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Galaxy Digital Holdings LP

Consolidated Financial Statements

For the Years Ended December 31, 2024 and 2023

(Expressed in US Dollars)

Galaxy Digital Holdings LP

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KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Auditors' Report

The Board of Managers of Galaxy Digital Holdings GP LLC in its capacity as general partner of Galaxy Digital Holdings LP:

Opinion

We have audited the consolidated financial statements of Galaxy Digital Holdings LP and its subsidiaries (collectively, the Partnership), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, the related consolidated statements of income (loss) and comprehensive income (loss), changes in equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Partnership as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS) Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Partnership and have fulfilled our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits, which include relevant ethical requirements in the United States of America and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that were communicated with those charged with governance and, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Evaluation of audit evidence pertaining to the existence of and rights to digital assets

As discussed in Note 8 to the consolidated financial statements, the Partnership recognizes a variety of digital assets on its consolidated statement of financial position and measures digital financial assets at fair value and measures digital assets that are not financial assets at fair value less costs to sell. As of December 31, 2024, the carrying amount of the Partnership's digital assets was \$2.96 billion.

We identified the evaluation of the existence of and the Partnership's rights to substantially all of the Partnership's digital assets, including the risk that the Partnership's digital assets may not be owned by the Partnership or may be subject to unauthorized on blockchain transfers to third parties, as a key audit matter. A high degree of auditor judgment was involved in determining the nature and extent of the



procedures performed and audit evidence obtained to assess the existence of and the Partnership's rights to the digital assets.

The following are the primary procedures we performed to address this key audit matter. We evaluated the design of certain internal controls over the existence of and the Partnership's rights to the digital assets, including the risk that the Partnership's digital assets may not be owned by the Partnership or may be subject to unauthorized on blockchain transfers to third parties. We also tested the operating effectiveness for certain of these internal controls. We obtained confirmations of the Partnership's digital assets held with certain third parties as of December 31, 2024 and compared the results of the confirmations to the Partnership's records. We also compared the Partnership's records of certain digital asset balances and transactions to the records on public blockchains using software audit tools. We obtained evidence that management has control of the private keys required to access digital assets through observing the movement of selected digital assets and validating cryptographic messages signed using selected private keys. We obtained and assessed relevant documentation to support that the digital assets as of December 31, 2024 were owned by the Partnership. For a selection of on blockchain transfers to third parties, we obtained and assessed evidence that the transaction was appropriately authorized and recorded by the Partnership. We evaluated the reliability of audit evidence obtained from public blockchains.

Assessment of fair value of certain Level 3 investments

As discussed in Notes 12 and 23 to the consolidated financial statements, the Partnership held investments recorded at fair value of \$1.64 billion as of December 31, 2024, a portion of which represented certain Level 3 investments that use the market approach valuation method with one or more significant unobservable inputs. The fair value of these investments was determined using certain pricing inputs that are unobservable and included situations where there was little, if any, market activity for the investment.

We identified the assessment of the fair value measurement of certain investments classified as Level 3 in the fair value hierarchy as a key audit matter. There was a high degree of audit effort, including specialized skills and knowledge, and subjective and complex auditor judgment involved in the assessment due to significant measurement uncertainty. Specifically, the assessment involved evaluating significant unobservable inputs used in these fair value estimates, such as relevance of prior transactions, valuation adjustments, selection of comparable companies, volatility, and enterprise value-to-revenue multiples.

The following are the primary procedures we performed to address this key audit matter. We evaluated the design of certain internal controls related to the Partnership's measurement of certain Level 3 investments, including controls related to the review of significant unobservable inputs. We involved valuation professionals with specialized skills and knowledge, who assisted in evaluating the reasonableness of the fair value measurement for a selection of Level 3 investments through developing an independent estimate of the fair value of the investment and comparing the results of our estimate of fair value to the Partnership's fair value measurement. As part of this independent estimate, the valuation professionals developed independent pricing inputs.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise significant doubt about the Partnership's ability to continue as a going concern for one year after the date that the consolidated financial statements are



authorized for issuance; to disclose, as applicable, matters related to going concern; and to use the going concern basis of accounting unless management either intends to liquidate the Partnership or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Partnership's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and ISAs will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and ISAs, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise significant doubt about the Partnership's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis for the year ended December 31, 2024 but does not include the consolidated financial statements and our auditors' report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements, or the other information otherwise appears to be materially misstated. If,



based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

The engagement partner on the audit resulting in this independent auditors' report is Robert Sledge.

KPMG LLP

New York, New York
March 27, 2025

Galaxy Digital Holdings LP

Consolidated Statements of Financial Position
(Expressed in thousands of US Dollars)

	Notes	December 31, 2024	December 31, 2023
Assets			
Current assets			
Cash and cash equivalents		\$ 462,103	\$ 316,610
Digital assets	8	2,952,633	1,078,587
Receivable for digital asset trades	8	20,974	41,339
Digital asset loans receivable, net of allowance	9	579,530	104,504
Digital assets receivables	8	53,608	14,686
Investments (includes \$84.5 million and \$0 of equity method investments, respectively)	12	834,812	—
Assets posted as collateral	9, 10, 11	277,147	318,195
Receivables	13	30,314	15,983
Derivative assets	11	207,653	173,209
Prepaid expenses and other assets	14	26,444	37,910
Loans receivable, net of allowance	10	476,620	377,105
Due from related party	21	5,263	5,007
Total current assets		5,927,101	2,483,135
Digital assets receivables	8	7,112	6,174
Investments (includes \$433.6 million and \$290.4 million of equity method investments, respectively)	12	808,694	735,103
Restricted digital assets	8	11,560	41,356
Loans receivable, net of allowance, non-current	10	—	10,259
Property and equipment	15	267,648	259,965
Other non-current assets	14	107,300	95,000
Goodwill	15	58,037	44,257
Total non-current assets		1,260,351	1,192,114
Total assets		\$ 7,187,452	\$ 3,675,249
Liabilities and Equity			
Current liabilities			
Investments sold short	12	6,524	25,295
Derivative liabilities	11	165,858	160,642
Accounts payable and accrued liabilities	16	163,644	69,212
Payables to customers		19,520	3,503
Taxes payable	26	5,315	25,936
Payable for digital asset trades	8	20,970	4,176
Digital asset loans payable	9	1,497,609	398,277
Loans payable	10	510,718	93,069
Collateral payable	9, 10, 11	1,399,655	581,362
Due to related party	21	97,871	67,953
Lease liability	25	3,294	3,860
Total current liabilities		3,890,978	1,433,285
Notes payable	18	845,186	408,053

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

Galaxy Digital Holdings LP

Consolidated Statements of Financial Position
(Expressed in thousands of US Dollars)

Other non-current liabilities	16, 25, 26	174,256	44,130
Total non-current liabilities		1,019,442	452,183
Total liabilities		4,910,420	1,885,468
Equity			
Partners' capital	17	2,277,032	1,789,781
Total equity		2,277,032	1,789,781
Total liabilities and equity		\$ 7,187,452	\$ 3,675,249
Commitments and contingencies	25		

The consolidated financial statements were authorized by the Board of Managers of Galaxy Digital Holdings GP LLC to be issued on March 27, 2025 and were signed on its behalf by:

“Anthony Paquette” Chief Financial Officer

“Michael Novogratz” Chief Executive Officer

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

Galaxy Digital Holdings LP

Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(Expressed in thousands of US Dollars)

	Notes	Year ended	
		December 31, 2024	December 31, 2023
Income			
Fee revenue	7	\$ 103,194	\$ 51,342
Net realized gain (loss) on digital assets	7	615,687	311,830
Net realized gain (loss) on investments	7, 12	(171,108)	13,412
Lending and staking revenue	7, 8	274,254	52,216
Net derivative gain	7, 11	267,769	151,583
Revenue from proprietary mining	7	63,305	33,121
Other income	7	1,457	357
		1,154,558	613,861
Operating expenses			
Compensation and compensation related		191,052	138,401
Equity based compensation	17	58,489	72,275
General and administrative	20	377,523	75,637
Professional fees	19	51,076	37,062
Blockchain reward distributions		130,298	1,086
Interest		109,539	24,653
Notes interest expense	17	30,804	27,285
		(948,781)	(376,399)
Other			
Net unrealized gain (loss) on digital assets		(255,380)	1,950
Net unrealized gain (loss) on investments	12	429,899	84,415
Net gain (loss) on notes payable - derivative	17	(31,727)	(9,603)
Foreign currency loss		1,317	(493)
		144,109	76,269
Income (loss) before income taxes		349,886	313,731
Income taxes expense (benefit)	26	(15,426)	17,833
Net income (loss)		\$ 365,312	\$ 295,898
Other comprehensive income (loss)			
Foreign currency translation adjustment		\$ 1,190	\$ 88
Comprehensive income (loss)		\$ 366,502	\$ 295,986

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

Galaxy Digital Holdings LP

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

	Notes	Class A Unit Capital		Class B Unit Capital		Total
		Number	Amount	Number	Amount	
Balance at December 31, 2022		104,811,539	\$ 646,813	215,943,369	\$ 791,979	\$ 1,438,792
Equity compensation	17	—	24,642	—	50,435	75,077
Distributions	17	—	(7,301)	—	(15,104)	(22,405)
Vesting of Class B Units	17	—	—	15,226	—	—
Exchange of Class B Units	17	30,121	141	(30,121)	(141)	—
Repurchase and cancellation of Class A Units	17	(4,221,799)	(10,668)	—	—	(10,668)
Issuance of Class A Units on exercise of warrants, options, and restricted share units	17	8,679,471	11,107	—	—	11,107
Other		—	4	—	1,976	1,980
Income for the period		—	97,239	—	198,659	295,898
Balance at December 31, 2023		109,299,332	\$ 761,977	215,928,474	\$ 1,027,804	\$ 1,789,781
Balance at December 31, 2023		109,299,332	\$ 761,977	215,928,474	\$ 1,027,804	\$ 1,789,781
Equity compensation	17	—	21,166	—	38,096	59,262
Distributions	17	—	(19,526)	—	(35,732)	(55,258)
Vesting of Class B Units	17	—	—	15,226	—	—
Exchange of Class B Units	17	81,357	541	(81,357)	(541)	—
Repurchase and cancellation of Class A Units	17	(1,832,402)	(20,516)	—	—	(20,516)
Issuance of Class A Units, net of issuance cost	17	20,029,493	137,184	—	—	137,184
Other		—	404	—	863	1,267
Income for the period		—	122,219	—	243,093	365,312
Balance at December 31, 2024		127,577,780	\$ 1,003,449	215,862,343	\$ 1,273,583	\$ 2,277,032

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

Galaxy Digital Holdings LP

Consolidated Statements of Cash Flows
(Expressed in thousands of US Dollars)

