738	—	—	13,782	17,520
Net losses (gains)	(74)	4,683	(18,300)	2,464	(11,227)
Ending Balance	\$ 3,664	\$ 116,008	\$ 7,450	\$ 160,046	\$ 287,168
Change in net unrealized losses on liabilities still recognized at the reporting date	\$ (74)	\$ 4,683	\$ (18,300)	\$ 2,464	\$ (11,227)

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The following table sets forth a summary of changes in the fair value of the Level III measurements for the three months ended September 30, 2021:

<i>(dollars in thousands)</i>	Level III Liabilities			Total
	TRA Liability	Warrant Liability	Earnout Liability	
Beginning balance	\$ 102,791	\$ 14,600	\$ 954,247	\$ 1,071,638
Additional TRA resulting from settlement of Earnout Securities liability	15,598	—	—	15,598
Settlement of Earnout Securities liability	—	—	(585,662)	(585,662)
Net (gains) losses	4,733	10,150	293,122	308,005
Ending Balance	\$ 123,122	\$ 24,750	\$ 661,707	\$ 809,579
Change in net unrealized (gains) on liabilities still recognized at the reporting date	\$ 4,733	\$ 10,150	\$ 242,132	\$ 257,015

The following table sets forth a summary of changes in the fair value of the Level III measurements for the nine months ended September 30, 2021:

<i>(dollars in thousands)</i>	Level III Liabilities			Total
	TRA Liability	Warrant Liability	Earnout Liability	
Beginning balance	\$ —	\$ —	\$ —	\$ —
Impact of the Business Combination	101,645	9,131	491,277	602,053
Additional TRA resulting from settlement of Earnout Securities liability	15,598	—	—	15,598
Settlement of Earnout Securities liability	—	—	(585,662)	(585,662)
Net (gains) losses	5,879	15,619	756,092	777,590
Ending Balance	\$ 123,122	\$ 24,750	\$ 661,707	\$ 809,579
Change in net unrealized (gains) on liabilities still recognized at the reporting date	\$ 5,879	\$ 15,619	\$ 461,490	\$ 482,988

Valuation Methodologies for Fair Value Measurements Categorized within Levels II and III

CLOs

The fair value of CLOs are determined using independent pricing services. The Company performs analytical procedures over these valuations and compares such valuations to other vendors' pricing, as applicable.

Corporate Bonds

The fair value of corporate bonds are estimated based on quoted prices in markets that are not active, dealer quotations or alternative pricing sources supported by observable inputs. These investments are generally classified as Level II. The Company obtains prices from independent pricing services that generally utilize broker quotes and may use various other pricing techniques, which take into account appropriate factors such as yield, quality, coupon rate, maturity, type of issue, trading characteristics and other data.

TRA Liability

The TRA related to the Dyal Acquisition is considered contingent consideration and is measured at fair value based on discounted future cash flows. The remaining TRA liability on the Company's consolidated and combined statements of financial condition is not measured at fair value.

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Warrant Liability

The Company uses a Monte Carlo simulation model to value the Private Placement Warrants. The Company estimates the volatility of its Class A Shares based on the volatility implied by our peer group. The risk-free interest rate is based on U.S. Treasuries for a maturity similar to the expected remaining life of the warrants. The expected term of the warrants is assumed to be equivalent to their remaining contractual term. The Public Warrants were traded on the NYSE and were stated at the last reported sales price without any valuation adjustments, and therefore were classified as Level I.

Earnout Liability

The fair value of the earnout liability was comprised of the Oak Street Cash Earnout and the Wellfleet Earnouts, each of which were deemed to be contingent consideration on the respective Acquisitions.

The fair value of the Oak Street Cash Earnout was determined using a Monte Carlo simulation model. The model incorporates management revenue forecast and makes the following adjustments: historical revenue volatility, risk free rate based on U.S. Treasuries for a maturity similar to the expected remaining life and a discount rate to adjust management's revenue forecast from a risk-based forecast to a risk-neutral forecast.

The fair value of the Wellfleet Earnouts, which are primarily comprised of future contingent cash payments, was determined using a discounted cash flow model, which incorporates a discount rate based on the Company's credit rating.

