



GALAXY
D I G I T A L

Galaxy Digital Holdings Ltd.
Management's Discussion and Analysis

August 13, 2021

Introduction

This Management's Discussion and Analysis ("MD&A"), dated August 13, 2021, relates to the financial condition and results of operations of Galaxy Digital Holdings Ltd. ("GDH Ltd." or together with its consolidated subsidiary, the "Company") as of August 13, 2021, and is intended to supplement and complement the Company's condensed consolidated interim financial statements for the three and six months ended June 30, 2021. The Company's only significant asset is a minority interest in Galaxy Digital Holdings LP ("GDH LP" or the "Partnership"), an operating partnership that is building a diversified financial services and investment management business in the cryptocurrency and blockchain space (See Transaction section). GDH LP has separately filed its condensed consolidated interim financial statements and MD&A for the three and six months ended June 30, 2021, which are available on the Company's SEDAR profile at www.sedar.com. **The Company's MD&A should be read in conjunction with GDH LP's condensed consolidated interim financial statements and MD&A. The Company has included GDH LP's MD&A as an appendix to this MD&A.**

This MD&A, when read in conjunction with GDH LP's MD&A, was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations ("NI 51-102"). The consolidated financial statements and MD&A are presented in US dollars, unless otherwise noted and have been prepared in accordance with International Financial Reporting Standards ("IFRS"). In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results presented for the three and six months ended June 30, 2021 are not necessarily indicative of the results that may be expected for any future period.

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that the financial statements and MD&A do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by these filings, and the financial report together with the other financial information included in these filings fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented in these filings.

Cautionary Note Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These forward-looking statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", "seeks" or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Forward-looking statements are subject to the risk that the industry or the Partnership's businesses 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 investment banking transactions may be modified or not completed at all and those other risks described in this MD&A, the Management's Discussion and Analysis, dated August 13, 2021 of GDH LP, those referenced under Risks and Uncertainties in this MD&A and contained in the annual information form dated March 29, 2021 ("AIF") of the Company. Factors that could cause actual results of the Partnership 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 businesses achieving mandates; and for investment banking transactions, a decline in the securities markets, an adverse development with respect to an issuer or party to a transaction or failure to obtain a required regulatory approval. Readers are cautioned that such risk factors, uncertainties and other factors are not exhaustive. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. The forward-looking statements in this MD&A are applicable only as of the date of this MD&A or as of the date specified in the relevant forward-looking statement and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by applicable securities laws. Investors are cautioned that forward-looking statements are not guarantees of future performance and are inherently uncertain. Accordingly, investors are cautioned not to put undue reliance on forward-looking statements.

Overview

GDH Ltd., formerly Bradmer Pharmaceuticals Inc. ("Bradmer"), was originally formed and incorporated under the Business Corporations Act (Ontario) on February 10, 2006 by the amalgamation of a private company, Blue Devil Pharmaceuticals Inc., and a predecessor company also named Bradmer Pharmaceuticals Inc. By the end of 2009 and up to the date of the closing of the Arrangement (as defined in the Transaction section below), all significant business activities and operations of Bradmer had been terminated.

Upon the closing of the Arrangement, on July 31, 2018, the Company continued out of the Province of Ontario to become a company existing under the laws of the Cayman Islands. The Company's principal address is 107 Grand Street, 8th Floor, New York, New York, 10013.

Effective July 6, 2020, the Company has an active public listing on the Toronto Stock Exchange ("TSX"), via the TSX Sandbox, under the ticker "GLXY". The Company was previously listed on the TSX Venture Exchange ("TSX-V") under the same ticker. GDH Ltd.'s ordinary shares are dual-listed on the Frankfurt Stock Exchange under the symbol "7LX".

The Company is a holding company as its only significant asset is a minority interest in GDH LP. GDH LP is building a diversified financial services and investment management business in the cryptocurrency and blockchain space, to capitalize on market opportunities made possible by the ongoing evolution of the digital assets space through five primary business lines: trading, principal investments, asset management, investment banking and mining.

The Partnership is a limited partnership formed under the laws of the Cayman Islands on May 11, 2018. Galaxy Digital Holdings GP LLC ("GDH GP" or the "General Partner"), is a limited liability company incorporated under the laws of the Cayman Islands on July 26, 2018 and serves as the general partner of the Partnership. Galaxy Group Investments LLC ("GGI"), a Delaware limited liability company, which is owned by the Michael Novogratz, the Chief Executive Officer ("CEO") of the Company, is the sole member of the General Partner and the majority owner of the Partnership as of June 30, 2021 (the "reporting date").

The Partnership's principal address is 107 Grand Street, 8th Floor, New York, New York, 10013. The Partnership also has offices in London, England, Hong Kong, Amsterdam, Netherlands, Jersey City, U.S., San Francisco, U.S., Chicago, U.S. and the Cayman Islands (registered office).

As of the date of this filing, the Partnership has 222 full-time employees.

Transaction

Background

In early 2018, Galaxy LP, the personal investing business of Michael Novogratz, set out to build an institutional-quality merchant banking business in the blockchain, digital asset and cryptocurrency space. As a result, in January 2018, Michael Novogratz contributed his portfolio of digital assets and related investments to Galaxy LP, which had a fair value of approximately \$302 million ("Asset Contribution").

In addition, through a series of transactions and, by way of a plan of arrangement (the "Transaction" or "Arrangement"), Galaxy LP and First Coin Capital Corp. ("First Coin") formed GDH LP and Bradmer Pharmaceuticals Inc. ("Bradmer") changed its name to Galaxy Digital Holdings Ltd. In connection with the Transaction, Bradmer raised approximately C\$305 million in a private placement offering of 61.0 million subscription receipts (the "Offering"). The net proceeds of the Offering were used by Bradmer to acquire a minority equity interest in GDH LP, providing growth capital to build the business.

On July 31, 2018, the Transaction closed and:

- Bradmer changed its name to Galaxy Digital Holdings Ltd. and appointed new members to its board of directors to manage its minority investment in the operating partnership on an ongoing basis.
 - The net proceeds of the Offering plus accrued interest were released from escrow in exchange for the issuance of Class A Units in GDH LP to Bradmer.
 - Bradmer completed a consolidation of its common shares on a basis of 126.38 pre-consolidated common share for one post consolidated common share in advance of the closing and then continued out of the Province of Ontario to become a company existing under the laws of the Cayman Islands.
 - Pursuant to policies of the TSX-V, Bradmer's listing was reactivated under the new ticker GLXY.

