

galaxy

Galaxy Announces Third Quarter 2023 Financial Results and October Update

Equity capital was \$1.5 billion at the end of the third quarter and \$1.6 billion as of October 31¹

Net loss of \$94 million in the third quarter and approximately \$124 million of income before tax in October¹

Assets Under Management increased to \$3.9 billion in the third quarter, up \$1.4 billion quarter-over-quarter²

NEW YORK, November 9, 2023- [Galaxy Digital Holdings Ltd.](#) (TSX: GLXY) (the "Company" or "GDH Ltd.") today released financial results for the three and nine months ended September 30, 2023, for both itself and Galaxy Digital Holdings LP (the "Partnership" or "GDH LP"). In this press release, a reference to "Galaxy", "we", "our" and similar words refer to GDH Ltd., its subsidiaries and affiliates including GDH LP, or any one of them, as the context requires.

Preliminary Financial Highlights, through October 31, 2023¹

Since the end of the third quarter, digital asset prices materially changed and our business has benefited from heightened market volatility and increased trading volumes. Galaxy's income before tax was approximately \$124 million in the month of October, driven primarily by our market positioning and the appreciation of digital asset prices. Equity capital increased to approximately \$1.6 billion over the same period.

Corporate Updates

US Listing and Reorganization: Galaxy continues to work on completing its proposed reorganization and domestication to become a Delaware-incorporated company and subsequently list on the Nasdaq, upon completion of ongoing SEC review and subject to stock exchange, shareholder and applicable regulatory approvals of such transactions.

Share Buyback Program: As announced on May 26, 2023, the Company commenced a new normal course issuer bid on May 31, 2023, and is eligible to purchase up to 10 million ordinary shares. For the period between July 1, 2023 and October 31, 2023, Galaxy repurchased approximately 1.2 million shares at an average price of CAD \$4.69.

| Select Financial Metrics | Q3 2023 | Q2 2023 | % Change |
|-------------------------------------|----------|----------|----------|
| Equity Capital | \$1,466M | \$1,542M | (5%) |
| Liquidity | \$749M | \$696M | 8% |
| Cash & Net Stablecoins ³ | \$395M | \$468M | (16%) |
| Net Digital Assets ⁴ | \$354M | \$228M | 56% |
| Net Income (loss) | (\$94M) | (\$46M) | (104%) |

\$749M

Liquidity

Note: Throughout this document, totals may not sum due to rounding. Quarter-over-quarter percentage change calculations are based on actual results.

(1) This preliminary, unaudited quarter-to-date financial information is as of October 31, 2023. Financial results include impacts of non-cash equity based compensation but exclude completion of the full quarterly valuation process of our investment portfolio. This data is subject to change as management completes its quarterly close procedures.

(2) As compared to the quarter ended June 30, 2023.

(3) Includes Cash Equivalents.

(4) Refer to page 15 of this release for a breakout of our net digital assets position.

Galaxy Global Markets

Galaxy Global Markets (“GGM”) offers institutional-grade expertise and access to a broad range of digital asset products, including digital asset spot and derivatives trading, structured products, financing, as well as capital markets and M&A advisory services for corporate clients. GGM operates in two discrete business units – Trading and Investment Banking.

Trading

Trading reported counterparty trading revenue of \$14 million, down \$6 million quarter-over-quarter (“QoQ”). The decrease was primarily due to record low volatility and market positioning. Subsequent to quarter-end, our counterparty trading desk’s market positioning benefited from the favorable asset price movements and significant uptick in volatility and has generated \$24 million of revenue in October. Despite the decline in revenue QoQ, counterparty trading volumes increased 70% versus the second quarter and our average loan book size expanded to \$553 million.

| Key Performance Indicators | Q3 2023 | Q2 2023 | % Change |
|---|---------|---------|----------|
| Loan Book Size (Average) | \$553M | \$507M | 9% |
| Counterparty Loan Originations | \$117M | \$115M | 2% |
| Counterparty Trading Volumes QoQ Change | 70% | (29%) | N.M. |
| Total Trading Counterparties | 1,028 | 999 | 3% |
| Active Trading Counterparties | 284 | 291 | (2%) |

\$553M

Loan Book Size (Average)

Investment Banking

Investment Banking successfully closed two deals in the quarter, serving as advisor to Gamercraft on its latest investment round and serving as the exclusive financial advisor to Securitize in its acquisition of Onramp Invest, both of which we expect to realize as revenue at a later date. Notably, the team was also selected to represent Prime Trust in Nevada Receivership as part of an ongoing restructuring mandate. Galaxy continues to execute against a pipeline of mandates representing \$2.2 billion in potential deal value.

| Key Performance Indicators | Q3 2023 | Q2 2023 | % Change |
|----------------------------|---------|---------|----------|
| Deals Closed | 2 | 1 | 100% |
| Pipeline | 24 | 23 | 4% |
| Deal Value of Pipeline | \$2.2B | \$1.0B | 120% |

\$2.2B

Deal Value of Pipeline for Investment Banking

KEY TERMS

Counterparty Trading Revenue: revenue from counterparty-facing activities from our Derivatives, Credit, Over-the-Counter Trading, and Quantitative Trading businesses, net of associated funding charges.

