

galaxy

Galaxy Digital Holdings Ltd.
Management's Discussion and Analysis

For the Years Ended December 31, 2024 and December 31, 2023

March 27, 2025

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Introduction

This Management's Discussion and Analysis ("MD&A"), dated March 27, 2025, relates to the financial condition and results of operations of Galaxy Digital Holdings Ltd. ("GDH Ltd." or together with its consolidated subsidiaries, the "Company"), is intended to supplement and complement the Company's consolidated financial statements for the year ended December 31, 2024. The Company's only significant asset is a minority interest in Galaxy Digital Holdings LP ("GDH LP" or the "Partnership"), an operating partnership that 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 (see Overview section). GDH LP has separately filed its consolidated financial statements and MD&A for the year ended December 31, 2024, which are available on the Company's SEDAR+ profile at www.sedarplus.ca. **The Company's MD&A should be read in conjunction with GDH LP's consolidated financial statements and MD&A. The Company has included GDH LP's MD&A as an appendix to this MD&A.**

This MD&A, when read in conjunction with GDH LP's MD&A, was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. The consolidated financial statements and MD&A are presented in U.S. dollars, unless otherwise noted and have been prepared in accordance with IFRS Accounting Standards. The results presented for the year ended December 31, 2024 are not necessarily indicative of the results that may be expected for any future period.

The Company's certifying officers, based on their knowledge and, having exercised reasonable diligence, are responsible to ensure that the financial statements and MD&A do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the periods covered by these filings, and the financial report together with the other financial information included in these filings fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented in these filings.

In this MD&A, a reference to "Galaxy", "we", "us", "our" and similar words refer to the Company, GDH Ltd., its subsidiaries and affiliates, or any one of them, as the context requires.

Cautionary Note Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and "forward-looking information" under Canadian securities laws (collectively referred to herein as "forward-looking statements"). These forward-looking statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans," "expects," "budget," "scheduled," "estimates," "continues," "forecasts," "projects," "predicts," "intends," "anticipates," "believes," or "seeks," or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may," "could," "would," "should," "might," or "will" be taken, occur or be achieved. The forward-looking statements contained in this MD&A are based on our current expectations and beliefs concerning future developments and their potential effects on us taking into account information currently available to us. There can be no assurance that future developments affecting us will be those that we have anticipated. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. Our forward-looking statements include, but are not limited to, statements regarding our or our management team's expectations, hopes, beliefs, intentions or strategies regarding the future, including statements about Galaxy's pre-released financial information, Galaxy Asset Management's strategy to scale, Galaxy's exchange-traded funds products, Galaxy Digital Infrastructure Solutions' strategy to scale, including the Lease Agreement (as defined below) and the expansion into the artificial intelligence ("AI")/high-performance computing ("HPC") data center business, Assets Under Stake and its go-forward strategy, the focus on emerging areas of blockchain infrastructure, staking, market and industry outlook, including the adoption and utilization of blockchain technology, decentralized finance technologies, and digital asset protocols, geopolitical events, the velocity of development of new digital asset regulations, market-wide liquidity problems, prospective regulation or approvals, our ability to complete the Reorganization (as defined below), domestication and related transactions (the "Transactions"), the impact of qualified opportunity zones on future distributions, reduction in available credit or expectations regarding the industry, company performance and plans, or remediation plans. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks include, but are not limited to: (1) risks related to retrofitting our Helios campus from bitcoin mining operations to AI/HPC data center infrastructure and operations,

including the timing of construction and its impact on lease revenue; (2) any inability or difficulty in obtaining financing for the expansion into the AI/HPC data center business on acceptable terms or at all; (3) changes to AI/HPC data center infrastructure needs and the impact on future plans at the Helios campus; (4) risks associated with the leasing business, including those associated with the Lease Agreement and other counterparties; the inability to complete the Transactions, due to the failure to obtain shareholder and stock exchange approvals, or otherwise; (5) changes to the proposed structure of the Transactions that may be required or appropriate as a result of applicable laws or regulations or as a condition to obtaining shareholder or stock exchange approval of the Transactions; (6) the ability to meet and maintain listing standards following the consummation of the Transactions; (7) the risk that the Transactions disrupt current plans and operations; (8) costs related to the Transactions, operations and strategy; (9) changes in applicable laws, regulations or legal proceedings; (10) the possibility that the Company may be adversely affected by other economic, business, and/or competitive factors; (11) changes or events that impact the cryptocurrency industry, including potential regulation, that are outside of our control; (12) the risk that our business will not grow in line with our expectations or continue on its current trajectory; (13) the possibility that our addressable market is smaller than we have anticipated and/or that we may not gain share of it, which could impact revenue and resources; (14) the risk that revenue or expense estimates may not be met or may be materially less or more than those anticipated; (15) the possibility that Galaxy Asset Management does not achieve its goals with respect to its strategies; (16) the possibility that there is a disruption in bitcoin mining impacting our ability to achieve expected results and strategy, (17) the failure to otherwise complete the anticipated transactions with respect to the Lease Agreement, (18) the risk that lending counterparties default and risk related to digital asset platforms where our assets are maintained; (19) price and trading volume volatility with respect to the ordinary shares of Galaxy Digital Holdings Ltd.; (20) regulatory concerns, technological challenges, cyber incidents or exploits on decentralized networks; (21) any impact on our operating results and financial condition due to market-wide liquidity problems and instability in the global banking system; (22) any impact to our operations from global conflict and effect on global economic markets; and (23) those other risks contained in the Annual Information Form (“AIF”) for the year ended December 31, 2024 available on the Company's profile at www.sedarplus.ca and described in this MD&A.

Factors that could cause actual results of the Company to differ materially from those described in such forward-looking statements include, but are not limited to, a decline in the digital asset market or general economic conditions; the possibility that our addressable market is smaller than we have anticipated and/or that we may not gain share of the stated addressable market; the failure or delay in the adoption of digital assets and the blockchain ecosystem; a delay or failure in developing infrastructure for our business or our businesses achieving mandates; delays or other challenges in the bitcoin mining business or the expansion into the AI/HPC data center business related to hosting, power, financing or construction, or our ability to capture potential adjacent opportunities ; any challenges faced in achieving asset management goals; any challenges faced with respect to decentralized networks or other digital asset platforms on which our assets are maintained; considerations with respect to liquidity and capital planning; the impact of new and ongoing global conflicts and their effect on global economic markets; and changes in applicable law or regulation and adverse legal and regulatory developments. Readers are cautioned that such risk factors, uncertainties and other factors are not exhaustive. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. The forward-looking statements in this MD&A are applicable only as of the date of this MD&A or as of the date specified in the relevant forward-looking statement. The Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by applicable securities laws. Investors are cautioned that forward-looking statements are not guarantees of future performance and are inherently uncertain. Accordingly, investors are cautioned not to put undue reliance on forward-looking statements.

Overview

The Company is a holding company and its primary asset is a minority interest in GDH LP. GDH LP 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. GDH LP is primarily focused on digital assets and blockchain technology, and how these technological innovations will alter the way we store and transfer value. The Company’s principal address is 300 Vesey Street, New York, New York 10282.

The Partnership is a limited partnership formed under the laws of the Cayman Islands on May 11, 2018. Galaxy Digital Holdings GP LLC (“GDH GP” or the “General Partner”) is a limited liability company incorporated under the laws of the Cayman Islands on July 26, 2018 and serves as the General Partner of the Partnership. Galaxy Group Investments LLC, a Delaware limited liability company owned by Michael Novogratz, the Chief Executive Officer (“CEO”) of the Company, is the sole member of GDH GP and continues to be the majority owner of the Partnership as of December 31, 2024. The Partnership is headquartered in New York City, with global offices across North America, Europe, and Asia.

As at December 31, 2024, the Partnership had 528 full-time employees.

Limited Partnership Agreement

The key terms of the Limited Partnership Agreement (the "LPA") are consistent with those disclosed in the Company's audited financial statements for the year ended December 31, 2024.

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 year ended December 31, 2024, the Partnership paid tax distributions of \$55.3 million.

The foregoing summary is qualified in its entirety by the full text of the LPA which is available on GDH Ltd.'s SEDAR+ profile at www.sedarplus.ca.

Accounting for the Investment by GDH Ltd.

GDH Ltd. is deemed to have significant influence over GDH LP as it owns more than 20% of GDH LP and it has representation on the board of the General Partner of the Partnership. As a result, the Company accounts for its investment in the Partnership under the equity method.

As the Company's interest in GDH LP is based on its proportional ownership of the Class A Units, the Company performs regular assessments to determine whether its economic and voting interests result in control of GDH LP. The Company receives additional Class A Units of the Partnership upon exchange of Class B Units of the Partnership for ordinary shares of the Company and upon issuance of new shares on exercise of options and restricted share units. Under IFRS accounting guidance, an investor controls an investee if and only if the investor has all of the following:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the investor's returns.

While there are many factors that need to be considered for the evaluation of control, an important factor would be when GDH Ltd. obtains the ability to replace the general partner.

Description of Business

The Partnership manages and reports its activities in the following operating businesses: Global Markets, Asset Management and Digital Infrastructure Solutions. Refer to Note 22 of the Partnership's consolidated financial statements for further information on reportable segments.

Global Markets

Galaxy Global Markets ("GGM") provides comprehensive financial products and services to a diversified client base, including institutions and Qualified Individuals¹ within the digital asset ecosystem. GGM offers institutional-grade expertise and access to a broad range of digital asset products, including digital asset spot and derivatives trading, financing, capital markets and M&A advisory services.

GGM currently operates as two discrete businesses – Trading and Investment Banking.

The Partnership's Trading² business provides services to 315 global active counterparties as of December 31, 2024 and provides liquidity on a principal basis across a variety of centralized and decentralized trading platforms, and over-the-counter markets globally. Through GGM, counterparties can access digital asset spot and derivative trading, bespoke lending, and structured products. GGM also engages in proprietary quantitative, arbitrage and macro trading strategies.

¹ "Qualified Individuals" are Eligible Contract Participants (as defined by the Commodities Exchange Act in the U.S.), knowledgeable employees of the Partnership and accredited investors, who are usually high net worth individuals.

² Trading operates primarily through Galaxy Digital LLC, its subsidiaries and certain other affiliates including Galaxy Derivatives LLC ("GDL") (which has submitted to the National Futures Association ("NFA") the forms necessary to register as a CFTC-regulated swap dealer).

Our Investment Banking³ business offers expert financial and strategic advisory services for the digital assets, Web3 and blockchain technology sector. The team provides specialized crypto expertise while offering an expansive suite of financial services to public and private clients globally. In particular, Investment Banking helps clients execute transactions, including M&A transactions and divestitures, provides restructuring advisory services and offers equity and debt capital markets services, including project financing.

Asset Management

Galaxy Asset Management (“GAM”)⁴ is a global asset management platform providing investors access to the digital asset ecosystem via a diverse suite of institutional-grade investment vehicles that span ETF and Alternative investment strategies.

GAM managed \$5.7 billion⁵ in assets as of December 31, 2024, a 9% increase year-over-year and 22% increase quarter-over-quarter. \$511.0 million of the \$5.7 billion of assets under management (“AUM”) represented engagements managed by GAM to unwind portfolios on behalf of the FTX estate. Excluding these opportunistic assets, GAM's AUM grew 66% year-over-year to \$5.2 billion as of December 31, 2024, driven by \$1.7 billion of gross inflows and \$1.9 billion of net market appreciation, partially offset by \$1.5 billion of gross outflows, and increased 22% quarter-over-quarter as of December 31, 2024, driven by \$213.0 million of gross inflows and \$1.2 billion of net market appreciation, partially offset by \$435.0 million of gross outflows. The business is strategically focused on scaling its ETF and Alternative investment strategies, while leveraging a regional partnership model, with premiere local investment managers around the world, to expand our global product reach.

GAM’s ETFs include a suite of passive and active products developed in partnership with leading asset managers across the U.S., Canada, Brazil and Europe. GAM’s passive ETFs feature regulated, spot digital asset ETFs, while its active ETFs provide exposure to digital assets and other disruptive technologies. GAM’s Alternative investment strategies encompass actively managed long-biased and long-short funds, and a venture franchise. GAM offers a Liquid Crypto Fund designed to provide access to both core and next generation digital assets and an Absolute Return Fund, launched in 2025, which employs a multi-asset strategy with long and short positions across the digital asset ecosystem and adjacent disruptive technologies. GAM's Venture franchise includes Galaxy Interactive, which invests at the intersection of content, technology and social commerce, with a focus on video games and the infrastructure powering immersive virtual worlds. Additionally, its inaugural crypto venture fund, which had an initial close of over \$100 million in summer 2024, targets early-stage investments in crypto protocols, software infrastructure, and financialized applications. The venture franchise also features two global, multi-manager venture funds and a subset of Galaxy's balance sheet venture investments.

GAM utilizes third party Qualified Custodians, as defined by the U.S. Investment Advisers Act of 1940, for third party funds it manages to maintain and safeguard client assets, which are segregated from the assets of the custodians. Where possible, as a further risk mitigation tool, GAM employs a multi-custodial model for fund assets and requires insurance from our custody providers. GAM utilizes Big Four audit firms to audit our funds and utilizes independent, unaffiliated fund administrators for all our funds.

Digital Infrastructure Solutions

Galaxy Digital Infrastructure Solutions (“GDIS”) focuses on developing, operating and investing in data center and digital asset infrastructure, including bitcoin mining, staking and self-custody technology.

GDIS includes our bitcoin mining operations, with a majority of our activity occurring at our flagship campus, Helios, in West Texas. As of December 31, 2024, GDIS' Hashrate Under Management⁶ was 6.1 exahash, with an average marginal cost to mine a bitcoin in 2024 of approximately \$26,000 per coin. The Helios campus currently supports 200 megawatts (“MW”) of capacity. In 2023, GDIS secured approvals to scale up to 800MW at Helios, and we expect additional approvals for a portion of an incremental 1.7 gigawatts currently under study in the first half of 2025.

As our bitcoin mining operations have expanded, so have the opportunities before us. There is growing demand for highly reliable power and data center infrastructure capacity to support accelerated artificial intelligence growth. To meet this increasing demand, subsequent to year end, Galaxy entered a 15-year lease agreement (the "Lease Agreement") with CoreWeave. As part of the agreement, Galaxy will deliver 133 MW of Critical IT Load to host CoreWeave’s HPC

³ Galaxy Investment Banking operates through Galaxy Digital Partners LLC, a FINRA registered broker-dealer, and Galaxy Digital Labs LLC.

⁴ Galaxy Asset Management includes Galaxy Digital Capital Management LP, a Securities & Exchange Commission (“SEC”) registered investment adviser.

⁵ AUM data is unaudited. AUM is inclusive of sub-advised funds, committed capital closed-end vehicles, seed investments by affiliates, affiliated and unaffiliated separately managed accounts, and fund of fund products. Changes in AUM are generally the result of performance, contributions, withdrawals, liquidations, and opportunistic mandate wins. AUM for committed capital closed-end vehicles that have completed their investment period is reported as NAV plus unfunded commitments. AUM for closed-end vehicles is reported as of the most recent quarter available for the applicable period. AUM for affiliated separately managed accounts, the balance sheet venture investments, is reported as NAV as of the most recently available estimate for the applicable period.

⁶ Hashrate Under Management is defined as the total combined hashrate of active proprietary and hosted mining capacity managed by Galaxy.

infrastructure at our Helios data center campus in the panhandle region of West Texas. Over the 15-year term, Galaxy is contractually entitled to an estimated \$4.5 billion of total revenue pursuant to the Lease Agreement.

In addition to mining and high-performance computing, the Partnership is also focused on emerging areas of blockchain infrastructure, including supporting the integrity of protocols and projects by operating validator nodes to secure blockchain networks, by supporting the development of emerging blockchain technologies and by offering self-custody technology solutions to institutional customers through GK8. Galaxy operates public mainnet infrastructure providing transaction validation services for the Ethereum, Solana, Celestia, Avalanche and SUI blockchain networks, among others, which allows holders of certain digital assets to participate in securing Proof of Stake networks and the consensus validation process, as well as earn staking rewards.

Risks and Uncertainties

In addition to the risks contained herein, the disclosures in this MD&A are subject to, and should be read in conjunction with, the risk factors outlined in the AIF, filed on the Company's SEDAR+ profile at www.sedarplus.ca, and in the Partnership's MD&A Risks and Uncertainties section.

Annual Highlights & Results

The following represents selected financial data and a discussion of significant changes.

<i>(in millions)</i>	December 31, 2024	December 31, 2023	December 31, 2022
Cash	\$ 1.8	\$ 0.8	\$ 10.0
Investment in associate	1,004.9	763.9	257.8
Receivable from associate	95.8	66.0	45.2
Total assets	1,121.3	875.2	394.3
Total liabilities	98.2	94.2	9.5
Shareholders' equity	1,023.1	781.0	299.3

<i>(in millions)</i>	Year ended		
	December 31, 2024	December 31, 2023	December 31, 2022
Operating expenses	\$ —	\$ —	\$ —
Equity income (loss) from associate	122.2	97.2	(334.0)
(Impairment) reversal of impairment on investment in associate	—	390.9	(252.5)
Income (loss) and comprehensive income (loss) for the period before taxes	130.7	493.2	(578.6)

- As the only significant assets of GDH Ltd. relate to its minority interest in and associated receivable from GDH LP, the Company's results are driven by the results of GDH LP. For additional information on the results of GDH LP, see Annual Highlights & Results, Performance by Reportable Segment, and the Financial Instruments, Digital Assets and Risk sections of GDH LP's MD&A, which is filed as an appendix to this MD&A. GDH Ltd. accounts for its investment in this associate, GDH LP, using the equity method. The investment, initially recorded at cost, is increased or decreased to recognize GDH Ltd.'s share of the earnings and losses of GDH LP. As of December 31, 2024, the investment in associate was \$1,004.9 million, an increase of \$241.0 million for the year ended primarily as a result of an additional investment in GDH LP, concurrent with the capital raise, and the Company's share of income from its investment in associate.
- As of December 31, 2024, total assets stood at \$1,121.3 million (December 31, 2023 - \$875.2 million), an increase of \$246.1 million for the year ended, driven by an additional investment in GDH LP, concurrent with the capital raise, and the Company's recognition of its share of income for the period from its investment in associate.
- The Company had no net and minimal gross operating expenses for the year ended December 31, 2024 and 2023. Gross operating expenses incurred for the year ended December 31, 2024 of \$3.2 million (December 31, 2023 - \$2.2 million) were reimbursed by GDH LP.
- The comprehensive income for the year ended December 31, 2024 was \$78.9 million (December 31, 2023 - \$454.8 million), a decrease of \$375.9 million for the year ended, primarily due to the reversal of impairment of investment

in associate during the year ended December 31, 2023, partially offset by an increase in the Company’s recognition of its share of income (loss) from its investment in GDH LP.