- Galaxy LP and First Coin became wholly owned subsidiaries of GDH LP.
 - Following the closing, the principals and owners of Galaxy LP and First Coin held direct controlling equity interests in GDH LP through the ownership of Class B Units, which are generally economically equivalent to Class A Units held by GDH Ltd. but are exchangeable, from time to time, into ordinary shares of GDH Ltd.
 - The sole limited partner of Galaxy LP, Galaxy Group Investments, transferred its interest in Galaxy LP and its ownership interest in Galaxy Digital GP LLC (“Galaxy GP”), the general partner of Galaxy LP, to GDH LP in exchange for 213,696,000 Class B Units.
- GDH LP, GDH GP, GDH Ltd., GDH Intermediate LLC (a wholly owned subsidiary of GDH Ltd. established as a tax-efficient blocker corporation or similar entity for US tax purposes) entered into a second amended and restated limited partnership agreement (as amended from time to time, the "LPA"). Certain key terms of the LPA include the following:
 - *Units* – As described, there are two classes of partnership interests ("Units"): Class A Units, which are held by GDH Ltd., and Class B Units, which are held by GGI and other Class B limited partners.
 - *Issuance of Additional Units* - the General Partner will not cause the Partnership to issue any additional Class B Units unless the General Partner determines there is a bona fide business or strategic reason to raise equity capital through the issuance of Class B Units, provided that the aggregate amount of Class B Units that may be issued is less than or equal to 70,000,000 or GDH Ltd. board of directors approves such issuance.
 - *Allocations of Income, Gain, Loss, Deduction and Credit* - each item of income, gain, loss, deduction and credit will generally be allocated pro-rata between Class A Units and Class B Units.
 - *Issuances and Redemptions of Common Stock of GDH Ltd.* - If GDH Ltd. issues any of its ordinary shares, the General Partner will, only if either (i) the General Partner has consented to such issuance or (ii) the issuance receives approval by the limited partners holding the majority of Units, cause the Partnership to issue to GDH Ltd., in exchange for GDH Ltd. promptly contributing the net cash proceeds of the issuance to the Partnership, a number of Class A Units equal to the number of ordinary shares issued. Upon the redemption, repurchase, or other acquisition of ordinary shares by GDH Ltd., the Partnership will, at substantially the same time as the redemption, repurchase or acquisition, redeem or cancel Class A Units equal to the number of ordinary shares redeemed, repurchased or acquired for an amount equal to the net cash amount paid by the GDH Ltd. for such redemption, repurchase, or other acquisition.
 - *Exchanges of Class B Units* - A Class B limited partner may exchange vested Class B Units for ordinary shares of GDH Ltd. On exchange, GDH Ltd. will issue ordinary shares and the General Partner will cancel the Class B Units exchanged and issue Class A Units to GDH Ltd. equal to the number of Class B Units being surrendered, after accounting for any withholding obligation if applicable.
 - *Removal of General Partner* - The General Partner may generally be removed by the limited partners holding at least 66 2/3% of the outstanding Units.
 - *Reimbursable Expenses* - All expenses reasonably incurred by GDH Ltd. in the conduct of its business, including fees related to professional advisors, required or advisable licenses and filings, and meetings and compensation of directors, will be reimbursable by GDH LP.
 - *General Partner Board* - As long as GDH Ltd. owns more than 10% of the outstanding Units, GDH Ltd. will have the right to appoint one person to the board of the general partner. In addition, if GDH Ltd. owns more than 40%, but not more than 50%, of the outstanding Units, GDH Ltd. will have the right to appoint another person to the board of the general partner.

The foregoing summary is qualified in its entirety by the full text of the LPA which is available on GDH Ltd.'s SEDAR profile at www.sedar.com.

Accounting for the Arrangement

While the Arrangement constituted a reverse takeover under securities law, a separate determination was required from an accounting perspective. The current accounting guidance requires a series of events to occur before the acquisition of an interest in an entity is deemed to be a reverse acquisition.

Under both securities law and IFRS accounting guidance, in an acquisition effected primarily by exchanging equity interests, the acquirer is typically the entity that issues its equity interests. However, in a reverse acquisition, the entity that issues securities to acquire another entity (the legal acquirer) is identified as the acquiree for accounting purposes. The entity whose equity interests are acquired (the legal acquiree) must be the acquirer for accounting purposes for the transaction to be considered a reverse acquisition. Reverse acquisitions sometimes occur when a private operating entity arranges for a public entity to acquire its equity interests in exchange for the equity interests of the public entity. In such a case, the public entity is the legal acquirer and the private entity is the legal acquiree. However, in applying the relevant accounting guidance, the public entity is identified as the acquiree for accounting purposes (accounting acquiree) and the private entity is identified as the acquirer for accounting purposes (the accounting acquirer).

In addition, in order to account for the transaction as a reverse acquisition or an acquisition, it was important to determine whether one entity controlled the other. Under accounting guidance, an investor controls an investee if and only if the investor has all of the following:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the investor's returns.

On the date of the closing of the Arrangement and as of reporting date, GDH Ltd. is not deemed to control GDH LP as it does not have power or control. The general partner of GDH LP and the majority owner of the Partnership's Units have power over GDH LP due to the ability to impact the Partnership's governance and decision making. The majority of the Partnership's Units in GDH LP is held by GGI, which is controlled by the CEO of the general partner. In addition, GGI has the right to appoint the majority of the members on the board of the general partner.

To determine whether GDH LP or the former owners of GDH LP controlled GDH Ltd. required significant judgment as there were factors that pointed both to evidence of control, and non control. The factors that pointed to evidence of non control included:

- As of the date of the closing of the Arrangement and as of the reporting date, GGI owned the majority of the Units in GDH LP; once it exchanges its Class B Units into ordinary shares of GDH Ltd., GGI will own the majority of the shares. As of the reporting date, GGI had not exchanged any of its Class B Units.
 - Upon an exchange by GGI of its Class B units, GGI will not have a controlling voting stake in GDH Ltd. because all U.S. residents' voting power, including GGI, is collectively capped at 49%.
- The board of GDH Ltd. was appointed by the shareholders of the Company and as of reporting date, the majority of the board was made up of independent directors.
- Neither GDH LP nor GGI can direct GDH Ltd. to raise equity financing on behalf of GDH LP, rather that is a decision to be approved by the independent directors of GDH Ltd.
- Any equity compensation plan (including any amendment or increase thereto) will need to be approved by the shareholders and GDH Ltd. board. If the equity compensation plan involved equity awards (such as options), the GDH Ltd. board will have the ultimate authority to award such grants.

On the other hand, the factors that pointed to evidence of control included:

- The relevant activities of GDH Ltd. (i.e. the activities that significantly affect its returns) and the ability to direct those activities are controlled by GDH LP through the LPA. In addition, GDH Ltd. will not, directly or indirectly, undertake any acquisition or investing activity or operate any business, except in or through GDH LP or subsidiaries of GDH LP.

