



galaxy

Galaxy Digital Holdings LP

Condensed Consolidated Interim Financial Statements

For the Three and Nine Months Ended September 30, 2024 and 2023

(Expressed in US Dollars)

(Unaudited)

Galaxy Digital Holdings LP

Table of contents

	Page
Condensed Consolidated Interim Statements of Financial Position	3
Condensed Consolidated Interim Statements of Income (Loss) and Comprehensive Income (Loss)	5
Condensed Consolidated Interim Statements of Changes in Equity	6
Condensed Consolidated Interim Statements of Cash Flows	7
Notes to the Condensed Consolidated Interim Financial Statements	
1. Nature and Continuance of Operations	9
2. Basis of Presentation	9
3. Material Accounting Policies	13
4. New Accounting Policies and Recent Accounting Pronouncements	13
5. Key Terms of Limited Partnership Agreement	13
6. Business Combinations	14
7. Revenues	15
8. Digital Assets	18
9. Digital Asset Loans Receivable and Payable	20
10. Loans Receivable and Payable	21
11. Derivative Assets and Liabilities	22
12. Investments	25
13. Receivables	27
14. Other Assets	27
15. Property, Equipment and Intangible Assets	28
16. Accounts Payable and Accrued Liabilities	30
17. Equity	30
18. Structured Entities	37
19. Professional Fees	37
20. General and Administrative	38
21. Related Party Transactions	38
22. Segments	40
23. Financial Instruments, Digital Assets and Risk	46
24. Capital Management	54
25. Commitments and Contingencies	55
26. Income Taxes	56

Galaxy Digital Holdings LP

Condensed Consolidated Interim Statements of Financial Position
(Expressed in thousands of US Dollars - unaudited)

	Notes	September 30, 2024	December 31, 2023
Assets			
Current assets			
Cash and cash equivalents		\$ 271,977	\$ 316,610
Digital assets	8	2,490,335	1,078,587
Receivable for digital asset trades	8	986	41,339
Digital asset loans receivable, net of allowance	9	305,276	104,504
Digital assets receivables	8	43,118	14,686
Investments (includes \$57.0 million and \$0 of equity method investments, respectively)	12	594,564	—
Assets posted as collateral	9, 10, 11	227,050	318,195
Receivables	13	23,629	15,983
Derivative assets	11	141,961	173,209
Prepaid expenses and other assets	14	31,078	37,910
Loans receivable, net of allowance	10	398,510	377,105
Due from related party	21	7,420	5,007
Total current assets		4,535,904	2,483,135
Digital assets receivables	8	7,015	6,174
Investments (includes \$393.7 million and \$290.4 million of equity method investments, respectively)	12	704,542	735,103
Restricted digital assets	8	26,989	41,356
Digital asset loans receivable, net of allowance, non-current	9	18,376	—
Loans receivable, net of allowance, non-current	10	—	10,259
Property and equipment	15	259,899	259,965
Other non-current assets	14	115,279	95,000
Goodwill	15	49,450	44,257
Total non-current assets		1,181,550	1,192,114
Total assets		\$ 5,717,454	\$ 3,675,249
Liabilities and Equity			
Current liabilities			
Investments sold short	12	160,146	25,295
Derivative liabilities	11	112,136	160,642
Accounts payable and accrued liabilities	16	81,884	69,212
Payables to customers		96,864	3,503
Taxes payable	26	5,176	25,936
Payable for digital asset trades	8	23,269	4,176
Digital asset loans payable	9	1,163,768	398,277
Loans payable	10	248,818	93,069
Collateral payable	9, 10, 11	1,154,471	581,362
Due to related party	21	92,722	67,953
Lease liability		3,772	3,860
Total current liabilities		3,143,026	1,433,285

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

Galaxy Digital Holdings LP

Condensed Consolidated Interim Statements of Financial Position
(Expressed in thousands of US Dollars - unaudited)

Notes payable	17	434,306	408,053
Deferred tax liability	26	51,841	33,894
Lease liability	25	7,524	10,236
Total non-current liabilities		493,671	452,183
Total liabilities		3,636,697	1,885,468
Equity			
Partners' capital	17	2,080,757	1,789,781
Total equity		2,080,757	1,789,781
Total liabilities and equity		\$ 5,717,454	\$ 3,675,249
Commitments and contingencies	25		

The condensed consolidated interim financial statements were authorized by the Board of Managers of Galaxy Digital Holdings GP LLC to be issued on November 7, 2024 and were signed on its behalf by:

"Alex Ioffe"

Chief Financial Officer

"Michael Novogratz"

Chief Executive Officer

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

Galaxy Digital Holdings LP

Condensed Consolidated Interim Statements of Income (Loss) and Comprehensive Income (Loss)
(Expressed in thousands of US Dollars - unaudited)

		Three months ended		Nine months ended	
	Notes	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Income					
Fee revenue	7	\$ 20,693	\$ 9,525	\$ 75,303	\$ 34,207
Net realized gain (loss) on digital assets	7	(53,623)	(67,617)	55,038	18,681
Net realized gain (loss) on investments	7, 12	73,819	22,355	(86,189)	68,711
Lending and staking revenue	7	73,673	14,005	157,984	35,323
Net derivative gain	7, 11	16,340	15,737	205,302	80,462
Revenue from proprietary mining	7	11,435	8,848	47,875	20,672
Other income	7	686	127	1,159	333
		143,023	2,980	456,472	258,389
Operating expenses					
Compensation and compensation related		39,673	30,995	125,037	96,247
Equity based compensation	17	12,517	18,769	42,107	57,694
General and administrative	20	47,678	30,461	142,732	60,108
Professional fees	19	10,927	7,911	38,247	26,514
Staking costs		39,330	287	69,538	826
Interest		28,935	5,797	69,710	15,670
Notes interest expense	17	7,105	6,851	21,121	20,372
		(186,165)	(101,071)	(508,492)	(277,431)
Other					
Net unrealized gain (loss) on digital assets		44,334	26,196	184,047	24,451
Net unrealized gain (loss) on investments	12	(60,515)	(25,380)	61,023	(8,517)
Net gain (loss) on notes payable - derivative	17	(2,858)	1,082	(15,144)	(1,022)
Foreign currency gain (loss)		95	(768)	1,448	(843)
		(18,944)	1,130	231,374	14,069
Income (loss) before income taxes		(62,086)	(96,961)	179,354	(4,973)
Income taxes expense (benefit)	26	(8,446)	(3,240)	(11,661)	586
Net income (loss)		\$ (53,640)	\$ (93,721)	\$ 191,015	\$ (5,559)
Other comprehensive income (loss)					
Foreign currency translation adjustment		(118)	419	972	3
Comprehensive income (loss)		\$ (53,758)	\$ (93,302)	\$ 191,987	\$ (5,556)

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

Galaxy Digital Holdings LP

Condensed Consolidated Interim Statements of Changes in Equity
(Expressed in thousands of US Dollars, except unit data - unaudited)

	Notes	Class A Unit Capital		Class B Unit Capital		Total
		Number	Amount	Number	Amount	
Balance at December 31, 2022		104,811,539	\$ 646,813	215,943,369	\$ 791,979	\$ 1,438,792
Equity based compensation	17	—	19,477	—	40,012	59,489
Distributions	17	—	(7,301)	—	(15,104)	(22,405)
Exchange of Class B Units	17	30,121	141	(30,121)	(141)	—
Repurchase and cancellation of Class A Units	17	(2,799,590)	(8,332)	—	—	(8,332)
Issuance of Class A Units on exercise of warrants, options and restricted share units	17	5,031,719	2,157	—	—	2,157
Other		—	2	—	1,895	1,897
Loss for the period		—	(2,647)	—	(2,912)	(5,559)
Balance at September 30, 2023		107,073,789	\$ 650,310	215,913,248	\$ 815,729	\$ 1,466,039
Balance at December 31, 2023		109,299,332	\$ 761,977	215,928,474	\$ 1,027,804	\$ 1,789,781
Equity based compensation	17	—	15,055	—	27,659	42,714
Distributions	17	—	(19,526)	—	(35,732)	(55,258)
Exchange of Class B Units	17	81,357	541	(81,357)	(541)	—
Repurchase and cancellation of Class A Units	17	(1,496,901)	(14,591)	—	—	(14,591)
Issuance of Class A Units, net of issuance cost	17	12,100,000	119,491	—	—	119,491
Issuance of Class A Units on exercise of options and restricted share units	17	5,422,151	3,071	—	—	3,071
Issuance of Class A units for acquisition	17	359,919	3,500	—	—	3,500
Other		—	374	—	660	1,034
Income for the period		—	58,385	—	132,630	191,015
Balance at September 30, 2024		125,765,858	\$ 928,277	215,847,117	\$ 1,152,480	\$ 2,080,757

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

Galaxy Digital Holdings LP

Condensed Consolidated Interim Statements of Cash Flows
(Expressed in thousands of US Dollars - unaudited)

	Nine months ended	
	September 30, 2024	September 30, 2023
Operating activities		
Net income	\$ 191,015	\$ (5,559)
Adjustments for:		
Bad debt expense	—	—
Depreciation and amortization	40,484	19,895
Impairment loss (reversal), net	—	(12,489)
Equity based compensation	42,107	57,694
Equity based compensation included in directors fees	448	535
Non-cash interest expense	49,458	8,746
Lending and staking revenue	(126,412)	(14,719)
Net realized gain on digital assets	(55,038)	(18,681)
Net realized (gain) loss on investments	86,189	(68,711)
Net realized (gain) loss on disposals of property and equipment	—	1,523
Net derivative gain	(205,302)	(80,462)
Net unrealized (gain) loss on digital assets	(184,047)	(24,451)
Net unrealized gain on investments	(61,023)	8,517
Net loss on notes payable - derivative	15,144	1,022
Non-cash notes interest expense	14,446	13,697
Deferred tax expense (benefit)	(4,185)	(4,837)
Others	(41)	573
Changes in operating assets and liabilities:		
Net digital asset activity	257,932	7,006
Investments sold short	(145,041)	56,846
Receivables	(4,489)	(23,091)
Digital assets receivable - cash portion	33	6,668
Loans receivable, net of repayment	(70,873)	(189,677)
Due to related party, net	22,356	21,908
Derivative assets and liabilities	188,434	76,949
Prepaid expenses and other assets	6,831	(18,562)
Payable to customers - cash portion	31,709	(6,144)
Payable for taxes	(20,760)	(3,344)
Assets posted as collateral - cash portion	(8,339)	(2,803)
Collateral payable - cash portion	78,613	(6,664)
Accounts payable and accrued liabilities	(2,229)	(25,152)
Net cash provided (used in) by operating activities	137,420	(223,767)

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

Galaxy Digital Holdings LP

Condensed Consolidated Interim Statements of Cash Flows
(Expressed in thousands of US Dollars - unaudited)

Investing activities			
Repayment of loans receivable	69,234		—
Additions to property, equipment, and intangible assets	(33,118)		(42,789)
Cash paid for acquisitions of business	(2,123)		(43,893)
Disposal of property and equipment	2,954		653
Purchase of investments	(2,798,053)		(106,179)
Proceeds and distributions from investments	2,374,413		151,630
Net cash used in investing activities	(386,693)		(40,578)
Financing activities			
Cash paid for principal portion of lease liability	(3,774)		(5,197)
Proceeds from loans payable	391,761		71,701
Repayment of loans payable	(236,045)		(21,636)
Proceeds from stock option and warrant exercise	3,071		2,157
Proceeds from issuance of Class A Units, net of issuance cost	119,491		—
Distributions	(55,258)		(22,405)
Repurchase and cancellation of Class A Units	(14,591)		(8,332)
Net cash provided by (used in) financing activities	204,655		16,288
Impact of exchange rate change on cash and other	(15)		957
Net decrease in cash	(44,633)		(247,100)
Cash and cash equivalents, beginning of period	316,610		542,101
Cash and cash equivalents, end of period	\$ 271,977	\$	295,001
Supplemental disclosure of cash flow information and non-cash investing and financing activities:			
Cash paid during the period for:			
Interest	\$ 20,366	\$	13,599
Taxes	\$ 7,445	\$	12,845
Non-cash investing and financing activities:			
Purchase of investments with non-cash contributions	\$ 12,947	\$	3,345
Proceeds from investment received as non-cash contributions	\$ 6,714	\$	—
Proceeds from investment received as digital assets	\$ 120,271	\$	1,336
Proceeds from investment included in receivables	\$ —	\$	—
Reclassification between investments and other non-current assets	\$ —	\$	6,564
Reclassification between derivatives and investments	\$ 389	\$	—
Additions to property, plant, equipment and intangible assets	\$ 160	\$	1,260
Payable for distributions	\$ —	\$	—
Origination of loans receivable	\$ 9,507	\$	—

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

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

1. NATURE AND CONTINUANCE OF OPERATIONS

Galaxy Digital Holdings LP (“GDH LP” or, together with its consolidated subsidiaries, the “Partnership”) is a Cayman Islands exempted limited partnership which was formed on May 11, 2018. The Partnership’s principal address is 300 Vesey Street, New York, New York 10282.

GDH LP, an operating partnership, is managed by the board of managers and officers of the general partner, Galaxy Digital Holdings GP LLC (“GDH GP” or the “General Partner”). Galaxy Digital Holdings Ltd. (“GDH Ltd.” or the “Company”) has a minority investment in the operating partnership and is listed on the Toronto Stock Exchange (“TSX”) under the ticker “GLXY”. In these financial statements, a reference to “Galaxy,” “we,” “us,” “our” and similar words refer to the Partnership, GDH LP, its subsidiaries and affiliates, or any one of them, as the context requires.

The Partnership is a technology-driven diversified financial services and investment management firm that provides institutions with a full suite of scaled financial solutions spanning the digital assets ecosystem. The Partnership’s mission is engineering a new economic paradigm. Today, we are primarily focused on digital assets and blockchain technology, and how these technological innovations will alter the way we store and transfer value. The Partnership manages and reports its activities in the following three operating segments: Global Markets, Asset Management and Digital Infrastructure Solutions.

General Partner

GDH GP, a limited liability company, was incorporated under the laws of the Cayman Islands on July 26, 2018 and serves as the general partner of GDH LP. The General Partner has a board of managers and officers (the “Board of Managers”). The sole member of the General Partner is Galaxy Group Investments LLC (“GGI”), which is controlled by the Chief Executive Officer of the General Partner (the “CEO”) and continued to be the majority owner of the Partnership as of September 30, 2024.

Financial Statements

The condensed consolidated interim financial statements are prepared on a going concern basis which assumes that the Partnership will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Partnership are dependent upon generating sufficient cash flow and/or obtaining necessary financing to meet its commitments as they come due and to continue building a diversified financial services and investment management business in the digital assets sector. As at September 30, 2024, the Partnership had cash and cash equivalents of \$272.0 million (December 31, 2023 - \$316.6 million) and partners' capital of \$2.1 billion (December 31, 2023 - \$1.8 billion). The Partnership has sufficient liquid assets to meet its obligations as they become due for one year following the issuance date of these financial statements.

2. BASIS OF PRESENTATION

Statement of Compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain disclosures included in the December 31, 2023 audited consolidated financial statements, prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the IASB, have been condensed or omitted. These unaudited condensed consolidated interim financial statements should be read in conjunction with the Partnership's audited consolidated financial statements for the year ended December 31, 2023.

The Partnership’s interim results are not necessarily indicative of its results for a full year.

The condensed consolidated interim financial statements were approved by the Board of Managers of GDH GP and authorized to be issued on November 7, 2024.

Comparative Figures

Certain comparative figures on the condensed consolidated interim statements of income (loss) and comprehensive income (loss) have been reclassified to conform to the current year's presentation.

Basis of Measurement

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value and digital assets which are measured at fair value less cost to sell.

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

In addition, the condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for the cash flow disclosures.

Basis of Consolidation

The condensed consolidated interim financial statements include the financial statements of GDH LP and its consolidated subsidiaries, which are controlled by the Partnership. The reporting period, as well as the accounting policies, of the financial statements are consistent across all entities included in the consolidation. All inter-company transactions are accounted for on an accrual basis, and balances, income and expenses are eliminated in full upon consolidation.