	Year ended	
	December 31, 2024	December 31, 2023
Operating activities		
Net income (loss)	\$ 365,312	\$ 295,898
Adjustments for:		
Depreciation and amortization	56,335	27,917
Impairment loss (reversal), net	6,662	(33,275)
Provision for credit losses	3,635	—
Equity compensation	59,102	72,941
Non-cash interest expense	96,777	28,646
Non-cash lending and staking revenue	(230,771)	(22,404)
Net (gain) loss on digital assets	(360,307)	(313,780)
Net (gain) loss on investments	(258,791)	(97,827)
Net derivative gain	(267,769)	(151,583)
Net (gain) loss on notes payable - derivative	31,727	9,603
Deferred tax expense	(8,362)	8,427
Other operating adjustments, net	941	1,865
Changes in operating assets and liabilities:		
Net digital asset activity	209,237	108,181
Investments sold short	(413,048)	(20,848)
Receivables and other assets	36,916	(6,780)
Digital assets receivable - cash portion	33	(817)
Loans receivable, net of repayment	(174,214)	(224,159)
Due to related party, net	29,662	22,819
Derivative assets and liabilities	238,931	122,422
Collateral payable and receivable - cash portion	65,720	(48,772)
Accounts payable and accrued liabilities	49,450	(7,574)
Other non-current liabilities	126,300	—
Net cash provided (used in) by operating activities	(336,522)	(229,100)
Investing activities		
Repayment of loans receivable	74,170	11,052
Additions to property, equipment, and intangible assets	(59,025)	(46,078)
Cash paid for acquisitions of business	(5,115)	(43,893)
Disposal of property and equipment	2,954	653
Purchase of investments	(3,260,043)	(192,330)
Proceeds and distributions from investments	2,878,067	209,509
Net cash used in investing activities	(368,992)	(61,087)
Financing activities		
Cash paid for principal portion of lease liability	(5,116)	(6,161)
Proceeds from loans payable	315,516	117,233
Repayment of loans payable	(228,617)	(25,748)
Margin loans payable, net	330,716	—
Notes payable net of issuance cost	388,931	—

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

Galaxy Digital Holdings LP

Consolidated Statements of Cash Flows
(Expressed in thousands of US Dollars)

Proceeds from issuance of Class A Units, net of issuance cost	125,351	11,107
Distributions	(55,258)	(22,405)
Repurchase and cancellation of Class A Units	(20,516)	(10,668)
Net cash provided by (used in) financing activities	851,007	63,358
Impact of exchange rate change on cash and other	—	1,338
Net decrease in cash	145,493	(225,491)
Cash and cash equivalents, beginning of period	316,610	542,101
Cash and cash equivalents, end of period	\$ 462,103	\$ 316,610
Supplemental disclosure of cash flow information		
Cash paid during the period for:		
Interest	\$ 51,095	\$ 23,292
Taxes	\$ 8,561	\$ 9,316
Significant non-cash investing and financing activities:		
Purchase of investments with non-cash contributions	\$ 13,447	\$ 3,409
Payable for investment purchased	\$ 3,431	\$ —
Proceeds from investment received as non-cash contributions	\$ 6,714	\$ —
Proceeds from investment received as digital assets	\$ 136,191	\$ 2,036
Proceeds from investment included in receivables	\$ 218	\$ 150
Reclassification between investments and other non-current assets	\$ —	\$ 6,564
Reclassification between derivatives and investments	\$ 389	\$ 18,786
Additions to property, plant, equipment and intangible assets	\$ 160	\$ 8,506
Disposals of property and equipment	\$ —	\$ 59
Origination of loans receivable	\$ 10,787	\$ 10,669
Recognition to right-of-use assets and lease liability	\$ —	\$ 1,730

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

Galaxy Digital Holdings LP

Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2024 and 2023
(Expressed in US Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

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

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

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

General Partner

GDH GP, a limited liability company, was incorporated under the laws of the Cayman Islands on July 26, 2018 and serves as the general partner of GDH LP. The General Partner has a board of managers and officers (the “Board of Managers”). The sole member of the General Partner is Galaxy Group Investments LLC (“GGI”), which is controlled by the Chief Executive Officer of the General Partner (the “CEO”) and continued to be the majority owner of the Partnership as of December 31, 2024.

Financial Statements

These consolidated financial statements are prepared on a going concern basis which assumes that the Partnership will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Partnership are dependent upon generating sufficient cash flow and/or obtaining necessary financing to meet its commitments as they come due and to continue building a diversified financial services and investment management business in the digital assets sector. As at December 31, 2024, the Partnership had cash and cash equivalents of \$462.1 million (December 31, 2023 - \$316.6 million) and partners' capital of \$2.3 billion (December 31, 2023 - \$1.8 billion). The Partnership has sufficient liquid assets to meet its obligations as they become due for one year following the issuance date of these financial statements.

2. BASIS OF PRESENTATION

Statement of Compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board (“IASB”), and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These consolidated financial statements were approved by the Board of Managers of GDH GP and authorized to be issued on March 27, 2025.

Comparative Figures

Certain comparative figures on the consolidated statements of financial position, statements of income (loss) and comprehensive income (loss), statements of changes in equity, and/or statements of cash flows have been reclassified to conform to the current year's presentation.

Basis of Measurement

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

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

Galaxy Digital Holdings LP

Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2024 and 2023
(Expressed in US Dollars)

Basis of Consolidation

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

Reportable segments

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

Allocation of income and loss

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

Use of estimates and judgments

The preparation of the 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 these 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* ("IAS 2"). 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 (Note 23). The determination of fair value requires significant judgment by the Partnership. The Partnership maintains a valuation policy which requires an appointed Valuation Committee (the "VC"), composed of employees of the Partnership, to act in good faith to fair value its investments on a quarterly basis, in accordance with fair value accounting guidance per IFRS 13, *Fair Value Measurement*.

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

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

Galaxy Digital Holdings LP

Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2024 and 2023
(Expressed in US Dollars)

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 (Note 23). These valuations require the Partnership to make significant estimates and assumptions.

Derivatives - valuation

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

- their economic characteristics and risks are not closely related to those of the host contract;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- the combined contract is not held for trading or designated at fair value through profit or loss.

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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. Refer to Note 15 for additional information on impairment of property and equipment.

Valuation of equity based compensation

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

Valuation and economic recoverability of goodwill and intangible assets

Goodwill and intangible assets are capitalized if they are expected to have future economic benefits and are expected to be economically recoverable. Purchased intangibles are valued on acquisition using established methodologies and amortized over their estimated useful economic lives, except in those cases where intangibles are determined to have indefinite lives, where there is no foreseeable limit over which these intangible assets would generate net cash flows. The valuations 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.

Income taxes

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

3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been consistently applied to all periods presented in these consolidated financial statements, unless otherwise indicated.

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Cash and cash equivalents

Cash and cash equivalents may include cash on hand, cash on trading platforms, cash held at brokers, demand deposits and short-term highly liquid investments that are readily convertible into known amounts of cash, with maturities of three months or less when acquired.

Property and equipment

Property and equipment is recorded at cost less accumulated depreciation and accumulated impairment losses, as and if applicable. The initial cost of an asset is comprised of its purchase price or construction cost, any costs directly attributable to bringing the asset into operation and, where applicable, the initial estimation of any asset retirement obligation. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. Completed assets are transferred from work-in-progress and construction-in-progress to their respective asset classes, and depreciation begins when an asset is available for use.

The Partnership assesses its property and equipment for impairment when events or changes in circumstances indicate that the carrying amount of those assets may not be recoverable.

Depreciation is recognized in profit or loss on a straight-line basis over the following estimated useful lives:

Corporate assets	3 - 10 years
Mining equipment	3 - 5 years
Leasehold improvements	the shorter of the lease term or life of the asset
Mining infrastructure	15 - 25 years

An item of equipment is derecognized upon disposal or at the point when no future economic benefits are expected from its use. Any gain or loss arising on the derecognition of the asset, calculated as the difference between the net disposal proceeds and the carrying value of the asset, is included in profit or loss in the period the asset is derecognized. The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year-end and adjusted, if necessary. In a subsequent period, if the amount of the impairment loss related to property and equipment decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the revised carrying amount does not exceed what the depreciated cost would have been had the impairment not been recognized.

Right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term or the useful life of the underlying asset. Depreciation starts at the commencement date of the lease. Right-of-use assets are included in other non-current assets in the consolidated statements of financial position. The Partnership applies IAS 36 to assess right-of-use assets for impairment when events or changes in circumstances indicate that the carrying amount of those assets may not be recoverable and accounts for any identified impairment loss.

Revenue recognition

The Partnership recognizes revenue from advisory services, management fees, mining operations, blockchain rewards, and interest earned on loans receivable. Revenue is recognized to depict the transfer of promised goods or services to customers in an amount that reflects the fair value of the consideration to which the Partnership expects to be entitled to upon completion of the Partnership's performance obligation for those goods or services. Revenue from services performed is recognized when the amount of revenue can be measured reliably, and it is probable that the economic benefits associated with the transaction will flow to the Partnership.

Advisory and management fee revenues

The Partnership recognizes revenue from the provision of advisory services upon completion of the delivery of the services stated in the contract. The Partnership earns management fees on each of its managed funds at a fixed percentage of invested capital, committed capital or ending capital, as defined by each of the respective funds. Management fees are recognized over time as services are performed per contractual terms specified in the underlying investment agreements. Performance fees are recognized when the probability of a significant reversal of revenue is remote, usually when the underlying performance targets are achieved. The Partnership recognizes interest income on an accrual basis.

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Mining related revenues

The Partnership contributes computing resources (i.e., processing power) to a bitcoin mining pool with other digital asset miners for the purpose of validating blockchain transactions to generate returns. The Partnership does not operate the mining pool and receives a portion of the transaction fees paid by blockchain participants for successfully validating transactions and newly-created digital assets, referred to as block rewards, which are issued by the Bitcoin blockchain network as a part of successfully mining the next block.

The Partnership participates in a mining pool which applies the Full Pay Per Share (“FPPS”) model. Under the FPPS model, in exchange for providing computing power to the pool, the Partnership is entitled to a pay-per-share base amount and transaction fee reward compensation, calculated on an hourly basis, at an amount that approximates the total bitcoin that could have been mined and transaction fees that could have been awarded using the Partnership’s computing power, based upon the then current blockchain difficulty.

The Partnership has a single performance obligation to provide computing power to the mining pool operator. The Partnership’s enforceable rights and obligation last as long as computing power is provided to the mining pool operator. The contract with the mining pool operator is continuously renewed and has a duration of less than 24 hours. No material right exists in relation to any additional services Galaxy may provide if neither the Partnership, or the pool operator, terminate the contract because such services are provided at their standalone selling prices. The transaction consideration the Partnership receives, which is denominated in bitcoin, represents noncash consideration and is entirely variable. The Partnership measures mining revenue at the fair value of the noncash consideration at the inception of the contract within revenue from proprietary mining in the consolidated statements of income (loss) and comprehensive income (loss). Bitcoins earned from the Partnership’s mining operations are subsequently accounted for in accordance with the digital assets policy.

Blockchain rewards

The Partnership participates in proof-of-stake validation, which requires that the Partnership bond its digital assets with a validator to propose or attest to the validity of transactions on the blockchain. Staking can be performed on proprietary validation infrastructure or through the use of third-party infrastructure or service providers. The majority of the Partnership’s staked digital assets are held on proprietary validators.

When providing proof of stake validation services, the Partnership is primarily responsible for proposing and attesting new blocks on the respective blockchains. Revenue related to these services is recognized on a gross basis. Market participants can bond their digital assets to the validation infrastructure operated by the Partnership to earn staking rewards. Staking rewards, net of a commission between 4% and 10%, is earned by these third-party market participants and are included in blockchain reward distributions.

The Partnership recognizes digital assets received as non-cash consideration for staking activities as revenue measured at the fair value of the digital assets at the time of contract inception. Digital asset staking revenue is included in lending and staking revenue in the consolidated statements of income (loss) and comprehensive income (loss). Refer to Note 7 for additional discussion on the Partnership’s digital asset staking activities.

