

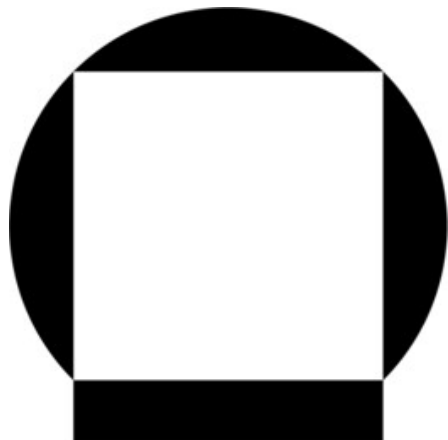


Galaxy Announces Third Quarter 2022 Financial Results

November 9, 2022

Net comprehensive loss of \$68.1 million for the quarter
The Company maintains a strong liquidity position of \$1.5 billion
The Company continues to onboard counterparties and invest in strategic opportunities
Damien Vanderwilt, Co-President and Head of Global Markets, to transition to Senior Advisor and Board Director

NEW YORK, Nov. 9, 2022 /CNW/ - [Galaxy Digital Holdings Ltd.](#) (TSX: GLXY) ("Galaxy Digital", "Galaxy", the "Company" or "GDH Ltd.") today released financial results for the three and nine months ended September 30, 2022 for both itself and Galaxy Digital Holdings LP (the "Partnership" or "GDH LP").



galaxy

"While our industry continues to face macroeconomic headwinds and structural evolution, Galaxy remains focused on building for the future state of institutional adoption by taking deliberate steps to transform and simplify our operations," said Michael Novogratz, Founder and CEO of Galaxy Digital.

"Retaining \$1.5 billion in liquidity, including over \$1.0 billion in cash, the Company continues to be in a position of strength for both organic and inorganic growth, as we focus on building for the future. Additionally, I'd like to thank Damien Vanderwilt for his contributions to the Company and look forward to continuing to work with him as he transitions to being Senior Advisor and Board Director."

Select Financial Highlights for the Third Quarter 2022

- **Net comprehensive loss** was \$68.1 million, compared to a \$517.9 million gain in the prior year period.
 - The loss was primarily related to unrealized losses on investments in our Principal Investments business, driven by reduced valuations on certain investments due to external market conditions, and increased Operating Expense for our Mining business due to impairments in Mining assets, driven by dislocations in the mining space. The net comprehensive loss was partially offset by profitability in our Trading business.
 - Within the quarter, the Partnership's Trading business line was profitable largely due to realized and unrealized gains on digital assets, contributing \$52.8 million to net comprehensive income in the quarter.
- **Partners' Capital** was \$1.8 billion at the end of the quarter, down 12% from \$2.0 billion in the prior year period.
 - During the quarter, Partners' Capital decreased 3% quarter-over-quarter to \$1.8 billion due to the net comprehensive loss in the quarter.
 - This decrease was against the backdrop of a total cryptocurrency market capitalization increase of approximately 7% during the quarter.^[1]
 - The Company maintained a strong liquidity position of \$1.5 billion as of September 30, 2022.
 - Liquidity includes \$1.0 billion in cash and a net digital assets² position of \$422.6 million. \$235.8 million of that net digital assets² were held in non-algorithmic stablecoins, predominantly in USD Coin ("USDC").
 - As of September 30, 2022, net digital assets^[2] were \$422.6 million, compared to \$474.3 million as of June 30, 2022. The decrease in net digital assets² was primarily driven by selling certain liquid positions.

¹ Represents [coinmarketcap.com](#) total cryptocurrency market capitalization quoted price as of 12:00AM UTC for total market capitalization.

² 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.

Operating Highlights for the Third Quarter 2022

- **Galaxy Trading ("GT")** reported continued growth in client count and strong revenue from our counterparty-facing businesses, against continued

decreased counterparty trading volumes within the quarter.