Reportable segments

The Partnership's operating segments are reported in a manner consistent with the internal reporting provided to the Partnership's chief operating decision-maker, as well as other members of senior management. The Partnership has three operating segments: Global Markets, Asset Management and Digital Infrastructure Solutions. Refer to Note 22 for further information on reportable segments.

Allocation of income and loss

Income and loss arising from the Partnership's ordinary course of operations is allocated between the Class A Units and Class B Units pro rata in accordance with the weighted average number of such units outstanding for the respective periods.

Use of estimates and judgments

The preparation of the condensed consolidated interim financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from those estimates.

Many aspects of the digital assets industry have not yet been addressed by current IFRS guidance. The Partnership is required to make significant assumptions and judgments as to its accounting policies and the application thereof as applicable to digital assets, which is disclosed in the notes to the condensed consolidated interim financial statements. If specific guidance is enacted by the IASB in the future, the impact may result in changes to the Partnership's profit or loss and financial position as currently presented.

Significant judgments in applying accounting policies

The judgments that the Partnership has made in the process of applying its accounting policies, aside from those involving estimations, that have had the most significant effect on the amounts recognized in the Partnership's condensed consolidated interim financial statements are as follows:

Digital assets

There is limited guidance on the recognition and measurement of digital assets in IFRS. The Partnership has assessed that it acts in a capacity as a commodity broker trader as defined in IAS 2, *Inventories*. Because the Partnership principally acquires its digital assets for the purpose of selling in the near future and generating a profit from fluctuations in price or margin, the Partnership accounts for its digital assets as inventory, and recognizes changes in their fair value less cost to sell in profit or loss.

The Partnership also holds a portion of its digital assets on decentralized finance protocols. Significant judgment was applied in the application of IFRS to the balances and activities in decentralized finance protocols.

Valuation techniques

The fair values of all investments are measured using the market or income approaches (Note 23). The determination of fair value requires significant judgment by the Partnership. The Partnership maintains a valuation policy which requires an appointed Valuation Committee (the "VC"), composed of employees of the Partnership, to act in good faith to fair value its investments on a quarterly basis, in accordance with fair value accounting guidance per IFRS 13, *Fair Value Measurement*.

The VC, on behalf of the Partnership, has engaged a qualified third-party valuation service to provide independent valuations of its significant investments on a quarterly basis.

The Partnership applies the higher of the value in use and fair value less cost to sell methods when determining recoverable amounts of assets being tested for impairment, utilizing both internal and external metrics.

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

Level of control and influence over investments and funds

Classification of investments requires judgment on whether the Partnership controls, has joint control or significant influence over the strategic financial and operating decisions relating to the activity of the investee. In assessing the level of control or influence that the Partnership has over an investment, management considers ownership percentages, board representation, and other relevant provisions in shareholder agreements. As of September 30, 2024 and December 31, 2023, the Partnership had greater than 20% ownership in certain of its underlying investments and board representation in certain investments. The Partnership elected the Fair Value Through Profit and Loss option for investments held through a venture capital organization for which it was concluded that the Partnership had significant influence under IAS 28. The Partnership records changes in fair value of these investments on its condensed consolidated interim statements of income (loss) and comprehensive income (loss).

Classification of the funds formed by the Partnership requires judgment on the degree of control and influence over these funds. Key to the assessment of control is determining whether the Partnership, as manager of these funds, is acting as principal or agent. Management considers key factors such as power, returns, and its ability to use its power to affect the amount of returns, to determine whether it controls and consolidates a fund, or whether it has significant influence and applies the equity method of accounting to an investment in a fund, for which we elected the fair value option. As at September 30, 2024 and December 31, 2023, the Partnership has determined it does not have control of managed funds.

Income taxes

The condensed consolidated interim financial statements represent the financial position of the Partnership and do not include the other assets and liabilities or income and expenses of the partners. As the Partnership is a Cayman exempted limited partnership treated as a partnership for U.S. federal tax purposes, items of income, gain, loss, deduction, and credit are allocated to the partners and, as such, income taxes are generally the responsibility of the partners. The Partnership is subject to an entity level New York City unincorporated business tax ("UBT") at a rate of 4.0% on income allocated or apportioned to New York City. Foreign corporate subsidiaries are generally subject to taxes in the foreign jurisdictions where they are treated as domiciled under their respective tax laws. Accordingly, no provision for income taxes has been recorded in the condensed consolidated interim financial statements other than for the Partnership's UBT obligation and for the entities consolidated by the Partnership that are subject to income taxes in the local jurisdictions in which they operate.

Judgment is required in determining whether deferred tax assets, including those arising from unutilized tax losses, are recognized in the condensed consolidated interim statements of financial position. This analysis requires that management assess the likelihood that the Partnership and/or its subsidiaries will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Partnership to realize any deferred tax assets recorded at the date of the statement of financial position could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Partnership and/or its subsidiaries operate could limit the ability of the Partnership to realize tax deductions in future periods. The allocation of taxable income to partners may vary substantially from net income reported in the condensed consolidated interim financial statements.

Key sources of estimation uncertainty

The areas which require management to make significant estimates and assumptions include, but are not limited to:

Digital assets and investments - valuation

Although many of the Partnership's digital assets are traded in active markets and are valued based upon quoted prices, a portion of such digital assets, including some decentralized finance protocol assets, as well as the majority of the Partnership's investments, are not actively traded and are valued based upon quoted prices for similar assets or based upon unobservable inputs (Note 23). These valuations require the Partnership to make significant estimates and assumptions.

Derivatives - valuation

Derivatives embedded in other financial instruments or host contracts are treated as separate stand-alone derivatives when the following conditions are met:

- their economic characteristics and risks are not closely related to those of the host contract;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

- the combined contract is not held for trading or designated at fair value through profit or loss.

Where an embedded derivative is separable from the host contract but the fair value, at the acquisition or reporting date, cannot be reliably separately measured, the entire combined contract is measured at fair value. Embedded derivatives are generally presented on a combined basis with the host contracts in the condensed consolidated interim statements of financial position although they are separated for measurement purposes when conditions requiring separation are met. Subsequent changes in fair value of the embedded derivatives are recognized in non-interest income in the condensed consolidated interim statements of income (loss) and comprehensive income (loss).

All derivatives, including embedded derivatives that must be separately accounted for, are recorded at fair value in the condensed consolidated interim statements of financial position. The determination of the fair value of derivatives includes consideration of credit risk, estimated funding costs and ongoing direct costs over the life of the instruments.

The Partnership uses the Monte Carlo model to determine the fair value of the embedded derivative related to notes payable. This estimate requires management to make significant judgments and assumptions about the most appropriate inputs to the valuation model including the volatility, time-step and risk-free rate. If different input assumptions were used, the changes could materially affect the fair value estimate.

Valuation of property and equipment

Depreciation of property and equipment, including right-of-use assets, is dependent upon estimates of useful lives and estimates of when assets become available for use, which are determined through the exercise of judgment.

The Partnership evaluates its Cash Generating Units (“CGU”) for impairment when indicators of impairment are identified. Indicators of impairment include adverse changes to the conditions of the assets, significant reduction of market values of similar assets, or changes in the Partnership’s business plans that relate to the property and equipment. Impairment testing requires determination of recoverable amounts, which includes significant judgments including economic and market conditions, in order to determine the fair value less cost to dispose and value in use of the relevant assets. Refer to Note 15 for additional information on impairment of property and equipment.

Valuation of equity based compensation

The Partnership uses the Black-Scholes Option Pricing Model and other valuation models for the valuation of its stock options. These models require the input of subjective assumptions including expected price volatility, risk-free interest rate, forfeiture rate, fair value per unit calculations and expected term. If different input assumptions were used, the changes could materially affect the fair value estimate.

Valuation and economic recoverability of goodwill and intangible assets

Goodwill and intangible assets are capitalized if they are expected to have future economic benefits and are expected to be economically recoverable. Purchased intangibles are valued on acquisition using established methodologies and amortized over their estimated useful economic lives, except in those cases where intangibles are determined to have indefinite lives, where there is no foreseeable limit over which these intangible assets would generate net cash flows. The valuations and lives of goodwill and intangible assets are based on management's best estimates of future performance and periods over which value from intangible assets will be derived. CGU’s are assessed for indicators of impairment throughout the year, and Galaxy performs an impairment review for CGU’s which have allocated goodwill at minimum annually. Management first reviews qualitative factors in determining if an impairment needs to be recorded. Quantitative factors are then used to calculate the amount of impairment, if needed. The estimates and assumptions are subject to risk and uncertainty. A change in circumstances would alter these projections, which may impact the recoverable amount of the assets.

Income taxes

The condensed consolidated interim financial statements include estimates and assumptions for determining the future tax rates applicable to subsidiaries and identifying the temporary differences that relate to each subsidiary. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply during the year when the assets are realized or the liabilities settled, using the tax rates and laws enacted or substantively enacted at the condensed consolidated interim statements of financial position dates. Operating plans and forecasts are used to estimate when a temporary difference will reverse.

3. MATERIAL ACCOUNTING POLICIES

Except for the additional blockchain infrastructure service fee revenue described below, the accounting policies applied in the condensed consolidated interim financial statements are consistent with those applied and disclosed in the Partnership's audited consolidated financial statements for the year ended December 31, 2023.

Blockchain infrastructure revenue

The Partnership provides blockchain infrastructure services, primarily proof of stake validation, on various blockchains. For proof of stake validation services, the Partnership is primarily responsible for proposing and attesting new blocks on the respective blockchains. Revenue related to these services is recognized on a gross basis. Market participants can bond their digital assets to the validation infrastructure operated by the Partnership to earn staking rewards. Staking rewards, net of a commission between 4% and 10%, is earned by these third-party market participants and are included in staking costs. The revenue is non-cash consideration in the form of digital assets, and the revenue is measured at the fair value of the digital assets at contract inception.

4. NEW ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS

Accounting standards and amendments to existing standards that were recently adopted

In October 2022, the IASB issued amendments to IAS 1 *Presentation of Financial Statements*. The amendments clarify the impact of covenants of loan arrangements on the classification of a liability as current or non-current at the reporting date. The Partnership adopted the amendments, which are effective for annual periods starting on or after January 1, 2024. Adoption of these amendments did not have a significant impact on the Partnership's condensed consolidated interim financial statements.

In 2021, the Organization for Economic Co-operation and Development (OECD) announced the OECD/G20 Inclusive Framework (the "Framework") on Base Erosion and Profit Shifting which agreed to a two-pillar solution to address tax challenges arising from digitalization of the economy and continues to release additional guidance on these rules, some of which took effect in 2023 with additional rules proposed to take effect in 2024 and onwards. On May 23, 2023, the IASB issued *International Tax Reform—Pillar Two Model Rules – Amendments* (the "Amendments") to IAS 12, *Income Taxes* ("IAS 12") to clarify the application of IAS 12 to income taxes arising from tax law enacted or substantively enacted to implement the Framework rules. Included within the Amendments is a mandatory temporary exception to accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two Model Rules, applicable immediately. It is unclear whether the rules will impact the Partnership given the current state of approval and implementation across jurisdictions where the Partnership operates. For periods in which Pillar Two legislation is enacted or substantively enacted, but not yet in effect, the Partnership does not anticipate that it will have exposure to such legislation in any of the jurisdictions in which it operates. In accordance with the amendment, the Partnership has not recorded or reported deferred taxes arising from the jurisdictional implementation of the Pillar Two Model Rules for any of the periods presented within the condensed consolidated interim financial statements.

Accounting standards and amendments to existing standards that are not yet effective

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements*. IFRS 18 introduces new standards for financial performance reporting, focusing on the profit or loss statement structure, disclosures of management-defined performance measures, and principles of aggregation and disaggregation. It replaces IAS 1 while retaining many existing principles, aiming for greater comparability and transparency in financial reporting. IFRS 18 will be effective beginning January 1, 2027. IFRS 18 mandates disclosures for non-GAAP measures and specifies the categorization of operating, investing, and financing activities in the statements of operations. The Partnership is assessing the impact of this standard.

5. KEY TERMS OF LIMITED PARTNERSHIP AGREEMENT (the "LPA")

The key terms of the LPA are consistent with those disclosed in the Partnership's audited consolidated financial statements for the year ended December 31, 2023.

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

6. BUSINESS COMBINATIONS

On July 18, 2024, a subsidiary controlled by the Partnership acquired the assets of Cryptomanufaktur LLC (“CMF”) for approximately \$12.4 million. The Partnership determined that the acquisition of CMF constituted a business combination under IFRS 3. CMF provides staking infrastructure, primarily on the Ethereum blockchain, as well as data oracle services.

The consideration transferred was measured at the fair value of the cash and equity paid, and the estimated contingent consideration of approximately \$5.5 million, which is payable by the Partnership if CMF achieves certain financial and operating targets by the end of 2026. The Partnership recognized the following assets and liabilities in relation to the acquisition of CMF:

(in thousands)	July 18, 2024
Intangible assets	\$ 7,213
Goodwill	5,193
Total assets	\$ 12,406
Accounts payable and accrued liabilities	21
Total liabilities	\$ 21

The Partnership recorded \$5.2 million of goodwill which was attributed to the Digital Infrastructure Solutions segment. Goodwill represents the future economic benefit arising from assets acquired which could not be individually identified and separately recognized. Goodwill was attributed to the expected synergies from combining operations with GDH LP and the expected future cash flows of the combined business. The Partnership expects \$5.2 million of goodwill from this acquisition to be deductible for tax purposes.

Acquired intangible assets included customer relationships valued at \$7.2 million. The intangible assets were measured at acquisition date fair value using an income approach in accordance with the Partnership's accounting policies.

The Partnership incurred acquisition related transaction costs of \$0.5 million. The majority represented professional fees and were incurred during the nine months ended September 30, 2024. The revenue and net income included in the Partnership's interim condensed consolidated statements of operations contributed by CMF for the three months ended September 30, 2024, from the date of the acquisition, was not material to the Partnership. The pro forma impact of the acquisition on the Partnership's revenue and net income for the nine month period ended September 30, 2024 would have been an increase of approximately \$22 million and \$2 million, respectively.

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

7. REVENUES

The following table presents the Partnership's revenue disaggregated by segment for the three months ended September 30, 2024:

(in thousands)	Global Markets	Asset Management	Digital Infrastructure Solutions	Corporate and Other	Total
Fee revenue					
Mining hosting fees	\$ —	\$ —	\$ 7,024	\$ —	\$ 7,024
Licensing fees	—	1	801	(121)	\$ 681
Management and performance fees	5,526	8,094	—	(708)	\$ 12,912
Advisory fees	76	—	—	—	\$ 76
Total fee revenue	5,602	8,095	7,825	(829)	20,693
Lending and staking revenue					
Lending income	22,429	95	1,111	7	23,642
Blockchain rewards ⁽¹⁾	4,001	1,859	49,432	(5,261)	50,031
Total lending and staking revenue	26,430	1,954	50,543	(5,254)	73,673
Net realized gain (loss) on digital assets	(55,660)	2,037	—	—	(53,623)
Net realized gain (loss) on investments	72,503	(1,107)	2,423	—	73,819
Net derivative gain (loss)	16,414	—	(74)	—	16,340
Revenue from proprietary mining	—	—	11,435	—	11,435
Other income	654	27	5	—	686
Total revenues and gain (loss) from operations	\$ 65,943	\$ 11,006	\$ 72,157	\$ (6,083)	\$ 143,023

⁽¹⁾ The Partnership operates public proof of stake validation infrastructure which allows third-parties to stake their digital assets on its validator nodes. Blockchain rewards include amounts earned by these third-parties. These corresponding costs are included in staking costs.

