Galaxy Digital Holdings LP

Management's Discussion and Analysis

For the periods ended June 30, 2022 and June 30, 2021

August 8, 2022

Introduction

This Management's Discussion and Analysis ("MD&A"), dated August 8, 2022, relates to the financial condition and results of operations of Galaxy Digital Holdings LP ("GDH LP" or together with its subsidiaries, the "Partnership") as of August 8, 2022, and is intended to supplement and complement the Partnership's condensed consolidated interim financial statements for the three and six months ended June 30, 2022 and should be read in conjunction therewith. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations ("NI 51-102"). The condensed consolidated interim financial statements and MD&A are presented in U.S. 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, 2022 are not necessarily indicative of the results that may be expected for any future period.

The Partnership'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 Partnership, as of the date of and for the periods presented in these filings.

In this MD&A, a reference to the "Partnership", "Galaxy", "we", "us", "our" and similar words refer to Galaxy Digital Holdings L.P., its subsidiaries and affiliates, or any one of them, as the context requires.

Cautionary Note Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, within the meaning of Section 27A of the Securities Act of 1933, as amended (the "U.S. 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 referred to herein as "forward-looking statements"). These forward-looking statements relate to the future of the industry or the Partnership's future results, business or opportunities. 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. The forward-looking statements contained in this MD&A 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. 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 Partnership'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 transactions may be modified or not completed at all and those other risks described in this MD&A, the Management's Discussion and Analysis of Galaxy Digital Holdings Ltd. ("GDH Ltd." or "Company"), dated August 8, 2022, and those referenced under Risks and Uncertainties in this MD&A and contained in the Risk Factors section of the Annual Information Form ("AIF") dated March 31, 2022 of GDH Ltd. 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 possibility that our addressable market is smaller than we have anticipated and/or that we may not gain share of the stated addressable market; our inability to remediate our material weaknesses in internal control over financial reporting; 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 mandates; delays in the delivery of new mining equipment; and changes in applicable law or regulation and adverse regulatory developments. 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 Partnership 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

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 Michael Novogratz, is the sole member of GDH GP and continues to be the majority owner of the Partnership as of June 30, 2022.

The Partnership’s principal address is 300 Vesey Street, New York, NY, 10282. The Partnership also has offices in London; England; Hong Kong; Amsterdam; Netherlands; Jersey City, U.S; Chicago, U.S; Tokyo; Japan and the Cayman Islands (registered office).

As of the date of this filing, the Partnership has 394 full-time employees.

The U.S. dollar is the presentation currency for all periods presented. There have been no changes to the accounting principles applied for all periods presented, except as disclosed in Change in Accounting Policies including Initial Adoption, if applicable.

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").

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. ("GDH Ltd."). Galaxy LP became a subsidiary of GDH LP. Subsequently, pursuant to policies of the TSX Venture Exchange ("TSX-V"), Bradmer’s listing was reactivated under the new ticker GLXY.

GHD Ltd. is currently listed on the TSX. Effective August 4, 2021, it successfully exited the TSX Sandbox program. The Company graduated from the TSX Sandbox program having completed a twelve-month period without significant compliance issues.

Limited Partnership Agreement

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 U.S. tax purposes) and each of the Persons admitted as a "Class B Limited Partner" entered into the limited partnership agreement (as amended from time to time, the "LPA"). In June 2020, the boards of the General Partner, the Company and the limited partners of the Partnership approved an amendment to the limited partnership agreement (the "Fourth Amended and Restated LPA"). The key terms of limited partnership agreement are consistent with those disclosed in the Partnership’s MD&A for the year ended December 31, 2021.

The LPA also allows the General Partner, in its sole discretion, to make Tax Distributions. Amounts distributed pursuant to the tax distribution provision will be treated as an advance against, and shall reduce (on a dollar for dollar basis), future amounts that would otherwise be distributable to such limited partners. The LPA provides that the value of any tax distribution made shall not exceed 25% of the Partnership’s market capitalization determined at the time the General Partner determines to make such distribution.

During the period ended December 31, 2021, the General Partner made pro-rata distributions of $45.1 million in respect of taxable income related to tax year 2021 and $19.9 million in respect of taxable income related to tax year 2020. Certain recipients of the distributions are related parties. During the quarter ended June 30, 2022, the General Partner made distributions of $137.2 million in respect of taxable income related to tax years 2022 and 2021. Certain recipients of the distributions are related parties.

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.

Description of Business

The Partnership operates in the following businesses that complement each other: trading, asset management, investment banking, mining and principal investments.

Trading

Galaxy Digital Trading ("GDT"), provides spot, derivative and financing liquidity to clients, counterparties and venues that transact in cryptocurrencies and other digital assets. GDT has nearly 850 unique counterparties and acts as an institutional-grade liquidity provider with market expertise and global access to over 100 different cryptocurrencies. GDT engages in a number of activities, on behalf of our customers, who are professional market participants - primarily institutional investment entities, and for its own account. Its offerings include OTC spot liquidity provision, and on-exchange liquidity provision, OTC derivatives options trading, and lending, and structured product offerings. GDT also engages in proprietary quantitative, arbitrage and macro trading strategies. GDT is a diversified revenue stream that can have varied and/or little correlation with cryptocurrency and digital asset market prices. The correlation of GDT's results to the values of cryptocurrencies and digital assets can vary significantly, due to its implementation of derivatives and hedging strategies, market-neutral trading activities, and other quantitative strategies. Moreover, GDT's counterparty-facing trading activities, while impacted at times by the underlying values of cryptocurrencies and digital assets, can also result in profitmaking during periods of elevated volatility that would drive prices higher or lower or conversely, could result in losses. GDT's suite of product offerings expanded in November 2020 due to Galaxy's acquisition of two leading cryptocurrency trading firms: DrawBridge, an innovator in digital asset lending, borrowing, and structured products; and Blue Fire, a proprietary trading firm specialized in providing two-sided liquidity for digital assets. These acquisitions also added veteran trading and lending market talent to GDT's leadership team.

In our role as a liquidity provider, we provide pricing information for over 100 different cryptocurrencies globally across all major cryptocurrency and digital asset markets. 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, thereby 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 liquidity provision across the full spectrum of exchange and OTC products. GDT provides liquidity for trading 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 working to electronically integrate for access and information flow.

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 onboarded 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, coin protocols and foundations, family offices, and high and ultra-high net worth individuals.

Our business grew alongside digital asset markets in 2021 and continued to add trading counterparties through the second quarter of 2022. As of June 30, 2022, GDT had $69.9 million of digital assets on loan and $425.1 million of digital assets borrowed for firm-wide activities.

Asset Management

Galaxy Digital Asset Management ("GDAM") manages capital on behalf of third parties in exchange for management fees and performance-based compensation. GDAM creates products that provide clients with seamless access to digital assets investments through both passive and active fund strategies, solving custodial, technical and regulatory obstacles. GDAM's differentiating factors are its long-tenured professionals with institutional experience managing third party capital across a variety of traditional asset classes, an acute focus on risk management and compliance, strong relationships with key counterparties and a deep connectivity throughout the blockchain and cryptocurrency ecosystem. We have a track record of bringing differentiated products to market in a timely manner to address the evolving needs within the ecosystem. GDAM leverages partnerships with prominent asset management industry players including CI, CAIS, Bloomberg, Morgan Stanley, and Invesco to accelerate product development, speed-to-market, distribution, and reach a global scale.