The Partnership participates in decentralized finance protocols, smart contracts that perform specific functions, predominantly built on top of the Ethereum blockchain. Decentralized finance protocols allow the Partnership to provide or access liquidity, as well as exchange digital assets, directly on the blockchain. To provide liquidity, the Partnership deposits or transfers its digital assets to the smart contracts of these decentralized finance protocols and receives protocol-specific digital asset receipt tokens that represent the Partnership’s claims on the underlying digital assets deposited or proportional claim on the underlying digital assets in a smart contract.

As a liquidity provider to certain such protocols, the Partnership receives non-cash consideration in the form of additional digital asset receipt tokens from decentralized protocols or an increased claim to the digital assets held in the protocol smart contracts. The Partnership does not consider any such non-cash consideration as revenue under IFRS 15, and the amounts generated from such activities is also included in lending and staking revenue in the Partnership’s consolidated statements of income (loss) and comprehensive income (loss).

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Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of each of the operating segments. All inter-segment transactions are eliminated in the corporate and other segment.

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

Global Markets

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

Asset Management

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

Digital Infrastructure Solutions

The Digital Infrastructure Solutions segment includes the Partnership's investment in emerging and crypto-native technologies. In addition to the Partnership's mining operation, the Digital Infrastructure Solutions segment includes the GK8 custody technology business acquired in February 2023 and blockchain infrastructure services, including the acquired CMF business. The blockchain infrastructure services earn blockchain rewards from operating proof of stake validation infrastructure. Blockchain rewards generated off the Partnership's proprietary digital assets are eliminated in the Corporate & Other segment.

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

Financial instruments

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.

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is initially measured at fair value net of transaction costs that are

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directly attributable to its acquisition, except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Partnership may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

The classification determines the method by which the financial assets are carried in the consolidated statements of financial position subsequent to inception and how changes in value are recorded. Receivables and loans receivable are measured at amortized cost and subject to an expected credit loss ("ECL") allowance recognized in profit or loss. Cash, receivable for digital asset trades, certain digital assets, digital asset loans receivable, digital assets receivables, assets posted as collateral, derivatives and investments are classified as FVTPL.

The Partnership's financial assets are primarily comprised of its investment in various financial instruments, including common and preferred stock, convertible instruments, Limited Partnership ("LP")/Limited Liability Company ("LLC") interests as well as derivatives instruments such as options, futures, and warrants.

Impairment

An ECL impairment model requires a loss allowance to be recognized based on expected credit losses and factors in the fair value of collateral assets, if any. The estimated present value of future cash flows associated with the financial asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the financial asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period. In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the revised carrying amount of the financial asset does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried in the consolidated statements of financial position subsequent to inception and how changes in value are recorded. Accounts payable and accrued liabilities, taxes payable, due to related parties, notes payable and lease liability are classified as financial liabilities and carried in the statements of financial position at amortized cost. Investments sold short, payable for digital asset trades, payable to customers, certain digital assets loans payable and collateral payable, derivative liabilities and warrant liability are classified as FVTPL.

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Valuation Techniques

The following tables summarize the valuation techniques and significant inputs typically used in the fair value measurement of the Partnership's digital assets, embedded derivatives 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

Digital assets

The Partnership's digital assets are primarily traded in active markets and are purchased with the intent to resell in the near future, generating a profit from the fluctuations in prices or margins. The Partnership therefore meets the definition of a commodity broker-trader. As a result, the Partnership accounts for digital assets that are not financial assets under IAS 2, *Inventories*, and measures these digital assets at fair value less cost to sell, with changes in fair value recognized in profit or loss.

The Partnership recognizes realized gains or losses on its digital assets when it derecognizes a digital asset (for example, through a sale, settlement of a short position, or other transfer) on a first-in-first-out ("FIFO") basis.

Realized gains or losses are recognized on the sale of the digital assets and calculated as the proceeds received from the derecognition of the digital asset less its assigned original cost. The Partnership's unrealized gain or loss on a digital asset consists of both the change in fair value on a digital asset from the beginning of the period and the reversal of any previously

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recognized unrealized gain or loss on a digital asset derecognized during the period. There are generally no related receivables or payables as the trade and settlement occur at approximately the same time. Realized gains or losses from over-the-counter (“OTC”) trading with counterparties are recognized once the terms of the trade have been mutually agreed and confirmed as of trade date.

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

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

Receipt tokens from decentralized finance protocols

The Partnership posts digital assets on decentralized finance protocols for the purpose of generating yield. The decentralized finance protocols allow market participants to borrow digital assets on an over-collateralized basis by posting another digital asset as collateral. The Partnership typically receives protocol-specific receipt tokens for digital assets posted on decentralized finance protocols. Most decentralized finance protocols have the ability to utilize the Partnership's deposited digital assets for various purposes, including lending, trading them to other market participants, staking on the blockchain, or liquidity provision purposes. When the Partnership transfers control of its digital assets to the smart contracts, it derecognizes the digital assets and recognizes the protocol-specific receipt token from the decentralized protocol in return. The protocol-specific digital asset allows the Partnership to redeem the digital asset receipt token from the decentralized protocols for the digital assets that it deposited into the protocol. This asset is included in digital assets in the consolidated statements of financial position and is measured at the fair value less cost to sell. Any difference between the carrying value of the derecognized digital assets deposited and the fair value of the recognized digital asset receipt tokens is recognized in net realized gain (loss) on digital assets in the consolidated statements of income (loss) and comprehensive income (loss). Subsequent changes in the fair value less cost to sell of the digital asset receipt tokens are recognized in net unrealized gain (loss) on digital assets in the consolidated statements of income (loss) and comprehensive income (loss).

Other digital assets associated with decentralized finance protocols

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

Digital assets receivables

Digital assets receivables relate to digital assets that are yet to be distributed to the Partnership as of the end of the period and are expected to be distributed over time according to a release schedule (generally in accordance with a token sale agreement). As the digital assets are received by the Partnership, the digital assets receivable is derecognized, with a concurrent recognition of digital assets. The unrealized gains or losses on the digital assets receivables are recognized in net unrealized gain (loss) on digital assets in the consolidated statements of income (loss) and comprehensive income (loss).

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Digital asset loans

In the ordinary course of business, the Partnership enters into facilities to borrow or lend digital assets as part of trading strategies or to provide liquidity to counterparties, including through the use of decentralized finance protocols.

Digital asset loans receivable

The Partnership loans select digital assets to borrowers at annual rates predominantly ranging from 5% to 18%. The Partnership's loan portfolio is made up of callable (open-term) loans and term loans. For the Partnership's callable loans, there is no set term and the borrower can prepay without penalty. The Partnership can generally demand the repayment of the callable loans by providing between three and ninety days' notice. The Partnership's term loans generally mature in less than one year, and cannot be terminated prior to maturity by the Partnership or the borrower. The majority of the Partnership's digital asset loans are collateralized for between 100% and 200% of the loan value in either US dollars or select digital assets which are readily convertible to cash.

The Partnership identified an embedded derivative in its digital asset loans receivable and accounts for the compound instruments based on the fair value of the underlying digital assets. The Partnership also incorporates regular analysis over the recoverability of the outstanding balances, which is similar to the impairment assessment of financial assets described above. In determining the expected future cash flows, the Partnership considers the fair value, type, amount, and relative liquidity of the collaterals held. Interest received on digital asset loans receivable is generally denominated in the underlying digital assets of the loan. The Partnership measures the interest at the fair value on the date of receipt and includes the amounts in lending and staking revenue in the consolidated statements of income (loss) and comprehensive income (loss).

Under the terms of the master loan agreements, the Partnership is generally entitled to use designated cash and digital asset collateral in its business. Collateral, where the Partnership has obtained control of the underlying assets, is reflected in the Partnership's cash and digital asset balances with a corresponding entry to collateral payable in the consolidated statements of financial position. Collateral payable is accounted for at fair value similar to digital asset loans payable noted below. In contrast, collateral posted by borrowers, where the Partnership does not obtain control of the underlying assets, is not recorded in the Partnership's statements of financial position as the Partnership does not obtain control of the collateral assets unless there is an event of default.

Digital asset loans payable

The Partnership borrows digital assets under master loan agreements with various counterparties, including through decentralized finance protocols, as part of its trading operation. Digital assets borrowed are included in digital assets in the consolidated statements of financial position, with a corresponding liability in digital asset loans payable. All digital asset loans payable are short term in nature. The Partnership's digital asset loans payable portfolio is made up of callable (open-term) loans and term loans. For the Partnership's callable loans payable, there is no set term and the Partnership can prepay without penalty. The lenders, other than decentralized finance protocols, can generally demand the repayment of the callable loans by providing between three and ninety days' notice. The Partnership's term loans payable cannot be terminated prior to maturity by the Partnership nor the lender. In addition to digital asset loans under master loan agreements and borrowing through decentralized finance protocols, the Partnership has entered into credit facilities with certain digital asset trading platforms and uses credit facilities provided within trading platform accounts to conduct trading activity. Such facilities are limited for use on the specific trading platform and restrict withdrawals from trading platform accounts.

The Partnership identified an embedded derivative in its digital asset loans payable and accounts for the compound payable at fair value measured using the fair value of the underlying digital asset as input. Interest expense associated with digital asset loans payable is included in interest in the consolidated statements of income (loss) and comprehensive income (loss).

Certain lenders require the Partnership to provide collateral for digital asset loans. The collateral could be in cash or other liquid digital assets. Where the Partnership transfers control of the digital asset collateral to a counterparty, the Partnership accounts for the collateral posted at the fair value of the underlying assets and assesses its credit exposure to the counterparty similar to digital asset loans receivable. Where the Partnership earns interest on posted collateral, the amounts are included in lending and staking revenues in the consolidated statements of income (loss) and comprehensive income (loss). Where the Partnership retains control over collateral posted with counterparties, the digital assets are included in digital assets on the consolidated statements of financial position. Collateral deposited in decentralized finance protocols associated with digital asset loans payable to such protocols are also included in digital assets on the consolidated statements of financial position.

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Payables to customers

Galaxy holds assets of customers of the prime brokerage business. Where control over the assets has transferred to the Partnership, the assets are included in the consolidated statements of financial position. The corresponding liability due to customers is reflected in payables to customers. Digital assets payable to customers are accounted for in the same way as digital asset loans payable noted above. Where control over the assets has not transferred to the Partnership, no asset or corresponding liability is reflected in the consolidated statements of financial position. See Note 24 for the balance of assets which were not reflected in the consolidated statements of financial position.

Derivatives

As part of its trading activities, the Partnership enters into derivative contracts. Derivatives are financial instruments that derive their value from changes in an underlying reference outside the control of the Partnership, such as foreign exchange rates or the price of a digital asset.

The most frequently used derivative products by the Partnership are digital asset futures, index futures, digital asset swaps and digital asset options.

- Digital asset futures - an exchange traded contract which represents a legal agreement to either buy or sell the digital asset at a predetermined price at a specified time in the future. Depending on contract specifications, the contract can be settled either in cash or by physical delivery.
- Index futures - an exchange traded contract which represents a legal agreement to either buy or sell a financial index at a predetermined price at a specified date in the future. Index futures are settled in cash.
- Digital asset swaps - an exchange traded contract which represents a legal agreement to either buy or sell a referenced digital asset at a predetermined price at some time in the future. Depending on exchanges, swaps can be settled either in a stablecoin, such as USDC or USDT, cash or by physical delivery.
- Digital asset options - an OTC traded contract, which gives the holder the right, but not the obligation, to either buy or sell a referenced digital asset at a predetermined price at a specified time in the future. Options can be settled in either cash, stablecoin or by physical delivery.
- Treasury futures - an exchange traded contract which represents a legal agreement to either buy or sell U.S. government notes or bonds at a predetermined price at a specified date in the future. Treasury futures are settled in cash.