- Cumulative counterparty-facing GT Operational Net Revenue ("GT Operational Revenue") within the quarter was approximately \$20 million, with approximately 40% from our Quantitative Trading businesses, and the remaining approximately equally split between our Derivatives and Credit businesses.
 - Within the quarter, GT onboarded over 25 new counterparties to our trading platform, bringing our total trading counterparties to over 880, and continues to provide liquidity in over 100 cryptocurrencies.
 - Counterparty trading volumes decreased by approximately 55% from the quarter ended June 30, 2022, and decreased by just over 50% year over year.
 - The Company's cumulative gross counterparty loan originations were approximately \$590 million within the quarter, and the value of GT's counterparty loan and yield portfolio increased 5% quarter over quarter.
- **Galaxy Asset Management ("GAM")** reported preliminary assets under management ("AUM")³ of nearly \$2.0 billion as of September 30, 2022, a 17% increase from the quarter ended June 30, 2022.
 - AUM consisted of \$875 million in GAM's Galaxy Fund Management products, and just over \$1.1 billion in the Galaxy Interactive venture franchise.
 - GAM strategically focused on scaling active strategies within our Galaxy Fund Management and Interactive products, and as a result, GAM saw positive net flows in the quarter.
 - Within the quarter Galaxy Interactive grew AUM to just over \$1.1 billion. As of September 30, 2022, the fair market value of Galaxy Interactive's first two closed funds, the Galaxy EOS VC Fund and Galaxy Interactive Fund I, are worth nearly double their investment costs in aggregate.
 - **Galaxy Investment Banking ("GIB")** had a quarter of continued growth of its active deal pipeline, with a number of existing mandates expected to close in the next two quarters.
 - GIB is actively engaged in the markets' prominent shift toward M&A activity, and accordingly, M&A-linked transactions and opportunities remain a primary focus for the team.
 - GIB continues to execute against an active pipeline of mandates representing over \$1 billion in potential transaction value.
 - GIB continues to expand international coverage and added a new member to the Europe GIB team to strengthen our ability to serve our clients and meet demand across the globe.
 - Within the quarter, GIB advised Blockdaemon on its acquisition of Sepior, a digital asset security provider that offers advanced MPC-based solutions.
 - **Galaxy Mining ("GM")** incurred a net comprehensive loss of \$34.9 million in the quarter, largely due to non-cash operating impairments of Mining assets that increased Operating Expense, against the backdrop of our largest third-party hosting provider reducing capacity due to market conditions, rising energy prices and constrained access to capital markets.
 - GM is actively working on multiple longer-term solutions to diversify and reduce counterparty risk, in order to maintain our targeted goal of 3,000 Petahash per second (PH/s) of mining capacity for both proprietary and miner-finance operations, from monthly deliveries by the end of 2022.
 - Additionally, GM broke ground on its first proprietary mining site in Texas, which is expected to be fully energized and operational by January 2023, enabling GM to scale its self-mining responsibly and in a tax-efficient structure.
 - During the quarter, GM closed three existing machine leases at expected terms, without defaults, delinquencies, or losses. These small loans were, in aggregate, approximately \$8 million, demonstrating the team's continued prudent approach toward extending financing arrangements in the mining space.
 - GM announced an investment in Aspen Creek Digital Corporation ("ACDC"), and continues to host machines at their sustainably-focused facilities. ACDC is a bitcoin mining company focused on renewable energy, demonstrating GM's ongoing commitment to sustainability and proper risk perimeters on hosting providers.
 - **Principal Investments ("GPI")**: The Company now holds 152 investments across 107 portfolio companies as of September 30, 2022. Within the third quarter 2022, GPI made investments in a number of companies including Celestia, one of the leading projects focused on novel, modular blockchain architecture.

³ AUM is an internal estimate inclusive of a sub-advised fund, committed capital in a closed-end vehicle, and seed investments by affiliates. Changes in AUM are generally the result of performance, contributions, and withdrawals.

