



Galaxy Digital Announces Second Quarter 2020 Financial Results and Provides Corporate Updates

NEW YORK, NEW YORK, August 14, 2020 - Galaxy Digital Holdings Ltd. (TSX: GLXY) ("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 and six months ended June 30, 2020 ("Q2 2020" or the "second quarter"), as well as corporate updates through the date of this press release.

"Galaxy Digital's second quarter and year-to-date results reflect a dynamic cryptocurrency and blockchain technology sector with multiple positive tailwinds, as well as our businesses' cumulative investments in market relationships, differentiated solutions and infrastructure," said Mike Novogratz, Founder and CEO of Galaxy Digital. "Whether it's newly announced partnerships, consistent inflows into Asset Management, strong volumes in Trading, new mandates in Investment Banking or new and follow-on venture investments, Galaxy Digital is moving quickly to take advantage of the broad digital asset opportunity set."

Corporate Updates

- On July 6, 2020, the Company started trading on the Toronto Stock Exchange ("TSX"), after graduating from the TSX Venture Exchange.
- The Company completed its share repurchase program in April 2020. As part of the share repurchase program, the Company purchased approximately 4.9 million shares for a total cost of C\$5.5 million.
- Galaxy Digital expects to transition the leadership of its Investment Banking business in the fourth quarter of 2020 when Ian Taylor, current Head of Investment Banking, intends to depart. The Company has commenced an executive search process.

Business Highlights

- During the second quarter of 2020, the Principal Investments team closed two new and four follow-on investments, representing \$5.7 million of invested capital.
 - Investments made during the second quarter bring capital deployed for the six months ended June 30, 2020 to \$19.9 million represented by 2 new investments and 9 follow-on investments.
 - Investments made (including loans purchased) from January 9, 2018 through June 30, 2020 total \$201.5 million and are represented by 37 new and 39 follow-on investments.
- As previously disclosed, as of June 30, 2020, Galaxy Digital Capital Management ("GDCM" or "GDAM") had assets under management ("AUM") of \$375.3 million (consisting of: Galaxy Benchmark Crypto Index Fund LP (the "Index Fund") - \$10.5 million (as calculated per the terms of the fund's partnership agreement); Galaxy Bitcoin Fund, LP, Galaxy Institutional Bitcoin Fund, LP, and Galaxy Institutional Bitcoin Fund, Ltd. (collectively the "Bitcoin Funds") - \$39.8 million, and Galaxy EOS VC Fund LP (the "EOS Fund") committed capital - \$325.0 million.
 - During the second quarter of 2020 GDAM continued to focus on the recently launched Galaxy Bitcoin Fund and Galaxy Institutional Bitcoin Fund (collectively, the "Bitcoin Funds"). The Bitcoin Funds offer institutional and accredited investors institutionally wrapped bitcoin exposure supported by vetted service providers, including Bakkt, a digital assets platform founded by the Intercontinental Exchange (ICE), and Fidelity Digital Assets as custodians for the funds, Bloomberg L.P. as pricing agent, Deloitte & Touche LLP for audit, and Ernst & Young LLP for tax. The Bitcoin Funds track the Bloomberg CFIX pricing of bitcoin ("XBT"). XBT is managed by Bloomberg and uses a sophisticated pricing algorithm to produce accurate indications of bid and ask quotes derived from Bloomberg approved cryptocurrency pricing sources. The Bitcoin Funds are a complementary product offered alongside the existing Index Fund. The XBT returned 40.81% in the second quarter of 2020 and has returned 61.89% on a year to date basis through August 12, 2020.
 - The Index Fund is a passively managed index fund which tracks the Bloomberg Galaxy Crypto Index (the "BGCI"), an index co-branded with and administered by Bloomberg which is designed to track the performance of the largest, most liquid portion of the digital asset market. The BGCI has returned 31.07% in the second quarter of 2020 and has returned 90.23% on a year to date basis through August 12, 2020.
 - In June, GDAM announced a strategic partnership with CAIS, the industry-leading alternative investment platform, to provide financial advisors with streamlined access to Galaxy Digital's investment products, plus educational resources spanning blockchain and digital assets. The CAIS platform offers financial advisors

access to a complete end-to-end solution, including a broad selection of alternative investment funds and products, independent due diligence from Mercer, tools and analytics, a streamlined investment process, and integration with custodians for greater reporting accuracy.

