



GALAXY

DIGITAL

Galaxy Digital Announces First Quarter 2018 Financial Results and Provides Operational and Business Updates

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TORONTO, ONTARIO, July 25, 2018 – Galaxy Digital LP (“Galaxy Digital”, the “Company” or the “Firm”), a diversified, multi-service merchant bank dedicated to the digital assets and blockchain technology industry, released its audited financial results for the first quarter ending March 31, 2018 (“Q1 2018” or “the first quarter”), as well as business and operational updates through the date of this press release.

“I am very proud of the progress that we have made since the beginning of the year,” said Galaxy Digital CEO, Michael Novogratz. “We have assembled a world-class team with deep institutional knowledge and expertise and have also made significant strides in scaling our four core business lines. I have complete confidence in our team’s ability to continue driving growth and believe the Company is strategically positioned to help further institutionalize the digital assets and blockchain technology industry.”

Corporate Highlights

- As previously announced in a letter of intent published on January 9, 2018, Galaxy Digital is expected to complete a proposed transaction whereby Galaxy LP and First Coin Capital Corp. (“First Coin”) will combine to form Galaxy Digital Holdings LP (“GDH LP”), an operating partnership that will be managed by the principals of Galaxy LP. Bradmer Pharmaceuticals Inc. (“Bradmer”) will acquire and hold a minority investment in the operating partnership, and, upon completion of the Arrangement, is expected to change its name to Galaxy Digital Holdings Ltd. and resume an active public listing on the TSX Venture Exchange (“TSXV”).
- The resulting firm will have over 70 employees with deep institutional experience spanning across technology, investing, advisory, and trading. The Firm has also invested significantly in its management, operations, legal, and finance departments.
- Galaxy Digital’s Asset Management business partnered with Bloomberg to launch the Bloomberg Galaxy Crypto Index, an index designed to track the largest and most liquid U.S. Dollar-traded cryptocurrency pairs.
- Galaxy Digital’s Trading business opened an office in Tokyo and committed resources to its execution, operations, and technology to expand execution of all trading strategies to 24 hours a day.
- During the first quarter, Galaxy Digital’s Trading team also effectively managed the performance and overall risk of its Principal Trading book by strategically liquidating, shorting, trading, and reinvesting in liquid cryptocurrencies.
- Galaxy Digital’s Principal Investments business has invested \$86.8 million (\$96.8 committed) across eleven investments and six add-on acquisitions since the start of 2018 to date.
- Galaxy Digital’s Advisory business served a wide variety of clients with blockchain and digital assets solutions. The Advisory team will be broadening its capital services offerings, including sales planning for Initial Coin Offerings, developing advanced structured tokenomics and governance models, organizing members and party incentives for a blockchain consortium, standardizing the securitization of physical assets and properties into security tokens, and continuing to provide management consulting services to early stage start-ups. Additionally, the Advisory business will provide traditional investment banking services such as M&A advisory and corporate restructuring.

Select Financial Highlights (Q1 2018)

- As previously announced, on January 9, 2018, Michael Novogratz contributed approximately \$302 million of assets to the Company, which were previously held through Galaxy Group Investments LLC (“GGI”), the initial limited partner of Galaxy Digital. The assets are intended to be used towards building a full-service merchant banking business in the digital assets and blockchain technology space.
- On February 7, 2018, the Company entered into a \$100 million Revolving Loan Agreement (the “RLA”) with GGI as a source of additional capital to fund its operations and prospective investments until such time that the plan of arrangement among Bradmer, Galaxy Digital and First Coin (the “Arrangement”) is complete. As of March 31, 2018, the Company owed an aggregate \$78.8 million under the RLA, which it intends to repay upon closing of the Arrangement.
- Cash and partners’ capital stood at \$41.8 million and \$169.7 million, respectively, as of March 31, 2018, with an additional \$21.2 million of availability under the RLA. Additionally, the Company had \$73.1 million in highly liquid digital assets which can be converted into cash on a short-term basis.

- As of March 31, 2018, digital assets and investments totaled \$225.8 million, largely a result of \$109.6 million of unrealized depreciation during the quarter.

