



## Galaxy Announces First Quarter 2023 Financial Results

May 9, 2023

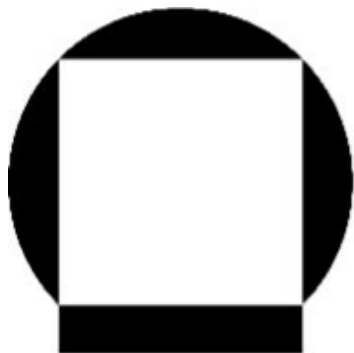
**Net income of \$134 million for the first quarter 2023, income before tax and non-cash equity compensation of \$163 million<sup>1</sup>**

**Ended the first quarter 2023 with a strong liquidity position of \$814 million**

**Re-segmented financial reporting into three complementary operating businesses: Galaxy Global Markets, Galaxy Asset Management and Galaxy Digital Infrastructure Solutions**

**Entered into a strategic alliance with DWS to develop digital asset management solutions in Europe**

NEW YORK, May 9, 2023 /CNW/ - [Galaxy Digital Holdings Ltd.](#) (TSX: GLXY) ("Galaxy", the "Company" or "GDH Ltd.") today released financial results for the three months ended March 31, 2023 for both itself and Galaxy Digital Holdings LP (the "Partnership" or "GDH LP").



# galaxy

"Galaxy's globally diversified platform and longstanding commitment to promoting the responsible adoption of digital assets is resonating with clients more than ever before. Our first quarter 2023 results are a validation of the investments we have made in our business to drive long-term growth and lead the evolution of the digital asset industry," said Michael Novogratz, Founder and CEO of Galaxy.

"The power of our business model is most evident in times of uncertainty, and clients are relying on Galaxy for our comprehensive Global Markets capabilities, leading Asset Management platform, and unique Digital Infrastructure Solutions to help them meet their long-term goals. We enter the second quarter of 2023 extremely well positioned to grow our market share and build deeper relationships with our clients and partners."

### **Select Financial Highlights for the First Quarter 2023**

- **Net income** was \$134 million for the first quarter, compared to a net loss of \$288 million for the quarter ended December 31, 2022.
  - Income before tax and non-cash equity compensation was \$163 million in the first quarter.<sup>1</sup>
  - The income was primarily attributable to gains on digital assets and unrealized gains on investments.
  - Gains on derivatives of \$55 million in the quarter were driven by our quantitative and client facing derivative trading desks.
- **Partners' Capital ("Equity")** was \$1.6 billion at the end of the quarter, up 11% from \$1.4 billion for the quarter ended December 31, 2022. The Company maintained a strong liquidity position of \$814 million as of March 31, 2023.
  - Liquidity included \$400 million in cash and \$414 million in net digital assets<sup>2</sup>, including \$209 million of non-algorithmic stablecoins.
  - Cash and stablecoin balances were \$214 million lower from year end primarily due to a larger amount of outstanding fiat loans, the payment for the GK8 acquisition and investments.

<sup>1</sup> Income before tax and non-cash equity compensation is a non-GAAP financial measure, which represents the Partnership's net income adjusted to add back income taxes of \$5.7 million and equity compensation of \$23.3 million. Management utilizes this measure in operational decision-making. It provides investors with additional information in comparing the Partnership's performance against the previously disclosed projections. Income before tax and non-cash equity compensation is not a standardized financial measure under the financial reporting framework used to prepare Galaxy's financial statements and might not be comparable to similar financial measures disclosed by other issuers.

<sup>2</sup> Please see page 12 of this release for a breakout of our net digital assets position.

### **Re-Segmented Financial Reporting Overview**

Beginning the first quarter, Galaxy re-segmented its financial reporting into three complementary operating businesses: Galaxy Global Markets ("GGM"), Galaxy Asset Management ("GAM"), and Galaxy Digital Infrastructure Solutions ("GDIS"). Investments made using balance sheet capital that were managed outside of our venture team are now captured in their applicable re-segmented vertical. The primary changes made are as follows:

- **Galaxy Global Markets** consists of Trading and Investment Banking, which were standalone businesses prior to the first quarter.
- **Galaxy Asset Management** consists of passive, active and venture investment strategies. The business now includes select venture investments that were historically captured as Principal Investments.
- **Galaxy Digital Infrastructure Solutions** consists of proprietary and hosted bitcoin mining services, the newly acquired GK8 technology and self-custody capabilities and validator services.