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

The following table presents the Partnership's revenue disaggregated by segment for the nine months ended September 30, 2024:

(in thousands)	Global Markets	Asset Management	Digital Infrastructure Solutions	Corporate and Other	Total
Fee revenue					
Mining hosting fees	\$ —	\$ —	\$ 24,940	\$ —	\$ 24,940
Licensing fees	1	1	2,219	(360)	\$ 1,861
Management and performance fees	9,220	40,466	—	(2,190)	\$ 47,496
Advisory fees	1,006	—	—	—	\$ 1,006
Total fee revenue	10,227	40,467	27,159	(2,550)	75,303
Lending and staking revenue					
Lending income	55,185	101	1,112	19	56,417
Blockchain rewards ⁽¹⁾	9,663	12,904	93,008	(14,008)	101,567
Total lending and staking revenue	64,848	13,005	94,120	(13,989)	157,984
Net realized gain (loss) on digital assets	35,838	18,404	796	—	55,038
Net realized gain (loss) on investments	(100,820)	12,208	2,423	—	(86,189)
Net derivative gain	204,509	—	793	—	205,302
Revenue from proprietary mining	—	—	47,875	—	47,875
Other income	805	60	294	—	1,159
Total revenues and gain (loss) from operations	\$ 215,407	\$ 84,144	\$ 173,460	\$ (16,539)	\$ 456,472

⁽¹⁾ The Partnership operates public proof of stake validation infrastructure which allows third-parties to stake their digital assets on its validator nodes. Blockchain rewards include amounts earned by these third-parties. These corresponding costs are included in staking costs.

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

The following table presents the Partnership's revenue disaggregated by segment for the three months ended September 30, 2023:

(in thousands)	Global Markets	Asset Management	Digital Infrastructure Solutions	Corporate and Other	Totals
Fee revenue					
Mining hosting fees	\$ —	\$ —	\$ 5,173	\$ —	\$ 5,173
Licensing fees	—	—	416	(90)	326
Management and performance fees	—	4,686	—	(711)	3,975
Advisory fees	51	—	—	—	51
Other fee revenues	—	—	—	—	—
Total fee revenue	51	4,686	5,589	(801)	9,525
Lending and staking revenue					
Lending income	13,431	7	—	—	13,438
Blockchain rewards	390	177	—	—	567
Total lending and staking revenue	13,821	184	—	—	14,005
Net realized gain (loss) on digital assets	(67,232)	(385)	—	—	(67,617)
Net realized gain (loss) on investments	22,001	354	—	—	22,355
Net derivative gain	15,667	—	70	—	15,737
Revenue from proprietary mining	—	—	8,848	—	8,848
Other income (expense)	75	32	199	(179)	127
Total revenues and gain (loss) from operations	\$ (15,617)	\$ 4,871	\$ 14,706	\$ (980)	\$ 2,980

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

The following table presents the Partnership's revenue disaggregated by segment for the nine months ended September 30, 2023:

(in thousands)	Global Markets	Asset Management	Digital Infrastructure Solutions	Corporate and Other	Totals
Fee revenue					
Mining hosting fees	\$ —	\$ —	\$ 17,990	\$ —	\$ 17,990
Licensing fees	—	—	1,234	(118)	1,116
Management and performance fees	—	13,833	—	(2,093)	11,740
Advisory fees	2,316	—	—	—	2,316
Other fee revenues	(54)	—	1,099	—	1,045
Total fee revenue	2,262	13,833	20,323	(2,211)	34,207
Lending and staking revenue					
Lending income	32,509	24	—	—	32,533
Blockchain rewards	1,344	1,446	—	—	2,790
Total lending and staking revenue	33,853	1,470	—	—	35,323
Net realized gain (loss) on digital assets	14,261	4,420	—	—	18,681
Net realized gain (loss) on investments	46,100	22,611	—	—	68,711
Net derivative gain (loss)	78,985	1,542	(65)	—	80,462
Revenue from proprietary mining	—	—	20,672	—	20,672
Other income (expense)	210	(131)	254	—	333
Total revenues and gain (loss) from operations	\$ 175,671	\$ 43,745	\$ 41,184	\$ (2,211)	\$ 258,389

8. DIGITAL ASSETS

Below are the Partnership's digital asset holdings as of September 30, 2024 and December 31, 2023:

(in thousands)	September 30, 2024	December 31, 2023
Digital assets, current:		
Not subject to lock-up restrictions	\$ 2,437,043	\$ 1,051,939
Subject to lock-up restrictions	53,292	26,648
Total digital assets, current	2,490,335	1,078,587
Digital assets, non-current:		
Subject to lock-up restrictions	26,989	41,356
Total digital assets, non-current	26,989	41,356
Total	\$ 2,517,324	\$ 1,119,943

Certain digital assets held by the Partnership are subject to sale restrictions through lock-up schedules typically associated with purchases from foundations that create the digital assets. Digital assets restricted by lock-up schedules which have not yet been received by the Partnership are recognized as digital assets receivable. The fair value of digital assets subject to sale restrictions by lock-up schedule includes a discount for lack of marketability. The remaining duration of these lock-up schedules range from one day to approximately 3.5 years.

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

The following table provides an alternative summary of the Partnership's digital assets as of September 30, 2024 and December 31, 2023:

(in thousands)	September 30, 2024	December 31, 2023
Self-custodied ⁽¹⁾	\$ 1,084,986	\$ 647,392
Collateral posted with counterparties, no right to rehypothecate ⁽²⁾	229,612	56,674
Held with third parties, including centralized trading platforms	791,304	181,089
Digital assets associated with decentralized finance protocols:		
<i>Receipt tokens from decentralized finance protocols</i> ⁽³⁾	189,514	168,073
<i>Other digital assets associated with decentralized finance protocols</i> ⁽³⁾⁽⁴⁾	221,908	66,715
Total digital assets associated with decentralized finance protocols	411,422	234,788
Total digital assets, current and non-current	2,517,324	1,119,943

⁽¹⁾ Includes digital assets restricted by lock up schedules, as well as digital assets bonded to validator nodes. Excludes digital assets issued by decentralized finance protocols which are self-custodied.

⁽²⁾ Digital assets posted as collateral under master loan agreements to third parties, for which control has not transferred, support digital asset borrowings of \$151.0 million as of September 30, 2024 (December 31, 2023 - digital asset and fiat borrowings of \$50.8 million).

⁽³⁾ Digital assets held with decentralized finance protocols collectively support borrowings on these platforms of \$137.8 million as of September 30, 2024 (December 31, 2023 - \$123.0 million).

⁽⁴⁾ Includes self-custodied wrapped digital assets and digital assets held in smart contracts where the Company retains control.

The Partnership's digital assets are held in self-custodied wallets and with third parties including centralized digital asset trading platforms and third-party lenders, as well as decentralized finance protocols. Digital assets are used as collateral for margin trading or borrowing on centralized trading platforms, with certain trading and lending counterparties, and on decentralized finance protocols. Some of the Partnership's digital assets are issued by decentralized protocols and derive their value from other digital assets (e.g., aUSDC, cETH, etc.). Although these digital assets are stored in the Partnership's self-custodied wallets, their economic values are derived from the operations of the protocols that issued the tokens and the underlying digital assets that are held in such protocols via smart contracts. The Partnership's digital assets associated with decentralized protocols are further categorized as follows:

Receipt tokens from decentralized finance protocols

The Partnership typically receives protocol-specific receipt tokens for digital assets posted on decentralized finance protocols for trading, borrowing, or liquidity provision purposes.

Other digital assets associated with decentralized finance protocols

In order to be able to transact on decentralized finance protocols, the Partnership converts some of its digital assets into wrapped tokens (e.g., "wBTC" and "wETH"). Wrapped tokens are digital assets that can interact with smart contracts or operate on another blockchain. The Partnership typically wraps digital assets in expectation of deploying them on decentralized finance protocols. Some decentralized finance protocols hold the Partnership's digital assets in a smart contract from which only the Partnership can redeem the digital assets. These decentralized finance protocols do not issue receipt tokens and do not obtain control of the Partnership's digital assets. Therefore, these digital assets continue to be recognized by the Partnership.

Staking

Proprietary staked digital assets are held in self-custody while liquid staked assets are classified as associated with decentralized finance protocols in the table above. The Partnership had staked digital assets, including digital assets staked with decentralized finance protocols (or liquid staking), of \$124.7 million as of September 30, 2024 (December 31, 2023 - \$92.0 million); an additional \$80.3 million of digital assets subject to sales restrictions through lock-up schedules were staked as of September 30, 2024 (December 31, 2023 - \$68.0 million). In addition to any lock-up restrictions, the Partnership's ability to sell or transfer staked digital assets, other than liquid staked digital assets, is subject to restriction related to unbonding periods. The majority of staked digital assets on various blockchains including Ethereum could be unbonded within 21 days based on network traffic as of September 30, 2024. The blockchain rewards generated from such proprietary staking activities for the three and nine months ended September 30, 2024 was \$5.7 million and \$22.4 million (September 30, 2023 - \$0.6 million and \$2.6 million) and is

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

included in lending and staking revenue in the condensed consolidated interim statements of income (loss) and comprehensive income (loss).

Receivable and payable for digital asset trades

Unsettled trades at the end of each period are reflected in receivable for digital asset trades and payable for digital asset trades in the condensed consolidated interim statements of financial position. All trades were settled shortly after period end.

Digital assets receivables

Digital assets receivables relate to digital assets that are yet to be distributed to the Partnership as of the end of the period and are expected to be distributed over time according to a release schedule (generally in accordance with a token sale agreement). As the digital assets are received by the Partnership, the digital assets receivable is derecognized, with a concurrent recognition of digital assets. The unrealized gains or losses on the digital assets receivables are recognized in net unrealized gain (loss) on digital assets in the condensed consolidated interim statements of income (loss) and comprehensive income (loss). As of September 30, 2024, the Partnership had \$50.1 million in digital assets receivables (December 31, 2023 - \$20.9 million).

Realized and unrealized gains and losses

The Partnership's realized gain (loss) on digital assets is calculated as the proceeds received from the derecognition of the digital asset less its assigned original cost. The Partnership's unrealized gain or loss on a digital asset consists of both the change in fair value on a digital asset from the beginning of the period and the reversal of any previously recognized unrealized gain or loss on a digital asset derecognized during the period.

9. DIGITAL ASSET LOANS RECEIVABLE AND PAYABLE

Digital asset loans receivable and associated collateral payable

In the ordinary course of business, the Partnership lends digital assets to counterparties. Counterparties, in turn, post collateral which must be returned upon the repayment of the loans. The majority of the Partnership's digital asset loans receivable are callable on demand by the Partnership. The following table represents the Partnership's digital asset loans receivable and associated collateral payable as of September 30, 2024 and December 31, 2023:

(in thousands)	September 30, 2024	December 31, 2023
Digital asset loans receivable	305,276	\$ 104,504
Digital asset loans receivable, non-current	18,376	—
Digital asset loans receivable, net	\$ 323,652	\$ 104,504
Collateral payable - Digital assets	\$ 512,621	\$ 115,635
Collateral payable - Cash	21,632	—
Collateral payable associated with digital asset loans receivable	\$ 534,253	\$ 115,635

Collateral payable represents the liability to return assets over which the Partnership has obtained control.

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

Digital asset loans payable and associated collateral receivable

In the ordinary course of business, the Partnership borrows digital assets from counterparties and posts collateral, as required. The majority of the Partnership's digital asset loans payable are callable on demand by the counterparties. The following table represents the Partnership's digital asset loans payable and associated assets posted as collateral as of September 30, 2024 and December 31, 2023:

(in thousands)	September 30, 2024	December 31, 2023
Master loan agreements	\$ 1,025,993	\$ 275,282
Credit facility from centralized trading platforms and decentralized protocols	137,775	122,995
Digital asset loans payable	\$ 1,163,768	\$ 398,277
Assets posted as collateral - Digital assets	\$ 44,952	\$ 233,053
Assets posted as collateral - Cash	—	—
Assets posted as collateral associated with Digital asset loans payable	\$ 44,952	\$ 233,053

Assets posted as collateral represents the right to receive assets for which control has transferred to the counterparty.

Collateral deposited in decentralized finance protocols associated with digital asset loans payable to such protocols are included in digital assets on the condensed consolidated interim statements of financial position and identified as part of digital assets associated with decentralized finance protocols in Note 8. Collateral posted with counterparties for which the Partnership retains control are included in digital assets on the condensed consolidated interim statements of financial position and identified as part of collateral posted with counterparties, no right to rehypothecate in Note 8.

10. LOANS RECEIVABLE AND PAYABLE

In the ordinary course of business, the Partnership may borrow and lend fiat currency to counterparties to facilitate digital asset trading and lending activity. Counterparties post collateral in association with the fiat loans receivable which must be returned upon the repayment of the loans, and the Partnership posts collateral, as required, in association with the fiat loans payable.

Loans receivable, current and non-current

The following table represents the Partnership's loans receivable as of September 30, 2024 and December 31, 2023:

(in thousands)	September 30, 2024	December 31, 2023
Loans receivable	398,510	\$ 377,105
Loans receivable, non-current	—	10,259
Loans receivable, current and non-current	\$ 398,510	\$ 387,364

The Partnership's loans receivable are typically secured by liquid digital asset collateral, except for the loan with Blockstream Inc. ("Blockstream"), which was \$50.9 million as September 30, 2024 (December 31, 2023 - Argo Blockchain Inc. and Blockstream - \$110.4 million). The Blockstream loan is secured by substantially all physical assets of Blockstream.

The outstanding loans receivable are scheduled to be repaid in the following periods:

(in thousands)	Amounts
2024	352,659
2025	45,851
2026	—
2027	—
Loans receivable, current and non-current	\$ 398,510

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

Collateral payable associated with loans receivable

The following table represents the Partnership's collateral payable balance associated with loans receivable as of September 30, 2024 and December 31, 2023:

(in thousands)	September 30, 2024	December 31, 2023
Collateral payable - Digital assets	\$ 535,319	\$ 444,839
Collateral payable - Cash	—	—
Collateral payable associated with loans receivable, current	\$ 535,319	\$ 444,839

Collateral payable represents the obligation to return assets over which the Partnership has obtained control.

Loans payable

The following table represents the Partnership's loans payable and associated assets posted as collateral as of September 30, 2024 and December 31, 2023:

(in thousands)	September 30, 2024	December 31, 2023
Loans payable	\$ 248,818	\$ 93,069
Assets posted as collateral - Digital assets	\$ 171,220	\$ 67,767
Assets posted as collateral - Cash	—	—
Assets posted as collateral	\$ 171,220	\$ 67,767

Assets posted as collateral represents the right to receive assets for which control has transferred to the counterparty.

11. DERIVATIVE ASSETS AND LIABILITIES

For the three and nine months ended September 30, 2024, the Partnership recognized \$16.3 million and \$205.3 million, respectively, of net derivative gain from economic hedging and the Partnership's trading strategy (September 30, 2023 - \$15.7 million and \$80.5 million). Embedded derivatives are recorded in the same line items in the condensed consolidated interim statements of financial position as their host instruments. The Partnership's derivative instruments disclosed below, with the exception of the notes payable embedded derivatives and a portion of the digital assets receivables derivatives, each had a maturity date of less than one year as of September 30, 2024.

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

The following table represents the breakdown of the Partnership's derivatives portfolio as of September 30, 2024 and December 31, 2023:

September 30, 2024

(in thousands)	Notional	Gross fair value	
		Derivative assets	Derivative liabilities
Digital assets	\$ 1,101,675	\$ 121,952	\$ (94,626)
Foreign currencies	1,279,066	11,202	(8,946)
Interest rates	443,902	495	(201)
Commodities	66,848	663	(808)
Equity securities	52,229	7,649	(7,555)
Total	2,943,720	141,961	(112,136)
Digital asset receivable	14,070	50,132	—
Embedded derivatives — Digital asset loans receivable, net of allowance	318,863	5,857	(1,069)
Embedded derivatives — Assets posted as collateral	218,625	3	(2,009)
Embedded derivatives — Digital asset loans payable	1,212,107	50,408	(2,069)
Embedded derivatives — Collateral payable	1,041,320	19,271	(42,441)
Embedded derivatives — Payables to customers	56,090	—	(5,694)
Embedded derivatives — Notes payable	445,000	—	(25,616)

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

December 31, 2023

(in thousands)	Notional	Gross fair value	
		Derivative assets	Derivative liabilities
Digital assets	\$ 2,831,616	\$ 122,911	\$ (120,795)
Foreign currencies	3,397	11,279	(11,027)
Interest rates	1,408,406	7,698	(4,639)
Commodities	61,236	780	(305)
Equity securities	54,417	30,541	(23,876)
Total	4,359,072	173,209	(160,642)
Embedded derivatives — Digital asset loans receivable, net of allowance	102,074	3,935	(1,505)
Embedded derivatives — Assets posted as collateral	287,032	31,745	(2,673)
Embedded derivatives — Digital asset loans payable	369,280	877	(29,874)
Embedded derivatives — Collateral payable	439,544	4,244	(134,695)
Embedded derivatives — Notes payable	445,000	—	(10,472)

The below table represents the breakdown of assets posted as collateral and collateral payable associated with open derivative positions as of September 30, 2024 and December 31, 2023:

(in thousands)	September 30, 2024	December 31, 2023
Assets posted as collateral - Digital assets	\$ 448	\$ 15,284
Assets posted as collateral - Cash	10,430	2,091
Assets posted as collateral associated with derivatives	\$ 10,878	\$ 17,375
Collateral payable - Digital assets	\$ 16,551	\$ 9,521
Collateral payable - Cash	68,348	11,367
Collateral payable associated with derivatives	\$ 84,899	\$ 20,888

Assets posted as collateral represents the right to receive assets for which control has transferred to the counterparty. Collateral payable represents the obligation to return assets over which the Partnership has obtained control.