The Partnership primarily uses derivatives for trading purposes. Trading derivatives are carried at fair value and any realized and unrealized gains (loss) in derivatives are recognized in net derivative gain (loss).

Power purchase agreements

The Partnership also enters into power purchase agreements with energy suppliers. These agreements allow the Partnership to purchase power at a fixed rate for the duration of the agreement term. The Partnership accounts for power purchase agreements as derivative instruments. Realized and unrealized gains or losses associated with these agreements are recorded together with mining costs in the general and administrative expenses in the consolidated statements of income (loss) and comprehensive income (loss).

Leases

Lessee accounting

The Partnership assesses whether a contract is or contains a lease, at inception of the contract. The Partnership recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases, which are defined as leases with a lease term of 12 months or less, and leases of low value assets, such as tablets and personal computers, small items of office furniture and telephones. For these leases, the Partnership recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which the economic benefits from the leased assets are consumed.

The lease liability, comprised of the current and non-current components, is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the rate implicit in the lease. If this rate cannot be readily determined, the Partnership uses its incremental borrowing rate.

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Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments, including in-substance fixed payments, less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate caption in the consolidated statements of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The Partnership remeasures the lease liability and makes a corresponding adjustment to the related right-of-use asset whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate, unless the lease payment change is due to a change in a floating interest rate, in which case a revised discount rate is used.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses, as and if applicable.

Lessor accounting

As part of its mining business, the Partnership enters into lease agreements with counterparties as a lessor. At the inception of each lease agreement, the Partnership assesses whether the lease is deemed an operating lease or a finance lease. As part of this determination, the Partnership considers a number of factors including the fair value and the useful life of the underlying assets. A finance lease is a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying assets at inception of the lease. An operating lease is a lease that does not qualify as a finance lease.

For an operating lease, the Partnership continues to recognize the value of the underlying mining equipment as an asset. The assets are carried at cost less accumulated depreciation and impairment losses, as and if applicable, and are depreciated to their estimated residual value using the straight-line method over the lease term. Property under operating leases are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of those assets may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds the higher of the asset's fair value less costs to sell and its value in use.

For a finance lease, the Partnership derecognizes the value of the underlying mining equipment and recognizes a receivable equivalent to the Partnership's net investment in the lease, which is the aggregate minimum payments plus guaranteed residual values less unearned finance income. Any difference between the value of the underlying mining equipment and the net investment in the lease is recognized in profit or loss. Finance leases are recognized as being impaired when the Company is no longer reasonably assured of the timely collection of the full amount of principal and interest. When amounts receivable are considered impaired, their book value is adjusted to their estimated realizable value based on the fair value of any collateral underlying the receivable net of any costs of realization.

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Equity based compensation

Stock options

The Partnership accounts for stock options granted to directors, officers and employees at the fair value of the options granted. Accordingly, the fair value of the options at the date of the grant is determined using the Black-Scholes option pricing model and equity compensation is accrued and charged to operations, with an offsetting credit to partners' capital, over the respective vesting periods. The fair value determined at the grant date of the equity payment is expensed on a graded vesting basis, based on the Partnership's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Partnership revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity. Stock options granted to non-employees are measured at the fair value of goods or services rendered or at the fair value of the instruments issued, if it is determined that the fair value of the goods or services received cannot be reliably measured.

Compensatory Class B Units and Restricted Share Units

The Partnership accounts for compensatory Class B Units (standard units and profit interest units) and restricted stock granted to officers and employees at the fair value of the units granted. Accordingly, the fair value of the units at the date of the grant is determined using either the Toronto stock exchange ("TSX") share price for standard units or using a probability-weighted expected return methodology for profit interest units. Equity compensation is accrued and charged to operations on a graded vesting basis, based on the Partnership's estimate of equity instruments that will eventually vest, with a corresponding increase in partners' capital. At the end of each reporting period, the Partnership revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity.

Earnings per share

Basic income (loss) per unit is computed by dividing net income (loss) as the numerator by the weighted average number of outstanding units for the period as the denominator. When diluted earnings per unit is calculated, only those outstanding stock options with exercise prices below the average trading price of GDH Ltd.'s ordinary shares for the period will be treated as dilutive.

In the periods when the Partnership reports a net loss, the effect of potential issuances of units under stock option, compensatory Class B Unit and restricted stock plans and on the exercise of the conversion options of the Notes payable could be considered anti-dilutive depending on their relative impact to the numerator and the denominator.

Foreign currency transactions

Transactions in foreign currencies are translated at the exchange rates prevailing at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at exchange rates at the reporting date, with any differences arising recorded in profit or loss.

Business combination

The Partnership accounts for business combinations using the acquisition method. The consideration transferred and the identifiable assets acquired and liabilities assumed of the acquiree are measured and recognized at acquisition-date fair value.

The Partnership has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

Intangible assets

Intangible assets acquired separately or developed internally are measured at cost on initial recognition. Identified intangible assets acquired in a business combination are recorded at fair value on the date of acquisition. Subsequent to initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, as and if applicable. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least annually. Software technology acquired as part of the business combinations (Note 6) or developed internally is amortized

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on a straight-line basis over two to five years from the acquisition date. Customer relationships, trade name and trademark assets acquired as part of business combinations (Note 6) are amortized on a straight-line basis over three years from the acquisition date. The website domain name acquired in 2021 (Note 15) was assessed to have an indefinite life. It will be assessed for impairment annually or more frequently when there is an indication that it may be impaired.

Goodwill

Goodwill is measured as the excess of the consideration transferred for the acquisition of subsidiaries over the net of the acquisition-date fair value of the identifiable assets acquired and liabilities assumed. If the cost of the acquisition is less than the fair value of the net assets acquired, the difference is recognized directly in profit or loss.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, as and if applicable. Goodwill is allocated to CGUs or groups of CGUs which are expected to benefit from the synergies of the combination. Goodwill is tested for impairment annually, or more frequently when there is an indication that there may be an impairment. If the recoverable amount of the CGU is less than the carrying amount of the goodwill, the impairment loss is first allocated to reduce the amount of goodwill and then to the other assets of the CGU pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

Investments in subsidiaries

Subsidiaries are all entities over which the Partnership has control. The Partnership controls an entity when the Partnership is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The Partnership has determined that it is not an investment entity as defined within IFRS 10, *Consolidated Financial Statements*. As such, the Partnership consolidates its subsidiaries rather than accounting for them at fair value through profit or loss. Subsidiaries are fully consolidated from the date on which control is transferred to the Partnership. They are deconsolidated from the date that control ceases. Intercompany transactions and balances are eliminated.

4. NEW ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS

Accounting standards and amendments to existing standards that were recently adopted

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

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

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

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements* ("IFRS 18"). IFRS 18 introduces new standards for financial performance reporting, focusing on the profit or loss statement structure, disclosures of management-defined performance measures, and principles of aggregation and disaggregation. It replaces IAS 1 while retaining many existing principles, aiming for greater comparability and transparency in financial reporting. IFRS 18 will be effective beginning January 1, 2027. IFRS 18 mandates disclosures for non-GAAP measures and specifies the categorization of

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operating, investing, and financing activities in the statements of operations. The Partnership is assessing the impact of this standard.

5. KEY TERMS OF LIMITED PARTNERSHIP AGREEMENT (“LPA”)

On November 24, 2022, GDH LP, GDH GP, GDH Ltd., GDH Intermediate LLC (“GDHI LLC”, a wholly owned subsidiary of GDH Ltd.), and each of the Persons admitted as a “Class B Limited Partner” entered into a fifth amended and restated limited partnership agreement (as amended from time to time, the “LPA”). Certain key terms of the LPA include the following:

- Units - there are two classes of partnership interests (“Units”): Class A Units, which are held by GDH Ltd., and Class B Units, which are held by GGI and other Class B limited partners.
- Issuance of Additional Units - the General Partner will not cause the Partnership to issue any additional Class B Units unless the General Partner determines there is a bona fide business or strategic reason to raise equity capital through the issuance of Class B Units, provided that the aggregate amount of Class B Units that may be issued is less than or equal to 70,000,000 or the GDH Ltd. board of directors approves such issuance. GDH Ltd. or GDHI LLC may elect to effect the exchange of all or any portion of Class B Units subject to an exchange for cash, and allow for the consolidation of Class A Units in certain circumstances.
- Allocations of Income, Gain, Loss, Deduction and Credit - each item of income, gain, loss, deduction and credit will be allocated pro-rata between Class A Units and Class B Units.
- Issuances and redemptions of ordinary shares of GDH Ltd. - If GDH Ltd. issues any of its ordinary shares, and either (i) the General Partner has consented to such issuance or (ii) the issuance receives approval by the limited partners holding the majority of Units, the General Partner will cause the Partnership to issue to GDH Ltd., in exchange for GDH Ltd. promptly contributing the net cash proceeds of the issuance to the Partnership, a number of Class A Units equal to the number of ordinary shares issued. Upon the redemption, repurchase, or other acquisition of ordinary shares by GDH Ltd., the Partnership will, at substantially the same time as the redemption, repurchase or acquire, redeem or cancel Class A Units equal to the number of ordinary shares redeemed, repurchased or acquired for an amount equal to the net cash amount paid by the GDH Ltd. for such redemption, repurchase, or other acquisition.
- Exchanges of Class B Units - A Class B limited partner may exchange vested Class B Units for ordinary shares of GDH Ltd. On exchange, GDH Ltd. will issue ordinary shares and the Partnership will cancel the Class B Units exchanged and issue Class A Units to GDH Ltd. equal to the number of Class B Units being surrendered, after accounting for any withholding obligation, if applicable.
- Removal of General Partner - The General Partner may generally be removed by the limited partners holding at least 66 2/3% of the outstanding Units.
- Reimbursable Expenses - All expenses reasonably incurred by GDH Ltd. in the conduct of its business, including fees related to professional advisors, required or advisable licenses and filings, and meetings and compensation of directors, will be reimbursable by GDH LP, excluding tax.
- General Partner Board - As long as GDH Ltd. owns more than 10% of the outstanding Units of GDH LP, GDH Ltd. will have the right to appoint one person to the Board of Managers. In addition, if GDH Ltd. owns more than 40%, but not more than 50%, of the outstanding Units of GDH LP, GDH Ltd. will have the right to appoint another person to the Board of Managers.

6. BUSINESS COMBINATIONS

Fierce

On December 9, 2024, a subsidiary controlled by the Partnership acquired all shares of Fierce Technology, Inc. (“Fierce”) for approximately \$12.5 million (\$3.0 million in cash and \$9.5 million in equity). The Partnership determined that the acquisition of Fierce constituted a business combination under IFRS 3. Fierce provides financial application software.