Loan Book Size (Average): average market value of all open loans, un-funded arrangements to finance delayed trading/settlement (for example over weekends), and uncommitted credit facilities in the quarter.

Counterparty Loan Originations: market values of all loans, credit facility draws, and credit facilities originated to external counterparties in the quarter. Does not include rolled loans as a new origination; rolled loans can be generally defined as loans where the maturity was extended but no other material terms were changed.

Active Trading Counterparties: counterparties with whom we have traded within the past 12 months and who are still onboarded with Galaxy’s trading business.

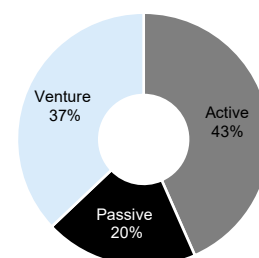
Pipeline: the number of open engagements and transactions the Investment Banking team is in market with.

Deal Value of Pipeline: the theoretical aggregate deal value associated with the Investment Banking pipeline.

Galaxy Asset Management

Galaxy Asset Management (“GAM”) provides investors access to the digital asset ecosystem via a diverse suite of institutional-grade investment vehicles that span passive, active, and venture strategies.

GAM management and performance fees were \$4.7 million in the quarter, representing an 11% increase QoQ. GAM reported preliminary assets under management of approximately \$3.9 billion as of September 30, 2023, a 58% increase QoQ. The increase in AUM was primarily driven by net inflows from new actively managed client mandates that came in at the end of the quarter. AUM consisted of \$768 million in passive strategies, \$1,704 million in active strategies and \$1,456 million in venture strategies.



Assets Under Management

| Key Performance Indicators | Q3 2023 | Q2 2023 | % Change |
|--|----------|----------|----------|
| Management and Performance Fees | \$4.7M | \$4.2M | 11% |
| Total AUM | \$3,927M | \$2,489M | 58% |
| Passive AUM | \$768M | \$958M | (20%) |
| Active AUM | \$1,704M | \$103M | 1,548% |
| Venture AUM | \$1,456M | \$1,428M | 2% |
| Number of Portfolio Company Investments ¹ | 223 | 217 | 3% |

(1) Includes investments held directly on the Partnerships' balance sheet and indirectly through the Galaxy sponsored funds.

KEY TERMS

Assets Under Management: all figures are unaudited. AUM is inclusive of sub-advised funds, committed capital closed-end vehicles, seed investments by affiliates, affiliated and unaffiliated separately managed accounts, and fund of fund products. Changes in AUM are generally the result of performance, contributions, withdrawals, and acquisitions.

- Preliminary AUM associated with GVH Multi-Strategy FOF LP is based on management's most recent estimate.
- AUM for committed capital closed-end vehicles that have completed their investment period is reported as NAV (Net Asset Value) plus unfunded commitment.
- AUM for quarterly close vehicles is reported as of the most recent quarter available for the applicable period.
- AUM for affiliated separately managed accounts is reported as NAV as of the most recently available estimate for the applicable period.

Passive Strategies: single- and multi-asset private funds, as well as a suite of regulated spot digital asset exchange-traded funds offered through partnerships with asset managers globally.

Active Strategies: Galaxy's Liquid Alpha strategy and the management of certain bespoke mandates.

Venture Strategies: organized around two investment themes: Interactive Ventures and Crypto Ventures. Galaxy Interactive is GAM's sector-focused venture arm, managing client capital across three funds. GAM's Crypto Ventures sleeve invests client capital across two global, multi-manager venture funds and manages a subset of Galaxy's balance sheet venture investments.

Galaxy Digital Infrastructure Solutions

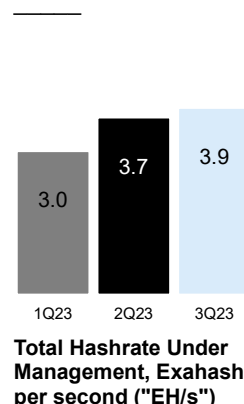
Galaxy Digital Infrastructure Solutions (“GDIS”) consists of proprietary and hosted bitcoin mining services, GK8 self-custody technology solutions, and validator services.