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

12. INVESTMENTS

Investments

Investments are accounted for as financial assets which are initially recognized at fair value and subsequently measured at fair value through unrealized profit or loss. Certain publicly traded investments, primarily various Bitcoin exchange-traded products, are classified as current assets as the Partnership holds these investments to satisfy its margin requirements on trading venues and expects to realize the investments in the next year. Below are the Partnership's investments as of September 30, 2024 and December 31, 2023:

(in thousands)	September 30, 2024	December 31, 2023
Investments, current		
Common stock	\$ 535,608	\$ —
Convertible bond	1,030	—
LP/LLC interests ⁽¹⁾	56,983	—
Warrants & claims	943	—
Total investments, current	594,564	—
Investments, non-current		
Common stock	46,436	73,381
Convertible notes	4,872	10,646
LP/LLC interests	400,311	347,694
Preferred stock	245,263	251,705
Warrants & claims	7,660	51,677
Total investments, non-current	\$ 704,542	\$ 735,103
Total	\$ 1,299,106	\$ 735,103

⁽¹⁾ Includes restricted digital assets scheduled to unlock within the next twelve months held in a structured entity.

Common stock: Class of ownership in a corporation that entitles the holders to a claim on the assets and future earnings of the corporation, as well as certain voting and governance rights over the operations of the corporation.

Convertible bond: Class of publicly traded debt that entitles the holders to convert into publicly traded equity of the issuer under certain circumstances.

Convertible notes: Class of debt that entitles the holders to convert such debt into equity of the issuer under certain circumstances.

Limited partnership ("LP") / Limited Liability Company ("LLC") Interests: Class of ownership in an LP or LLC that entitles the holders to a claim on the assets and future earnings of the LP or LLC, as well as certain voting or governance rights over the operations of the LP or LLC.

Preferred stock: Class of ownership in a corporation that typically entitles the holder to a priority claim on the assets and future earnings of the corporation above that of common stockholders, as well as certain voting and governance rights over the operations of the corporation.

Warrants & claims: Warrants represent a security that entitles the holders to purchase the underlying stock of the issuing company at a pre-determined price until the stated expiry date. Claims represent legal assertions to payment from a debtor's assets during the bankruptcy process.

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

Continuity schedule of investments

The below table shows components of the change in investments for the period ended September 30, 2024 and the year ended December 31, 2023:

(in thousands)	Investments
Balance as at December 31, 2022	595,122
Purchases	195,738
Proceeds and distributions from investments ⁽¹⁾	(211,695)
Net transfers in / (out) of investments	12,222
Net realized gain on investments	52,999
Net unrealized gain on investments	90,717
Balance as at December 31, 2023	735,103
Purchases	2,811,000
Proceeds and distributions from investments ⁽¹⁾	(2,501,398)
Transfer out of investments	(389)
Net realized gain on investments	179,056
Net unrealized gain on investments	75,734
Balance as at September 30, 2024	\$ 1,299,106

⁽¹⁾ Includes cash and digital assets from the sale of investments and other realization events.

The Partnership's realized gain or loss on an investment is calculated as the proceeds received from the sale of the investment less its original cost. The Partnership's unrealized gain or loss on an investment consists of both the change in fair value on an investment from the beginning of the period and the reversal of any previously recognized unrealized gain or loss on an investment sold during the period.

Investments sold short

Investments sold short are accounted for as financial liabilities, which are both initially recognized and then subsequently measured at fair value through net unrealized gain (loss) on investments in the condensed consolidated interim statements of income (loss) and comprehensive income (loss). The net unrealized gain (loss) on the Partnership's investments sold short for the three and nine months ended September 30, 2024 was \$(31.9) million and \$(14.7) million, respectively (September 30, 2023 - \$2.3 million and \$2.1 million).

The Partnership's realized gain or loss on an investment sold short is calculated as the proceeds from the sale of the investment sold short less the cost of the repurchase. The Partnership's unrealized gain or loss on an investment sold short consists of both the change in fair value on an investment sold short from the beginning of the period and the reversal of any previously recognized unrealized gain or loss on an investment sold short during the period. The net realized gain (loss) of the Partnership's investments sold short for the three and nine months ended September 30, 2024 was \$(3.0 million) and \$(265.2) million, respectively (September 30, 2023 - \$16.3 million and \$17.0 million).

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

13. RECEIVABLES

The following table represents the Partnership's receivables balance as of September 30, 2024 and December 31, 2023. The Partnership's digital assets receivables and digital asset loans receivable are described separately in Note 8 and Note 9, respectively.

(in thousands)	September 30, 2024	December 31, 2023
Interest receivable	9,648	3,598
Receivables from investments sold	231	231
Hosting fee receivable	2,792	2,312
Management fee receivable ⁽¹⁾	8,404	5,482
Other	2,554	4,360
Total	\$ 23,629	\$ 15,983

⁽¹⁾ Includes management fee receivable of \$4.9 million from Galaxy sponsored funds September 30, 2024 (December 31, 2023 - \$3.3 million).

14. OTHER ASSETS

Prepaid expenses and other assets

The following table represents the Partnership's prepaid expenses and other assets as of September 30, 2024 and December 31, 2023:

(in thousands)	September 30, 2024	December 31, 2023
Mining deposit	4,845	8,825
Prepaid expenses	11,885	8,818
Current tax assets and receivables	5,409	16,484
Other ⁽¹⁾	8,939	3,783
Total	\$ 31,078	\$ 37,910

⁽¹⁾ Includes tax payments recoverable from related parties of \$4.8 million as of September 30, 2024 (December 31, 2023 - \$2.9 million).

Other non-current assets

The following table represents the Partnership's other non-current assets as of September 30, 2024 and December 31, 2023:

(in thousands)	September 30, 2024	December 31, 2023
Deferred tax asset	\$ 64,377	\$ 42,089
Intangible assets	40,792	39,983
Right-of-use assets	9,240	12,055
Other	870	873
Total	\$ 115,279	\$ 95,000

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

15. PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS

The following table represents activity within the Partnership's property and equipment asset classes for the periods ended September 30, 2024 and December 31, 2023:

(in thousands)	Corporate assets ⁽¹⁾	Mining equipment	Mining infrastructure	Land	WIP / Construction in progress ⁽³⁾	Total property and equipment
Balance as of December 31, 2022	\$ 7,757	\$ 20,300	\$ 67,351	\$ 10,490	\$ 102,640	\$ 208,538
Additions	489	—	4,719	—	35,505	40,713
Depreciation	(1,200)	(13,537)	(5,548)	—	—	(20,285)
Transfers	534	50,994	14,086	—	(65,614)	—
Disposals	(59)	(1,035)	—	—	(1,182)	(2,276)
Impairment reversal ⁽²⁾	—	8,570	—	—	24,705	33,275
Balance as of December 31, 2023	\$ 7,521	\$ 65,292	\$ 80,608	\$ 10,490	\$ 96,054	\$ 259,965
Additions	1,085	698	967	481	28,470	31,701
Depreciation	(987)	(23,205)	(5,496)	—	—	(29,688)
Transfers	83	85,701	25,945	—	(111,729)	—
Disposals	—	—	—	—	(2,079)	(2,079)
Balance as of September 30, 2024	\$ 7,702	\$ 128,486	\$ 102,024	\$ 10,971	\$ 10,716	\$ 259,899

⁽¹⁾ Includes computer equipment, leasehold improvements, and furniture and fixtures.

⁽²⁾ Impairment reversals were recognized in general and administrative expenses.

⁽³⁾ Includes \$3.7 million of mining equipment and \$7.0 million of mining infrastructure under construction as of September 30, 2024 (December 31, 2023 - \$77.1 million and \$18.9 million, respectively).

The following table represents property and equipment balances, as well as accumulated depreciation for the periods ended September 30, 2024 and December 31, 2023:

(in thousands)	September 30, 2024	December 31, 2023
Corporate assets	\$ 10,793	\$ 9,625
Mining equipment	169,400	85,398
Mining infrastructure	113,067	86,156
Land	10,971	10,490
WIP / Construction in progress	16,388	101,726
Property and equipment, gross	\$ 320,619	\$ 293,395
Less: Accumulated depreciation	(60,720)	(33,430)
Property and equipment, net	\$ 259,899	\$ 259,965

Goodwill

As of September 30, 2024, the Partnership's goodwill balance was \$49.5 million (December 31, 2023 - \$44.3 million). Goodwill of \$15.5 million, \$9.1 million and \$24.9 million was allocated to the Global Markets, Asset Management and Digital Infrastructure Solutions segments, respectively, attributable to prior period acquisitions (December 31, 2023 - \$15.5 million, \$9.1 million and \$19.6 million, respectively). No impairment of goodwill was recorded for the periods ended September 30, 2024 and December 31, 2023.

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

Intangible and Right-of-use assets

The following table represents activity within the Partnership's intangible and right-of-use assets for the periods ended September 30, 2024 and December 31, 2023:

(in thousands)	Software technology ⁽¹⁾	Other purchased intangible assets ⁽²⁾	Indefinite-lived intangible asset ⁽³⁾	Total intangible assets	Right-of-use assets
Balance as of December 31, 2022	\$ 5,187	\$ —	\$ 1,761	\$ 6,948	\$ 13,735
Additions	31,195	6,062	—	37,257	1,730
Amortization / Depreciation	(3,212)	(1,010)	—	(4,222)	(3,410)
Balance as of December 31, 2023	\$ 33,170	\$ 5,052	\$ 1,761	\$ 39,983	\$ 12,055
Additions	1,577	7,213	—	8,790	—
Amortization / Depreciation	(6,036)	(1,945)	—	(7,981)	(2,815)
Balance as of September 30, 2024	28,711	10,320	1,761	40,792	9,240

⁽¹⁾ Intangible assets recognized through acquisitions and internally developed software.

⁽²⁾ Includes acquired customer relationships and trade name.

⁽³⁾ Represents website domain name.

The following table represents intangible assets and accumulated amortization as of the periods ended September 30, 2024 and December 31, 2023:

(in thousands)	September 30, 2024	December 31, 2023
Software technology	\$ 40,471	\$ 38,895
Other purchased intangible assets	13,275	6,062
Indefinite-lived intangible asset	1,761	1,761
Intangible assets, gross	55,507	46,718
Less: Accumulated amortization	(14,715)	(6,735)
Intangible assets, net	\$ 40,792	\$ 39,983

The following table represents the Partnership's right-of-use assets and accumulated amortization for the periods ended September 30, 2024 and December 31, 2023:

(in thousands)	September 30, 2024	December 31, 2023
Right-of-use assets, gross	\$ 18,717	\$ 18,717
Less: Accumulated depreciation	(9,477)	(6,662)
Right-of-use assets, net	\$ 9,240	\$ 12,055

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

16. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The following table represents the Partnership's accounts payable and accrued liabilities balances as of September 30, 2024 and December 31, 2023:

(in thousands)	September 30, 2024	December 31, 2023
Compensation and compensation related	\$ 40,850	\$ 50,556
Interest	15,755	4,595
Professional fees	6,553	7,755
Mining deposits and accrued expenses	4,572	1,447
Accounts payable	3,841	2,569
Acquisition payables	6,779	—
Deferred revenue	613	282
Other	2,921	2,008
	<u>\$ 81,884</u>	<u>\$ 69,212</u>

17. EQUITY

Issued Partnership Capital

GDH LP has two classes of ownership interests, representing limited partner interests:

- (i) GDH LP Class A Units, which are subdivided into GDH LP A-1 Units, all of which are held directly by GDH Ltd.; and GDH LP A-2 Units, all of which are held indirectly by GDH Ltd. through GDH Ltd.'s wholly owned U.S. subsidiary, GDH Intermediate LLC; and
- (ii) GDH LP Class B Units, which are held by GGI; employees of the Partnership as part of the Partnership's employee compensation plan; and certain former shareholders.

The GDH LP Class A Units and GDH LP Class B Units rank pari passu to all distributions from GDH LP.

Under the terms of the LPA, GDH LP Class B Units will, subject to certain limitations, be exchangeable for GDH Ltd. shares on a one-for-one basis subject to customary adjustments for stock splits, stock dividends and other similar transactions or, at the election of the General Partner on behalf of GDH LP, GDH LP may deliver an amount of cash in lieu of GDH Ltd. shares to an exchanging GDH LP Class B Unit holder. On receipt of a request to exchange, the Partnership or the General Partner will cancel the Class B Units and will cause GDH Ltd. to issue ordinary shares. GDH LP will concurrently issue Class A Units to GDH Ltd. for the same amount of ordinary shares issued by GDH Ltd.

Exchangeable Notes

On December 9, 2021, GDH LP issued \$500 million, aggregate principal amount, of 3.00% exchangeable notes ("Exchangeable Notes"). Outstanding Exchangeable Notes will mature and the aggregate principal amount is due in 2026, unless earlier exchanged, redeemed or repurchased. Interest on the Exchangeable Notes is payable semi-annually. There was no origination discount or premium associated with the notes. The Exchangeable Notes had an initial exchange rate of 7,498.2210 ordinary shares per US\$250,000 principal amount. All Exchangeable Notes issued are subject to certain selling and transfer restrictions set forth in each investor's note purchase agreement and as set forth in the indenture that governs the Exchangeable Notes.

The Partnership determined that the conversion feature represents a derivative financial instrument embedded in the Exchangeable Notes. The accounting treatment of derivative financial instruments required that the Partnership record the fair value of that derivative financial instrument as a discount to the value of the Exchangeable Notes as of the inception date. Accordingly, the Partnership recorded an aggregate discount of \$71.0 million for the fair value of the derivative liability at inception of the Exchangeable Notes. The Exchangeable Notes and the associated derivative liability, measured at fair value, are shown as notes payable in the condensed consolidated interim statements of financial position. As of September 30, 2024 the total amount for notes payable was \$434.3 million (December 31, 2023 - \$408.1 million), net of repurchases; and the gain (loss) recognized in the consolidated interim statements of income (loss) and comprehensive income (loss) for the three and nine months ended September 30, 2024 was \$(2.9) million and \$(15.1) million (September 30, 2023 - \$1.1 million and \$(1.0) million). As of September 30, 2024 and December 31, 2023, there was \$445 million in principal outstanding of the Exchangeable Notes.

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

On initial recognition, debt issuance costs of \$13.4 million were recognized as a reduction of notes payable and are being expensed over the term of the debt. The interest expense from the Exchangeable Notes for the three and nine months ended September 30, 2024 was \$7.1 million and \$21.1 million (September 30, 2023 - \$6.9 million and \$20.4 million).

Issued Capital

Class A Units

During the nine months ended September 30, 2024, the Partnership issued 5,422,151 (year ended December 31, 2023 - 8,709,592) Class A Units to GDH Ltd. on exercise of options and vesting of restricted share units.

The Partnership cancelled 1,496,901 ordinary shares during the nine months ended September 30, 2024 (year ended December 31, 2023 - 4,221,799), primarily in association with withholding obligations on exercised stock options and vested restricted share units.

On May 26, 2023, GDH Ltd. announced that the TSX approved the Company's plan to commence a normal course issuer bid to purchase up to 10,056,193 ordinary shares (10% of the Company's public float as of May 19, 2023). The plan expired on May 30, 2024. The Company repurchased a total of 1,248,900 ordinary shares for a total cost of \$4.3 million under the plan during the year ended December 31, 2023. No shares were repurchased during the nine months ended September 30, 2024. All the repurchased shares of GDH Ltd. and the equivalent number of Class A Units of the Partnership were cancelled.