GDAM operates in two business lines, Galaxy Fund Management ("GFM") and Galaxy Interactive ("Galaxy Interactive"). At this time, external management fees earned by GDAM in both GFM and Galaxy Interactive range from 0.4% to 2.0% of assets under management (including sub-advisory agreements), and performance fees or "carry" has been structured to be up to 20%.

GFM is the diversified, cryptocurrency fund management business of GDAM. GFM offers multi-manager funds, diversified passive and single-asset passive funds, exchange-traded funds ("ETFs"), and indexing solutions. GFM has taken an education first approach to the institutional wealth and allocator client verticals and has recently capitalized on the improved awareness of digital assets through increased inflows into its current line-up of GFM funds. GFM's goals include but are not limited to: educating the institutional markets about digital assets, building an institutional brand in key client verticals, increasing AUM across its fund line-up, building its data and indexing business, and expanding its product line-up to create a diversified digital asset management platform.

GFM launched its first fund product in April 2018, the Galaxy Crypto Index Fund LP, and continued to launch passive and active strategies for clients ever since. Throughout 2021 and the second quarter of 2022, GFM launched numerous single asset, sector specific and venture funds to clients directly, and numerous ETF products with its partners in Canada. GFM launched the Galaxy Liquid Alpha Fund, benchmarked to the Bloomberg Galaxy Bitcoin Index, with internal capital this quarter. Galaxy has also submitted filings with the SEC to bring physically backed ETF products to the U.S. with a premier asset management partner. Additionally, GFM completed the acquisition of Galaxy Vision Hill, a premier investment consultant and asset manager, which is expected to grow to over $200 million with the second close of the GVH Venture FOF II LP, a diversified, multi-manager fund of funds investing in the disruptive potential of blockchain technology and the next iteration of the internet across Web3, DeFi, and digital ownership.

Galaxy Interactive makes venture capital investments in the interactive sector, targeting the intersection of content, technology and finance. The investment team categorizes the Galaxy Interactive landscape in three buckets-Content, Social, and Technology/Infrastructure - with a particular emphasis on the application of Web3 to these three areas. Galaxy Interactive currently manages three private venture capital funds. The first fund, Galaxy EOS VC Fund LP, launched in 2018 with $325 million of committed capital. After deploying substantially all of the capital in the first fund, Galaxy Interactive launched a commingled successor fund, Galaxy Interactive Fund I, LP, in April 2021. Galaxy Interactive continues to fundraise for Galaxy Interactive Fund II, which had its first close in March 2022.

As of June 30, 2022, GDAM reported preliminary assets under management ("AUM") of $1.7 billion. AUM consisted $765 million in GDAM's Galaxy Fund Management products, and just over $930 million in the Galaxy Interactive venture franchise.

Investment Banking

Galaxy Digital Investment Banking, ("GDIB"), is a leader in financial and strategic advisory services for the digital asset, cryptocurrency and blockchain technology sector. GDIB serves global public and private clients with a full spectrum of financial advisory services, including; general corporate, strategic, M&A, divestitures, and restructuring advisory services, as well as equity, debt and project finance capital markets services. GDIB's value proposition is to provide traditional investment banking services such as capital raising and advisory for M&A and debt financing, as well as adding specialist knowledge about the inner workings of the cryptocurrency and blockchain technology sector. GDIB maintains and continues to build on its systematic coverage of the highest quality businesses operating across the blockchain ecosystem, with the ultimate goal of forming long-lasting and trusted relationships. On July 24, 2019, Galaxy Digital Partners LLC 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 the Securities Investor Protection Corporation. GDIB is a diversified revenue stream that can be uncorrelated with cryptocurrency and digital asset market prices.

Mining

Galaxy Digital Mining ("GDM"), launched in September 2020 and has a strategic focus to provide novel and sophisticated financial tools to North American miners.

GDM, in partnership with third-party data center providers, hosts our proprietary bitcoin mining equipment with the intended goal of helping to secure the bitcoin network while generating low-cost basis bitcoin through block rewards and network transaction fees. Since its recent inception, GDM has procured bitcoin mining machines to be utilized for proprietary operations, miner finance, and resale to North American miners for the following primary business activities:

- Proprietary Operations: GDM mines on a proprietary basis at a colocation facility in North America. GDM increased forward purchase commitments and now expects to achieve over 3,000 Petahash per second (PH/s) of mining capacity from monthly deliveries by the end of 2022.
- Miner Finance: Offer state of the art credit underwriting for selected miners to finance machines.
- Resale: Resell purchased machines to other North American miners that require machines, but not financing.

Additionally, GDM, utilizing its deep experience in the sector, seeks to "sell the firm" by partnering with other Galaxy businesses to deliver financial services to miners, including liquidity, hedging, asset leasing and financing, and advisory services.

GDM is also dedicated to managing its carbon footprint by increasing the use of clean energy. As of June 30, 2022, GDM is utilizing electricity with an over 80% sustainable power mix and has a three-year target to maintain an over 80% sustainable power mix.

GDM is currently exclusively engaged in bitcoin mining and as of today has no intentions to mine other cryptocurrencies.

Principal Investments

Galaxy Digital Principal Investments ("GDPI") manages a diverse portfolio of largely private investments across the digital assets industry. Our venture portfolio invests in traditionally structured companies as well as in those building digital asset networks powered and capitalized by tokens.

GDPI's investment objective is to identify, invest in, and support category-defining companies and networks we anticipate will grow the cryptoeconomy, and shape the adoption of the ecosystem. We believe that a core piece of Galaxy's edge in the ecosystem is the information and connectivity generated by our GDPI activity.

Our areas of investment focus routinely evolve alongside developments in the digital assets space. A key differentiator for GDPI is our ability to leverage Galaxy's broader operating business to identify opportunities and current pain points in the digital assets space. We believe the most successful companies and networks of the future will be those that offer solutions to today's challenges. We take a similar approach in our relationships with our portfolio companies by engaging with them on a regular basis to maintain an in-depth knowledge of the digital assets ecosystem, to continue to identify and target valuable solutions. Additionally, we make strategic investments into the equity of companies operating in similar or adjacent businesses to Galaxy with an eye towards future commercial relationships and/or strategic alignment of interests. Finally, we allocate our balance sheet to warehouse investments and provide seed capital for future asset management strategies, which we believe puts us at an advantage relating to many of our competitors.

GDPI's primary investment focus is on early-stage companies and networks, most of which are in the Seed and Series A stages. By utilizing a robust, institutional-quality investment process that relies on organization, prioritization and deep-dive due diligence, Galaxy Digital continues to make selective principal investments across the ecosystem using freshly allocated capital as well as capital sourced from realization of existing and previous investments.