For more detail on these changes, please see page 3 of the Partnership's First Quarter 2023 Management's Discussion & Analysis.

## **Operating Highlights for the First Quarter 2023**

### **Galaxy Global Markets ("GGM")**

- **Trading** reported \$129.9 million of income within the quarter, a 257% increase quarter-over-quarter ("QoQ")<sup>3</sup>, driven primarily by net gains on digital assets and derivatives.
  - Cumulative counterparty-facing trading operational net revenue<sup>4</sup> within the quarter was approximately \$38 million, up approximately 110% QoQ, driven primarily by derivatives and over-the-counter trading.
  - Trading ended the quarter with more than 280 active counterparties.<sup>5</sup> The business onboarded more than 30 new counterparties in the quarter, bringing the total count to over 960.
  - Counterparty trading volumes increased by approximately 85% QoQ.
  - The value of Galaxy's counterparty loan book size was approximately \$500 million, an over 15% increase QoQ.
  - Cumulative gross counterparty loan originations were approximately \$300 million in the quarter.
- **Investment Banking** reported \$2.2 million of income within the quarter, a 9% increase QoQ.
  - Galaxy continues to execute against an active pipeline of mandates representing over \$1 billion in potential transaction value.
  - Within the quarter, Galaxy advised Pantera, a leading blockchain asset management firm, on the sale of its stake in European digital assets exchange, Bitstamp, to Ripple Labs.

### **Galaxy Asset Management ("GAM")**

- **Asset Management** reported \$4.7 million of income within the quarter, a 49% decrease QoQ.
  - GAM reported preliminary assets under management ("AUM")<sup>6</sup> of approximately \$2.4 billion, a 40% increase QoQ. The increase was primarily driven by the migration of \$343 million of venture assets that were historically captured as Principal Investments into GAM, partially offset by net outflows from our passive strategies. AUM consisted of nearly \$844 million in passive strategies, approximately \$108 million in active strategies and approximately \$1.4 billion in venture strategies.
  - Subsequent to quarter end, GAM entered into a strategic alliance with DWS, one of the world's leading asset managers, with the aim of initially developing a comprehensive suite of exchange-traded products on certain digital assets in Europe.
  - GAM holds investments in more than 220 portfolio companies across our venture platform.<sup>7</sup>

### **Galaxy Digital Infrastructure Solutions ("GDIS")**

- **Mining** reported \$10.2 million of income within the quarter, a 7% increase QoQ.
  - Galaxy ended the quarter with approximately 3.0 exahash per second ("EH/s") in Hashrate Under Management ("HUM")<sup>8</sup>, representing an over 100% increase QoQ. Approximately 30% of the 3.0 EH/s of HUM came from self-mining operations. Galaxy remains on track to surpass 4.0 EH/s of HUM by the end of 2023.
  - As Galaxy has increased its mining capacity across our Helios and Diboll sites in Texas, we increased the size of our power purchase agreement to protect Galaxy from rising power prices.
- **Self-Custody and Validator Solutions** are focus areas in emerging blockchain infrastructure for Galaxy. Since the completion of the Partnership's acquisition of GK8 on February 21, 2023, GK8 has won four new clients to reach eleven total clients. This includes Galaxy, as we integrate the technology into GalaxyOne, as well as a traditional bank and a leading protocol foundation. GK8 has also seen a significant increase in its pipeline of potential enterprise clients since the close of the acquisition.

<sup>3</sup> From the quarter ended December 31, 2022.

<sup>4</sup> GGM Operational Net Revenue is a metric that includes revenue from counterparty-facing activities from our Derivatives, Credit, Over-the-Counter Trading, and Quantitative Trading businesses, net of funding charges.

<sup>5</sup> Active counterparties represent counterparties with whom we have traded within the past 12 months and are still onboarded with the Galaxy's trading business.

<sup>6</sup> AUM is an internal estimate inclusive of sub-advised funds, committed capital in a closed-end vehicle, and seed investments by affiliates. Changes in AUM are generally the result of performance, contributions, and withdrawals. AUM for committed capital closed-end vehicles that have completed their investment period is reported as NAV (Net Asset Value). Quarterly AUM for close-end vehicles is reported as of the most recent quarter available for the applicable period.

<sup>7</sup> Includes investments held directly on the Partnership's balance sheet and indirectly through the Galaxy sponsored funds.