On April 9, 2024, Galaxy entered into an agreement with Canaccord Genuity Corp., as lead underwriter, on behalf of a syndicate of underwriters which included Jefferies Securities Inc. and Stifel Nicolaus Canada Inc. (collectively, the "Underwriters"), pursuant to which the Underwriters agreed to purchase, in an underwritten block trade, 12,100,000 ordinary shares of the Company at a price of C\$14.00 per ordinary share for aggregate gross proceeds of approximately C\$169.4 million (the "Offering").

On April 12, 2024, the Company announced the closing of the Offering and the issuance of 12,100,000 ordinary shares for gross proceeds of C\$169.4 million. An equivalent number of Class A Units of the Partnership were issued to the Company.

On July 18, 2024, the Partnership acquired the assets of CMF for approximately \$12.4 million, inclusive of contingent consideration of approximately \$5.5 million, which is payable by the Partnership if CMF achieves certain financial and operating targets by the end of 2026. Initial consideration was made up of \$7.0 million (\$3.5 million of cash and \$3.5 million of equity; Note 6). On August 9, 2024, 359,919 ordinary shares were issued in connection with this acquisition. An equivalent number of Class A Units of the Partnership were issued to the Company.

Class B Units

During the nine months ended September 30, 2024, 81,357 Class B Units were exchanged for ordinary shares of GDH Ltd. (year ended December 31, 2023 - 30,121).

As of September 30, 2024, there were 125,765,858 (December 31, 2023 - 109,299,332) Class A Units and 215,847,117 (December 31, 2023 - 215,928,474) Class B Units outstanding. The change in Class A Units during the nine months ended September 30, 2024 was due to issuance of shares for the capital raise, the CMF acquisition, stock option exercises, and restricted share units vesting, offset by cancellations of ordinary shares.

Distributions

During the nine months ended September 30, 2024, the General Partner made pro-rata tax distributions of \$55.3 million (year ended December 31, 2023 - \$22.4 million). The majority of the recipients of the distributions are related parties (Note 21).

Equity Based Compensation

Stock Option Plan

The Partnership historically granted stock options to employees, officers, directors and consultants of the Partnership under the GDH Ltd. stock option plan (the "Plan"), subject to the approval of the board of directors of GDH Ltd., who administer the Plan. On exercise of an option, the holder will receive one ordinary share in GDH Ltd. and GDH LP will issue one Class A Unit to GDH Ltd. Following the approval of the Long Term Incentive Plan, the Company no longer makes grants under the Plan. The shares reserved for issuance under the Plan were rolled over into the Long Term Incentive Plan.

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

Long Term Incentive Plan

In May 2021 (and subsequently amended and restated in May 2024), the board of directors of GDH Ltd. approved the GDH Ltd. Long Term Incentive Plan (“LTIP”) to grant stock options, stock appreciation rights, restricted stock, and share units in the form of restricted share units and/or performance share units to employees, officers, and consultants of GDH Ltd. and its affiliates (inclusive of the Partnership) and deferred share units to non-employee directors of GDH Ltd. and non-employee managers of the Board of Managers. Under the LTIP, the exercise price of each option may not be less than the market price of GDH Ltd.’s shares at the date of grant. Options granted under the LTIP typically have a term not to exceed five years and are subject to vesting provisions as determined by the board of directors of GDH Ltd., who administer the LTIP. On exercise of an option, the holder will receive one ordinary share in GDH Ltd. and GDH LP will issue one Class A Unit to GDH Ltd. The maximum number of shares reserved for issuance under the LTIP is fixed at 48,290,478.

Non-Treasury Plan

In May 2021, the board of directors of the Company approved the GDH Ltd. Non-Treasury Share Unit Plan (“Non-Treasury Plan”) as a supplement to the LTIP under which grants are settled solely in cash. Two types of share units exist under the Non-Treasury Plan: restricted share units and performance share units.

Equity Based Compensation Expense

For the three and nine months ended September 30, 2024 and September 30, 2023, equity based compensation expense was recognized as follows:

(in thousands)	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Stock options	\$ 4,023	\$ 10,320	\$ 12,373	\$ 20,300
Restricted share units ⁽¹⁾	8,490	9,282	29,883	38,511
Compensatory Class B Units	3	8	10	143
	12,516	19,610	42,266	58,954
Deferred share units awarded to directors included in general and administrative	114	90	448	535
Total	\$ 12,630	\$ 19,700	\$ 42,714	\$ 59,489

⁽¹⁾ Includes expense associated with restricted stock issued in connection with the Partnership's acquisition of Vision Hill in May 2021 through May 2024.

The forfeiture rate assumed for equity based compensation ranged from 10% - 33% as of September 30, 2024 and September 30, 2023. Forfeiture rate is determined using historical data to estimate option exercises and employee terminations.

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

Compensatory Class B Unit Awards

The Partnership has awarded compensatory Class B Unit awards to eligible officers and employees. The following table summarizes the activity related to compensatory Class B Units during the respective periods:

Description	Compensatory Class B Units
Balance, December 31, 2022	10,792,944
Exchanged	—
Forfeited	—
Balance, December 31, 2023	10,792,944
Exchanged	(81,357)
Forfeited	—
Balance, September 30, 2024	10,711,587
Compensatory Class B Units exercisable, September 30, 2024	10,696,361
Compensatory Class B Units exercisable, December 31, 2023	10,762,492

Under the terms of the LPA, the General Partner may elect, at its sole discretion, to pay an amount of cash equal to the current market price of the applicable number of shares in lieu of delivering the applicable number of GDH Ltd. shares. However, as the Partnership does not have a present obligation to settle in cash, the compensatory Class B Units are accounted for as equity settled awards.

Stock options

The Partnership awards stock options to eligible officers and employees. The fair value of the options granted was measured using the Black-Scholes option pricing model with the following inputs:

Inputs to the Black-Scholes Model	September 30, 2024	December 31, 2023
Share price ⁽¹⁾	C\$12.41 - C\$15.37	C\$4.77 - C\$7.43
Exercise price	C\$10.00 - C\$21.00	C\$4.19 - C\$8.06
Expected annual volatility ⁽²⁾	85% - 90%	80% - 90%
Expected term (years)	5.0	5.0
Dividend yield	0%	0%
Risk-free interest rate ⁽³⁾	2.8% - 3.8%	3.0% - 3.96%

⁽¹⁾ The closing price of GDH Ltd. shares on their respective grant dates.

⁽²⁾ Volatility was determined considering the historical and implied volatility of the shares of GDH Ltd.

⁽³⁾ The risk-free interest rate was calculated by interpolating Government of Canada bond yields over the expected terms of the respective option grants.

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

The following table summarizes activity related to stock options during the periods ended September 30, 2024 and December 31, 2023:

Description	Number of options	Weighted average exercise price (C\$)
Balance, December 31, 2022	27,652,543	8.56
Granted ⁽¹⁾	10,963,780	6.30
Stock options replaced via award modifications	(1,875,000)	23.08
Exercised ⁽²⁾	(5,847,020)	3.73
Forfeited	(5,485,996)	9.23
Expired / Cancelled / Repurchased	(3,144,334)	14.04
Balance, December 31, 2023	22,263,973	6.56
Granted	2,593,851	14.73
Exercised ⁽²⁾	(2,080,355)	3.09
Forfeited	(1,479,421)	6.55
Expired / Cancelled / Repurchased	(73,125)	21.30
Balance, September 30, 2024	21,224,923	\$ 7.85
Options exercisable as of September 30, 2024	10,737,366	\$ 6.76
Options exercisable as of December 31, 2023	9,712,157	\$ 5.80

⁽¹⁾ Includes stock options granted due to stock option modification.

⁽²⁾ Includes 12,500 stock options exercised during the three months ended September 30, 2024 but settled in the following quarter (December 31, 2023 - 20,000).

The weighted average fair value for stock options granted during the nine months ended September 30, 2024 was \$6.26 per option (year ended December 31, 2023 - \$4.04 per option). For stock options outstanding as of September 30, 2024, the weighted average remaining contractual life is 2.7 years (December 31, 2023 - 3.0 years).

Modification of stock options previously granted

Effective March 29, 2023, certain outstanding stock option awards were modified ("stock option modification") reducing the number of options and exercise prices. 1,875,000 previously granted options were reduced to 1,500,000 options, and the exercise price of the modified awards was reduced to C\$6.75. The incremental fair value of the replacement awards is being recognized over the modified vesting period.

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

The following table represents a summary of employee and officer stock options outstanding as of September 30, 2024:

Grant Date	Number outstanding	Number exercisable	Exercise price (C\$)	Expiry date
April 9, 2020	1,264,924	1,264,924	1.35 - 1.85	April 9, 2025
June 25, 2020	400,000	400,000	1.39	June 25, 2025
November 16, 2020	2,358,750	1,613,334	5.65	November 16, 2025
December 3, 2020	3,634,300	3,634,300	6.21	December 3, 2025
December 8, 2020	47,500	35,000	6.00	December 8, 2025
December 21, 2020	100,000	75,000	8.02	December 21, 2025
May 27, 2021	550,000	533,000	23.12 - 25.00	May 27, 2026
December 1, 2021	450,000	225,000	30.76	December 1, 2026
May 11, 2022	200,000	50,000	10.52	May 11, 2027
March 29, 2023	8,045,174	2,543,959	4.19 - 6.75	March 29, 2028
May 10, 2023	144,725	31,287	6.75	May 10, 2028
August 9, 2023	1,118,750	331,562	5.98 - 6.75	August 9, 2028
November 10, 2023	325,000	—	8.06	November 10, 2028
March 27, 2024	1,929,922	—	13.46 - 21.00	March 27, 2029
May 14, 2024	520,000	—	10.00 - 21.00	May 14, 2029
June 18, 2024	65,000	—	16.00	June 18, 2029
September 5, 2024	70,878	—	14.29	September 5, 2029
Total	21,224,923	10,737,366		

Under the terms of the LTIP and the Plan, the board of directors of GDH Ltd. may elect, at its sole discretion, to settle options by payment of cash in lieu of delivering the applicable number of GDH Ltd. shares. The Partnership does not have a present obligation to settle in cash; therefore, the stock options are accounted for as equity settled awards.

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

Restricted share units and Deferred share units

The Partnership awards restricted and deferred share units (equity instruments) to eligible officers and employees. The following table summarizes the activity related to the restricted and deferred share units for the periods ended September 30, 2024 and December 31, 2023:

Description	Number of units	Weighted average grant date fair value per unit (C\$)
Balance, December 31, 2022	11,462,917	20.50
Granted	4,983,339	4.92
Vested ⁽¹⁾	(3,036,166)	19.2
Forfeited	(2,206,466)	18.31
Balance, December 31, 2023	11,203,624	14.36
Granted	2,893,736	12.81
Vested ⁽¹⁾	(3,146,304)	15.89
Forfeited	(553,134)	14.63
Balance, September 30, 2024	10,397,922	13.45

⁽¹⁾ Includes 6,067 restricted share units that vested but remain unsettled as of September 30, 2024 (December 31, 2023 - 128,089). Units vested during the nine months ended September 30, 2024 also includes 43,380 restricted share units (December 31, 2023 - 55,626) that were settled in cash.

Cash settled grants

During the nine months ended September 30, 2024, the Partnership granted 198,235 restricted share units (year ended December 31, 2023 - 375,783) under the Non-Treasury Plan which will be settled in cash. The restricted share units vest over three to four years with varying vesting schedules and had a total grant date fair value of \$1.9 million (year ended December 31, 2023 - \$1.2 million). The outstanding liability related to cash settled units as of September 30, 2024 was \$6.9 million (December 31, 2023 - \$4.3 million).

The Partnership started granting Stock Appreciation Rights (“SARs”) in 2023. During the nine months ended September 30, 2024, the Partnership granted 242,498 SARs under the LTIP which will be settled in cash (year ended December 31, 2023 - 299,151). These SARs vest over three years and had a total grant date fair value of \$1.5 million (year ended December 31, 2023 - \$0.5 million). The outstanding liability as of September 30, 2024 related to the SARs was \$1.1 million (December 31, 2023 - \$1.0 million).

Net Income (Loss) per Unit

The tables below present total Class A and B income (loss) per unit for the three and nine months ended September 30, 2024 and September 30, 2023, as Class A Units and Class B Units rank equal in all economic respects:

(in thousands, except unit and per unit data)	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Basic income (loss) per unit	\$ (0.16)	\$ (0.29)	\$ 0.57	\$ (0.02)
Diluted income (loss) per unit	(0.16)	(0.29)	0.54	(0.02)
Net income used in the calculation of basic income (loss) per unit	\$ (53,640)	\$ (93,721)	\$ 191,015	\$ (5,559)
Net income (loss) used in the calculation of diluted income per unit	(53,640)	(93,721)	191,015	(5,559)
Weighted average number of units for the purposes of basic income per unit	341,208,229	322,656,584	334,883,094	321,154,802
Weighted average number of units for the purposes of diluted income per unit	341,208,229	322,656,584	352,126,364	323,154,802

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

Reconciliation of weighted average number of units for the purposes of basic income (loss) per unit to weighted average number of units for the purposes of diluted income (loss) per unit:

	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Weighted average number of units for the purposes of basic income (loss) per unit	341,208,229	322,656,584	334,883,094	321,154,802
Diluted units:				
Compensatory Class B Unit awards	—	—	15,062	—
Stock options	—	—	9,457,711	2,000,000
Restricted share units	—	—	7,770,497	—
Exchangeable Notes	—	—	—	—
Weighted average number of units for the purposes of diluted income (loss) per unit	341,208,229	322,656,584	352,126,364	323,154,802

For the nine months ended September 30, 2024 the weighted average number of total units for the purposes of diluted income per unit assumes the potential exercise of dilutive stock options, restricted share units, compensatory Class B units, and conversion of Exchangeable Notes. For the three and nine months ended September 30, 2024, there were 31,351,661 and 13,346,833 of potentially dilutive units that were excluded from the calculation of diluted income (loss) per share because they were antidilutive for the period (September 30, 2023 - 21,222,955 and 19,838,910, respectively).

18. STRUCTURED ENTITIES

The following table illustrates the Partnership's maximum exposure to unconsolidated funds which is limited to the fair value of its investments and unfunded commitments as of period end.

(in thousands)	September 30, 2024			December 31, 2023		
	Fair value of investment	Unfunded commitments	Maximum exposure	Fair value of investment	Unfunded commitments	Maximum exposure
Sponsored Investment Funds	\$ 351,702	\$ 63,875	\$ 415,577	\$ 187,605	\$ 48,550	\$ 236,155
Other Structured Entities	102,053	12,294	114,347	160,089	12,464	172,553
Total	\$ 453,755	\$ 76,169	\$ 529,924	\$ 347,694	\$ 61,014	\$ 408,708

The Partnership did not consolidate any of its sponsored investment funds as of September 30, 2024 or December 31, 2023.

19. PROFESSIONAL FEES

The following table represents the Partnership's professional fee expenses for the three and nine months ended September 30, 2024 and September 30, 2023:

(in thousands)	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Legal	\$ 5,584	\$ 3,873	\$ 21,354	\$ 13,730
Audit and related	2,387	2,237	7,615	7,326
Tax	485	249	1,687	1,234
Consulting	2,370	1,491	7,356	3,984
Valuations	101	61	235	240
Total	\$ 10,927	\$ 7,911	\$ 38,247	\$ 26,514

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

20. GENERAL AND ADMINISTRATIVE

The following table represents the Partnership's general and administrative expenses for the three and nine months ended September 30, 2024 and September 30, 2023:

(in thousands)	Notes	Three months ended		Nine months ended	
		September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Mining costs ⁽¹⁾		\$ 10,013	\$ 3,886	\$ 35,734	\$ 9,840
Trading, commission and custody expenses		5,990	2,811	18,912	6,097
Technology		7,576	4,948	21,424	13,942
Depreciation and amortization	15	15,552	8,130	40,484	19,895
Impairment reversal ⁽²⁾		—	—	—	(12,489)
Marketing		1,200	881	3,804	2,461
Insurance		635	1,060	2,293	2,826
Fund administration		406	209	648	588
Directors fees	17, 21	140	115	526	623
Other ⁽³⁾		6,166	8,421	18,907	16,325
Total		\$ 47,678	\$ 30,461	\$ 142,732	\$ 60,108

⁽¹⁾ Primarily represents power purchase costs, net of credits, of \$9.9 million and \$34.1 million for the three and nine months ended September 30, 2024, respectively (September 30, 2023 - (\$2.6) million and \$7.7 million).