Q1 2018 Financial Results

	March 31, 2018	December 31, 2017
Assets		
Current assets		
Cash	\$ 41,826,458	\$ 32,098,217
Digital assets	104,389,852	22,650,240
Investments	121,414,216	-
Receivables	5,014,942	-
Due from broker	3,012,305	-
Deferred financing costs	2,927,647	-
Prepaid expenses and deposits	2,938,946	-
	<u>281,524,366</u>	<u>54,748,457</u>
Property and equipment	184,447	-
Total assets	\$ 281,708,813	\$ 54,748,457
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 10,266,491	\$ 1,011,795
Digital assets sold short	14,249,496	-
Due to related party	78,794,924	42,650,240
Due to exchange	8,652,468	9,344,613
Total liabilities	111,963,379	53,006,648
Partners' capital	169,745,434	1,741,809
Total liabilities and partners' capital	\$ 281,708,813	\$ 54,748,457
	Three months ended March 31, 2018	For the period from formation on November 30, 2017 to December 31, 2017
Income		
Advisory fees	\$ 29,911	\$ -
Net realized gain (loss) on digital assets	(13,526,843)	1,495,597
Other income	20,747	-
	(13,476,185)	1,495,597
Operating expenses		
Compensation and compensation related	6,307,582	815,000
General and administrative	2,207,623	277,947
Professional fees	1,774,900	-
Interest	658,754	135,962
	(10,948,859)	(1,228,909)
Net unrealized gain (loss) on digital assets	(85,540,413)	1,475,121
Net unrealized loss on investments	(24,038,136)	-
	(109,578,549)	1,475,121
Net comprehensive income (loss) for the period	\$ (134,003,593)	\$ 1,741,809

Certain selected revenue and expenses, assets and liabilities, by each of the reportable segments for the three months ended March 31, 2018 is as follows:

	Trading	Principal Investing	Asset Management	Advisory	Corporate and Other	Totals
Income						
Advisory fees	\$ -	\$ -	\$ 19,444	\$ 10,467	\$ -	\$ 29,911
Net realized loss on digital assets	(13,526,843)	-	-	-	-	(13,526,843)
Other income	20,747	-	-	-	-	20,747
Total income	(13,506,096)	-	19,444	10,467	-	(13,476,185)
Compensation related	1,803,429	856,467	914,477	369,569	2,363,640	6,307,582
General and administrative	988,326	189,526	194,580	146,567	688,624	2,207,623
Professional fees	31,999	117,901	-	-	1,625,000	1,774,900
Interest	264,038	394,716	-	-	-	658,754
Total operating expenses	3,087,792	1,558,610	1,109,057	516,136	4,677,264	10,948,859
Net unrealized gain (loss) on digital assets	(85,570,904)	30,491	-	-	-	(85,540,413)
Net unrealized gain (loss) on investments	(1,103,690)	(22,934,446)	-	-	-	(24,038,136)
	(86,674,594)	(22,903,955)	-	-	-	(109,578,549)
Net comprehensive loss	\$(103,268,482)	\$(24,462,565)	\$ (1,089,613)	\$ (505,669)	\$ (4,677,264)	\$(134,003,593)
Assets						
Cash	\$ 41,674,062	\$ -	\$ -	\$ -	\$ 152,396	\$ 41,826,458
Digital assets	103,931,562	458,290	-	-	-	104,389,852
Investments	450,070	120,964,146	-	-	-	121,414,216
Receivables	4,999,980	-	-	-	14,962	5,014,942
Due from broker	-	-	-	-	3,012,305	3,012,305
Deferred financing costs	-	-	-	-	2,927,647	2,927,647
Prepaid expenses and deposits	733,135	2,000,000	-	-	205,811	2,938,946
Property and equipment	-	-	-	-	184,447	184,447
	\$ 151,788,809	\$123,422,436	\$ -	\$ -	\$ 6,497,568	\$281,708,813