- As indicated in the Liquidity and Capital Resources section, the Company is dependent on financial support from GDH LP, which has the obligation to reimburse the Company for all reasonable operational expenses per the LPA.

Other

The following table summarizes Net income (loss) and comprehensive income (loss) for the past eight quarters:

(in millions)

Three months ended							
December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
\$ 34.8	\$ (16.4)	\$ (49.4)	\$ 110.0	\$ 371.6	\$ (68.8)	\$ 60.4	\$ 91.6

Discussion of Operations and Operational Highlights

The Company is a holding company and its primary investment is a minority interest in GDH LP. As the Company accounts for its investment under the equity method (i.e. initially recognizing the investment at cost and then subsequently increasing or decreasing the investment carrying value to recognize the Company’s share of earnings and losses of GDH LP and for impairment losses, if any), the results of GDH LP significantly impact the Company's performance. **For additional information on the operations and operational highlights and financial results of GDH LP, see Discussion of Operations and Operational Highlights and Results, and Annual Highlights & Results sections of GDH LP's MD&A, which is filed as an appendix to this MD&A.**

- **Helios**

Subsequent to year end, further to the term sheet announced in November 2024, Galaxy entered into the Lease Agreement with CoreWeave, one of the world’s leading providers of artificial intelligence and next-generation cloud services. As part of this agreement, Galaxy will deliver 133 MW of Critical IT Load to host CoreWeave’s AI infrastructure and HPC services.

- **Capital Raise and Debt Issuance**

In April 2024, GDH Ltd. raised C\$169.4 million from a syndicate of underwriters (the “Equity Raise”), led by Canaccord Genuity Corp. GDH Ltd. issued 12,100,000 ordinary shares pursuant to the Equity Raise. Galaxy is utilizing the net proceeds as intended for working capital and general corporate purposes.

In November 2024, Galaxy issued \$402.5 million, aggregate principal amount, of 2.500% exchangeable senior notes (the “2029 Exchangeable Notes”). The 2029 Exchangeable Notes will mature in 2029, unless earlier exchanged, redeemed, or repurchased. Interest on the 2029 Exchangeable Notes is payable semi-annually. The 2029 Exchangeable Notes had an initial exchange rate of 10,497.5856 ordinary shares of GDH Ltd. per US\$250,000 principal amount.

- **Acquisitions**

On July 18, 2024, the Partnership acquired the assets of Cryptomanufaktur LLC (“CMF”) for approximately \$12.4 million of cash and equity, inclusive of contingent consideration of approximately \$5.5 million payable by the Partnership if CMF achieves certain financial and operating targets by the end of 2026. CMF provides staking infrastructure, primarily on the Ethereum blockchain, as well as data oracle services. 359,919 ordinary shares were issued as initial consideration in connection with this acquisition. Subsequent to year end an additional 76,573 ordinary shares were issued for milestone consideration. An equivalent number of Class A Units of the Partnership were issued to the Company.

On December 9, 2024, the Partnership acquired all the shares of Fierce Technology, Inc. (“Fierce”) for \$12.5 million of cash and equity. Fierce provides financial application software to enable users' trading and banking services. 427,723 ordinary shares were issued in connection with this acquisition. An equivalent number of Class A Units of the Partnership were issued to the Company.

Corporate Overview

GDH Ltd. Reorganization and Domestication: On May 5, 2021, Galaxy announced that its board of directors approved a proposed reorganization and domestication (the “Reorganization”) of GDH Ltd. and the Partnership. Under the proposed terms of the Reorganization: GDH Ltd. and the Partnership will change their jurisdiction of incorporation from the Cayman Islands to the state of Delaware. Galaxy’s corporate and capital structure will be reorganized so as to normalize it on the basis of frequently used Up-C structures in the U.S. The Reorganization is subject to ongoing SEC review and stock exchange approval and will include the following steps:

- Galaxy Digital Inc. (“PubCo”), a new Delaware holding company, has been established and will become the successor public company of GDH Ltd., with all outstanding Galaxy ordinary shares becoming Class A shares of PubCo.
- Michael Novogratz, the Chief Executive Officer (the “CEO”) and founder of Galaxy, who currently controls the General Partner of the Partnership, will transfer control of the Partnership’s General Partner to PubCo.
- PubCo will issue new voting securities to the CEO and other holders of Class B Units of the Partnership that will entitle them to vote (but not hold any economic rights) at the PubCo level, as though they had converted their existing Class B Units of the Partnership for shares of PubCo.
- The “variable voting rights” attached to the ordinary shares of Galaxy that currently restrict the aggregate votes that may be cast by U.S. shareholders will be eliminated.
- PubCo intends to apply to list its Class A common stock on Nasdaq under the symbol “GLXY.”

The purpose and business reasons for the Reorganization include:

- Expectation of enhanced shareholder value through increased access to U.S. capital markets, improved flexibility for future equity and debt capital market needs, and an increased profile for Galaxy in the U.S.
- Normalization of Galaxy's corporate and capital structure.
- Facilitation of any future acquisitions.
- Simplification of the equity structure and alignment of all stakeholders' interests at the PubCo level.

Financial Instruments and Other Risk

The Company is directly exposed to minimal financial instrument related risks. The board of directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

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 Company’s primary exposure to credit risk is on its cash and the Promissory Note (“as defined below”) due from the Partnership. Credit risk on its cash exposure is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. As at December 31, 2024, the Company's credit risk exposure was not deemed to be significant.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due, as well as the risk of not being able to liquidate assets at reasonable prices. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances, as well as the liquidity of and financial support from GDH LP. The Company manages its liquidity risk by anticipating any operating, investing and financing activities, as applicable. Management and the board of directors are actively involved in the review, planning and approval of significant expenditures and commitments. Furthermore, under the LPA, GDH LP is responsible for reimbursing the Company for all

reasonable operating expenses, excluding taxes. GDH Intermediate LLC (“GDHI LLC”), the Company's consolidated subsidiary, may recall the Promissory Note from GDH LP at any time during the term of the note as obligations of the consolidated GDH Ltd. group come due, including taxes. The Company is not currently exposed to significant liquidity risk.

Actual events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry, or the financial services industry generally, or concerns or rumors about any such events or other similar risks, have in the past and may in the future lead to market-wide liquidity problems. For example, in March 2023, Silvergate Capital Corp. announced it would wind down operations and liquidate Silvergate Bank. Soon after, the FDIC was appointed receiver of Silicon Valley Bank and Signature Bank. In connection with these issues and issues with other financial institutions, the prices of fiat-backed stablecoins, including USDC, were temporarily impacted and may be similarly impacted again in the future. Although Galaxy did not experience any losses or other material negative impacts from our banking relationships with Silvergate Bank and Signature Bank, if there were instability in the global banking system, there could be negative ramifications, such as additional market-wide liquidity problems or impacted access to deposits and investments for customers of affected banks and certain banking partners, and our business, operating results and financial condition could be adversely affected.

Interest rate risk

The Company's only interest-bearing instrument is its Promissory Note with the Partnership. The Promissory Note has a fixed interest rate that is updated from time to time to reflect the market rates. There are no scheduled changes to the interest rate. The Company's financial results, therefore, are not sensitive to changes in interest rates.

Foreign exchange risk

The Company's functional currency and the reporting currency is the U.S. dollar. Periodically the Company incurs charges on its operations for settlement in currencies other than its functional currency. Any gain or loss arising on such transactions is recorded in operations for the period. The Company is not currently exposed to significant foreign exchange risk.

Digital assets and market risks

The Company's investment in GDH LP is impacted by GDH LP's investments in digital assets as well as private companies, both of which may be subject to significant changes in value. The Company seeks to minimize potential adverse effects of these risks on performance by ensuring that GDH LP risk management appropriately addresses these risks by, for example, employing experienced personnel, daily monitoring of the Partnership's investments and digital assets and review of the Partnership's investment objectives.

For additional information on GDH LP's exposure to financial instruments and other risks, see Financial Instruments, Digital Assets and Risk section of GDH LP's MD&A, which is filed as an appendix to this MD&A.

Liquidity and Capital Resources

Financial support

As the Company is a holding company, it is dependent on GDH LP to fund its operating expenses. In accordance with the LPA, GDH LP will pay for all reimbursable expenses of GDH Ltd. or its subsidiary, GDH Intermediate LLC including all expenses reasonably incurred in the conduct of its business such as fees paid to professional advisors, required or advisable licenses and filing fees, and directors fees. For the year ended December 31, 2024, GDH LP paid or accrued \$3.2 million (December 31, 2023 - \$2.2 million) for the reimbursable expenses on behalf of GDH Ltd.

GDH LP issued \$500 million, aggregate principal amount, of 3.00% exchangeable senior notes (the “2026 Exchangeable Notes”) on December 9, 2021 and \$402.5 million, aggregate principal amount, of 2.500% exchangeable senior notes on November 25, 2024 (the “2029 Exchangeable Notes” and, together with the 2026 Exchangeable Notes, the “Exchangeable Notes”). Outstanding 2026 Exchangeable Notes and 2029 Exchangeable Notes will mature and the aggregate principal amount is due in 2026 and 2029, respectively, unless earlier exchanged, redeemed or repurchased. Interest on the Exchangeable Notes is payable semi-annually. There were no origination discounts or premiums associated with the notes. The 2026 Exchangeable Notes had an initial exchange rate of 7,498.2210 ordinary shares per US\$250,000 principal amount and the 2029 Exchangeable Notes had an initial exchange rate of 10,497.5856 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. As of December 31, 2024 the total amount for Notes payable was \$845.2 million (December 31, 2023 - \$408.1 million), net of repurchases (\$847.5 million and \$445 million in principal outstanding as of December 31, 2024 and December 31, 2023, respectively).

The following table represents liquidity available to the Partnership:

<i>(in thousands)</i>	As of December 31, 2024	As of December 31, 2023
Cash and cash equivalents	\$ 462,103	\$ 316,610
Bitcoin and Ethereum ETFs	669,228	—
Digital assets, net	1,059,321	593,139
Less non-current net digital assets	(18,672)	(47,530)
	\$ 2,171,980	\$ 862,219

As of December 31, 2024, in addition to cash at banks, the Partnership held \$19.7 million of cash at brokers (December 31, 2023 - \$199.6 million) and \$64.7 million of cash on trading platforms (December 31, 2023 - \$24.9 million). Digital assets, net as of December 31, 2024 and December 31, 2023 includes all digital assets categorized as assets, less all digital assets categorized as liabilities in the Partnership's statements of financial position.

The following table presents the summary of the Partnership's contractual obligations as of December 31, 2024:

<i>(in thousands)</i>	Payments Due by Period				
	Total	Less than 1 year	1 - 3 years	4 - 5 years	After 5 years
Contractual Obligations					
Loans and collateral payable ⁽¹⁾	\$ 3,418,413	\$ 3,418,413	\$ —	\$ —	\$ —
Lease obligations	13,301	4,937	5,363	3,001	—
Notes payable	849,070	1,570	445,000	402,500	—
Legal settlement	200,000	40,000	160,000	—	—
Due to related parties	97,871	97,871	—	—	—
Other obligations ⁽²⁾	98,122	9,483	88,639	—	—
Total Contractual Obligations	\$ 4,676,777	\$ 3,572,274	\$ 699,002	\$ 405,501	\$ —

⁽¹⁾ Includes fiat and digital asset payables.

⁽²⁾ Includes obligations to fund capital commitments to 7 investment funds. Excludes other liabilities related to goods and services required in the ordinary course of business.

As of December 31, 2024, the Company did not have any commitment for capital expenditures.

For additional information on the liquidity and capital resources of GDH LP, see the Liquidity and Capital Resources section of the GDH LP MD&A, which is filed as an appendix to this MD&A.

Off-Balance Sheet Arrangements

As of December 31, 2024, the Company did not have any off-balance sheet arrangements, other than the financial support mentioned in the Liquidity and Capital Resources section, that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, without limitation, such considerations as liquidity and capital resources that have not been previously been discussed.

Commitments and Contingencies

GDH LP Class B Units

GDH LP has two classes of ownership interests, representing limited partner interests: Class A Units and Class B Units. The Class A Units and Class B Units rank pari passu to all distributions from GDH LP. Under the terms of the LPA, the Class B Units are exchangeable for GDH Ltd. shares on a one-for-one basis subject to certain limitations and customary adjustments for stock splits, stock dividends and other similar transactions.

As of December 31, 2024, there were 215,862,343 (December 31, 2023 - 215,928,474) Class B units, which were outstanding and exercisable, into ordinary shares of GDH Ltd. There were no additional issued unvested Class B Units as of December 31, 2024 (December 31, 2023 - 15,226).

Stock Option Plan

The Company administers a stock option plan (the “Plan”) under which options, which are exercisable into an equivalent amount of the Company's ordinary shares, have been granted to employees, officers, directors and consultants of the Company and its affiliates (inclusive of GDH LP). On exercise of an option, the holder will receive one ordinary share in the Company and GDH LP will issue one Class A Unit to the Company. Following the approval of the Long Term Incentive Plan, the Company no longer makes grants under the Plan. The Plan's reserve was rolled over into the Long Term Incentive Plan.

Long Term Incentive Plan

In May 2021 (and subsequently amended and restated in May 2024), the board of directors of the Company approved the 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 the Company and its affiliates (inclusive of GDH LP) and deferred share units to non-employee directors of the Company and non-employee managers of the Board of Managers. Shareholder approval of the LTIP was initially received in June 2021 and again in May 2024 for the amended and restated LTIP. 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 administers 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 shares of GDH Ltd.

The following table represents a summary of stock options outstanding as of December 31, 2024:

Grant Date	Number Outstanding	Number Exercisable	Exercise Price (C\$)	Expiry Date
Employees and Officers:				
April 9, 2020	500,000	500,000	1.35 - 1.85	April 9, 2025
June 25, 2020	250,000	250,000	1	June 25, 2025
November 16, 2020	1,962,300	1,962,300	5.65	November 16, 2025
December 3, 2020	3,634,300	3,634,300	6.21	December 3, 2025
December 8, 2020	47,500	47,500	6.00	December 8, 2025
December 21, 2020	100,000	100,000	8.02	December 21, 2025
May 27, 2021	550,000	533,000	23.12 - 25.00	May 27, 2026
December 1, 2021	450,000	337,500	31	December 1, 2026
May 11, 2022	200,000	50,000	11	May 11, 2027
March 29, 2023	7,765,704	2,857,798	4.19 - 6.75	March 29, 2028
May 10, 2023	90,626	6,250	6.75	May 10, 2028
August 9, 2023	1,117,187	331,562	5.98 - 6.75	August 9, 2028
November 10, 2023	325,000	81,250	8.06	November 10, 2028
March 27, 2024	1,897,313	—	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
December 9, 2024	250,000	—	29.90 - 37.38	December 9, 2029
December 12, 2024	69,200	—	27.29	December 12, 2029
Total	19,865,008	10,691,460		

As of March 24, 2025, there were 19,676,589 options outstanding, of which 13,139,561 were exercisable.

As of December 31, 2024, there were 10,009,573 restricted and deferred units outstanding. As of March 24, 2025 there were 9,657,319 restricted and deferred share units outstanding.

Transactions with Related Parties

Compensation to key management personnel

The Company'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 Company, directly or indirectly. Key management personnel include officers, directors, companies controlled by officers or directors, and companies with common directors of the Company. The transactions the Company enters into with related parties are made on terms equivalent to those that prevail in arm's length transactions.

Compensation provided to key management personnel for the years ended December 31, 2024 and 2023 was as follows:

(in thousands)	Year ended December 31, 2024	Year ended December 31, 2023
Directors fees	\$ 810	\$ 926

Other

Certain key management personnel have invested in funds that GDH LP manages. In addition, some members of key management serve as board members for companies in which GDH LP, or a fund it manages, holds investments.

The CEO of GDH Ltd. serves as co-chairman of the board of another company, resulting in GDH Ltd. and that company being related parties. A family member of the CEO also holds a position with this company. As of December 31, 2024 GDH LP had an investment in the company valued at \$9.1 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 \$1.0 million representing an ownership percentage of 2.8% as at December 31, 2024 (December 31, 2023 - \$2.4 million and 3.4%).

In accordance with the LPA, GDH LP will reimburse or pay for all reasonably incurred expenses in the conduct of the Company's business, excluding taxes. For the year ended December 31, 2024, GDH LP paid or accrued \$3.2 million (2023 - \$2.2 million) for reimbursable expenses of the Company. GDH LP has also provided a financial guarantee to a subsidiary of the Company sufficient to cover its costs and obligations as they come due through December 31, 2025. The Company's subsidiary has not incurred any expenses subject to reimbursement under the guarantee from GDH LP for the years ended December 31, 2024 or December 31, 2023.