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 GDH Ltd.'s SEDAR profile at www.sedar.com

The Company believes that, as of June 30, 2022, the majority of its issued and outstanding Ordinary Shares were held in the U.S., which would ordinarily result in an issuer no longer qualifying as a “foreign private issuer” within the meaning of Rule 405 under the U.S. Securities Act Rule 3b-4 under the Exchange Act. The Articles of Association of the Company provide for a “certification process adjustment” (the “Certification Process Adjustment”) that is intended to preserve the Company’s status as a foreign private issuer (“FPI status”). The Certification Process Adjustment ensures the aggregate total number of votes cast by US Residents (or shareholders that do not certify their residency) may never exceed 49% of the total number of votes that all shareholders are entitled to cast (See the Capital Structure, Ordinary Shares, Certification Process Adjustment Section of the AIF) . If the Certification Process Adjustment were deemed ineffective by the SEC in preserving the Company’s FPI status, then as a result of the Company’s shareholder composition as of June 30, 2022, the Company would no longer meet the definition of a foreign private issuer after December 31, 2022. If the Company were to lose FPI status, a holder of Ordinary Shares issued after the loss of FPI status may be limited in its ability to resell such shares free of restrictions in a transaction that is exempt from registration under the U.S. Securities Act. This could make the Company’s Ordinary Shares less attractive, which could have adverse consequences on the Company’s ability to raise capital in private placements or prospectus offerings, or to offer Ordinary Shares as consideration when acquiring other companies. In addition, holders of the Exchangeable Notes and Class B Units could be limited in their ability to resell any Ordinary Shares received upon exchange of such securities, to the extent such exchange occurs after the loss of FPI status.

Quarterly Highlights & Results

The following table represents selected financial data and a discussion of significant changes.

(in millions)	June 30, 2022	December 31, 2021
Digital assets	$ 875.1	$ 2,420.8
Assets posted as collateral	88.6	71.4
Total	963.7	2,492.2
Investments	753.9	1,069.8
Total assets	3,395.9	5,096.5
Total liabilities, excluding non-controlling interests liability	1,512.4	2,336.7
Total equity	1,833.4	2,598.4

(in millions)	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Net realized gain (loss) on digital assets	(231.1)	(162.5)	123.8	568.2
Net realized gain (loss) on investments	3.5	41.4	72.9	192.5
Net derivative gain (loss)	80.0	118.5	162.0	73.3
Total income (loss)	(119.2)	22.1	424.3	872.1
Operating expenses	(129.3)	(49.8)	(240.2)	(180.3)
Net unrealized loss on digital assets	(233.4)	(495.6)	(733.6)	(132.7)
Net unrealized gain (loss) on investments	(258.9)	165.1	(333.0)	223.3
Net comprehensive income (loss) for the period	(554.7)	(182.9)	(666.4)	675.4

- As of June 30, 2022, digital assets, including digital assets posted as collateral, was $963.7 million, a decrease of $1.5 billion from December 31, 2021. This decrease was primarily due to the decrease in the price of digital assets held by the Partnership and a decrease in digital assets borrowed and collateral payable, partially offset by a decrease in digital assets lent.
- Investments decreased $315.8 million during the period to $753.9 million as of June 30, 2022. The change was primarily due to unrealized losses on investments of $333.0 million due to unfavorable market conditions.
- Total liabilities, excluding Non-controlling interests liabilities, decreased by $824.3 million during the period to $1.5 billion as of June 30, 2022 primarily due to decreases in Digital assets loans payable of $479.9 million, collateral payable of $290.5 million, and a mark-down of notes payable of $50.5 million.
- Total equity decreased by $765.0 million during the period to $1.8 billion as of June 30, 2022 primarily driven by $666.4 million of Net comprehensive loss, tax distributions of $137.2 million, partially offset by $54.2 million of equity based compensation during the period.
- Operating expenses increased for the three and six months ended June 30, 2022 as compared to the three and six months ended June 30, 2021, driven by an increases in equity based compensation expense, interest on the note payable, mining hosting fees, equipment depreciation expense, and provision for credit losses.

The U.S. dollar is the presentation currency and functional currency of the major operating subsidiaries for all periods presented above. There have been no changes to the accounting principles applied for all periods presented, except as disclosed in Change in Accounting Policies including Initial Adoption, if applicable.

The following table represents the Partnership's breakdown of Net comprehensive income for the past eight quarters:

$'s in millions	Three months ended June 30, 2022	Three months ended March 31, 2022	Three months ended December 31, 2021	Three months ended September 30, 2021	Three months ended June 30, 2021	Three months ended March 31, 2021	Three months ended December 31, 2020	Three months ended September 30, 2020
Net realized gain (loss) on digital assets	$ (231.1)	$ 355.0	$ 315.6	$ 130.5	$ (162.5)	$ 730.7	$ 250.3	$ 10.5
Net realized gain (loss) on investments	$ 3.5	$ 69.4	$ 6.3	32.6	41.4	151.1	(0.6)	15.8
Income (loss)	$ (119.2)	$ 543.6	$ 277.8	216.5	21.5	849.7	256.8	28.7
Operating expenses	$ (129.3)	$ (110.9)	$ (62.0)	(151.2)	(49.2)	(130.2)	(33.1)	(17.0)
Net unrealized gain (loss) on digital assets	$ (233.4)	$ (500.3)	$ 228.9	355.2	(495.6)	362.9	212.8	16.2
Net unrealized gain (loss) on investments	$ (258.9)	$ (74.1)	$ 145.8	177.9	165.1	58.3	61.9	17.0
Net comprehensive income (loss)	$ (554.7)	$ (111.7)	$ 521.3	517.9	(182.9)	858.2	335.6	41.5

For the three and six months ended June 30, 2022, Net comprehensive loss was $554.7 million and $666.4 million, respectively, as compared to Net comprehensive income (loss) for the three and six months ended June 30, 2021 of ($182.9) million and $675.4 million, respectively. The current quarter loss was largely a result of Net realized and unrealized losses on digital assets, as well as a Net unrealized loss on investments, partially offset by a Net derivative gain and realized gains on investments. The year-to-date loss was primarily due to unrealized losses on digital assets and investments, partially offset by realized gains on digital assets and investments. The Net comprehensive loss for the three months ended June 30, 2021 was largely driven by net realized and unrealized losses on digital assets, while the Net comprehensive income for the six months ended June 30, 2021 was driven by Net realized gain on digital assets and net realized and unrealized gains on investments.

Discussion of Operations & Operational Highlights

- **Corporate Overview**

  - **GDH Ltd. acquisition of BitGo**

    On March 30, 2022, GDH Ltd., GDH LP and GDH GP, along with various subsidiaries amended and restated the merger agreement governing its previously announced acquisition of BitGo. BitGo is an independent digital assets infrastructure provider. Under the terms of the amended and restated merger agreement, the consideration to BitGo shareholders will consist of 44.8 million newly issued shares of common stock of the successor to GDH Ltd. following its domestication as a Delaware corporation and $265 million in cash, subject to certain adjustments and deferred purchase considerations.