<sup>8</sup> Hashrate Under Management is defined as the total combined hashrate of active proprietary and hosted mining capacity managed by Galaxy.

## **Corporate Updates**

- **US Listing:** Galaxy continues to work on completing its proposed reorganization and domestication to become a Delaware-

incorporated company and subsequently list on the Nasdaq, upon completion of ongoing SEC review and subject to stock exchange approval of such listing. On February 9, 2023, Galaxy filed an amendment to its registration statement responding to SEC comments, which is under review.

- **Share Repurchase Program:** The Company has received approval from its Board of Directors to commence a normal course issuer bid (a "Bid"), subject to TSX approval and other conditions. The Bid is to purchase up to approximately 10 million ordinary shares (10% of the Company's public float) over a twelve month period. The Company may use the program opportunistically at times when it believes that the current market price of its shares does not reflect their intrinsic value and that purchasing its own ordinary shares is consistent with the objective of creating long-term shareholder value.

## **GDH Ltd.'s Financial Highlights**

- As the only significant asset of GDH Ltd. is its minority interest in GDH LP, its results are driven by the results of GDH LP. GDH Ltd. accounts for its investment in this associate (GDH LP) using the equity method. The investment, initially recorded at cost, is increased or decreased to recognize GDH Ltd.'s share of the earnings and losses of GDH LP. As of March 31, 2023, a reversal of a previously recognized impairment assessment was required under International Financial Reporting Standards and GDH Ltd.'s minority interest in GDH LP was marked up based on the TSX quarter-end closing share price. An impairment expense reversal of \$52.6 million was recognized during the quarter. The net comprehensive income of GDH Ltd. was \$91.6 million for the three months ended March 31, 2023.

## **Earnings Conference Call**

An investor conference call will be held today, May 9, 2023 at 8:30 AM Eastern Time. A live webcast with the ability to ask questions will be available at: <https://investor.galaxy.com/>. The conference call can also be accessed by investors in the United States or Canada by dialing 1-844-746-0741, or 1-412-317-5107 (outside the U.S. and Canada). A replay of the webcast will be available and can be accessed in the same manner as the live webcast on the Company's Investor Relations website. Through June 9, 2023, the recording will also be available by dialing 1-844-512-2921, or 1-412-317-6671 (outside the U.S. and Canada) passcode: 10177377.

## **About Galaxy Digital Holdings Ltd. (TSX: GLXY) ("GDH Ltd.") and Galaxy Digital Holdings LP ("GDH LP")**

Galaxy (TSX: GLXY) is a digital asset and blockchain leader providing access to the growing digital economy. We serve a diversified client base, including institutions, startups, and qualified individuals. Since 2018, Galaxy is building a holistic financial platform spanning three complementary operating businesses: Global Markets, Asset Management, and Digital Infrastructure Solutions. Our offerings include, amongst others, trading, lending, strategic advisory services, institutional-grade investment solutions, proprietary bitcoin mining and hosting services, network validator services, and the development of enterprise custodial technology. The company is headquartered in New York City, with global offices across North America, Europe, and Asia.

Additional information about Galaxy's businesses and products is available on [www.galaxy.com](http://www.galaxy.com)

This press release should be read in conjunction with (i) GDH LP's Management Discussion and Analysis and Consolidated Financial Statements for the three months ended March 31, 2023 and (ii) GDH Ltd.'s Management Discussion and Analysis and Consolidated Financial Statements for the three months ended March 31, 2023 (together, the "Consolidated Financial Statements" and "MD&As"), which have been filed on SEDAR at [www.sedar.com](http://www.sedar.com).

## **Disclaimers and Additional Information**

The TSX has not approved or disapproved of the information contained herein. The Ontario Securities Commission has not passed upon the merits of the disclosure record of Galaxy.

## **No Offer or Solicitation**

As previously announced, the Company intends to complete its proposed reorganization and domestication to become a Delaware-based company, and subsequently list on the Nasdaq, upon completion of the SEC's ongoing review and subject to stock exchange approval of such listing. The proposed reorganization and domestication is subject to approval by shareholders the Company and applicable regulatory authorities, including the Toronto Stock Exchange. In connection with the proposed reorganization and domestication, the Company has filed a registration statement, including a management information circular/prospectus, with the SEC, which has not yet become effective. **SHAREHOLDERS ARE ADVISED TO READ THE FINAL VERSIONS OF SUCH DOCUMENTS, WHEN AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.** Shareholders may obtain a free copy of the registration statement (including the management information circular/prospectus) and any other relevant documents from the SEC's website at <http://www.sec.gov>. Copies of the final versions of such documents can also be obtained, when available, without charge, via Galaxy's investor relations website: <https://investor.galaxy.com/>. The Company anticipates holding a shareholder meeting to seek approval following the effectiveness of the registration statement, and further details will be included in the management information circular to be mailed to shareholders and posted on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

This document shall not constitute a solicitation of a proxy, consent or authorization with respect to any securities or in respect of the domestication or any of the other proposed reorganization transactions. This document does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote of approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction.