Corporate Updates

- **Senior Leadership Update:** Effective mid-January 2023, Damien Vanderwilt will step down from his role as Co-President at the Company. Concurrently, he will be named a Senior Advisor to Galaxy and join the Company's Board of Directors. Since joining Galaxy last year, Damien has played a vital role in our efforts to institutionalize the digital asset space, as well as helping the Company navigate through an unprecedented period of global growth and transformation. Damien played an instrumental role in establishing several external partnerships and client relationships. He also contributed to various initiatives underscoring the firm's focus on inclusion, diversity, and sustainability, and played a key part in recruiting, ensuring Galaxy has a deep bench of future leaders for many years to come.
- **US Listing:** As previously announced, the Company intends to complete 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. The company now expects the listing to occur in 2023.
- **Share Repurchase Program:** As announced on May 16, 2022, the Company entered into a [Share Repurchase Program](#) and as of October 24, 2022, has purchased all 10,596,720 ordinary shares allowable at an average price of \$6.65 CAD. The Company will continue to use all available methods to manage its share capital when it believes that the current market price of its shares does not reflect their intrinsic value and if doing so is consistent with the objective of creating long term shareholder value.
- **Update on Exposure to [FTX.com](#):** On November 8, 2022, [FTX.com](#) ("FTX"), a digital asset exchange on which the Partnership holds cash and digital assets, announced that it entered into a non-binding arrangement with Binance Holdings Ltd. to provide liquidity. As of the date of this filing, the Partnership has an exposure of approximately \$76.8 million of cash and digital assets to FTX, of which \$47.5 million is currently in the withdrawal process.

- 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 its associate (GDH LP) using the equity method. GDH Ltd. had been carrying its investment at cost initially and subsequently increased or decreased it to recognize GDH Ltd.'s share of the earnings and losses of GDH LP. As of September 30, 2022, an impairment assessment was required under International Financial Reporting Standards and GDH Ltd.'s minority interest in GDH LP was marked down based on the TSX closing share price at quarter end. An impairment expense of \$143.5 million was recognized. The net comprehensive loss of GDH Ltd was \$332.2 million for the nine months ended September 30, 2022.

Earnings Conference Call

An investor conference call will be held today, November 9, 2022 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 1-877-300-8521, or 1-412-317-6026 (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 November 30, 2022, the recording will also be available by dialing +1-844-512-2921, or 1-412-317-6671 (outside the U.S. and Canada) passcode: 10172419.

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 institutions, startups, and qualified individuals access to the crypto economy. Our full suite of financial services is custom-made for a digitally native ecosystem, spanning multiple synergistic business lines: Trading, Asset Management, Investment Banking, Mining, and Ventures.

Galaxy's CEO and Founder Michael Novogratz leads a team of crypto enthusiasts and institutional veterans working together on a mission to engineer a new economic paradigm. The Company is headquartered in New York City, with offices in Chicago, New Jersey, London, Amsterdam, Hong Kong, Tokyo and the Cayman Islands (reg. office).

Additional information about Galaxy's businesses and products is available on www.galaxy.com.

This press release should be read in conjunction with (i) GDH LP's Management Discussion and Analysis and Condensed Consolidated Interim Financial Statements for the three and nine months ended September 30, 2022 and (ii) GDH Ltd.'s Management Discussion and Analysis and Condensed Consolidated Interim Financial Statements for the three and nine months ended September 30, 2022 (together, the "Consolidated Financial Statements" and "MD&As"), which have been filed on SEDAR at 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 Digital.

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 Digital'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.

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 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. Forward-looking statements in this document may include, for example, statements about our mining business and its go-forward strategy, our ability to complete the proposed domestication and reorganization transactions within a particular timeframe, our senior executive transition and our plans with respect to share capital. 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; (11) those other risks contained in the Annual Information

Form for the year ended December 31, 2021 available on the Company's profile at www.sedar.com and its Management's Discussion and Analysis, filed on November 9, 2022 and (12) other risks and uncertainties to be indicated from time to time in filings made with the SEC. 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.

©Copyright Galaxy Digital 2022. All rights reserved.

