



Galaxy Digital Announces First Quarter 2019 Financial Results and Provides Corporate Updates

NEW YORK, NEW YORK, May 29, 2019 – Galaxy Digital Holdings Ltd. (TSXV: GLXY; Frankfurt: 7LX) (“Galaxy Digital”, “GDH Ltd.”, or the “Company”) today released both Galaxy Digital Holdings LP’s (“GDH LP” or the “Partnership”) and GDH Ltd.’s financial results for the three months ended March 31, 2019 (“Q1 2019” or “the first quarter”), as well as the Partnership’s corporate updates through the date of this press release.

“I am very pleased with our first quarter results and the progress we continue to make in building out and diversifying our business in a smart and disciplined manner. Notably, our digital assets portfolio significantly outperformed broader markets. As we previously announced, after the end of the first quarter, our Principal Investments team successfully monetized a portion of our largest position, generating significant and flexible liquidity for the firm as we go forward,” said Michael Novogratz, Founder and CEO of Galaxy Digital. “We are excited about the future prospects for the sector and continue to be singularly focused on bringing greater institutionalization and growth to the digital assets and blockchain technology ecosystem. As the landscape continues to evolve, I am confident that our platform remains well-positioned to identify and invest in new and unique opportunities as they emerge.”

Corporate Highlights

- As previously disclosed on April 18, 2019 the Partnership accepted a tender offer in the ordinary shares of Block.one. On May 20, 2019, the transaction closed and the Partnership received \$71.2 million for the tendered shares, representing a majority of the Company’s position and a 123% return on the realized investment.
- During the first quarter of 2019, the Principal Investments team closed three new investments and two add-on investments, representing \$6.1 million and \$1.0 million of invested capital, respectively. These investments included:
 - Three new equity investments, including (i) Symbiont.io, Inc. (\$3.5 million), a financial technology company delivering enterprise blockchain solutions, (ii) Ciphertrace, Inc. (\$2.2 million), a company developing cryptocurrency and blockchain tracing and security capabilities, and (iii) Tagomi Holdings, Inc. (\$0.4 million), the first live electronic brokerage offering prime services on an agency basis for sophisticated investors of digital assets.
 - An additional \$0.3 million of eligible loans purchased from BlockFi Lending LLC, a wholly owned subsidiary of BlockFi, Inc., a digital asset-secured consumer lending platform in which the Partnership also has an equity investment. Furthermore, the Partnership purchased an additional 5% interest in Galaxy Lending SPV I LLC (the “SPV”) from BlockFi, Inc. (\$0.1 million). The SPV is a special purpose vehicle created to buy and house digital asset-backed loans from BlockFi Lending LLC that is owned by a subsidiary of the Partnership and BlockFi, Inc. After the purchase of the 5% interest, the Partnership owns 95% of the SPV and BlockFi, Inc. owns 5%.
 - An add-on investment in the Galaxy EOS VC Fund, LP, a Galaxy Digital Capital Management (“GDCM”) managed fund (\$0.6 million).
- Since the start of 2019, GDCM has been capitalizing on the improvement in the digital assets market, generating inflows into the Galaxy Benchmark Crypto Index Fund (the “GBCIF”) and making meaningful progress towards future commitments. The GBCIF is a passively managed index fund which tracks the Bloomberg Galaxy Crypto Index (the “BGCI”), an index co-branded and administered by Bloomberg which is designed to track the performance of the largest, most liquid portion of the digital assets market. In the first quarter, the BGCI returned 7.96%. Year-to-date, the BGCI has returned 99.48%¹.
- Additionally, in the first quarter of 2019, the Galaxy EOS VC Fund, LP (the “EOS VC Fund”), made investments in Lucid Sight, Inc., Ciphertrace, Inc., and Digital Assets Data Inc. Subsequent to March 31, 2019, the EOS VC Fund made

¹ Data as of market close on May 28th, 2019. Source: Bloomberg.

additional investments in Out There Labs, Inc., Azarus, Inc., FinCo Services, Inc., and an add-on investment in AlphaPoint Corporation.

- Galaxy Digital Trading (“GDT”), the Partnership’s trading business, continued to see counterparty engagement acceleration in the first quarter of 2019. This engagement was led from Asia and the U.S., with Europe progressing forward at a measured pace.
 - GDT continues to further develop quantitative infrastructure to provide enhanced liquidity and strategy diversification across the global platform.
- During the first quarter of 2019, the Advisory Services business added key hires and has made significant progress, with several active mandates for clients across financing, mergers and acquisitions, and other strategic matters.