Select statement of financial position information

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

	Trading	Principal Investing	Asset Management	Advisory	Corporate and Other	Totals
Digital assets:						
Cryptocurrency	\$103,931,562	\$ 458,290	\$ -	\$ -	\$ -	\$104,389,852
Investments:						
Pre-ICO	-	3,396,962	-	-	-	3,396,962
Preferred Stock	-	18,775,000	-	-	-	18,775,000
Common Stock	321,000	56,100,342	-	-	-	56,421,342
LP/LLC Interests	-	42,591,842	-	-	-	42,591,842
Convertible Notes	-	100,000	-	-	-	100,000
Warrants/Trust Units	129,070	-	-	-	-	129,070
	\$104,381,632	\$121,422,436	\$ -	\$ -	\$ -	\$225,804,068

*Partners' capital as of March 31, 2018 contained in the consolidated financial statements decreased by \$25.5 million compared to the unaudited March 31st amounts published in the Information Circular dated May 14, 2018, due primarily to a valuation adjustment on one of our illiquid investments. The value reported in the audited consolidated financial statements represents the book value of one of our illiquid investments. At the time of publishing the Information Circular, management and the Company's independent third-party valuation firm believed that there had been an increase in the value of the illiquid investment, but there was insufficient independent evidence of such increase to support reporting the increase in value in the audited consolidated financial statements. During the second quarter, there was an independent third-party transaction that corroborated an increase in the value of that illiquid investment, as such, it is currently expected that the Q2 consolidated financial statements will reflect a value as of June 30, 2018 that is comparable to the value reported in the Information Circular. Additionally, in the third quarter there was an investment in the same illiquid investment to further corroborate the second quarter valuation.

Business and Operational Updates

- Galaxy Digital was originally capitalized with approximately \$302 million of Michael Novogratz's crypto assets portfolio from GGI, his family office, to be supplemented by an additional private capital raise of approximately \$242 million from external investors through a private placement offering. In addition, GGI provided bridge financing of \$100 million to Galaxy Digital to continue operations of the business and fund prospective investments until such time that the Arrangement is complete. The RLA was subsequently increased to \$130 million, of which \$109.4 million is currently outstanding.
- Overall, the funds raised privately will be used to pay down the amount due under the RLA and support the development of a best-in-class, full service, institutional-quality merchant banking business in the digital assets and blockchain sector. Galaxy Digital will be the first of its kind as the only banking institution solely dedicated to the space. The Company intends to leverage its deep ties in finance, blockchain and digital asset communities to drive returns in its four core business segments: trading, asset management, principal investing, and advisory.
- Galaxy Digital believes the institutional adoption of digital assets is fast approaching and plans to benefit by partnering with reputable financial services firms entering the asset class and developing mutually beneficial relationships with new technology entrants into the crypto and blockchain space. Galaxy Digital believes itself to be uniquely and centrally positioned between both sets of ecosystem participants.
- Galaxy Digital currently has 55 employees and will have 72 employees after the merger with First Coin, which is expected to close in conjunction with the completion of the Arrangement. The Firm's Management Team and other professionals come from highly-regarded financial institutions such as Fortress Investment Group, Goldman Sachs, J.P. Morgan, Highbridge, RBC, Renaissance, Millennium, Lehman Brothers, BlackRock, Blackstone, and Perella Weinberg. The Firm expects to grow to approximately 100 employees by 2019 to support the management, operations, and development of its four business lines.
- In addition to the business hires, Galaxy Digital has invested in over 20 legal, compliance, finance, technology, and operations professionals who bring substantial institutional experience gained from their prior roles. These professionals will support the development of the four business lines and continue to build out the institutional-quality infrastructure necessary to support reporting, portfolio management, and trade execution. The evolution of a new asset class brings with it a new regulatory landscape and Galaxy Digital is committed to operating in a transparent and compliant manner.
- Galaxy Digital is currently headquartered in New York City. Additional offices include First Coin's existing office in Vancouver and offices in New Jersey, Tokyo and a registered office in the Caymans. Galaxy Digital expects to open additional offices in Hong Kong, London, and others across various jurisdictions.
- **Trading**
 - During the first quarter, Galaxy Digital's Trading business effectively managed the performance and overall risk of its Principal Trading book by strategically liquidating, shorting, trading, and reinvesting in liquid cryptocurrencies.
 - During the second quarter, the Trading business began building an Over the Counter ("OTC") sales desk to engage in the buying and selling of digital assets on behalf of institutional counterparties and ecosystem participants.
 - Galaxy Digital's Trading Platform expects to expand execution of all trading strategies to 24 hours a day with offices in Hong Kong, London, and Tokyo. The Firm also plans to launch a Market Making business and

broaden its quantitative services to provide proprietary infrastructure and automated trading strategies to institutional and retail clients.