On April 14, 2022 the Partnership entered into a Promissory Note (amended and restated in November 2023 and December 2024, 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 December 31, 2024, GDHI LLC had advanced \$96.9 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 market rate. 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 December 31, 2024, there was no interest payable on the Promissory Note (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, 2025, unless extended by GDHI LLC.

As at December 31, 2024, the Company had \$95.8 million in receivables from GDH LP (December 31, 2023 - 66.0 million) representing the aforementioned Promissory Note offset by payables for stock options exercises and withholding tax associated with restricted share units vesting.

Critical Accounting Estimates and Accounting Policies, including Initial Adoption

There were no changes to the critical accounting estimates for the period ended December 31, 2024.

Use of estimates and judgments

The preparation of the consolidated 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.

Significant judgments in applying accounting policies

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

Influence over investment in associate

Classification of investments requires judgment on whether the Company 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 Company has over an investment, management considers ownership percentages, board representation, and other relevant provisions in shareholder agreements. If an investor holds 20% or more of the voting power of the investee, it is presumed that the investor has significant influence, unless it can be clearly demonstrated that this is not the case. Conversely, if the investor holds less than 20% of the voting power of the investee, it is presumed that the investor does not have significant influence, unless such influence can be clearly demonstrated.

The Company has classified its investment in GDH LP as an associate based on management's judgment that the Company has significant influence but no controlling financial interest.

Key sources of estimation uncertainty

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

Deferred tax assets

Judgment is required in determining whether deferred tax assets, including those arising from unutilized tax losses, are recognized in the consolidated statements of financial position. This analysis requires that management assess the likelihood that the Company will generate taxable earnings in future periods 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 Company to realize the net 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 Company operates could limit the ability of the Company to realize tax deductions in future periods.

Investment in associate

The underlying value of the equity investment includes valuations of digital assets and investments in private companies. Digital assets may be subject to significant fluctuations in value; and when the fair value of the investments in private companies cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these valuation models are derived from observable market data where possible. Where observable market data is not available, judgment is required to establish fair value. As such, carrying value may not be indicative of recoverable value.

Furthermore, the Company consistently assesses the overall carrying value of its investment in associate to ensure that it is carried at no more than its recoverable amount. An impairment is recorded if required. If, in a subsequent period, the Company determines that an impairment loss recognized on the investment in the associate is no longer appropriate or the reasons for the impairment loss have been resolved, the Company will reverse the impairment loss to the extent of the improvement in the associate's recoverable amount. The reversal of impairment losses is recognized in profit or loss in the period in which the impairment loss reversal occurs. The reversal is limited to the amount of the original impairment loss recognized on the investment in the associate. The amount of the reversal is recognized as an increase in the carrying amount of the investment in the associate. The Company recognized a net reversal of impairment of its investment in associate of \$390.9 million during the year ended December 31, 2023.

Share Capital

Common Stock

As of December 31, 2024, after accounting for additional issuances related to exchanges of GDH LP Class B Units during the period, issuance of shares on exercise of options and restricted share units vesting, there were 127,577,780 ordinary shares issued and outstanding.

As of March 24, 2025, there were 128,002,717 ordinary shares issued and outstanding.

Stock options and Restricted share units

Refer to the Company's Note 8 and Note 10 in the Company's consolidated financial statements for further information on the stock options and restricted share units issued by the Company.

Disclosure Controls and Procedures

Disclosure controls and procedures (“DC&P”) are intended to provide reasonable assurance that material information is gathered and reported to senior management to permit timely decisions regarding public disclosure. Management, with the participation of the Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), assessed the effectiveness of the Company's disclosure controls and procedures as of December 31, 2024. Based upon the results of that evaluation, the CEO and the CFO concluded that the disclosure controls and procedures were effective to provide reasonable assurance that material information relating to the Company is accumulated and communicated to management (particularly during the period in which the Company’s annual filings are being prepared) to allow timely decisions regarding required disclosure, and that the information disclosed by the Company in the reports that it files is appropriately recorded, processed, summarized and reported within the time period specified in applicable securities legislation.

Internal Control over Financial Reporting

Internal controls over financial reporting (“ICFR”) are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS. Management, with the participation of the CEO and the CFO, assessed the effectiveness of the Company's internal control over financial reporting as at December 31, 2024. Based upon the results of that assessment as at December 31, 2024, Management concluded that internal control over financial reporting was effective.

Remediation of Previously Identified Material Weakness

Contractual Relationships

We have redesigned our contract review process to include our Head of Accounting Policy and confirm accounting considerations for clients’ and other transactions are appropriately concluded. Additionally, we have implemented a new contract management system to further improve controls and processing efficiency.

Digital Assets

We have integrated a third-party administrator into our digital asset and derivative reporting process and implemented enhanced reconciliations between management and the administrator to help ensure that data used in controls, and ultimately financial reporting, is complete and accurate. We have also implemented automated controls in front and mid-office spot and derivative trading systems for additional data validation, and completeness and integrity checks. Finally, for controls that have not been automated, we have developed and employed detailed review checklists to confirm the completeness and accuracy of the data used in the control, as well as any aggregation, manipulation or calculation performed.

Issued Financial Instruments

We have implemented additional controls to confirm third party inputs used in the valuation and reporting of financial instruments issued by the Partnership. Additionally, we have revisited and revised the review procedures performed to validate financial reporting through our equity, equity-based compensation and debt issuance processes.

Statement of Cash Flows

We have developed new reporting geared specifically for the needs of financial reporting, and specifically reporting cash flows. In addition to the improved reporting, we have implemented additional manual controls to validate data used in the preparation and classification of cash flows.

Changes in Internal Control Over Financial Reporting

Aside from those outlined above, there have been no significant changes to the Company's ICFR for the period ended December 31, 2024, which have materially affected, or are reasonably likely to materially affect the Company's ICFR.

Management's Responsibility for Financial Statements

The information provided in this MD&A, including the consolidated financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of the valuation of certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the consolidated financial statements.

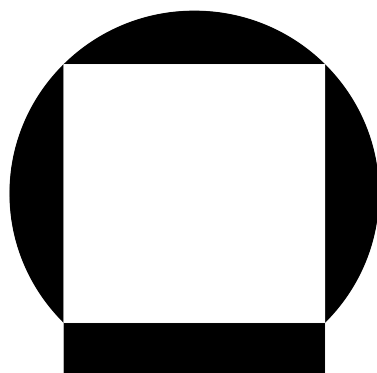
Other Information and Disclaimer

No Offer or Solicitation

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

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

Appendix



galaxy

Galaxy Digital Holdings LP
Management's Discussion and Analysis

For the Years Ended December 31, 2024 and 2023

March 27, 2025

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Introduction

This Management's Discussion and Analysis ("MD&A"), dated March 27, 2025, relates to the financial condition and results of operations of Galaxy Digital Holdings LP ("GDH LP" or together with its consolidated subsidiaries, the "Partnership"), is intended to supplement and complement the Partnership's consolidated financial statements for the year ended December 31, 2024 and should be read in conjunction therewith. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. The consolidated financial statements and MD&A are presented in U.S. dollars, unless otherwise noted and have been prepared in accordance with IFRS Accounting Standards. The results presented for the year ended December 31, 2024 are not necessarily indicative of the results that may be expected for any future period.

The Partnership's certifying officers, based on their knowledge and, having exercised reasonable diligence, are responsible to ensure that the financial statements and MD&A do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the periods covered by these filings, and the financial report together with the other financial information included in these filings fairly present in all material respects the financial condition, financial performance and cash flows of the Partnership, as of the date of and for the periods presented in these filings.

In this MD&A, 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.

Cautionary Note Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and "forward-looking information" under Canadian securities laws (collectively referred to herein as "forward-looking statements"). These forward-looking statements relate to future events or the Partnership's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans," "expects," "budget," "scheduled," "estimates," "continues," "forecasts," "projects," "predicts," "intends," "anticipates," "believes," or "seeks," or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may," "could," "would," "should," "might," or "will" be taken, occur or be achieved. The forward-looking statements contained in this MD&A are based on our current expectations and beliefs concerning future developments and their potential effects on us taking into account information currently available to us. There can be no assurance that future developments affecting us will be those that we have anticipated. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. Our forward-looking statements include, but are not limited to, statements regarding our or our management team's expectations, hopes, beliefs, intentions or strategies regarding the future, including statements about Galaxy's pre-released financial information, Galaxy Asset Management's strategy to scale, Galaxy's exchange-traded funds products, Galaxy Digital Infrastructure Solutions' strategy to scale, including the Lease Agreement (as defined below) and the expansion into the artificial intelligence ("AI")/high-performance computing ("HPC") data center business, Assets Under Stake ("AUS") and its go-forward strategy, the focus on emerging areas of blockchain infrastructure, staking, market and industry outlook, including the adoption and utilization of blockchain technology, decentralized finance technologies, and digital asset protocols, geopolitical events, the velocity of development of new digital asset regulations, market-wide liquidity problems, prospective regulation or approvals, our ability to complete the Reorganization (as defined below), domestication and related transactions (the "Transactions"), the impact of qualified opportunity zones on future distributions, reduction in available credit or expectations regarding the industry, company performance and plans, or remediation plans. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks include, but are not limited to: (1) risks related to retrofitting our Helios campus from bitcoin mining operations to AI/HPC data center infrastructure and operations, including the timing of construction and its impact on lease revenue; (2) any inability or difficulty in obtaining financing for the expansion into the AI/HPC data center business on acceptable terms or at all; (3) changes to AI/HPC data center infrastructure needs and the impact on future plans at the Helios campus; (4) risks associated with the leasing business, including those associated with the Lease Agreement and other counterparties; the inability to complete the Transactions, due to the failure to obtain shareholder and stock exchange approvals, or otherwise; (5) changes to the proposed structure of the Transactions that may be required or appropriate as a result of applicable laws or regulations or as a condition to obtaining shareholder or stock exchange approval of the Transactions; (6) the ability to meet and maintain listing standards following the consummation of the Transactions; (7) the risk that the Transactions disrupt current plans and operations; (8)

costs related to the Transactions, operations and strategy; (9) changes in applicable laws, regulations or legal proceedings; (10) the possibility that the Partnership may be adversely affected by other economic, business, and/or competitive factors; (11) changes or events that impact the cryptocurrency industry, including potential regulation, that are outside of our control; (12) the risk that our business will not grow in line with our expectations or continue on its current trajectory; (13) the possibility that our addressable market is smaller than we have anticipated and/or that we may not gain share of it, which could impact revenue and resources; (14) the risk that revenue or expense estimates may not be met or may be materially less or more than those anticipated; (15) the possibility that Galaxy Asset Management does not achieve its goals with respect to its strategies; (16) the possibility that there is a disruption in bitcoin mining impacting our ability to achieve expected results and strategy, (17) the failure to otherwise complete the anticipated transactions with respect to the Lease Agreement, (18) the risk that lending counterparties default and risk related to digital asset platforms where our assets are maintained; (19) price and trading volume volatility with respect to the ordinary shares of Galaxy Digital Holdings Ltd.; (20) regulatory concerns, technological challenges, cyber incidents or exploits on decentralized networks; (21) any impact on our operating results and financial condition due to market-wide liquidity problems and instability in the global banking system; (22) any impact to our operations from global conflict and effect on global economic markets; and (23) those other risks contained in the Annual Information Form (“AIF”) for the year ended December 31, 2024 available on the Partnership's profile at www.sedarplus.ca and described in this MD&A.

Factors that could cause actual results of the Partnership to differ materially from those described in such forward-looking statements include, but are not limited to, a decline in the digital asset market or general economic conditions; the possibility that our addressable market is smaller than we have anticipated and/or that we may not gain share of the stated addressable market; the failure or delay in the adoption of digital assets and the blockchain ecosystem; a delay or failure in developing infrastructure for our business or our businesses achieving mandates; delays or other challenges in the bitcoin mining business or the expansion into the AI/HPC data center business related to hosting, power, financing or construction, or our ability to capture potential adjacent opportunities ; any challenges faced in achieving asset management goals; any challenges faced with respect to decentralized networks or other digital asset platforms on which our assets are maintained; considerations with respect to liquidity and capital planning; the impact of new and ongoing global conflicts and their effect on global economic markets; and changes in applicable law or regulation and adverse legal and regulatory developments. Readers are cautioned that such risk factors, uncertainties and other factors are not exhaustive. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. The forward-looking statements in this MD&A are applicable only as of the date of this MD&A or as of the date specified in the relevant forward-looking statement. The Partnership does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by applicable securities laws. Investors are cautioned that forward-looking statements are not guarantees of future performance and are inherently uncertain. Accordingly, investors are cautioned not to put undue reliance on forward-looking statements.

Overview

The Partnership is a limited partnership formed under the laws of the Cayman Islands on May 11, 2018. Galaxy Digital Holdings GP LLC (“GDH GP” or the “General Partner”) is a limited liability company incorporated under the laws of the Cayman Islands on July 26, 2018 and serves as the General Partner of the Partnership. Galaxy Group Investments LLC (“GGI”), a Delaware limited liability company owned by Michael Novogratz, is the sole member of GDH GP and continues to be the majority owner of the Partnership as of December 31, 2024. Galaxy Digital Holdings Ltd. (“GDH Ltd.” or the “Company”) has a minority investment in the Partnership and is listed on the Toronto Stock Exchange (“TSX”) under the ticker “GLXY”.

The Partnership is headquartered in New York City, with global offices across North America, Europe, and Asia.

As at December 31, 2024, the Partnership had 528 full-time employees.

The U.S. dollar is the presentation currency for all periods presented. There have been no changes to the accounting principles applied for all periods presented, except as disclosed in *Critical Accounting Estimates and Accounting Policies including Initial Adoption*, if applicable.

Limited Partnership Agreement

The key terms of the Limited Partnership Agreement (the “LPA”) are consistent with those disclosed in the Partnership's audited financial statements for the year ended December 31, 2024.

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 year ended December 31, 2024, the Partnership paid tax distributions of \$55.3 million.

The foregoing summary is qualified in its entirety by the full text of the LPA which is available on GDH Ltd.'s SEDAR+ profile at www.sedarplus.ca.

Description of Business

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

- Galaxy Global Markets consists of Trading and Investment Banking.
- Galaxy Asset Management consists of exchange-traded fund ("ETF") and Alternative Investment strategies.
- Galaxy Digital Infrastructure Solutions consists of proprietary and hosted bitcoin mining services, the acquired GK8 technology and self-custody capabilities, and validator services.

Refer to Note 22 of the Partnership's consolidated financial statements for further information on reportable segments.

Global Markets

Galaxy Global Markets ("GGM") provides comprehensive financial products and services to a diversified client base, including institutions and Qualified Individuals¹ within the digital asset ecosystem. GGM offers institutional-grade expertise and access to a broad range of digital asset products, including digital asset spot and derivatives trading, financing, capital markets and M&A advisory services.

GGM currently operates as two discrete businesses – Trading and Investment Banking.

The Partnership's Trading² business provides services to 315 global active counterparties as of December 31, 2024 and provides liquidity on a principal basis across a variety of centralized and decentralized trading platforms, and over-the-counter ("OTC") markets globally. Through GGM, counterparties can access digital asset spot and derivative trading, bespoke lending, and structured products. GGM also engages in proprietary quantitative, arbitrage and macro trading strategies.

Our Investment Banking³ business offers expert financial and strategic advisory services for the digital assets, Web3 and blockchain technology sector. The team provides specialized crypto expertise while offering an expansive suite of financial services to public and private clients globally. In particular, Investment Banking helps clients execute transactions, including M&A transactions and divestitures, provides restructuring advisory services and offers equity and debt capital markets services, including project financing.

Asset Management

Galaxy Asset Management ("GAM")⁴ is a global asset management platform providing investors access to the digital asset ecosystem via a diverse suite of institutional-grade investment vehicles that span ETF and Alternative investment strategies.

GAM managed \$5.7 billion⁵ in assets as of December 31, 2024, a 9% increase year-over-year and 22% increase quarter-over-quarter. \$11.0 million of the \$5.7 billion of assets under management ("AUM") represented engagements managed by GAM to unwind portfolios on behalf of the FTX estate. Excluding these opportunistic assets, GAM's AUM grew 66% year-over-year to \$5.2 billion as of December 31, 2024, driven by \$1.7 billion of gross inflows and \$1.9 billion of net market appreciation, partially offset by \$1.5 billion of gross outflows, and increased 22% quarter-over-quarter as of December 31, 2024, driven by

¹ "Qualified Individuals" are Eligible Contract Participants (as defined by the Commodities Exchange Act in the U.S.), knowledgeable employees of the Partnership and accredited investors, who are usually high net worth individuals.

² Trading operates primarily through Galaxy Digital LLC, its subsidiaries and certain other affiliates including Galaxy Derivatives LLC (which has submitted to the National Futures Association the forms necessary to register as a CFTC-regulated swap dealer).

³ Galaxy Investment Banking operates through Galaxy Digital Partners LLC, a FINRA registered broker-dealer, and Galaxy Digital Labs LLC.

⁴ Galaxy Asset Management includes Galaxy Digital Capital Management LP, a Securities & Exchange Commission ("SEC") registered investment adviser.

⁵ AUM data is unaudited. AUM is inclusive of sub-advised funds, committed capital closed-end vehicles, seed investments by affiliates, affiliated and unaffiliated separately managed accounts, and fund of fund products. Changes in AUM are generally the result of performance, contributions, withdrawals, liquidations, and opportunistic mandate wins. AUM for committed capital closed-end vehicles that have completed their investment period is reported as NAV plus unfunded commitments. AUM for closed-end vehicles is reported as of the most recent quarter available for the applicable period. AUM for affiliated separately managed accounts, the balance sheet venture investments, is reported as NAV as of the most recently available estimate for the applicable period.

\$213.0 million of gross inflows and \$1.2 billion of net market appreciation, partially offset by \$435.0 million of gross outflows. The business is strategically focused on scaling its ETF and Alternative investment strategies, while leveraging a regional partnership model, with premiere local investment managers around the world, to expand our global product reach.