    The acquisition is expected to close immediately following the domestication of GDH Ltd. as a Delaware corporation, subject to approval by the Company's shareholders as well as certain other acquisition-related closing conditions and regulatory approvals.

    The BitGo acquisition will diversify the Company's business with greater contribution from recurring revenue streams that are significantly less correlated with digital asset prices. The acquisition will also accelerate 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 that, paired with BitGo's strong base business and growth trajectory, support the value of the acquisition.

  - **GDH Ltd. Reorganization and Domestication:**

    On May 5, 2021, Galaxy Digital announced that its board of directors approved a proposed reorganization and domestication (the "Reorganization") of GDH Ltd. and the Partnership. Under the proposed terms of the Reorganization: GDH Ltd. and the Partnership will redomicile from the Cayman Islands to Delaware. Galaxy Digital's corporate and capital structure will be reorganized so as to normalize it on the basis of frequently used Up-C structures in the United States. The Reorganization will include the following steps:

- Galaxy Digital Inc., a new Delaware holding company, will be established and will become the successor public company of GDH Ltd. ("PubCo"), with all outstanding Galaxy Digital ordinary shares becoming Class A shares of PubCo.
- Mike Novogratz, the CEO and Founder of Galaxy Digital, who currently controls the general partner of Partnership, will transfer control of the Partnership's general partner to PubCo.
- PubCo will issue new voting securities to Mike Novogratz and other holders of Class B Units of the Partnership that will entitle them to vote (but not hold any economic rights) at the PubCo level, as though they had converted their existing Class B Units of the Partnership for shares of PubCo.
- The "variable voting rights" attached to the ordinary shares of Galaxy Digital that currently restrict the aggregate votes that may be cast by U.S. shareholders will be eliminated.
- PubCo intends to apply to list its Class A shares on a U.S. national securities exchange.

The purpose and business reasons for the Reorganization include:

- Expectation of enhanced shareholder value through increased access to U.S. capital markets, improved flexibility for future equity and debt capital market needs, and an increased profile for Galaxy Digital in the United States.
- Normalization of Galaxy Digital's corporate and capital structure.
- Facilitation of acquisitions.
- Alignment of all stakeholders' interests at the PubCo level.

- **Sustainability Program:**

The Company publicly launched a Sustainability Program and Strategy in January 2022, underscoring the Company's commitment to responsible environmental practices, a robust corporate governance strategy and an equitable, inclusive environment for employees. The Program is overseen by the Company's Board of Directors, supported by an ESG Steering Committee comprised of senior executives across the Company's business lines and corporate functions.

- **Operational highlights**
  - **Galaxy Digital Trading ("GDT")** reported continued growth in client count and strong revenue from our counterparty-facing businesses, against decreased counterparty trading volumes and digital asset price declines within the quarter.
    - Strong cumulative counterparty-facing GDT Operational Net Revenue ("GDT Operational Revenue") within the quarter brought year-to-date GDT Operational Revenue to over $50 million. Year-to-date GDT Operational Revenue is approximately 50% from our Derivatives business, with the remaining approximately equally split between our Credit and Quantitative Trading businesses.
    - Within the quarter, GDT onboarded over 40 new counterparties to our trading platform, bringing our total trading counterparties to nearly 850, and continues to provide liquidity in over 100 cryptocurrencies.
    - Counterparty trading volumes decreased by 30% from the quarter ended March 31, 2022, and decreased by 50% year over year.
    - The Company's cumulative gross counterparty loan originations grew to approximately $940 million within the quarter, and the value of GDT's counterparty loan and yield portfolio decreased 50% sequentially quarter over quarter.
    - With approximately 30 active clients, our credit portfolio had one instance of a credit impairment in the quarter of approximately $10 million, for which we took full loan-loss reserve and are actively working to recover. This credit impairment represents 0.5% of current total Partner's Capital.
  - **Galaxy Digital Asset Management ("GDAM")** reported preliminary assets under management ("AUM") of nearly $1.7 billion as of June 30, 2022, a 40% decrease against the 56% decrease of total cryptocurrency market capitalization from the quarter ended March 31, 2022. AUM consisted of $765 million in GDAM's Galaxy Fund Management products, and just over $930 million in the Galaxy Interactive venture franchise.
    - GDAM continues to build upon its comprehensive and diverse suite of active, passive, and venture strategies, focusing efforts in growing the venture and liquid alpha product suite — as a direct result, GDAM saw relatively flat net flows in the quarter.

    - Within the quarter, the Galaxy Interactive venture franchise grew AUM to just over $930 million, due to the increased value of the fully deployed, committed capital from Galaxy EOS VC Fund LP.
    - Galaxy Vision Hill had the first close of the GVH Venture FOF II LP in April at roughly $73 million and is expected to have its second close in early Fall 2022 which will bring total GVH AUM to nearly $200 million as previously announced.
    - GDAM launched the Galaxy Liquid Alpha Fund, benchmarked to the Bloomberg Galaxy Bitcoin index, with internal capital within the quarter. The fund seeks to utilize a combination of macro, quantitative, and fundamental analysis to pick large secular winners within the emerging crypto asset class.

- **Galaxy Digital Investment Banking ("GDIB")** had a strong quarter growing the active deal pipeline, advising on marquee transactions, and adding $2.3 million of top line revenue in the quarter.
    - GDIB is actively engaged in the markets' prominent shift towards M&A activity, securing a sizable backlog of both buy-side and sell-side M&A mandates and is executing against an active pipeline of mandates representing well over $1 billion in transaction value.
    - The team is also continuing to expand our local presence across different geographies, strengthening our ability to serve our clients and meet demand across the globe.
    - Within the quarter, GDIB advised on the successful close of one transaction in which we acted as exclusive financial advisor to Algorand and Hivemind on a take-private acquisition of Napster, an entertainment and music streaming service company initially made popular in the early 2000s.
    - We additionally realized revenue associated with the second close of a previously announced capital raise transaction.

- **Galaxy Digital Mining ("GDM")** had another quarter of strong results across its proprietary mining operations while continuing to take a prudent approach toward Miner Finance, resulting in revenue of $10.9 million and net comprehensive income of $1.5 million in the quarter.
    - Proprietary mining operations continued to mine bitcoin at a marginal cost significantly lower than fair market value.
    - GDM remains on track to achieve over 3,000 Petahash per second (PH/s) of mining capacity for both proprietary and miner-finance operations, from monthly deliveries by the end of 2022. This represents an increase from the previously reported 2,500 PH/s following new machine purchases made within the quarter.
    - Additionally, GDM added a new hosting provider this quarter, Aspen Creek Digital Corporation ("ACDC"). ACDC is a bitcoin mining company focused on renewable energy, demonstrating GDM's ongoing commitment to use an electricity power mix consisting of more than 80% sustainable power sources.

- **Principal Investments** now holds 141 investments across 100 portfolio companies as of June 30, 2022. Within the second quarter 2022, GDPI followed a conservative approach to capital deployment and focused on smaller investments.