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The consideration transferred was measured at the fair value of the cash and equity paid, and the estimated contingent consideration of approximately \$1.2 million, in the form of GDH Ltd. shares, that is payable by the Partnership upon determination of the final working capital amounts. The Partnership recognized the following assets and liabilities in relation to the acquisition of Fierce:

(in thousands)	December 9, 2024
Cash	\$ 315
Intangible assets	411
Goodwill	8,588
Other non-current assets	3,296
Total assets	\$ 12,610
Deferred tax liability	110
Total liabilities	\$ 110

The Partnership recorded \$8.6 million of goodwill which was attributed to the Global Markets segment. Goodwill represents the future economic benefit arising from assets acquired which could not be individually identified and separately recognized. Goodwill was attributed to the expected synergies from combining operations with GDH LP and the expected future cash flows of the combined business. The Partnership also recognized a deferred tax asset of \$3.3 million related to the net operating losses of Fierce that the Partnership expects to utilize. The goodwill from this acquisition is not deductible for tax purposes.

Acquired intangible assets included trade names, trademarks, and technology platforms valued at \$0.4 million. The intangible assets were measured at acquisition date fair value using an income approach in accordance with the Partnership's accounting policies.

The Partnership incurred acquisition related transaction costs of \$0.2 million. The majority represented legal fees and were incurred during the year ended December 31, 2024. The revenue and net income included in the Partnership's consolidated statements of operations contributed by Fierce for the year ended December 31, 2024, from the date of the acquisition, was not material to the Partnership. The pro forma impact of the acquisition on the Partnership's revenue and net income for the year ended December 31, 2024 would not have been material to the Partnership.

CMF

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

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The consideration transferred was measured at the fair value of the cash and equity paid, and the estimated contingent consideration of approximately \$5.5 million, which is payable by the Partnership if CMF achieves certain financial and operating targets through the end of 2026. On February 28, 2025, an additional 76,573 shares were issued for milestone consideration. The Partnership recognized the following assets and liabilities in relation to the acquisition of CMF:

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

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

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

The Partnership incurred acquisition related transaction costs of \$0.5 million. The majority represented professional fees and were incurred during the year ended December 31, 2024. The revenue and net income included in the Partnership's consolidated statements of operations contributed by CMF for the year ended December 31, 2024, from the date of the acquisition, was not material to the Partnership. The pro forma impact of the acquisition on the Partnership's revenue and net income for the year ended December 31, 2024, had the acquisition been completed on January 1, 2024, would have been an increase of approximately \$22 million and \$2 million, respectively.

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7. REVENUES

The following table presents the Partnership's revenue disaggregated by segment for the year ended December 31, 2024:

(in thousands)	Global Markets	Asset Management	Digital Infrastructure Solutions	Corporate and Other	Total
Fee revenue					
Mining hosting fees	\$ —	\$ —	\$ 31,566	\$ —	\$ 31,566
Licensing fees	2	2	3,256	(480)	2,780
Management and performance fees	17,896	49,026	11	(2,853)	64,080
Advisory fees	4,768	—	—	—	4,768
Total fee revenue	22,666	49,028	34,833	(3,333)	103,194
Lending and staking revenue					
Lending income	82,731	100	2,636	22	85,489
Blockchain rewards ⁽¹⁾	20,813	14,790	174,420	(21,258)	188,765
Total lending and staking revenue	103,544	14,890	177,056	(21,236)	274,254
Net realized gain (loss) on digital assets	547,349	67,542	796	—	615,687
Net realized gain (loss) on investments	(187,058)	13,527	2,423	—	(171,108)
Net derivative gain	267,010	—	759	—	267,769
Revenue from proprietary mining	—	—	63,305	—	63,305
Other income	674	119	444	220	1,457
Total revenues and gain (loss) from operations	\$ 754,185	\$ 145,106	\$ 279,616	\$ (24,349)	\$ 1,154,558

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

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The following table presents the Partnership's revenue disaggregated by segment for the year ended December 31, 2023:

(in thousands)	Global Markets	Asset Management	Digital Infrastructure Solutions	Corporate and Other	Total
Fee revenue					
Mining hosting fees	\$ —	\$ —	\$ 24,335	\$ —	\$ 24,335
Licensing fees	—	1	1,649	—	\$ 1,650
Management and performance fees	414	22,202	1,443	(3,220)	\$ 20,839
Advisory fees	4,463	—	55	—	\$ 4,518
Total fee revenue	4,877	22,203	27,482	(3,220)	51,342
Lending and staking revenue					
Lending income	48,572	190	272	(975)	48,059
Blockchain rewards ⁽¹⁾	1,344	2,813	—	—	4,157
Total lending and staking revenue	49,916	3,003	272	(975)	52,216
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
Net derivative gain (loss)	150,715	1,074	(206)	—	151,583
Revenue from proprietary mining	—	—	33,121	—	33,121
Other income	175	(127)	254	55	357
Total revenues and gain (loss) from operations	\$ 503,804	\$ 53,274	\$ 60,923	\$ (4,140)	\$ 613,861

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

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8. DIGITAL ASSETS

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

(in thousands)	December 31, 2024	December 31, 2023
Digital assets, current:		
Not subject to lock-up restrictions	\$ 2,917,974	\$ 1,051,939
Subject to lock-up restrictions ⁽¹⁾	34,659	26,648
Total digital assets, current	2,952,633	1,078,587
Digital assets, non-current:		
Subject to lock-up restrictions ⁽¹⁾	11,560	41,356
Total digital assets, non-current	11,560	41,356
Total	\$ 2,964,193	\$ 1,119,943

⁽¹⁾ The remaining duration of lock-up restrictions range from approximately one week to approximately 3 years as of December 31, 2024.

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

(in thousands)	December 31, 2024	December 31, 2023
Self-custodied ⁽¹⁾	\$ 1,897,045	\$ 647,392
Collateral posted with counterparties ⁽²⁾	85,874	56,674
Held with third parties, including centralized trading platforms	533,240	181,089
Digital assets associated with decentralized finance protocols:		
<i>Receipt tokens from decentralized finance protocols</i> ⁽³⁾	342,293	168,073
<i>Other digital assets associated with decentralized finance protocols</i> ⁽³⁾⁽⁴⁾	105,741	66,715
Total digital assets associated with decentralized finance protocols	448,034	234,788
Total digital assets, current and non-current	2,964,193	1,119,943

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

⁽²⁾ Digital assets posted as collateral under master loan agreements to third parties, for which control has not transferred, support digital asset and fiat borrowings of \$53.7 million as of December 31, 2024 (December 31, 2023 - \$50.8 million).

⁽³⁾ Digital assets associated with decentralized finance protocols collectively support borrowings on these platforms of \$124.9 million as of December 31, 2024 (December 31, 2023 - \$123.0 million).

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

Staking

The Partnership had staked digital assets, including digital assets staked with decentralized finance protocols (or liquid staking), of \$318.9 million as of December 31, 2024 (December 31, 2023 - \$92.0 million); an additional \$46.2 million of digital assets subject to sales restrictions through lock-up schedules were staked as of December 31, 2024 (December 31, 2023 - \$68.0 million). In addition to any lock-up restriction, the Partnership's ability to sell or transfer staked digital assets, other than liquid staked digital assets, is subject to restrictions related to unbonding periods. The majority of staked digital assets on various blockchains including Ethereum could be unbonded within 11 days based on network traffic as of December 31, 2024. The blockchain rewards generated from such proprietary staking activities for the year ended December 31, 2024 was \$30.0 million (December 31, 2023 - \$4.0 million) and is included in lending and staking revenue in the consolidated statements of income (loss) and comprehensive income (loss).

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9. DIGITAL ASSET LOANS RECEIVABLE AND PAYABLE

Digital asset loans receivable and associated collateral payable

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

(in thousands)	December 31, 2024	December 31, 2023
Digital asset loans receivable	\$ 579,954	\$ 104,504
Less: Allowance for credit losses	(424)	—
Digital asset loans receivable, net	\$ 579,530	\$ 104,504
Collateral payable - Digital assets	\$ 673,427	\$ 115,635
Collateral payable - Cash	44,535	—
Collateral payable associated with digital asset loans receivable	\$ 717,962	\$ 115,635

Digital asset loans payable and associated collateral receivable

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

(in thousands)	December 31, 2024	December 31, 2023
Master loan agreements	\$ 1,372,693	\$ 275,282
Credit facility from centralized trading platforms and decentralized protocols	124,916	122,995
Digital asset loans payable	\$ 1,497,609	\$ 398,277
Assets posted as collateral - Digital assets	\$ 84,221	\$ 233,053
Less: Allowance for credit losses	(826)	—
Assets posted as collateral associated with Digital asset loans payable	\$ 83,395	\$ 233,053

10. LOANS RECEIVABLE AND PAYABLE

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

Loans receivable, current and non-current

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

(in thousands)	December 31, 2024	December 31, 2023
Loans receivable	476,620	\$ 377,105
Loans receivable, non-current	—	10,259
Loans receivable, current and non-current	\$ 476,620	\$ 387,364

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

(in thousands)	Amounts
2025	476,620
2026	—
2027	—
2028	—
Loans receivable, current and non-current	\$ 476,620

Collateral payable associated with loans receivable

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

(in thousands)	December 31, 2024	December 31, 2023
Collateral payable - Digital assets	\$ 620,633	\$ 444,839
Collateral payable - Cash	—	—
Collateral payable associated with loans receivable, current	\$ 620,633	\$ 444,839

Loans payable

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

(in thousands)	December 31, 2024	December 31, 2023
Loans payable	\$ 510,718	\$ 93,069
Assets posted as collateral - Digital assets	\$ 194,306	\$ 67,767
Less: Allowance for credit losses	(554)	—
Assets posted as collateral	\$ 193,752	\$ 67,767

11. DERIVATIVE ASSETS AND LIABILITIES

For the years ended December 31, 2024 and December 31, 2023, the Partnership recognized \$267.8 million and \$151.6 million, respectively, of net derivative gain from economic hedging and the Partnership's trading strategy. Embedded derivatives are recorded in the same line items in the consolidated statements of financial position as their host instruments. The Partnership's derivative instruments disclosed below, with the exception of the notes payable and a portion of the digital assets receivables derivatives, each had a maturity date of less than a year as of December 31, 2024.

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

December 31, 2024

(in thousands)	Notional ⁽¹⁾	Gross fair value	
		Derivative assets	Derivative liabilities
Digital assets	\$ 4,685,112	\$ 185,208	\$ (145,493)
Foreign currencies	19,259	12,064	(10,483)
Interest rate	5,002	19	(13)
Commodities	10,583	19	(186)
Equity securities	1,049,846	10,343	(9,683)
Total	5,769,802	207,653	(165,858)
Digital asset receivable	3,911	60,720	—
Embedded derivatives — Digital asset loans receivable	589,135	6,976	(16,157)
Embedded derivatives — Assets posted as collateral	216,224	64,019	(1,716)
Embedded derivatives — Digital asset loans payable	1,269,013	24,039	(252,635)
Embedded derivatives — Collateral payable	1,219,247	55,848	(161,261)
Embedded derivatives — Notes payable	847,500	—	(136,192)

December 31, 2023

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

⁽¹⁾ Notional amounts represent the U.S. Dollar denominated size of the underlying assets for the derivative instruments. They do not accurately reflect the Partnership's economic exposure as they do not reflect the Partnership's long and short derivative positions.