GAM's ETFs include a suite of passive and active products developed in partnership with leading asset managers across the U.S., Canada, Brazil and Europe. GAM's passive ETFs feature regulated, spot digital asset ETFs, while its active ETFs provide exposure to digital assets and other disruptive technologies. GAM's Alternative investment strategies encompass actively managed long-biased and long-short funds, and a venture franchise. GAM offers a Liquid Crypto Fund designed to provide access to both core and next generation digital assets and an Absolute Return Fund, launched in 2025, which employs a multi-asset strategy with long and short positions across the digital asset ecosystem and adjacent disruptive technologies. GAM's Venture franchise includes Galaxy Interactive, which invests at the intersection of content, technology and social commerce, with a focus on video games and the infrastructure powering immersive virtual worlds. Additionally, its inaugural crypto venture fund, which had an initial close of over \$100 million in summer 2024, targets early-stage investments in crypto protocols, software infrastructure, and financialized applications. The venture franchise also features two global, multi-manager venture funds and a subset of Galaxy's balance sheet venture investments.

GAM utilizes third party Qualified Custodians, as defined by the U.S. Investment Advisers Act of 1940, for third party funds it manages to maintain and safeguard client assets, which are segregated from the assets of the custodians. Where possible, as a further risk mitigation tool, GAM employs a multi-custodial model for fund assets and requires insurance from our custody providers. GAM utilizes Big Four audit firms to audit our funds and utilizes independent, unaffiliated fund administrators for all our funds.

Digital Infrastructure Solutions

Galaxy Digital Infrastructure Solutions ("GDIS") focuses on developing, operating and investing in data center and digital asset infrastructure, including bitcoin mining, staking and self-custody technology.

GDIS includes our bitcoin mining operations, with a majority of our activity occurring at our flagship campus, Helios, in West Texas. As of December 31, 2024, GDIS' Hashrate Under Management ("HUM")⁶ was 6.1 exahash, with an average marginal cost to mine a bitcoin in 2024 of approximately \$26,000 per coin. The Helios campus currently supports 200 megawatts ("MW") of capacity. In 2023, GDIS secured approvals to scale up to 800 MW at Helios, and we expect additional approvals for a portion of an incremental 1.7 gigawatts currently under study in the first half of 2025.

As our bitcoin mining operations have expanded, so have the opportunities before us. There is growing demand for highly reliable power and data center infrastructure capacity to support accelerated artificial intelligence growth. To meet this increasing demand, subsequent to year end, Galaxy entered a 15-year lease agreement (the "Lease Agreement") with CoreWeave. As part of the agreement, Galaxy will deliver 133 MW of Critical IT Load to host CoreWeave's HPC infrastructure at our Helios data center campus in the panhandle region of West Texas. Over the 15-year term, Galaxy is contractually entitled to an estimated \$4.5 billion of total revenue pursuant to the Lease Agreement.

In addition to mining and high-performance computing, the Partnership is also focused on emerging areas of blockchain infrastructure, including supporting the integrity of protocols and projects by operating validator nodes to secure blockchain networks, by supporting the development of emerging blockchain technologies and by offering self-custody technology solutions to institutional customers through GK8. Galaxy operates public mainnet infrastructure providing transaction validation services for the Ethereum, Solana, Celestia, Avalanche and SUI blockchain networks, among others, which allows holders of certain digital assets to participate in securing Proof of Stake ("PoS") networks and the consensus validation process, as well as earn staking rewards.

Galaxy's self-custody technology solution, comprising the assets of GK8 acquired in February 2023, licenses self-custody software technology that allows customers to generate and store the private keys to their digital assets, as well as to generate multi-signature backup keys in a secure cold storage vault.

Risks and Uncertainties

In addition to the risks contained herein, the disclosures in this MD&A are subject to, and should be read in conjunction with, the risk factors outlined in the AIF, filed on GDH Ltd.'s SEDAR+ profile at www.sedarplus.ca.

⁶ Hashrate Under Management is defined as the total combined hashrate of active proprietary and hosted mining capacity managed by Galaxy.

Annual Highlights & Results

The following represents selected financial data and a discussion of significant changes.

(in millions)	As of		
	December 31, 2024	December 31, 2023	December 31, 2022
Digital assets	\$ 2,964.2	\$ 1,119.9	\$ 566.7
Digital assets posted as collateral	277.1	316.1	25.1
Total	3,241.3	1,436.0	591.8
Investments	1,643.5	735.1	595.1
Loans receivable ⁽¹⁾	1,056.2	491.9	213.6
Property and equipment	267.6	260.0	208.5
Total assets	7,187.5	3,675.2	2,346.1
Total liabilities	4,910.4	1,885.5	907.4
Total equity	2,277.0	1,789.8	1,438.8

⁽¹⁾ Includes digital asset and fiat loans.

(in millions)	Year ended		
	December 31, 2024	December 31, 2023	December 31, 2022
Fee revenue	\$ 103.2	\$ 51.3	\$ 35.6
Net realized gain (loss) on digital assets	615.7	311.8	55.1
Net realized gain (loss) on investments	(171.1)	13.4	42.0
Lending and staking revenue	274.3	52.2	36.8
Net derivative gain (loss)	267.8	151.6	191.5
Total income	1,154.6	613.9	419.5
Operating expenses	(948.8)	(376.4)	(496.9)
Net unrealized gain (loss) on digital assets	(255.4)	2.0	(659.2)
Net unrealized gain (loss) on investments	429.9	84.4	(496.2)
Comprehensive income (loss) for the period	366.5	296.0	(1,023.3)

- As of December 31, 2024, digital assets, including digital assets posted as collateral, was \$3.2 billion, an increase of \$1.8 billion from December 31, 2023. This increase was primarily due to increases in digital assets borrowed of \$1.1 billion and digital assets collateral payable of \$754.7 million, as well as an increase in fair value of the underlying digital assets. The Partnership's largest digital asset holding as of both December 31, 2024 and December 31, 2023 was BTC. Over the same period, the price of BTC increased 121.1%.
- Investments increased \$908.4 million during the year to \$1.6 billion as of December 31, 2024. The change was primarily due to new investments in bitcoin spot ETFs valued at \$659.5 million as of December 31, 2024, and the \$151.3 million investment in the Partnership's sponsored Galaxy Digital Crypto Vol Fund LLC, which acquired Solana from the FTX estate at the end of March 2024 and additional restricted digital assets in the second, third and fourth quarters of 2024. Bitcoin ETFs ("BTC ETFs") were approved by the SEC and launched in January 2024. Unlike BTC, BTC ETFs can be utilized as a marginable security by traditional brokers and exchanges outside of the crypto industry.
- Total liabilities increased by \$3.0 billion during the period to \$4.9 billion as of December 31, 2024 primarily due to increases in digital assets loans payable of \$1.1 billion, collateral payable of \$818.3 million, loans payable of \$417.6 million and notes payables of \$437.1 million. Increases in digital assets loans payable and collateral payable were driven by increases in borrowing and lending activities, as well as an increase in the fair value of the underlying digital assets. Increases in loans payable were driven by the overall increase in business activity during the year. Loans payable increased without an equivalent increase in assets posted as collateral given improved market conditions and Galaxy's standing in the industry; starting at the end of the first quarter of 2024, the Partnership was in a position to borrow digital assets without posting collateral. Notes payable increased as a result of Galaxy's issuance of \$402.5

million, aggregate principal amount, of 2.500% exchangeable senior notes in November 2024 that will mature in 2029, unless earlier exchanged, redeemed, or repurchased.

- Total equity increased by \$487.3 million during the period to \$2.3 billion as of December 31, 2024 primarily driven by \$366.5 million of comprehensive income as well as proceeds from the issuance of ordinary shares in an underwritten block trade of \$119.5 million, net of transaction costs, in April 2024.
- Operating expenses increased for the year ended December 31, 2024 as compared to the year ended December 31, 2023, primarily due to increases in general and administrative expenses, blockchain reward distributions, interest expense, and compensation and compensation related expenses recognized in 2024. The increase in general and administrative expense was driven by a legal settlement, a reversal of impairment on mining equipment recognized in 2023, higher depreciation of mining equipment and infrastructure, and incremental power purchase costs, as well as higher trading, commission and custody expenses in 2024.
- Commencing in the second quarter of 2024, blockchain reward distributions have contributed meaningfully to operating expenses. The Partnership operates PoS validation infrastructure which allows third-parties to stake their digital assets on its validator nodes. The Galaxy non-consolidated sponsored fund Galaxy Digital Crypto Vol Fund (the “CPO”) acquired restricted Solana with a value in excess of a billion dollars from the FTX bankruptcy estate at the end of March 2024 and additional restricted digital assets in the second, third and fourth quarters of 2024. The restricted digital assets managed by the CPO were bonded to Galaxy operated validators. Ether from the Lido platform were also bonded to Galaxy operated validators as a result of Galaxy's acquisition of Cryptomanufaktur LLC (“CMF”) in July 2024. Staking for customers is recognized on a gross basis in staking revenue with the corresponding expense in blockchain reward distributions. The net portion of staking rewards retained by Galaxy earned on third party digital assets bonded to Galaxy validator nodes, including the CPO, is between 4% and 10%. Operating expenses also increased due to incremental interest expense. Refer to the *Expenses* section for detail on drivers of each operating expense.

The U.S. dollar is the presentation currency and functional currency of the Partnership's major operating subsidiaries for all periods presented above. There have been no changes to the accounting principles applied for all periods presented, except as disclosed in *Critical Accounting Estimates and Accounting Policies*.

The following table represents the Partnership's breakdown of comprehensive income (loss) for the past eight quarters:

(in millions)	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Net realized gain (loss) on digital assets	\$ 560.6	\$ (53.6)	\$ (161.7)	\$ 270.4	\$ 293.1	\$ (67.6)	\$ 20.2	\$ 66.1
Net realized gain (loss) on investments	\$ (85.0)	\$ 73.8	\$ 12.8	\$ (172.8)	\$ (55.3)	\$ 22.4	\$ 48.3	\$ (2.0)
Net derivative gain	\$ 62.5	\$ 16.3	\$ 105.3	\$ 83.6	\$ 71.2	\$ 15.7	\$ 9.6	\$ 55.1
Income (loss)	\$ 698.1	\$ 143.0	\$ 53.7	\$ 259.7	\$ 355.5	\$ 3.0	\$ 108.7	\$ 146.7
Operating expenses	\$ (440.3)	\$ (186.2)	\$ (172.9)	\$ (149.4)	\$ (99.0)	\$ (101.1)	\$ (85.2)	\$ (91.1)
Net unrealized gain (loss) on digital assets	\$ (439.4)	\$ 44.3	\$ 42.9	\$ 96.8	\$ (22.5)	\$ 26.2	\$ (4.8)	\$ 3.0
Net unrealized gain (loss) on investments	\$ 368.9	\$ (60.5)	\$ (114.3)	\$ 235.9	\$ 93.0	\$ (25.4)	\$ (65.9)	\$ 82.7
Comprehensive income (loss)	\$ 174.5	\$ (53.8)	\$ (175.3)	\$ 421.0	\$ 301.5	\$ (93.3)	\$ (46.0)	\$ 133.8

For the year ended December 31, 2024, comprehensive income was \$366.5 million, as compared to \$296.0 million for the year ended December 31, 2023. The income for the year ended December 31, 2024 was driven primarily by net realized gain on digital assets of \$615.7 million, net unrealized gain on investments of \$429.9 million, lending and staking revenue of \$274.3 million, and net derivative gain of \$267.8 million; offset by operating expenses of \$948.8 million, net unrealized loss on digital assets of \$255.4 million, and net realized loss on investments of \$171.1 million. Fee revenue of \$103.2 million and revenue from proprietary mining operations of \$63.3 million also made meaningful contributions to comprehensive income. As one of the primary observable benchmarks for valuation in the space, price movement for digital assets was positive during the year. Bitcoin increased by 121.1%, from approximately \$42,265 to \$93,429 per coin and ether increased by 46%, from approximately \$2,281 to \$3,333 per coin during the year. The comprehensive income of \$296.0 million for the year ended December 31, 2023 was primarily due to net realized gain on digital assets of \$311.8 million, net derivative gain of \$151.6 million and net unrealized gain on investments of \$84.4 million; offset by operating expenses of \$376.4 million, primarily compensation related expenses of \$210.7 million. Lending and staking revenue of \$52.2 million, fee revenue of \$51.3 million, revenue from proprietary mining of \$33.1 million, and net unrealized gains on digital assets of \$2.0 million also made meaningful contribution to comprehensive income.

Financial Outlook

Disclaimers and Additional Information

This section below contains certain pre-released first quarter 2025 financial information (the "pre-released financial information"). The pre-released financial information contained in this MD&A is preliminary and represents the most current information available to management. The Partnership's actual consolidated financial statements for such period may result in material changes to the pre-released financial information summarized in this MD&A (including by any one financial metric, or all of the financial metrics) as a result of the completion of normal quarter end accounting procedures and adjustments or due to other risks contained in the Annual Information Form for the year ended December 31, 2024. Although the Partnership believes the expectations reflected in this MD&A are based upon reasonable assumptions, the Partnership can give no assurance that actual results will not differ materially from these expectations.

Preliminary Quarter-to-Date Financial Highlights, through Thursday, March 27, 2025⁷

- Net loss before tax is estimated to be between \$275 million and \$325 million, through March 27, 2025. During the same period, total equity declined to a range between \$1.9 billion and \$2.0 billion. March 2025 quarter-to-date results were primarily driven by the depreciation of digital asset prices.

⁷ This preliminary, unaudited quarter-to-date financial information is as of March 27, 2025. Financial results include impacts of non-cash equity based compensation but exclude completion of the full quarterly valuation process of our investment portfolio. This data is subject to change as management completes its quarterly close procedures.

Discussion of Operations & Operational Highlights

- **Helios**

Subsequent to year end, further to the term sheet announced in November 2024, Galaxy entered into the Lease Agreement with CoreWeave, one of the world's leading providers of artificial intelligence and next-generation cloud services. As part of this agreement, Galaxy will deliver 133 MW of Critical IT Load to host CoreWeave's AI infrastructure and HPC services.

- **Capital Raise and Debt Issuance**

In April 2024, GDH Ltd. raised C\$169.4 million from a syndicate of underwriters (the "Equity Raise"), led by Canaccord Genuity Corp. GDH Ltd. issued 12,100,000 ordinary shares pursuant to the Equity Raise. Galaxy is utilizing the net proceeds as intended for working capital and general corporate purposes. An equivalent number of Class A Units of GDH LP were issued to GDH Ltd.

In November 2024, Galaxy issued \$402.5 million, aggregate principal amount, of 2.500% exchangeable senior notes (the "2029 Exchangeable Notes"). The 2029 Exchangeable Notes will mature in 2029, unless earlier exchanged, redeemed, or repurchased. Interest on the 2029 Exchangeable Notes is payable semi-annually. The 2029 Exchangeable Notes had an initial exchange rate of 10,497.5856 ordinary shares of GDH Ltd. per US\$250,000 principal amount.

- **Acquisitions**

On July 18, 2024, the Partnership acquired the assets of CMF for approximately \$12.4 million of cash and equity, inclusive of contingent consideration of approximately \$5.5 million payable by the Partnership if CMF achieves certain financial and operating targets by the end of 2026. CMF provides staking infrastructure, primarily on the Ethereum blockchain, as well as data oracle services. 359,919 ordinary shares were issued as initial consideration in connection with this acquisition. Subsequent to year end an additional 76,573 ordinary shares were issued for milestone consideration. An equivalent number of Class A Units of the Partnership were issued to the Company.

On December 9, 2024, the Partnership acquired all the shares of Fierce Technology, Inc. ("Fierce") for \$12.5 million of cash and equity. Fierce provides financial application software to enable users' trading and banking services. 427,723 ordinary shares were issued in connection with this acquisition. An equivalent number of Class A Units of the Partnership were issued to the Company.

- **GDH Ltd. Reorganization and Domestication**

On May 5, 2021, Galaxy announced that its board of directors approved a proposed reorganization and domestication (the "Reorganization") of GDH Ltd. and the Partnership. Under the proposed terms of the Reorganization: GDH Ltd. and the Partnership will change their jurisdiction of incorporation from the Cayman Islands to the state of Delaware. Galaxy's corporate and capital structure will be reorganized so as to normalize it on the basis of frequently used Up-C structures in the U.S. The Reorganization is subject to ongoing SEC review and stock exchange approval and will include the following steps:

- Galaxy Digital Inc. ("PubCo"), a new Delaware holding company, has been established and will become the successor public company of GDH Ltd., with all outstanding Galaxy ordinary shares becoming Class A shares of PubCo.
- Michael Novogratz, the Chief Executive Officer (the "CEO") and founder of Galaxy, who currently controls the General Partner of the Partnership, will transfer control of the Partnership's General Partner to PubCo.
- PubCo will issue new voting securities to the CEO and other holders of Class B Units of the Partnership that will entitle them to vote (but not hold any economic rights) at the PubCo level, as though they had converted their existing Class B Units of the Partnership for shares of PubCo.
- The "variable voting rights" attached to the ordinary shares of Galaxy that currently restrict the aggregate votes that may be cast by U.S. shareholders will be eliminated.
- PubCo intends to apply to list its Class A common stock on Nasdaq under the symbol "GLXY."

The purpose and business reasons for the Reorganization include:

- Expectation of enhanced shareholder value through increased access to U.S. capital markets, improved flexibility for future equity and debt capital market needs, and an increased profile for Galaxy in the U.S.
- Normalization of Galaxy's corporate and capital structure.
- Facilitation of any future acquisitions.
- Simplification of the equity structure and alignment of all stakeholders' interests at the PubCo level.