- Additionally, during the second quarter of 2020, the Galaxy Interactive team who manages the Galaxy EOS VC Fund (the "EOS Fund") made investments in StockX, OS Gaming, Playable Worlds, AviaGames, Hour One, and add-on investments in Cipher Trace, Tempo Storm, and Clause.
- The Partnership's trading business, Galaxy Digital Trading ("GDT"), generated over \$1 billion of volume through its OTC trading desk in the second quarter. GDT experienced an increase in actively trading counterparties and trading volumes in the second quarter of 2020 relative to the first quarter of 2020 despite seeing some near-historical low volatility in the space. The increase in trading volumes can be attributed to GDT's management of its counterparty base which has evolved in both size and sophistication, the recovery in prices from March 2020 lows, and the continued roll out of our electronic trading platform. The momentum witnessed in the trading business has continued into the third quarter of 2020 as Bitcoin and Ether have moved substantially higher and GDT's counterparty base has remained engaged. During the same period GDT's continued enhancements to its product suite have generated ongoing demand across its lending, derivatives, and trading solutions. These solutions facilitate counterparty retention and are advantageously positioned in the market to remain a competitive business in our market.
 - In June, Galaxy Digital Trading and Bakkt®, the digital asset derivatives trading and custody platform majority-owned by Intercontinental Exchange (ICE), announced a partnership to launch a collaborative white-glove service for asset managers looking to acquire, build positions in and store bitcoin. GDT is providing market access and trading capabilities, while the Bakkt Warehouse, a qualified custodian of bitcoin regulated by the New York State Department of Financial Services, is safeguarding digital assets for clients.
- In the second quarter, the Partnership began referring to the advisory services business as the investment banking business. With regards to the investment banking business, during the second quarter of 2020, the Partnership acted as strategic adviser to a confidential client in the mining sector. In addition, the Partnership commenced a financing assignment in the mining space.
 - During the first half of 2020, Investment Banking continued to make meaningful progress towards its strategic goal of becoming the leading corporate finance and strategic advisory firm in the blockchain technology and digital assets sectors.
 - Investment Banking generated new mandates for clients across financing, mergers and acquisitions, and other strategic matters, with several active mandates currently in various stages of execution.
 - Galaxy Digital Advisors LLC changed its name to Galaxy Digital Partners LLC.

Select GDH LP's Financial Highlights (Q2 2020)

- As of June 30, 2020, digital assets, including digital assets posted as collateral, stood at \$170.8 million, an increase of \$76.6 million from December 31, 2019. This increase was primarily due to the increase in the fair value of the digital assets during the period, as the prices of digital assets held by the Partnership increased, as well as an increase in the holdings of certain digital assets.
- As of June 30, 2020, the Partnership had a material holding in bitcoin of \$133.9 million (December 31, 2019 - \$81.3 million). In addition, as of August 13, 2020, there was no material change in the Partnership's exposure to bitcoin.
- Investments stood at \$177.8 million as of June 30, 2020, an increase of \$19.6 million from December 31, 2019. The change was primarily due to \$19.9 million of new capital deployed by the Principal Investments team during the period.
- Total equity increased by \$19.8 million during the year to \$374.9 million as of June 30, 2020 primarily due to \$10.8 million of net comprehensive income.
- As of June 30, 2020, the Partnership's net book value¹ per unit was approximately C\$1.82 (US\$1.33), compared to C\$1.62 (US\$1.24) as of December 31, 2019.
- For the three months ended June 30, 2020, net comprehensive income was \$38.5 million, as compared to net comprehensive income of \$113.8 million for the three months ended June 30, 2019. The current quarter gain was largely a result of realized gain on digital assets, i.e. cryptocurrencies which trade continuously in the market. The net comprehensive income for the three months ended June 30, 2019 was primarily a result of realized gain on digital assets and unrealized gain on investments. For the six months ended June 30, 2020, net comprehensive income was \$10.8 million, as compared to net comprehensive income of \$126.6 million for the six months ended June 30, 2019. The current year to date income was largely a result of realized and unrealized gains on digital assets, partially offset by the year to date operating expenses. The net comprehensive income for the six months ended June 30, 2019 was largely a result of realized and unrealized gains on digital assets, partially offset by the year to date operating expenses.

