



GALAXY

DIGITAL

Galaxy Digital Announces Second Quarter 2018 Financial Results and Provides Corporate Updates

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TORONTO, ONTARIO, August 28, 2018 – Galaxy Digital Holdings Ltd. (TSXV: GLXY) (“Galaxy Digital” or the “Company”), a diversified, multi-service merchant bank dedicated to the digital assets and blockchain technology industry, released Galaxy Digital LP’s financial results for the second quarter ended June 30, 2018 (“Q2 2018” or “the second quarter”), as well as corporate updates through the date of this press release. All figures are in U.S. Dollars unless otherwise noted.

“I am pleased with the progress Galaxy Digital has made in building a world-class firm and the work we’ve done to help institutionalize the digital assets industry,” said Galaxy Digital CEO and Founder, Michael Novogratz. “We remain laser focused on scaling our core businesses and identifying strategic opportunities to expand our global footprint.”

Corporate Highlights

- On July 31, 2018, the Company announced the completion of its previously announced Arrangement Transaction whereby Galaxy Digital LP and First Coin Capital Corp. (“First Coin”) combined to form Galaxy Digital Holdings LP (“GDH LP”), an operating partnership managed by the principals of Galaxy Digital LP. In this transaction, Bradmer Pharmaceuticals Inc. acquired and holds a minority investment in the operating partnership, and upon completion of the Arrangement, changed its name to Galaxy Digital Holdings Ltd. and resumed an active public listing on the TSX Venture Exchange (“TSXV”). On August 1, 2018, shares of the Company began trading on TSXV under the ticker GLXY.
- The Company continues to focus on expanding its team with experienced industry executives with deep institutional expertise spanning technology, investing, advisory, asset management and trading. As part of these efforts, Galaxy Digital is pleased to announce the appointment of Julie Coin as Chief Operating Officer, effective September 4, 2018. Ms. Coin has extensive operational experience working with numerous financial institutions such as E*TRADE, Deutsche Bank and Merrill Lynch, as well as firms dedicated to the digital assets sector. In conjunction with this appointment and the continued build-out of the Company, Richard Kim will be shifting his time to strategic projects and business development efforts across the firm.

Select Financial Highlights (Q2 2018)

- On February 7, 2018, the Company entered into a \$100 million Revolving Loan Agreement (the “RLA”) with Galaxy Group Investments LLC (“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. On June 13, 2018, the RLA was upsized by \$30 million to \$130 million. As of June 30, 2018, the Company owed an aggregate principal amount of \$109.4 million under the RLA. Upon closing of the Arrangement, the Company repaid the entire principal balance and accrued interest outstanding under the RLA.
- Cash and partners’ capital stood at \$30.4 million and \$204.7 million, respectively, as of June 30, 2018. Additionally, the Company had nearly \$110 million of liquid digital assets which can be converted into cash on a short-term basis.
- As of June 30, 2018, digital assets and investments totaled \$313.4 million, largely a result of \$46.6 million of unrealized appreciation during the quarter.
- Partners’ capital increased \$35.0 million to \$204.7 million as of June 30, 2018, representing a more than 20% increase during the quarter. This compares to increases (decreases) of (4.1%), (8.2%) and 14.9% for the cryptocurrency market capitalization, bitcoin, and ether prices, respectively, over the same time period (Source: coinmarketcap.com).
- As of June 30, 2018, pro forma equity after giving effect to the Arrangement is approximately \$442 million, as compared to \$406 million as of March 31, 2018.

In connection with a staff review, the Ontario Securities Commission (the “OSC”) staff requested additional disclosure in connection with the Galaxy Digital LP’s management discussion and analysis (“MD&A”) for the three months ended March 31, 2018. The additional disclosure does not impact current or prior financial figures. OSC staff requested the additional disclosure in accordance with the general objectives of MD&A as discussed in Part 1 of Form 51-102F1 in order to provide further information to investors about the quality and potential variability of Galaxy Digital LP’s profit or loss and cash flow, specifically with respect to the realized and unrealized gains or losses on digital assets and investments. Galaxy Digital will enhance its MD&A disclosure to include the following information: additional information regarding new material investments; information regarding the ten largest investments by fair value, including the cost and fair value of such investments; a breakdown of the cost and fair value of net digital assets categorized by market capitalization and accompanied by narrative discussion; and information regarding select digital assets by fair value, including the quantity, cost and fair value of such digital asset.

Q2 2018 Financial Results

	June 30, 2018	December 31, 2017
Assets		
Current assets		
Cash	\$ 30,425,333	\$ 32,098,217
Digital assets	112,211,414	22,650,240
Investments	201,221,873	-
Receivables	929,423	-
Due from broker	3,647,535	-
Deferred financing costs	4,202,745	-
Prepaid expenses and other assets	2,368,533	-
	<u>355,006,856</u>	<u>54,748,457</u>
Note receivable	750,000	-
Property and equipment	376,291	-
	<u>1,126,291</u>	<u>-</u>
Total assets	\$ 356,133,147	\$ 54,748,457
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 17,971,961	\$ 1,011,795
Digital assets sold short	14,919,398	-
Due to related party	109,374,924	42,650,240
Due to exchange	9,138,398	9,344,613
Total liabilities	151,404,681	53,006,648
Partners' capital	204,728,466	1,741,809
Total liabilities and partners' capital	\$ 356,133,147	\$ 54,748,457

