

# Galaxy Digital Holdings LP

Consolidated Statements of Financial Position  
(Expressed in US Dollars)

	December 31, 2020	December 31, 2019
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 135,765,978	\$ 106,262,780
Digital assets (Note 7)	850,380,264	85,980,731
Investments (Note 8)	260,383,297	158,163,420
Receivable for digital asset trades (Note 7)	13,204,252	330,609
Digital asset loans receivable (Note 11)	96,723,981	16,061,945
Digital assets receivables (Note 7)	12,813,006	—
Assets posted as collateral (Note 11)	15,768,380	10,585,819
Receivables (Note 10)	2,710,424	1,853,169
Due from broker	4,452,369	16,590
Derivatives (Note 9)	15,921,618	—
Prepaid expenses and other assets (Note 12)	6,493,753	2,563,665
Goodwill (Note 6)	15,514,746	—
Loans receivable (Note 13)	8,509,587	11,719,738
	<u>1,438,641,655</u>	<u>393,538,466</u>
Digital assets receivables (Note 7)	6,911,175	—
Right of use asset (Note 14)	4,573,229	5,182,993
Property and equipment (Note 14)	3,693,301	4,057,662
Intangible asset (Note 6)	2,406,000	—
	<u>17,583,705</u>	<u>9,240,655</u>
<b>Total assets</b>	<b>\$ 1,456,225,360</b>	<b>\$ 402,779,121</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Digital assets sold short (Note 16)	\$ 5,277,878	\$ 18,616,860
Investments sold short (Note 8)	4,384,290	—
Warrant liability (Note 18)	20,781,207	—
Accounts payable and accrued liabilities (Note 15)	34,153,778	11,719,494
Payable for digital asset trades (Note 7)	31,144,419	250,158
Digital asset loans payable (Note 11)	226,398,948	11,134,329
Collateral payable (Note 9, 11, 13)	44,660,149	434,498
Lease liability (Note 17)	742,333	772,003
	<u>367,543,002</u>	<u>42,927,342</u>
Lease liability (Note 17)	4,515,389	4,747,214
<b>Total liabilities</b>	<u>372,058,391</u>	<u>47,674,556</u>
<b>Equity</b>		
Partners' capital (Note 18)	798,211,451	347,785,081
Non-controlling interests (Note 19)	285,955,518	7,319,484
<b>Total equity</b>	<u>1,084,166,969</u>	<u>355,104,565</u>
<b>Total liabilities and equity</b>	<b>\$ 1,456,225,360</b>	<b>\$ 402,779,121</b>
Nature and continuance of operations (Note 1)		
Commitments and contingencies (Note 27)		
Subsequent event (Note 29)		

The consolidated financial statements were authorized for issuance by the Board of Managers of Galaxy Digital Holdings GP LLC on March 29, 2021 and were signed on its behalf by:

"Ashwin Prithipaul" Chief Financial Officer

"Michael Novogratz" Chief Executive Officer

The accompanying notes are an integral part of these consolidated financial statements.

# Galaxy Digital Holdings LP

Consolidated Statements of Comprehensive Income  
(Expressed in US Dollars)

	Year ended December 31, 2020	Year ended December 31, 2019
<b>Income</b>		
Advisory and management fees	\$ 9,615,240	\$ 5,329,819
Net realized gain on digital assets	271,108,044	71,971,480
Net realized gain on investments (Note 8)	10,795,869	37,922,360
Interest income	6,131,988	4,229,684
Net derivative gain (Note 9)	5,699,318	12,425,065
Other income	809,502	464,554
	<b>304,159,961</b>	<b>132,342,962</b>
<b>Operating expenses</b>		
Equity based compensation (Note 18)	11,851,120	28,131,160
Compensation and compensation related (Notes 20, 23)	34,163,813	28,579,918
General and administrative (Note 22)	15,126,938	12,660,376
Professional fees (Note 21)	7,663,579	8,177,491
Interest	9,729,199	3,133,143
Insurance	1,090,000	1,322,089
Director fees	248,522	200,000
	<b>(79,873,171)</b>	<b>(82,204,177)</b>
Net unrealized gain (loss) on digital assets	239,719,806	(11,973,090)
Net unrealized gain (loss) on investments (Note 8)	90,587,112	(12,521,148)
Net unrealized loss on warrant liability (Note 18)	(14,318,125)	—
Unrealized foreign currency gain (loss)	(517,442)	147,986
Realized foreign currency loss	(870,755)	(197,065)
	<b>314,600,596</b>	<b>(24,543,317)</b>
<b>Income for the year</b>	<b>\$ 538,887,386</b>	<b>\$ 25,595,468</b>
<b>Income (loss) attributed to:</b>		
Unit holders of the Partnership	\$ 385,502,231	\$ 25,770,304
Non-controlling interests (Note 19)	153,385,155	(174,836)
	<b>\$ 538,887,386</b>	<b>\$ 25,595,468</b>
<b>Other comprehensive income</b>		
Foreign currency translation adjustment	\$ 16,615	\$ 254,448
<b>Comprehensive income for the year</b>	<b>\$ 538,904,001</b>	<b>\$ 25,849,916</b>
<b>Comprehensive income (loss) attributed to:</b>		
Unit holders of the Partnership	\$ 385,518,846	\$ 26,024,752
Non-controlling interests (Note 19)	153,385,155	(174,836)
	<b>\$ 538,904,001</b>	<b>\$ 25,849,916</b>

