

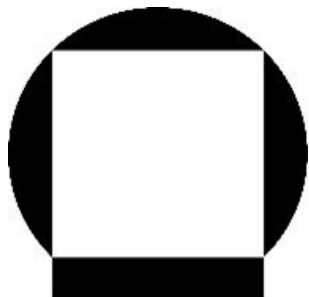


## Galaxy Digital Announces Second Quarter 2022 Financial Results

August 8, 2022

**Net comprehensive loss of \$554.7 million against digital asset price declines within quarter**  
**Partners' Capital increased 23% versus second quarter 2021 to \$1.8 billion**  
**The Company maintains a strong liquidity position of \$1.5 billion**

NEW YORK, Aug. 8, 2022 /CNW/ - [Galaxy Digital Holdings Ltd.](#) (TSX: GLXY) ("Galaxy Digital", "Galaxy", the "Company" or "GDH Ltd.") today released financial results for the three and six months ended June 30, 2022 for both itself and Galaxy Digital Holdings LP (the "Partnership" or "GDH LP").



# galaxy

"I am proud of Galaxy's outperformance during a challenging market and macroeconomic environment. Prudent risk management, along with our commitment to exacting credit standards, allowed us to maintain over \$1.5 billion in liquidity, including over \$1.0 billion in cash, said Michael Novogratz, Founder and CEO of Galaxy Digital.

"We remain in strong position to weather prolonged volatility, and to take advantage of strategic opportunities to grow Galaxy in a sustainable manner."

### Select Financial Highlights for the Second Quarter 2022

- **Net comprehensive loss** was \$554.7 million, compared to a \$182.9 million loss in the prior year period.
  - The increase in loss was primarily related to unrealized losses on digital assets and on investments in our Trading and Principal Investments businesses, due to decreased digital asset prices, partially offset by profitability in our Mining business.
  - Within the quarter, the Partnership's operating business lines of Investment Banking and Mining were profitable in aggregate, contributing \$1.1 million to net comprehensive income in the quarter.
  - The Mining business demonstrated record revenue of \$10.9 million in the quarter, and additionally grew net comprehensive income 204% compared to the same period last year.
- **Partners' Capital** was \$1.8 billion at the end of the quarter, up 23% from \$1.5 billion in the prior year period.
  - During the quarter, Partners' Capital decreased 27% quarter-over-quarter to \$1.8 billion, from \$2.5 billion due to the net comprehensive loss in the quarter.
    - This decrease was against the backdrop of a total cryptocurrency market capitalization decrease of approximately 56% during the quarter.<sup>1</sup>
    - Additionally, total value locked in decentralized finance (or "DeFi") for the sector has decreased approximately 51% quarter-over-quarter to \$39 billion during the second quarter 2022.<sup>2</sup>
  - The Company maintained a strong liquidity position of \$1.5 billion as of June 30, 2022.
    - Liquidity includes \$1.0 billion in cash and a net digital asset<sup>3</sup> position of \$474.3 million, with \$256.2 million of that net digital asset position held in non-algorithmic stablecoins.
    - As of June 30, 2022, net digital assets<sup>3</sup> was \$474.3 million, compared to \$910.5 million as of March 31, 2022. The decrease in net digital asset<sup>3</sup> position was primarily driven by selling-out of certain liquid positions to increase our cash position, and overall decreases in digital asset prices.
- Investments stood at \$753.9 million as of June 30, 2022, a decrease of \$252.2 million from March 31, 2022. The reduction was primarily driven by reduced valuations on certain investments due to external market conditions, partially offset by prudent realizations of certain investments.