The general partner of GDH LP can only be replaced by a vote of at least 66 2/3% of the Unitholders. As of the reporting date, GGI owned approximately 68% of the outstanding Units.

- Through the LPA, GDH Ltd. has limited ability to grow, other than through its investment in GDH LP, as all financing proceeds must be transferred to GDH LP. In addition, GDH Ltd. relies on GDH LP to pay its recurring expenses such as board member fees.
- The purpose of the Arrangement was for Galaxy Digital LP to gain a public listing through a public shell company (GDH Ltd.) and for the former owners of GDH LP to have control over the relevant activities of GDH Ltd. through the LPA pending acquisition of outright control following the conversion of Class B Units into shares of GDH Ltd.

Based on the above, it was assessed that neither GDH LP nor its former owners controlled GDH Ltd. In addition, it was determined that the Arrangement did not constitute a reverse acquisition from an accounting standpoint.

As of the reporting date, there have been no changes that would impact the accounting treatment.

Accounting for the Investment by GDH Ltd.

GDH Ltd. is deemed to have significant influence over GDH LP as it owns more than 20% of GDH LP and it has representation on the board of the general partner of the Partnership. As a result, the Company has accounted for its investment in the Partnership under the equity method.

If and when Class B units of the Partnership are exchanged into ordinary shares of GDH Ltd., GDH Ltd. receives Class A Units of the Partnership. As GDH Ltd.'s interest in GDH LP increases through the ownership of the Class A Units, it will be performing an ongoing assessment to determine when it obtains control of GDH LP. Under IFRS accounting guidance, as described above, an investor controls an investee if and only if the investor has all of the following:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the investor's returns.

While there are many factors that need to be considered for the evaluation of control, an important factor would be when GDH Ltd. obtains the ability to impact the Partnership's governance and decision making, including its ability to replace the general partner.

Description of Business

The Partnership today is pursuing five primary business lines.

Trading

The trading business, Galaxy Digital Trading (“GDT”), provides liquidity to clients and counterparties with regards to buying and selling cryptocurrencies and other digital assets. GDT accomplishes this by acting as an institutional-grade market maker and providing market expertise on a global basis and for 100 different cryptocurrencies, with over 650 counterparties. GDT engages in a number of activities, on a principal and agency basis, involved in and around the buying, selling, lending and borrowing of cryptocurrencies and other digital assets on a global basis, including over-the-counter (“OTC”) liquidity provision, on-exchange market-making, OTC derivative trading, options, futures, borrowing and lending, proprietary quantitative, arbitrage, and macro trading strategies. GDT is a diversified revenue stream that can have an inverse correlation with cryptocurrency and digital asset market prices.

In our role as a market maker, GDT provides pricing information globally across all major cryptocurrency and digital asset markets, for 100 different cryptocurrencies. Our willingness to make markets, commit capital and take risk across numerous cryptocurrencies and digital assets is crucial to our relationships. We provide liquidity on a principal basis and play a critical role in price discovery, improving the efficiency of cryptocurrency markets for all our clients, counterparties and industry participants. Our clients and counterparties are professional market participants, primarily institutional investment entities.

GDT's trading strategies include principal trading and market making across the full spectrum of exchange and OTC products. GDT makes markets in coins/tokens, options/volatility, and structured products including Bitcoin and other digital asset futures and derivatives. In this capacity GDT provides liquidity on a principal basis on a variety of centralized exchanges and OTC markets. GDT maintains a list of centralized exchanges that are approved as trading counterparties and platforms and with whom our team spends extensive time, in advance, working to electronically integrate access and information flow. The approval of such exchanges is based on due diligence of such exchanges that takes into account whether the exchange conducts anti-money laundering and know-your-client due diligence, its regulatory jurisdiction and its cybersecurity measures. Additionally, GDT engages a service that continuously monitors the public website of the exchanges for observable data on compromised systems, security diligence, user behavior, and data breaches and computes a security rating on each exchange.

GDT's in-house engineering team has built and continues to enhance a sophisticated proprietary trading platform that hosts and facilitates these activities. We believe this differentiates Galaxy from the rest of the market, including traditional financial institutions that operate in significantly larger scale with expensive, legacy technology stacks. GDT's trading platform includes proprietary pricing data, market research, portfolio management tools, reporting, and settlement services, and connects with clients' cryptocurrency and digital asset wallets, custodial relationships, and fiat banking accounts.

GDT maintains strong relationships with a large number of spot and futures exchanges, digital asset exchanges and custodians, and fiat banking partners, which enables it to move capital and assets around efficiently in order to provide competitively priced liquidity and achieve cross-market opportunities. GDT has consistently added to its over 220 unique and active counterparties list; these new counterparties are becoming increasingly institutional in terms of size and sophistication, including a diverse and strategic group of proprietary trading companies, cryptocurrency and digital asset exchange operators, the largest crypto and venture capital investment funds, digital asset mining companies, family offices, and high and ultra-high net worth individuals.

In November 2020, the Company acquired two leading cryptocurrency trading firms: DrawBridge Lending, LLC ("DrawBridge"), an innovator in digital asset lending, borrowing, and structured products, and BF Holdings I, LLC ("Blue Fire"), a proprietary trading firm specializing in market-making and two-sided liquidity for digital assets. The acquisitions expanded GDT's suite of product offerings and added veteran trading and lending market participants to GDT's leadership team.

GDT is firmly committed to compliance with all laws and regulations currently in existence. GDT also strives to be a thought leader in providing information and assistance to global regulators, and to establish industry-wide best practices as the industry matures. GDT has adopted policies, procedures and controls that are designed to prevent and detect money laundering and any activity that facilitates money laundering, the funding of terrorist activities, or violations of regulations promulgated by applicable government agencies.

As it pertains to GDT's trading counterparties, we require that any counterparty undergo screening under GDT's anti-money laundering program, which includes:

- conducting due diligence to verify each potential counterparty identity to the extent reasonable and practicable;
- obtaining representations and warranties from such counterparty relating to the source of funds being transacted, compliance with all applicable legal requirements, and any other representations and warranties as GDT's anti-money laundering Compliance Officer may deem appropriate;
- conducting due diligence efforts to screen the names and addresses of counterparties and, where relevant, the beneficial owners of such counterparties against the List of Specially Designated Nationals and Blocked Persons maintained by the Office of Foreign Assets Control ("OFAC") by the U.S. Department of the Treasury and refusing to transact with such counterparty or accept investments from any such listed persons;
- screening payments and transactions for those prohibited by U.S. law because they involve a person or entity that (i) is a citizen or resident of, (ii) has a place of business in, or is organized under the laws of, or (iii) is the government of, a country or territory subject to a U.S. trade embargo administered by OFAC;
- obtaining representations to confirm that a counterparty or an investor in a fund is not a "foreign shell bank," which is generally defined as a foreign bank without a physical presence in any country; and
- carrying out such other procedures as may be necessary to assure GDT's compliance with all applicable laws and regulations.