Mining

Mining revenue was \$14.3 million in the quarter relative to power purchase agreement and external hosting expenses, net of curtailment credits, of (\$2.2 million). We reached 3.9 exahash per second of hashrate under management across our proprietary and hosted footprint, as we continued to scale our Helios facility in West Texas. Our effective power management strategy led to a negative average marginal cost to mine in the quarter. We expect our average marginal cost to mine to increase in the fourth quarter relative to the third and second quarters in anticipation of fewer opportunities to economically curtail our mining operations and a higher network hashrate.

| Key Performance Indicators | Q3 2023 | Q2 2023 | % Change |
|--|----------|-------------|----------|
| Mining Revenue | \$14.3M | \$15.4M | (7%) |
| Proprietary Mining Revenue | \$8.8M | \$8.6M | 3% |
| Hosted and Other Mining Revenue¹ | \$5.5M | \$6.8M | (19%) |
| Total Hashrate Under Management | 3.9 EH/s | 3.7 EH/s | 7% |
| Proprietary Mining Hashrate | 1.8 EH/s | 1.7 EH/s | 10% |
| Hosted Mining Hashrate | 2.1 EH/s | 2.0 EH/s | 4% |
| Number of Proprietary BTC Mined | 309 | 307 | 1% |
| Average Marginal Cost to Mine | < \$0 | \$9K -\$10K | N.M. |

(1) Includes revenue from hosting clients, leasing agreements and other mining related activities.



Self-Custody and Validator Solutions

Self-Custody and Validator Solutions are focus areas in our continued commitment to the future of decentralized networks. This includes supporting the integrity of protocols and ecosystem projects by operating validator nodes to secure blockchains, and by offering self-custody technology solutions to institutions through GK8.

| Key Performance Indicators | Q3 2023 | Q2 2023 | % Change |
|-------------------------------|---------|---------|----------|
| GK8 Total Client Count | 16 | 15 | 7% |

KEY TERMS

Hashrate Under Management: the total combined hashrate of active proprietary and hosted mining capacity managed by Galaxy.

Proprietary Mining Hashrate: the hashrate attributed to Galaxy owned and operated mining rigs.

Hosted Mining Hashrate: the hashrate attributed to third-party machines operated by Galaxy for a client.

Number of Proprietary BTC Mined: the total amount of bitcoin mined from proprietary mining operations.

Average Marginal Cost to Mine: the marginal cost of production for each bitcoin generated during the period. The calculation excludes depreciation, mark-to-market on power contracts, and corporate overhead.

GK8 Total Client Count: the total number of clients contracted to use GK8's technology solutions.

GDH Ltd.'s Financial Highlights

As the only significant asset of GDH Ltd. is its minority interest in GDH LP, its results are driven by the results of GDH LP. GDH Ltd. accounts for its investment in this associate (GDH LP) using the equity method. The investment, initially recorded at cost, is increased or decreased to recognize GDH Ltd.'s share of the earnings and losses of GDH LP. During the three months ended September 30, 2023, an impairment assessment was required under International Financial Reporting Standards and GDH Ltd.'s minority interest in GDH LP was marked down based on the TSX quarter-end closing share price. An impairment expense of \$44.9 million was recognized during the three months ended September 30, 2023. During the first and second quarters of 2023, the Company had recognized reversal of impairment of \$128.1 million resulting in net impairment reversal of \$83.2 million for the nine months ended September 30, 2023.

The net comprehensive income (loss) of GDH Ltd. was (\$68.8 million) and \$83.2 million for the three and nine months ended September 30, 2023, respectively.

Earnings Conference Call

An investor conference call will be held today, November 9, 2023, at 8:30 AM Eastern Time. A live webcast with the ability to ask questions will be available at: <https://investor.galaxy.com/>. The conference call can also be accessed by investors in the United States or Canada by dialing 1-844-746-0741, or 1-412-317-5107 (outside the U.S. and Canada). A replay of the webcast will be available and can be accessed in the same manner as the live webcast on the Company's Investor Relations website. Through December 9, 2023, the recording will also be available by dialing 1-844-512-2921, or 1-412-317-6671 (outside the U.S. and Canada) and using the passcode: 10183468.

About Galaxy Digital Holdings Ltd. (TSX: GLXY) ("GDH Ltd.") and Galaxy Digital Holdings LP ("GDH LP")

Galaxy (TSX: GLXY) is a digital asset and blockchain leader providing access to the growing digital economy. We serve a diversified client base, including institutions, startups, and qualified individuals. Since 2018, Galaxy has been building a holistic financial platform spanning three complementary operating businesses: Global Markets, Asset Management, and Digital Infrastructure Solutions. Our offerings include, amongst others, trading, lending, strategic advisory services, institutional-grade investment solutions, proprietary bitcoin mining and hosting services, network validator services, and the development of enterprise custodial technology. The company is headquartered in New York City, with global offices across North America, Europe, and Asia. Additional information about Galaxy's businesses and products is available on www.galaxy.com.