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# Galaxy Digital Holdings LP

## Consolidated Statements of Changes in Equity (Expressed in US Dollars)

	Class A Unit Capital		Class B Unit Capital		Non-controlling Interests in Consolidated Subsidiaries	Total
	Number	Amount	Number	Amount		
<b>Balance at December 31, 2018</b>	<b>65,117,305</b>	<b>\$ 204,581,926</b>	<b>215,713,955</b>	<b>\$ 96,938,665</b>	<b>\$ 4,167,578</b>	<b>\$ 305,688,169</b>
Purchase of additional interest	—	—	—	—	(140,316)	(140,316)
Equity based compensation (Note 18)	—	6,533,282	—	21,597,878	—	28,131,160
Contributions (Note 19)	—	—	—	—	4,363,017	4,363,017
Distributions (Note 19)	—	—	—	—	(895,959)	(895,959)
Vesting of Class B Units	—	—	11,939,207	—	—	—
Exchange of Class B Units	2,834,669	3,669,451	(2,834,669)	(3,669,451)	—	—
Cancellation of Class A Units	(1,315,434)	(1,224,760)	—	—	—	(1,224,760)
Cancellation of Class B Units withheld	—	—	(5,485,586)	(6,666,662)	—	(6,666,662)
Foreign currency translation adjustment	—	—	—	254,448	—	254,448
Income for the year	—	5,846,146	—	19,924,158	(174,836)	25,595,468
<b>Balance at December 31, 2019</b>	<b>66,636,540</b>	<b>\$ 219,406,045</b>	<b>219,332,907</b>	<b>\$ 128,379,036</b>	<b>\$ 7,319,484</b>	<b>\$ 355,104,565</b>
Equity based compensation (Note 18)	—	2,854,540	—	9,145,102	—	11,999,642
Contributions (Note 19)	—	—	—	—	141,572,423	141,572,423
Distributions (Note 18, 19)	—	—	—	(1,932,121)	(16,321,544)	(18,253,665)
Vesting of Class B Units	—	—	7,063,639	—	—	—
Exchange of Class B Units	3,469,661	4,832,895	(3,469,661)	(4,832,895)	—	—
Cancellation of Class A Units	(3,600,997)	(2,874,622)	—	—	—	(2,874,622)
Issuance of Class A Units on exercise of options and restricted stock	2,002,832	—	—	—	—	—
Cancellation of Class B Units withheld	—	—	(20,951)	(38,000)	—	(38,000)
Shares issued for PIPE transaction (net of issuance costs)	19,070,000	49,277,614	—	—	—	49,277,614
Warrant liability allocation	—	(6,463,082)	—	—	—	(6,463,082)
Shares issued for acquisitions	3,670,471	14,938,093	—	—	—	14,938,093
Foreign currency translation adjustment	—	—	—	16,615	—	16,615
Income for the year	—	103,386,280	—	282,115,951	153,385,155	538,887,386
<b>Balance at December 31, 2020</b>	<b>91,248,507</b>	<b>\$ 385,357,763</b>	<b>222,905,934</b>	<b>\$ 412,853,688</b>	<b>\$ 285,955,518</b>	<b>\$1,084,166,969</b>

The accompanying notes are an integral part of these consolidated financial statements.