GDT has internal policies and procedures to address buying and selling of assets that might be deemed securities in order to ensure such trading complies with applicable laws. GDT continues to monitor the global regulatory environment and will amend its internal policies and procedures as regulatory guidance evolves.

Principal Investments

The principal investments team, Galaxy Digital Principal Investments (“GDPI”), manages a diverse portfolio of private and public principal investments across the digital asset, cryptocurrency, and blockchain technology sector, including early- and later-stage equity, secured lending, pre-initial coin offering contributions, and other structured alternative investments. GDPI’s mandate is to originate and execute upon investment opportunities with the best founders, at an attractive cost basis for GDPI. GDPI invests in founders and companies that we believe are strategically important to the future business roadmap of GDH LP, including (without limitation): new investment strategy seeds, third-party manager seed investments, equity investments into customers, counterparties and vendors of GDH LP, and early-stage equity investments into emerging technologies and platforms that we believe could be strategically relevant to the Company in the future. GDPI executes on this mandate by utilizing a robust, institutional-quality investment process that relies on organization, prioritization and deep-dive due diligence. Galaxy LP continues to make selective principal investments across the ecosystem using capital raised, as well as recycling capital from existing investments upon realization.

In addition to its existing focus on blockchain and digital assets, GDH LP intends to strategically expand its mandate to advise, trade, manage client assets and invest in businesses (and securities of those businesses) that are involved in the broader emerging technology sectors (including, blockchain and digital assets, payments, financial technology, data centers, cyber security, artificial intelligence and machine learnings, amongst others). GDH LP believes the linkage and correlation between these sectors will continue to grow stronger over time, and as a result the scope of GDH LP’s activities and expertise (as well as the market opportunity) will need to grow accordingly.

Asset Management

Galaxy Digital Asset Management (“GDAM”) manages capital on behalf of third parties in exchange for management fees and performance-based compensation. GDAM’s differentiating factors are its long-tenured institutional experience professionals managing third party capital across a variety of traditional asset classes (including macro hedge funds, long/short equity hedge funds, venture capital, and various structured credit and direct lending funds), its brand name, an acute and highly critical focus on risk management and compliance, strong relationships with key counterparties and a deep connectivity throughout the blockchain and cryptocurrency ecosystem. GDAM operates in two business lines, Galaxy Fund Management and Galaxy Interactive. At this time, management fees generally earned by GDAM in both Galaxy Fund Management and Galaxy Interactive range from 0.5% to 2.0% of assets under management, and performance-based compensation or “carry” has been structured to be up to 20%.

Galaxy Fund Management is a multi-asset manager offering cryptocurrency-agnostic fund access to multiple different cryptocurrencies and digital assets. Galaxy Fund Management has capitalized on the improvement in and continued increase in awareness of the digital asset markets, generating inflows into the Galaxy Crypto Index Fund LP (“GCIF” or the “Index Fund”) and making meaningful progress towards future commitments. In November of 2019, GDAM officially launched the Galaxy Institutional Bitcoin Fund LP and the Galaxy Bitcoin Fund LP (collectively, the “Galaxy Bitcoin Funds”) as a product meant to give institutional and accredited investors alike simple, low-cost access to owning Bitcoin in a fund structure, secured via third-party custodians.

In June 2020, Galaxy Fund Management 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.

In December 2020, Galaxy Fund Management launched the CI Galaxy Bitcoin Fund (Ticker: BTCG), a TSX-listed closed end mutual fund, in partnership with CI Financial.

Additionally, in December 2020, Galaxy Fund Management launched the Bloomberg Galaxy Bitcoin Index (Ticker: BTC).

The product launches in 2021 include: the CI Galaxy Bitcoin ETF (Ticker: BTCX), and the Galaxy Ethereum Funds. The Galaxy Ethereum Funds track the newly launched Bloomberg Galaxy Ethereum Index (Ticker: ETH), the third in the Bloomberg-Galaxy family of indices.

In March 2021, Morgan Stanley began offering its wealth management clients access to Bitcoin funds, including the Galaxy Bitcoin Fund LP, and the Galaxy Institutional Bitcoin Fund LP.

Galaxy Interactive is focused on venture investing in the future of interactive content and technologies. Galaxy Interactive is currently investing in our first fund, the Galaxy EOS VC Fund LP (the “EOS Fund”) and has continued to opportunistically

deploy committed capital under its mandate to invest in entrepreneurs and companies actively working to improve the EOS blockchain protocol ecosystem, with a more recent focus on emerging use cases in gaming and interactive media.

In May 2021, Galaxy Digital acquired Vision Hill, a premier investment consultant and asset manager in the digital asset sector, to create Galaxy Vision Hill. This adds multi-manager, fund of fund offerings to GFM's institutional platform through the Galaxy Vision Hill product suite.

Investment Banking

The Investment Banking business, Galaxy Digital Partners LLC ("GDIB"), maintains and continues to build on its systematic coverage of the highest quality businesses operating in and around the blockchain ecosystem, with the ultimate goal of cementing long-lasting and trusted relationships. GDIB is a leader in financial and strategic advisory services with respect to the digital asset, cryptocurrency, and blockchain technology industry. GDIB serves public and private clients around the world with a full spectrum of financial advisory services, including, but not limited to, general corporate, strategic, M&A, divestitures, and restructuring advisory services, as well as equity, debt and project finance capital markets services. On July 24, 2019, GDIB was approved by FINRA to act as an underwriter to registered public offerings of equity, debt or other corporate securities in the United States, and is a member of SPIC.

GDIB is a diversified revenue stream that can be uncorrelated with cryptocurrency and digital asset market prices.

During 2020, GDIB added key hires including Michael Ashe as Head of Investment Banking, and has since made significant progress, with several active mandates for clients across financing, mergers and acquisitions, and other strategic matters. Notably, GDIB won the team's first buy-side M&A engagement during the quarter.

Mining

The Company launched Galaxy Digital Mining ("GDM") in October 2020 with the hiring of Amanda Fabiano as Head of Mining. Fabiano joined from Fidelity Investments, where she was previously the Director of Bitcoin Mining. GDM has a strategic focus to provide novel and sophisticated financial tools to North American miners.