- **Asset Management (“Galaxy Digital Capital Management” or “GDCM”)**

- During the first quarter, Galaxy Digital's Asset Management business raised \$140 million for GDCM's cash management strategy, which provides treasury services to digital assets and blockchain focused-ecosystem partners, many of whom have recently undergone a liquidity event or capital raise.
- During the second quarter, the Company's Asset Management business partnered with Bloomberg to create an institutional-quality index which provides an independent benchmark for the asset class.
 - On May 9, 2018, Galaxy Digital's Asset Management business announced the launch of the Bloomberg Galaxy Crypto Index (“BGCI” or the “Index”) with Bloomberg. The Index is owned and administered by Bloomberg Index Services Limited and is co-branded with GDCM. The BGCI was designed to track the performance of the largest and most liquid portion of the asset class. The BGCI offers a consistent, rules-based methodology which can serve as a performance benchmark for institutional-quality fund products to utilize. GDCM has a licensing agreement in place with Bloomberg in which it shares in the economics of the Index.
 - On May 18, 2018, GDCM launched the Galaxy Benchmark Crypto Index Master Fund LP (the “GBCIF”), a passively managed fund designed to track the performance of the BGCI. Constituents and weightings of the GBCIF will be based on Index rules set forth by Bloomberg.
- On June 5, 2018, the Firm's Principal Investments platform launched a \$325 million EOS venture fund in partnership with GDCM. This partnership combines GDCM's operational and fund management expertise with the Principal Investments team's deep expertise in portfolio management and due diligence to source and invest in companies building their platforms on EOS's blockchain protocol.
 - On June 7, 2018, the Galaxy EOS VC Fund closed its first deal, leading a Series D round for High Fidelity with a \$20 million investment. High Fidelity is developing a blockchain-based virtual reality platform. Other investors in the company included IDG, True Ventures, Vulcan Capital, and Blockchain Capital.
- Going forward, Galaxy Digital's Asset Management business is prioritizing raising additional assets for the GBCIF with a focus on educating institutional investors about digital assets and blockchain technology. Additional areas of focus include expanding and deepening strategic relationships with large, established institutions entering the digital assets and blockchain space and launching additional passive and opportunistic strategies.

- **Principal Investments**

- During the first quarter, Galaxy Digital's Principal Investments team closed five new investments and two add-on investments, representing a total of \$8.9 million and \$41.0 million, of invested capital, respectively. These investments included:
 - Three new Pre-ICO contributions, covering distributed power generation, a decentralized video content platform, and an event ticketing platform.
 - Two new equity investments, including (i) Silvergate Capital Corp., a state-chartered bank holding company providing traditional banking and new technology services to blockchain and cryptocurrency participants, and (ii) Messari, an open-sourced development data project focused on bringing organized and transparent reporting standards to the cryptocurrency market.
 - Two add-on equity investments, including (i) a minority equity position in one of the leading delegated proof of stake blockchain protocol development companies, and (ii) a minority equity position in a leading payments-focused blockchain technology company.
- During the second quarter, the Firm's Principal Investments team executed on five new investments and four add-on investments, representing \$26.6 million and \$9.9 million of invested capital, respectively. These investments included:
 - Five new equity investments, including (i) AlphaPoint, an enterprise-grade, blockchain-based asset digitization and exchange platform company in which Galaxy Digital led a Series A financing round; (ii) BlockFi, Inc., a crypto-secured consumer lending platform in which Galaxy Digital led a Series Seed-2 financing round; and (iii) additional minority stakes in companies covering cryptocurrency mining and software technology, international blockchain advisory services, and a digital asset marketplace platform.
 - Two incremental add-on equity investments related to the aforementioned payments-focused blockchain technology company and two fund investments.
- Subsequent to the second quarter, the Firm's Principal Investments team made one new Pre-ICO contribution and on July 19, 2018, an affiliate of Galaxy Digital Lending LLC entered into a funding arrangement with a subsidiary of BlockFi, Inc. to purchase crypto-secured whole consumer loans on a flow basis.