Quantitative Inputs and Assumptions for Fair Value Measurements Categorized within Level III

The following table summarizes the quantitative inputs and assumptions used for the Company's Level III measurements as of September 30, 2022:

<i>(dollars in thousands)</i>	<u>Fair Value</u>	<u>Valuation Technique</u>	<u>Significant Unobservable Inputs</u>	<u>Range</u>	<u>Weighted Average</u>	<u>Impact to Valuation from an Increase in Input</u>
TRA liability	\$ 116,008	Discounted cash flow	Discount Rate	11 % - 11%	11 %	Decrease
Warrant liability	7,450	Monte Carlo Simulation	Volatility	37 % - 37%	37 %	Increase
Earnout liability:						
Oak Street Earnouts	146,293	Monte Carlo Simulation	Revenue Volatility	63 % - 63%	63 %	Increase
			Discount Rate	17 % - 17%	17 %	Decrease
Wellfleet Earnouts	13,753	Discounted cash flow	Discount Rate	4 % - 4%	4 %	Decrease
	<u>160,046</u>					
Total Liabilities, at Fair Value	<u>\$ 283,504</u>					

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The following table summarizes the quantitative inputs and assumptions used for the Company's Level III measurements as of December 31, 2021:

<i>(dollars in thousands)</i>	<u>Fair Value</u>	<u>Valuation Technique</u>	<u>Significant Unobservable Inputs</u>	<u>Range</u>	<u>Weighted Average</u>	<u>Impact to Valuation from an Increase in Input</u>
TRA liability	\$ 111,325	Discounted cash flow	Discount rate	10 % - 10%	10 %	Decrease
Warrant liability	25,750	Monte Carlo simulation	Volatility	26 % - 26%	26 %	Increase
Earnout liability:						
Oak Street Earnouts	143,800	Monte Carlo simulation	Revenue volatility	38 % - 38%	38 %	Increase
			Discount rate	15 % - 15%	15 %	Decrease
Total Liabilities, at Fair Value	\$ 280,875					

Fair Value of Other Financial Instruments

As of September 30, 2022, the fair value of the Company's debt obligations was approximately \$1.1 billion compared to a carrying value of \$1.5 billion, and such fair value measurements are categorized as Level II within the fair value hierarchy. Management estimates that the carrying value of the Company's other financial instruments, which are not carried at fair value, approximated their fair values as of September 30, 2022, and such fair value measurements are categorized as Level III within the fair value hierarchy. As of December 31, 2021, management estimates that the carrying value of the Company's other investments and debt obligations, which are not carried at fair value, approximated their fair values, and such fair value measurements for the other investments are categorized as Level III and its debt obligations are categorized as Level I within the fair value hierarchy.

10. INCOME TAXES

The Registrant is a domestic corporation for U.S. federal income tax purposes and is subject to U.S. federal and state and local corporate-level income taxes on its share of taxable income from the Blue Owl Operating Group. Further, the Registrant's income tax provision and related income tax assets and liabilities are based on, among other things, an estimate of the impact of exchanges of Common Units for Class A Shares, inclusive of an analysis of tax basis and state tax implications of the Blue Owl Operating Group and their underlying assets and liabilities. The Company's estimate is based on the most recent information available. The tax basis and state impact of the Blue Owl Operating Group and their underlying assets and liabilities are based on estimates subject to finalization of the Company's tax returns. The Blue Owl Operating Partnerships, are partnerships for U.S. federal income tax purposes and taxable entities for certain state and local taxes, such as New York City and Connecticut UBT.

The Company had an effective tax rate of 29.0% and 7.7% for the three and nine months ended September 30, 2022, respectively, and 5.6% and 2.4% for the three and nine months ended September 30, 2021, respectively. The effective tax rates differed from the statutory rate primarily due to the portion of income allocated to noncontrolling interests, nondeductible compensation and state and local taxes. Prior to the Business Combination, the Company was not generally subject to U.S. federal and state and local corporate-level income taxes.

The Company regularly evaluates the realizability of its deferred tax asset and may recognize or adjust any valuation allowance when it is more-likely-than-not that all or a portion of the deferred tax asset may not be realized. As of September 30, 2022, the Company has not recorded any valuation allowances.

The Company files its tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the tax years that remain open under the statute of limitations may be subject to examinations by the appropriate tax authorities. The Company is generally no longer subject to state or local examinations by tax authorities for tax years prior to 2017.