¹ Net book value includes non-controlling interests.

GDH LP's Financial Results

	June 30, 2020	December 31, 2019
Assets		
Current assets		
Cash	\$ 40,393,773	\$ 106,262,780
Digital assets	162,514,265	85,980,731
Investments	177,825,315	158,163,420
Receivable for digital asset trades	3,368,224	330,609
Digital asset loans receivable	22,307,904	16,061,945
Assets posted as collateral	12,298,708	10,585,819
Receivables	1,335,982	1,853,169
Derivatives	4,220,924	—
Prepaid expenses and other assets	2,409,119	2,580,255
Loans receivable	356,094	11,719,738
	<u>427,030,308</u>	<u>393,538,466</u>
Right of use asset	4,878,111	5,182,993
Property and equipment	3,809,242	4,057,662
	<u>8,687,353</u>	<u>9,240,655</u>
Total assets	\$ 435,717,661	\$ 402,779,121
Liabilities		
Current liabilities		
Digital assets sold short	\$ 7,878,037	\$ 18,616,860
Accounts payable and accrued liabilities	11,228,329	11,719,494
Payable for digital asset trades	1,219,156	250,158
Digital asset loans payable	34,173,574	11,134,329
Collateral payable	901,097	434,498
Lease liability	776,699	772,003
	<u>56,176,892</u>	<u>42,927,342</u>
Lease liability	4,644,183	4,747,214
Total liabilities	60,821,075	47,674,556
Equity		
Partners' capital	356,642,619	347,785,081
Non-controlling interests	18,253,967	7,319,484
Total equity	374,896,586	355,104,565
Total liabilities and equity	\$ 435,717,661	\$ 402,779,121

	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
Income (loss)				
Advisory and management fees	\$ 1,471,229	\$ 1,329,700	\$ 3,057,842	\$ 2,850,211
Net realized gain on digital assets	48,517,074	98,099,376	10,365,143	115,570,500
Net realized gain (loss) on investments	(4,580,629)	38,100,635	(4,417,858)	38,100,635
Interest income	1,269,805	920,159	2,708,932	1,625,922
Net derivative gain	2,438,246	5,090,313	6,873,313	5,699,309
	49,115,725	143,540,183	18,587,372	163,846,577
Operating expenses				
Equity based compensation	3,290,561	6,822,269	4,911,971	17,143,772
Compensation and compensation related	5,809,771	7,725,305	12,994,165	14,679,470
General and administrative	2,721,765	1,887,780	6,320,354	4,409,070
Professional fees	1,269,676	1,011,301	2,503,201	3,616,627
Interest	1,260,154	938,928	2,271,641	1,627,254
Insurance	382,131	330,254	664,261	757,104
Director fees	50,000	50,000	100,000	100,000
	(14,784,058)	(18,765,837)	(29,765,593)	(42,333,297)
Net unrealized gain (loss) on digital assets	(2,203,038)	11,613,204	10,721,287	10,948,674
Net unrealized gain (loss) on investments	6,957,658	(22,724,996)	11,631,898	(5,822,225)
Unrealized foreign currency gain (loss)	(392,164)	189,526	(565,682)	280,598
Realized foreign currency gain (loss)	(190,036)	(89,226)	141,540	(199,738)
	4,172,420	(11,011,492)	21,929,043	5,207,309
Income for the period	\$ 38,504,087	\$ 113,762,854	\$ 10,750,822	\$ 126,720,589
Income attributed to:				
Unit holders of the Partnership	35,296,330	107,964,998	8,355,601	120,535,626
Non-controlling interests	3,207,757	5,797,856	2,395,221	6,184,963
	\$ 38,504,087	\$ 113,762,854	\$ 10,750,822	\$ 126,720,589
Other comprehensive income (loss)				
Foreign currency translation adjustment	—	4,666	16,793	(88,268)
Net income and comprehensive income for the period	\$ 38,504,087	\$ 113,767,520	\$ 10,767,615	\$ 126,632,321
Net income and comprehensive income attributed to:				
Unit holders of the Partnership	\$ 35,296,330	\$ 107,969,664	\$ 8,372,394	\$ 120,447,358
Non-controlling interests	3,207,757	5,797,856	2,395,221	6,184,963
	\$ 38,504,087	\$ 113,767,520	\$ 10,767,615	\$ 126,632,321