1 Represents [coinmarketcap.com](#) total cryptocurrency market capitalization quoted price.

2 Represents total value locked in DeFi according to [defipulse.com](#).

3 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 Second Quarter 2022

- **Galaxy Digital Trading ("GDT")** reported continued growth in client count and strong revenue from our counterparty-facing businesses, against decreased counterparty trading volumes and digital asset price declines within the quarter.
  - Strong cumulative counterparty-facing GDT Operational Net Revenue<sup>4</sup> ("GDT Operational Revenue") within the quarter brought year-to-date GDT Operational Revenue to over \$50 million. Year-to-date GDT Operational Revenue is approximately 50% from our Derivatives business, with the remaining approximately equally split between our Credit and Quantitative Trading businesses.
  - Within the quarter, GDT onboarded over 40 new counterparties to our trading platform, bringing our total trading counterparties to nearly 850, and continues to provide liquidity in over 100 cryptocurrencies.
  - Counterparty trading volumes decreased by 15% from the quarter ended March 31, 2022, and decreased by 35% year over year.
  - The Company's cumulative gross counterparty loan originations grew to approximately \$940 million within the quarter, and the value of GDT's counterparty loan and yield portfolio decreased 50% sequentially quarter over quarter.
  - With approximately 30 active clients, our credit portfolio had one instance of a credit impairment in the quarter of approximately \$10 million, for which

we took full loan-loss reserve and are actively working to recover. This credit impairment represents 0.5% of current total Partner's Capital.

- **Galaxy Digital Asset Management ("GDAM")** reported preliminary assets under management ("AUM")<sup>5</sup> of nearly \$1.7 billion as of June 30, 2022, a 40% decrease against the 56% decrease of total cryptocurrency market capitalization from the quarter ended March 31, 2022. AUM consisted of \$765 million in GDAM's Galaxy Fund Management products, and just over \$930 million in the Galaxy Interactive venture franchise.<sup>6</sup>
  - GDAM continues to build upon its comprehensive and diverse suite of active, passive, and venture strategies, focusing efforts in growing the venture and liquid alpha product suite — as a direct result, GDAM saw relatively flat net flows in the quarter.
  - Within the quarter, the Galaxy Interactive venture franchise grew AUM to just over \$930 million, due to the increased value of the fully deployed, committed capital from Galaxy EOS VC Fund LP.<sup>6</sup>
  - Galaxy Vision Hill had the first close of the GVH Venture FOF II LP in April at roughly \$73 million and is expected to have its second close in early Fall 2022 which will bring total GVH AUM to nearly \$200 million as previously announced.
  - GDAM launched the Galaxy Liquid Alpha Fund, benchmarked to the Bloomberg Galaxy Bitcoin index, with internal capital within the quarter. The fund seeks to utilize a combination of macro, quantitative, and fundamental analysis to pick large secular winners within the emerging crypto asset class.
- **Galaxy Digital Investment Banking ("GDIB")** had a strong quarter growing the active deal pipeline, advising on marquee transactions, and adding \$2.3 million of top line revenue in the quarter.
  - GDIB is actively engaged in the markets' prominent shift towards M&A activity, securing a sizable backlog of both buy-side and sell-side M&A mandates and is executing against an active pipeline of mandates representing well over \$1 billion in transaction value.
  - The team is also continuing to expand our local presence across different geographies, strengthening our ability to serve our clients and meet demand across the globe.
  - Within the quarter, GDIB advised on the successful close of one transaction in which we acted as exclusive financial advisor to Algorand and Hivemind on a take-private acquisition of Napster, an entertainment and music streaming service company initially made popular in the early 2000s.
  - We additionally realized revenue associated with the second close of a previously announced capital raise transaction.
- **Galaxy Digital Mining ("GDM")** had another quarter of strong results across its proprietary mining operations while continuing to take a prudent approach toward Miner Finance, resulting in revenue of \$10.9 million and net comprehensive income of \$1.5 million in the quarter.
  - Proprietary mining operations continued to mine bitcoin at a marginal cost significantly lower than fair market value.
  - GDM remains on track to achieve over 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. This represents an increase from the previously reported 2,500 PH/s following new machine purchases made within the quarter.
  - Additionally, GDM added a new hosting provider this quarter, Aspen Creek Digital Corporation ("ACDC"). ACDC is a bitcoin mining company focused on renewable energy, demonstrating GDM's ongoing commitment to use an electricity power mix consisting of more than 80% sustainable power sources.
- **Principal Investments ("GDPI")**: The Company now holds 141 investments across 100 portfolio companies as of June 30, 2022. Within the second quarter 2022, GDPI followed a conservative approach to capital deployment and focused on smaller investments.