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In connection with and subsequent to the Business Combination, the Company recorded to additional paid-in capital various adjustments to deferred tax assets and liabilities, as well as related impacts to the TRA liability, related to capital transactions. These adjustments primarily resulted from differences between the Company's GAAP and tax basis in its investment in the Blue Owl Operating Partnerships, as well as portions related to the TRA liability that may eventually lead to additional tax basis in the Blue Owl Operating Partnerships upon future TRA payments. The deferred tax assets will be recovered as the basis is amortized. See the Company's consolidated and combined statements of shareholders' equity for these amounts.

11. COMMITMENTS AND CONTINGENCIES

Tax Receivable Agreement

Pursuant to the TRA, the Company will pay 85% of certain tax benefits, if any, that it realizes (or in certain cases is deemed to realize) as a result of any increases in tax basis of the assets of the Blue Owl Operating Group related to the Business Combination and any subsequent exchanges of Blue Owl Operating Group Units for shares of the Registrant or cash.

Payments under the TRA will continue until all such tax benefits have been utilized or expired unless (i) the Company exercises its right to terminate the TRA and paying recipients an amount representing the present value of the remaining payments, (ii) there is a change of control or (iii) the Company breaches any of the material obligations of the TRA, in which case all obligations will generally be accelerated and due as if the Company had exercised its right to terminate the TRA. In each case, if payments are accelerated, such payments will be based on certain assumptions, including that the Company will have sufficient taxable income to fully utilize the deductions arising from the increased tax deductions.

The estimate of the timing and the amount of future payments under the TRA involves several assumptions that do not account for the significant uncertainties associated with these potential payments, including an assumption that the Company will have sufficient taxable income in the relevant tax years to utilize the tax benefits that would give rise to an obligation to make payments.

The table below presents management's estimate as of September 30, 2022, of the maximum amounts that would be payable under the TRA assuming that the Company will have sufficient taxable income each year to fully realize the expected tax savings. In light of the numerous factors affecting the Company's obligation to make such payments, the timing and amounts of any such actual payments may differ materially from those presented in the table.

<i>(dollars in thousands)</i>	Potential Payments Under the Tax Receivable Agreement
October 1, 2022 to December 31, 2022	\$ —
2023	39,503
2024	54,955
2025	69,170
2026	54,617
Thereafter	689,970
Total Payments	908,215
Less adjustment to fair value for contingent consideration	(116,225)
Total TRA Liability	\$ 791,990

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Unfunded Product Commitments

As of September 30, 2022, the Company had unfunded investment commitments to its products of \$34.8 million, which is exclusive of commitments that employees and other related parties have directly to the Company's products, and which the Company expects to fund over the next several years. In addition, the Company has unfunded commitments under a promissory note with one of its products, as further discussed in Note 12.

Indemnification and Guarantee Arrangements

In the normal course of business, the Company enters into contracts that contain indemnities or guarantees for related parties of the Company, including the Company's products, as well as persons acting on behalf of the Company or such related parties and third parties. The terms of the indemnities and guarantees vary from contract to contract and the Company's maximum exposure under these arrangements cannot be determined or the risk of material loss is remote, and therefore no amounts have been recorded in the consolidated statements of financial condition. As of September 30, 2022, the Company has not had prior claims or losses pursuant to these arrangements.

Litigation

From time to time, the Company is involved in legal actions in the ordinary course of business. Although there can be no assurance of the outcome of such legal actions, in the opinion of management, the Company does not have a potential liability related to any current legal proceeding or claim that would individually or in the aggregate materially affect its results of operations, financial condition or cash flows.

12. RELATED PARTY TRANSACTIONS

The majority of the Company's revenues, including all management fees and certain administrative, transaction and other fees, are earned from the products it manages, which are related parties of the Company.

The Company also has arrangements in place with products that it manages, whereby certain costs are initially paid by the Company and subsequently are reimbursed by the products. These amounts are included within due from related parties in the Company's consolidated and combined statements of financial condition.