- **Operational highlights**

- Galaxy Global Markets**

- The Partnership's trading business within GGM ended the year with 315 active counterparties⁸ as compared to 296 as of the end of the third quarter and more than 270 as of the end of 2023 and raised the total number of onboarded counterparties to 1,328 as compared to 1,052 total onboarded counterparties as of December 31, 2023.
- The average loan book size⁹ for the fourth quarter of 2024 was \$861 million as compared to \$668 million for the third quarter of 2024 and \$465 million for the fourth quarter of 2023.
- Counterparty loan originations were \$2.3 billion for the year as compared to \$661 million for 2023.
- The Partnership's investment banking business successfully closed three deals in the fourth quarter of 2024. Notable transactions included serving as the exclusive financial advisor to Attestant in its sale to Bitwise Asset Management and advising Thunder Bridge Capital on its merger with Coincheck.

- Galaxy Asset Management**

- GAM reported AUM of approximately \$5.7 billion as of December 31, 2024 as compared to \$5.2 billion as of December 31, 2023. GAM AUM as of year end consisted of \$3.5 billion in ETF strategies and \$2.2 billion in Alternative investment strategies; as compared to \$1.6 billion in ETF strategies and \$3.6 billion in Alternative investment strategies as of December 31, 2023.
- GAM entered into a mandate to unwind certain Trust assets within FTX's portfolio in the fourth quarter of 2023. GAM has been managing the assets and any sales required by the mandate to maximize value for creditors. Associated AUM has decreased over time as the portfolio is monetized.
- In January 2024, GAM, in partnership with Invesco, announced the launch of the Invesco Galaxy Bitcoin ETF (ticker: BTCO).
- In April 2024, GAM partnered with DWS Group to launch two new Xtrackers exchange traded commodity products ("ETCs") that track 1:1 the performance of bitcoin and ether and are physically backed by their respective digital assets.
- In June 2024, GAM closed the first raise for its inaugural Crypto Venture Fund, which seeks to invest in blockchain-related opportunities across financialized applications, software infrastructure and protocols.
- In June 2024, GAM, in partnership with State Street Global Advisors, announced the launch of three actively managed ETFs (tickers: DECO, HECO, TEKX) which offer investors exposure to digital asset and disruptive technology equities, spot cryptocurrencies, derivatives, cash, and cash-like instruments.
- In July 2024, GAM, in partnership with Invesco, announced the launch of the Invesco Galaxy Ethereum ETF (ticker: QETH).

⁸ Active trading counterparties represent counterparties with whom we have traded within the past 12 months and who are still onboarded with Galaxy's trading business.

⁹ Represents average market value of all open items, un-funded arrangements to finance delayed trading/settlement (for example over weekends), as well as uncommitted credit facilities in the quarter.

- Subsequent to year end in January 2025, GAM announced the launch of the Galaxy Absolute Return Fund, a fundamentals driven, multi-asset hedge fund capitalizing on misunderstood opportunities within the digital asset ecosystem and adjacent disruptive technologies. The fund invests across publicly traded equities, exchange-traded products, derivatives, and credit instruments to generate alpha with no direct crypto token exposure.

Galaxy Digital Infrastructure Solutions

- DIS AUS was approximately \$4.2 billion as of December 31, 2024, an increase of 25% as compared to the end of the third quarter of 2024 and an increase of \$4.0 billion as compared to the end of 2023. Galaxy has grown to become one of the largest validators globally on the Solana network.
- Galaxy's average marginal cost to mine,¹⁰ net of curtailment credits, was under \$38,000 during the third and fourth quarters of 2024 and approximately \$26,000 for the 2024 full year, as compared to less than \$8,000 for the 2023 full year. The year-over-year increase in average marginal cost to mine was primarily driven by the April 2024 Bitcoin Halving event, effective power cost hedges in 2023, as well as an increase in mining difficulty.
- Galaxy ended the year with approximately 6.1 exahash per second in HUM, representing a 49% increase compared to the prior year end. Approximately 57% of HUM was derived from proprietary mining operations and the remainder from hosting mining operations.
- Galaxy mined 187 and 977 proprietary bitcoins during the quarter and year ended December 31, 2024, respectively, as compared to 333 in the fourth quarter of 2023 and 1,077 for the year ended December 31, 2023. The year-over-year decrease in proprietary bitcoins mined was primarily driven by the April 2024 Bitcoin Halving event, as well as an increase in mining difficulty.
- In July 2024, Galaxy acquired the assets of CMF, a blockchain node operator that provides trusted, secure services to decentralized protocols across the digital asset ecosystem. The acquisition of CMF brought approximately \$1 billion in ether AUS to the Galaxy platform.

¹⁰ Average marginal cost to mine refers to the marginal cost of production for each bitcoin generated during the period. The calculation excludes depreciation, mark-to-market on power contracts and corporate overhead.

Industry Performance and Outlook

The following table reflects the performance of the cryptocurrency market capitalization, as well as bitcoin and ether prices for the period from January 9, 2018 to December 31, 2024 (amounts expressed in US\$):

	As of January 9, 2018 ⁽²⁾	As of December 31, 2019	As of December 31, 2020	As of December 31, 2021	As of December 31, 2022	As of December 31, 2023	As of December 31, 2024	% Change 2024	% Change from January 9, 2018 to December 31, 2024
Cryptocurrency market capitalization (in millions) ⁽¹⁾	\$739,209	\$190,906	\$765,313	\$2,206,758	\$793,602	\$1,647,895	\$3,393,595	105.9%	359.1%
Bitcoin price ⁽³⁾	\$14,595	\$7,194	\$29,002	\$46,306	\$16,548	\$42,265	\$93,429	121.1%	540.1%
Ether price ⁽³⁾	\$1,300	\$130	\$738	\$3,683	\$1,197	\$2,281	\$3,333	46.1%	156.4%

(1) Represents market capitalization data from coinmarketcap.com through December 31, 2023 and from coingecko.com for the year ended December 31, 2024.

(2) January 9, 2018 is presented as it is the date Michael Novogratz contributed his portfolio of digital assets to Galaxy Digital LP, a consolidated subsidiary of the Partnership.

(3) Represents coinmarketcap.com quoted price as of 23:59 UTC for bitcoin and ether.

Market Overview

Spot BTC ETFs were approved for trading in the U.S. during the first quarter of 2024, marking a watershed event for the digital assets industry. BTC ETFs from eleven issuers began trading at that time. As of December 31, 2024, the collective assets under management of the BTC ETFs was \$105.1 billion. Cumulative 2024 net inflows into the BTC ETFs were \$35.4 billion, making it one of the most successful launches in ETF history from a demand perspective. Spot ETH ETFs were also approved for trading in the U.S. in 2024. After a slow start, cumulative net inflows to ETH ETFs turned positive following the U.S. presidential election, with ETH ETFs having collective assets under management of \$12.1 billion and cumulative net inflows reaching \$2.7 billion as of December 31, 2024.

U.S. BTC ETF net inflows are believed to be a driver in the price appreciation of the underlying asset. Other digital assets, which tend to be somewhat correlated to BTC, also gained in value. The BTC and ETH ETFs make bitcoin and ether exposure more accessible to investors. In particular, wealth managers and financial advisors are now able to allocate end-client capital to bitcoin and ether, which was difficult to accomplish before the existence of spot BTC and ETH ETFs. The U.S. wealth management industry encompassed \$50 trillion in AUM as of December 31, 2023, according to data from Galaxy Research. As of the end of December 31, 2024, no major U.S. bank or broker/dealer affiliated wealth management platforms included BTC and ETH ETFs in model portfolios, though some platforms have begun offering these ETFs to subsets of end-clients. As wealth platforms begin to further incorporate BTC and ETH ETFs, affiliated advisors and fiduciaries can then start to direct their wealth clients to invest in bitcoin and ether, expanding access to the asset class for new pools of investors.

Following a tumultuous 2022, bitcoin was among the best performing assets of 2023 and 2024, when compared to a swath of global equity, commodity, and fixed-income indices; it briefly exceeded the \$100,000 threshold and hit a new all-time high in December 2024. Bitcoin was up 121.1% and ether was up 46.1% for the year as of December 31, 2024 (up 155.4% and 90.6% for the year ended December 31, 2023, respectively). After bitcoin and ether were each down 76% and 75%, respectively, for the year ended December 2022 from their previous all-time highs in November 2021.

After steadily rising throughout 2022 and the first half of 2023, the Federal Reserve's Federal Funds Rate was cut by 50bps to 5.0% in September 2024 and an additional 25bps in November and December bringing it down to a target range of 4.25% to 4.5%. While the Federal Reserve is expected to continue reducing the benchmark interest rate in 2025, the Federal Open Market

Committee has emphasized its dependence on key economic metrics, such as unemployment and inflation rates. Market uncertainty remains over the near-term future for risk assets. Geopolitical tensions, changes in trade policy, and other market forces could lead to further unexpected outcomes, which in turn could spur volatility across financial markets, including crypto.

Industry Outlook and Recent Events

Across the digital assets ecosystem, innovations are driving new use cases and growing adoption. The development of Inscriptions on Bitcoin has unleashed tokenization on the world’s oldest and most valuable blockchain network.¹¹ This has generated enthusiasm for bringing other blockchain use cases to Bitcoin, particularly through the deployment of new types of layer 2 networks (such as “rollups”) which move computation and state storage off-chain to increase speed and throughput capacity on the mainchain. On Ethereum, rollups have achieved significant adoption. The combined transaction count of Ethereum’s layer 2 (“L2”) ecosystem first surpassed the transaction count of the Ethereum L1 starting in early 2023. As of early 2025, the combined L2 transaction count is over 10 times greater than that of the base layer.¹² Further reductions in rollup fees for users remain an active area of research for both Ethereum and the L2 protocols to further support the growth of the on-chain ecosystem. Other networks, such as Solana, take different approaches to blockchain design. Growing usage on Solana and other developing blockchains is leading to increased efficiency across a range of use cases.

New use cases are developing along with the expanded and improved platform technology. Tokenization efforts are gaining momentum, with increasing value stored and transacted in stablecoins.¹³ “Real world assets” are being tokenized, including treasuries and private credit, bringing real-world yield onto public blockchains and into decentralized finance (“DeFi”).¹⁴ The acceleration of artificial intelligence applications is leading to currently nascent but potentially exciting overlaps with blockchains. As an example, demand for processing power can be coupled with decentralized blockchains’ abilities to coordinate buyers and sellers of computing capacity across the globe. DeFi continues to mature, and while the *total value locked* (“TVL”) in DeFi has not reached its prior all-time highs, it has doubled since December 2023 due to both increased utilization and the appreciation of underlying collateral assets.¹⁵

Increasing regulatory clarity from some of the global regulatory bodies has made it easier for individuals and institutional investors to participate in the digital assets ecosystem around the world. Following the inauguration of President Donald J. Trump, the White House signaled that the U.S. federal government intends to take a more progressive and innovation-focused approach to digital assets across a range of areas. On January 23, 2025, President Trump signed an executive order titled “Strengthening American Leadership in Digital Financial Technology,” which outlined a range of national priorities to support and grow the digital asset industry and created a Presidential Working Group to deliver recommendations for implementing those priorities. The SEC recently instituted a “Crypto Task Force” and rescinded Staff Accounting Bulletin 121, an accounting guideline which made it challenging for institutions to custody digital assets; and the acting chairs of the SEC, Commodities and Futures Trading Commission (“CFTC”), and Federal Deposit Insurance Corporation (“FDIC”) have all signaled support for a more innovation-focused regulatory framework for digital assets. While it is likely that regulators and legislators will impose new rules on the digital asset industry, we now believe these rules will provide much-needed clarity that both protects consumers and provides viable pathways for the continued growth of the industry. Advancement of the European Union’s Markets in Crypto-Assets (“MiCA”) regulation through the European Council represents the vanguard of regulatory clarity for digital assets. MiCA became fully effective in December 2024 and should be a boon for digital assets infrastructure on the continent. The United Kingdom has also advanced comprehensive guidance for digital asset companies which will allow them to operate under existing frameworks, and jurisdictions in the Middle East, Hong Kong, and Southeast Asia have advanced comprehensive and clarifying regulation that improves the operating environment for crypto firms.

In June 2023, the SEC brought actions against Coinbase and Binance alleging that they solicited U.S. investors to buy, sell, and trade “crypto asset securities” through their unregistered securities exchanges, brokerages and clearing agencies and identifying a number of digital assets that the SEC alleges to be unregistered securities. Binance subsequently announced that it would be suspending USD deposits and withdrawals on Binance.US and that it planned to delist its USD trading pairs. In addition, in November 2023, the SEC brought similar charges against Kraken, alleging that it operated as an unregistered securities exchange, brokerage and clearing agency. In February 2025, a 60-day stay was granted in the SEC’s lawsuit against Binance in response to a joint request by both the SEC and Binance, which acknowledged that the SEC’s newly formed Crypto Task Force’s focus on developing a federal securities laws framework for digital assets may resolve the case. In February 2025,

¹¹ Bitcoin accounted for 54% of the asset class’s market capitalization, as calculated by dividing market capitalization of bitcoin by total market capitalization as of January 15, 2025, as published by CoinGecko. Ether, the second most valuable blockchain network by market capitalization, represented 11% as of the same date.

¹² Based on data from Artemis.zxy as of January 28, 2025.

¹³ As reported on RWA.xyz, stablecoin market capitalization was \$203 billion as of December 31, 2024 and monthly transfer volume was \$5.1 trillion in December 2024.

¹⁴ Refer to Galaxy Research’s report published on February 27, 2024, October 5, 2023, *10 Charts that show RWA, DeFi, and Ethereum Ecosystems are Vibrant*.

¹⁵ Per DeFiLlama.com, TVL in DeFi was \$107.5 billion as of December 31, 2024 and \$54 billion as of December 31, 2023.

Coinbase and the SEC entered into a joint stipulation to dismiss the SEC's lawsuit with prejudice. Kraken has also announced that it reached an agreement in principle with the SEC to dismiss the SEC's lawsuit, subject to formal approval by the SEC's Commissioners. Several other digital assets market participants have also announced that the SEC informed them that the SEC was terminating its investigation or enforcement action into their firm. In July 2023, a U.S. district court ruled that certain sales of XRP were not securities transactions for purposes of the federal securities laws, while others were. On January 15, 2025, the SEC filed an appeal against the judgment with the United States Court of Appeals for the Second Circuit. The final outcome of these lawsuits (to the extent not yet dismissed), their effect on the broader digital asset ecosystem and the reputation impact on industry participants, remain uncertain.

New innovations are expected to lead to wider adoption of digital assets and blockchain technology. In turn, growing interest and adoption may lead to increased volumes and prices, which should benefit all of our businesses. The Partnership believes that in the long run bitcoin has the potential to become a safe-haven, hard money asset equivalent. We believe that the broader digital assets market has significant upside potential, with new opportunities emerging in payments, finance, art, collectibles, gaming, and the Metaverse. Nonetheless, shifting risk sentiment will continue to impact the digital assets markets in the near term.

HPC hosting

Advancements in AI and HPC are driving a surge in demand for data center capacity. AI workloads require immense computational resources, power and access to scalable infrastructure. However, the industry is currently facing a shortage of both data center capacity and power, as rapid AI adoption outpaces what our electrical grids can support and the development of new facilities. Power constraints, supply chain bottlenecks, and permitting delays have made it increasingly difficult to bring additional capacity online at the speed required. As a result, companies seeking to scale AI operations are struggling to secure high-density computing environments, leading to a competitive market for infrastructure with access to reliable power and room for expansion. This supply-demand imbalance underscores the urgent need for strategic investment in next-generation data centers that can support the future of AI-driven innovation. Galaxy entered into a 15-year lease agreement with CoreWeave in March 2025, one of the world's leading providers of artificial intelligence and next-generation cloud services, to host CoreWeave's AI infrastructure and HPC services.

Operations in Israel

The operations of GK8, a developer of secure technology solutions for self-custody of digital assets, acquired by Galaxy in February 2023 are headquartered in Israel with its primary office located in Tel Aviv which includes more than 50 Galaxy employees. GK8 is included in the Digital Infrastructure Solutions segment. There has been no material impact from the ongoing regional conflicts on the Partnership's operations; however, Galaxy management is continuing to monitor the situation.

Performance by Reportable Segment

The Partnership manages and reports its activities in the following operating segments: Global Markets, Asset Management and Digital Infrastructure Solutions. Refer to Note 22 of the Partnership's consolidated financial statements for further information on reportable segments.