Select GDH LP Financial Highlights (Q1 2019)

- As of March 31, 2019, digital assets, including digital assets posted as collateral, stood at \$94.7 million, an increase from \$69.8 million as of December 31, 2018. This increase was primarily due to additional purchases during the quarter.
- Investments increased from \$179.4 million to \$202.2 million as of March 31, 2019. The increase was primarily a result of \$16.9 million of unrealized gain during the quarter as well as \$6.6 million of capital deployed by the Principal Investments team.
- Total equity increased by \$19.7 million during the quarter to \$325.4 million as of March 31, 2019 primarily due to \$12.9 million of net comprehensive income and further increased by \$10.3 million of equity-based compensation which does not have a net effect on equity due to the accounting treatment for equity-based compensation.
- As of March 31, 2019, the Partnership’s net book value per unit² was approximately C\$1.51 (US\$1.13).
- For the three months ended March 31, 2019, net comprehensive income was \$12.9 million, as compared to net comprehensive loss of \$134.0 million for the three months ended March 31, 2018. The current quarter income was largely a result of realized gain on digital assets and unrealized gain on investments, partially offset by the quarter’s operating expenses. The net comprehensive loss for the three months ended March 31, 2018 was primarily a result of unrealized loss on digital assets and investments and realized loss on digital assets.

² Net book value per unit is calculated as GDH LP’s partners’ capital divided by the outstanding number of units as of March 31, 2019.

GDH LP's Q1 2019 Financial Results

	March 31, 2019	December 31, 2018
Assets		
Current assets		
Cash	\$ 29,869,182	\$ 66,488,012
Digital assets	90,576,823	69,765,339
Investments	202,183,869	179,365,696
Receivable for digital asset trades	2,630,364	8,579,058
Digital asset loans receivable	2,960,643	—
Assets posted as collateral	5,885,362	—
Receivables	1,336,281	1,238,694
Prepaid expenses and other assets	1,827,955	2,002,880
Loans receivable	1,653,326	2,369,024
	<u>338,923,805</u>	<u>329,808,703</u>
Loans receivable	15,920,316	15,892,320
Property and equipment	8,759,084	4,223,252
	<u>24,679,400</u>	<u>20,115,572</u>
Total assets	\$ 363,603,205	\$ 349,924,275
Liabilities		
Current liabilities		
Digital assets sold short	\$ 19,053,551	\$ 18,666,957
Accounts payable and accrued liabilities	6,810,258	14,558,914
Payable for digital asset trades	3,441,641	9,832,737
Digital asset loans payable	2,960,643	—
Collateral payable	1,172,015	—
Lease liability	711,254	—
Due to related party	—	1,177,498
	<u>34,149,362</u>	<u>44,236,106</u>
Lease Liability	4,053,626	—
Total liabilities	38,202,988	44,236,106
Equity		
Partners' capital	321,053,515	301,520,591
Non-controlling interest	4,346,702	4,167,578
Total equity	325,400,217	305,688,169
Total liabilities and equity	\$ 363,603,205	\$ 349,924,275

	Three months ended March 31, 2019	Three months ended March 31, 2018 ³
Income (loss)		
Advisory and management fees	\$ 1,520,511	\$ 29,911
Net realized gain (loss) on digital assets	17,471,124	(13,526,843)
Interest income	705,763	925
Other income	608,996	19,822
	20,306,394	(13,476,185)
Operating expenses		
Equity based compensation	10,321,503	—
Compensation and compensation related	6,954,165	6,307,582
Professional fees	2,605,326	1,774,900
General and administrative	2,521,290	1,472,623
Interest	688,326	658,754
Insurance	426,850	735,000
Director fees	50,000	—
	(23,567,460)	(10,948,859)
Net unrealized loss on digital assets	(664,530)	(85,540,413)
Net unrealized gain (loss) on investments	16,902,771	(24,038,136)
Unrealized foreign currency gain	91,072	—
Realized foreign currency loss	(110,512)	—
	16,218,801	(109,578,549)
Income (loss) for the period	\$ 12,957,735	\$ (134,003,593)
Income (loss) attributed to:		
Unit holders of the Partnership	12,570,628	(134,003,593)
Non-controlling interest	387,107	—
	\$ 12,957,735	\$ (134,003,593)
Other comprehensive loss		
Foreign currency translation adjustment	(92,934)	—
Comprehensive income (loss) for the period	\$ 12,864,801	\$ (134,003,593)
Comprehensive income (loss) attributed to:		
Unit holders of the Partnership	\$ 12,477,694	\$ (134,003,593)
Non-controlling interest	387,107	—
	\$ 12,864,801	\$ (134,003,593)