4 GDT Operational Net Revenue includes a credit impairment in the Second Quarter 2022, of approximately \$10 million.

5 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.

6 June 30, 2022, AUM associated with Galaxy EOS VC Fund LP, which has now completed its investment period, is reported as NAV. Note that NAV for the Galaxy EOS VC Fund LP is calculated as of March 31, 2022, the latest available NAV of the portfolio.

## **Corporate Updates**

- **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.
- **Share Repurchase Program:** As announced on May 16, 2022, the Company has entered into a [Share Repurchase Program](#) and has purchased 4,092,952 of the 10,596,720 ordinary shares allowable as of August 5, 2022. The Company will continue to 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.
- **Hiring:** In July 2022, the Company announced Danielle Johnson as Global Head of Distribution. Danielle joined the Company from Credit Suisse where she served as Managing Director leading Venture Capital coverage out of New York among various other senior positions. Prior to her time at Credit Suisse, she was a Managing Director at Goldman Sachs holding a number of roles across client relationship and institutional sales.

## **Earnings Conference Call**

An investor conference call will be held today, August 8, 2022 at 8:30 AM Eastern Time. A live webcast with the ability to ask questions will be available at: <https://investor.galaxydigital.io/>. The conference call can also be accessed by investors in the United States or Canada by dialing 1-877-407-0789, or 1-201-689-8562 (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 August 29, 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: 13731282.

## **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.galaxydigital.io](http://www.galaxydigital.io).

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 six months ended June 30, 2022 and (ii) GDH Ltd.'s Management Discussion and Analysis and Condensed Consolidated Interim Financial Statements for the three and six months ended June 30, 2022 (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 Digital.

The information contained herein is provided for informational purposes only, is not complete, and does not contain certain material information about any fund, including important disclosures and risk factors associated with an investment in a fund, and is subject to change without notice. This information is not intended to be, nor should it be construed or used as an offer to sell, or a solicitation of any offer to buy, shares or limited partnership interests in a fund. Investing in a fund and digital assets involves a substantial degree of risk. There can be no assurance that the investment objectives of a fund will be achieved. Any investment in a fund may result in a loss of the entire amount invested. Fund of funds subjects a fund to additional risks and expenses of the underlying funds.

## No Offer or Solicitation

In connection with the proposed reorganization and combination with BitGo, the Company has filed a registration statement, including a management information circular/prospectus and a consent solicitation statement/prospectus, with the SEC, which has not yet become effective. GALAXY AND BITGO 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 the consent solicitation statement/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.galaxydigital.io>.

The proposed reorganization and domestication is subject to approval by shareholders of the Company and applicable regulatory authorities, including the Toronto Stock Exchange. 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 release shall not constitute a solicitation of a proxy, consent or authorization with respect to any securities or in respect of any of the proposed transactions. This release 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 release 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, including with respect to mining capacity. 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 release may include, for example, statements about: our ability to complete the transactions within a particular timeframe. The forward-looking statements contained in this release 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 reorganization transactions or combination with BitGo, due to the failure to obtain shareholder, regulatory and stock exchange approvals, the failure to satisfy any other conditions to closing, 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 or satisfying any other conditions to closing; (3) the outcome of any legal proceedings that may be instituted following the transactions and any definitive agreements with respect thereto; (4) the ability to meet and maintain listing standards following the consummation of the transactions; (5) the risk that the transactions disrupt current plans and operations; (6) costs related to the transactions; (7) changes in applicable laws or regulations; (8) the possibility that the Company may be adversely affected by other economic, business, and/or competitive factors; (9) changes or events that impact the cryptocurrency industry, including potential regulation, that are out of our control; (10) the risk that our business will not grow in line with our expectations or continue on its current trajectory; (11) the possibility that our addressable market is smaller than we have anticipated and/or that we may not gain share of it; (12) the Company's ordinary shares may experience price and trading volume volatility, (13) 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](http://www.sedar.com) and in the Risks and Uncertainties section of the MD&As and (14) 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.