⁽²⁾ Includes the reversal of impairment of mining equipment during the nine months ended September 30, 2023.

⁽³⁾ Includes \$1.7 million and \$2.5 million of GDH Ltd. reimbursable expenses incurred, as discussed in Note 21, for the three and nine months ended September 30, 2024, respectively (September 30, 2023 - \$0.3 million and \$1.8 million).

21. RELATED PARTY TRANSACTIONS

The Partnership's related parties include its subsidiaries, associates over which it exercises significant influence, and key management personnel. Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Partnership, directly or indirectly. Key management personnel include officers, directors, companies controlled by officers or directors, and companies with common directors of the Partnership. The transactions the Partnership enters into with related parties are made on terms equivalent to those that prevail in arm's length transactions.

Compensation of Key Management Personnel

Key management personnel include nine individuals as of September 30, 2024 and September 30, 2023. The following table represents compensation provided to key management personnel for the three and nine months ended September 30, 2024 and September 30, 2023:

(in thousands)	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Base compensation and accrued bonuses ⁽¹⁾	\$ 3,385	\$ 1,558	\$ 10,155	\$ 4,590
Benefits	62	70	278	289
Equity based compensation	4,370	10,730	14,919	24,686
Total	\$ 7,817	\$ 12,358	\$ 25,352	\$ 29,565

⁽¹⁾ As of September 30, 2024, the amount includes approximately \$7.6 million of accrued bonuses within accounts payable and accrued liabilities.

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

Director fees, including equity based compensation provided to the Board of Managers were \$0.1 million and \$0.5 million for the three and nine months ended September 30, 2024 (September 30, 2023 - \$0.1 million and \$0.6 million).

Distributions

Tax-related distributions of \$55.3 million were declared and paid during the nine months ended September 30, 2024 (September 30, 2023 - \$22.4 million). The majority of the recipients of the distributions are related parties.

Transactions with GDH Ltd.

In accordance with the LPA (Note 5), the Partnership will reimburse or pay for all reasonably incurred expenses of GDH Ltd. in the conduct of the Company's business, with the exception of taxes. For the three and nine months ended September 30, 2024, the Partnership paid or accrued \$1.7 million and \$2.5 million, respectively (September 30, 2023 - \$0.3 million and \$1.8 million, respectively), on behalf of GDH Ltd., which has been included in general and administrative expenses (Note 20). The Partnership has also provided a financial guarantee to a subsidiary of GDH Ltd. sufficient to cover its costs and obligations as they come due through December 31, 2025. The Partnership has not paid or accrued any amount under this financial guarantee for the three and nine months ended September 30, 2024 or September 30, 2023.

On April 14, 2022, the Partnership entered into a Promissory Note (amended and restated in November 2023, the "Promissory Note") with GDH Intermediate LLC ("GDHI LLC"), a subsidiary of GDH Ltd, in order to effectively manage the liquidity of both the Partnership and GDH Ltd. Under the terms of the Promissory Note, the Partnership can request that GDHI LLC make advances to the Partnership from time to time in lieu of cash distributions to be made from the Partnership to GDH Ltd., which decision is at GDHI LLC's sole and absolute discretion. As of September 30, 2024, GDHI LLC had advanced \$89.8 million (December 31, 2023 - \$67.2 million) to the Partnership.

Under the terms of the Promissory Note, interest accrues on any outstanding advances at a rate per annum equal to 9.0%, effective October 1, 2023 (7.0% through September 30, 2023). Interest is payable semi-annually in arrears on June 30 and December 31 of each year, commencing on December 31, 2022, subject to the right of GDHI LLC to elect that the amount of any such interest payment be capitalized and increase the principal amount of the Promissory Note in lieu of being paid in cash by the Partnership. As of September 30, 2024, the interest payable on the Promissory Note was \$2.0 million (December 31, 2023 - \$0). The Promissory Note may be recalled in whole or in part by GDHI LLC at any time during the term of the note. Otherwise it will mature, and the principal amount of all outstanding advances, plus any accrued and unpaid interest, will be due and payable on December 31, 2024, unless extended by GDHI LLC.

As at September 30, 2024, the Partnership had \$90.7 million (December 31, 2023 - \$66.0 million) net payable to GDH Ltd. representing the aforementioned Promissory Note partially offset by receivables for stock option exercises and withholding tax associated with restricted share units vesting.

Other

The CEO of GDH Ltd. serves as co-chairman of the board of another company, resulting in the Partnership and that company being related parties. A family member of the CEO also holds a position with this company. As at September 30, 2024, the Partnership had an investment in the company valued at \$9.4 million representing an ownership percentage of 21.8% (December 31, 2023 - \$18.0 million and 26.5%). Galaxy Interactive Fund I, LP, a non-consolidated sponsored investment fund, also held an investment in the company valued at \$1.3 million representing an ownership percentage of 2.8% as at September 30, 2024 (December 31, 2023 - \$2.4 million and 3.4%).

The Partnership has sub-advisory arrangements with a beneficial owner of GDH Ltd. Such sub-advisory arrangements have been entered into with Galaxy Digital Capital Management LP, a consolidated subsidiary of the Partnership, in its capacity as an investment advisor registered under the Advisers Act, and any fee arrangements are on an arms-length basis. For the three and nine months ended September 30, 2024, the total amount of advisory fees received from the sub-advisory arrangements was \$0.5 million and \$1.5 million, respectively (September 30, 2023 - \$0.2 million and \$0.6 million, respectively).

The CEO, through an entity which he controls, owns a private aircraft that the Partnership uses for business purposes in the ordinary course of operations. The CEO paid for the purchase of this aircraft with his personal funds and has borne all operating, personnel and maintenance costs associated with its operation and use. During the three and nine months ended September 30, 2024, the Partnership incurred \$0.2 million and \$0.3 million, respectively (September 30, 2023 - \$0.0 million and \$0.2 million, respectively) for such use, negotiated on an arms-length basis in compliance with our aviation matters policy adopted in August 2022.

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

In addition, the Partnership has from time to time made use of the CEO's private boat to host corporate meetings and for other business purposes in the ordinary course of the Partnership's operations, on terms that are advantageous to the Partnership. The CEO paid for the purchase of this boat with his personal funds and has borne most of the operating, personnel and maintenance costs associated with its operation and use, while the Partnership paid for the cost of any food and beverage consumption and a portion of operating fees. During the three and nine months ended September 30, 2024, the Partnership did not incur any fees in relation to this boat (September 30, 2023 - \$0.0 million and \$0.1 million, respectively).

In connection with the receipt of surety bonds on behalf of a subsidiary of the Partnership for the purpose of state money transmission licenses, GGI agreed to act as indemnitor, along with the Partnership, at the request of the insurers. The Partnership paid fees of \$0.4 million to GGI for the indemnity through December 31, 2023, which was calculated as 1% of the aggregate notional amount of the surety bonds held on behalf of the subsidiary. The Partnership will continue to incur fees due to GGI of 1% for the duration of these outstanding surety bonds which are renewed annually. The amount payable as of September 30, 2024 was less than \$0.1 million.

Prior to joining the Company's board in September 2021, the current chairman of the board entered into a consulting agreement with the Partnership in April 2021. Under the terms of the consulting agreement, the chairman was engaged to provide professional services to the Partnership for a period of three years beginning on September 1, 2021. In 2021, the chairman received 1,500,000 RSUs and 500,000 options under the LTIP in connection with the consulting agreement. The equity based compensation related to this grant for the three and nine months ended September 30, 2024 was \$0 million and \$2.0 million, respectively (September 30, 2023 - \$1.0 million and \$5.5 million, respectively). This consulting agreement has expired as of September 1, 2024.

In February 2023, the Partnership entered into a consulting agreement with another board member of the Company. The Partnership paid \$0.25 million and \$0.75 million under this agreement during the three and nine months ended September 30, 2024 (September 30, 2023 - \$0.3 million and \$0.7 million).

As of September 30, 2024, the Partnership had \$4.8 million (December 31, 2023 - \$2.9 million) of tax payments recoverable from related parties, which are reflected in the condensed consolidated interim statements of financial position in other assets.

Investments in Galaxy Funds

Our directors and senior officers are generally permitted to invest their personal capital (or capital of estate planning vehicles controlled by them or their immediate family members) directly in the Partnership's sponsored funds and affiliated entities. In general, such investments are not subject to management fees, and in certain instances may not be subject to performance fees. The fair value of such investments made by related parties aggregated to \$15.7 million as of September 30, 2024 (December 31, 2023 - \$11.0 million).

22. SEGMENTS

The Partnership manages and reports its activities in the following operating businesses: Global Markets, Asset Management and Digital Infrastructure Solutions.

Global Markets

The Global Markets segment is comprised of the Partnership's proprietary and counterparty trading activities, lending, as well as advisory and capital market activities. The Global Markets segment generates revenue primarily from fee revenue and principal trading. It includes realized and unrealized gains and losses on digital assets and certain equity investments.

Asset Management

The Asset Management segment manages investments in the digital asset ecosystem both on behalf of the Partnership and external limited partners. The segment generates management and performance-based fee revenue. Management fees generated off the Partnership's principal investments are eliminated in the Corporate & Other segment. Realized and unrealized gains and losses on the Partnership's principal investments were included in this segment.

Digital Infrastructure Solutions

The Digital Infrastructure Solutions segment includes the Partnership's investment in emerging and crypto-native technologies. In addition to the Partnership's mining operation, the Digital Infrastructure Solutions segment includes the GK8 custody technology business acquired in February 2023 and blockchain infrastructure services, including the acquired CMF business.

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

The blockchain infrastructure services earns blockchain rewards from operating proof of stake validation infrastructure. Blockchain rewards generated off the Partnership's proprietary digital assets are eliminated in the Corporate & Other segment.

Corporate and Other consists of the Partnership's unallocated corporate overhead, other unallocated costs not identifiable to any of the three reportable segments, and eliminations of inter-segment transactions as required for consolidation. Transactions between segments are based on specific criteria or approximate third-party rates.

The following table represents assets and liabilities by each of the reportable segments as of September 30, 2024:

(in thousands)	Global Markets	Asset Management	Digital Infrastructure Solutions	Corporate and Other	Totals
Total assets	\$ 4,610,799	\$ 619,779	\$ 348,283	\$ 138,593	\$ 5,717,454
Total liabilities	\$ 2,975,526	\$ 389	\$ 14,577	\$ 646,205	\$ 3,636,697

The following table represents assets and liabilities by each of the reportable segments as of December 31, 2023:

(in thousands)	Global Markets	Asset Management	Digital Infrastructure Solutions	Corporate and Other	Totals
Total assets	\$ 2,726,950	\$ 575,056	\$ 321,322	\$ 51,921	\$ 3,675,249
Total liabilities	\$ 1,289,792	\$ 10,968	\$ 9,817	\$ 574,891	\$ 1,885,468

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

The following table represents income and expenses by each of the reportable segments for the three months ended September 30, 2024:

(in thousands)	Global Markets	Asset Management	Digital Infrastructure Solutions	Corporate and Other ⁽¹⁾	Totals
Income (loss)					
Fee revenue ⁽¹⁾	\$ 5,602	\$ 8,095	\$ 7,825	\$ (829)	\$ 20,693
Net realized gain (loss) on digital assets	(55,660)	2,037	—	—	(53,623)
Net realized gain (loss) on investments	72,503	(1,107)	2,423	—	73,819
Lending and staking revenue ⁽¹⁾	26,430	1,954	50,543	(5,254)	73,673
Net derivative gain	16,414	—	(74)	—	16,340
Revenue from proprietary mining	—	—	11,435	—	11,435
Other income	654	27	5	—	686
	65,943	11,006	72,157	(6,083)	143,023
Operating expenses	81,269	11,025	82,189	11,682	186,165
Net unrealized gain (loss) on digital assets	18,257	25,916	161	—	44,334
Net unrealized gain (loss) on investments	(35,029)	(24,701)	(785)	—	(60,515)
Net loss on notes payable - derivative	—	—	—	(2,858)	(2,858)
Foreign currency loss	95	—	—	—	95
	(16,677)	1,215	(624)	(2,858)	(18,944)
Income (loss) before income taxes	\$ (32,003)	\$ 1,196	\$ (10,656)	\$ (20,623)	\$ (62,086)
Income tax expense	—	—	—	(8,446)	(8,446)
Net income (loss)	\$ (32,003)	\$ 1,196	\$ (10,656)	\$ (12,177)	\$ (53,640)
Foreign currency translation adjustment	—	—	—	(118)	(118)
Comprehensive income (loss)	\$ (32,003)	\$ 1,196	\$ (10,656)	\$ (12,295)	\$ (53,758)

⁽¹⁾ All intercompany transactions are eliminated in the Corporate and Other segment.

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

The following table represents income and expenses by each of the reportable segments for the nine months ended September 30, 2024:

(in thousands)	Global Markets	Asset Management	Digital Infrastructure Solutions	Corporate and Other ⁽¹⁾	Totals
Income (loss)					
Fee revenue ⁽¹⁾	\$ 10,227	\$ 40,467	\$ 27,159	\$ (2,550)	\$ 75,303
Net realized gain (loss) on digital assets	35,838	18,404	796	—	55,038
Net realized gain (loss) on investments	(100,820)	12,208	2,423	—	(86,189)
Lending and staking revenue ⁽¹⁾	64,848	13,005	94,120	(13,989)	157,984
Net derivative gain	204,509	—	793	—	205,302
Revenue from proprietary mining	—	—	47,875	—	47,875
Other income	805	60	294	—	1,159
	215,407	84,144	173,460	(16,539)	456,472
Operating expenses	214,302	40,610	192,299	61,281	508,492
Net unrealized gain (loss) on digital assets	202,839	(15,442)	(3,350)	—	184,047
Net unrealized gain (loss) on investments	63,451	(1,593)	(835)	—	61,023
Net loss on notes payable - derivative	—	—	—	(15,144)	(15,144)
Foreign currency loss	1,448	—	—	—	1,448
	267,738	(17,035)	(4,185)	(15,144)	231,374
Income (loss) before income taxes	\$ 268,843	\$ 26,499	\$ (23,024)	\$ (92,964)	\$ 179,354
Income tax expense	—	—	—	(11,661)	(11,661)
Net income (loss)	\$ 268,843	\$ 26,499	\$ (23,024)	\$ (81,303)	\$ 191,015
Foreign currency translation adjustment	—	—	—	972	972
Comprehensive income (loss)	\$ 268,843	\$ 26,499	\$ (23,024)	\$ (80,331)	\$ 191,987

⁽¹⁾ All intercompany transactions are eliminated in the Corporate and Other segment.