Income and expenses by each reportable segment of GDH LP for the three months ended June 30, 2020 are as follows:

	Trading	Principal Investments	Asset Management	Investment Banking	Corporate and Other	Totals
Income (loss)						
Advisory and management fees	\$ —	\$ —	\$ 1,246,229	\$ 225,000	\$ —	\$ 1,471,229
Net realized gain (loss) on digital assets	48,710,411	(193,337)	—	—	—	48,517,074
Net realized loss on investments	—	(4,580,629)	—	—	—	(4,580,629)
Interest Income	1,142,879	122,489	4,394	—	43	1,269,805
Net derivative gain	2,438,246	—	—	—	—	2,438,246
	52,291,536	(4,651,477)	1,250,623	225,000	43	49,115,725
Operating expenses						
	4,810,233	788,796	3,002,789	769,610	5,412,630	14,784,058
Net unrealized gain (loss) on digital assets	(14,564,670)	12,361,632	—	—	—	(2,203,038)
Net unrealized gain on investments	—	6,957,658	—	—	—	6,957,658
Unrealized foreign currency loss	(392,164)	—	—	—	—	(392,164)
Realized foreign currency loss	(190,036)	—	—	—	—	(190,036)
	(15,146,870)	19,319,290	—	—	—	4,172,420
Net income (loss)	\$ 32,334,433	\$ 13,879,017	\$ (1,752,166)	\$ (544,610)	\$ (5,412,587)	\$ 38,504,087

Income and expenses by each reportable segment of GDH LP for the three months ended June 30, 2019 are as follows:

	Trading	Principal Investments	Asset Management	Investment Banking	Corporate and Other	Totals
Income (loss)						
Advisory and management fees	\$ —	\$ —	\$ 1,329,700	\$ —	\$ —	\$ 1,329,700
Net realized gain (loss) on digital assets	98,711,252	(611,876)	—	—	—	98,099,376
Net realized gain on investments	—	38,100,635	—	—	—	38,100,635
Interest Income	244,242	659,445	—	16,256	216	920,159
Net derivative gain (loss)	5,094,063	30,000	(33,750)	—	—	5,090,313
	104,049,557	38,178,204	1,295,950	16,256	216	143,540,183
Operating expenses						
	5,298,802	1,556,254	3,928,206	2,381,366	5,601,209	18,765,837
Net unrealized gain on digital assets	1,822,201	9,791,003	—	—	—	11,613,204
Net unrealized loss on investments	—	(22,724,996)	—	—	—	(22,724,996)
Unrealized foreign currency gain (loss)	197,208	—	—	(7,639)	(43)	189,526
Realized foreign currency loss	(89,226)	—	—	—	—	(89,226)
	1,930,183	(12,933,993)	—	(7,639)	(43)	(11,011,492)
Net income (loss)	\$ 100,680,938	\$ 23,687,957	\$ (2,632,256)	\$ (2,372,749)	\$ (5,601,036)	\$ 113,762,854