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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 nine months ended September 30, 2023 and (ii) GDH Ltd.'s Management Discussion and Analysis and Consolidated Financial Statements for the three and nine months ended September 30, 2023 (together, the "Consolidated Financial Statements" and "MD&As"), which have been filed on SEDAR at www.sedarplus.ca.

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.

This press release contains certain pre-released fourth quarter 2023 financial information (the "pre-released financial information"). The pre-released financial information contained in this press release is preliminary and represents the most current information available to management. The Partnership's actual consolidated financial statements for such period may result in material changes to the pre-released financial information summarized in this press release (including by any one financial metric, or all of the financial metrics) as a result of the completion of normal quarter and year end accounting procedures and adjustments and annual independent audit or due to other risks contained in the Annual Information Form for the year ended December 31, 2022. Although the Company believes the expectations reflected in this press release are based upon reasonable assumptions, the Company can give no assurance that actual results will not differ materially from these expectations.

No Offer or Solicitation

As previously announced, the Company intends to complete its proposed reorganization and domestication to become a Delaware-based company, and subsequently list on the Nasdaq, upon completion of the SEC's ongoing review and subject to stock exchange approval of such listing. The proposed reorganization and domestication is subject to approval by shareholders the Company and applicable regulatory authorities, including the Toronto Stock Exchange. In connection with the proposed reorganization and domestication, the Company has filed a registration statement, including a management information circular/prospectus, with the SEC, which has not yet become effective. SHAREHOLDERS ARE ADVISED TO READ THE FINAL VERSIONS OF SUCH DOCUMENTS, WHEN AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Shareholders may obtain a free copy of the registration statement (including the management information circular/prospectus) and any other relevant documents from the SEC's website at <http://www.sec.gov>. Copies of the final versions of such documents can also be obtained, when available, without charge, via Galaxy's investor relations website: <https://investor.galaxy.com/>. The Company anticipates holding a shareholder meeting to seek approval following the

effectiveness of the registration statement, and further details will be included in the management information circular to be mailed to shareholders and posted on the Company's SEDAR profile at www.sedarplus.ca.

This document shall not constitute a solicitation of a proxy, consent or authorization with respect to any securities or in respect of the domestication or any of the other proposed reorganization transactions. This document does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote of approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction.

CAUTION ABOUT FORWARD-LOOKING STATEMENTS

The information in this document may contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and "forward-looking information" under Canadian securities laws (collectively, "forward-looking statements"). Our forward-looking statements include, but are not limited to, statements regarding our or our management team's expectations, hopes, beliefs, intentions or strategies regarding the future. Statements that are not historical facts, including statements about Galaxy's business pipelines for banking and Gk8, mining goals, plans for share repurchases, focus on self custody and validator solutions and our commitment to the future of decentralized networks and the pending domestication and the related transactions (the "transactions"), and the parties, perspectives and expectations, are forward-looking statements. In addition, any statements that refer to estimates, projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words "anticipate," "believe," "continue," "could," "estimate," "expect," "forecast," "intend," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "would" and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. The forward-looking statements contained in this document are based on our current expectations and beliefs concerning future developments and their potential effects on us taking into account information currently available to us. There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks include, but are not limited to: (1) the inability to complete the proposed domestication and reorganization transactions, due to the failure to obtain shareholder and stock exchange approvals, or otherwise; (2) changes to the proposed structure of the transactions that may be required or appropriate as a result of applicable laws or regulations or as a condition to obtaining shareholder or stock exchange approval of the transactions; (3) the ability to meet and maintain listing standards following the consummation of the transactions; (4) the risk that the transactions disrupt current plans and operations; (5) costs related to the transactions, operations and strategy; (6) changes in applicable laws or regulations; (7) the possibility that the Company may be adversely affected by other economic, business, and/or competitive factors; (8) changes or events that impact the cryptocurrency industry, including potential regulation, that are out of our control; (9) the risk that our business will not grow in line with our expectations or continue on its current trajectory; (10) the possibility that our addressable market is smaller than we have anticipated and/or that we may not gain share of it; and (11) the possibility that there is a disruption in mining impacting our ability to achieve expected results or change in power dynamics impacting our results, (12) any delay or failure to consummate the business mandates or achieve its pipeline goals in banking and Gk8, (13) price and trading volume volatility with respect to the Company's shares and its impact on share repurchases and the cost of such repurchases, (14) regulatory concerns, technological challenges, cyber incidents or exploits on decentralized networks (15) those other risks contained in the Annual Information Form for the year ended December 31, 2022 available on the Company's profile at www.sedarplus.ca and its Management's Discussion and Analysis, filed on November 9, 2023. 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 or general economic conditions; the possibility that our addressable market is smaller than we have anticipated and/or that we may not gain share of the stated addressable market; the failure or delay in the adoption of digital assets and the blockchain ecosystem; a delay or failure in developing infrastructure for our business or our businesses achieving our banking and Gk8 mandates; delays or other challenges in the mining business related to hosting, power or our mining infrastructure; any challenges faced with respect to decentralized networks, considerations with respect to liquidity and capital planning and its impact on share repurchases and changes in applicable law or regulation and adverse regulatory developments. Should one or more of these risks or uncertainties materialize, they could cause our actual results to differ materially from the forward-looking statements. We are not undertaking any obligation to update or revise any forward looking statements whether as a result of new information, future events or otherwise. You should not take any statement regarding past trends or activities as a representation that the trends or activities will continue in the future. Accordingly, you should not put undue reliance on these statements.