Industry Performance and Outlook

The following table reflects the performance of the cryptocurrency market capitalization, bitcoin and ether for the period from January 9, 2018 to June 30, 2022 (amounts expressed in US$):

	As of January 9, 2018	As of December 31, 2019	As of December 31, 2020	As of December 31, 2021	As of March 31, 2022	As of June 30, 2022	% Change 2022	% Change from January 9, 2018 to June 30, 2022
Cryptocurrency Market Capitalization (millions)(1)	$739,209	$190,906	$765,313	$2,206,758	$2,044,461	$881,918	(60.0)%	19.3%
Bitcoin Price(2)	$14,595	$7,194	$29,002	$46,306	$45,539	$19,785	(57.3)%	35.6%
Ether Price(2)	$1,300	$130	$738	$3,683	$3,282	$1,067	(71.0)%	(17.9)%

(1) Represents coinmarketcap.com quoted price as of 12:00 AM UTC for total market capitalization; January 9, 2018 is presented as that is the date of the Asset Contribution. Capitalization numbers are presented in millions of U.S. dollars.

(2) Represents coinmarketcap.com quoted price as of 12:00 UTC AM for Bitcoin and Ether; January 9, 2018 pricing is presented as that is the date of the Asset Contribution.

Market Overview

Digital asset markets continued to recede in Q2 along with broader traditional markets in the face of stubbornly high inflation and tightening monetary policy from many of the world's central banks. Bitcoin and Ethereum are down 66% and 68% respectively from their all-time high in November 2021 due to several factors as described below.

Inflation began to appear in the U.S. and around the world. After hitting its lowest point since 2015 at 0.1% in May 2020, U.S. year over year Consumer Price Index grew to 5.4% by July 2021, 6.8% by December 2021, and 9.1% by the end of June 2022, the highest reading for the index in more than 40 years. In December, elevated inflation led central banks worldwide to begin signaling monetary tightening policies were forthcoming, specifically raising key benchmark interest rates and engaging in balance sheet runoff . In June 2022, the U.S. Federal Reserve raised the base rate by 75bps, and the central bank again raised the base rate by 75bps in July 2022. U.S. gross domestic product fell 0.9% in Q2, following a 1.6% GDP decline in Q1. Historically, two consecutive quarters of GDP decline is a strong signal that a recession is looming. Relatively neutral language by the U.S. Federal Reserve in presenting its most recent rate hike, which markets interpreted as a signal that future hikes may remain at 75bps or lower, along with thin summer liquidity and monthly portfolio rebalancing led equity and crypto asset markets higher in July, although the recent strength may be short-lived if macroeconomic conditions continue to tighten and inflation remains persistent.

Declining digital asset prices have placed pressure on crypto-native protocols and companies, exposing unsustainable designs and business models. Several centralized lending firms became undercollateralized or insolvent, leading to business closures and bankruptcies. The unwinding of much of the centralized crypto credit complex led to significant deleveraging across the digital asset market, placing additional downward pressure on prices. Notably, major decentralized finance protocols performed as expected without disruption, and their transparency stood in stark contrast to the opacity of the centralized lending market. Bitcoin and ether, the two largest cryptocurrencies by market capitalization, appear to have formed a sturdy bottom in the $18-20k (BTC) and $1k (ETH) price ranges, with some confidence returning to the market following Q2's deleveraging events. Digital asset volatility remains high, leading many institutional investors to classify the asset class as risky, resulting in a continued elevated correlation between digital assets and equities. With risk assets still facing a challenging year ahead in the face of macroeconomic factors, digital asset prices continue to face short-term headwinds.

Industry Outlook

As digital asset protocols, networks, and applications continue to launch and develop, new innovations may spur wider user adoption through numerous potential use cases and provide a tailwind to the industry. Many of the larger incumbent digital asset protocols have introduced upgrades to scalability and usability amidst rising competitive pressures from new protocols. Even bitcoin, the oldest and most valuable digital asset network, successfully enacted a network-wide upgrade in November 2021, a rarity for the conservatively developed network. Meanwhile, Ethereum has made significant progress on the change from Proof-of-Work mining to Proof-of-Stake validating, known as "The Merge," which is expected to occur in late Q3 2022.

New tools, infrastructure, and protocol upgrades may drive additional developer interest and application design, resulting in growing user adoption of digital assets.

Increasing regulatory clarity from domestic and global regulatory bodies has made it easier for individuals and institutional investors to participate in the digital assets ecosystem. Further clarity on the classification and treatment of assets, know-your-customer and anti-money laundering procedures, and rules on accounting, taxation, custody, and transacting is providing a framework for current and prospective participants in the broader digital asset industry. The Partnership expects additional regulatory clarity to emerge in 2022 with the United States government formally working to develop national policies for the asset class, particularly following President Biden's issuance of the "Executive Order on Ensuring Responsible Development of Digital Assets," which orders a broad review of digital assets and cryptocurrencies by various U.S. government agencies.

In the second quarter of 2022, institutional inflows into bitcoin and digital assets declined significantly from the fourth quarter of 2021. Major networks like Bitcoin and Ethereum also saw declining transactional usage, including in the decentralized finance sector on Ethereum and other blockchains. The budding non-fungible token (NFT) market has also seen declining volumes in Q2 2022.

However, blockchain technology continues to see significant technical advancements, with layer 2 networks growing in adoption and capability, application of zero-knowledge technology increasing, and research into new scaling and privacy techniques continuing at a rapid pace. Venture capital funding for cryptocurrency and blockchain startups was down in Q2 to $8 billion from its Q1 2022 all-time high of $10 billion, with growth seen in more nascent subsectors like Web3, NFT, Decentralized Autonomous Organizations ("DAOs"), and the Metaverse. These investments will fuel new innovations that will continue to advance the cryptocurrency ecosystem in myriad ways.

The above advances are expected to lead to wider adoption of digital assets. Growing interest and adoption may lead to increased volumes and prices, which should benefit all of our businesses. On a daily basis, the trading business and the Partnership's short- and long-term positioning of its portfolio strategy may benefit the most from these advances as one of the key factors to their success is the volume and value of digital assets traded.

To date, the Partnership has not been uniquely impacted by COVID-19. For the safety and well-being of its employees, the Partnership has implemented its business continuity plans, including remote work arrangements. While COVID-19 continues to impact the global economy, its relevance to global commerce has declined significantly since 2021. Digital asset markets have been impacted by COVID-19, but other factors, including inflation, global central bank monetary policy, investor risk sentiment, and geopolitical events are seen as more impactful on both crypto and traditional markets. If novel COVID-19 variants emerge, or if major lockdowns like the ones seen recently in China continue or expand, the COVID-19 picture could change again.

The Partnership believes that in the long run bitcoin has the potential to become a safe-haven, hard money asset (and that in its current state has all the requisite elements to do so), but today bitcoin and other digital assets remain subject to global risk appetites as positioning decisions are considered in conjunction with investors' broader portfolios. The broader digital assets market has significant and even growing upside potential, with new opportunities emerging in payments, finance, art, collectibles, finance, gaming, and the metaverse. Nonetheless, shifting risk sentiment will continue to impact the digital assets markets in the near term.