Assets and liabilities by reportable segment of GDH LP as of June 30, 2020 are as follows:

	Trading	Principal Investments	Asset Management	Investment Banking	Corporate and Other	Totals
Total assets	\$ 187,389,894	\$ 226,020,465	\$ 2,225,371	\$ 1,642,242	\$ 18,439,689	\$ 435,717,661
Total liabilities	\$ 48,624,806	\$ 261,433	\$ 741,823	\$ 53,409	\$ 11,139,604	\$ 60,821,075

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

	Trading	Principal Investments	Asset Management	Investment Banking	Corporate and Other	Totals
Total assets	\$ 177,226,904	\$ 199,678,202	\$ 1,415,135	\$ 1,102,055	\$ 23,356,825	\$ 402,779,121
Total liabilities	\$ 30,329,154	\$ 403,187	\$ 1,377,492	\$ 96,273	\$ 15,468,450	\$ 47,674,556

Select statement of financial position information

The fair value of each asset class by reporting segment of GDH LP as of June 30, 2020 is as follows:

	Trading	Principal Investments	Asset Management	Investment Banking	Corporate and Other	Totals
Digital assets:						
Cryptocurrency	\$ 112,538,220	\$ 49,976,045	\$ —	\$ —	\$ —	\$ 162,514,265
Digital assets posted as collateral	8,298,708	—	—	—	—	8,298,708
Investments:						
Pre-ICO	—	5,757,329	—	—	—	5,757,329
Convertible Notes	—	7,262,076	—	—	—	7,262,076
Preferred Stock	—	81,531,470	—	—	—	81,531,470
Common Stock	—	28,631,022	—	—	—	28,631,022
LP/LLC Interests	—	52,517,740	—	—	—	52,517,740
Warrants/Trust Units/Trust Shares	1,488,441	637,237	—	—	—	2,125,678
	\$ 122,325,369	\$ 226,312,919	\$ —	\$ —	\$ —	\$ 348,638,288

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

	Trading	Principal Investments	Asset Management	Investment Banking	Corporate and Other	Totals
Digital assets:						
Cryptocurrency	\$ 53,882,704	\$ 32,098,027	\$ —	\$ —	\$ —	\$ 85,980,731
Digital assets posted as collateral	8,208,653	—	—	—	—	8,208,653
Investments:						
Pre-ICO	—	6,005,114	—	—	—	6,005,114
Convertible Notes	—	5,255,579	—	—	—	5,255,579
Preferred Stock	—	75,703,153	—	—	—	75,703,153
Common Stock	—	32,476,631	—	—	—	32,476,631
LP/LLC Interests	—	38,120,805	—	—	—	38,120,805
Warrants/Trust Units	—	602,138	—	—	—	602,138
	\$ 62,091,357	\$ 190,261,447	\$ —	\$ —	\$ —	\$ 252,352,804

This press release should be read in conjunction with (i) GDH LP's Management Discussion and Analysis and Consolidated Financial Statements for the three and six months ended June 30, 2020 and (ii) GDH Ltd.'s Management Discussion and Analysis and Consolidated Financial Statements for the three and six months ended June 30, 2020 (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, financial services and investment management company in the digital asset, cryptocurrency and blockchain technology sector. 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 Investments and Investment Banking. 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 Tokyo, Japan, London, England, Hong Kong, Jersey City, U.S., San Francisco, U. S., and the Cayman Islands (registered office). Additional information about GDH LP's businesses and products is available on www.galaxydigital.io.

Disclaimers and Additional Information

The TSX has not approved or disapproved of the information contained herein. The Ontario Securities Commission has not passed upon the merits of the disclosure record of Galaxy Digital.