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

The following table represents income and expenses by each of the reportable segments for the three months ended September 30, 2023:

(in thousands)	Global Markets	Asset Management	Digital Infrastructure Solutions	Corporate and Other ⁽¹⁾	Totals
Income (loss)					
Fee revenue ⁽¹⁾	\$ 51	\$ 4,686	\$ 5,589	\$ (801)	\$ 9,525
Net realized loss on digital assets	(67,232)	(385)	—	—	(67,617)
Net realized gain on investments	22,001	354	—	—	22,355
Lending and staking revenue	13,821	184	—	—	14,005
Net derivative gain	15,667	—	70	—	15,737
Revenue from proprietary mining	—	—	8,848	—	8,848
Other income (expense)	75	32	199	(179)	127
	(15,617)	4,871	14,706	(980)	2,980
Operating expenses	43,510	12,131	21,933	23,497	101,071
Net unrealized gain (loss) on digital assets	26,919	(723)	—	—	26,196
Net unrealized loss on investments	(4,052)	(20,949)	(379)	—	(25,380)
Net gain on notes payable - derivative	—	—	—	1,082	1,082
Foreign currency loss	(768)	—	—	—	(768)
	22,099	(21,672)	(379)	1,082	1,130
Loss before income taxes	\$ (37,028)	\$ (28,932)	\$ (7,606)	\$ (23,395)	\$ (96,961)
Income tax benefit	—	—	—	(3,240)	(3,240)
Net loss	\$ (37,028)	\$ (28,932)	\$ (7,606)	\$ (20,155)	\$ (93,721)
Foreign currency translation adjustment	—	—	—	419	419
Comprehensive loss	\$ (37,028)	\$ (28,932)	\$ (7,606)	\$ (19,736)	\$ (93,302)

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

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

The following table represents income and expenses by each of the reportable segments for the nine months ended September 30, 2023:

(in thousands)	Global Markets	Asset Management	Digital Infrastructure Solutions	Corporate and Other ⁽¹⁾	Totals
Income (loss)					
Fee revenue ⁽¹⁾	\$ 2,262	\$ 13,833	\$ 20,323	\$ (2,211)	\$ 34,207
Net realized gain on digital assets	14,261	4,420	—	—	18,681
Net realized gain on investments	46,100	22,611	—	—	68,711
Lending and staking revenue	33,853	1,470	—	—	35,323
Net derivative gain (loss)	78,985	1,542	(65)	—	80,462
Revenue from proprietary mining	—	—	20,672	—	20,672
Other income	210	(131)	254	—	333
	175,671	43,745	41,184	(2,211)	258,389
Operating expenses	126,613	42,109	38,995	69,714	277,431
Net unrealized gain (loss) on digital assets	25,476	(1,025)	—	—	24,451
Net unrealized gain (loss) on investments	13,079	(27,868)	6,272	—	(8,517)
Net loss on notes payable - derivative	—	—	—	(1,022)	(1,022)
Foreign currency loss	(843)	—	—	—	(843)
	37,712	(28,893)	6,272	(1,022)	14,069
Income (loss) before income taxes	\$ 86,770	\$ (27,257)	\$ 8,461	\$ (72,947)	\$ (4,973)
Income tax expense	—	—	—	586	586
Net income (loss)	\$ 86,770	\$ (27,257)	\$ 8,461	\$ (73,533)	\$ (5,559)
Foreign currency translation adjustment	—	—	—	3	3
Comprehensive income (loss)	\$ 86,770	\$ (27,257)	\$ 8,461	\$ (73,530)	\$ (5,556)

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

Select statement of financial position information

The following table represents select assets by reporting segment as of September 30, 2024:

(in thousands)	Global Markets	Asset Management	Digital Infrastructure Solutions	Corporate and Other	Totals
Digital assets	\$ 2,454,030	\$ 63,294	\$ —	\$ —	\$ 2,517,324
Digital assets receivables	8,240	40,798	1,095	—	50,133
Assets posted as collateral	227,050	—	—	—	227,050
Loans receivable ⁽¹⁾	722,162	—	—	—	722,162
Investments	790,695	497,458	10,953	—	1,299,106
Property and equipment	—	—	254,445	5,454	259,899

⁽¹⁾ Includes digital asset and fiat loans.

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

The following table represents select assets by reporting segment as of December 31, 2023:

(in thousands)	Global Markets	Asset Management	Digital Infrastructure Solutions	Corporate and Other	Totals
Digital assets	\$ 1,052,013	\$ 67,930	\$ —	\$ —	\$ 1,119,943
Digital assets receivables	6,506	13,135	1,219	—	20,860
Assets posted as collateral	318,195	—	—	—	318,195
Loans receivable ⁽¹⁾	491,868	—	—	—	491,868
Investments	244,807	476,262	14,034	—	735,103
Property and equipment	109	—	252,552	7,304	259,965

⁽¹⁾ Includes digital asset and fiat loans.

23. FINANCIAL INSTRUMENTS, DIGITAL ASSETS AND RISK

The fair values of all financial instruments and digital assets are measured using cost, market or income approaches. Fair values of investments, digital asset receivables and restricted digital assets are estimated by a combination of internal and external valuation specialists. Valuations are reviewed by the Partnership's Valuation Committee, which includes members of senior management. The Valuation Committee is responsible for oversight of the valuation process, the approval of investments' valuations, the approval of the Partnership's valuation policy, and the retention of external valuation specialists.

The financial instruments and digital assets measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values, with the designation based upon the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy are:

Level 1 Inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 Inputs: Quoted prices for similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active, or other observable inputs other than quoted prices.

Level 3 Inputs: One or more inputs to the valuation are unobservable and significant to the fair value measurement of the asset or liability. Unobservable inputs reflect management's assumptions on how market participants would price the asset or liability based on the information available.

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

Recurring fair value measurements

The following table represents the fair value hierarchy for the Partnership's digital assets, embedded derivatives, and financial instruments measured at fair value on a recurring basis as of September 30, 2024 and December 31, 2023:

(in thousands) Assets	As of September 30, 2024				As of December 31, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Digital assets	\$ 2,265,599	\$ 171,444	\$ 80,281	\$ 2,517,324	\$ 902,537	\$ 149,402	\$ 68,004	\$ 1,119,943
Digital assets receivable	—	147	49,986	50,133	196	95	20,569	20,860
Digital asset loans receivable, net of allowance	—	323,652	—	323,652	—	104,504	—	104,504
Assets posted as collateral - digital assets	—	216,619	—	216,619	—	316,104	—	316,104
Derivative assets	90,150	51,811	—	141,961	59,724	113,485	—	173,209
Investments	537,581	—	761,525	1,299,106	43,568	—	691,535	735,103
Total	\$ 2,893,330	\$ 763,673	\$ 891,792	\$ 4,548,795	\$ 1,006,025	\$ 683,590	\$ 780,108	\$ 2,469,723
Liabilities	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Investments sold short	160,146	—	—	160,146	25,295	—	—	25,295
Derivative liabilities	60,074	52,062	—	112,136	55,567	105,075	—	160,642
Digital asset loans payable	—	1,163,768	—	1,163,768	398,277	—	—	398,277
Collateral payable - digital assets	—	1,064,490	—	1,064,490	569,995	—	—	569,995
Payables to customers - digital assets	—	61,785	—	61,785	—	—	—	—
Embedded derivative - Notes payable	—	—	25,616	25,616	—	—	10,472	10,472
Total	\$ 220,220	\$ 2,342,105	\$ 25,616	\$ 2,587,941	1,049,134	105,075	10,472	1,164,681

Nonrecurring fair value measurements

Impairment losses are recognized for property and equipment, net when their carrying amounts exceed recoverable amounts. The Partnership categorized the fair value measurements for property and equipment, net as Level 3.

Please see the tables below for further details on valuation methodology and techniques and the associated key inputs utilized for the level 3 financial assets and liabilities.

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

Level 3 Continuity

The following table represents a reconciliation of Level 3 assets and liabilities for the period ended September 30, 2024:

Assets (in thousands)	Fair value at December 31, 2023	Purchases	Sales / distributions	Net realized gain (loss) on digital assets and investments	Net unrealized gain (loss) on digital assets and investments	Transfers in (out) of Level 3	Fair value at September 30, 2024
Digital assets	\$ 68,004	\$ 11,454	\$ —	\$ —	\$ 2,145	\$ (1,322)	\$ 80,281
Digital assets receivables	20,569	—	(1)	—	33,380	(3,962)	49,986
Investments	691,535	169,954	(242,578)	120,768	26,893	(5,047)	761,525
Total digital assets, digital assets receivables and investments	\$ 780,108	\$ 181,408	\$ (242,579)	\$ 120,768	\$ 62,418	\$ (10,331)	\$ 891,792

Liabilities	Fair value at December 31, 2023	Conversions	Revaluation	Fair Value at September 30, 2024
Embedded derivative - Notes payable	\$ 10,472	\$ —	\$ 15,144	\$ 25,616

Transfers in and out of Level 3 are considered to have occurred at the beginning of the period in which the transfer occurred. For the nine months ended September 30, 2024, gross transfers into Level 3 for digital assets and digital asset receivables were \$0.4 million due to underlying token launches of contracts and restricted staking rewards earned. Gross transfers out of Level 3 for digital assets and digital assets receivables were \$5.7 million and due to vesting of digital assets as expected. For the nine months ended September 30, 2024, transfers out of Level 3 Investments relate to conversion of convertible notes upon emergence from bankruptcy during the period.

The following table represents a reconciliation of Level 3 assets and liabilities for the year ended December 31, 2023:

Assets (in thousands)	Fair value at December 31, 2022	Purchases	Sales / distributions	Net realized gain (loss) on digital assets and investments	Net unrealized gain (loss) on digital assets and investments	Transfers in (out) of Level 3	Fair Value at December 31, 2023
Digital assets	\$ —	\$ —	\$ —	\$ —	\$ 65,073	\$ 2,931	\$ 68,004
Digital assets receivables	16,054	200	—	—	17,101	(12,786)	20,569
Investments	582,563	56,655	(95,808)	43,993	91,910	12,222	691,535
Total digital assets, digital assets receivables and investments	\$ 598,617	\$ 56,855	\$ (95,808)	\$ 43,993	\$ 174,084	\$ 2,367	\$ 780,108

Liabilities (in thousands)	Fair value at December 31, 2022	Conversions	Issuance	Revaluation	Fair Value at December 31, 2023
Embedded derivative - Notes payable	\$ 868	\$ —	\$ —	\$ 9,604	\$ 10,472

Transfers in and out of Level 3 are considered to have occurred at the beginning of the period in which the transfer occurred. For the year ended December 31, 2023, gross transfers into Level 3 for digital assets and digital assets receivable were \$9.5 million due to underlying token launches of contracts held. Gross transfers out of Level 3 digital assets receivable were \$19.4 million due to vesting of digital assets as expected. For the year ended December 31, 2023, total transfers in and out of Level 3 for investments were \$18.5 million and \$6.3 million, respectively. Transfers in and out relate to reclassification of assets during the year.

The carrying values of the Partnership's cash and cash equivalents, receivable for digital asset trades, assets posted as collateral (cash component only), receivables, due to/from related parties, loans receivable, accounts payable and accrued liabilities, payables to customers, and payable for digital asset trades approximate fair value due to their short maturities. The carrying value of the Partnership's lease liability is measured as the present value of the discounted future cash flows.

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

Quantitative Information for certain Level 3 Assets and Liabilities

Financial instrument	Fair value at September 30, 2024 (in thousands)	Significant unobservable inputs	Range
Digital assets	\$80,281	Marketability discount	4.4% - 93.0%
Digital assets receivables	\$49,986	Marketability discount	4.4% - 67.0%
Investments	\$761,525	Control discount	0% - 10.0%
		Market adjustment discount	1.1% - 90.0%
		Market adjustment premium	15.0% - 75.0%
		Marketability discount	2.8% - 40.0%
		Time to liquidity event (years)	1.3 - 5.0
		Annualized equity volatility	90.0%
		Risk free rate	2.7% - 4.5%
		Expected dividend payout ratio	0.0%
		EV to LTM revenue multiple	2.5x - 16.8x
		EV to projected revenue multiple	3.0x - 7.5x
		EV to annualized revenue multiple	3.5x - 8.0x
		EV to LTM volume multiple	3.0x
		EV to ARR	9.1x
		Price / tangible book value	1.5x
		EV to projected EBITDA	10.0x - 18.0x
		Recovery percentage	4.9% - 100.0%
Embedded derivative - notes payable	\$25,616	Volatility	72.0%
		Time-Step (years)	0.004
		Risk free rate	3.6%

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

Financial Instrument	Fair Value at December 31, 2023 (in thousands)	Significant Unobservable Inputs	Range
Digital assets	\$68,004	Marketability discount	3.3% - 59.4%
Digital assets receivables	\$20,569	Marketability discount	6.1% - 74.4%
Investments	\$691,535	Control discount	7.5% - 20.0%
		Market adjustment discount	17.7% - 80.0%
		Market adjustment premium	35.0%
		Marketability discount	5.68% - 40.0%
		Time to liquidity event (years)	2.0 - 5.0
		Annualized equity volatility	90.0%
		Risk free rate	2.7% - 4.7%
		Expected dividend payout ratio	0.0%
		EV to LTM revenue multiple	2.0x - 12.0x
		EV to projected revenue multiple	2.0x - 8.0x
		EV to volume multiple	5.5x
		Recovery percentage	120.1%
		Claims percentage	68.0%
Embedded derivative - notes payable	\$10,472	Volatility	67.0%
		Time-Step (years)	0.004
		Risk free rate	4.0%

As indicated above, certain of the Level 3 assets had adjustments applied to the prices used to determine fair value. A change in unobservable inputs may have a significant impact on partners' capital.

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

Valuation Techniques

The following tables summarize the valuation techniques and significant inputs used in the fair value measurement of the Partnership's digital assets, embedded derivatives and investments as of September 30, 2024 and December 31, 2023, respectively.

Category	Valuation Methods & Techniques	Key Inputs
Digital assets and digital assets receivables	<ul style="list-style-type: none"> Black-Scholes option pricing model for discount for lack of marketability 	<ul style="list-style-type: none"> Market prices (volume-weighted or primary market) Selected volatilities of the subject digital assets Vesting period Risk-free rate Dividend yield
Investments	<ul style="list-style-type: none"> Adjusted book value Adjusted net assets method Black-Scholes model or other option pricing models Backsolve method in an option pricing model framework Calibration Marketability adjustments Guideline public company method Comparable transactions method Prior transactions method Control adjustments Recovery analysis Scenario analysis Probability-weighted expected return Indexation method Sum-of-the-parts 	<ul style="list-style-type: none"> Net assets of subject entity Changes in the valuations of private company valuations, equity values of public companies and values of traded digital assets or other market data Selected discount for lack of marketability Prior prices of subject investment Expected time to exit Volatility Risk-free rate Expected dividend payout ratio Market adjustment Enterprise or equity multiples to various metrics (users, revenue, net income, ARR etc.) Prior prices of subject investment Broker quotes Market adjustment Selected discounts for lack of control Recovery percentage/rates Scenario outcomes Scenario probabilities Changes in the valuations of private company valuations, equity values of public companies and/or values of traded digital assets Public closing price Combination of the above methods and inputs may be considered
Embedded derivative - notes payable	<ul style="list-style-type: none"> Monte Carlo model 	<ul style="list-style-type: none"> Time-step Volatility Risk-free rate

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into, causing the other party to incur a financial loss. The Partnership's cash and cash equivalents, digital assets not self-custodied, receivables, receivable for digital asset trades, prepaid assets, assets posted as collateral, and loans (including digital asset loans) receivable are exposed to credit risk.

Centralized and Decentralized Platforms

The Partnership limits its credit risk by placing its cash and cash equivalents and digital assets with high credit quality financial institutions and with digital asset trading platforms on which the Partnership has performed internal due diligence procedures. The Partnership deems these diligence procedures necessary, as some platforms are not subject to regulatory oversight. As of September 30, 2024 in addition to cash at banks, the Partnership held \$65.8 million of cash at brokers (December 31, 2023 - \$199.6 million) and \$76.2 million of cash on trading platforms (December 31, 2023 - \$24.9 million).

Furthermore, certain centralized digital asset trading platforms engage in the practice of commingling their clients' assets in the platform's wallets. When digital assets are commingled, transactions are not recorded on the applicable blockchain ledger and are only recorded by the platform operator. Therefore, there is risk around the occurrence of transactions or the existence of period end balances represented by the platforms. Certain decentralized digital asset trading platforms allow users to borrow digital assets deposited by other users. Although these borrowings are on over-collateralized terms and are subject to automatic liquidation if the value of the collateral decreases to a certain threshold, there is an element of credit risk present on balances held on such decentralized platforms. The Partnership's due diligence procedures around digital asset trading platforms include, but are not limited to, internal control procedures around on-boarding new platforms which includes review of the platforms' anti-money laundering ("AML") and know-your-client ("KYC") policies by the Partnership's chief compliance officer (centralized platform specific); obtaining a security report by an independent third-party, if available; regular review of market information specifically regarding the trading platforms' security and solvency risk, including reviewing wallets that interact with decentralized platforms (decentralized platform specific); setting balance limits for each platform account based on risk exposure thresholds and preparing daily asset management reports to ensure limits are being followed; and having a fail-over plan to move cash and digital assets held on a platform in instances where risk exposure significantly changes.