The following table represents income and expenses by each of the reportable segments for the year ended December 31, 2024:

(in thousands)	Global Markets	Asset Management	Digital Infrastructure Solutions	Corporate and Other (1)	Totals
Income (loss)					
Fee revenue	\$ 22,666	\$ 49,028	\$ 34,833	\$ (3,333)	\$ 103,194
Net realized gain on digital assets	547,349	67,542	796	—	615,687
Net realized gain (loss) on investments	(187,058)	13,527	2,423	—	(171,108)
Lending and staking revenue	103,544	14,890	177,056	(21,236)	274,254
Net derivative gain (loss)	267,010	—	759	—	267,769
Revenue from proprietary mining	—	—	63,305	—	63,305
Other income (expense)	674	119	444	220	1,457
	754,185	145,106	279,616	(24,349)	1,154,558
Compensation expense	112,019	47,181	40,418	49,923	249,541
Blockchain reward distributions	—	—	151,556	(21,258)	130,298
Interest	102,010	—	—	7,529	109,539
Notes interest expense	—	—	—	30,804	30,804
Depreciation and amortization	3,090	406	47,043	5,796	56,335
Other operating expenses	82,083	12,684	69,613	207,884	372,264
Operating expenses	299,202	60,271	308,630	280,678	948,781
Net unrealized gain (loss) on digital assets	(207,072)	(45,165)	(3,143)	—	(255,380)
Net unrealized gain (loss) on investments	368,331	64,904	(3,336)	—	429,899
Net loss on notes payable - derivative	—	—	—	(31,727)	(31,727)
Foreign currency loss	1,317	—	—	—	1,317
	162,576	19,739	(6,479)	(31,727)	144,109
Income (loss) before income taxes	617,559	104,574	(35,493)	(336,754)	349,886
Income tax expense (benefit)	—	—	—	(15,426)	(15,426)
Net income (loss)	\$ 617,559	\$ 104,574	\$ (35,493)	\$ (321,328)	\$ 365,312
Foreign currency translation adjustment	—	—	—	1,190	1,190
Comprehensive income (loss)	\$ 617,559	\$ 104,574	\$ (35,493)	\$ (320,138)	\$ 366,502

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

The following table represents income and expenses by each of the reportable segments for the year ended December 31, 2023:

(in thousands)	Global Markets	Asset Management	Digital Infrastructure Solutions	Corporate and Other ⁽¹⁾	Totals
Income (loss)					
Fee revenue	\$ 4,877	\$ 22,203	\$ 27,482	\$ (3,220)	\$ 51,342
Net realized gain (loss) on digital assets	307,057	4,773	—	—	311,830
Net realized gain (loss) on investments	(8,936)	22,348	—	—	13,412
Lending and staking revenue	49,916	3,003	272	(975)	52,216
Net derivative gain (loss)	150,715	1,074	(206)	—	151,583
Revenue from proprietary mining	—	—	33,121	—	33,121
Other income (expense)	175	(127)	254	55	357
	503,804	53,274	60,923	(4,140)	613,861
Compensation expense	109,297	46,401	26,565	28,413	210,676
Blockchain reward distributions	—	—	1,086	—	1,086
Interest	19,825	—	—	4,828	24,653
Notes interest expense	—	—	—	27,285	27,285
Depreciation and amortization	401	197	22,798	4,521	27,917
Other operating expenses	57,137	10,051	(3,843)	21,437	84,782
Operating expenses	186,660	56,649	46,606	86,484	376,399
Net unrealized gain (loss) on digital assets	(73,492)	74,223	1,219	—	1,950
Net unrealized gain (loss) on investments	79,001	(2,193)	7,607	—	84,415
Net gain (loss) on notes payable - derivative	—	—	—	(9,603)	(9,603)
Foreign currency loss	(493)	—	—	—	(493)
	5,016	72,030	8,826	(9,603)	76,269
Income (loss) before income taxes	322,160	68,655	23,143	(100,227)	313,731
Income tax expense (benefit)	—	—	—	17,833	17,833
Net income (loss)	\$ 322,160	\$ 68,655	\$ 23,143	\$ (118,060)	\$ 295,898
Foreign currency translation adjustment	—	—	—	88	88
Comprehensive income (loss)	\$ 322,160	\$ 68,655	\$ 23,143	\$ (117,972)	\$ 295,986

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

The results of the Partnership's operations are directly affected by changes in the prices of digital assets that the Partnership holds or may hold. A significant decrease in the price or value of digital assets held by the Partnership may adversely affect the Partnership's results of operations. The Global Markets segment reflects the short term and long term positioning of the Partnership's digital assets and BTC ETFs as well as the performance of OTC trading.

Year ended December 31, 2024 and December 31, 2023

Net Realized Gain (Loss) on Digital Assets

Net realized gain on digital assets of \$615.7 million for the year ended December 31, 2024 was driven by digital asset sales and the appreciation of both bitcoin and ether (December 31, 2023 - \$311.8 million also driven by sales of bitcoin and ether). The prices of bitcoin and ether both increased over the year ended December 31, 2024 (121.1% and 46.1%, respectively).

Net Unrealized Gain (Loss) on Digital Assets

For the year ended December 31, 2024, Galaxy recognized a net unrealized loss on digital assets of \$255.4 million. Unrealized losses associated with digital asset liabilities such as digital assets loans payable and collateral payable exceeded unrealized gains on digital asset balances. For the year ended December 31, 2023, the net unrealized gain on digital assets of \$2.0 million was primarily driven by bitcoin and ether price increases; offset by unrealized losses associated with digital asset liabilities such as loans payable and collateral payable.

Net Realized Gain (Loss) on Investments

For the year ended December 31, 2024, net realized loss on investments of \$171.1 million was primarily attributable to realized losses on short positions offset by gains earned on the distribution of bitcoin and cash from Mt. Gox. For the year ended December 31, 2023, the net realized gain on investments of \$13.4 million was primarily attributable to realized gains on the sale of Block.one common stock and partial sale of Fireblocks Ltd. (“Fireblocks”) preferred shares partially offset by realized losses on short positions.

Net Unrealized Gain (Loss) on Investments

For the year ended December 31, 2024, net unrealized gain on investments of \$429.9 million was primarily attributable to gains on BTC ETFs and price appreciation of SOL and AVAX digital assets held by the Galaxy sponsored unconsolidated Galaxy Digital Crypto Vol Fund, LLC. For the year ended December 31, 2023, the net unrealized gain on investments of \$84.4 million was primarily attributable to an increase in the fair value of the Partnership's investments in Mt. Gox Investment Fund LP, FTX bankruptcy claims, and Galaxy Liquid Crypto Fund, LP (formerly known as Liquid Alpha Fund, LP).

Net Derivative Gain (Loss)

For the year ended December 31, 2024, the net derivative gain of \$267.8 million was primarily attributable to \$284.1 million of realized gains on digital asset derivatives and \$25.1 million of realized gains on equity security derivatives, partially offset by \$47.5 million of unrealized losses on unsettled digital asset derivatives. For the year ended December 31, 2023, the net derivative gain of \$151.6 million was primarily attributable to \$145.6 million of realized gains on settled digital asset derivatives, \$5.2 million of unrealized gains on equity security derivatives and \$3.3 million of unrealized gains on unsettled interest rate derivatives, partially offset by realized losses on settled interest rate derivatives of \$5.2 million and realized losses on settled foreign currency derivatives of \$4.4 million.

The table below represents select assets by reporting segment as of December 31, 2024:

(in thousands)	Global Markets	Asset Management	Digital Infrastructure Solutions	Corporate and Other	Totals
Digital assets	\$ 2,940,659	\$ 23,534	\$ —	\$ —	\$ 2,964,193
Digital assets receivables	12,027	47,390	1,303	—	60,720
Assets posted as collateral	277,147	—	—	—	277,147
Loans receivable ⁽¹⁾	1,056,150	—	—	—	1,056,150
Investments	1,087,588	547,466	8,452	—	1,643,506
Property and equipment	—	—	260,388	7,260	267,648

⁽¹⁾ Includes digital asset and fiat loans.

The table below 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.

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.

The following table presents the fair value hierarchy for the Partnership's digital assets and investments measured at fair value as of December 31, 2024 and December 31, 2023:

(in thousands)	As of December 31, 2024				As of December 31, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Digital assets	\$ 2,493,866	\$ 424,108	\$ 46,219	\$ 2,964,193	\$ 902,537	\$ 149,402	\$ 68,004	\$ 1,119,943
Digital assets receivable	204	24	60,492	60,720	196	95	20,569	20,860
Digital asset loans receivable ⁽¹⁾	—	579,954	—	579,954	—	104,504	—	104,504
Assets posted as collateral - digital assets ⁽¹⁾	—	278,527	—	278,527	—	316,104	—	316,104
Derivative assets	188,836	18,817	—	207,653	59,724	113,485	—	173,209
Investments	751,220	—	892,286	1,643,506	43,568	—	691,535	735,103
Total	\$ 3,434,126	\$ 1,301,430	\$ 998,997	\$ 5,734,553	\$ 1,006,025	\$ 683,590	\$ 780,108	\$ 2,469,723
Liabilities								
Investments sold short	\$ 6,524	\$ —	\$ —	\$ 6,524	\$ 25,295	\$ —	\$ —	\$ 25,295
Derivative liabilities	58,155	107,703	—	165,858	55,567	105,075	—	160,642
Digital asset loans payable	—	1,497,609	—	1,497,609	398,277	—	—	398,277
Collateral payable - digital assets	—	1,324,660	—	1,324,660	569,995	—	—	569,995
Embedded derivative - Notes payable	—	—	136,192	136,192	—	—	10,472	10,472
Total	\$ 64,679	\$ 2,929,972	\$ 136,192	\$ 3,130,843	1,049,134	105,075	10,472	1,164,681

⁽¹⁾ Fair value excludes provision for credit losses.

Level 3 Continuity

The following table represents a reconciliation of Level 3 assets and liabilities for the year ended December 31, 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 December 31, 2024
Digital assets	\$ 68,004	\$ 13,454	\$ —	\$ —	\$ (3,388)	\$ (31,851)	\$ 46,219
Digital assets receivables	20,569	—	(4,727)	4,724	52,477	(12,551)	60,492
Investments	691,535	197,180	(284,790)	130,460	163,571	(5,671)	892,285
Total digital assets, digital assets receivables and investments	\$ 780,108	\$ 210,634	\$ (289,517)	\$ 135,184	\$ 212,660	\$ (50,073)	\$ 998,996
Liabilities (in thousands)	Fair value at December 31, 2023	Additions	Conversions	Revaluation	Fair Value at December 31, 2024		
Embedded derivative - Notes payable	\$ 10,472	\$ 93,993	\$ —	\$ 31,727	\$ 136,192		

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, 2024, gross transfers into Level 3 for digital assets and digital asset receivables were \$0.6 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 \$45.0 million and due to vesting of digital assets as expected. For the year ended December 31, 2024, total transfers out of Level 3 for investments was \$5.7 million. Transfers out of investments relate to the conversion of convertible notes upon emergence from bankruptcy and vesting of restricted publicly traded common stock during the year.

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.

Quantitative Information for certain Level 3 Assets and Liabilities

Financial instrument	Fair value at December 31, 2024 (in thousands)	Significant unobservable inputs	Range
Digital assets	\$46,219	Marketability discount	5.0% - 84.0%
Digital assets receivables	\$60,492	Marketability discount	5.5% - 72.8%
Investments	\$892,286	Market adjustment discount	5.8% - 90.0%
		Market adjustment premium	8.7% - 130.0%
		Marketability discount	3.5% - 51.8%
		Time to liquidity event (years)	1.0 - 5.0
		Annualized equity volatility	70.0% - 90.0%
		Risk free rate	3.0% - 4.5%
		Expected dividend payout ratio	0.0%
		Enterprise value to LTM revenue multiple	2.5x - 16.8x
		Enterprise value to projected revenue multiple	2.0x - 10.5x
		Enterprise value to annualized revenue	3.3x - 9.0x
		Enterprise value to LTM volume	3.0x
		Enterprise value to annual recurring revenue	8.5x - 19.2x
		Price to tangible book value	1.5x
		Enterprise value to projected EBITDA	9.0x - 14.0x
		Scenario probability	35.0%
Recovery percentage	18.1% - 61.6%		
Embedded derivative - notes payable	\$136,192	Volatility	45.6% - 75.0%
		Time-step (years)	0.004
		Risk free rate	4.2% - 4.4%

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%
		Enterprise Value to LTM revenue multiple	2.0x - 12.0x
		Enterprise Value to projected revenue multiple	2.0x - 8.0x
		Enterprise value 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.

Valuation Techniques

The following tables summarize the valuation techniques and significant inputs used in the fair value measurement of the Partnership's digital assets and investments.

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, EBITDA, volumes, annual recurring revenue) • 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

Industry

As of December 31, 2024 and December 31, 2023, details of the industry composition of the Partnership's digital assets, digital assets receivable, and investments are as follows:

Industry	December 31, 2024		December 31, 2023	
	Percentage of fair value	# of Investments ⁽²⁾	Percentage of fair value	# of Investments ⁽²⁾
Digital assets ⁽¹⁾	65 %	315	61 %	270
Finance	29	57	27	49
High tech industries	2	35	6	33
Services: Business	2	13	3	13
Mining	1	8	1	3
Software	<1	12	1	11
Finance technology	<1	8	<1	4
Media: Diversified and production	<1	2	<1	2
Total	100 %	450	100 %	385

⁽¹⁾ Includes digital asset receivables and pre-ICO contracts. Wrapped digital assets such as wBTC, wETH and stETH are counted individually.

⁽²⁾ Multiple investments across the capital structure of one investee are considered a single investment.

While the above table provides information regarding the portfolio's industry concentration, at this time, industry is not a significant factor that the asset management team considers when determining whether to make an investment. Rather, the Partnership considers all investments in the digital asset ecosystem, and those in the broader emerging technology sectors, with an appropriate risk and return profile.

Material Positions

The Partnership considers a variety of quantitative and qualitative factors in determining if any one investment is considered a material position as of each reporting date. Factors considered include, but are not limited to, the proportion of each investment to total assets; whether any one investment is materially larger than other portfolio investments; the concentration of the portfolio and any associated risks; the liquidity of each investment, or lack thereof; the impact of such an investment on the Partnership's assets or operations; and the existence or absence of other factors that could cause one to conclude that the investment was significant to the Partnership notwithstanding its absolute size.

Refer to the *Credit Risk* section below for further information on the Partnership's concentrations of credit risk related to its loans (including digital asset loans) receivable.

Digital Assets

The Partnership's digital asset balance includes digital assets borrowed and digital assets provided to Galaxy as collateral. Refer to the *Liquidity and Capital Resources* section for a breakout of Galaxy's digital assets, net balance which was \$1.1 billion as of December 31, 2024 (December 31, 2023 - \$593.1 million). As of December 31, 2024 and December 31, 2023, the Partnership's largest gross digital asset holdings by fair value were as follows (in thousands):

(in thousands)	December 31, 2024		December 31, 2023	
Bitcoin ⁽¹⁾	\$	1,578,553	\$	589,011
Ether ⁽¹⁾		453,503		174,978
USDC		343,341		74,624
USDT		137,661		104,539
SOL ⁽¹⁾		85,543		27,265
UNI		68,922		508
TIA		34,116		68,494
All other		262,554		80,524
Digital assets, current and noncurrent	\$	2,964,193	\$	1,119,943

⁽¹⁾ Includes associated tokens such as wBTC, wETH, stETH, and wSOL.

The table below presents a breakdown of the fair value of the Partnership's digital assets by market capitalization:

As of December 31, 2024:	Fair Value (in thousands)	
> \$1 billion market cap	\$	2,447,517
<= \$1 billion market cap		516,676
	\$	2,964,193

As of December 31, 2023:	Fair Value (in thousands)	
> \$1 billion market cap	\$	1,019,712
<= \$1 billion market cap		100,231
Net	\$	1,119,943

Above market capitalization amounts are obtained from coinmarketcap.com.

The Partnership actively manages its digital asset portfolio by actively trading, both long and short, assets predominantly with greater than a \$1 billion of implied market capitalization. (See table in *Industry Performance & Outlook for a comparison of the performance of the Partnership's primary digital asset investments against the overall digital asset market.*)

The Partnership deploys digital assets on decentralized finance protocols. These venues provide the Partnership with liquidity of certain types of digital assets but also introduce additional smart contract risks. As of December 31, 2024, approximately 38%, 17%, and 15% of the Partnership's digital assets associated with decentralized finance protocols related to digital assets issued by Sky DAO (f.k.a. Maker DAO), Coinbase wrapped bitcoin, and Aave, respectively.

Investments

As of December 31, 2024 the largest investments by fair value were as follows (in thousands):

Investment Name	Investment Type ⁽¹⁾	Cost	Fair Value
Bitcoin spot ETF Investments ⁽²⁾	Common Stock	\$ 415,691	\$ 659,545
Galaxy Digital Crypto Vol Fund LLC	LP/LLC Interests	80,945	151,254
Ripple Labs, Inc.	Preferred Stock & LP/LLC Interests	17,820	68,452
Galaxy Liquid Crypto Fund, LP (fka Galaxy Liquid Alpha Fund, LP)	LP/LLC Interests	21,695	65,851
Mt. Gox Investment Fund LP	LP/LLC Interests	8,076	55,644
Xapo Holdings Limited	Common Stock	13,800	51,534
The SPDR® Galaxy Hedged Digital Asset Ecosystem ETF (HECO)	Common Stock	35,042	43,960
Galaxy EOS VC Fund LP	LP/LLC Interests	24,800	35,081
Galaxy Interactive Fund I, LP	LP/LLC Interests	28,973	34,829
Galaxy Ventures Fund I, LP	LP/LLC Interests	20,000	28,633
Other ⁽³⁾	Other	349,618	448,723
		\$ 1,016,460	\$ 1,643,506

⁽¹⁾ The cost and fair value of the investments disclosed may combine positions across multiple investment types.

⁽²⁾ Includes iShares Bitcoin ETF, ARK 21Shares Bitcoin ETF, Invesco Galaxy Bitcoin ETF, and Grayscale Bitcoin Trust BTC common stock investments.

⁽³⁾ Includes 118 investments, all of which individually have fair values of less 5% of the total investments.

As of December 31, 2023, the largest investments by fair value were as follows (in thousands):

Investment Name	Investment Type ⁽¹⁾	Cost (in thousands)	Fair Value (in thousands)
Mt. Gox Investment Fund LP	LP/LLC Interests	47,436	82,998
FTX bankruptcy claims	Warrants & Claims	18,549	45,013
Galaxy EOS VC Fund LP	LP/LLC Interests	24,800	40,165
Ripple Labs, Inc.	LP/LLC Interests & Preferred Stock	19,833	37,171
Galaxy Liquid Crypto Fund, LP	LP/LLC Interests	21,695	36,523
ProShares Bitcoin Strategy ETF	Common Stock	33,363	34,887
Galaxy Interactive Fund I, LP	LP/LLC Interests	28,073	29,268
Ramp Network Inc.	Preferred Stock	8,682	22,995
Bullish Global	Preferred Stock	9,000	22,680
Galaxy Institutional Ethereum Fund LP LLC	LP/LLC Interests	15,123	22,107
Other ⁽²⁾	Other	306,393	361,296
		<u>\$ 532,947</u>	<u>\$ 735,103</u>

⁽¹⁾ The cost and fair value of the investments disclosed may combine positions across multiple investment types.

