



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

NEW YORK, NEW YORK, May 29, 2020 - Galaxy Digital Holdings Ltd. (TSXV: 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 months ended March 31, 2020 ("Q1 2020" or the "first quarter"), as well as corporate updates through the date of this press release.

"2020 has been a challenging period for the global economy, as well as a strong validation of bitcoin's store of value thesis in a world of unprecedented and potentially inflationary monetary stimulus programs" said Mike Novogratz, Founder and CEO of Galaxy Digital. "Our first quarter results reflect the volatility and broad de-risking of the markets in March 2020, while our year-to-date activities through May 2020 more fully reflect the positive tailwinds in the digital asset sector which have driven momentum in our Trading, Asset Management, Advisory Services, and Principal Investments businesses."

Corporate Updates

- As previously disclosed, the Company has been conditionally approved to be listed on the Toronto Stock Exchange ("TSX") via TSX Sandbox. The Company intends to announce a listing date later this quarter, subject to compliance with the requirements of the TSX conditional approval.
- As part of its share repurchase program, GDH Ltd. repurchased a total of 2,769,706 shares for a total cost of C\$3.1 million for the three months ended March 31, 2020.

Business Highlights

- During the first quarter of 2020, the Principal Investments team closed five follow-on investments, deploying \$14.2 million of cash to do so.
 - Investments made (including loans purchased) from January 9, 2018 through March 31, 2020 total \$195.8 million and are represented by 35 new and 35 follow-on investments.
- As previously disclosed, as of March 31, 2020, Galaxy Digital Capital Management ("GDCM" or "GDAM") had assets under management ("AUM") of \$356.2 million (consisting of: Galaxy Benchmark Crypto Index Fund LP (the "Index Fund") - \$8.1 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") - \$23.1 million, and Galaxy EOS VC Fund LP (the "EOS Fund") committed capital - \$325.0 million).
 - During the first quarter of 2020 Galaxy Digital 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 -9.26% in first quarter of 2020 and 23.35% on a year to date basis through May 26, 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 returned -1.49% in the first quarter of 2020 and has returned 26.05% on a year to date basis through to May 26, 2020.
- Additionally, during the first quarter of 2020, the Galaxy Interactive team who manages the Galaxy EOS VC Fund (the "EOS Fund") made investments in Big Run Studios, UNRD, Dazzle Rocks, Superplastic, Go Meta, Inc., Gamefam, and Lightheart, as well as a follow-on investment in Current.

- The Partnership's trading business, Galaxy Digital Trading ("GDT"), managed an increase in actively trading counterparties in the first quarter of 2020 relative to the fourth quarter of 2019. GDT's spot over the counter ("OTC") trading volumes also increased over that same period as volatility picked up industry wide. The increase in trading volumes can be attributed to general positive momentum to start the year, the global market sell-off due to COVID-19 (Coronavirus), and market participants positioning for the Bitcoin Halving event that subsequently took place on May 11th. This momentum has carried forward into the second quarter as institutional adoption of Bitcoin continues to grow.
- During the first quarter of 2020, the Advisory Services business made progress in generating new mandates for clients across financing, mergers and acquisitions, and other strategic matters, with several active mandates in various stages of execution.

Select GDH LP's Financial Highlights (Q1 2020)

- As of March 31, 2020, digital assets, including digital assets posted as collateral, stood at \$86.2 million, a decrease of \$8.0 million from December 31, 2019. This decrease was primarily due to the decrease in the fair value of the digital assets during the period and a decline in the holdings of certain digital assets.
- As of March 31, 2020, the Partnership had a material holding in bitcoin of \$65.0 million (December 31, 2019 - \$81.3 million). In addition, as of May 27, 2020, the Partnership held approximately 13,338 of bitcoin, which was valued at \$122.5 million.
- Investments stood at \$169.6 million as of March 31, 2020, an increase of \$11.4 million from December 31, 2019. The change was due to unrealized gains on certain investments during the period as well as \$14.2 million of new capital deployed by the Principal Investments team during the period.
- Total equity decreased by \$26.7 million during the year to \$328.4 million as of March 31, 2020 primarily due to \$27.7 million of net comprehensive loss.
- As of March 31, 2020, the Partnership's net book value¹ per unit was approximately C\$1.64 (US\$1.16), compared to C\$1.62 (US\$1.24) as of December 31, 2019.
- For the three months ended March 31, 2020, net comprehensive loss was \$27.7 million, as compared to net comprehensive gain of \$12.9 million for the three months ended March 31, 2019. The current quarter loss was largely a result of realized loss on digital assets, i.e. cryptocurrencies which trade continuously in the market, and operating expenses. The net comprehensive income for the three months ended March 31, 2019 was primarily a result of realized gain on digital assets and unrealized gain on investments.