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

(in thousands)	December 31, 2024	December 31, 2023
Assets posted as collateral - Digital assets	\$ —	\$ 15,284
Assets posted as collateral - Cash	—	2,091
Assets posted as collateral associated with derivatives	\$ —	\$ 17,375
Collateral payable - Digital assets	\$ 30,600	\$ 9,521
Collateral payable - Cash	30,460	11,367
Collateral payable associated with derivatives	\$ 61,060	\$ 20,888

12. INVESTMENTS

Investments

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

(in thousands)	December 31, 2024	December 31, 2023
Investments, current		
Common stock	\$ 738,334	\$ —
Convertible notes	10,672	—
LP/LLC interests ⁽¹⁾	84,516	—
Warrants & claims	1,290	—
Total investments, current	834,812	—
Investments, non-current		
Common stock	\$ 68,905	73,381
Convertible notes	7,394	10,646
LP/LLC interests	460,554	347,694
Preferred stock	263,382	251,705
Warrants & bankruptcy claims	8,459	51,677
Total investments, non-current	\$ 808,694	\$ 735,103
Total	\$ 1,643,506	\$ 735,103

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

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Continuity schedule of investments

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

(in thousands)	Investments
Balance as at December 31, 2022	\$ 595,122
Purchases	195,738
Proceeds and distributions from investments ⁽¹⁾	(211,695)
Net transfers in / (out) of investments	12,222
Net realized gain on investments	52,999
Net unrealized gain on investments	90,717
Balance as at December 31, 2023	\$ 735,103
Purchases	3,276,921
Proceeds and distributions from investments ⁽¹⁾	(3,021,190)
Net transfers in / (out) of investments	(389)
Net realized gain on investments	228,131
Net unrealized gain on investments	424,930
Balance as at December 31, 2024	\$ 1,643,506

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

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

Investments sold short

Investments sold short are accounted for as financial liabilities, which are both initially recognized and then subsequently measured at fair value through net unrealized gain (loss) on investments in the consolidated statements of income (loss) and comprehensive income (loss). The net unrealized gain (loss) on the Partnership's investments sold short for the year ended December 31, 2024 was \$5.0 million (December 31, 2023 - \$(6.5) million).

The Partnership's realized gain or loss on an investment sold short is calculated as the proceeds from the sale of the investment sold short less the cost of the repurchase. The Partnership's unrealized gain or loss on an investment sold short consists of both the change in fair value on an investment sold short from the beginning of the period and the reversal of any previously recognized unrealized gain or loss on an investment sold short during the period. The net realized gain (loss) of the Partnership's investments sold short for the year ended December 31, 2024 was \$(399.2) million (December 31, 2023 - \$(39.6) million).

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Structured entities

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

(in thousands)	December 31, 2024			December 31, 2023		
	Fair value of investment	Unfunded commitments	Maximum exposure	Fair value of investment	Unfunded commitments	Maximum exposure
Sponsored Investment Funds	\$ 398,386	\$ 56,725	\$ 455,111	\$ 187,605	\$ 48,550	\$ 236,155
Other Structured Entities	143,145	12,294	155,439	160,089	12,464	172,553
Total	\$ 541,531	\$ 69,019	\$ 610,550	\$ 347,694	\$ 61,014	\$ 408,708

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

13. RECEIVABLES

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

(in thousands)	December 31, 2024	December 31, 2023
Interest receivable	18,307	3,598
Hosting fee receivable	3,812	2,312
Management fee receivable ⁽¹⁾	5,332	5,482
Other	2,863	4,591
Total	\$ 30,314	\$ 15,983

⁽¹⁾ Includes management fee receivable of \$5.0 million from Galaxy sponsored funds as of December 31, 2024 (December 31, 2023 - \$3.3 million).

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14. OTHER ASSETS

Prepaid expenses and other assets

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

(in thousands)	December 31, 2024	December 31, 2023
Mining deposits	\$ 4,845	\$ 8,825
Prepaid expenses	11,112	8,818
Current tax assets	5,232	16,484
Other ⁽¹⁾	5,255	3,783
Total	\$ 26,444	\$ 37,910

⁽¹⁾ Includes tax payments made on behalf of related parties of \$4.8 million as of December 31, 2024 (December 31, 2023 - \$2.9 million).

Other non-current assets

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

(in thousands)	December 31, 2024	December 31, 2023
Deferred tax asset	\$ 60,857	\$ 42,089
Intangible assets	37,351	39,983
Right-of-use assets	8,223	12,055
Other	869	873
Total	\$ 107,300	\$ 95,000

15. PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS

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

(in thousands)	Corporate assets ⁽¹⁾	Mining equipment ⁽⁴⁾	Mining infrastructure	Land	WIP / Construction in progress ⁽³⁾	Total property and equipment
Balance as of December 31, 2022	\$ 7,757	\$ 20,300	\$ 67,351	\$ 10,490	\$ 102,640	\$ 208,538
Additions	489	—	4,719	—	35,505	40,713
Depreciation	(1,200)	(13,537)	(5,548)	—	—	(20,285)
Transfers	534	50,994	14,086	—	(65,614)	—
Disposals	(59)	(1,035)	—	—	(1,182)	(2,276)
Impairment reversal ⁽²⁾	—	8,570	—	—	24,705	33,275
Balance as of December 31, 2023	\$ 7,521	\$ 65,292	\$ 80,608	\$ 10,490	\$ 96,054	\$ 259,965
Additions	1,363	698	1,040	2,319	52,136	57,556
Depreciation	(1,351)	(31,770)	(7,497)	—	—	(40,618)
Transfers	103	83,567	26,514	—	(110,184)	—
Disposals	—	(364)	—	—	(2,229)	(2,593)
Impairment ⁽²⁾	—	(6,662)	—	—	—	(6,662)
Balance as of December 31, 2024	\$ 7,636	\$ 110,761	\$ 100,665	\$ 12,809	\$ 35,777	\$ 267,648

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

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

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⁽³⁾ Comprised of mining infrastructure under construction as of December 31, 2024 (December 31, 2023 - \$77.1 million of mining equipment and \$18.9 million of infrastructure).

⁽⁴⁾ During 2024, the Partnership undertook an exchange of like-for-like mining equipment with a counterparty. The exchange does not significantly affect the Partnership's expected cash flows and is accounted for as a non-monetary transaction with no gains or losses recognized.

The following table represents property and equipment balances, as well as accumulated depreciation as of December 31, 2024 and December 31, 2023:

(in thousands)	December 31, 2024	December 31, 2023
Corporate assets	\$ 11,093	\$ 9,625
Mining equipment	172,572	85,398
Mining infrastructure	113,710	86,156
Land	12,809	10,490
WIP / Construction in progress	35,777	101,726
Property and equipment, gross	\$ 345,961	\$ 293,395
Less: Accumulated depreciation	(71,651)	(33,430)
Less: Impairment	(6,662)	—
Property and equipment, net	\$ 267,648	\$ 259,965

Goodwill

As of December 31, 2024, the Partnership's goodwill balance was \$58.0 million (December 31, 2023 - \$44.3 million). Goodwill of \$24.0 million, \$9.1 million and \$24.9 million was allocated to the Global Markets, Asset Management and Digital Infrastructure Solutions segments, respectively, attributable to current and prior period acquisitions (December 31, 2023 - \$15.5 million, \$9.1 million and \$19.6 million, respectively). No impairment of goodwill was recorded for the years ended December 31, 2024 and December 31, 2023.

Intangible and Right-of-use assets

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

(in thousands)	Software technology ⁽¹⁾	Other purchased intangible assets ⁽²⁾	Indefinite-lived intangible asset ⁽³⁾	Total intangible assets	Right-of-use assets
Balance as of December 31, 2022	\$ 5,187	\$ —	\$ 1,761	\$ 6,948	\$ 13,735
Additions	31,195	6,062	—	37,257	1,730
Amortization / Depreciation	(3,212)	(1,010)	—	(4,222)	(3,410)
Balance as of December 31, 2023	\$ 33,170	\$ 5,052	\$ 1,761	\$ 39,983	\$ 12,055
Additions	1,614	7,639	—	9,253	—
Amortization / Depreciation	(8,692)	(3,193)	—	(11,885)	(3,832)
Balance as of December 31, 2024	\$ 26,092	\$ 9,498	\$ 1,761	\$ 37,351	\$ 8,223

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

⁽²⁾ Includes acquired customer relationships and trade name.

⁽³⁾ Represents website domain name.

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The following table represents intangible assets and accumulated amortization as of December 31, 2024 and December 31, 2023:

(in thousands)	December 31, 2024	December 31, 2023
Software technology	\$ 40,508	\$ 38,895
Other purchased intangible assets	13,701	6,062
Indefinite-lived intangible asset	1,761	1,761
Intangible assets, gross	55,970	46,718
Less: Accumulated amortization	(18,619)	(6,735)
Intangible assets, net	\$ 37,351	\$ 39,983

The following table represents the Partnership's right-of-use assets and accumulated amortization as of December 31, 2024 and December 31, 2023:

(in thousands)	December 31, 2024	December 31, 2023
Right-of-use assets, gross	\$ 18,717	\$ 18,717
Less: Accumulated depreciation	(10,494)	(6,662)
Right-of-use assets, net	\$ 8,223	\$ 12,055

16. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES & OTHER NON-CURRENT LIABILITIES

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

(in thousands)	December 31, 2024	December 31, 2023
Compensation and compensation related	\$ 71,553	\$ 50,556
Legal settlement	40,000	—
Interest	15,530	4,595
Professional fees	5,684	7,755
Mining payables and accrued liabilities	9,385	1,447
Payables for investments and acquisitions	11,054	—
Accounts payable	6,916	2,569
Other	3,522	2,290
	\$ 163,644	\$ 69,212

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

(in thousands)	December 31, 2024	December 31, 2023
Deferred tax liability	41,020	33,894
Legal settlement	126,300	—
Lease liability	6,936	10,236
	\$ 174,256	\$ 44,130

17. EQUITY

Issued Partnership Capital

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

- (i) GDH LP Class A Units, which are subdivided into GDH LP A-1 Units, all of which are held directly by GDH Ltd.; and GDH LP A-2 Units, all of which are held indirectly by GDH Ltd. through GDH Ltd.'s wholly owned U.S. subsidiary, GDHI LLC; and

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(ii) GDH LP Class B Units, which are held by GGI; certain employees of the Partnership as part of the Partnership's employee compensation plan; and certain former shareholders.

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

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

Issued Capital

Class A Units

During the year ended December 31, 2024, the Partnership issued 7,141,851 (December 31, 2023 - 8,709,592) Class A Units to GDH Ltd. on exercise of options and vesting of restricted share units.

The Partnership cancelled 1,832,402 ordinary shares during the year ended December 31, 2024 (December 31, 2023 - 4,221,799), primarily in association with withholding obligations on exercised stock options and vested restricted share units.

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

On April 12, 2024, the Company issued 12,100,000 ordinary shares to a syndicate of underwriters including Jefferies Securities Inc. and Stifel Nicolaus Canada Inc. (collectively, the "Underwriters"). The Underwriters purchased the shares at a price of C\$14.00 per ordinary share for gross proceeds of C\$169.4 million in an underwritten block trade. An equivalent number of Class A Units of the Partnership were issued to the Company.

On July 18, 2024, the Partnership acquired the assets of CMF. Initial consideration included \$3.5 million of equity (Note 6). On August 9, 2024, the Partnership issued 359,919 Class A Units in connection with this acquisition. On February 28, 2025, an additional 76,573 Class A Units were issued as milestone consideration.

On December 9, 2024, the Partnership acquired the shares of Fierce. Initial consideration included \$8.3 million of equity. The Partnership issued 427,723 Class A Units in connection with the acquisition this acquisition (Note 6).