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Galaxy Digital Holdings LP's Consolidated Statements of Financial Position (unaudited)

| (in thousands) | September 30, 2023 | December 31, 2022 |
|---|---------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 295,001 | \$ 542,101 |
| Digital assets | 983,711 | 566,690 |
| Receivable for digital asset trades | 15,184 | 9,063 |
| Digital asset loans receivable, net of allowance | 80,442 | 49,971 |
| Digital assets receivables | 7,528 | 12,423 |
| Assets posted as collateral | 123,499 | 25,138 |
| Receivables | 34,565 | 10,887 |
| Derivative assets | 45,442 | 17,719 |
| Prepaid expenses and other assets | 51,566 | 32,818 |
| Loans receivable | 247,276 | 62,611 |
| Due from related party | 6,101 | 13,857 |
| Total current assets | 1,890,315 | 1,343,278 |
| Digital assets receivables | 3,537 | 5,154 |
| Investments (includes \$338.2 and \$343.2 million of equity method investments, respectively) | 586,513 | 595,122 |
| Loans receivable, non-current | 113,792 | 100,977 |
| Property and equipment | 238,984 | 208,538 |
| Other non-current assets | 106,464 | 68,429 |
| Goodwill | 44,257 | 24,645 |
| Total non-current assets | 1,093,547 | 1,002,865 |
| Total assets | \$ 2,983,862 | \$ 2,346,143 |
| Liabilities and equity | | |
| Current liabilities | | |
| Investments sold short | 37,881 | 91 |
| Derivative liabilities | 39,737 | 16,568 |
| Accounts payable and accrued liabilities | 46,791 | 67,081 |
| Payables to customers | 3,446 | 9,591 |
| Taxes payable | 19,370 | 22,717 |
| Payable for digital asset trades | 18,283 | 2,557 |
| Digital asset loans payable | 272,239 | 170,566 |
| Loans payable | 51,565 | — |
| Collateral payable | 520,618 | 131,506 |
| Due to related party | 68,136 | 53,984 |
| Lease liability | 1,763 | 4,467 |
| Total current liabilities | 1,079,829 | 479,128 |
| Notes payable | 395,896 | 384,515 |
| Deferred tax liability | 30,889 | 31,302 |
| Lease liability | 11,209 | 12,406 |
| Total non-current liabilities | 437,994 | 428,223 |
| Total liabilities | 1,517,823 | 907,351 |
| Equity | | |
| Partners' capital | 1,466,039 | 1,438,792 |
| Total equity | 1,466,039 | 1,438,792 |
| Total liabilities and equity | \$ 2,983,862 | \$ 2,346,143 |

Galaxy Digital Holdings LP's Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(unaudited)

| (in thousands) | Three months ended | | Nine months ended | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | September 30, 2023 | September 30, 2022 | September 30, 2023 | September 30, 2022 |
| Income | | | | |
| Fee revenue | \$ 9,525 | \$ 5,919 | \$ 34,207 | \$ 27,895 |
| Net realized gain (loss) on digital assets | (67,617) | 4,715 | 18,681 | 128,558 |
| Net realized gain (loss) on investments | 22,355 | (8,776) | 68,711 | 64,153 |
| Lending and staking revenue | 14,005 | 6,395 | 35,323 | 31,086 |
| Net derivative gain | 15,737 | 17,825 | 80,462 | 179,821 |
| Revenue from proprietary mining | 8,848 | 4,224 | 20,672 | 21,330 |
| Other income (loss) | 127 | 2,374 | 333 | 4,152 |
| | 2,980 | 32,676 | 258,389 | 456,995 |
| Operating expenses | | | | |
| Compensation and compensation related | 30,995 | 37,247 | 96,247 | 112,447 |
| Equity based compensation | 18,769 | 27,738 | 57,694 | 81,634 |
| General and administrative | 30,748 | 49,281 | 60,934 | 101,389 |
| Professional fees | 7,911 | (4,260) | 26,514 | 15,271 |
| Interest | 5,797 | 8,543 | 15,670 | 33,417 |
| Notes interest expense | 6,851 | 7,504 | 20,372 | 22,113 |
| | (101,071) | (126,053) | (277,431) | (366,271) |
| Other | | | | |
| Net unrealized gain (loss) on digital assets | 26,196 | 69,437 | 24,451 | (664,206) |
| Net unrealized gain (loss) on investments | (25,380) | (39,299) | (8,517) | (372,318) |
| Net gain (loss) on notes payable - derivative | 1,082 | (1,041) | (1,022) | 56,556 |
| Net gain on warrant liability | — | 307 | — | 20,005 |
| Foreign currency gain (loss) | (768) | 2,579 | (843) | 3,293 |
| Loss attributable to non-controlling interests liability | — | (8,857) | — | 105,160 |
| | 1,130 | 23,126 | 14,069 | (851,510) |
| Loss before income taxes | (96,961) | (70,251) | (4,973) | (760,786) |
| Income taxes expense (benefit) | (3,240) | (2,357) | 586 | (26,984) |
| Net loss | \$ (93,721) | \$ (67,894) | \$ (5,559) | \$ (733,802) |
| Other comprehensive income (loss) | | | | |
| Foreign currency translation adjustment | \$ 419 | \$ (222) | \$ 3 | \$ (710) |
| Net comprehensive loss | \$ (93,302) | \$ (68,116) | \$ (5,556) | \$ (734,512) |