³ Certain prior period balances were restated to conform to current period's presentation. There were no changes to the balances

Income and expenses by each reportable segment of GDH LP for the three months ended March 31, 2019 are as follows:

	Trading	Principal Investing	Asset Management	Advisory Services	Corporate and Other	Totals
Income (loss)						
Advisory and management fees	\$ —	\$ —	\$ 1,317,386	\$ 203,125	\$ —	\$ 1,520,511
Net realized gain on digital assets	1,821,249	15,649,875	—	—	—	17,471,124
Interest Income	65,314	610,627	—	16,524	13,298	705,763
Other Income	612,714	(7,694)	—	3,976	—	608,996
	2,499,277	16,252,808	1,317,386	223,625	13,298	20,306,394
Operating expenses						
	4,733,601	2,888,993	6,146,240	3,392,232	6,406,394	23,567,460
Net unrealized loss on digital assets	(329,352)	(335,178)	—	—	—	(664,530)
Net unrealized gain on investments	—	16,902,771	—	—	—	16,902,771
Unrealized foreign currency gain (loss)	104,146	—	—	(13,074)	—	91,072
Realized foreign currency loss	(110,512)	—	—	—	—	(110,512)
	(335,718)	16,567,593	—	(13,074)	—	16,218,801
Net income (loss)	\$ (2,570,042)	\$ 29,931,408	\$ (4,828,854)	\$ (3,181,681)	\$ (6,393,096)	\$ 12,957,735

Income and expenses by each reportable segment of GDH LP for the three months ended March 31, 2018 are as follows:

	Trading	Principal Investing	Asset Management	Advisory Services	Corporate and Other	Totals
Income (loss)						
Advisory and management fees	\$ —	\$ —	\$ 19,444	\$ 10,467	\$ —	\$ 29,911
Net realized loss on digital assets	(8,942,905)	(4,583,938)	—	—	—	(13,526,843)
Interest income	—	925	—	—	—	925
Other income	5,162	14,660	—	—	—	19,822
	(8,937,743)	(4,568,353)	19,444	10,467	—	(13,476,185)
Operating expenses						
	2,888,682	1,527,666	1,033,355	459,113	5,040,043	10,948,859
Net unrealized gain (loss) on digital assets	12,383,401	(97,923,814)	—	—	—	(85,540,413)
Net unrealized loss on investments	—	(24,038,136)	—	—	—	(24,038,136)
	12,383,401	(121,961,950)	—	—	—	(109,578,549)
Net income (loss)	\$ 556,976	\$ (128,057,969)	\$ (1,013,911)	\$ (448,646)	\$ (5,040,043)	\$ (134,003,593)

Assets and liabilities by reportable segment of GDH LP as of March 31, 2019 are as follows:

	Trading	Principal Investing	Asset Management	Advisory Services	Corporate and Other	Totals
Total assets	\$ 40,754,604	\$ 309,963,542	\$ 849,690	\$ 945,452	\$ 11,089,917	\$ 363,603,205
Total liabilities	\$ 7,439,559	\$ 19,756,002	\$ 702,128	\$ 13,227	\$ 10,292,072	\$ 38,202,988

Assets and liabilities by reportable segment of GDH LP as of December 31, 2018 are as follows:

	Trading	Principal Investing	Asset Management	Advisory Services	Corporate and Other	Totals
Total assets	\$ 65,520,661	\$ 265,533,063	\$ 2,427,877	\$ 1,081,640	\$ 15,361,034	\$ 349,924,275
Total liabilities	\$ 9,946,848	\$ 18,936,146	\$ 105,946	\$ 157,811	\$ 15,089,355	\$ 44,236,106

Select statement of financial position information

The fair value of each asset class by reporting segment of GDH LP as of March 31, 2019 is as follows:

	Trading	Principal Investing	Asset Management	Advisory Services	Corporate and Other	Totals
Digital assets:						
Cryptocurrency	\$ 7,969,162	\$ 82,607,661	\$ —	\$ —	\$ —	\$ 90,576,823
Digital assets posted as collateral	339,064	3,728,180	—	—	—	4,067,244
Investments:						
Pre-ICO	—	2,844,204	—	—	—	2,844,204
Convertible Notes	—	1,250,000	—	—	—	1,250,000
Preferred Stock	—	65,609,037	—	—	—	65,609,037
Common Stock	—	97,211,965	—	—	—	97,211,965
LP/LLC Interests	—	34,827,530	—	—	—	34,827,530
Warrants/Trust Units	—	441,133	—	—	—	441,133
	\$ 8,308,226	\$ 288,519,710	\$ —	\$ —	\$ —	\$ 296,827,936

The fair value of each asset class by reporting segment of GDH LP as of December 31, 2018 is as follows:

	Trading	Principal Investing	Asset Management	Advisory Services	Corporate and Other	Totals
Digital assets:						
Cryptocurrency	\$ 20,920,345	\$ 48,844,994	\$ —	\$ —	\$ —	\$ 69,765,339
Investments:						
Pre-ICO	—	3,444,204	—	—	—	3,444,204
Convertible Notes	—	1,250,000	—	—	—	1,250,000
Preferred Stock	—	59,586,719	—	—	—	59,586,719
Common Stock	—	80,483,775	—	—	—	80,483,775
LP/LLC Interests	—	33,248,472	—	—	—	33,248,472
Warrants/Trust Units	—	1,352,526	—	—	—	1,352,526
	\$ 20,920,345	\$ 228,210,690	\$ —	\$ —	\$ —	\$ 249,131,035

This press release should be read in conjunction with (i) GDH LP's Management Discussion and Analysis and Condensed Consolidated Interim Financial Statements for the three months ended March 31, 2019 and (ii) GDH Ltd.'s Management Discussion and Analysis and Condensed Consolidated Interim Financial Statements for the three months ended March 31, 2019 (together, the "Consolidated Financial Statements" and "MD&As"), which have been filed on SEDAR at www.sedar.com.

About GDH Ltd. and GDH LP (Galaxy Digital)

Galaxy Digital Holdings Ltd.'s only significant asset is a minority investment in GDH LP. GDH LP is a diversified, multi-service merchant bank dedicated to the digital assets and blockchain technology industry. GDH LP's multi-disciplinary team has extensive experience spanning investing, portfolio management, capital markets, operations, and blockchain technology. GDH LP currently operates four distinct business lines, which include: Trading, Asset Management, Principal Investing and Advisory Services. The CEO of GDH Ltd. and the general partner of GDH LP is Michael Novogratz. GDH LP is headquartered in New York City, with offices in London, Tokyo, Hong Kong, the Cayman Islands (registered office) and New Jersey. Additional information about GDH LP's businesses and products is available on www.galaxydigital.io.

Disclaimers and Additional Information

The TSXV has neither approved nor disapproved the contents of this press release. Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release. The Ontario Securities Commission has not passed upon the merits of the disclosure record of Galaxy Digital.

Forward-Looking Statements

Certain information in this press release, including, but not limited to, statements regarding the future of the industry and our results, business or opportunities, may constitute forward looking information (collectively, forward-looking statements), which can be identified by the use of terms such as “may,” “will,” “should,” “expect,” “anticipate,” “project,” “estimate,” “intend,” “continue” or “believe” (or the negatives) or other similar variations. Because of various risks and uncertainties, including those referenced below, actual events or results may differ materially from those reflected or contemplated in such forward-looking statements. Factors that could cause actual results to differ materially from those described in such forward-looking statements include, but are not limited to, a decline in the digital asset market; the failure or delay in the adoption of digital assets and the blockchain ecosystem by institutions; a delay or failure in developing infrastructure for the trading business or achieving mandates for the advisory business and those risks discussed in the risks and uncertainties section in the Partnership’s and the Company’s Management Discussion and Analysis for the year ended December 31, 2018. In connection with the forward-looking statements contained in this press release, the Company has made assumptions that no significant events occur outside of the Company’s and Partnership’s normal course of business. Forward-looking statements are not guarantees of future performance, accordingly, you should not put undue reliance on forward-looking statements. Information identifying assumptions, risks and uncertainties relating to Galaxy Digital is contained in Galaxy Digital’s filings with the Canadian securities regulators available at www.sedar.com. The forward-looking statements in this press release are applicable only as of the date of this release or as of the date specified in the relevant forward-looking statement.

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