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

| (in thousands)                      | June 30, 2022 |           | December 31, 2021 |           |
|-------------------------------------|---------------|-----------|-------------------|-----------|
| <b>Assets</b>                       |               |           |                   |           |
| <b>Current assets</b>               |               |           |                   |           |
| Cash                                | \$            | 1,013,895 | \$                | 811,129   |
| Digital assets                      |               | 875,068   |                   | 2,420,777 |
| Receivable for digital asset trades |               | 25,964    |                   | 8,332     |
| Digital assets loans receivable     |               | 69,881    |                   | 192,684   |
| Digital assets receivables          |               | 17,287    |                   | 52,998    |
| Assets posted as collateral         |               | 88,566    |                   | 71,400    |
| Receivables                         |               | 42,678    |                   | 26,665    |
| Due from broker                     |               | 59,959    |                   | 29,647    |
| Derivative assets                   |               | 29,710    |                   | 45,669    |

|                                   |                  |                  |
|-----------------------------------|------------------|------------------|
| Prepaid expenses and other assets | 64,802           | 25,768           |
| Loans receivable                  | 131,045          | 190,087          |
| Due from related party            | —                | 25,023           |
| <b>Total current assets</b>       | <b>2,418,855</b> | <b>3,900,179</b> |

|                                 |                     |                     |
|---------------------------------|---------------------|---------------------|
| Digital assets receivables      | 6,072               | 18,659              |
| Investments                     | 753,947             | 1,069,776           |
| Right of use asset              | 10,854              | 11,746              |
| Property and equipment          | 154,218             | 58,187              |
| Deferred tax asset              | 24,811              | 10,259              |
| Intangible asset                | 2,460               | 3,087               |
| Goodwill                        | 24,645              | 24,645              |
| <b>Total non-current assets</b> | <b>977,007</b>      | <b>1,196,359</b>    |
| <b>Total assets</b>             | <b>\$ 3,395,862</b> | <b>\$ 5,096,538</b> |

#### Liabilities and equity

##### Current liabilities

|  |                  |                  |
|--|------------------|------------------|
| Investments sold short                   | 8,923            | 11,630           |
| Derivative liabilities                   | 41,854           | 25,567           |
| Warrant liability                        | 625              | 20,488           |
| Accounts payable and accrued liabilities | 78,828           | 146,243          |
| Payable to customers                     | 142,936          | 142,441          |
| Taxes payable                            | 34,328           | 42,341           |
| Payable for digital asset trades         | 17,494           | 13,216           |
| Digital assets loans payable             | 425,108          | 905,013          |
| Loans payable                            | 105,783          | 33,289           |
| Collateral payable                       | 189,615          | 480,088          |
| Due to related party                     | 19,826           | —                |
| Lease liability                          | 3,479            | 2,164            |
| Non-controlling interest liability       | 50,070           | 161,536          |
| <b>Total current liabilities</b>         | <b>1,118,869</b> | <b>1,984,016</b> |

|                                      |                  |                  |
|--------------------------------------|------------------|------------------|
| Notes payable                        | 424,842          | 475,330          |
| Deferred tax liability               | 7,801            | 25,608           |
| Lease liability                      | 10,949           | 13,233           |
| <b>Total non-current liabilities</b> | <b>443,592</b>   | <b>514,171</b>   |
| <b>Total liabilities</b>             | <b>1,562,461</b> | <b>2,498,187</b> |

##### Equity

|                     |                  |                  |
|---------------------|------------------|------------------|
| Partners' capital   | 1,833,401        | 2,598,351        |
| <b>Total equity</b> | <b>1,833,401</b> | <b>2,598,351</b> |