(dollars in thousands)

	September 30, 2022	December 31, 2021
Management fees	\$ 261,166	\$ 168,057
Realized performance income	—	10,496
Administrative fees and other expenses paid on behalf of the Company's products and other related parties	106,891	46,023
Due from Related Parties	\$ 368,057	\$ 224,576

Reimbursements from the Company's Products

Administrative fees represent allocable compensation and other expenses incurred by the Company, pursuant to administrative and other agreements, that are reimbursed by products it manages. These administrative fees are included within administrative, transaction and other fees on the consolidated and combined statements of operations and totaled \$14.3 million and \$37.6 million during the three and nine months ended September 30, 2022, respectively, and \$1.4 million and \$21.7 million for the three and nine months ended September 30, 2021, respectively.

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Dealer Manager Revenues

Dealer manager revenues represent commissions earned from certain of the Company's products for distribution services provided. These dealer manager revenues are included within administrative, transaction and other fees on the consolidated and combined statements of operations and totaled \$5.9 million and \$18.4 million during the three and nine months ended September 30, 2022, respectively, and \$2.0 million and \$4.0 million for the three and nine months ended September 30, 2021, respectively. Substantially all of these dealer manager revenues are subsequently paid out to third party brokers, and such payments are recorded within general, administrative and other expenses on the consolidated and combined statements of operations.

Expense Support and Caps Arrangements

The Company is party to expense support and cap arrangements with certain of the products it manages. Pursuant to these arrangements, the Company may absorb certain expenses of these products when in excess of stated expense caps or until such products reach certain profitability, cash flow or fundraising thresholds. In certain cases, the Company is able to recover these expenses once certain profitability, cash flow or fundraising thresholds are met. The Company recorded net expenses (recoveries) related to these arrangements of \$0.8 million and \$13.5 million for the three and nine months ended September 30, 2022, respectively, and \$(4.1) million and \$(1.1) million for the three and nine months ended September 30, 2021, respectively. These net expenses (recoveries) are included in general, administrative and other expenses within the consolidated and combined statements of operations.

Aircraft Reimbursements

In the normal course of business, the Company reimburses certain related parties for business use of their aircraft based on current market rates. Personal use of the aircraft is not charged to the Company. The Company recorded expenses for these aircraft reimbursements of \$0.6 million and \$1.7 million for the three and nine months ended September 30, 2022, respectively, \$0.1 million and \$0.3 million for the three and nine months ended September 30, 2021.

Promissory Note

On August 8, 2022, the Company entered into an interest-bearing revolving promissory note with a product it manages, allowing the product to borrow from the Company up to an aggregate of \$250.0 million. The promissory note bears interest at SOFR plus 2.0%, subject to change based on credit rating and leverage ratio. As of September 30, 2022, \$150.0 million was outstanding under the promissory note and the Company recorded \$0.7 million of interest income for the three and nine months ended September 30, 2022. Interest is payable monthly in arrears and may be settled in cash or equity in the related product. Any unpaid principal balance and unpaid accrued interest is payable on demand upon 120 days written notice by the Company. As of November 1, 2022, the amount outstanding under the promissory note was \$250.0 million.

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13. EARNINGS (LOSS) PER SHARE

The table below presents the Company's treatment for basic and diluted earnings (loss) per share for instruments outstanding of the Registrant and the Blue Owl Operating Group. Potentially dilutive instruments are only considered in the calculation to the extent they would be dilutive.

	Basic	Diluted
Class A Shares ⁽¹⁾	Included	Included
Class B Shares	None outstanding	None outstanding
Class C Shares and Class D Shares	Non-economic voting shares of the Registrant	Non-economic voting shares of the Registrant
Vested RSUs ⁽¹⁾	Contingently issuable shares	Contingently issuable shares
Unvested RSUs	Excluded	Treasury stock method
Warrants ⁽²⁾	Excluded	Treasury stock method
Compensation-classified Wellfleet Earnout Shares	Excluded	Treasury stock method
Contingent consideration-classified Wellfleet Earnout Shares ⁽³⁾	Contingently issuable shares	Contingently issuable shares
<i>Potentially Dilutive Instruments of the Blue Owl Operating Group:</i>		
Vested Common Units and Incentive Units ⁽⁴⁾	Excluded	If-converted method
Unvested Incentive Units ⁽⁴⁾	Excluded	The Company first applies the treasury stock method to determine the number of units that would have been issued, then applies the if-converted method to the resulting number of units
Oak Street Earnout Units ⁽⁵⁾	Excluded	Contingently issuable shares If-converted method
Earnout Securities ⁽⁶⁾	Contingently issuable shares	Contingently issuable shares If-converted method