- **Advisory**

- During the first quarter, Galaxy Digital's Advisory business served a wide variety of clients with blockchain and digital currency solutions. This business works alongside both early stage and institutional clients as they navigate the space and define their blockchain strategies. The firm's Advisory team has assisted clients with market research, solution ideation, technical white papers, solution architecture, and project management.
- The Firm's Advisory business will be broadening its capital services offerings, including but not limited to: sales planning for Initial Coin Offerings (ICO), developing advanced structured tokenomics and governance models, organizing members and party incentives for a blockchain consortium, standardizing the securitization of physical assets and properties into security tokens, and continuing to provide management consulting services to early stage start-ups.
- In addition, in conjunction with the closing of the proposed Arrangement and the subsequent listing, the Firm expects to complete its merger with First Coin and combine its advisory practices. First Coin is a Vancouver-based company, which focuses on advising and technology development and implementation for clients in connection with digital assets.
- The Advisory business is expanding its capabilities and actively hiring professionals with expertise in providing strategic corporate advisory services, including M&A, corporate restructuring, and re-branding. The Advisory business will provide ongoing support to Galaxy Digital's portfolio companies as well as independently sourced clients across the digital asset ecosystem and traditional institutional businesses in all industries.

This press release should be read in conjunction with the Company's Management Discussion and Analysis and Consolidated Financial Statements for the three months ended March 31, 2018, which have been posted under the profile of Bradmer on SEDAR at www.sedar.com, as required in connection with the exemptive relief granted by the Ontario Securities Commission and disclosed on May 18, 2018.

About Galaxy Digital LP

Galaxy Digital is a diversified, multi-service merchant bank dedicated to the digital assets and blockchain technology industry. Galaxy Digital's multi-disciplinary team has extensive experience spanning investing, portfolio management, capital markets, operations, and blockchain technology. Galaxy Digital currently operates four distinct business lines, which include: Trading (arbitrage, macro, market making/OTC), Asset Management (management of external capital across passive and ecosystem funds), Principal Investing (private equity, venture, public equity, ICO investments, Pre-ICO investments, and liquid and illiquid cryptocurrencies), and Advisory (capital markets, M&A/restructuring, and technical consulting services to both start-ups and established institutions). Galaxy Digital's CEO and Founder is Michael Novogratz. The Company is headquartered in New York City, with offices in Tokyo, Vancouver, the Cayman Islands (registered office) and New Jersey.

Disclaimers and Additional Information

See the press releases of Bradmer dated February 14, 2018, March 15, 2018, April 13, 2018, May 18, 2018, June 11, 2018, June 12, 2018 and June 18, 2018 for further information concerning the Arrangement and concurrent subscription receipt financing (the "Offering").

The TSXV has in no way passed upon the merits of the Arrangement and 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 information contained herein is not part of the Offering and is not an offer to buy or sell, nor is it a solicitation of an offer to buy or sell, the subscription receipts or any other security, interests in the GBCIF or the EOS venture capital fund (each a "Fund", and all of the aforementioned together, the "Securities"). The Securities have not been and will not be registered under the applicable securities laws of the United States, Canada or any other jurisdiction. None of the U.S. Securities and Exchange Commission, any U.S. state securities commission or any other governmental body or self-regulatory organization has approved or disapproved the Securities, nor have they passed upon or endorsed the merits of the Offering. Any representation to the contrary is a criminal offence in the United States.

Forward-Looking Statements

Certain information in this press release may constitute 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 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. As a result, you should not rely on such forward-looking statements. Additional information identifying

assumptions, risks and uncertainties relating to Bradmer, Galaxy Digital and the Arrangement is contained in Bradmer's filings with the Canadian securities regulators available at www.sedar.com. These risks include those discussed in the risk factors section in the Notice of Annual and Special Meeting of Shareholders and Management Information Circular dated May 14, 2018. The forward-looking statements in this press release are applicable only as of the date of this MD&A or as of the date specified in the relevant forward-looking statement.

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