Total liabilities and equity \$ 3,395,862 \$ 5,096,538

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

| (in thousands)  | Three months<br>ended<br>June 30, 2022 | Three months<br>ended<br>June 30, 2021 | Six months<br>ended<br>June 30, 2022 | Six months<br>ended<br>June 30, 2021 |
|---|--|--|--------------------------------------|--------------------------------------|
| <b>Income</b>   |  |  |                                      |                                      |
| Advisory and management fees                                    | \$ 6,228                               | \$ 2,444                               | \$ 18,101                            | \$ 4,357                             |
| Net realized gain (loss) on digital assets                      | (231,137)                              | (162,533)                              | 123,844                              | 568,179                              |
| Net realized gain (loss) on investments                         | 3,491                                  | 41,363                                 | 72,929                               | 192,501                              |
| Interest income   | 10,055                                 | 16,835                                 | 24,690                               | 25,368                               |
| Net derivative gain (loss)                                      | 80,019                                 | 118,461                                | 161,996                              | 73,276                               |
| Net income from digital asset mining                            | 10,947                                 | 2,161                                  | 20,756                               | 3,902                                |
| Other income  | 1,154                                  | 3,357                                  | 2,001                                | 4,544                                |
|   | <u>(119,243)</u>                       | <u>22,088</u>                          | <u>424,317</u>                       | <u>872,127</u>                       |
| <b>Operating expenses</b>                                       |  |  |                                      |                                      |
| Compensation and compensation related                           | 34,652                                 | (11,319)                               | 75,200                               | 83,633                               |
| Equity based compensation                                       | 31,134                                 | 13,548                                 | 53,896                               | 20,647                               |
| General and administrative                                      | 34,160                                 | 9,514                                  | 52,108                               | 15,524                               |
| Professional fees   | 9,940                                  | 11,527                                 | 19,531                               | 16,093                               |
| Profit share arrangement expense                                | —                                      | 8,033                                  | —                                    | 12,165                               |
| Interest  | 12,067                                 | 18,467                                 | 24,874                               | 32,260                               |
| Notes interest expense  | 7,336                                  | —                                      | 14,610                               | —                                    |
|   | <u>(129,289)</u>                       | <u>(49,770)</u>                        | <u>(240,219)</u>                     | <u>(180,322)</u>                     |
| Net unrealized gain (loss) on digital assets                    | (233,372)                              | (495,614)                              | (733,643)                            | (132,705)                            |
| Net unrealized gain (loss) on investments                       | (258,891)                              | 165,052                                | (333,019)                            | 223,334                              |
| Net gain (loss) on notes payable - derivative                   | 51,104                                 | —                                      | 57,597                               | —                                    |
| Net gain (loss) on warrant liability                            | 17,177                                 | 2,663                                  | 19,698                               | (34,154)                             |
| Foreign currency gain (loss)                                    | (1,302)                                | (922)                                  | 715                                  | 1,795                                |
| (Gain) loss attributable to non-controlling interests liability | 100,606                                | 173,612                                | 114,017                              | (75,007)                             |
|   | <u>(324,678)</u>                       | <u>(155,209)</u>                       | <u>(874,635)</u>                     | <u>(16,737)</u>                      |
| <b>Income (loss) before income taxes</b>                        | <u>(573,210)</u>                       | <u>(182,891)</u>                       | <u>(690,537)</u>                     | <u>675,068</u>                       |
| Income taxes  | (18,509)                               | —                                      | (24,628)                             | —                                    |
| <b>Net income (loss) for the period</b>                         | <u>\$ (554,701)</u>                    | <u>\$ (182,891)</u>                    | <u>\$ (665,909)</u>                  | <u>\$ 675,068</u>                    |
| <b>Other comprehensive income (loss)</b>                        |  |  |                                      |                                      |
| Foreign currency translation adjustment                         | \$ (19)                                | \$ 14                                  | \$ (487)                             | \$ 298                               |
| <b>Net comprehensive income (loss) for the period</b>           | <u>\$ (554,720)</u>                    | <u>\$ (182,877)</u>                    | <u>\$ (666,396)</u>                  | <u>\$ 675,366</u>                    |

| (in thousands)                     | Three months ended<br>June 30, 2022 | Three months ended<br>June 30, 2021 | Six months ended<br>June 30, 2022 | Six months ended<br>June 30, 2021 |
|------------------------------------|-------------------------------------|-------------------------------------|-----------------------------------|-----------------------------------|
| <b>Net income (loss) per unit:</b> |                                     |                                     |                                   |                                   |
| Basic                              | \$ (1.69)                           | \$ (0.56)                           | \$ (2.03)                         | 2.18                              |
| Diluted                            | (1.74)                              | (0.56)                              | (2.08)                            | 1.97                              |
| <b>Weighted average units:</b>     |                                     |                                     |                                   |                                   |
| Basic                              | 328,899,160                         | 315,298,478                         | 328,316,833                       | 314,535,548                       |
| Diluted                            | 329,139,528                         | 315,298,478                         | 328,947,139                       | 346,562,472                       |