Performance by Reportable Segment

The following table represents income and expenses by each of the reportable segments for the three months ended June 30, 2022:

(in thousands)	Trading	Principal Investments	Asset Management	Investment Banking	Mining	Corporate and Other	Totals
Income (loss)							
Advisory and management fees	$ 62	$ —	$ 3,907	$ 2,259	$ —	$ —	$ 6,228
Net realized gain (loss) on digital assets	(219,954)	(8,410)	(2,773)	—	—	—	(231,137)
Net realized gain (loss) on investments	(843)	4,334	—	—	—	—	3,491
Income from lending	10,032	23	—	—	—	—	10,055
Net derivative gain	80,019	—	—	—	—	—	80,019
Income from mining	—	—	—	—	10,947	—	10,947
Other income	308	780	66	—	—	—	1,154
	(130,376)	**(3,273)**	**1,200**	**2,259**	**10,947**	**—**	**(119,243)**
Operating expenses	**47,289**	**2,250**	**14,890**	**2,744**	**9,405**	**52,711**	**129,289**
Net unrealized gain (loss) on digital assets	7,337	(145,611)	(95,098)	—	—	—	(233,372)
Net unrealized gain (loss) on investments	(5,097)	(253,955)	161	—	—	—	(258,891)
Net gain on notes payable - derivative	—	—	—	—	—	51,104	51,104
Net gain on warrant liability	—	—	—	—	—	17,177	17,177
Foreign currency gain	(1,305)	—	—	—	—	3	(1,302)
Loss attributable to non-controlling interests liability	—	—	100,606	—	—	—	100,606
	935	**(399,566)**	**5,669**	**—**	**—**	**68,284**	**(324,678)**
Income tax benefit	—	—	—	—	—	18,509	18,509
Net income (loss) for the period	**$ (176,730)**	**$ (405,089)**	**$ (8,021)**	**$ (485)**	**$ 1,542**	**$ 34,082**	**$ (554,701)**
Foreign currency translation adjustment	—	—	—	—	—	(19)	(19)
Comprehensive income (loss) for the period	**$ (176,730)**	**$ (405,089)**	**$ (8,021)**	**$ (485)**	**$ 1,542**	**$ 34,063**	**$ (554,720)**

The table below presents income and expenses by each of the reportable segments for the six months ended June 30, 2022:

(in thousands)	Trading	Principal Investments	Asset Management	Investment Banking	Mining	Corporate and Other	Totals
Income (loss)							
Advisory and management fees	$ 62	$ —	$ 7,769	$ 10,270	$ —	$ —	$ 18,101
Net realized gain (loss) on digital assets	136,735	(11,266)	(1,625)	—	—	—	123,844
Net realized gain (loss) on investments	(4,866)	77,795	—	—	—	—	72,929
Income from lending	24,647	43	—	—	—	—	24,690
Net derivative gain	161,996	—	—	—	—	—	161,996
Income from mining	—	—	—	—	20,756	—	20,756
Other income	430	1,505	66	—	—	—	2,001
	319,004	**68,077**	**6,210**	**10,270**	**20,756**	**—**	**424,317**
Operating expenses	**89,362**	**4,981**	**28,240**	**4,923**	**14,683**	**98,030**	**240,219**
Net unrealized gain (loss) on digital assets	(470,320)	(153,575)	(109,748)	—	—	—	(733,643)
Net unrealized gain (loss) on investments	(4,752)	(327,790)	(477)	—	—	—	(333,019)
Net gain (loss) on notes payable - derivative	—	—	—	—	—	57,597	57,597
Net gain on warrant liability	—	—	—	—	—	19,698	19,698
Foreign currency gain	712	—	—	—	—	3	715
Loss attributable to non-controlling interests liability	—	—	114,017	—	—	—	114,017
	(474,360)	**(481,365)**	**3,792**	**—**	**—**	**77,298**	**(874,635)**
Income tax expense	—	—	—	—	—	24,628	24,628
Net income (loss) for the year	**$ (244,718)**	**(418,269)**	**(18,238)**	**5,347**	**6,073**	**3,896**	**(665,909)**
Foreign currency translation adjustment	—	—	—	—	—	(487)	(487)
Comprehensive income (loss) for the period	**$ (244,718)**	**$ (418,269)**	**$ (18,238)**	**$ 5,347**	**$ 6,073**	**$ 3,409**	**$ (666,396)**

The following table represents income and expenses by each of the reportable segments for the three months ended June 30, 2021:

(in thousands)	Trading	Principal Investments	Asset Manageme nt	Investment Banking	Mining	Corporate and Other	Totals
Income (loss)							
Advisory and management fees	$ 60	$ —	$ 2,384	$ —	$ —	$ —	$ 2,444
Net realized gain (loss) on digital assets	(237,991)	(2,525)	77,983	—	—	—	(162,533)
Net realized gain (loss) on investments	—	41,363	—	—	—	—	41,363
Income from lending	16,816	19	—	—	—	—	16,835
Net derivative gain (loss)	93,461	25,000	—	—	—	—	118,461
Income from mining	—	—	—	—	2,161	—	2,161
Other income	1,220	2,062	75	—	—	—	3,357
	(126,434)	**65,919**	**80,442**	**—**	**2,161**	**—**	**22,088**
Operating expenses	**33,746**	**1,316**	**5,794**	**336**	**618**	**7,960**	**49,770**
Net unrealized gain (loss) on digital assets	(177,220)	(67,502)	(249,856)	—	(1,036)	—	(495,614)
Net unrealized gain (loss) on investments	—	165,052	—	—	—	—	165,052
Net gain (loss) on warrant liability	—	—	—	—	—	2,663	2,663
Foreign currency gain	(922)	—	—	—	—	—	(922)
(Gain) loss attributable to non-controlling interests liability	—	—	173,612	—	—	—	173,612
	(178,142)	**97,550**	**(76,244)**	**—**	**(1,036)**	**2,663**	**(155,209)**
Income tax expense	—	—	—	—	—	—	—
Net income (loss) for the period	**$ (338,322)**	**$ 162,153**	**$ (1,596)**	**$ (336)**	**$ 507**	**$ (5,297)**	**$ (182,891)**
Foreign currency translation adjustment	—	—	—	—	—	14	14
Comprehensive income (loss) for the period	**$ (338,322)**	**$ 162,153**	**$ (1,596)**	**$ (336)**	**$ 507**	**$ (5,283)**	**$ (182,877)**

The table below presents income and expenses by each of the reportable segments for the six months ended June 30, 2021:

(in thousands)	Trading	Principal Investments	Asset Manageme nt	Investment Banking	Mining	Corporate and Other	Totals
Income (loss)							
Advisory and management fees	$ 155	$ —	$ 4,202	$ —	$ —	$ —	$ 4,357
Net realized gain (loss) on digital assets	306,409	42,990	218,780	—	—	—	568,179
Net realized gain (loss) on investments	—	192,501	—	—	—	—	192,501
Income from lending	25,327	41	—	—	—	—	25,368
Net derivative gain (loss)	48,276	25,000	—	—	—	—	73,276
Income from mining	—	—	—	—	3,902	—	3,902
Other income	2,086	2,383	75	—	—	—	4,544
	382,253	**262,915**	**223,057**	**—**	**3,902**	**—**	**872,127**
Operating expenses	**107,556**	**11,665**	**10,030**	**1,200**	**1,333**	**48,538**	**180,322**
Net unrealized gain (loss) on digital assets	(18,603)	27,316	(140,605)	—	(813)	—	(132,705)
Net unrealized gain (loss) on investments	—	223,334	—	—	—	—	223,334
Net gain (loss) on warrant liability	—	—	—	—	—	(34,154)	(34,154)
Foreign currency gain	2,143	(348)	—	—	—	—	1,795
(Gain) loss attributable to non-controlling interests liability	—	—	(75,007)	—	—	—	(75,007)
	(16,460)	**250,302**	**(215,612)**	**—**	**(813)**	**(34,154)**	**(16,737)**
Income tax expense	—	—	—	—	—	—	—
Net income (loss) for the period	**$ 258,237**	**$ 501,552**	**$ (2,585)**	**$ (1,200)**	**$ 1,756**	**$ (82,692)**	**$ 675,068**
Foreign currency translation adjustment	—	—	—	—	—	298	298
Comprehensive income (loss) for the period	**$ 258,237**	**$ 501,552**	**$ (2,585)**	**$ (1,200)**	**$ 1,756**	**$ (82,394)**	**$ 675,366**

The results of the Partnership's operations are directly affected by changes in the prices of cryptocurrencies and other digital assets that the Partnership holds or may hold. A significant decrease in the price or value of digital assets held by the Partnership may adversely affect the Partnership's results of operations. This is evidenced by the $233.4 million and $733.6 million of Net unrealized loss on digital assets for the three and six months ended June 30, 2022, respectively. The trading segment primarily includes the performance of the over the counter ("OTC") trading and of the short term and long term positioning of the Partnership's digital assets.

Three and six months ended June 30, 2022

Net Realized Gain on Digital Assets

Standard trading activity of bitcoin and ether while prices were rapidly declining drove the Net realized loss on digital assets of $231.1 million for the three months ended June 30, 2022. The Net realized gain on digital assets of $123.8 million for the six months ended June 30, 2022 was driven by sales of luna. For the three and six months ended June 30, 2021, the largest contributors to the Net realized gains (losses) on digital assets of $162.5 million and $568.2 million, respectively, were sales of bitcoin and ether.

Net Unrealized Gain (Loss) on Digital Assets

For the three and six months ended June 30, 2022, the largest contributor to the Net unrealized loss on digital assets of $233.4 million and $733.6 million, respectively, were unrealized losses on the reversal of the previously recognized unrealized gains from the sale of luna and changes in market value of digital assets held in consolidated funds and digital asset receivables. For the three and six months ended June 30, 2021, the largest contributors to the net unrealized loss on digital assets of $495.6 million and $132.7 million, respectively, were unrealized gains primarily on holdings of bitcoin and ether.

Net Realized Gain on Investments

For the three and six months ended June 30, 2022, Net realized gain on investments of $3.5 million and $72.9 million, respectively, were primarily attributable to a partial sale of the Partnership's investment in Fireblocks and redemption of the Partnership's investment in the Pantera ICO Fund LP. For the three and six months ended June 30, 2021, the largest contributors to Net realized gain on investments of $41.4 million and $192.5 million were due to due to realizations of large investment positions, including sale of the Partnerships's investment in BlockFi, Inc.

Net Unrealized Gain (Loss) on Investments

For the three and six months ended June 30, 2022, Net unrealized loss on investments of $258.9 million and $333.0 million, respectively, were primarily attributable to fair value of the Partnership's investments in Candy Digital, Fireblocks Ltd and Mt. Gox. For the three months ended June 30, 2021, the unrealized gain on investments of $165.1 million was primarily due to fair value increases of the Partnership's investments in the Pantera ICO Fund, Fireblocks, Ltd and Wakem, LLC. For the six months ended June 30, 2021, the unrealized gain on investments of $223.3 million was primarily due to fair value increases in the Partnership's investments in Wakem, LLC, Pantera Venture Fund, LP and Pantera ICO Fund, LP.

The table below presents the fair value of each asset class by reporting segment as of June 30, 2022:

(in thousands)	**Trading**	**Principal Investments**	**Asset Management**	**Investment Banking**	**Mining**	**Corporate and Other**	**Totals**
Digital assets	$ 775,537	$ 50,004	$ 49,527	$ —	$ —	$ —	$ 875,068
Digital assets receivables	7,983	15,376	—	—	—	—	23,359
Digital assets posted as collateral (Note 7, 8, 9)	88,566	—	—	—	—	—	88,566
Investments:							
Pre-Launch Network	2,500	2,509	—	—	—	—	5,009
Convertible Notes	5,287	4,486	—	—	—	—	9,773
Preferred Stock	—	304,184	—	—	—	—	304,184
Common Stock	15,534	131,859	—	—	—	—	147,393
LP/LLC Interests	—	287,553	—	—	—	—	287,553
Warrants/Trust Units/ Trust Shares	—	35	—	—	—	—	35
Total	**$ 895,407**	**$ 796,006**	**$ 49,527**	**$ —**	**$ —**	**$ —**	**$ 1,740,940**

The table below presents the fair value of each asset class by reporting segment as of December 31, 2021:

(in thousands)	Trading	Principal Investments	Asset Management	Investment Banking	Mining	Corporate and Other	Totals
Digital assets	2,121,772	$ 123,210	$ 165,300	$ —	$ 10,495	$ —	$ 2,420,777
Digital assets receivables	—	71,657	—	—	—	—	71,657
Digital assets posted as collateral	71,400	—	—	—	—	—	71,400
Investments:							
Pre-Launch Network	—	6,393	—	—	—	—	6,393
Convertible Notes	—	9,768	—	—	—	—	9,768
Preferred Stock	—	382,182	—	—	—	—	382,182
Common Stock	34,991	236,303	—	—	—	—	271,294
LP/LLC Interests	—	383,279	—	—	—	—	383,279
Warrants/Trust Units	7,963	8,897	—	—	—	—	16,860
Total	**$ 2,236,126**	**$ 1,221,689**	**$ 165,300**	**$ —**	**$ 10,495**	**$ —**	**$ 3,633,610**

Financial Instruments, Digital Assets and Risk

The fair values of all financial instruments, digital assets and digital assets sold short were measured using the cost, market or income approaches. The financial instruments, digital assets and digital assets sold short measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values, with the designation based upon the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy are:

Level 1 Inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 Inputs: Quoted prices for similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active, or other observable inputs other than quoted prices.

Level 3 Inputs: One or more inputs to the valuation are unobservable and significant to the fair value measurement of the asset or liability. (Unobservable inputs reflect management's assumptions on how market participants would price the asset or liability based on the information available.)