GDM manages a full suite of products and services related to Bitcoin mining by sourcing clients, creating miner focused products, and identifying new solutions. By integrating with existing business lines, GDM offers trade and risk management solutions, principal lending & equity investments, as well as advisory services for Bitcoin miners. Making meaningful progress since its recent inception, GDM has procured Bitcoin mining machines to be utilized for proprietary operations, miner finance, and resale for the following primary business activities:

- Proprietary Operations: Mine on a proprietary basis at a colocation facility
- Miner Finance: Offer state of the art credit underwriting for selected miners to finance machines and sale-leaseback offerings for large mining clients.
- Resale: Resell purchased machines to other North American miners that require machines, but not financing

GDM will continue to utilize our in-house expertise to provide novel and sophisticated tools for North American miners and will take advantage of opportunities as they arise in the mining ecosystem.

Risks and Uncertainties

In addition to the risks contained herein, the disclosure in this MD&A is subject to, and should be read in conjunction with, the risk factors outlined in the AIF filed on the Company's SEDAR profile at www.sedar.com and in the Partnership's MD&A Risks and Uncertainties section.

Quarterly Highlights & Results

<i>\$'s in millions</i>	As of June 30, 2021	As of December 31, 2020
Cash	\$ 6.5	\$ —
Investment in associate	470.3	247.0
Total assets	526.8	267.8
Total liabilities	88.1	20.8
Shareholders' equity	438.7	247.0

<i>\$'s in millions</i>	Three Months ended June 30, 2021	Three Months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
Operating expenses	—	—	\$ —	\$ —
Equity income (loss) from associate	(51.1)	8.0	198.8	1.8
Income (loss) and comprehensive income (loss) for the period	\$ (49.2)	\$ 8.0	152.9	1.8

- As of June 30, 2021, total assets stood at \$526.8 million (December 31, 2020 - \$267.8 million), an increase of \$259.0 million, primarily a result of the Company's share of income from its investment in associate.
- The Company did not have net operating expenses for the three and six months ended June 30, 2021 and June 30, 2020, as the expenses incurred during the period of \$1.4 million and \$2.8 million; (2020 - \$0.3 million and \$0.5 million, respectively) were reimbursed by GDH LP.
- The comprehensive loss for the three months ended June 30, 2021 was \$49.2 million as compared to the comprehensive income of \$8.0 million in 2020. The current quarter loss was primarily due to the Company's share of loss from its investment in GDH LP.
- **As the only significant asset of the Company is its minority interest in GDH LP, the results of the Company will be driven by the results of GDH LP. For additional information on the results of GDH LP, see Annual Highlights and Results, Performance by Reportable Segment, and the Financial Instruments, Digital Assets and Risk sections of GDH LP's MD&A, which is filed as an appendix to the GDH Ltd. MD&A.**
- As indicated in the Liquidity and Capital Resources section, the Company is dependent on financial support from GDH LP, which has the obligation to reimburse the Company for all reasonable operational expenses per the LPA.

Other

Information for the eight quarters has been presented in accordance with IFRS. The results of the Partnership are impacted by the performance of its digital assets and investments and, in the three months ended December 31, 2019, by the impairment loss. Additional information on the impairment is provided in the Company's consolidated financial statements for the year ended December 31, 2020.

<i>\$'s in millions</i>	Three months ended June 30, 2021	Three months ended March 31, 2021	Three months ended December 31, 2020	Three months ended September 30, 2020
Income (loss) and comprehensive income (loss) for the period	\$ (49.2)	\$ 202.1	\$ 92.1	\$ 9.5

<i>\$'s in millions</i>	Three months ended June 30, 2020	Three months ended March 31, 2020	Three months ended December 31, 2019	Three months ended September 30, 2019
Income (loss) and comprehensive income (loss) for the period	\$ 8.0	\$ (6.2)	\$ (145.6)	\$ (14.9)

Discussion of Operations and Operational Highlights

The Company is a holding company as its only significant investment is a minority interest in GDH LP. As the Company will account for its investment under the equity method (i.e. initially recognize the investment at cost and then subsequently increase or decrease the investment to recognize the Company's share of earnings and losses of GDH LP and for impairment losses, if any, after the initial recognition date), the results of GDH LP will significantly impact the Company's performance. **For additional information on the operations and operational highlights and financial results of GDH LP, see Discussion of Operations and Operational Highlights and Results, and Quarterly Highlights & Results sections of GDH LP's MD&A, which is filed as an appendix to GDH Ltd.'s MD&A.**

- **Corporate Overview**

- o **GDH Ltd. acquisition of BitGo**

On May 5, 2021, GDH Ltd. announced that it agreed to acquire BitGo, the leading independent digital assets infrastructure provider. Under the terms of the merger agreement, the consideration to BitGo shareholders will consist of 33.8 million of newly issued shares of GDH Ltd. common stock and \$265 million in cash, subject to certain adjustments and deferred purchase considerations. GDH Ltd. will use its balance sheet to fund the cash consideration, a significant portion of which will be deferred up to 12 months post-close. Additionally, GDH Ltd. will issue incremental shares of its common stock to BitGo's shareholders in exchange for BitGo's net digital assets at close.

The transaction has been approved by the boards of directors of both GDH Ltd. and BitGo. The acquisition is expected to close in the fourth quarter of 2021 subject to approval by GDH Ltd.'s shareholders of the domestication of GDH Ltd. as a Delaware corporation and specified internal restructuring, as well as certain related matters and other acquisition-related closing conditions and regulatory approvals.

The BitGo acquisition diversifies the business with greater contribution from recurring revenue that is significantly less correlated with digital asset prices. The acquisition also accelerates product innovation and development capabilities by adding over 50 engineers and key product and security infrastructure personnel. The Company believes the immediate revenue synergy opportunities, paired with BitGo's strong base business and growth trajectory, support the value of the acquisition.

- o **GDH Ltd. announcement of a private investment in public equity financing**

On October 30, 2020, GDH Ltd. announced a private investment in a public equity financing ("PIPE") of \$50 million of aggregate gross proceeds. Investors, led by Slate Path Capital LP, and including CI Investments, NZ Funds, and Corriente Advisors, among others, invested \$50 million at a price per share of C\$3.50 for up to 19,070,000 ordinary shares of the Company with each share accompanied by a warrant to purchase 0.25 of an ordinary share. Each warrant is exercisable into an ordinary share of the Company for a term of two years from the date of issuance at an exercise price of C\$8.25. The PIPE closed on November 12, 2020 (the "Closing"). All securities issued pursuant to the PIPE are subject to certain selling restrictions set forth in the investment agreements. The investment agreements provide that: (i) no sales are permitted during the first six months from the Closing; (ii) sales of up to 33.3% of total shares issued are permitted seven to nine months after the Closing, subject to a maximum daily sale participation of no more than 10% of daily traded volume; (iii) sales of up to 66.6% of the total shares issued are permitted ten to twelve months after the Closing, subject to a maximum daily sale participation of no more than 10% of daily traded volume and (iv) until eighteen months after the Closing, all shares remain subject to a daily selling restriction of no more than 10% of daily traded volume. The selling restrictions terminate upon certain corporate actions by GDH Ltd.