Class B Units

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

As of December 31, 2024, there were 127,577,780 (December 31, 2023 - 109,299,332) Class A Units and 215,862,343 (December 31, 2023 - 215,928,474) Class B Units outstanding. The change in Class A Units during the year ended December 31, 2024 was due to issuance of shares for the capital raise, acquisitions, exchange of Class B Units, stock option exercises and restricted share units vesting, offset by cancellations of ordinary shares.

Distributions

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

In January 2025, the General Partner made a pro-rata tax distribution of \$9.4 million. The majority of the recipients of the distributions are related parties.

Equity Based Compensation

Stock Option Plan

The Partnership historically granted stock options to employees, officers, directors and consultants of the Partnership under the GDH Ltd. stock option plan (the "Plan"), subject to the approval of the board of directors of GDH Ltd., who administer the

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Plan. On exercise of an option, the holder will receive one ordinary share in GDH Ltd. and GDH LP will issue one Class A Unit to GDH Ltd. Following the approval of the Long Term Incentive Plan (“LTIP”), the Company no longer makes grants under the Plan. The shares reserved for issuance under the Plan were rolled over into the LTIP.

Long Term Incentive Plan

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

Non-Treasury Plan

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

Equity Based Compensation Expense

For the years ended December 31, 2024 and December 31, 2023, equity compensation expense was recognized as follows:

(in thousands)	Year ended	
	December 31, 2024	December 31, 2023
Stock options	\$ 17,872	\$ 25,530
Restricted share units ⁽¹⁾	40,603	48,851
Compensatory Class B Units	12	30
	58,487	74,411
Deferred share units awarded to directors included in general and administrative	615	666
Total	\$ 59,102	\$ 75,077

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

The forfeiture rate assumed for equity compensation ranged from 10% - 33% as of December 31, 2024 and December 31, 2023. Forfeiture rate is determined using historical data to estimate option exercises and employee terminations.

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Compensatory Class B Unit Awards

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

Description	Compensatory Class B Units
Balance, December 31, 2022	10,792,944
Exchanged	—
Forfeited	—
Balance, December 31, 2023	10,792,944
Exchanged	(81,357)
Forfeited	—
Balance, December 31, 2024	10,711,587
Compensatory Class B Units exercisable, December 31, 2024	10,711,587
Compensatory Class B Units exercisable, December 31, 2023	10,777,718

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

Stock options

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

Inputs to the Black-Scholes Model	December 31, 2024	December 31, 2023
Share price ⁽¹⁾	C\$12.41 - \$27.45	C\$4.77 - C\$7.43
Exercise price	C\$10.00 - C\$37.38	C\$4.19 - C\$8.06
Expected annual volatility ⁽²⁾	85% - 90%	80% - 90%
Expected term (years)	5.00	5.00
Dividend yield	0%	0%
Risk-free interest rate ⁽³⁾	2.8% - 3.8%	3.0% - 3.96%

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

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

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

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

Description	Number of options	Weighted average exercise price (C\$)
Balance, December 31, 2022	27,652,543	8.56
Granted ⁽¹⁾	10,963,780	6.30
Stock options replaced via award modifications	(1,875,000)	23.08
Exercised ⁽²⁾	(5,847,020)	3.73
Forfeited	(5,485,996)	9.23
Expired / Cancelled / Repurchased	(3,144,334)	14.04
Balance, December 31, 2023	22,263,973	6.56
Granted	2,913,051	16.66
Exercised ⁽²⁾	(3,546,327)	3.16
Forfeited	(1,521,299)	6.63
Expired / Cancelled	(244,390)	11.55
Balance, December 31, 2024	19,865,008	\$ 8.58
Options exercisable as of December 31, 2024	10,691,460	\$ 7.37
Options exercisable as of December 31, 2023	9,712,157	\$ 5.80

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

⁽²⁾ Includes 155,381 stock options exercised during the year ended December 31, 2024 but settled in the following quarter (December 31, 2023 - 20,000).

The weighted average fair value for stock options granted during the year ended December 31, 2024 was \$6.99 per option (December 31, 2023 - \$4.04 per option). For stock options outstanding as of December 31, 2024, the weighted average remaining contractual life is 3.4 years (December 31, 2023 - 3.0 years).

Modification of stock options previously granted

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

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

Grant Date	Number outstanding	Number exercisable	Exercise price (C\$)	Expiry date
April 9, 2020	500,000	500,000	1.35 - 1.85	April 9, 2025
June 25, 2020	250,000	250,000	1.39	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	30.76	December 1, 2026
May 11, 2022	200,000	50,000	10.52	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		

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

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Restricted share units and Deferred share units

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

Description	Number of units	Weighted average grant date fair value per unit (C\$)
Balance, December 31, 2022	11,462,917	20.50
Granted	4,983,339	4.92
Vested ⁽¹⁾	(3,036,166)	19.2
Forfeited	(2,206,466)	18.31
Balance, December 31, 2023	11,203,624	14.36
Granted	3,439,035	14.85
Vested ⁽¹⁾	(3,668,309)	15.44
Forfeited	(964,777)	14.17
Balance, December 31, 2024	10,009,573	14.15

⁽¹⁾ Includes 13,739 restricted share units that vested but remain unsettled as of December 31, 2024 (December 31, 2023 - 128,089). Units vested during the year ended December 31, 2024 also includes 58,664 restricted share units (December 31, 2023 - 55,626) that were settled in cash.

Cash settled grants

During the year ended December 31, 2024, the Partnership granted 240,164 restricted share units (December 31, 2023 - 375,783) under the Non-Treasury Plan which will be settled in cash. The restricted share units vest over three to four years with varying vesting schedules and had a total grant date fair value of \$2.7 million (December 31, 2023 - \$1.2 million). The outstanding liability related to cash settled units as of December 31, 2024 was \$10.2 million (December 31, 2023 - \$4.3 million).

During the year ended December 31, 2024, the Partnership granted 242,498 Stock Appreciation Rights (“SARs”) under the LTIP which will be settled in cash (December 31, 2023 - 299,151). These SARs vest over three years and had a total grant date fair value of \$1.5 million (December 31, 2023 - \$0.5 million). The outstanding liability as of December 31, 2024 related to the SARs was \$1.7 million (December 31, 2023 - \$1.0 million).

Net Income (Loss) per Unit

The tables below present total Class A and B income (loss) per unit for the years ended December 31, 2024 and December 31, 2023 as Class A Units and Class B Units rank equal in all economic respects:

(in thousands, except unit and per unit data)	Year ended	
	December 31, 2024	December 31, 2023
Basic income (loss) per unit	\$ 1.08	\$ 0.92
Diluted income (loss) per unit	1.02	0.90
Net income (loss) used in the calculation of basic income (loss) per unit	\$ 365,312	\$ 295,898
Net income (loss) used in the calculation of diluted income (loss) per unit	365,312	295,898
Weighted average number of units for the purposes of basic income (loss) per unit	336,730,894	321,599,100
Weighted average number of units for the purposes of diluted income (loss) per unit	357,988,647	329,613,940

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

	December 31, 2024	December 31, 2023
Weighted average number of units for the purposes of basic income (loss) per unit	336,730,894	321,599,100
Diluted units:		
Compensatory Class B Unit awards	13,937	2,635
Stock options	11,391,697	2,821,167
Restricted share units	9,852,119	5,191,038
Exchangeable Notes	—	—
Weighted average number of units for the purposes of diluted income (loss) per unit	357,988,647	329,613,940

For the year ended December 31, 2024, the weighted average number of total units for the purposes of diluted income per unit assumes the potential exercise of dilutive stock options, restricted share units, compensatory Class B units and conversion of Exchangeable Notes. For the year ended December 31, 2024, there were 15,013,792 of potentially dilutive units that were excluded from the calculation of diluted income (loss) per share because they were antidilutive for the period (December 31, 2023 - 13,346,833).

18. NOTES PAYABLE

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.

The Partnership determined that the conversion features represent derivative financial instruments embedded in the Exchangeable Notes. The conversion feature was recorded at fair value as a discount to the value of the Exchangeable Notes as of inception date. Accordingly, the Partnership recorded an aggregate discount of \$71.0 million and \$94.0 million for the fair value of the derivative liability at inception of the 2026 Exchangeable Notes and the 2029 Exchangeable Notes, respectively. The difference between the proceeds allocated to the convertible instrument at issuance and the fair value of the conversion feature was allocated to the host contract. The Exchangeable Notes and the associated derivative liabilities, measured at fair value are shown as notes payable in the consolidated statements of financial position. As of December 31, 2024, there was \$847.5 million in principal outstanding of the Exchangeable Notes (December 31, 2023 - \$445.0 million).

On initial recognition of the 2026 Exchangeable Notes and the 2029 Exchangeable Notes, debt issuance costs of \$13.4 million and \$13.6 million, respectively, were recognized as a reduction of notes payable and are being expensed over the term of the debt.

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As of December 31, 2024, the Partnership's notes payable repayment obligation is as follows:

(in thousands)	Amount Due
2025	\$ —
2026	445,000
2027	—
2028	—
2029	402,500
Total	\$ 847,500

19. PROFESSIONAL FEES

The following table represents the Partnership's professional fee expenses for the years ended December 31, 2024 and December 31, 2023:

(in thousands)	Year ended	
	December 31, 2024	December 31, 2023
Legal	\$ 28,693	\$ 19,600
Audit and related	9,668	9,704
Tax	1,758	2,170
Consulting	10,546	5,250
Valuations	411	338
Total	\$ 51,076	\$ 37,062

20. GENERAL AND ADMINISTRATIVE

The following table represents the Partnership's general and administrative expenses for the years ended December 31, 2024 and December 31, 2023:

(in thousands)	Notes	Year ended	
		December 31, 2024	December 31, 2023
Mining costs ⁽¹⁾		\$ 47,643	\$ 20,772
Trading, commission and custody expenses		28,712	10,266
Technology		30,510	20,107
Depreciation and amortization	14	56,335	27,917
Legal settlement	25	166,300	—
Impairment loss (reversal), net ⁽²⁾		6,662	(33,275)
Marketing		5,068	3,445
Provision for credit losses	8, 9, 10	3,635	—
Insurance		3,093	3,664
Fund administration		1,101	730
Directors fees	16, 21	719	779
Other ⁽³⁾		27,745	21,232
Total		\$ 377,523	\$ 75,637

⁽¹⁾ Primarily represents power purchase costs, net of credits, of \$46.0 million for the year ended December 31, 2024 (December 31, 2023 - \$18.4 million).

⁽²⁾ Includes the reversal of impairment of mining equipment for the year ended December 31, 2023.

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⁽³⁾ Includes \$3.2 million of GDH Ltd. reimbursable expenses incurred, as discussed in Note 21, for the year ended December 31, 2024 (December 31, 2023 - \$2.2 million). Includes \$4.9 million of tax indemnification payments made to related parties for the year ended December 31, 2023.

21. RELATED PARTY TRANSACTIONS

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

Compensation of Key Management Personnel

Key management personnel include nine individuals as of December 31, 2024 (December 31, 2023 - nine individuals). 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	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.

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 (Note 5), the Partnership will reimburse or pay for all reasonably incurred expenses of GDH Ltd. in the conduct of the Company's business, with the exception of taxes. For the 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 (Note 20). The Partnership has also provided a financial guarantee to a subsidiary of GDH Ltd. sufficient to cover its costs and obligations as they come due through December 31, 2025. The Partnership has not paid or accrued any amount under this financial guarantee for the 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

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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 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

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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).