| | Three months ended | | Nine months ended | |
|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | September 30, 2023 | September 30, 2022 | September 30, 2023 | September 30, 2022 |
| GDH LP Net loss per unit: | | | | |
| Basic | \$ (0.29) | \$ (0.21) | \$ (0.02) | \$ (2.24) |
| Diluted | (0.29) | (0.21) | (0.02) | (2.29) |
| Weighted average units: | | | | |
| Basic | 322,656,584 | 326,187,757 | 321,154,802 | 327,599,342 |
| Diluted | 322,656,584 | 386,187,757 | 323,154,802 | 342,921,483 |

Reportable segments (unaudited)

Income and expenses by each reportable segment of GDH LP for the three months ended September 30, 2023 are as follows:

| (in thousands) | Global Markets | Asset Management | Digital Infrastructure Solutions | Corporate and Other | Totals |
|--|--------------------|---------------------|--|------------------------|--------------------|
| Income (loss) | | | | | |
| Fee revenue ⁽¹⁾ | \$ 51 | \$ 4,686 | \$ 5,589 | \$ (801) | \$ 9,525 |
| Net realized loss on digital assets | (67,232) | (385) | — | — | (67,617) |
| Net realized gain on investments | 22,001 | 354 | — | — | 22,355 |
| Lending and staking revenue | 13,821 | 184 | — | — | 14,005 |
| Net derivative gain | 15,667 | — | 70 | — | 15,737 |
| Revenue from proprietary mining | — | — | 8,848 | — | 8,848 |
| Other income (loss) | 75 | 32 | 199 | (179) | 127 |
| | (15,617) | 4,871 | 14,706 | (980) | 2,980 |
| Operating expenses⁽²⁾ | 43,510 | 12,131 | 21,933 | 23,497 | 101,071 |
| Net unrealized gain (loss) on digital assets | 26,919 | (723) | — | — | 26,196 |
| Net unrealized loss on investments | (4,052) | (20,949) | (379) | — | (25,380) |
| Net gain on notes payable - derivative | — | — | — | 1,082 | 1,082 |
| Foreign currency loss | (768) | — | — | — | (768) |
| | 22,099 | (21,672) | (379) | 1,082 | 1,130 |
| Loss before income taxes | \$ (37,028) | \$ (28,932) | \$ (7,606) | \$ (23,395) | \$ (96,961) |
| Income tax benefit | — | — | — | (3,240) | (3,240) |
| Net loss | \$ (37,028) | \$ (28,932) | \$ (7,606) | \$ (20,155) | \$ (93,721) |
| Foreign currency translation adjustment | — | — | — | 419 | 419 |
| Net comprehensive loss | \$ (37,028) | \$ (28,932) | \$ (7,606) | \$ (19,736) | \$ (93,302) |

⁽¹⁾ Asset Management Fee revenue includes management fees generated off the Partnership's balance sheet venture investments which are eliminated in the Corporate & Other segment.

⁽²⁾ Within Digital Infrastructure Solutions, mining expenses include a \$6 million reduction in the fair value of our Power Purchase Agreement ("PPA").