⁽²⁾ Includes 105 investments, all of which individually have fair values of less 5% of the total investments.

BTC spot ETF Investments – financial products which provide exposure to bitcoin price movements to investors without the investors holding bitcoin directly.

Bullish Global – a digital asset trading platform to service the institutional liquidity market.

FTX bankruptcy claims - represent legal assertions to payment to be distributed from the FTX bankruptcy estate.

Galaxy Digital Crypto Vol Fund LLC - a commodity pool operator fund focused on achieving capital appreciation through a variety of cryptocurrency related strategies for its investors.

Galaxy EOS VC Fund LP – a partnership focused on developing the EOS.IO ecosystem with an investment strategy focused on investments that utilize the EOS.IO blockchain software.

Galaxy Institutional Ethereum Fund LP LLC - a private fund designed to provide institutional-quality exposure to ether by investing directly in ETH.

Galaxy Interactive Fund I, LP – sector-focused venture capital fund dedicated to the interactive entertainment ecosystem.

Galaxy Liquid Crypto Fund, LP - a partnership which seeks to provide access to the current and next generation of essential digital assets by offering capital appreciation with significant alpha enhancing opportunities.

Galaxy Venture Fund I, LP - a partnership which invests in crypto's cutting edge founders, technologies, and business models across software infrastructure, financial applications, protocols, and consumer use cases.

Mt. Gox Investment Fund LP – a partnership focused on buying creditor's claims against Mt Gox, the former bitcoin trading platform currently in bankruptcy proceedings.

ProShares Bitcoin Strategy ETF - exchange traded fund focused on bitcoin futures investments.

Ramp Network Inc. – a company that is building payment rails which connect cryptocurrency to the global financial system.

Ripple Labs, Inc. – the developer of the Ripple trading platform network, a blockchain-based technology protocol focused on payment systems; includes Galaxy's direct investment in Ripple as well as Galaxy's investment via a third party investment vehicle.

The SPDR® Galaxy Hedged Digital Asset Ecosystem ETF - an exchange traded fund focused on long-term capital appreciation by investing in companies benefiting from blockchain and cryptocurrency adoption, with added exposures through ETFs and futures and volatility management via an option overlay hedge strategy.

Xapo Holdings Limited - financial technology company specialized in digital banking services, focusing on cryptocurrency storage and management solutions.

Period ended December 31, 2024

Bitcoin spot ETF's were approved for listing in the U.S. in January 2024. Galaxy invested in the product during the year ended December 31, 2024, and the price of the underlying bitcoin appreciated post acquisition.

The \$27.4 million decrease in the fair value from December 31, 2023 to December 31, 2024 of the Partnership's investment in Mt. Gox Investment Fund LP was driven by a distribution received in 2024 from the fund made up of cash and BTC that was held by the Mt. Gox bankruptcy estate.

The \$31.3 million increase in fair value from December 31, 2023 to December 31, 2024 of the Partnership's investment in Ripple Labs, Inc. was driven by price increases on buyback tender offers, improvement in general digital asset market sentiment and available data on secondary market activity.

The \$51.5 million increase in fair value from December 31, 2023 to December 31, 2024 of the Partnership's investment in Xapo Holdings Limited was driven by the price appreciation of bitcoin held on the company's balance sheet as of December 31, 2024 distributed to the Partnership in January 2025.

The Galaxy Digital Crypto Vol Fund LLC fund acquired SOL from the FTX bankruptcy estate and other restricted digital assets during 2024. Galaxy concurrently invested in the CPO; and the price of the underlying restricted digital assets held by the CPO appreciated during the period post acquisition.

The Partnership sold its investment in FTX Bankruptcy Claims during the first quarter of 2024 for \$60.1 million resulting in a realized gain for the Partnership of \$41.5 million.

Safeguarding of Digital Assets

The Partnership utilizes the Fireblocks platform to manage portions of our private keys, and to transfer and secure digital assets. Fireblocks is a technology platform that provides Galaxy with additional security while managing our digital assets. Galaxy retains full control of our assets and key recovery phrases that allow us to access our digital wallets independent from Fireblocks' operations. Fireblocks utilizes a secure hot vault and secure transfer environment to help establish connections between the Partnership's wallets, digital asset trading platforms, counterparties, and networks. Fireblocks utilizes multi-party computation ("MPC") protection layers to distribute private key secrets across multiple locations to prevent a single point of failure associated with the private keys. The use of MPC prevents private key shards from being concentrated on a single device at any point in time. The Partnership utilizes the Fireblocks Policy Engine to designate transaction approval policies for digital assets held within Fireblocks vaults. As such, administrators configure automated rules to ensure all transactions are disbursed based on the asset sent, total value of the transaction, source and destination of funds and signer requirements. All transactions initiated from Fireblocks that fail to meet the Partnership's predefined criteria per the policy engine are automatically rejected. The Partnership also utilizes the Fireblocks network as a settlement layer to transact and settle with pre-approved counterparties or entities. The Fireblocks Network utilizes secure enclave technology and data-in-motion encryption to prevent traditional vulnerabilities associated with authenticating wallet addresses. All addresses for non-Fireblocks wallets owned by the Partnership and external wallets for addresses of the Partnership's counterparties require multiple approvals in accordance with our whitelisting policy. As such, utilizing Fireblocks, the Partnership settles with counterparties or entities with minimal risk of losing funds due to deposit address attacks or errors.

Fireblocks issues an annual SOC 2 Type II attestation report. The Partnership reviews the Fireblocks SOC 2 report to confirm that they maintain a secure technology infrastructure and that their system controls are designed and operating effectively. Additionally, the Partnership reviews its own complementary user entity controls in conjunction with the Fireblocks controls to ensure that applicable trust services criteria can be met. Fireblocks maintains an insurance policy which has coverage for technology, cyber, and professional liability and is rated "A" by A.M. Best based on the strength of the policy and has had no known security breaches or incidents reported to date. The Partnership currently has an investment interest in Fireblocks in the form of preferred shares.

The Partnership also utilizes cold storage solutions to self-custody a portion of its digital assets offline. Private keys are generated, backed-up and stored in hardware wallets which are maintained in secured locations. Access to private keys and back-ups are segregated amongst authorized personnel throughout the Partnership to ensure appropriate segregation of duties are maintained. Specific details relating to the Partnership's private key management protocols remain highly sensitive in nature and are only discussed internally with the appropriate personnel to minimize security threats.

Digital Asset Trading Platforms

The Partnership utilizes multiple digital asset trading platforms to assist in conducting digital trading activity. As such, the Partnership maintains digital asset balances on these platforms to facilitate operations. Active digital asset trading platforms are

domiciled across multiple geographies including the U.S., U.K., Gibraltar, Panama, Dubai, Luxembourg, Singapore, Seychelles and Japan. The Partnership has a robust due diligence program for all platforms, regardless of domicile or jurisdiction. Each digital asset trading platform is required to provide all information and documentation that is necessary to do business with the Partnership. Information security reviews are conducted on each platform to assess data retention protocols, infrastructure, and applicable IT policies and procedures. Designated departments review all documentation to ensure each digital asset trading platform meets pre-defined criteria before providing approval for onboarding. Additionally, the Partnership assesses security, reputation, and operational risks in its determination of utilizing any digital asset trading platform. Once onboarded, each platform is monitored and refreshes of the Partnership's due diligence are performed periodically.

As part of the Partnership's control procedures, certain individuals are designated to administer and provision users with digital asset trading platform access and secure accounts per IT security protocols. Upon opening a new account, passwords, API keys, and multi-factor authentication mechanisms are created to secure credentials under the Partnership's Password and Multi-Factor Authentication Policy. Credentials are managed in secured locations and are only made accessible to authorized personnel with privileged access.

Address management features are utilized in accordance with each platform and require withdrawal addresses to be whitelisted and approved by authorized individuals. This prevents the withdrawal of digital assets held on the trading platforms to any address that has not been internally verified.

Digital asset trading platform balances are aggregated via live API feeds to ensure risk exposures are monitored across the Partnership's positions. Digital asset trading platform accounts with material balances are integrated within the Fireblocks platform; the integration allows for authorized users to initiate digital asset trading platform withdrawals directly from Fireblocks to dedicated vault accounts within the platform. The Partnership maintains contingency plans to securely transfer digital assets off platforms to pre-defined wallets and vault accounts. On an ongoing basis, the Partnership assesses its risk exposure based on current market conditions and its digital asset positions. To date, no known security breaches have occurred with any of the Partnership's digital asset trading platform accounts which have resulted in a loss or theft of Galaxy's digital assets. The Partnership performs reconciliation procedures to review digital asset trading platform balances, trades, and fees against internal and third-party records to ensure digital asset holdings are complete and accurate.

Decentralized Finance

The Partnership leverages on-chain, DeFi protocols to facilitate financial transactions in the execution of some of its strategies. Decentralized protocols are assessed by a cross-functional task force as part of the due diligence and approval process for new protocols. Components of the assessment include, but are not limited to security, compliance, operations, technology, and finance, as well as reviews of the protocol's design, decentralization, and support. Interactions with DeFi protocols are performed using Fireblocks and are governed by the Fireblocks' transaction policy outlined in *Safeguarding of Digital Assets* above. The Partnership utilizes portfolio tracking software built specifically for DeFi protocols, as well as its independent third-party administrator, to reconcile, and report on DeFi positions for risk management and financial reporting purposes.

Risk

The Partnership's activities may expose it to a variety of financial and other risks, including credit risk, interest rate risk, liquidity risk, foreign currency risk, market risk, digital asset risk, loss of access risk, irrevocability of transactions, hard fork and airdrop risks and regulatory oversight risk, among others. The Partnership seeks to minimize potential adverse effects of these risks on performance by employing experienced personnel, daily monitoring of the Partnership's investments and digital assets and any market events, and diversifying the Partnership's business strategy, as well as its investment portfolio within the constraints of the Partnership's investment objectives.

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

December 31, 2024, in addition to cash at banks, the Partnership held \$19.7 million of cash at brokers (December 31, 2023 - \$199.6 million) and \$64.7 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 client assets in their 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 December 31, 2024, approximately \$1.1 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). The Partnership's exposure to any individual counterparty did not exceed 10% of its digital assets balance as of December 31, 2024 (December 31, 2023 - One counterparty, 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 creditworthy 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 December 31, 2024 and subsequently, the Partnership does not expect a material loss on any of its loans or collateral receivable beyond the accrued provision for credit losses. The Partnership is also subject to concentrations of credit risk related to its loans (including digital asset loans) receivable. As of December 31, 2024, two counterparties and their related parties collectively accounted for 27% 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 100% 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.

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 and fiat loans receivable and payable are generally callable on demand or have a short maturity. As of December 31, 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 December 31, 2024, 84% 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 88% 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 December 31, 2024 and December 31, 2023, one individual counterparty accounted for greater than 5% of the Partnership's total current liabilities, at 8.5% and 12.0% respectively. The Partnership also utilizes decentralized finance protocols to access liquidity on a fully collateralized basis. These protocols generally require the Partnership to maintain collateral of 100 to 140% of the loan value for the duration of its borrowings.

Actual events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry, or the financial services industry generally, or concerns or rumors about any such events or other similar risks, have in the past and may in the future lead to market-wide liquidity problems. For example, in March 2023, Silvergate Capital Corp. announced it would wind down operations and liquidate Silvergate Bank. Soon after, the FDIC was appointed receiver of Silicon Valley Bank and Signature Bank. In connection with these issues and issues with other financial institutions, the prices of fiat-backed stablecoins, including USDC, were temporarily impacted and may be similarly impacted again in the future. Although Galaxy did not experience any losses or other material negative impacts from our banking relationships with Silvergate Bank and Signature Bank, if there were instability in the global banking system, there could be negative ramifications, such as additional market-wide liquidity problems or impacted access to deposits and investments for customers of affected banks and certain banking partners, and our business, operating results and financial condition could be adversely affected.

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 December 31, 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

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 December 31, 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 +/- \$327.4 million (December 31, 2023 - \$142.0 million).

Digital Asset Risk

Digital assets are measured at fair value. Digital asset prices are affected by various forces including global supply and demand, interest rates, exchange 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 December 31, 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 with all other variables held constant, was +/- \$101.1 million (December 31, 2023 - \$141.8 million).

Loss of access risk

The loss of access to the private keys associated with the Partnership's digital asset holdings may be irreversible. Digital assets are controllable only by the individual that possesses both the unique public key and private key or keys relating to the "digital wallet" in which the digital asset is held. To the extent a private key is lost, destroyed or otherwise compromised and no backup is accessible the Partnership may be unable to access the underlying digital assets.

Irrevocability of transactions

Digital asset transactions are irrevocable; stolen or incorrectly transferred digital assets may be irretrievable. Once a transaction has been verified and recorded in a block that is added to the blockchain, an incorrect transfer or theft generally will not be reversible, and the Partnership may not be capable of seeking compensation.

Hard fork and air drop risks

Hard forks may occur for a variety of reasons including, but not limited to, disputes over proposed changes to the protocol, a significant security breach, or an unanticipated software flaw in the multiple versions of otherwise compatible software. In the event of a hard fork in a digital asset held by the Partnership, it is expected that the Partnership would hold an equivalent amount of the old and new digital assets following the hard fork.

Air drops occur when the promoters of a new digital asset send amounts of the new digital asset to holders of another digital asset that they will be able to claim a certain amount of the new digital asset for free.

The Partnership may not be able to realize the economic benefit of a hard fork or air drop, either immediately or ever, for various reasons. For instance, the Partnership may not have the systems in place to monitor or participate in hard forks or airdrops. Therefore, the Partnership may not receive any new digital assets created as a result of a hard fork or airdrop, thus losing any potential value from the occurrence of such events.

Regulatory oversight risk

Regulatory changes or actions may restrict the use of digital assets or the operation of digital asset trading platforms in a manner that adversely affects assets held by the Partnership.

Expenses

The Partnership's operating expenses were as follows:

(in thousands)	Year ended December 31, 2024	Year ended December 31, 2023
Compensation and compensation related	191,052	138,401
Equity based compensation	58,489	72,275
General and administrative	377,523	75,637
Professional fees	51,076	37,062
Blockchain reward distributions	130,298	1,086
Interest	109,539	24,653
Notes interest expense	30,804	27,285
Totals	<u>\$ 948,781</u>	<u>\$ 376,399</u>

Year ended December 31, 2024 compared to December 31, 2023

Compensation and compensation related expense for the year ended December 31, 2024 increased compared to year ended December 31, 2023 primarily due to an increase in headcount and bonus accrual as well as an increase in the Company's share price. The expense associated with previously issued cash settled equity based awards increases as the share price increases.

Equity based compensation expense for the year ended December 31, 2024 decreased \$13.8 million compared to the year ended December 31, 2023 primarily due to the roll-off of grants made to employees in 2021 with higher stock prices.

General and administrative costs for the year ended December 31, 2024 were \$301.9 million higher compared to the year ended December 31, 2023 primarily due to legal settlement expense of 166.3 million, the \$33.3 million reversal of impairment recognized on mining equipment during 2023, \$20.2 million of higher depreciation of mining equipment and infrastructure, and \$27.6 million of incremental power purchase costs, as well as \$18.4 million of higher trading, commission and custody expenses in 2024.

Professional fees for the year ended December 31, 2024 were \$14.0 million higher compared to the year ended December 31, 2023 primarily as a result of \$9.1 million of incremental legal expenses, as well as technology consulting expenses. Blockchain reward distributions for the year ended December 31, 2024 were \$129.2 million higher compared to the year ended December 31, 2023 as a result of growth in Galaxy's validation services business. Commencing in the second quarter of 2024, blockchain reward distributions have contributed meaningfully to operating expenses. The Partnership operates PoS validation infrastructure which allows third-parties to stake their digital assets on its validator nodes. The CPO, a Galaxy sponsored non-consolidated fund acquired restricted Solana with a value in excess of a billion dollars from the FTX bankruptcy estate at the end of March 2024 and additional restricted digital assets in the second, third and fourth quarters of 2024. Staking for customers is recognized on a gross basis in staking revenue with the corresponding expense in blockchain reward distributions. The net

portion of staking rewards retained by Galaxy earned on third party digital assets bonded to Galaxy validator nodes, including the CPO, is between 4% and 10%.

Operating expenses also increased due to \$84.9 million incremental interest expense primarily due to higher average borrowing volumes supporting increased operational activity.

Liquidity and Capital Resources

The following table represents liquidity available to the Partnership:

<i>(in thousands)</i>	As of December 31, 2024	As of December 31, 2023
Cash and cash equivalents	\$ 462,103	\$ 316,610
Bitcoin and Ethereum ETFs	669,228	—
Digital assets, net	1,059,321	593,139
Less non-current net digital assets	(18,672)	(47,530)
	\$ 2,171,980	\$ 862,219

As of December 31, 2024, in addition to cash at banks, the Partnership held \$19.7 million of cash at brokers (December 31, 2023 - \$199.6 million) and \$64.7 million of cash on trading platforms (December 31, 2023 - \$24.9 million).

