

## NEWS RELEASE

# Galaxy To Acquire Helios Bitcoin Mining Facility from Argo Blockchain

12/28/2022

State-of-the-Art Facility Will Significantly Expand Galaxy's Mining Capabilities

NEW YORK, Dec. 28, 2022 /CNW/ - **Galaxy Digital Holdings Ltd.** (TSX: GLXY) ("Galaxy" or "the Company"), a financial services and investment management innovator in the digital asset, cryptocurrency, and blockchain technology sectors, has agreed to acquire the Helios bitcoin mining facility and its related operations from Argo Blockchain plc (LSE: ARB; NASDAQ: ARBK) ("Argo") for approximately \$65 million.

The transaction will accelerate the expansion of Galaxy's bitcoin mining operations and services, provide access to tax-efficient mining infrastructure and reduce reliance on third-party hosting providers.

Helios is a large-scale bitcoin mining facility located in Dickens County, Texas, that has the ability to operate up to 180 megawatts (MW) of mining capacity, utilizing immersion cooling technology. Upon receipt of certain approvals, Helios is expected to provide Galaxy with as much as 800 MW of capacity, enabling the Company to grow its proprietary and hosted bitcoin mining infrastructure beyond its previously stated goals. Helios, which sits on a 160-acre campus, commenced operations in May 2022 and is currently staffed by approximately 40 employees who manage day-to-day operations.

"Galaxy is aspiring to be one of the most trusted nodes of the decentralized future," said Chris Ferraro, President and Chief Investment Officer at Galaxy. "The acquisition of Helios represents a new stage over our two-year journey in bitcoin mining that increases our operating scale and breadth of solutions, creating sustainable value for the biggest decentralized digital asset network and shareholders alike."

Galaxy intends to utilize Helios as its flagship proprietary mining facility and retain the entire operations team.

Galaxy will also begin offering hosting services for third-party bitcoin miners at Helios, creating a new revenue stream for the Company. Galaxy and Argo will work together to ensure a smooth transition at Helios, minimizing disruptions to operations. Galaxy has also pledged to support the various community commitments Argo has established since it began building Helios in July 2021.

In connection with this transaction, Galaxy has agreed to provide Argo with a new senior-secured loan valued at \$35 million, secured by a collateral package that includes Argo mining equipment. Argo will also enter into a two-year hosting agreement with Galaxy, securing a place for Argo's mining machines at the Helios facility.

Helios is the second planned bitcoin mining facility that Galaxy will own and operate. **As previously announced**, Galaxy broke ground on its first proprietary mining site earlier this year, which is also located in Texas.

"Quality infrastructure and access to low-cost energy are the cornerstones of a successful mining operation, making the acquisition of Helios an incredible milestone for the growth of Galaxy's mining business," said Amanda Fabiano, Head of Mining at Galaxy. "We are thrilled to welcome the people supporting Helios to the Galaxy team. We also look forward to having Argo as our first hosting client."

Galaxy and Argo expect the transaction to close on December 28, 2022.

Galaxy Investment Banking served as exclusive financial advisor to Galaxy on the acquisition of Helios. Kirkland & Ellis LLP served as Galaxy's legal advisor in connection with the transaction.

## About Galaxy

Galaxy (TSX: GLXY) is a digital asset and blockchain leader providing institutions, startups, and qualified individuals access to the crypto economy. Our full suite of financial services is custom-made for a digitally native ecosystem, spanning multiple synergistic business lines: Trading, Asset Management, Investment Banking, Mining, and Ventures.

Galaxy's CEO and Founder Michael Novogratz leads a team of crypto enthusiasts and institutional veterans working together on a mission to engineer a new economic paradigm. The Company is headquartered in New York City, with offices in Chicago, New Jersey, Texas, London, Amsterdam, Hong Kong, Tokyo, and the Cayman Islands (reg. office).

Additional information about Galaxy's businesses and products is available on [www.galaxy.com](http://www.galaxy.com).

## Disclaimers

The TSX has neither approved nor disapproved the contents of this press release.

## CAUTION ABOUT FORWARD-LOOKING STATEMENTS

The information in this communication may contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and 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 the acquisition of the Helios Bitcoin Mining Facility (the "transaction"), 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. Forward-looking statements in this press release may include, for example, statements about: our expectations regarding the performance of our mining business; additional mining capacity at the Helios facility; the creation of new revenue sources and businesses with the transaction. The forward-looking statements contained in this release 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 outcome of any legal proceedings that may be instituted following the transaction; (2) costs related to the transaction and energy sources; (3) changes in applicable laws or regulations; (4) the possibility that the mining business may be adversely affected by other economic, business, and/or competitive factors or natural disasters; (5) changes or events that impact the cryptocurrency industry, including potential regulation, that are out of our control; (6) the risk that our business will not grow in line with our expectations; (7) the possibility that our addressable market is smaller than we have anticipated and/or that we may not gain share of it; (8) those other risks contained in the Annual Information Form for the year ended December 31, 2021 available on the Company's profile at [www.sedar.com](http://www.sedar.com) and (9) other risks and uncertainties to be indicated from time to time in filings made on SEDAR. Factors that could cause actual results of the Company to differ materially from those described in such forward-looking statements include, but are not limited to, failure to receive regulatory approvals or the imposition of new regulations; 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 and corresponding impacts to our business. 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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