The Partnership conducts digital asset trades on both a direct principal to principal transaction basis, as well as with counterparties and with centralized or decentralized platforms. Digital assets held on centralized platforms are subject to the custody practices of the platform operators and could potentially be lost or impaired due to theft, fraud or negligence of the platform operators. Digital assets held on decentralized platforms could potentially be lost or impaired due to exploits of smart contracts. The Partnership mitigates these risks by performing regular reviews of each platform it transacts on, distributing its digital assets across multiple platforms to reduce concentration risk, and holding assets in self-custody where appropriate. As of September 30, 2024, approximately \$1.4 billion of the Partnership's digital assets were held with counterparties such as centralized trading platforms, third-party lenders or associated with decentralized finance protocols (December 31, 2023 - \$472.6 million). One such platform individually held 10% or more of the Partnership's digital assets as of September 30, 2024, holding approximately 16% (December 31, 2023 - One held 12%).

Receivables

The Partnership limits its credit risk with respect to its loans receivable, digital asset loans receivable, prepaid assets, receivables, receivables for digital asset trades, and digital assets receivables by transacting with credit worthy counterparties that are believed to have sufficient capital to meet their obligations as they come due and, with regards to OTC and Master Loan Agreement counterparties for the trading business, on which the Partnership has satisfactorily performed the relevant AML and KYC procedures, and requiring the posting of collateral, if deemed necessary. As of each reporting period, the Partnership assesses if there are expected credit losses requiring recognition of a loss allowance. As of September 30, 2024 and subsequently, the Partnership does not expect a material loss on any of its loans or collateral receivable. The Partnership is also subject to concentrations of credit risk related to its loans (including digital asset loans) receivable. As of September 30, 2024, two counterparties and their related parties collectively accounted for 39% of the Partnership's total loans receivable and digital asset loans receivable. The loans with these counterparties were supported by collateral valued from more than 115% to more than 140% of the outstanding loan balances. While the Partnership intends to only transact with counterparties or trading platforms that it believes to be creditworthy, there can be no assurance that a counterparty will not default and that the Partnership will not sustain a material loss on a transaction as a result.

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

Derivative-related credit risk

Credit risk from derivative transactions is generated by the potential for the counterparty to default on its contractual obligations when one or more transactions have a positive market value to the Partnership.

The Partnership manages derivative-related credit risk by transacting with counterparties that have gone through an internal due diligence approval process and requiring the posting of collateral, if deemed necessary. The Partnership has also established mark-to-market provisions in its agreements which provide it with the right to request that the counterparties pay down or collateralize the current market value of their derivatives when the value exceeds a specified amount.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. General interest rate fluctuations may have an impact on the Partnership's investment opportunities, primarily within its asset management segment. An increase in interest rates may make it more expensive to utilize a leverage facility in the future to make investments. To the extent the Partnership invests in debt instruments, interest rate changes may affect the value of the instrument indirectly in the case of fixed rate obligations, or directly in the case of adjustable rate instruments. In general, rising rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price. Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules. Adjustable rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). Interest rate changes would also affect the Partnership's ability to earn interest income or borrow at variable rates. The Partnership's digital assets loans receivable and payable (Note 9) and fiat loans receivable and payable (Note 10) are generally callable on demand or have a short maturity. As of September 30, 2024, the Partnership's exposure to interest rate risk is limited.

Liquidity Risk

Liquidity risk is the risk that the Partnership will not be able to meet its financial obligations as they come due, as well as the risk of not being able to liquidate assets at reasonable prices. The Partnership manages liquidity risk by maintaining sufficient cash balances to enable settlement of its liabilities. Accounts payable and accrued liabilities, other than accrued compensation, and payables for digital asset trades generally have maturities of 30 days or less or are due on demand. Digital assets loan payable are payable on 5 to 20 business days' notice or at the end of a set term unless renewed. The Partnership intends to manage its short-term liquidity needs through its available cash balance and cash inflows from its ongoing business activities. In addition as of September 30, 2024, 90% of the Partnership's digital assets portfolio was in liquid, actively traded digital assets which can be readily converted to cash at reasonable prices in short order (December 31, 2023 - 81%), and 90% of the Partnership's investments classified as current represent actively traded common stock which can be readily converted to cash.

The Partnership had short-term fiat and digital asset margin loans payable with counterparties which were utilized for trading activities. The loans are callable on demand by the counterparties and are collateralized by the Partnership's cash, investment securities, and digital assets held in the Partnership's trading accounts at counterparties' trading platforms. As of September 30, 2024, no individual counterparty accounted for greater than 5% of the Partnership's total current liabilities. The Partnership also utilizes decentralized finance protocols to access liquidity on a fully collateralized basis. These protocols generally require the Partnership to maintain sufficient collateral of 100 to 140% of the loan value for the duration of its borrowings.

Foreign Currency Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. To the extent these financial instruments are unhedged or not adequately hedged, the value of the Partnership's financial instruments may fluctuate with exchange rates. The value of the financial instruments may therefore be unfavorably affected by fluctuations in currency rates and exchange control regulations. For the period ended September 30, 2024, the Partnership minimized exposure to foreign currencies by entering into foreign currency derivative instruments.

Market Risk

Market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether caused by factors specific to an individual investment, its issuer, or factors affecting all instruments traded in a market or market segment. All investments present a risk of loss of capital. The maximum risk resulting from financial instruments is equivalent to their fair value. The Partnership's investments are also

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

susceptible to market risk arising from uncertainties about future prices of the instruments. The Partnership moderates this risk through various investment strategies within the parameters of the Partnership's investment guidelines.

As of September 30, 2024, management's estimate of the effect on equity of a +/- 20% change in the market prices of the Partnership's investments and investments sold short, with all other variables held constant, was +/- \$227.8 million (December 31, 2023 - \$142.0 million).

Digital Asset Risk

Digital assets are measured at fair value less cost to sell. Digital asset prices are affected by various forces including global supply and demand, interest rates, exchanges rates, inflation or deflation, and political and economic conditions.

The profitability of the Partnership is related to the current and future market price of digital assets; in addition, the Partnership may not be able to liquidate its inventory of digital assets at its desired price, if necessary. Investing in digital assets is speculative, prices are volatile, and market movements are difficult to predict. Supply and demand for such assets change rapidly and are affected by a variety of factors, including regulation and general economic trends. Digital assets have a limited history, and their fair values have historically been volatile. The value of digital assets held by the Partnership could decline rapidly. A decline in the market prices of digital assets could negatively impact the Partnership's future operations. Historical performance of digital assets is not indicative of their future performance.

Many digital asset networks operate as decentralized, end-user-to-end-user networks that maintain a public transaction ledger (blockchain) and open-source code that defines the cryptographic and algorithmic protocols governing the network. In digital asset transactions, the buyer (or recipient) typically provides a wallet address - a public identifier derived from a public key - to the seller (or sender) to receive assets. To confirm and authorize a transaction, each party uses a unique digital signature, generated by applying the private key to the transaction data through a digital signature algorithm. This signature serves as proof that the transaction is authorized by the owner of the digital asset, without revealing the private key. This process, while secure by design, is susceptible to certain risks. Specifically, if a private key is exposed due to phishing attacks, malware, insecure storage practices, or other forms of hacking, unauthorized access to digital wallets can occur, resulting in potential theft of the Partnership's digital assets.

Digital assets have limited regulations and there is no central marketplace for exchange. Supply is determined by a computer code, not a central bank. Additionally, digital asset trading platforms may suffer from operational issues, such as delayed execution, that could have adverse effects on the Partnership.

The digital asset trading platforms on which the Partnership may trade are relatively new and, in many cases, largely unregulated. They, therefore, may be more exposed to fraud and failure than regulated exchanges for other assets.

Any financial, security, or operational difficulties experienced by such digital asset trading platforms may result in an inability of the Partnership to recover money or digital assets being held on the trading platform. Further, the Partnership may be unable to recover digital assets awaiting transmission into or out of the Partnership, all of which could adversely affect an investment of the Partnership. Additionally, to the extent that the digital asset trading platforms representing a substantial portion of the volume in digital asset trading are involved in fraud or experience security failures or other operational issues, such digital asset trading platforms' failures may result in loss or less favorable prices of digital assets, and may adversely affect the Partnership, its operations and its financial condition.

As of September 30, 2024, management's estimate of the effect on equity of a +/- 20% change in the market prices of the Partnership's digital assets, net excluding stablecoins, investment vehicles designed to hold digital assets and digital asset derivatives, with all other variables held constant, was +/- \$123.0 million (December 31, 2023 - \$141.8 million).

24. CAPITAL MANAGEMENT

The Partnership's objectives when managing capital are to safeguard its ability to continue as a going concern, to meet the capital needs of its ongoing operations, and to maintain a flexible capital structure which optimizes the cost of capital. The Partnership considers current economic conditions as well as the risk profile of its portfolio and overall business when managing its capital structure. The Partnership has an ongoing process whereby actual expenditures and cash needs are compared against budgets to ensure that there is sufficient capital on hand to meet ongoing obligations. As of September 30, 2024 and December 31, 2023, the Partnership had \$2.1 billion and \$1.8 billion in equity, respectively. The Partnership has the flexibility to acquire or dispose of assets and to issue debt or equity to adjust its capital structure in the future. The Partnership is not subject to externally imposed capital requirements other than the minimum net capital requirement for its broker dealer of

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

\$0.1 million. There were no changes to the Partnership's approach to capital management during the period ended September 30, 2024.

25. COMMITMENTS AND CONTINGENCIES

Leases

As of September 30, 2024, the Partnership has lease commitments payable as follows:

(in thousands)	Rent Due
2024	1,537
2025	4,966
2026	2,789
2027	2,572
2028	2,572
2029 and beyond	429
Total	\$ 14,865

For the three and nine months ended September 30, 2024, the Partnership recognized interest expense on the lease liability of \$0.3 million and \$1.0 million, respectively (September 30, 2023 - \$0.3 million and \$1.3 million respectively) which was recorded within interest expense.

Investment and loan commitments

As of September 30, 2024, the Partnership had a commitment to 7 investment funds to fund up to \$76.2 million, of which \$1.1 million was funded subsequent to period end.

As of September 30, 2024 and December 31, 2023, the Partnership had outstanding credit facilities to counterparties totaling \$65.0 million and \$20.0 million, respectively. These credit facilities are supported by counterparties' assets of which \$5.3 million was funded.

Customer digital assets

In addition to the payables to customers reflected in the condensed consolidated interim statements of financial position as of September 30, 2024, the Partnership held \$26.5 million (December 31, 2023 - \$19.3 million) of digital assets, on behalf of its prime brokerage customers and managed commodity pools, which are not included in the condensed consolidated interim statements of financial position as the Partnership does not have control of the assets.

Mining commitments

During the nine months ended September 30, 2024, the Partnership entered into power purchase agreements for its mining operation in Texas, resulting in obligations of approximately \$0.3 million which are scheduled to expire by December 2024.

Other

The Partnership has provided standard representations for agreements and customary indemnification for claims and legal proceedings. Insurance has been purchased to mitigate certain of these risks. Generally, there are no stated or notional amounts included in these indemnifications and the contingencies triggering the obligation for indemnification are not expected to occur. Furthermore, counterparties to these transactions often provide comparable indemnifications. The Partnership is unable to develop an estimate of the maximum payout under these indemnifications for several reasons. In addition to the lack of a stated or notional amount in a majority of such indemnifications, it is not possible to predict the nature of events that would trigger indemnification or the level of indemnification for a certain event. The Partnership believes, however, that the possibility of making any material payments for these indemnifications is remote. As of September 30, 2024 and December 31, 2023, there was no liability accrued under these arrangements.

In the ordinary course of business, the Partnership and its subsidiaries may be threatened with, named as defendants in, or made parties to pending and potential legal actions. Except as discussed below, the Partnership does not believe that the ultimate outcome of these and any outstanding matters will have a material effect upon our business, results of operations or financial condition.

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

We are currently in the process of responding to inquiries from U.S. regulators which, in some cases, may implicate our compliance with U.S. securities laws. In particular, members of the staff of the SEC's Division of Enforcement have raised whether certain of the digital assets that we trade are securities and therefore such trading activities should be conducted through a registered entity. Discussions with the SEC staff are ongoing and we have not received notice stating that the staff has made a determination to recommend enforcement action to the SEC. We believe there are good defenses to any assertion that our activities implicate entity registration requirements. It is premature to predict the potential outcome of these discussions and any potential impact on our business, results of operations or financial condition. In addition, the staff of the SEC's Division of Enforcement has also raised whether off-channel communications were appropriately captured. Discussions with the SEC staff are ongoing.

Financial Support of GDH Ltd.

In accordance with the LPA, the Partnership will reimburse or pay for all reasonably incurred expenses, excluding tax, in the conduct of GDH Ltd.'s business (Note 5).

Tax Distributions

The LPA allows the Partnership to make distributions, as and when determined by the General Partner in its sole discretion, so as to enable unit holders to pay anticipated taxes with respect to allocated Partnership taxable income and/or gains. Amounts distributed pursuant to the tax distribution provision are treated as an advance against, and reduce (on a dollar for dollar basis), future amounts that would otherwise be distributable to such limited partners. The LPA provides that the value of any tax distribution made shall not exceed 25% of the Partnership's market capitalization determined at the time the General Partner determines to make such distribution.

During the quarter ended September 30, 2024, the Partnership paid tax distributions of \$9.6 million.

In December 2021, the Partnership contributed approximately \$523.0 million into wholly-owned subsidiaries through which the Partnership is operating bitcoin mining activities and exploring ways to operate other qualified digital assets and blockchain-related activities, in qualified opportunity zones. The qualified opportunity zone program was established by Congress under the Tax Cuts and Jobs Act of 2017 to encourage long-term investments in low-income urban and rural communities nationwide, and through which taxpayers may defer eligible capital gains provided they meet the program's requirements. In December 2026, the Partnership will be required to recognize capital gains on 90% of the contributed amount for U.S. Federal tax purposes, which will be allocated to its partners in accordance with their ownership interests at that time. As such depending on facts and circumstances at that time, the Partnership may be required to make additional tax distributions to its partners, including GDH Ltd. In July 2024, the Company contributed an additional \$20.0 million into wholly-owned subsidiaries through which the Company is operating bitcoin mining activities in qualified opportunity zones.

26. INCOME TAXES

GDH LP is a Cayman exempted limited partnership treated as a partnership for U.S. Federal tax purposes, and as such, income taxes are generally the responsibility of the partners through an allocation of GDH LP's taxable income (loss), and not that of GDH LP. GDH LP is subject to a 4.0% entity level New York City unincorporated business tax ("UBT") on income allocated or apportioned to New York City. Foreign corporate subsidiaries are generally subject to taxes in the foreign jurisdictions where they are located. Accordingly, no provision for income taxes has been recorded in the condensed consolidated interim financial statements other than for GDH LP's UBT obligation and for the entities in the consolidated GDH LP group subject to income taxes in the local jurisdictions in which they operate. The allocation of taxable income to members may vary substantially from net income reported in the condensed consolidated interim financial statements.

Galaxy Digital Holdings LP

Notes to the Condensed Consolidated Interim Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in US Dollars - unaudited)

The following table represents income tax recognized in the condensed consolidated interim statements of income (loss) and comprehensive income (loss) for the three and nine months ended September 30, 2024 and September 30, 2023:

(in thousands)	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Current income tax expense	\$ (8,434)	\$ 874	\$ (7,476)	\$ 5,423
Deferred income tax expense	(11)	(4,114)	(4,185)	(4,837)
Income taxes expense	\$ (8,445)	\$ (3,240)	\$ (11,661)	\$ 586

The effective income tax rate of 13.6% and (6.5)% for the three and nine months ended September 30, 2024, was generally higher, and lower, respectively, than the Cayman Island statutory rate of 0.0% due to the entity level UBT tax imposed by New York City and higher tax rates in certain jurisdictions where the Partnership's foreign corporate subsidiaries operate. The effective income tax rate for the three months ended September 30, 2024 was 13.6%, compared to 3.3% for the three months ended September 30, 2023. The effective income tax rate for the nine months ended September 30, 2024 of (6.5)% was generally higher than the effective income tax rate for the nine months ended September 30, 2023 of (11.8)% primarily due to changes in the jurisdictional mix of earnings.