## **CAUTION ABOUT FORWARD-LOOKING STATEMENTS**

The information in this document may contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and "forward-looking information" under Canadian securities laws (collectively, "forward-looking statements"). Our forward-looking statements include, but are not limited to, statements regarding our or our management team's expectations, hopes, beliefs, intentions or strategies regarding the future.

Statements that are not historical facts, including statements about Galaxy's market share, segment reporting, banking pipeline, strategic alliance with DWS, mining goals and the pending domestication and the related transactions (the "transactions"), and the parties, perspectives and expectations, are forward-looking statements. In addition, any statements that refer to estimates, projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words "anticipate," "believe," "continue," "could," "estimate," "expect," "forecast," "intend," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "would" and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. The forward-looking statements contained in this document are based on our current expectations and beliefs concerning future developments and their potential effects on us taking into account information currently available to us. There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks include, but are not limited to: (1) the inability to complete the proposed domestication and reorganization transactions, due to the failure to obtain shareholder and stock exchange approvals, or otherwise; (2) changes to the proposed structure of the transactions that may be required or appropriate as a result of applicable laws or regulations or as a condition to obtaining shareholder or stock exchange approval of the transactions; (3) the ability to meet and maintain listing standards following the consummation of the transactions; (4) the risk that the transactions disrupt current plans and operations; (5) costs related to the transactions, operations and strategy; (6) changes in applicable laws or regulations; (7) the possibility that the Company may be adversely affected by other economic, business, and/or competitive factors; (8) changes or events that impact the cryptocurrency industry, including potential regulation, that are out of our control; (9) the risk that our business will not grow in line with our expectations or continue on its current trajectory; (10) the possibility that our addressable market is smaller than we have anticipated and/or that we may not gain share of it; and (11) the possibility that there is a disruption in mining impacting our ability to achieve expected results, (12) any delay or failure to consummate the banking mandates or achieve its pipeline, (13) the possibility that the strategic alliance with DWS does not achieve its goals and (13) those other risks contained in the Annual Information Form for the year ended December 31, 2022 available on the Company's profile at [www.sedar.com](http://www.sedar.com) and its Management's Discussion and Analysis, filed on March 28, 2023. Factors that could cause actual results to differ materially from those described in such forward-looking statements include, but are not limited to, a decline in the digital asset market or general economic conditions; the possibility that our addressable market is smaller than we have anticipated and/or that we may not gain share of the stated addressable market; the failure or delay in the adoption of digital assets and the blockchain ecosystem; a delay or failure in developing infrastructure for our business or our businesses achieving our banking mandates; delays or other challenges in the mining business related to hosting or power; any challenges faced in the strategic alliance with DWS; and changes in applicable law or regulation and adverse regulatory developments. Should one or more of these risks or uncertainties materialize, they could cause our actual results to differ materially from the forward-looking statements. We are not undertaking any obligation to update or revise any forward looking statements whether as a result of new information, future events or otherwise. You should not take any statement regarding past trends or activities as a representation that the trends or activities will continue in the future. Accordingly, you should not put undue reliance on these statements.

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**Galaxy Digital Holdings LP's Consolidated Statements of Financial Position (unaudited)**

(in thousands)	March 31, 2023	December 31, 2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 399,943	\$ 542,101
Digital assets	854,051	566,690
Receivable for digital asset trades	16,745	9,063
Digital asset loans receivable, net of allowance	45,143	49,971
Digital assets receivables	20,296	12,423
Assets posted as collateral	94,886	25,138
Receivables	18,031	10,887
Derivative assets	89,625	17,719
Prepaid expenses and other assets	30,072	32,818
Loans receivable	188,976	62,611
Due from related party	8,596	13,857
Total current assets	<u>1,766,364</u>	<u>1,343,278</u>