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

| (in thousands) | <u>September 30, 2022</u> | <u>December 31, 2021</u> |
|---------------------------------------------------|----------------------------|----------------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalent | \$ 1,038,176 | \$ 840,776 |
| Digital assets | 865,463 | 2,420,777 |
| Receivable for digital asset trades | 16,208 | 8,332 |
| Digital assets loans receivable, net of allowance | 110,336 | 192,684 |
| Digital assets receivables | 21,012 | 52,998 |
| Assets posted as collateral | 98,976 | 71,400 |
| Receivables | 11,746 | 26,665 |
| Derivative assets | 23,909 | 45,669 |
| Prepaid expenses and other assets | 52,252 | 25,768 |
| Loans receivable | 76,028 | 190,087 |
| Due from related party | — | 25,023 |
| Total current assets | <u>2,314,106</u> | <u>3,900,179</u> |
| Digital assets receivables | 11,172 | 18,659 |
| Investments | 748,163 | 1,069,776 |
| Right of use assets | 13,234 | 11,746 |
| Property and equipment | 143,116 | 58,187 |
| Deferred tax asset | 20,184 | 10,259 |
| Intangible assets | 2,742 | 3,087 |
| Goodwill | 24,645 | 24,645 |
| Total non-current assets | <u>963,256</u> | <u>1,196,359</u> |
| Total assets | <u>\$ 3,277,362</u> | <u>\$ 5,096,538</u> |
| Liabilities and equity | | |
| Current liabilities | | |
| Investments sold short | 7,960 | 11,630 |
| Derivative liabilities | 19,334 | 25,567 |
| Warrant liability | 318 | 20,488 |
| Accounts payable and accrued liabilities | 77,795 | 146,243 |
| Payable to customers | 22,771 | 142,441 |
| Taxes payable | 16,981 | 42,341 |

| | | |
|--------------------------------------|------------------|------------------|
| Payable for digital asset trades | 4,589 | 13,216 |
| Digital assets loans payable | 501,119 | 905,013 |
| Loans payable | 112,528 | 33,289 |
| Collateral payable | 206,187 | 480,088 |
| Due to related party | 24,703 | — |
| Lease liability | 3,660 | 2,164 |
| Non-controlling interest liability | 56,652 | 161,536 |
| Total current liabilities | 1,054,597 | 1,984,016 |
| Notes payable | 425,629 | 475,330 |
| Deferred tax liability | 9,256 | 25,608 |
| Lease liability | 12,792 | 13,233 |
| Total non-current liabilities | 447,677 | 514,171 |
| Total liabilities | 1,502,274 | 2,498,187 |

Equity

| | | |
|---------------------|------------------|------------------|
| Partners' capital | 1,775,088 | 2,598,351 |
| Total equity | 1,775,088 | 2,598,351 |

Total liabilities and equity \$ 3,277,362 \$ 5,096,538

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

| (in thousands) | Three months ended September 30, 2022 | Three months ended September 30, 2021 | Nine months ended September 30, 2022 | Nine months ended September 30, 2021 |
|-----------------------------------------------|------------------------------------------------|------------------------------------------------|-----------------------------------------------|--------------------------------------------|
| Income | | | | |
| Advisory and management fees | \$ 4,608 | \$ 3,524 | \$ 22,710 | \$ 7,881 |
| Net realized gain on digital assets | 4,715 | 130,465 | 128,558 | 698,639 |
| Net realized gain (loss) on investments | (8,776) | 32,557 | 64,153 | 225,058 |
| Income from lending | 6,395 | 14,027 | 31,086 | 39,395 |
| Net derivative gain | 17,825 | 32,078 | 179,821 | 105,355 |
| Income from mining | 5,614 | 3,799 | 26,370 | 7,700 |
| Other income | 2,295 | 619 | 4,297 | 5,163 |
| | 32,676 | 217,069 | 456,995 | 1,089,191 |
| Operating expenses | | | | |
| Compensation and compensation related | 37,247 | 53,146 | 112,447 | 136,780 |
| Equity based compensation | 27,738 | 24,192 | 81,634 | 44,839 |
| General and administrative | 49,281 | 4,004 | 101,389 | 19,526 |
| Professional fees | (4,260) | 21,054 | 15,271 | 37,147 |
| Profit share arrangement expense | — | 1,867 | — | 14,032 |
| Interest | 8,543 | 19,386 | 33,417 | 51,646 |
| Notes interest expense | 7,504 | — | 22,113 | — |
| | (126,053) | (123,649) | (366,271) | (303,970) |
| Net unrealized gain (loss) on digital assets | 69,437 | 355,245 | (664,206) | 222,540 |
| Net unrealized (loss) gain on investments | (39,299) | 177,894 | (372,318) | 401,229 |
| Net (loss) gain on notes payable - derivative | (1,041) | — | 56,556 | — |
| Net gain (loss) on warrant liability | 307 | 9,352 | 20,005 | (24,802) |
| Foreign currency gain (loss) | 2,579 | (229) | 3,293 | 1,566 |