**Reportable segments (unaudited)**

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

| (in thousands)               | Trading | Principal<br>Investments | Asset<br>Management | Investment<br>Banking | Mining | Corporate<br>and Other | Totals |
|------------------------------|---------|--------------------------|---------------------|-----------------------|--------|------------------------|--------|
| <b>Income (loss)</b>         |         |                          |                     |                       |        |                        |        |
| Advisory and management fees | 62      | —                        | 3,907               | 2,259                 | —      | —                      | 6,228  |

|  |                     |                     |                   |                 |                 |                  |                     |
|--|---------------------|---------------------|-------------------|-----------------|-----------------|------------------|---------------------|
| Net realized gain (loss) on digital assets               | (219,954)           | (8,410)             | (2,773)           | —               | —               | —                | (231,137)           |
| Net realized gain (loss) on investments                  | (843)               | 4,334               | —                 | —               | —               | —                | 3,491               |
| Income from lending                                      | 10,032              | 23                  | —                 | —               | —               | —                | 10,055              |
| Net derivative gain                                      | 80,019              | —                   | —                 | —               | —               | —                | 80,019              |
| Income from mining                                       | —                   | —                   | —                 | —               | 10,947          | —                | 10,947              |
| Other income   | 308                 | 780                 | 66                | —               | —               | —                | 1,154               |
|  | <b>(130,376)</b>    | <b>(3,273)</b>      | <b>1,200</b>      | <b>2,259</b>    | <b>10,947</b>   | <b>—</b>         | <b>(119,243)</b>    |
| <b>Operating expenses</b>                                | <b>47,289</b>       | <b>2,250</b>        | <b>14,890</b>     | <b>2,744</b>    | <b>9,405</b>    | <b>52,711</b>    | <b>129,289</b>      |
| Net unrealized gain (loss) on digital assets             | 7,337               | (145,611)           | (95,098)          | —               | —               | —                | (233,372)           |
| Net unrealized gain (loss) on investments                | (5,097)             | (253,955)           | 161               | —               | —               | —                | (258,891)           |
| Net gain on notes payable - derivative                   | —                   | —                   | —                 | —               | —               | 51,104           | 51,104              |
| Net gain on warrant liability                            | —                   | —                   | —                 | —               | —               | 17,177           | 17,177              |
| Foreign currency gain                                    | (1,305)             | —                   | —                 | —               | —               | 3                | (1,302)             |
| Loss attributable to non-controlling interests liability | —                   | —                   | 100,606           | —               | —               | —                | 100,606             |
|  | <b>935</b>          | <b>(399,566)</b>    | <b>5,669</b>      | <b>—</b>        | <b>—</b>        | <b>68,284</b>    | <b>(324,678)</b>    |
| Income tax benefit                                       | —                   | —                   | —                 | —               | —               | 18,509           | 18,509              |
| <b>Net income (loss) for the period</b>                  | <b>\$ (176,730)</b> | <b>\$ (405,089)</b> | <b>\$ (8,021)</b> | <b>\$ (485)</b> | <b>\$ 1,542</b> | <b>\$ 34,082</b> | <b>\$ (554,701)</b> |
| Foreign currency translation adjustment                  | —                   | —                   | —                 | —               | —               | (19)             | (19)                |
| <b>Comprehensive income (loss) for the period</b>        | <b>\$ (176,730)</b> | <b>\$ (405,089)</b> | <b>\$ (8,021)</b> | <b>\$ (485)</b> | <b>\$ 1,542</b> | <b>\$ 34,063</b> | <b>\$ (554,720)</b> |