¹ Net book value includes non-controlling interests.

GDH LP's Financial Results

	March 31, 2020	December 31, 2019
Assets		
Current assets		
Cash	\$ 54,949,605	\$ 106,262,780
Digital assets	78,739,858	85,980,731
Investments	169,568,639	158,163,420
Receivable for digital asset trades	631,115	330,609
Digital asset loans receivable	21,757,034	16,061,945
Assets posted as collateral	7,485,019	10,585,819
Receivables	1,786,048	1,853,169
Derivatives	1,801,204	—
Prepaid expenses and other assets	2,398,044	2,580,255
Loans receivable	17,129,148	11,719,738
	<u>356,245,714</u>	<u>393,538,466</u>
Loans receivable	—	—
Right of use asset	5,030,552	5,182,993
Property and equipment	3,922,763	4,057,662
	<u>8,953,315</u>	<u>9,240,655</u>
Total assets	<u>\$ 365,199,029</u>	<u>\$ 402,779,121</u>
Liabilities		
Current liabilities		
Digital assets sold short	\$ 1,351,575	\$ 18,616,860
Accounts payable and accrued liabilities	8,928,384	11,719,494
Payable for digital asset trades	666,593	250,158
Digital asset loans payable	15,041,532	11,134,329
Collateral payable	5,338,194	434,498
Lease liability	769,479	772,003
	<u>32,095,757</u>	<u>42,927,342</u>
Lease liability	4,696,044	4,747,214
Total liabilities	<u>36,791,801</u>	<u>47,674,556</u>
Equity		
Partners' capital	320,171,895	347,785,081
Non-controlling interests	8,235,333	7,319,484
Total equity	<u>328,407,228</u>	<u>355,104,565</u>
Total liabilities and equity	<u>\$ 365,199,029</u>	<u>\$ 402,779,121</u>

	Three months ended March 31, 2020	Three months ended March 31, 2019
Income (loss)		
Advisory and management fees	\$ 1,586,613	\$ 1,520,511
Net realized gain (loss) on digital assets	(38,151,931)	17,471,124
Net realized gain on investments	162,771	—
Interest income	1,439,127	705,763
Net derivative gain	4,435,067	102,895
Other income	—	506,101
	(30,528,353)	20,306,394
Operating expenses		
Equity based compensation	1,621,410	10,321,503
Compensation and compensation related	7,184,394	6,954,165
General and administrative	3,598,589	2,521,290
Professional fees	1,233,525	2,605,326
Interest	1,011,487	688,326
Insurance	282,130	426,850
Director fees	50,000	50,000
	(14,981,535)	(23,567,460)
Net unrealized gain (loss) on digital assets	12,924,325	(664,530)
Net unrealized gain on investments	4,674,240	16,902,771
Unrealized foreign currency gain (loss)	(173,518)	91,072
Realized foreign currency gain (loss)	331,576	(110,512)
	17,756,623	16,218,801
Income (loss) for the period	\$ (27,753,265)	\$ 12,957,735
Income (loss) attributed to:		
Unit holders of the Partnership	(26,940,729)	12,570,628
Non-controlling interests	(812,536)	387,107
	\$ (27,753,265)	\$ 12,957,735
Other comprehensive income (loss)		
Foreign currency translation adjustment	16,793	(92,934)
Comprehensive income (loss) for the period	\$ (27,736,472)	\$ 12,864,801
Comprehensive income (loss) attributed to:		
Unit holders of the Partnership	\$ (26,923,936)	\$ 12,477,694
Non-controlling interests	(812,536)	387,107
	\$ (27,736,472)	\$ 12,864,801

Income and expenses by each reportable segment of GDH LP for the three months ended March 31, 2020 are as follows:

	Trading	Principal Investments	Asset Management	Advisory Services	Corporate and Other	Totals
Income (loss)						
Advisory and management fees	\$ —	\$ —	\$ 1,236,613	\$ 350,000	\$ —	\$ 1,586,613
Net realized loss on digital assets	(37,015,166)	(1,136,765)	—	—	—	(38,151,931)
Net realized gain on investments	—	162,771	—	—	—	162,771
Interest income	1,089,751	337,407	5,165	6,643	161	1,439,127
Net derivative gain	4,435,067	—	—	—	—	4,435,067
	(31,490,348)	(636,587)	1,241,778	356,643	161	(30,528,353)
Operating expenses	3,973,887	1,046,886	3,317,749	1,241,581	5,401,432	14,981,535
Net unrealized gain (loss) on digital assets	14,566,040	(1,641,715)	—	—	—	12,924,325
Net unrealized gain on investments	—	4,674,240	—	—	—	4,674,240
Unrealized foreign currency loss	(173,518)	—	—	—	—	(173,518)
Realized foreign currency gain	331,576	—	—	—	—	331,576
	14,724,098	3,032,525	—	—	—	17,756,623
Net income (loss)	\$ (20,740,137)	\$ 1,349,052	\$ (2,075,971)	\$ (884,938)	\$ (5,401,271)	\$ (27,753,265)

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

	Trading	Principal Investments	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 (loss) on digital assets	19,764,953	(2,293,829)	—	—	—	17,471,124
Interest income	78,670	607,020	—	16,524	3,549	705,763
Net derivative gain	102,895	—	—	—	—	102,895
Other income	502,125	—	—	3,976	—	506,101
	20,448,643	(1,686,809)	1,317,386	223,625	3,549	20,306,394
Operating expenses	5,454,803	2,209,716	6,146,240	3,392,232	6,364,469	23,567,460
Net unrealized gain (loss) on digital assets	(3,479,575)	2,815,045	—	—	—	(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)
	(3,485,941)	19,717,816	—	(13,074)	—	16,218,801
Net income (loss)	\$ 11,507,899	\$ 15,821,291	\$ (4,828,854)	\$ (3,181,681)	\$ (6,360,920)	\$ 12,957,735

Assets and liabilities by reportable segment of GDH LP as of March 31, 2020 are as follows:

	Trading	Principal Investments	Asset Management	Advisory Services	Corporate and Other	Totals
Total assets	\$ 131,348,209	\$ 205,818,230	\$ 3,506,393	\$ 1,529,014	\$ 22,997,183	\$ 365,199,029
Total liabilities	\$ 24,578,482	\$ 652,257	\$ 2,549,301	\$ 61,149	\$ 8,950,612	\$ 36,791,801

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

	Trading	Principal Investments	Asset Management	Advisory Services	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 as of March 31, 2020 is as follows:

	Trading	Principal Investments	Asset Management	Advisory Services	Corporate and Other	Totals
Digital assets:						
Cryptocurrency	\$ 47,899,923	\$ 30,839,935	\$ —	\$ —	\$ —	\$ 78,739,858
Digital assets posted as collateral	7,485,019					7,485,019
Investments:						
Pre-ICO	—	5,507,329	—	—	—	5,507,329
Convertible Notes	—	5,967,698	—	—	—	5,967,698
Preferred Stock	—	83,062,170	—	—	—	83,062,170
Common Stock	—	25,739,487	—	—	—	25,739,487
LP/LLC Interests	—	49,036,692	—	—	—	49,036,692
Warrants/Trust Units	—	255,263	—	—	—	255,263
	\$ 55,384,942	\$ 200,408,574	\$ —	\$ —	\$ —	\$ 255,793,516

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	Advisory Services	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 months ended March 31, 2020 and (ii) GDH Ltd.'s Management Discussion and Analysis and Consolidated Financial Statements for the three months ended March 31, 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 platform 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 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 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 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.

TSX Sandbox is 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 conditionally approved the listing of the Company pursuant to TSX Sandbox. Galaxy Digital's conditional listing 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

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Forward-Looking Statements

Certain information in this press release, including, but not limited to, statements regarding the impact global economic conditions, the future of the industry and the Company or Partnership's anticipated 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. 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 expected fundraising for asset management products is delayed, advisory transactions may be modified or not completed at all and those other risks contained in the 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.

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