The following table represents a breakdown of the Partnership's Digital assets, net balance:

<i>(in thousands)</i>	BTC ⁽³⁾	ETH ⁽⁴⁾	Stablecoin	Other ⁽⁵⁾	As of December 31, 2024
Assets					
Digital assets	\$ 1,578,553	\$ 453,503	\$ 512,476	\$ 408,101	\$ 2,952,633
Digital asset loans receivable, net of allowance	2,540	94,338	393,733	88,919	579,530
Digital assets receivable, current	—	—	—	53,608	53,608
Digital assets receivable, noncurrent	—	—	—	7,112	7,112
Assets posted as collateral - Digital assets ⁽¹⁾	256,214	20,933	—	—	277,147
Restricted digital assets ⁽²⁾	—	—	—	11,560	11,560
	1,837,307	568,774	906,209	569,300	3,881,590
Liabilities					
Digital asset loans payable	934,381	193,432	189,336	180,461	1,497,609
Collateral payable - Digital assets ⁽¹⁾	822,494	137,332	163,237	201,597	1,324,660
	1,756,875	330,764	352,573	382,058	2,822,269
Digital assets, net	\$ 80,432	\$ 238,010	\$ 553,636	\$ 187,242	\$ 1,059,321
Stablecoins, net ⁽²⁾	\$ —	\$ —	\$ 553,636	\$ —	\$ 553,636
Digital assets, net excl. stablecoins	\$ 80,432	\$ 238,010	\$ —	\$ 187,242	\$ 505,685
Digital asset investment vehicles included in investments	\$ 768,948	\$ 32,089	\$ —	\$ 219,706	\$ 1,020,743

⁽¹⁾ Excludes cash portion of balance on the Partnership's statement of financial position.

⁽²⁾ Represents tokens that are subject to a sale restriction of greater than one year.

⁽³⁾ Includes associated tokens such as wBTC. In addition to digital assets, net, the Partnership also held interests in investment vehicles designed to hold BTC, including spot ETFs, Galaxy sponsored BTC funds, Mt. Gox Investment Fund LP, and Xapo Holdings Limited reflected in the last row of this table.

⁽⁴⁾ Includes associated tokens such as wETH and stETH. In addition to digital assets, net, the Partnership also held interests in investment vehicles designed to hold ETH, including spot ETFs and Galaxy sponsored ETH funds, reflected in the last row of this table.

⁽⁵⁾ Includes \$52.8 million net SOL and \$27.7 million net TIA digital assets. In addition to digital assets, net, the Partnership also held interests in investment vehicles designed to hold digital assets, including the Galaxy sponsored Galaxy Digital Crypto Vol Fund LLC (includes \$119.9 million SOL and \$31.4 million of AVAX) and Ripple Lab Inc., reflected in the last row of this table.

⁽⁶⁾ The Partnership also held digital asset derivative positions not reflected in this table.

<i>(in thousands)</i>	BTC ⁽⁴⁾	ETH ⁽⁵⁾	Stablecoin	Other ⁽⁶⁾	As of December 31, 2023 ⁽⁷⁾
Assets					
Digital assets	\$ 589,011	\$ 174,978	\$ 179,222	\$ 135,376	1,078,587
Digital asset loans receivable, net of	3,044	87,252	12,000	2,208	104,504
Digital assets receivable, current	—	—	—	14,686	14,686
Digital assets receivable, non-current	—	—	—	6,174	6,174
Assets posted as collateral - Digital assets ⁽¹⁾	197,092	119,012	—	—	316,104
Restricted digital assets, non-current ⁽²⁾	—	—	—	41,356	41,356
	789,147	381,242	191,222	199,800	1,561,411
Liabilities					
Digital asset loans payable	48,202	14,603	297,762	37,710	398,277
Collateral payable - Digital assets ⁽¹⁾	437,889	116,723	9,457	5,926	569,995
	486,091	131,326	307,219	43,636	968,272
Digital assets, net	\$ 303,056	\$ 249,916	\$ (115,997)	\$ 156,164	\$ 593,139
Stablecoins, net ⁽³⁾	\$ —	\$ —	(115,997)	\$ —	\$ (115,997)
Digital assets, net excl. stablecoins	\$ 303,056	\$ 249,916	\$ —	\$ 156,164	\$ 709,136
Digital asset investment vehicles included in investments	\$ 130,583	\$ 22,107	\$ —	\$ 37,171	\$ 189,861

⁽¹⁾ Excludes cash portion of balance on the Partnership's statement of financial position.

⁽²⁾ Represents TIA tokens that are subject to a sale restriction of greater than one year.

⁽³⁾ As of December 31, 2023, stablecoin liabilities were greater than stablecoin assets.

⁽⁴⁾ Includes associated tokens such as wBTC. In addition to digital assets, net, the Partnership also held interests in investment vehicles designed to hold BTC, including bitcoin futures ETFs, Galaxy sponsored BTC funds, Mt. Gox Investment Fund LP, and Xapo Holdings Limited, net of associated investment liabilities, reflected in the last row of this table.

⁽⁵⁾ Includes associated tokens such as wETH and stETH. In addition to digital assets, net, the Partnership also held interests in investment vehicles designed to hold ETH, including Galaxy sponsored ETH funds, reflected in the last row of this table.

⁽⁶⁾ Includes \$12.0 million net SOL and \$68.5 million net TIA. In addition to digital assets, net, the Partnership also held interests in investment vehicles designed to hold digital assets, including Ripple Lab Inc., reflected in the last row of this table.

⁽⁷⁾ The Partnership also held digital asset derivative positions not reflected in this table.

The Partnership has unfunded commitments to invest in its managed sponsored funds and other structured entities as well as outstanding credit facilities to counterparties and arrangements to finance delayed trading settlement up to three days (see Note 25 in the Partnership's consolidated financial statements). In addition, as its business grows, the Partnership expects its operating expenses to increase. Given the historical growth in the Partnership's businesses, it is difficult to accurately predict the level of investment that the Partnership will make in its respective businesses.

As of December 31, 2024, the Partnership had total equity of \$2.3 billion. As of December 31, 2023, the Partnership had total equity of \$1.8 billion. The increase in equity during the year ended December 31, 2024 was primarily driven by comprehensive income as well as proceeds from the issuance of ordinary shares in an underwritten block trade of \$119.5 million, net of transaction costs.

(in thousands)	December 31, 2024	December 31, 2023
Total assets	\$ 7,187,452	\$ 3,675,249
Total liabilities	4,910,420	1,885,468
Partners' Capital	2,277,032	1,789,781

As of December 31, 2024, the Partnership had cash and cash equivalents of \$462.1 million (December 31, 2023 - \$316.6 million), \$1.1 billion (December 31, 2023 - \$593.1 million) of digital assets, net, and \$669.2 million of investments in BTC and ETH spot ETFs. Management believes that the Partnership has sufficient financial resources to maintain its operations and activities for the upcoming year.

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.

The Partnership expects to generate incremental cash in the ordinary course through revenues earned in each of its businesses. The Global Markets business anticipates generating cash through strategically liquidating, shorting, trading and reinvesting in liquid digital assets, and lending of digital assets. In addition, Global Markets has historically earned fees from serving its clients. The Asset Management business continues to earn fees for managing third party capital. The Asset Management business has also historically captured and may capture additional realized appreciation in the future by strategically monetizing investments in its illiquid balance sheet venture book, generating cash to facilitate operating the overall business. To date, the Digital Infrastructure Solutions business primarily earns income from its proprietary bitcoin mining and hosting of bitcoin mining. Income from validation services is growing.

As of December 31, 2023 and through the date of this filing, we have not experienced any difficulties meeting counterparty requests to return loans or collateral.

In the event there is insufficient working capital to support the growth of the business, the Partnership may sell digital assets to generate sufficient cash to meet obligations as they come due, or may exit all or a portion of an investment. The Partnership may also seek additional sources of financing in the future, including but not limited to, issuing equity or convertible notes or seeking other financing in the form of a debt facility.

The following table presents the summary of the Partnership's contractual obligations as of December 31, 2024:

(in thousands)	Payments Due by Period				
	Total	Less than 1 year	1 - 3 years	4 - 5 years	After 5 years
Loans and collateral payable ⁽¹⁾	\$ 3,418,413	\$ 3,418,413	\$ —	\$ —	\$ —
Lease obligations	\$ 13,301	4,937	5,363	3,001	—
Notes payable	\$ 849,070	1,570	445,000	402,500	—
Legal settlement	\$ 200,000	40,000	160,000	—	—
Due to related parties	\$ 97,871	97,871	—	—	—
Other obligations ⁽²⁾	\$ 98,122	9,483	88,639	—	—
Total Contractual Obligations	\$ 4,676,777	\$ 3,572,274	\$ 699,002	\$ 405,501	\$ —

⁽¹⁾ Includes fiat and digital asset payables.

⁽²⁾ Includes obligations to fund capital commitments to 7 investment funds. Excludes other liabilities related to goods and services required in the ordinary course of business.

Transactions with Related Parties

Compensation of Key Management Personnel

Key management personnel include nine individuals as of December 31, 2024 (December 31, 2023 - nine individuals), consisting of officers and directors who are considered to have decision making authority. The following table represents compensation provided to key management personnel for the years ended December 31, 2024 and December 31, 2023:

(in thousands)	Year ended December 31, 2024	Year ended December 31, 2023
Base compensation and accrued bonuses ⁽¹⁾	\$ 16,780	\$ 12,957
Benefits	340	359
Equity based compensation	19,331	28,881
Total	\$ 36,451	\$ 42,197

⁽¹⁾ As of December 31, 2024, the amount includes approximately \$13.4 million of accrued bonuses within accounts payable and accrued liabilities.

GDH LP, an operating partnership, is managed by the board of managers and officers of the General Partner, Galaxy Digital Holdings GP LLC, (the “Board of Managers”). Director fees, including equity based compensation provided to the Board of Managers were \$0.7 million for the year ended December 31, 2024 (December 31, 2023 - \$0.8 million).

Distributions

Tax-related distributions of \$55.3 million were declared and paid during the year ended December 31, 2024 (December 31, 2023 - \$22.4 million). The majority of the recipients of the distributions are related parties.

Transactions with GDH Ltd.

In accordance with the LPA, 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 year ended December 31, 2024, the Partnership paid or accrued \$3.2 million (December 31, 2023 - \$2.2 million), on behalf of GDH Ltd., which has been included in general and administrative expenses. 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 years ended December 31, 2024 or December 31, 2023.

On April 14, 2022 the Partnership entered into a Promissory Note (amended and restated in November 2023 and December 2024, 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 December 31, 2024, GDHI LLC had advanced \$96.9 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 market rate. 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 December 31, 2024, there was no interest payable on the Promissory Note (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, 2025, unless extended by GDHI LLC.

As at December 31, 2024, the Partnership had \$95.8 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 of December 31, 2024, the Partnership had an investment in the company valued at \$9.1 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 \$1.0 million representing an ownership percentage of 2.8% as at December 31, 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 year ended December 31, 2024, the total amount of advisory fees received from the sub-advisory arrangements was \$2.1 million (December 31, 2023 - \$0.9 million).

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 year ended December 31, 2024 the Partnership incurred \$0.5 million (December 31, 2023 - \$0.3 million) for such use negotiated on an arms-length basis in compliance with our aviation matters policy adopted in August 2022.

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 year ended December 31, 2024, the Partnership incurred \$0.02 million in relation to this boat (December 31, 2023 - \$0.1 million).

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 December 31, 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 Long Term Incentive Plan ("LTIP") in connection with the consulting agreement. The equity compensation related to this grant for the year ended December 31, 2024 was \$2.0 million (December 31, 2023- \$6.5 million). This consulting agreement expired as of September 1, 2024.

In February 2023, the Partnership entered into a consulting agreement with another member of the Company's board. The Partnership paid \$1.0 million under this agreement during the year ended December 31, 2024 (December 31, 2023 - \$1.0 million). This consulting agreement expired as of December 31, 2024.

As of December 31, 2024, the Partnership had \$4.8 million (December 31, 2023 - \$2.9 million) of tax payments made on behalf of related parties which are reflected in the consolidated 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 \$12.9 million as of December 31, 2024 (December 31, 2023 - \$11.0 million).

Critical Accounting Estimates and Accounting Policies including Initial Adoption

Critical accounting estimates

Use of estimates and judgments

The preparation of the consolidated 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 Partnership's consolidated 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/or 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 consolidated 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 International Auditing Standard ("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 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 the income approach. 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.

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 December 31, 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 consolidated 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 the Partnership has 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 it elected the fair value option. As at December 31, 2024 and December 31, 2023, the Partnership determined that it did not have control of any managed funds.

Income taxes

These consolidated 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 these consolidated 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 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 these consolidated 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. 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
- 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 consolidated 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 consolidated 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 consolidated 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 derivatives related to notes payable. This estimate requires management to make significant judgments and assumptions about the most appropriate inputs to the valuation models 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 ("CGUs") 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 the 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.

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 of goodwill and intangible assets and lives of intangible assets are based on management's best estimates of future performance and periods over which value from intangible assets will be derived. CGUs are assessed for indicators of impairment throughout the year, and Galaxy performs an impairment review for CGUs 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.

Digital Assets

The Partnership's digital assets inventory is measured at fair value less costs to sell.

Digital assets are utilized primarily by the Partnership in its Trading business and are affected by various economic and technological forces including but not limited to global supply and demand, interest rates, foreign exchange rates, inflation or deflation and ongoing political, regulatory, and economic conditions.

A significant portion of the Partnership's profitability and future cash flows are impacted by the current and future prices and price fluctuations of digital assets. The Partnership may not be able to liquidate its inventory of digital assets at its desired price, if needed. In addition, the ability of the Partnership to transfer or liquidate its inventory of digital assets in a timely manner may be impacted by technical and procedural limitations of the validation queue on certain blockchains, digital asset trading platforms, custodians, and relevant local regulatory restrictions. A broad decline in the market prices of digital assets could negatively impact the Partnership's future operations and profitability.

Digital assets have a limited history and their fair value historically has been volatile. Historical performance and fair value of digital assets are not indicative of their future value and price performance.

Partnership Interests

The Partnership is a limited partnership between GDH GP, GDH Ltd., GGI, and other Class B Unit holders.

The information contained in this MD&A and the information in the consolidated financial statements for the year ended December 31, 2024, represent the financial position of the Partnership and do not include all of the assets, liabilities, income and expenses of the partners. Income taxes, with limited exceptions including the New York City Unincorporated Business Tax and taxes in non-U.S. jurisdictions applicable to certain non-U.S. subsidiaries, are the responsibility of the partners and not of GDH LP.

The Partnership has two classes of ownership interests: Class A Units and Class B Units. As of March 24, 2025, there were 128,002,717 Class A Units outstanding and 215,862,343 Class B Units outstanding and exercisable into ordinary shares of GDH Ltd. As of December 31, 2024, there were 127,577,780 Class A Units and 215,862,343 Class B Units outstanding.

Equity Based Compensation Awards and Other

As of March 24, 2025 and December 31, 2024, 10,711,587 compensatory Class B Unit awards were outstanding and exercisable, net of exchanges and forfeitures.

As of December 31, 2024, 19,865,008 options granted under the GDH Ltd. stock option plan and LTIP were outstanding, of which 10,691,460 were exercisable. As of March 24, 2025, there were 19,676,589 options outstanding, of which 13,139,561 were exercisable.

As of December 31, 2024, there were 10,009,573 restricted and deferred units outstanding. As of March 24, 2025 there were 9,657,319 restricted and deferred share units outstanding.

Disclosure Controls and Procedures

Disclosure controls and procedures (“DC&P”) are intended to provide reasonable assurance that material information is gathered and reported to senior management to permit timely decisions regarding public disclosure. Management, with the participation of the Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), assessed the effectiveness of the Partnership's disclosure controls and procedures as of December 31, 2024. Based upon the results of that evaluation, the CEO and the CFO concluded that the disclosure controls and procedures were effective to provide reasonable assurance that material information relating to the Partnership is accumulated and communicated to management (particularly during the period in which the Partnership’s annual filings are being prepared) to allow timely decisions regarding required disclosure, and that the information disclosed by the Partnership in the reports that it files is appropriately recorded, processed, summarized and reported within the time period specified in applicable securities legislation.

Internal Control over Financial Reporting

Internal controls over financial reporting (“ICFR”) are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS. Management, with the participation of the CEO and the CFO, assessed the effectiveness of the Partnership's internal control over financial reporting as at December 31, 2024. Based upon the results of that assessment as at December 31, 2024, Management concluded that internal control over financial reporting was effective.

Remediation of Previously Identified Material Weakness

Contractual Relationships

We have redesigned our contract review process to include our Head of Accounting Policy and confirm accounting considerations for clients’ and other transactions are appropriately concluded. Additionally, we have implemented a new contract management system to further improve controls and processing efficiency.

Digital Assets

We have integrated a third-party administrator into our digital asset and derivative reporting process and implemented enhanced reconciliations between management and the administrator to help ensure that data used in controls, and ultimately financial reporting, is complete and accurate. We have also implemented automated controls in front and mid-office spot and derivative trading systems for additional data validation, and completeness and integrity checks. Finally, for controls that have not been automated, we have developed and employed detailed review checklists to confirm the completeness and accuracy of the data used in the control, as well as any aggregation, manipulation or calculation performed.

Issued Financial Instruments

We have implemented additional controls to confirm third party inputs used in the valuation and reporting of financial instruments issued by the Partnership. Additionally, we have revisited and revised the review procedures performed to validate financial reporting through our equity, equity-based compensation and debt issuance processes.

Statement of Cash Flows

We have developed new reporting geared specifically for the needs of financial reporting, and specifically reporting cash flows. In addition to the improved reporting, we have implemented additional manual controls to validate data used in the preparation and classification of cash flows.

Changes in Internal Control Over Financial Reporting

Aside from those outlined above, there have been no significant changes to the Partnership’s ICFR for the period ended December 31, 2024, which have materially affected, or are reasonably likely to materially affect the Partnership’s ICFR.

Management’s Responsibility for Financial Statements

The information provided in this MD&A, including the consolidated financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of (i) the valuation of certain assets or liabilities and (ii) the valuation of equity based compensation. Management believes such estimates have been based on careful judgments and have been properly reflected in the consolidated financial statements.

Other Information and Disclaimer

No Offer or Solicitation

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

investor.galaxy.com. The Company anticipates holding a shareholder meeting to seek approval following the effectiveness of the registration statement, and further details will be included in the management information circular to be mailed to shareholders and posted on the Company's SEDAR+ profile at www.sedarplus.ca at that time.

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