# Galaxy Digital Holdings LP

Consolidated Statements of Cash Flows  
(Expressed in US Dollars)

	Year ended December 31, 2020	Year ended December 31, 2019
<b>Operating activities</b>		
Income for the year	\$ 538,887,386	\$ 25,595,468
Adjustments for:		
Bad debt expense	239,883	2,308,406
Depreciation	1,160,690	1,083,126
Equity based compensation	11,851,120	28,131,160
Equity based compensation included in directors fees	148,522	—
Interest expense	9,729,199	3,133,143
Interest income	(6,131,988)	(4,229,684)
Net realized gain on digital assets	(271,108,044)	(71,971,480)
Net realized gain on investments	(10,795,869)	(37,922,360)
Net derivative gain	(5,699,318)	—
Net unrealized (gain) loss on digital assets	(239,719,806)	11,973,090
Net unrealized (gain) loss on investments	(90,587,112)	12,521,148
Net unrealized loss on warrant liability	14,318,125	—
Unrealized foreign currency (gain) loss	517,442	(147,986)
Changes in operating assets and liabilities:		
Net digital asset activity	(246,301,354)	42,312,361
Receivable for digital asset trades	(12,873,643)	8,248,449
Digital asset loans receivable	(80,662,036)	(16,061,945)
Assets posted as collateral	(5,182,561)	(10,585,819)
Receivables	3,734,180	(2,016,624)
Due to related party	—	(1,177,498)
Derivatives	(10,222,300)	—
Prepaid expenses and other assets	(3,775,762)	(546,967)
Payable for digital asset trades	30,894,261	(9,582,579)
Digital asset loans payable	159,356,648	11,134,329
Collateral payable	44,225,651	434,498
Due from broker	(4,435,779)	(16,590)
Accounts payable and accrued liabilities	19,306,247	(3,407,616)
Net cash used in operating activities	(153,126,218)	(10,791,970)
<b>Investing activities</b>		
Loans receivable	(20,881,129)	(19,760,339)
Repayment of loans receivable	24,894,598	26,775,247
Receipt of interest on loans receivable	632,602	2,466,413
Purchase of property and equipment	(108,746)	(403,175)
Disposal of property and equipment	—	35,072
Purchase of investments	(27,210,329)	(29,607,022)
Proceeds and distributions from investments	35,358,940	75,583,983
Proceeds from investments sold short	3,810,153	—

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# Galaxy Digital Holdings LP

## Consolidated Statements of Cash Flows (Expressed in US Dollars)

Cash paid on acquisitions	(7,762,005)	—
Cash assumed on acquisitions	4,456,462	—
Net cash provided by investing activities	13,190,546	55,090,179
<b>Financing activities</b>		
Cash paid for principal portion of lease liability	(261,495)	(213,209)
Purchase of additional interest in subsidiary	—	(140,316)
Proceeds from PIPE transaction (net of issuance costs)	49,277,614	—
Capital contributions from non-controlling interests	141,572,423	4,363,017
Distributions	(1,932,121)	—
Distributions to non-controlling interests	(16,321,544)	(895,959)
Cancellation of Class A Units withheld	(2,874,622)	(1,224,760)
Cancellation of Class B Units withheld	(38,000)	(6,666,662)
Net cash provided by (used in) financing activities	169,422,255	(4,777,889)
Impact of exchange rate change on cash	16,615	254,448
Net increase in cash	29,503,198	39,774,768
Cash, beginning of year	106,262,780	66,488,012
Cash, end of year	\$ 135,765,978	\$ 106,262,780
<b>Supplemental disclosure of cash flow information and non-cash investing and financing activities:</b>		
Cash paid during the year for:		
Taxes	\$ 592,137	\$ 65,760
Non-cash activities:		
Interest paid in digital assets	\$ 9,079,397	\$ 2,520,540
Reclassification between investments and digital assets	\$ 1,699,532	\$ 1,100,000
Purchase of investments paid in digital assets	\$ 12,084,984	\$ —
Initial recognition of warrant liability from equity	\$ 6,463,082	\$ —
Net assets acquired in business combination	\$ 3,359,314	\$ —
Shares issued for acquisitions	\$ 14,938,093	\$ —
Recognition of right of use asset and lease liability	\$ —	\$ 5,732,426
Purchase of investment included in accounts payable and accrued liabilities	\$ —	\$ 132,798
Proceeds from investments included in prepaid expenses and other assets	\$ —	\$ 13,818

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