- (1) Included in the weighted-average Class A Shares outstanding are RSUs that have vested but have not been settled in Class A Shares. These RSUs do not participate in dividends until settled in Class A Shares. These vested RSUs totaled 10,752,588 and 10,839,982 for the three and nine months ended September 30, 2022, respectively, and 9,050,000 for the three months ended September 30, 2021 and the period from May 19, 2021 to September 30, 2021.
- (2) The treasury stock method for warrants, which are carried at fair value, includes adjusting the numerator for changes in fair value impacting net income (loss) for the period.
- (3) As of September 30, 2022, the Wellfleet Triggering Events with respect to the Wellfleet Earnout Shares had not occurred, and therefore such shares have not been included in the calculation of basic earnings (loss) per share for the three and nine months ended September 30, 2022. However, had the end of the reporting period also been the end of the contingency period for the Wellfleet Earnout Shares, the Wellfleet Triggering Events would have occurred, and therefore the Wellfleet Earnout Shares have been included in the calculation of diluted earnings (loss) per share for the three and nine months ended September 30, 2022, as if such shares were outstanding from the date of the Wellfleet Acquisition.
- (4) The if-converted method for these instruments includes adding back to the numerator any related income or loss allocations to noncontrolling interest, as well as any incremental tax expense had the instruments converted into Class A Shares as of the beginning of the period. For Earnout Securities carried at fair value, the numerator is also adjusted for changes in fair value impacting net income (loss) for the period.
- (5) As of September 30, 2022, the Oak Street Triggering Events with respect to the Oak Street Earnout Units had not occurred nor are these units issuable by the Registrant (they would be issued as Common Units of the Blue Owl Operating Group), and therefore such units have not been included in the calculation of basic earnings (loss) per share for the three and nine months ended September 30, 2022. Additionally, had the end of the reporting period also been the end of the contingency period for the Oak Street Earnout Units, the Oak Street Triggering Events would not yet have occurred, and therefore the Oak Street Earnout Units have not been included in the calculation of diluted earnings (loss) per share for the three and nine months ended September 30, 2022.
- (6) As of September 30, 2021, the Class E Triggering Events with respect to the Series E-2 Earnout Securities had not occurred, and therefore such securities have not been included in the calculation of basic earnings (loss) per share for the three months ended September 30, 2021 and the period from May 19, 2021 to September 30, 2021. Additionally, had the end of the reporting period also been the end of the contingency period for the Earnout Securities, the Class E Triggering Events with respect to the Series E-2 Earnout Securities would not yet have occurred, and therefore such Earnout Securities have not been included in the calculation of diluted earnings (loss) per share for the for the three months ended September 30, 2021 and the period from May 19, 2021 to September 30, 2021.

Blue Owl Capital Inc.
(Prior to May 19, 2021, Owl Rock)
Notes to Consolidated and Combined Financial Statements (Unaudited)

Three Months Ended September 30, 2022	Net Loss Attributable to Class A Shareholders	Weighted-Average Class A Shares Outstanding	Income Per Class A Share	Weighted-Average Number of Antidilutive Instruments
	(dollars in thousands, except per share amounts)			
Basic	\$ 2,060	441,487,112	\$ 0.00	
<i>Effect of dilutive securities:</i>				
Unvested RSUs	—	2,757,915		—
Warrants	—	—		8,610,237
Compensation-classified Wellfleet Earnout Shares	—	84,672		—
Contingent consideration-classified Wellfleet Earnout Shares	—	78,393		—
Vested Common Units	(8,600)	967,403,976		—
Vested Incentive Units	—	—		1,706,416
Unvested Incentive Units	—	—		24,830,502
Oak Street Earnout Units	—	—		26,074,330
Diluted	\$ (6,540)	1,411,812,068	\$ 0.00	

Nine Months Ended September 30, 2022	Net Loss Attributable to Class A Shareholders	Weighted-Average Class A Shares Outstanding	Loss Per Class A Share	Weighted-Average Number of Antidilutive Instruments
	(dollars in thousands, except per share amounts)			
Basic	\$ (10,881)	427,172,270	\$ (0.03)	
<i>Effect of dilutive securities:</i>				
Unvested RSUs	—	—		10,772,062
Warrants	—	—		12,289,159
Compensation-classified Wellfleet Earnout Shares	—	—		578,009
Contingent consideration-classified Wellfleet Earnout Shares	—	—		52,549
Vested Common Units	—	—		981,549,708
Vested Incentive Units	—	—		925,932
Unvested Incentive Units	—	—		24,708,247
Oak Street Earnout Units	—	—		26,074,330
Diluted	\$ (10,881)	427,172,270	\$ (0.03)	