	Three months ended June 30, 2018	Six months ended June 30, 2018
Income		
Advisory fees	\$ 1,303,302	\$ 1,333,213
Net realized loss on digital assets	(1,139,007)	(14,665,850)
Other income	296,149	316,896
	<u>460,444</u>	<u>(13,015,741)</u>
Operating expenses		
Compensation and compensation related	7,808,602	14,116,184
Interest	2,325,574	2,984,328
General and administrative	1,490,397	2,963,020
Professional fees	1,455,082	3,229,982
Insurance	536,790	1,271,790
	<u>(13,616,445)</u>	<u>(24,565,304)</u>
Net unrealized gain (loss) on digital assets	1,816,396	(83,724,017)
Net unrealized gain on investments	44,755,752	20,717,616
Unrealized foreign currency gain	1,566,885	1,566,885
	<u>48,139,033</u>	<u>(61,439,516)</u>
Net comprehensive income (loss) for the period	\$ 34,983,032	\$ (99,020,561)

Income and expenses by each reportable segment for the three months ended June 30, 2018 are as follows:

	Trading	Principal Investing	Asset Management	Advisory	Corporate and Other	Totals
Income						
Advisory fees	\$ -	\$ -	\$ 523,068	\$ 780,234	\$ -	\$ 1,303,302
Net realized loss on digital assets	(1,115,252)	-	(23,755)	-	-	(1,139,007)
Other Income	89,831	-	-	-	206,318	296,149
	(1,025,421)	-	499,313	780,234	206,318	460,444
Compensation related	2,164,522	922,752	1,472,445	458,843	2,790,040	7,808,602
Interest	1,412,718	612,530	-	-	300,326	2,325,574
General and administrative & insurance	582,074	265,428	76,973	38,894	1,063,818	2,027,187
Professional fees	(3,167)	110,749	72,500	-	1,275,000	1,455,082
	4,156,147	1,911,459	1,621,918	497,737	5,429,184	13,616,445
Net unrealized gain (loss) on digital assets	5,402,938	(30,491)	(3,556,051)	-	-	1,816,396
Net unrealized gain (loss) on investments	(221,850)	44,977,602	-	-	-	44,755,752
Unrealized foreign currency gain (loss)	(2,845)	-	-	-	1,569,730	1,566,885
	5,178,243	44,947,111	(3,556,051)	-	1,569,730	48,139,033
Net comprehensive income (loss)	\$ (3,325)	\$ 43,035,652	\$ (4,678,656)	\$ 282,497	\$ (3,653,136)	\$ 34,983,032

* Above table represents the three months ended June 30, 2018. These amounts can also be derived by subtracting the three months ended March 31, 2018 from the six months ended June 30, 2018, as previously disclosed.

Assets by each reportable segment as of June 30, 2018 are as follows:

	Trading	Principal Investing	Asset Management	Advisory	Corporate and Other	Totals
Assets						
Cash	\$ 24,725,848	\$ 1,342,567	\$ 1,458,327	\$ -	\$ 2,898,591	\$ 30,425,333
Digital assets	104,625,731	-	7,585,683	-	-	112,211,414
Investments	228,220	200,993,653	-	-	-	201,221,873
Receivables	63,721	-	-	865,702	-	929,423
Due from broker	-	-	-	-	3,647,535	3,647,535
Deferred financing costs	-	-	-	-	4,202,745	4,202,745
Prepaid expenses and other assets	627,742	-	731,250	-	1,009,541	2,368,533
Note receivable	-	-	-	-	750,000	750,000
Property and equipment	4,695	-	-	-	371,596	376,291
	\$ 130,275,957	\$ 202,336,220	\$ 9,775,260	\$ 865,702	\$ 12,880,008	\$ 356,133,147

Select statement of financial position information

The fair value of each asset class by reporting segment as of June 30, 2018 is as follows:

	Trading	Principal Investing	Asset Management	Advisory	Corporate and Other	Totals
Digital assets:						
Cryptocurrency	\$104,625,731	\$ -	\$ 7,585,683	\$ -	\$ -	\$112,211,414
Investments:						
Pre-ICO	-	3,396,962	-	-	-	3,396,962
Preferred Stock	-	52,609,996	-	-	-	52,609,996
Common Stock	147,340	97,081,851	-	-	-	97,229,191
LP/LLC Interests	-	47,804,844	-	-	-	47,804,844
Convertible Notes	-	100,000	-	-	-	100,000
Warrants/Trust Units	80,880	-	-	-	-	80,880
	\$104,853,951	\$200,993,653	\$ 7,585,683	\$ -	\$ -	\$313,433,287

This press release should be read in conjunction with the Company's Management Discussion and Analysis and Consolidated Financial Statements for the three and six months ended June 30, 2018, which have been posted on SEDAR at www.sedar.com.

About Galaxy Digital

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, June 18, 2018, and July 31, 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 OSC has not passed upon the merits of the disclosure record of Galaxy Digital.

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 Galaxy Digital and the Arrangement is contained in Galaxy Digital'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 release or as of the date specified in the relevant forward-looking statement.

For additional information, please contact:

Galaxy Digital
Fiona Choi
Director of Corporate Communications
Email: fiona.choi@galaxydigital.io
Tel: 212.390.9194

Prosek
Mike Geller
Managing Director
Email: mgeller@prosek.com
Tel: 212.279.3115