22. SEGMENTS

The following table represents assets and liabilities by each of the reportable segments as of December 31, 2024:

(in thousands)	Global Markets	Asset Management	Digital Infrastructure Solutions	Corporate and Other	Totals
Total assets	\$ 6,089,936	\$ 632,751	\$ 356,713	\$ 108,052	\$ 7,187,452
Total liabilities	\$ 3,644,943	\$ 194	\$ 23,497	\$ 1,241,786	\$ 4,910,420

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

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

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

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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 Infrastructur e Solutions	Corporate and Other ⁽¹⁾	Totals
Income (loss)					
Fee revenue ⁽¹⁾	\$ 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	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⁾ All intercompany transactions are eliminated in the Corporate and Other segment.

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Select statement of financial position information

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

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

⁽¹⁾Includes digital asset and fiat loans.

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23. FINANCIAL INSTRUMENTS, DIGITAL ASSETS AND RISK

Recurring fair value measurements

The following table represents the fair value hierarchy for the Partnership's digital assets, embedded derivatives, and financial instruments measured at fair value on a recurring basis as of 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 amounts exclude provision for credit losses.

Nonrecurring fair value measurements

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

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

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Level 3 Continuity

The following table represents a reconciliation of Level 3 assets and liabilities for the year ended December 31, 2024:

<u>Assets (in thousands)</u>	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

<u>Liabilities (in thousands)</u>	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:

<u>Assets (in thousands)</u>	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

<u>Liabilities (in thousands)</u>	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.

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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%

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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.

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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.

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Derivative-related credit risk

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

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

Interest Rate Risk

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

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.

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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).

24. CAPITAL MANAGEMENT

The Partnership's objectives when managing capital are to safeguard its ability to continue as a going concern, to meet the capital needs of its ongoing operations, and to maintain a flexible capital structure which optimizes the cost of capital. The Partnership considers current economic conditions as well as the risk profile of its portfolio and overall business when managing its capital structure. The Partnership has an ongoing process whereby actual expenditures and cash needs are compared against budgets to ensure that there is sufficient capital on hand to meet ongoing obligations. As of December 31, 2024 and December 31, 2023, the Partnership had \$2.3 billion and \$1.8 billion in equity, respectively. The Partnership has the flexibility to acquire or dispose of assets and to issue debt or equity to adjust its capital structure in the future. The Partnership

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is not subject to externally imposed capital requirements other than the minimum net capital requirement for its broker dealer of \$0.1 million and its Overall Capital Threshold Requirement for its U.K. FCA authorized entity of \$7.1 million as of December 31, 2024. There were no changes to the Partnership's approach to capital management during the period ended December 31, 2024.

25. COMMITMENTS AND CONTINGENCIES

Leases

As of December 31, 2024, the Partnership has lease commitments payable as follows:

(in thousands)	Rent Due
2025	4,937
2026	2,791
2027	2,572
2028	2,572
2029	429
Total	\$ 13,301

For the year ended December 31, 2024, the Partnership recognized interest expense on the lease liability of \$1.3 million (December 31, 2023 - \$1.7 million) which was recorded within interest expense.

Investment and loan commitments

As of December 31, 2024, the Partnership had a commitment to 7 investment funds to fund up to \$69.0 million, of which \$2.5 million was funded subsequent to period end.

As of December 31, 2024, the Partnership had outstanding credit facilities to counterparties and arrangements to finance delayed trading settlement up to three days totaling \$60.0 million (December 31, 2023 - \$20.0 million) and had funded \$39.9 million in relation to these facilities. Credit facilities are supported by counterparties' assets. There were no additional fundings of these facilities subsequent to period end.

Contractual commitments

As of December 31, 2024, the Partnership had an outstanding commitment for the construction of improvements at its Helios facility totaling \$9.1 million.

Indemnifications

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

Legal and Regulatory Matters

In the ordinary course of business, the Partnership and its subsidiaries and affiliates may be threatened with, named as defendants in, or made parties to pending and potential legal actions, including class actions, arbitrations and other disputes. The Partnership and its subsidiaries and affiliates are also subject to oversight by numerous regulatory and other governmental agencies and may receive inspection requests, investigative subpoenas and requests from regulators for documents and information, which could lead to enforcement investigations and actions.

The Partnership reviews any lawsuits, regulatory investigations, and other legal proceedings on an ongoing basis and provides disclosure and records loss contingencies in accordance with its accounting policies. Except as discussed below, the Partnership

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does not believe that the ultimate resolution of existing legal and regulatory matters will have a material effect upon our financial condition or liquidity. However, in light of the uncertainties inherent in these matters, it is possible that the ultimate resolution of one or more of these matters may have a material adverse effect on the Partnership's results of operations for a particular period, and future changes in circumstances or additional information could result in additional accruals or resolution in excess of established accruals, which could adversely affect the Partnership's results of operations, potentially materially.

SEC Matters: As previously disclosed, in prior years, members of the staff of the SEC's Division of Enforcement raised whether certain of the digital assets that we trade are securities and therefore such trading activities should be conducted through a registered entity. In addition, the staff of the SEC's Division of Enforcement also raised whether off-channel communications were appropriately captured. In February 2025, we received termination letters concluding these investigations without charges.

Luna Matters: On March 27, 2025, Galaxy reached an agreement with the New York State Attorney General to resolve civil claims relating to certain investments, trading, and public statements made in connection with the LUNA digital asset from late 2020 to 2022. As of December 31, 2024, the Partnership accrued a legal provision of \$166 million. The accrued amounts include the impact of discounting the estimated cash flows. The undiscounted amount of the settlement is \$200 million and payable between 2025 and 2028. Under the terms of the settlement, the Partnership also agreed to, among other things, compliance enhancements related to public statements about cryptocurrency and purchases and sales of cryptocurrency.

In December 2022, a proposed class action was filed in the Ontario Superior Court of Justice against us, our Chief Executive Officer and our former Chief Financial Officer asserting various claims including alleged misrepresentations relating to our public disclosure regarding investments and trading in the LUNA digital asset. The class action purports to be brought on behalf of a proposed class of persons and entities who acquired our securities on the secondary market from May 17, 2021 to and including May 6, 2022. The class action seeks unspecified damages and various declaratory relief, including leave to proceed with the right of action for misrepresentation under statutory securities provisions. These proceedings are still in early stages and have not been certified to proceed as a class action. Based on the stage of the case, the outcome remains uncertain, and the Partnership cannot estimate the potential impact, if any, on its business or financial statements at this time.

Financial Support of GDH Ltd.

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

Tax Distributions

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

During the year ended December 31, 2024, the Partnership paid tax distributions of \$55.3 million (December 31, 2023 - \$22.4 million).

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

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26. INCOME TAXES

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

The following table represents income tax recognized in the consolidated statements of income (loss) and comprehensive income (loss) for the years ended December 31, 2024 and December 31, 2023:

(in thousands)	Year ended December 31, 2024	Year ended December 31, 2023
Current income tax expense (benefit)	\$ (7,064)	\$ 9,406
Deferred income tax expense (benefit) :		
Deferred tax related to the origination and reversal of temporary differences	(2,556)	8,306
Effect of changes in tax rates or imposition of new income taxes	(5,806)	121
Income taxes expense (benefit) - total deferred	(8,362)	8,427
Income taxes expense (benefit)	\$ (15,426)	\$ 17,833

The effective income tax rate reported in the consolidated statements of income (loss) and comprehensive income (loss) varies from the Cayman income tax rate of 0.0% for the following items:

(in thousands)	Year ended December 31, 2024		Year ended December 31, 2023	
Income (loss) before income taxes	\$ 349,886		\$ 313,731	
Cayman statutory tax rate	—	— %	—	— %
Increase (decrease) in the income tax rate resulting from:				
Foreign rate differential on entity level partnership tax	1,466	0.42 %	6,883	2.19 %
Foreign subsidiaries taxed at different rates	(16,892)	(4.83) %	10,950	3.49 %
Total income tax expense and effective income tax rate	\$ (15,426)	(4.41) %	\$ 17,833	5.68 %

The effective income tax rate of (4.41)% for the year ended December 31, 2024 was generally lower than the Cayman Island statutory rate of 0.0% due to the entity level UBT tax imposed by New York City and higher tax rates in certain jurisdictions where the Partnership's foreign corporate subsidiaries operate. The effective income tax rate for the year ended December 31, 2024 of (4.41)% was generally lower than the effective income tax rate for the year ended December 31, 2023 of 5.68% primarily due to changes in the jurisdictional mix of earnings and changes to certain tax estimates.

The following table represents the composition and changes in net deferred income tax assets (liabilities) for the years ended December 31, 2024 and December 31, 2023:

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(in thousands)	2024					
	Basis difference on partnership investments	Basis difference on digital assets	Basis difference on investments	Other	NOL	Total
Balance, beginning of the year	\$ (13,323)	\$ (25,187)	\$ (2,765)	\$ 1,949	\$ 47,521	\$ 8,195
Recognized in statements of income (loss) and comprehensive income (loss)	(5,378)	(483)	(1,566)	635	\$ 15,186	\$ 8,394
Recognized in statements of changes in equity	(1,041)	15	(73)	—	4,347	\$ 3,248
Balance, end of the year	\$ (19,742)	\$ (25,655)	\$ (4,404)	\$ 2,584	\$ 67,054	\$ 19,837

(in thousands)	2023					
	Basis difference on partnership investments	Basis difference on digital assets	Basis difference on investments	Other	NOL	Total
Balance, beginning of the year	\$ (15,979)	\$ (15,038)	\$ (2,164)	\$ 3,191	\$ 46,434	\$ 16,444
Recognized in statements of income (loss) and comprehensive income (loss)	3,105	(10,155)	(660)	(1,351)	\$ 634	(8,427)
Recognized in statements of changes in equity	(449)	6	59	109	453	178
Balance, end of the year	\$ (13,323)	\$ (25,187)	\$ (2,765)	\$ 1,949	\$ 47,521	\$ 8,195

The following table represents the deferred tax assets and liabilities recognized in the consolidated statements of financial position:

(in thousands)	December 31, 2024	December 31, 2023
Deferred tax assets	\$ 60,857	\$ 42,089
Deferred tax liabilities	(41,020)	(33,894)
Total	\$ 19,837	\$ 8,195

Deferred tax is recognized on taxable temporary differences between the tax bases and the carrying amounts of assets and liabilities. Deferred income tax assets are recognized for deductible temporary differences, carry forwards of unused tax credits and unused tax losses, to the extent that it is probable that deductions, tax credits and tax losses can be utilized. Management assesses the carrying amount of deferred income tax assets at each statement of financial position date based on estimates of future taxable income and as of December 31, 2024 believes it is probable the carrying value of the deferred tax assets are recoverable. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the assets are realized or the liabilities settled, using the tax rates and laws enacted or substantively enacted at the statement of financial position dates.

As of December 31, 2024, the Partnership recognized a deferred tax asset of \$67.1 million (December 31, 2023 - \$47.5 million) for tax loss carryforwards, none of which are subject to limitation.

27. SUBSEQUENT EVENTS

In March 2025, Galaxy entered into a 15-year agreement with CoreWeave to host high-performance computing and artificial intelligence infrastructure and deliver 133 MW of Critical IT Load at its Helios campus in West Texas.