Digital assets receivables	7,403	5,154
Investments (includes \$235.4 and \$350.6 million of equity method investments, respectively)	692,385	595,122
Loans receivable, non-current	100,150	100,977
Right of use assets	12,944	13,735
Property and equipment	218,631	208,538
Deferred tax asset	47,381	47,746
Intangible assets	32,578	6,948
Goodwill	45,278	24,645
Total non-current assets	1,156,750	1,002,865
<b>Total assets</b>	<b>\$ 2,923,114</b>	<b>\$ 2,346,143</b>

## Liabilities and equity

### Current liabilities

Investments sold short	—	91
Derivative liabilities	81,325	16,568
Accounts payable and accrued liabilities	37,810	67,081
Payables to customers	13,876	9,591
Taxes payable	26,049	22,717
Payable for digital asset trades	17,288	2,557
Digital asset loans payable	299,785	170,566
Loans payable	3,058	—
Collateral payable	349,976	131,506
Due to related party	58,541	53,984
Lease liability	4,380	4,467
Total current liabilities	892,088	479,128
Notes payable	389,213	384,515
Deferred tax liability	33,738	31,302
Lease liability	11,567	12,406
Total non-current liabilities	434,518	428,223
<b>Total liabilities</b>	<b>1,326,606</b>	<b>907,351</b>

## Equity

Partners' capital	1,596,508	1,438,792
<b>Total equity</b>	<b>1,596,508</b>	<b>1,438,792</b>
<hr/>		
<b>Total liabilities and equity</b>	<b>\$ 2,923,114</b>	<b>\$ 2,346,143</b>

**Galaxy Digital Holdings LP's Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) (unaudited)**

(in thousands)	<u>Three months ended March 31, 2023</u>	<u>Three months ended March 31, 2022</u>
<b>Income</b>		
Fee income	\$ 14,425	\$ 13,770
Net realized gain on digital assets	66,119	354,981
Net realized gain (loss) on investments	(1,978)	69,438
Lending and staking income	10,509	14,635
Net derivative gain	55,084	81,977
Income from proprietary mining	2,417	6,738
Other income	166	2,021
	<u>146,742</u>	<u>543,560</u>
<b>Operating expenses</b>		
Compensation and compensation related	30,621	40,548
Equity based compensation	23,270	22,762
General and administrative	15,135	17,948
Professional fees	9,817	9,591
Profit share arrangement expense	—	—
Interest	5,539	12,807
Notes interest expense	6,731	7,274
	<u>(91,113)</u>	<u>(110,930)</u>
<b>Other</b>		
Net unrealized gain (loss) on digital assets	3,029	(500,271)
Net unrealized gain (loss) on investments	82,713	(74,128)
Net gain (loss) on notes payable - derivative	(1,305)	6,493
Net gain on warrant liability	—	2,521
Foreign currency gain (loss)	(138)	2,017

Loss attributable to non-controlling interests liability	—	13,411
	<b>84,299</b>	<b>(549,957)</b>
<b>Income (loss) before income taxes</b>	<b>139,928</b>	<b>(117,327)</b>
Income taxes expense (benefit)	5,726	(6,119)
<b>Net income (loss)</b>	<b>\$ 134,202</b>	<b>\$ (111,208)</b>
<b>Other comprehensive income (loss)</b>		
Foreign currency translation adjustment	\$ (452)	\$ (468)
<b>Net comprehensive income (loss)</b>	<b>\$ 133,750</b>	<b>\$ (111,676)</b>

	Three months ended March 31, 2023	Three months ended March 31, 2022
<b>GDH LP Net income (loss) per unit:</b>		
Basic	\$ 0.42	\$ (0.34)
Diluted	0.41	(0.34)
<b>Weighted average units:</b>		
Basic	319,379,246	328,623,310
Diluted	323,640,236	328,623,310

#### Reportable segments (unaudited)

Income and expenses by each reportable segment of GDH LP for the three months ended March 31, 2023 are as follows:

(in thousands)	Global Markets	Asset Management	Digital Infrastructure Solutions	Corporate and Other	Totals
<b>Income (loss)</b>					
Fee income <sup>(1)</sup>	\$ 2,185	\$ 4,902	\$ 7,959	\$ (621)	\$ 14,425
Net realized gain (loss) on digital assets	63,893	2,226	—	—	66,119
Net realized gain (loss) on investments	388	(2,366)	—	—	(1,978)
Lending and staking income	10,501	8	—	—	10,509
Net derivative gain	55,084	—	—	—	55,084
Income from proprietary mining	—	—	2,417	—	2,417
Other income (expense)	37	(67)	48	148	166
	<b>132,088</b>	<b>4,703</b>	<b>10,424</b>	<b>(473)</b>	<b>146,742</b>
<b>Operating expenses</b>					
	<b>42,210</b>	<b>16,187</b>	<b>9,314</b>	<b>23,402</b>	<b>91,113</b>
Net unrealized gain (loss) on digital assets	(1,477)	4,506	—	—	3,029
Net unrealized gain on investments	40,611	38,859	3,243	—	82,713
Net loss on notes payable - derivative	—	—	—	(1,305)	(1,305)
Foreign currency loss	(138)	—	—	—	(138)
	<b>38,996</b>	<b>43,365</b>	<b>3,243</b>	<b>(1,305)</b>	<b>84,299</b>

<b>Income (loss) before income taxes</b>	<b>\$ 128,874</b>	<b>\$ 31,881</b>	<b>\$ 4,353</b>	<b>\$ (25,180)</b>	<b>\$ 139,928</b>
Income tax expense	—	—	—	5,726	5,726
<b>Net income (loss)</b>	<b>\$ 128,874</b>	<b>\$ 31,881</b>	<b>\$ 4,353</b>	<b>\$ (30,906)</b>	<b>\$ 134,202</b>
Foreign currency translation adjustment	—	—	—	(452)	(452)
<b>Comprehensive income (loss)</b>	<b>\$ 128,874</b>	<b>\$ 31,881</b>	<b>\$ 4,353</b>	<b>\$ (31,358)</b>	<b>\$ 133,750</b>

(1) Asset Management Fee income includes management fees generated off the Partnership's principal investments which are eliminated in the Corporate & Other segment.

Income and expenses by each reportable segment of GDH LP for the three months ended March 31, 2022 are as follows:

(in thousands)	Global Markets	Asset Management	Digital Infrastructure Solutions	Corporate and Other	Totals
<b>Income (loss)</b>					
Fee income	\$ 8,011	\$ 3,862	\$ 1,897	\$ —	\$ 13,770
Net realized gain on digital assets	80,847	274,134	—	—	354,981
Net realized gain (loss) on investments	(3,927)	73,365	—	—	69,438
Lending and staking income	14,615	20	—	—	14,635
Net derivative gain	81,977	—	—	—	81,977
Income from proprietary mining	—	—	6,738	—	6,738
Other income	169	725	1,127	—	2,021
	<b>181,692</b>	<b>352,106</b>	<b>9,762</b>	<b>—</b>	<b>543,560</b>
<b>Operating expenses</b>	<b>44,252</b>	<b>16,081</b>	<b>5,278</b>	<b>45,319</b>	<b>110,930</b>
Net unrealized loss on digital assets	(166,092)	(334,179)	—	—	(500,271)
Net unrealized loss on investments	(3,001)	(69,113)	(2,014)	—	(74,128)
Net gain on notes payable - derivative	—	—	—	6,493	6,493
Net gain on warrant liability	—	—	—	2,521	2,521
Foreign currency gain	2,017	—	—	—	2,017
Loss attributable to non-controlling interests liability	—	13,411	—	—	13,411
	<b>(167,076)</b>	<b>(389,881)</b>	<b>(2,014)</b>	<b>9,014</b>	<b>(549,957)</b>
<b>Income (loss) before income taxes</b>	<b>\$ (29,636)</b>	<b>\$ (53,856)</b>	<b>\$ 2,470</b>	<b>\$ (36,305)</b>	<b>\$ (117,327)</b>
Income tax benefit	—	—	—	(6,119)	(6,119)
<b>Net income (loss) for the period</b>	<b>\$ (29,636)</b>	<b>\$ (53,856)</b>	<b>\$ 2,470</b>	<b>\$ (30,186)</b>	<b>\$ (111,208)</b>
Foreign currency translation adjustment	—	—	—	(468)	(468)
<b>Comprehensive income (loss) for the period</b>	<b>\$ (29,636)</b>	<b>\$ (53,856)</b>	<b>\$ 2,470</b>	<b>\$ (30,654)</b>	<b>\$ (111,676)</b>

Assets and liabilities by reportable segment of GDH LP as of March 31, 2023 are as follows:

(in thousands)	Global Markets	Asset Management	Digital Infrastructure Solutions	Corporate and Other	Totals
<b>Total assets</b>	\$ 1,962,384	\$ 582,677	\$ 307,661	\$ 70,392	\$ 2,923,114
<b>Total liabilities</b>	\$ 768,891	\$ 1,853	\$ 6,565	\$ 549,297	\$ 1,326,606

Assets and liabilities by reportable segment of GDH LP as of December 31, 2022 are as follows:

(in thousands)	Global Markets	Asset Management	Digital Infrastructure Solutions	Corporate and Other	Totals
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	Management		Infrastructure Solutions		Other					
<b>Total assets</b>	\$	1,476,489	\$	536,061	\$	251,624	\$	81,969	\$	2,346,143
<b>Total liabilities</b>	\$	338,336	\$	1,084	\$	10,519	\$	557,412	\$	907,351

### Select statement of financial position information

The fair value of select assets by reporting segment of GDH LP as of March 31, 2023 is as follows:

(in thousands)	Global Markets	Asset Management	Digital Infrastructure Solutions	Corporate and Other	Totals
Digital assets	\$ 854,051	\$ —	\$ —	\$ —	\$ 854,051
Digital assets receivables	17,197	10,502	—	—	27,699
Digital assets posted as collateral	88,353	—	—	—	88,353
<b>Investments:</b>					
Pre-network launch	—	6,508	—	—	6,508
Convertible Notes	266	15,383	5,743	—	21,392
Preferred Stock	48,828	233,956	3,928	—	286,712
Common Stock	68,892	16,788	—	—	85,680
LP/LLC Interests	47,389	233,432	—	—	280,821
Warrants/Trust Units/Trust Shares	8,667	2,605	—	—	11,272
<b>Total</b>	<b>\$ 1,133,643</b>	<b>\$ 519,174</b>	<b>\$ 9,671</b>	<b>\$ —</b>	<b>\$ 1,662,488</b>

The fair value of each asset class by reporting segment of GDH LP as of December 31, 2022 is as follows:

(in thousands)	Global Markets	Asset Management	Digital Infrastructure Solutions	Corporate and Other	Totals
Digital assets	\$ 566,690	\$ —	\$ —	\$ —	\$ 566,690
Digital assets receivables	10,713	6,864	—	—	17,577
Digital assets posted as collateral	25,138	—	—	—	25,138
<b>Investments:</b>					
Pre-network launch	—	5,500	—	—	5,500
Convertible Notes	259	10,064	2,326	—	12,649
Preferred Stock	46,338	208,021	4,102	—	258,461
Common Stock	45,047	16,601	—	—	61,648
LP/LLC Interests	33,024	222,775	—	—	255,799
Warrants/Trust Units	—	1,065	—	—	1,065
<b>Total</b>	<b>\$ 727,209</b>	<b>\$ 470,890</b>	<b>\$ 6,428</b>	<b>\$ —</b>	<b>\$ 1,204,527</b>

### Net Digital Assets Position

Net digital assets includes all digital assets categorized as assets, less all digital assets categorized as liabilities on the statement of financial position, less non-controlling interests liabilities, and is included in the Company's liquidity measure. Net digital assets as of March 31, 2023 is as follows:

(in thousands)	As of March 31, 2023	As of December 31, 2022
<b>Assets</b>		
Digital assets	\$ 854,051	\$ 566,690
Digital asset loans receivable, net of allowance	45,143	49,971
Digital assets receivable, current	20,296	12,423
Digital assets receivable, non-current	7,403	5,154
Assets posted as collateral <sup>(1)</sup>	88,353	25,138
	<u>1,015,246</u>	<u>659,376</u>

**Liabilities**

Digital asset loans payable	299,785	170,566
Collateral payable <sup>(1)</sup>	301,464	73,458
Non-controlling interests liability	—	—
	<hr/>	<hr/>
	601,249	244,024
<b>Digital assets, net</b>	<b>\$ 413,997</b>	<b>\$ 415,352</b>
Stablecoins, net	\$ 208,929	\$ 281,048
<b>Digital assets, net excl. stablecoins</b>	<b>\$ 205,068</b>	<b>\$ 134,304</b>

<sup>(1)</sup> Excludes cash portion of consolidated balance on the Partnership's balance sheet.

*All figures are in U.S. Dollars unless otherwise noted.*

SOURCE Galaxy Digital Holdings Ltd.