Income and expenses by each reportable segment of GDH LP for the nine months ended September 30, 2023 are as follows:

| (in thousands) | Global Markets | Asset Management | Digital Infrastructure Solutions | Corporate and Other | Totals |
|--|-------------------|---------------------|--|------------------------|-------------------|
| Income (loss) | | | | | |
| Fee revenue ⁽¹⁾ | \$ 2,262 | \$ 13,833 | \$ 20,323 | \$ (2,211) | \$ 34,207 |
| Net realized gain on digital assets | 14,261 | 4,420 | — | — | 18,681 |
| Net realized gain on investments | 46,100 | 22,611 | — | — | 68,711 |
| Lending and staking revenue | 33,853 | 1,470 | — | — | 35,323 |
| Net derivative gain (loss) | 78,985 | 1,542 | (65) | — | 80,462 |
| Revenue from proprietary mining | — | — | 20,672 | — | 20,672 |
| Other income (loss) | 210 | (131) | 254 | — | 333 |
| | 175,671 | 43,745 | 41,184 | (2,211) | 258,389 |
| Operating expenses⁽²⁾ | 126,613 | 42,109 | 38,995 | 69,714 | 277,431 |
| Net unrealized gain (loss) on digital assets | 25,476 | (1,025) | — | — | 24,451 |
| Net unrealized gain (loss) on investments | 13,079 | (27,868) | 6,272 | — | (8,517) |
| Net loss on notes payable - derivative | — | — | — | (1,022) | (1,022) |
| Foreign currency loss | (843) | — | — | — | (843) |
| | 37,712 | (28,893) | 6,272 | (1,022) | 14,069 |
| Income (loss) before income taxes | \$ 86,770 | \$ (27,257) | \$ 8,461 | \$ (72,947) | \$ (4,973) |
| Income tax expense | — | — | — | 586 | 586 |
| Net income (loss) | \$ 86,770 | \$ (27,257) | \$ 8,461 | \$ (73,533) | \$ (5,559) |
| Foreign currency translation adjustment | — | — | — | 3 | 3 |
| Net comprehensive income (loss) | \$ 86,770 | \$ (27,257) | \$ 8,461 | \$ (73,530) | \$ (5,556) |

⁽¹⁾ Asset Management Fee revenue includes management fees generated off the Partnership's balance sheet venture investments which are eliminated in the Corporate & Other segment.

⁽²⁾ Within Digital Infrastructure Solutions, mining expenses include a \$6 million reduction in the fair value of our PPA in the third quarter whereas a \$5.6 million unrealized gain on the PPA was recorded in the second quarter. In the first and second quarters, we also realized a non-recurring impairment reversal on mining equipment, which lowered non-cash operating expenses by \$12.5 million.

Income and expenses by each reportable segment of GDH LP for the three months ended September 30, 2022 are as follows:

| (in thousands) | Global Markets | Asset Management | Digital Infrastructure Solutions | Corporate and Other | Totals |
|--|-------------------|---------------------|--|------------------------|--------------------|
| Income (loss) | | | | | |
| Fee revenue | \$ 1,234 | \$ 3,374 | \$ 1,311 | \$ — | \$ 5,919 |
| Net realized gain (loss) on digital assets | 27,164 | (22,449) | — | — | 4,715 |
| Net realized loss on investments | (8,230) | (546) | — | — | (8,776) |
| Lending and staking revenue | 6,104 | 291 | — | — | 6,395 |
| Net derivative gain | 17,825 | — | — | — | 17,825 |
| Revenue from proprietary mining | — | — | 4,224 | — | 4,224 |
| Other income (loss) | (384) | 895 | — | 1,863 | 2,374 |
| | 43,713 | (18,435) | 5,535 | 1,863 | 32,676 |
| Operating expenses | 39,608 | 14,657 | 40,517 | 31,271 | 126,053 |
| Net unrealized gain on digital assets | 10,504 | 58,933 | — | — | 69,437 |
| Net unrealized gain (loss) on investments | 5,485 | (44,169) | (615) | — | (39,299) |
| Net loss on notes payable - derivative | — | — | — | (1,041) | (1,041) |
| Net gain on warrant liability | — | — | — | 307 | 307 |
| Foreign currency gain | 2,579 | — | — | — | 2,579 |
| Gain attributable to non-controlling interests liability | — | (8,857) | — | — | (8,857) |
| | 18,568 | 5,907 | (615) | (734) | 23,126 |
| Income (loss) before income taxes | \$ 22,673 | \$ (27,185) | \$ (35,597) | \$ (30,142) | \$ (70,251) |
| Income tax benefit | — | — | — | (2,357) | (2,357) |
| Net income (loss) | \$ 22,673 | \$ (27,185) | \$ (35,597) | \$ (27,785) | \$ (67,894) |
| Foreign currency translation adjustment | — | — | — | (222) | (222) |
| Net comprehensive income (loss) | \$ 22,673 | \$ (27,185) | \$ (35,597) | \$ (28,007) | \$ (68,116) |