| | | | | |
|-----------------------------------------------------------------|--------------------|-------------------|---------------------|---------------------|
| (Gain) loss attributable to non-controlling interests liability | (8,857) | (89,723) | 105,160 | (164,730) |
| | 23,126 | 452,539 | (851,510) | 435,803 |
| (Loss) income before income taxes | (70,251) | 545,959 | (760,786) | 1,221,024 |
| Income taxes | (2,357) | 28,126 | (26,984) | 28,126 |
| Net (Loss) income for the period | \$ (67,894) | \$ 517,833 | \$ (733,802) | \$ 1,192,898 |

| | | | | |
|------------------------------------------|----------|-------|----------|--------|
| Other comprehensive income (loss) | | | | |
| Foreign currency translation adjustment | \$ (222) | \$ 40 | \$ (710) | \$ 338 |

| | | | | |
|-------------------------------------------------------|--------------------|-------------------|---------------------|---------------------|
| Net comprehensive (loss) income for the period | \$ (68,116) | \$ 517,873 | \$ (734,512) | \$ 1,193,236 |
|-------------------------------------------------------|--------------------|-------------------|---------------------|---------------------|

| | Three months ended September 30, 2022 | Three months ended September 30, 2021 | Nine months ended September 30, 2022 | Nine months ended September 30, 2021 |
|------------------------------------|------------------------------------------|------------------------------------------|-----------------------------------------|-----------------------------------------|
| Net income (loss) per unit: | | | | |
| Basic | \$ (0.21) | \$ 1.62 | \$ (2.24) | 3.77 |
| Diluted | (0.21) | 1.48 | (2.29) | 3.43 |
| Weighted average units: | | | | |
| Basic | 326,187,757 | 319,815,465 | 327,599,342 | 316,314,861 |
| Diluted | 326,187,757 | 349,210,552 | 342,921,483 | 348,041,169 |

Reportable segments (unaudited)

Income and expenses by each reportable segment of GDH LP for the three months ended September 30, 2022 are as follows (in thousands):

| (in thousands) | Trading | Principal Investments | Asset Management | Investment Banking | Mining | Corporate and Other | Totals |
|----------------------------------------------------------|------------------|-----------------------|-------------------|--------------------|--------------------|---------------------|--------------------|
| Income (loss) | | | | | | | |
| Advisory and management fees | 383 | — | 3,374 | 851 | — | — | 4,608 |
| Net realized gain (loss) on digital assets | 29,738 | (17,226) | (7,797) | — | — | — | 4,715 |
| Net realized gain (loss) on investments | (6,568) | (2,208) | — | — | — | — | (8,776) |
| Income from lending | 6,260 | 135 | — | — | — | — | 6,395 |
| Net derivative gain | 17,825 | — | — | — | — | — | 17,825 |
| Income from mining | — | — | — | — | 5,614 | — | 5,614 |
| Other income | 796 | 1,453 | 46 | — | — | — | 2,295 |
| | 48,434 | (17,846) | (4,377) | 851 | 5,614 | — | 32,676 |
| Operating expenses | 37,144 | 1,767 | 12,890 | 2,464 | 40,517 | 31,271 | 126,053 |
| Net unrealized gain (loss) on digital assets | 36,257 | 15,366 | 17,814 | — | — | — | 69,437 |
| Net unrealized gain (loss) on investments | 2,499 | (41,161) | (637) | — | — | — | (39,299) |
| Net gain on notes payable - derivative | — | — | — | — | — | (1,041) | (1,041) |
| Net gain on warrant liability | — | — | — | — | — | 307 | 307 |
| Foreign currency gain | 2,739 | — | — | — | — | (160) | 2,579 |
| Loss attributable to non-controlling interests liability | — | — | (8,857) | — | — | — | (8,857) |
| | 41,495 | (25,795) | 8,320 | — | — | (894) | 23,126 |
| Income (loss) before income taxes | \$ 52,785 | \$ (45,408) | \$ (8,947) | \$ (1,613) | \$ (34,903) | \$ (32,165) | \$ (70,251) |
| Income tax benefit | — | — | — | — | — | (2,357) | (2,357) |

| | | | | | | | |
|---------------------------------------------------|-----------|-------------|------------|------------|-------------|-------------|-------------|
| Net income (loss) for the period | \$ 52,785 | \$ (45,408) | \$ (8,947) | \$ (1,613) | \$ (34,903) | \$ (29,808) | \$ (67,894) |
| Foreign currency translation adjustment | — | — | — | — | — | (222) | (222) |
| Comprehensive income (loss) for the period | \$ 52,785 | \$ (45,408) | \$ (8,947) | \$ (1,613) | \$ (34,903) | \$ (30,030) | \$ (68,116) |