- o **GDH Ltd. acquisitions**

On November 12, 2020, GDH Ltd. acquired Drawbridge and Blue Fire. Drawbridge is a FTC regulated Commodity Trading Advisor and Commodity Pool Operator that originates structured loans with related derivatives to provide hedged financial products to institutional investors in crypto. Blue Fire Capital is a proprietary trading firm that specializes in crypto and providing two-sided liquidity for digital assets. Consideration for the acquisitions primarily included approximately 3.8 million GDH Ltd. ordinary shares, subject to customary purchase price adjustments. The acquisitions further expand Galaxy Digital Trading's activities into expanded derivatives and futures trading; on-exchange market making; and lending, borrowing and structured products.

On May 19, 2021, Galaxy Digital acquired Vision Hill, a premier investment consultant and asset manager in the digital asset sector, to create Galaxy Vision Hill. This adds multi-manager, fund of fund offerings to the Company's institutional platform through the Galaxy Vision Hill product suite. On May 19, 2021 GDH Ltd. acquired Vision Hill.

- o **Listing on Toronto Stock Exchange ("TSX") via TSX Sandbox**

The Company is listed on the TSX and effective August 4, 2021, successfully exited the TSX Sandbox program. TSX Sandbox is an initiative intended to facilitate listing applications that may not satisfy the original listing requirements of the TSX, but due to facts or situations unique to a particular issuer otherwise warrant a listing on the TSX. The Company graduated having completed a twelve-month period without significant compliance issues after graduation.

Financial Instruments and Other Risk

The Company is directly exposed to minimal financial instrument related risks. The Board approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts, if applicable. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. As of June 30, 2021, the Company is not exposed to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and financial support from GDH LP. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities, as applicable. Management and the Board are actively involved in the review, planning and approval of significant expenditures and commitments. Furthermore, under the LPA, GDH LP is responsible for reimbursing the Company for all reasonable operating expenses. Therefore, the Company is not currently exposed to significant liquidity risk.

Interest rate risk

The Company is not currently exposed to significant interest rate risk.

Foreign exchange risk

The Company's functional currency and the reporting currency is the US dollar. Periodically the Company incurs charges on its operations for settlement in currencies other than its functional currency and any gain or loss arising on such transactions is recorded in operations for the period. The Company is not currently exposed to significant foreign exchange risk.

Digital assets and market risks

The Company's investment in GDH LP is impacted by GDH LP's investments in digital assets as well as private companies, both of which may be subject to significant changes in value. The Company seeks to minimize potential adverse effects of these risks on performance by ensuring that the risk management at GDH LP appropriately addresses these risks by, for example, employing experienced personnel, daily monitoring of the Partnership's investments and digital assets and review of the Partnership's investment objectives.

For additional information on GDH LP's exposure to financial instruments and other risks, see Financial Instruments, Digital Assets and Risk section of GDH LP's MD&A, which is filed as an appendix to the GDH Ltd. MD&A.

Liquidity and Capital Resources

The liquidity available to the Partnership for subsequent periods are set out below:

<i>\$'s in millions</i>	As of June 30, 2021	As of December 31, 2020
Estimated working capital	\$ 137.4	\$ 96.8
Digital Assets, net	\$ 1,066.8	530.0
	<u>\$ 1,204.2</u>	<u>\$ 626.8</u>

Working capital is calculated as the sum of cash, receivable for digital asset trades, cash posted as collateral, receivables, due from broker, due from exchange, prepaid expenses and other assets; less accounts payable and accrued liabilities, payable for digital asset trades, short-term lease liability, and payables to customers. Digital Assets, net as of June 30, 2021 includes digital assets posted as collateral and is net of digital assets sold short, digital assets collateral payable and non-controlling interests.

The Partnership has commitments to invest in its managed funds and to purchase blockchain servers. In addition, as the Partnership grows its business, the Partnership expects its operating expenses to increase. Given the growth in the Partnership's businesses, it is difficult to accurately predict the level of investment that the Partnership will make in its respective businesses.

The following table presents the summary of the Partnership's contractual obligations as of June 30, 2021 (in thousands):

Contractual Obligations	Payments Due by Period				
	Total	Less than 1 year	1 - 3 years	4 - 5 years	After 5 years
Digital asset loans payable, loans payable and digital assets sold short	\$ 691,135	\$ 691,135	\$ —	\$ —	\$ —
Operating leases	7,646	499	2,056	2,181	2,910
Purchase obligations ¹	48,948	44,673	4,275	—	—
Other obligations ²	39,216	24,960	14,256	—	—
Total Contractual Obligations	\$ 786,945	\$ 761,267	\$ 20,587	\$ 2,181	\$ 2,910

¹“Purchase obligations” includes the outstanding amounts of agreements for the purchase of blockchain servers.

²“Other obligations” includes the obligations to two portfolio companies to fund the Partnership's remaining capital commitment and an investment sold short balance as of June 30, 2021.

As of June 30, 2021, the Company did not have any commitment for capital expenditures.

Financial support

As the Company is a holding company, it is dependent on GDH LP to fund its operating expenses. In accordance with the LPA, GDH LP will reimburse or pay for all reimbursable expenses of GDH Ltd. or its subsidiary, GDH Intermediate LLC. The reimbursable expenses include all expenses reasonably incurred by GDH Ltd. or its subsidiary in the conduct of its business, including fees related to professional advisors, required or advisable licenses and filing, and directors fees. For the three and six months ended June 30, 2021, GDH LP paid or accrued \$1.4 million and \$2.8 million (2020 - \$0.3 million and \$0.5 million) respectively for the reimbursable expenses on behalf of GDH Ltd.

For additional information on the liquidity and capital resources of GDH LP, see Liquidity and Capital Resources section of the GDH LP MD&A, which is filed as an appendix to the GDH Ltd. MD&A.

Off-balance sheet arrangements

As of June 30, 2021, the Company did not have any off-balance sheet arrangements, other than the financial support mentioned in the Liquidity and Capital Resources section, that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, without limitation, such considerations as liquidity and capital resources that have not been previously been discussed.