Three Months Ended September 30, 2021	Net Loss Attributable to Class A Shareholders	Weighted-Average Class A Shares Outstanding	Loss Per Class A Share	Weighted-Average Number of Antidilutive Instruments
	(dollars in thousands, except per share amounts)			
Basic	\$ (53,323)	338,472,456	\$ (0.16)	
<i>Effect of dilutive securities:</i>				
Common Units	—	—		956,301,495
Warrants	—	—		14,159,381
Earnout Securities	—	—		49,999,962
Diluted	\$ (53,323)	338,472,456	\$ (0.16)	

Blue Owl Capital Inc.
(Prior to May 19, 2021, Owl Rock)
Notes to Consolidated and Combined Financial Statements (Unaudited)

For the Period from May 19, 2021 to September 30, 2021	Net Loss Attributable to Class A Shareholders	Weighted-Average Class A Shares Outstanding	Loss Per Class A Share	Weighted-Average Number of Antidilutive Instruments
	(dollars in thousands, except per share amounts)			
Basic	\$ (450,512)	335,472,904	\$ (1.34)	
<i>Effect of dilutive securities:</i>				
Common Units	(1,292,764)	945,706,163		—
Warrants	—	—		14,159,381
Earnout Securities	—	—		49,999,962
Diluted	\$ (1,743,276)	1,281,179,067	\$ (1.36)	

For periods prior to the Business Combination, earnings per share results in values that would not be meaningful to the users of the consolidated and combined financial statements, as the Company's capital structure completely changed as a result of the Business Combination. Therefore, earnings (loss) per share information has not been presented for periods prior to the Business Combination.

14. SUBSEQUENT EVENTS

Dividend

On November 4, 2022, the Company announced a cash dividend of \$0.12 per Class A Share. The dividend is payable on November 30, 2022, to holders of record as of the close of business on November 21, 2022.

Share Repurchase

In October 2022, the Company repurchased 3,237,584 shares under the Program for an aggregate amount of \$29.7 million, excluding commission costs.

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) AND 15d-14(a),
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Douglas Ostrover, Chief Executive Officer of Blue Owl Capital Inc., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Blue Owl Capital Inc. (the "Registrant");
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 Quarterly 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 Quarterly Report;
4. The Registrant's other certifying officer 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 is made known to us by others within those entities, particularly during the period in which this Quarterly 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 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 equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: November 4, 2022

/s/ Douglas Ostrover

Douglas Ostrover

Chief Executive Officer (Principal Executive Officer)

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) AND 15d-14(a),
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Alan Kirshenbaum, Chief Financial Officer of Blue Owl Capital Inc., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Blue Owl Capital Inc. (the "Registrant");
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 Quarterly 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 Quarterly Report;
4. The Registrant's other certifying officer 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 is made known to us by others within those entities, particularly during the period in which this Quarterly 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 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 equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: November 4, 2022

/s/ Alan Kirshenbaum

Alan Kirshenbaum

Chief Financial Officer (Principal Financial Officer)

**CERTIFICATION OF THE 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 filing of the Quarterly Report on Form 10-Q for the quarter ended September 30, 2022 (the "Report") by Blue Owl Capital Inc. (the "Registrant"), I, Douglas Ostrover as Chief Executive Officer of the Registrant hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. the Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: November 4, 2022

/s/ Douglas Ostrover

Douglas Ostrover

Chief Executive Officer (Principal Executive Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Registrant and will be retained by the Registrant and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION OF THE 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 filing of the Quarterly Report on Form 10-Q for the quarter ended September 30, 2022 (the "Report") by Blue Owl Capital Inc. (the "Registrant"), I, Alan Kirshenbaum as Chief Financial Officer of the Registrant hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. the Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: November 4, 2022

/s/ Alan Kirshenbaum

Alan Kirshenbaum

Chief Financial Officer (Principal Financial Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Registrant and will be retained by the Registrant and furnished to the Securities and Exchange Commission or its staff upon request.