Income and expenses by each reportable segment of GDH LP for the three months ended September 30, 2021 are as follows (in thousands):

| (in thousands) | Trading | Principal Investments | Asset Management | Investment Banking | Mining | Corporate and Other | Totals |
|----------------------------------------------------------------------------------|-------------------|-----------------------|--------------------|--------------------|-----------------|---------------------|-------------------|
| Income (loss) | | | | | | | |
| Advisory and management fees | \$ 62 | \$ — | \$ 3,462 | \$ — | \$ — | \$ — | \$ 3,524 |
| Net realized gain (loss) on digital assets | 100,314 | 13,227 | 16,924 | — | — | — | 130,465 |
| Net realized gain (loss) on investments | 12,675 | 19,821 | 61 | — | — | — | 32,557 |
| Income from lending | 13,739 | 288 | — | — | — | — | 14,027 |
| Net derivative gain (loss) | 32,078 | — | — | — | — | — | 32,078 |
| Income from mining | — | — | — | — | 3,799 | — | 3,799 |
| Other income | 619 | — | — | — | — | — | 619 |
| | 159,487 | 33,336 | 20,447 | — | 3,799 | — | 217,069 |
| Operating expenses | 55,227 | 4,937 | 10,667 | 2,283 | 2,689 | 47,846 | 123,649 |
| Net unrealized gain (loss) on digital assets | 244,146 | 44,387 | 66,712 | — | — | — | 355,245 |
| Net unrealized gain (loss) on investments | (385) | 183,472 | (5,193) | — | — | — | 177,894 |
| Net gain (loss) on warrant liability | — | — | — | — | — | 9,352 | 9,352 |
| Foreign currency gain (loss) attributable to non-controlling interests liability | (219) | (10) | — | — | — | — | (229) |
| | — | — | (89,723) | — | — | — | (89,723) |
| | 243,542 | 227,849 | (28,204) | — | — | 9,352 | 452,539 |
| Income (loss) before income taxes | \$ 347,802 | \$ 256,248 | \$ (18,424) | \$ (2,283) | \$ 1,110 | \$ (38,494) | \$ 545,959 |
| Income tax expense | — | — | — | — | — | 28,126 | 28,126 |
| Net income (loss) for the period | \$ 347,802 | \$ 256,248 | \$ (18,424) | \$ (2,283) | \$ 1,110 | \$ (66,620) | \$ 517,833 |
| Foreign currency translation adjustment | — | — | — | — | — | 40 | 40 |
| Comprehensive income (loss) for the period | \$ 347,802 | \$ 256,248 | \$ (18,424) | \$ (2,283) | \$ 1,110 | \$ (66,580) | \$ 517,873 |

Assets and liabilities by reportable segment of GDH LP as of September 30, 2022 are as follows (in thousands):

| (in thousands) | Trading | Principal Investments | Asset Management | Investment Banking | Mining | Corporate and Other | Totals |
|--------------------------|--------------|-----------------------|------------------|--------------------|------------|---------------------|--------------|
| Total assets | \$ 1,931,023 | \$ 822,108 | \$ 86,938 | \$ 22,853 | \$ 349,598 | \$ 64,842 | \$ 3,277,362 |
| Total liabilities | \$ 876,591 | \$ 242 | \$ 56,886 | \$ 2,102 | \$ 3,037 | \$ 563,416 | \$ 1,502,274 |

Assets and liabilities by reportable segment of GDH LP as of December 31, 2021 are as follows (in thousands):

| (in thousands) | Trading | Principal Investments | Asset Management | Investment Banking | Mining | Corporate and Other | Totals |
|--------------------------|--------------|-----------------------|------------------|--------------------|------------|---------------------|--------------|
| Total assets | \$ 2,971,090 | \$ 1,277,707 | \$ 193,436 | \$ 10,727 | \$ 292,942 | \$ 350,636 | \$ 5,096,538 |
| Total liabilities | \$ 1,666,488 | \$ 174 | \$ 171,784 | \$ 122 | \$ 3,202 | \$ 656,417 | \$ 2,498,187 |