Commitments and Contingencies

GDH LP Class B Units

GDH LP has two classes of ownership interests: Class A Units and Class B Units. The units rank equally in all material respects, including from an economic and voting perspective, however under the terms of the LPA, Class B Units will, subject to certain limitations, be exchangeable for GDH Ltd. shares on a one-for-one basis.

On December 15, 2020, the Partnership transferred 980,932 Class B Units of GDH LP to certain officers and employees as compensation. The Class B Units transferred were comprised of 19,068 Standard Units and 961,864 Profit Interest Units. The terms of the Class B Units are as follows:

- Standard Units - 19,068 of the Standard Units vested 100% on December 15, 2020. Once vested, each Standard Unit can be exchanged for one share of GDH Ltd. for no additional consideration. The fair value of the Standard Units transferred, measured as of the grant date, was \$91,078 (or approximately \$4.7765 per Standard Unit) based on the 10-day volume weighted average share price of GDH Ltd. from December 2, 2020 through December 15, 2020 (“10-day WA”) and on the number of Standard Units expected to vest (100%). The fair value was recognized in 2020.
- Profit Interest Units - 355,932 of the Profit Interest Units vest on December 15, 2020, 15,226 vest on December 1, 2021, 390,226 vest on December 1, 2022, 185,255 vest on December 1, 2023 and 15,226 vest on December 1, 2024. Once a Profit Interest Unit has vested and has been fully "caught up", such Profit Interest Unit may be exchanged for one share of GDH Ltd. for no additional consideration. The fair value of the Profit Interest Units granted was \$3,501,531 (or approximately \$3.8325 per Profit Interest Unit). The fair value of the Profit Interest Units was estimated using the probability-weighted expected return method. In applying this method, a payoff was determined for a Profit Interest Unit under three potential scenarios, each payoff was weighted by an estimated probability of the corresponding scenario, and then the probability-weighted payoffs were discounted to the date of grant and summed. The scenarios, probabilities, and other inputs into the model consider, among other things, the results of a one-period trinomial model, the results of a standard Black-Scholes option pricing model under different assumptions, and the estimated fair value of a common share of GDH Ltd. The scenarios probability ranged from 5% to 65%, the annual discount rate used was 0.50%, the term used was 5.04 years, and the share price used ranged from C\$0 to C\$100. The number of Profit Interest Units expected to vest ranged from 90% to 100%.

As of June 30, 2021, after accounting for exchanges and forfeitures, there were 229,027,170 (December 31, 2020 - 229,404,568) Class B Units issued, of which 222,575,080 (December 31, 2020 - 222,905,934) were outstanding and exercisable into ordinary shares of GDH Ltd.

Equity Plan

The Company has a stock option plan (the “Plan”) to grant options, which are exercisable into an equivalent amount of the Company’s common shares, to employees, officers, directors and consultants of the Company and its affiliates (inclusive of GDH LP). The number of stock options granted to any person within a one-year period will not exceed 5% and the number granted to those individuals considered consultants or providing investor relations services may not exceed 2% in a one-year period, in each case on a fully diluted basis. Under the Plan, the exercise price of each option may not be less than the market price of the Company’s shares at the date of grant. Options granted under the Plan will have a term not to exceed 5 years and be subject to vesting provisions as determined by the Board of Directors of the Company who administer the Plan. On exercise of an option, the holder will receive one common share in the Company and GDH LP will issue one Class A Unit to the Company. The maximum number of shares reserved for issuance under the Plan is fixed at 45,565,739 shares of the Company. Following the approval of the Long Term Incentive Plan, the Company will no longer make grants under the Plan and future grants will be made from the Long Term Incentive Plan. The Plan reserve has been rolled over into the Long Term Incentive Plan

Long Term Incentive Plan

In May 2021, the Board of Directors of the Company approved a Long Term Incentive Plan (“LTIP”) to grant stock options, stock appreciation rights, restricted stock, and share units (in the form of restricted share units and/or performance share units) to employees, officers, and consultants of the Company and its affiliates (inclusive of GDH LP) and deferred share units to non-employee directors of the Corporation and non-employee managers of the board of managers of the General Partner, subject to shareholder approval, which was received on June 29, 2021. Under the LTIP Plan, the exercise price of each option may not be less than the market price of GDH Ltd.’s shares at the date of grant. Options granted under the Plan will have a term not to exceed ten years and will be subject to vesting provisions as determined by the board of directors of GDH Ltd., who administer the Plan. On exercise of an option, the holder will receive one common share in GDH Ltd. and GDH LP will issue one Class A

Unit to GDH Ltd. The maximum number of shares reserved for issuance under the Plan is fixed at 48,290,478 shares of GDH Ltd. Following the approval of the LTIP, the Company will no longer make grants under the Plan and future grants will be made from the LTIP Plan. The Plan reserve has been rolled over into the LTIP.

Non-Treasury Plan

In May 2021, the Board of Directors of the Company approved the Non-Treasury Share Unit Plan (“Non-Treasury Plan”) as a supplement to the LTIP Plan under which grants made under the plan are settled solely in cash. Share units are restricted share units or performance share units.

A summary of stock options outstanding as of June 30, 2021 is as follows:

Grant Date	Number Outstanding	Number Exercisable	Exercise Price (C\$)	Expiry Date
Employees and Officers:				
July 31, 2018	6,876,868	4,663,118	3.00	July 23, 2023
July 31, 2018	126,000	94,500	5.00	July 23, 2023
September 10, 2018	103,600	77,700	3.00	July 23, 2023
June 25, 2019	2,005,000	1,000,000	2.15	June 25, 2024
September 4, 2019	100,000	—	1.95	September 4, 2024
April 9, 2020	3,932,411	1,292,408	1.35 - 1.85	April 9, 2025
June 25, 2020	750,000	750,000	1.39	June 25, 2025
November 16, 2020	150,000	150,000	5.65	June 25, 2025
November 16, 2020	6,030,000	—	5.65	November 16, 2025
December 3, 2020	7,500,000	—	6.21	December 3, 2025
December 8, 2020	555,000	—	6.00	December 8, 2025
December 21, 2020	100,000	—	8.02	December 21, 2025
May 27, 2021	3,725,000	—	23.12 - 25.00	May 27, 2026
Total	31,953,879	8,027,726		

As of August 13, 2021, there were 31,953,879 options outstanding of which 8,027,726 were exercisable.

Restricted Share Units

On May 27, 2021, the Partnership granted 6,191,482 shares of restricted share units with a fair value of \$87.4 million (or a weighted average fair value of \$19.0665). The restricted share units vest over three to four years with varying vest schedules.

On May 27, 2021, the Partnership granted 422,016 restricted share units that will be settled in cash. The restricted share units vest over three to four years with varying vest schedules and had a fair value of \$7.9 million at grant date. The outstanding liability recorded in the Partnership as of June 30, 2021 was \$0.2 million.