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

| (in thousands)  | Trading             | Principal Investments | Asset Management  | Investment Banking | Mining         | Corporate and Other | Totals              |
|---|---------------------|-----------------------|-------------------|--------------------|----------------|---------------------|---------------------|
| <b>Income (loss)</b>  |                     |                       |                   |                    |                |                     |                     |
| Advisory and management fees                                    | \$ 60               | \$ —                  | \$ 2,384          | \$ —               | \$ —           | \$ —                | \$ 2,444            |
| Net realized gain (loss) on digital assets                      | (237,991)           | (2,525)               | 77,983            | —                  | —              | —                   | (162,533)           |
| Net realized gain (loss) on investments                         | —                   | 41,363                | —                 | —                  | —              | —                   | 41,363              |
| Income from lending   | 16,816              | 19                    | —                 | —                  | —              | —                   | 16,835              |
| Net derivative gain (loss)                                      | 93,461              | 25,000                | —                 | —                  | —              | —                   | 118,461             |
| Income from mining  | —                   | —                     | —                 | —                  | 2,161          | —                   | 2,161               |
| Other income  | 1,220               | 2,062                 | 75                | —                  | —              | —                   | 3,357               |
|   | <b>(126,434)</b>    | <b>65,919</b>         | <b>80,442</b>     | <b>—</b>           | <b>2,161</b>   | <b>—</b>            | <b>22,088</b>       |
| <b>Operating expenses</b>                                       | <b>33,746</b>       | <b>1,316</b>          | <b>5,794</b>      | <b>336</b>         | <b>618</b>     | <b>7,960</b>        | <b>49,770</b>       |
| Net unrealized gain (loss) on digital assets                    | (177,220)           | (67,502)              | (249,856)         | —                  | (1,036)        | —                   | (495,614)           |
| Net unrealized gain (loss) on investments                       | —                   | 165,052               | —                 | —                  | —              | —                   | 165,052             |
| Net gain (loss) on warrant liability                            | —                   | —                     | —                 | —                  | —              | 2,663               | 2,663               |
| Foreign currency gain   | (922)               | —                     | —                 | —                  | —              | —                   | (922)               |
| (Gain) loss attributable to non-controlling interests liability | —                   | —                     | 173,612           | —                  | —              | —                   | 173,612             |
|   | <b>(178,142)</b>    | <b>97,550</b>         | <b>(76,244)</b>   | <b>—</b>           | <b>(1,036)</b> | <b>2,663</b>        | <b>(155,209)</b>    |
| <b>Net income (loss) for the period</b>                         | <b>\$ (338,322)</b> | <b>\$ 162,153</b>     | <b>\$ (1,596)</b> | <b>\$ (336)</b>    | <b>\$ 507</b>  | <b>\$ (5,297)</b>   | <b>\$ (182,891)</b> |
| Foreign currency translation adjustment                         | —                   | —                     | —                 | —                  | —              | 14                  | 14                  |

|   |           |                  |           |                |           |                |           |              |           |            |           |                |           |                  |
|---|-----------|------------------|-----------|----------------|-----------|----------------|-----------|--------------|-----------|------------|-----------|----------------|-----------|------------------|
| <b>Comprehensive income (loss) for the period</b> | <b>\$</b> | <b>(338,322)</b> | <b>\$</b> | <b>162,153</b> | <b>\$</b> | <b>(1,596)</b> | <b>\$</b> | <b>(336)</b> | <b>\$</b> | <b>507</b> | <b>\$</b> | <b>(5,283)</b> | <b>\$</b> | <b>(182,877)</b> |
|---|-----------|------------------|-----------|----------------|-----------|----------------|-----------|--------------|-----------|------------|-----------|----------------|-----------|------------------|

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

| (in thousands)           | Trading      | Principal Investments | Asset Management | Investment Banking | Mining     | Corporate and Other | Totals       |
|--------------------------|--------------|-----------------------|------------------|--------------------|------------|---------------------|--------------|
| <b>Total assets</b>      | \$ 1,873,813 | \$ 931,910            | \$ 78,595        | \$ 22,715          | \$ 386,214 | \$ 102,615          | \$ 3,395,862 |
| <b>Total liabilities</b> | \$ 928,291   | \$ 594                | \$ 51,663        | \$ 2,183           | \$ 5,760   | \$ 573,970          | \$ 1,562,461 |