The Company listed on the TSX via TSX Sandbox, an initiative intended to facilitate listing applications that may not satisfy the original listing requirements of TSX, but due to facts or situations unique to a particular issuer otherwise warrant a listing on TSX. The TSX has exercised its discretion to waive the requirements of subsection 309(c)(i) of its manual (C\$10 million in treasury resulting from public raise) which the Company did not meet and has approved the listing of the Company pursuant to TSX Sandbox. Galaxy Digital's approval pursuant to TSX Sandbox was conditioned upon public filing of an Annual Information Form and prominent quarterly disclosure of digital assets and investments, which the Company has completed and agreed to continue to provide. The Company will remain listed pursuant to TSX Sandbox until such time as it has completed a twelve-month period without significant compliance issues after graduation. In addition, Galaxy Digital is required to disclose the following two risk factors that were also included in the most recent Annual Information Form for the year-ended 2019: (1) The Company has limited operating history and its business lines are nascent and subject to material legal, regulatory, operational and other risks in every jurisdiction; and (2) the market price and trading volume of the Company's ordinary shares has been volatile and will likely continue to be so in response to, among other factors, market fluctuations in digital assets generally or the digital assets that Galaxy Digital holds or trades.

The performance of the Bitcoin Funds and the Index Fund will vary from the performance of their respective indices. BLOOMBERG is a trademark or service mark of Bloomberg Finance L.P. GALAXY is a trademark of GDCM. Bloomberg Finance L.P. and its affiliates (collectively, Bloomberg) are not affiliated with GDCM, the GBCIF, the Bitcoin Funds and their respective affiliates (collectively, Galaxy). Bloomberg's association with Galaxy is to act as the administrator and calculation agent of the CFIX and the BGCI (collectively, the "Index"), which is the property of Bloomberg. Neither Bloomberg nor Galaxy guarantee the timeliness, accurateness, or completeness of any data or information relating to the Index or results to be obtained. Neither Bloomberg nor Galaxy make any warranty, express or implied, as to the Index, any data or values relating thereto or any financial product or instrument linked to, using as a component thereof or based on the Index (Products) or results to be obtained therefrom, and expressly disclaims all warranties of merchantability and fitness for a particular purpose with respect thereto. To the maximum extent allowed by law, Bloomberg, its licensees, Galaxy, and their respective employees, contractors, agents, suppliers, and vendors shall have no liability or responsibility whatsoever for any injury or damages—whether direct, indirect, consequential, incidental, punitive, or otherwise—arising in connection with the Index, any data or values relating thereto or any Products—whether arising from their negligence or otherwise.

Forward-Looking Statements

Certain information in this press release, including, but not limited to, statements regarding the digital asset opportunity set and momentum in the businesses and the Company or Partnership's anticipated results, 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. Forward looking statements are subject to the risk that the global economy, industry or the Company's businesses and investments do not perform as anticipated, that revenue or expenses estimates may not be met or may be materially less or more than those anticipated, that trading momentum does not continue or the demand for trading solutions declines, that expected fundraising for asset management products is delayed, that advisory transactions may be modified or not completed at all and those other risks contained in the MD&A's and Annual Information Form (AIF) for the year ended December 31, 2019. Factors that could cause actual results of the Company and its businesses to differ materially from those described in such forward-looking statements include, but are not limited to, a decline in the digital asset market or general economic conditions; the 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; failure to grow assets under management and for advisory transactions, a decline in the securities markets, an adverse development with respect to an issuer or party to the transaction or failure to obtain a required regulatory approval. 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 the Company and the Partnership are 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 and Galaxy Digital undertakes no obligation to update any forward-looking statement to reflect events or circumstances after that date or to reflect the occurrence of unanticipated events.

For additional information, please contact:

Galaxy Digital

Ashwin Prithipaul, CFO

Email: investor.relations@galaxydigital.io

Tel: 212.390.9216

Prosek

Mike Geller, Managing Director

Email: mgeller@prosek.com

Tel: 212.279.3115