Restricted Shares

On December 15, 2020, the Partnership issued 1,079,971 restricted shares of the Company with a fair value of \$5.2 million (or at a weighted average fair value of \$4.7765). Of the shares granted, 454,971 vest on December 1, 2023 and the remainder on December 1, 2024. The restricted share units were issued as part of an inducement grant to an officer.

On May 19, 2021, in connection with the Vision Hill business combination, the Partnership granted 845,428 restricted shares of the Company with a fair value of \$16.2 million (or a weighted average fair value of \$19.1064). The restricted shares vest annually over three years.

Transactions with related parties

Compensation to key management personnel

The Company's related parties include its subsidiary, associates over which it exercises significant influence, and key management personnel. Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include officers, directors, companies controlled by officers and directors and companies with common directors of the Company. Compensation provided to key management personnel for the three months ended June 30, 2021 and 2020 follows (in thousands):

	Three months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
Directors fees	\$ 133	\$ 133	\$ 244	\$ 265

Other

Certain key management personnel have invested in funds that GDH LP manages. In addition, some members of key management serve as board members for companies in which GDH LP or a fund it manages holds investments.

In addition, the CEO of GDH Ltd. was a member of the advisory board for another company, resulting in GDH Ltd. and that company being related parties. As of June 30, 2021, GDH LP had an investment two companies, collectively valued at \$42 million (December 31, 2020 - \$19.6 million).

In accordance with the LPA, GDH LP will reimburse or pay for all reimbursable expenses of the Company. For the three and six months ended June 30, 2021, GDH LP paid or accrued \$1.4 million and \$2.8 million (2020 - \$0.3 million and \$0.5 million) respectively for the reimbursable expenses on behalf of GDH Ltd.

Change in Accounting Policies including Initial Adoption

There were no changes to the accounting policies for the period ended June 30, 2021.

Share Capital

Common Stock

As of June 30, 2021, after accounting for additional issuances related to exchanges of GDH LP Class B Units during the period, issuance of shares on exercise of the warrants, there were 96,709,142 ordinary shares issued and outstanding. As of August 13, 2021, there were 97,022,709 ordinary shares issued and outstanding.

Stock Options

As of June 30, 2021 in addition to the stock options disclosed under 'Commitments and Contingencies', the Company has the following stock options outstanding:

- 11,869 options at a weighted average exercise price of C\$12.64 and which expire on July 21, 2021. Subsequent to the period ended June 30, 2021 these options were not exercised and have since been extinguished by the Company.

Warrants

As of June 30, 2021 and August 13, 2021, 3,638,946 warrants were outstanding.

Disclosure Controls and Procedures

Disclosure controls and procedures ("DC&P") are intended to provide reasonable assurance that material information is gathered and reported to senior management to permit timely decisions regarding public disclosure.

In accordance with the requirements of National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, the Chief Executive Officer and Chief Financial Officer acknowledges responsibility for the design and operation of disclosure controls and procedures and internal control financial reporting, and the requirement to evaluate the effectiveness of these controls on an annual basis.

Internal Control over Financial Reporting

Internal controls over financial reporting (“ICFR”) are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with Canadian generally accepted accounting principles.

There have not been any significant changes in the Company’s internal control over financial reporting during the six months ended June 30, 2021 that have materially affected or are reasonably likely to materially affect the Company’s internal controls over financial reporting.

Any control system, no matter how well designed, has inherent limitations. Therefore, disclosure controls and procedures can only provide reasonable assurance with respect to timely disclosure of material information.

Additional information relating to the Company, including the AIF, is available on GDH Ltd.’s SEDAR profile at www.sedar.com.

Management’s Responsibility for Financial Statements

The information provided in this MD&A, including the condensed consolidated interim financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of (i) future values for certain assets or liabilities and (ii) valuation of equity based compensation. Management believes such estimates have been based on careful judgments and have been properly reflected in the condensed consolidated interim financial statements.

Other Information and Disclaimer

No Offer or Solicitation

This report shall not constitute a solicitation of a proxy, consent or authorization with respect to any securities or in respect of any of the proposed transactions. This report is for informational purposes only and shall 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.

Additional Information

In connection with the proposed reorganization and combination, Galaxy will file a registration statement, including a management circular/prospectus and an information statement/prospectus, with the Securities and Exchange Commission (the “SEC”). GALAXY AND BITGO SHAREHOLDERS ARE ADVISED TO READ THE MANAGEMENT CIRCULAR/PROSPECTUS AND INFORMATION STATEMENT/PROSPECTUS, RESPECTIVELY, WHEN SUCH DOCUMENTS BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Shareholders may obtain a free copy of the registration statement and such other documents (when available) and any other relevant documents filed with the SEC from the SEC’s website at <http://www.sec.gov>. Copies of the management circular/prospectus and an information statement/prospectus can also be obtained, when available, without charge, from Galaxy’s website at <https://investor.galaxydigital.io/>.

CAUTION ABOUT FORWARD-LOOKING STATEMENTS

The information in this report 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 the pending acquisition, 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. Forward-looking statements in this presentation may include, for example, statements about: our ability to complete the transactions; our expectations around the performance of our and the target’s business; our success in retaining or recruiting, or changes required in, our officers, key employees or directors following the transactions; or our financial performance following the transactions. The forward-looking statements contained in this report 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 occurrence of any event, change or other circumstances that could result in the failure to consummate the transactions; (2) the possibility that the terms and conditions set forth in any definitive agreements with respect to the transactions may differ materially from the terms and conditions set forth herein; (3) the outcome of any legal proceedings that may be instituted following the transactions and any definitive agreements with respect thereto; (4) the inability to complete the transactions due to the failure to satisfy conditions to closing in the definitive agreements with respect to the transactions including in respect of shareholder and stock exchange approvals; (5) 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 regulatory approval of the transactions; (6) the ability to meet and maintain listing standards following the consummation of the transactions; (7) the risk that the transactions disrupts current plans and operations; (8) costs related to the transactions; (9) changes in applicable laws or regulations; (10) the possibility that the combined company may be adversely affected by other economic, business, and/or competitive factors; (11) changes or events that impact the cryptocurrency industry, including potential regulation, that are out of our control; (12) the risk that our business will not grow in line with our expectations or continue on its current trajectory; (13) the possibility that our addressable market is smaller than we have anticipated and/or that we may not gain share of it; (14) those other risks contained in the Annual Information Form for the year ended December 31, 2020 available on the Company's profile at www.sedar.com and (15) other risks and uncertainties to be indicated from time to time in filings made with the SEC. 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.

Appendix