Select statement of financial position information

The fair value of each asset class by reporting segment of GDH LP as of September 30, 2022 is as follows (in thousands):

| (in thousands) | Trading | Principal Investments | Asset Management | Investment Banking | Mining | Corporate and Other | Totals |
|-------------------------------------|-------------------|-----------------------|------------------|--------------------|-----------------|---------------------|---------------------|
| Digital assets | \$ 776,609 | \$ 29,363 | \$ 59,491 | \$ — | \$ — | \$ — | \$ 865,463 |
| Digital assets receivables | 7,647 | 24,537 | — | — | — | — | 32,184 |
| Digital assets posted as collateral | 98,976 | — | — | — | — | — | 98,976 |
| Investments: | | | | | | | |
| Pre-Launch Network | 2,500 | 4,300 | — | — | — | — | 6,800 |
| Convertible Notes | 5,368 | 14,643 | — | — | — | — | 20,011 |
| Preferred Stock | — | 297,331 | — | — | 2,100 | — | 299,431 |
| Common Stock | 8,379 | 114,139 | — | 390 | — | — | 122,908 |
| LP/LLC Interests | — | 298,979 | — | — | — | — | 298,979 |
| Warrants/Trust Units/Trust Shares | — | 34 | — | — | — | — | 34 |
| | \$ 899,479 | \$ 783,326 | \$ 59,491 | \$ 390 | \$ 2,100 | \$ — | \$ 1,744,786 |

The fair value of each asset class by reporting segment of GDH LP as of December 31, 2021 is as follows (in thousands):

| (in thousands) | Trading | Principal Investments | Asset Management | Investment Banking | Mining | Corporate and Other | Totals |
|-------------------------------------|---------------------|-----------------------|-------------------|--------------------|------------------|---------------------|---------------------|
| Digital assets | \$ 2,121,772 | \$ 123,210 | \$ 165,300 | \$ — | \$ 10,495 | \$ — | \$ 2,420,777 |
| Digital assets receivables | — | 71,657 | — | — | — | — | 71,657 |
| Digital assets posted as collateral | 71,400 | — | — | — | — | — | 71,400 |
| Investments: | | | | | | | |
| Pre-Launch Network | — | 6,393 | — | — | — | — | 6,393 |
| Convertible Notes | — | 9,768 | — | — | — | — | 9,768 |
| Preferred Stock | — | 382,182 | — | — | — | — | 382,182 |
| Common Stock | 34,991 | 236,303 | — | — | — | — | 271,294 |
| LP/LLC Interests | — | 383,279 | — | — | — | — | 383,279 |
| Warrants/Trust Units | 7,963 | 8,897 | — | — | — | — | 16,860 |
| | \$ 2,236,126 | \$ 1,221,689 | \$ 165,300 | \$ — | \$ 10,495 | \$ — | \$ 3,633,610 |

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 September 30, 2022 is as follows (in thousands):

| (in thousands) | As of September 30, 2022 | As of December 31, 2021 |
|--------------------------------------------------|-----------------------------|----------------------------|
| Assets | | |
| Digital assets | \$ 865,463 | \$ 2,420,777 |
| Digital asset loans receivable, net of allowance | 110,336 | 192,684 |
| Digital assets receivable, current | 21,012 | 52,998 |
| Digital assets receivable, noncurrent | 11,172 | 18,659 |
| Assets posted as collateral | 98,976 | 71,400 |
| | <u>1,106,959</u> | <u>2,756,518</u> |
| Liabilities | | |
| Payables to customers ¹ | 13,112 | 18,565 |
| Digital asset loans payable | 501,119 | 905,013 |
| Collateral payable ¹ | 113,515 | 458,949 |
| Non-controlling interests liability | 56,652 | 161,536 |
| | <u>684,398</u> | <u>1,544,063</u> |
| Digital assets, net | \$ 422,561 | \$ 1,212,455 |
| Stablecoins, net | \$ 235,839 | \$ 240,634 |
| Digital assets, net excl. stablecoins | \$ 186,722 | \$ 971,821 |

¹ Excludes cash portion of consolidated balance on the Partnership's balance sheet.

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