Income and expenses by each reportable segment of GDH LP for the nine months ended September 30, 2022 are as follows:

| (in thousands) | Global Markets | Asset Management | Digital Infrastructure Solutions | Corporate and Other | Totals |
|--|---------------------|---------------------|----------------------------------|---------------------|---------------------|
| Income (loss) | | | | | |
| Fee revenue | \$ 11,567 | \$ 11,143 | \$ 5,185 | \$ — | \$ 27,895 |
| Net realized gain (loss) on digital assets | (64,941) | 193,499 | — | — | 128,558 |
| Net realized gain (loss) on investments | (11,408) | 75,561 | — | — | 64,153 |
| Lending and staking revenue | 30,570 | 516 | — | — | 31,086 |
| Net derivative gain | 179,821 | — | — | — | 179,821 |
| Revenue from proprietary mining | — | — | 21,330 | — | 21,330 |
| Other income | 235 | 2,034 | — | 1,883 | 4,152 |
| | 145,844 | 282,753 | 26,515 | 1,883 | 456,995 |
| Operating expenses | 133,893 | 47,878 | 55,200 | 129,300 | 366,271 |
| Net unrealized loss on digital assets | (182,121) | (482,085) | — | — | (664,206) |
| Net unrealized loss on investments | (102,527) | (244,116) | (25,675) | — | (372,318) |
| Net gain on notes payable - derivative | — | — | — | 56,556 | 56,556 |
| Net gain on warrant liability | — | — | — | 20,005 | 20,005 |
| Foreign currency gain | 3,293 | — | — | — | 3,293 |
| Loss attributable to non-controlling interests liability | — | 105,160 | — | — | 105,160 |
| | (281,355) | (621,041) | (25,675) | 76,561 | (851,510) |
| Loss before income taxes | \$ (269,404) | \$ (386,166) | \$ (54,360) | \$ (50,856) | \$ (760,786) |
| Income tax benefit | — | — | — | (26,984) | (26,984) |
| Net loss | \$ (269,404) | \$ (386,166) | \$ (54,360) | \$ (23,872) | \$ (733,802) |
| Foreign currency translation adjustment | — | — | — | (710) | (710) |
| Net comprehensive loss | \$ (269,404) | \$ (386,166) | \$ (54,360) | \$ (24,582) | \$ (734,512) |

Assets and liabilities by reportable segment of GDH LP as of September 30, 2023 are as follows:

| (in thousands) | Global Markets | Asset Management | Digital Infrastructure Solutions | Corporate and Other | Totals |
|--------------------------|----------------|------------------|----------------------------------|---------------------|--------------|
| Total assets | \$ 2,093,543 | \$ 521,198 | \$ 328,760 | \$ 40,361 | \$ 2,983,862 |
| Total liabilities | \$ 946,545 | \$ 153 | \$ 2,247 | \$ 568,878 | \$ 1,517,823 |

Assets and liabilities by reportable segment of GDH LP as of December 31, 2022 are as follows:

| (in thousands) | Global Markets | Asset Management | Digital Infrastructure Solutions | Corporate and Other | Totals |
|--------------------------|----------------|------------------|----------------------------------|---------------------|--------------|
| Total assets | \$ 1,476,489 | \$ 536,061 | \$ 251,624 | \$ 81,969 | \$ 2,346,143 |
| Total liabilities | \$ 338,336 | \$ 1,084 | \$ 10,519 | \$ 557,412 | \$ 907,351 |

Net Digital Assets Position

Net digital assets includes all digital assets categorized as assets, less all digital assets categorized as liabilities on the statement of financial position and is included in the Company's liquidity measure. Net digital assets as of September 30, 2023 and December 31, 2022 are as follows:

| <i>(in thousands)</i> | As of September 30, 2023 | As of December 31, 2022 |
|--|-----------------------------|----------------------------|
| Assets | | |
| Digital assets | \$ 983,711 | \$ 566,690 |
| Bitcoin ⁽¹⁾ | 472,431 | 222,229 |
| Ether ⁽¹⁾ | 227,396 | 54,219 |
| USDC | 131,228 | 199,479 |
| USDT | 111,216 | 62,267 |
| All other | 41,440 | 28,496 |
| Digital asset loans receivable, net of allowance | 80,442 | 49,971 |
| Digital assets receivable, current | 7,528 | 12,423 |
| Digital assets receivable, non-current | 3,537 | 5,154 |
| Assets posted as collateral ⁽²⁾ | 120,696 | 25,138 |
| | <u>1,195,914</u> | <u>659,376</u> |
| Liabilities | | |
| Digital asset loans payable | 272,239 | 170,566 |
| Collateral payable ⁽²⁾ | 469,234 | 73,458 |
| | <u>741,473</u> | <u>244,024</u> |
| Digital assets, net | \$ 454,441 | \$ 415,352 |
| Stablecoins, net | \$ 99,968 | \$ 281,048 |
| Digital assets, net excl. stablecoins | \$ 354,473 | \$ 134,304 |

⁽¹⁾ September 30, 2023 balances include associated tokens such as wBTC, wETH and stETH.

⁽²⁾ Excludes cash portion of consolidated balance on the Partnership's balance sheet.