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       |
|--------------------------|--------------|-----------------------|------------------|--------------------|------------|---------------------|--------------|
| <b>Total assets</b>      | \$ 2,971,090 | \$ 1,277,707          | \$ 193,436       | \$ 10,727          | \$ 292,942 | \$ 350,636          | \$ 5,096,538 |
| <b>Total liabilities</b> | \$ 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 June 30, 2022 is as follows (in thousands):

| (in thousands)                      | Trading        | Principal Investments | Asset Management | Investment Banking | Mining      | Corporate and Other | Totals              |
|-------------------------------------|----------------|-----------------------|------------------|--------------------|-------------|---------------------|---------------------|
| Digital assets                      | \$ 775,537     | \$ 50,004             | \$ 49,527        | \$ —               | \$ —        | \$ —                | \$ 875,068          |
| Digital assets receivables          | 7,983          | 15,376                | —                | —                  | —           | —                   | 23,359              |
| Digital assets posted as collateral | 88,566         | —                     | —                | —                  | —           | —                   | 88,566              |
| <b>Investments:</b>                 |                |                       |                  |                    |             |                     |                     |
| Pre-Launch Network                  | 2,500          | 2,509                 | —                | —                  | —           | —                   | 5,009               |
| Convertible Notes                   | 5,287          | 4,486                 | —                | —                  | —           | —                   | 9,773               |
| Preferred Stock                     | —              | 304,184               | —                | —                  | —           | —                   | 304,184             |
| Common Stock                        | 15,534         | 131,859               | —                | —                  | —           | —                   | 147,393             |
| LP/LLC Interests                    | —              | 287,553               | —                | —                  | —           | —                   | 287,553             |
| Warrants/Trust                      | —              | —                     | —                | —                  | —           | —                   | —                   |
| Units/Trust Shares                  | —              | 35                    | —                | —                  | —           | —                   | 35                  |
| <b>\$</b>                           | <b>895,407</b> | <b>\$ 796,006</b>     | <b>\$ 49,527</b> | <b>\$ —</b>        | <b>\$ —</b> | <b>\$ —</b>         | <b>\$ 1,740,940</b> |

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              |
| <b>Investments:</b>                 |                  |                       |                   |                    |                  |                     |                     |
| 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              |
| <b>\$</b>                           | <b>2,236,126</b> | <b>\$ 1,221,689</b>   | <b>\$ 165,300</b> | <b>\$ —</b>        | <b>\$ 10,495</b> | <b>\$ —</b>         | <b>\$ 3,633,610</b> |

### Net Digital Asset 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 June 30, 2022 is as follows (in thousands):

| (in thousands)                        | As of June 30, 2022 | As of December 31, 2021 |
|---------------------------------------|---------------------|-------------------------|
| <b>Assets</b>                         |                     |                         |
| Digital assets                        | \$ 875,068          | \$ 2,420,777            |
| Digital asset loans receivable, net   | 69,881              | 192,684                 |
| Digital assets receivable, current    | 17,287              | 52,998                  |
| Digital assets receivable, noncurrent | 6,072               | 18,659                  |

|  |                   |                     |
|--|-------------------|---------------------|
| Assets posted as collateral                  | 88,566            | 71,400              |
|  | <u>1,056,874</u>  | <u>2,756,518</u>    |
| <b>Liabilities</b>                           |                   |                     |
| Payables to customers <sup>1</sup>           | 10,945            | 18,565              |
| Digital asset loans payable                  | 425,108           | 905,013             |
| Collateral payable <sup>1</sup>              | 96,497            | 458,949             |
| Non-controlling interests liability          | 50,070            | 161,536             |
|  | <u>582,620</u>    | <u>1,544,063</u>    |
| <b>Digital assets, net</b>                   | <b>\$ 474,254</b> | <b>\$ 1,212,455</b> |
| Stablecoins, net                             | <u>\$ 256,159</u> | <u>\$ 240,634</u>   |
| <b>Digital assets, net excl. stablecoins</b> | <b>\$ 218,095</b> | <b>\$ 971,821</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.