The following table presents the fair value hierarchy for the Partnership's digital assets and investments measured at fair value as of June 30, 2022 and December 31, 2021:

(in thousands)	**As of June 30, 2022**				**As of December 31, 2021**			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Digital assets	$ —	$ 875,068	$ —	$ 875,068	$ —	$ 2,416,633	$ 4,144	$ 2,420,777
Digital assets receivable	$ —	$ 2,280	$ 21,079	$ 23,359	$ —	$ 10,036	$ 61,621	$ 71,657
Digital assets posted as collateral	$ —	$ 88,566	$ —	$ 88,566	$ —	$ 71,400	$ —	$ 71,400
Derivative assets	$ —	$ 29,710	$ —	$ 29,710	$ —	$ 45,669	$ —	$ 45,669
Common stock	$ 50,259	$ —	$ 97,134	$ 147,393	$ 56,109	$ —	$ 215,185	$ 271,294
Convertible notes	$ —	$ —	$ 9,773	$ 9,773	$ —	$ —	$ 9,768	$ 9,768
LP/LLC interests	$ —	$ —	$ 287,553	$ 287,553	$ —	$ —	$ 383,279	$ 383,279
Pre-Launch network	$ —	$ —	$ 5,009	$ 5,009	$ —	$ —	$ 6,393	$ 6,393
Preferred stock	$ —	$ —	$ 304,184	$ 304,184	$ —	$ —	$ 382,182	$ 382,182
Warrants/Trust units/ Trust shares	$ —	$ —	$ 35	$ 35	$ 7,963	$ —	$ 8,897	$ 16,860
Total	$ 50,259	$ 995,624	$ 724,767	$ 1,770,650	$ 64,072	$ 2,543,738	$ 1,071,469	$ 3,679,279

Liabilities	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Investments sold short	8,923	—	—	8,923	11,630	—	—	11,630
Derivative liabilities	—	41,854	—	41,854	—	25,567	—	25,567
Warrant liability	—	—	625	625	—	—	20,488	20,488
Embedded derivative - Notes payable	—	—	1,269	1,269	—	—	58,866	58,866
Total	$ 8,923	$ 41,854	$ 1,894	$ 52,671	11,630	25,567	79,354	116,551

Valuation of Assets / Liabilities that use Level 1 Inputs (“Level 1 Assets / Liabilities”). Consists of the Partnership’s investments in common stock and investments sold short, where quoted prices in active markets are available.

Valuation of Assets / Liabilities that use Level 2 Inputs (“Level 2 Assets / Liabilities”). Consists of the Partnership’s investments in derivatives, digital assets, including its digital assets posted as collateral and digital assets sold short, where quoted prices in active markets are available. For the digital assets, the fair value is determined by the volume-weighted average of prices across principal exchanges as of 12:00 AM UTC, per coinmarketcap.com*.

* Coinmarketcap.com is a pricing aggregator, as the principal market or most advantageous market is not always known. The Partnership believes any price difference amongst the principal market and an aggregated price to be immaterial.

The Partnership’s pre-network launch investments are generally carried at the total contributions made to date, unless impaired, as there are no conditions indicating a change in value and therefore cost approximates fair value. For the Partnership’s other investments classified as Level 2, the market approach is used. These investments are classified as Level 2 as they are based on observable inputs other than quoted prices, such as transactions in the equity of the investments.

Valuation of Assets / Liabilities that use Level 3 Inputs (“Level 3 Assets / Liabilities”). Consists of the Partnership’s investments in preferred stock, convertible notes, limited partnership/limited liability company interest investments, warrants/ trust units/trust shares and pre-ICO investments; certain of the Partnership's investments in common stock and digital assets; and the majority of the Partnership's digital assets receivables.

- For digital assets and digital assets receivables, fair value was determined utilizing a volume-weighted average of prices across principal exchanges as of 12:00 AM UTC, with an adjustment for time of receipt of tokens and/or potential volatility. If the digital asset was contractually or legally to be received over a specific vesting period of potentially multiple years, restricted for trading or lacked access to an active market, a discount was applied to the closing prices. The discount was calculated using an option pricing model to determine the cost to insure the subject asset against the risk of encountering lower prices.

- For the Partnership's common stock investments:
    - Various option pricing models were considered and/or utilized including: a backsolve method, a protective put method for discount for lack of marketability, and a Black-Scholes model for discount for lack of marketability was applied to investments restricted for trading; and
    - A prior transaction approach was used for others; some adjusted.
- For the Partnership's preferred stock investments:
    - Various option pricing models were considered and/or utilized including: a backsolve method, a protective put method for discount for lack of marketability, and a Black-Scholes model for discount for lack of marketability was applied to investments restricted for trading; and
    - A prior transaction approach was used for others; some adjusted.
    - One of the Partnership's preferred stock investments used the adjusted book value method to estimate fair value. This is an approach that relies on adjusting the most recently reported book values of the subject enterprise's assets to their market values and subtracting the corresponding liabilities;
    - A discounted cash flow was utilized for one investment;
    - And one investment was valued based on a sum of the parts method.
- For the Partnership's convertible notes, the market approach is used, with further fair value adjustments (e.g. the application of unobservable probabilities); as well as a prior transaction approach for many, some adjusted.
- For a majority of the Partnership's limited partnership/limited liability company interest investments in funds, fair value was based on the net asset value provided by the fund, adjusted if necessary for events between statement date and the date of the financials. For one limited partnership interest investment in a fund, fair value was based on a probability weighted estimated future payout under the income approach. A prior transaction approach was used for other investments; some adjusted.
- For the Partnership's investment in warrants/trust units/trust shares, an adjusted book value approach was used for one investment; the remainder utilized a prior transaction approach, some adjusted.

The Partnership's warrant liability and Exchangeable Notes were also classified as a Level 3 financial liability. The option pricing models were used to determine the fair value of the associated derivatives.

The fair value of Level 3 assets and liabilities is inherently subjective. Specifically, because of the uncertainty of determining the fair value of investments that do not have readily ascertainable market values, the VC's conclusion of fair value for an investment on a date may differ significantly from (1) the fair value conclusions of other knowledgeable market participants and/or (2) prior or subsequently observed transaction prices, including the price paid to acquire, or received to sell, the investment itself.

Other

Adjustments to observable prices obtained for assets that are deemed to lack access to an active market are based on empirical and quantitative studies designed to estimate liquidity discounts. To estimate the appropriate discount to apply, the Partnership considered the relevant facts and circumstances, including features of the subject assets, expectations related to an active market existing in the future, costs associated with accessing (or trading outside of) existing exchanges as applicable, price volatility of comparable assets, and other identified risks associated with the subject assets.

A verified prior transaction is initially given 100% weighting in a fair value conclusion (if completed at arm's length), but subsequently such weighting is adjusted based on the merits of newly observed data. As a result, in the absence of disconfirming data, an unadjusted prior transaction price may not be considered "stale" for months or, in some cases, years.

Level 3 Continuity

The following table represents a reconciliation of Level 3 assets and liabilities for the period ended June 30, 2022:

Assets (in thousands)	Fair value at December 31, 2021	Purchases	Sales/ Distributions	Net Realized Gain (Loss) on Digital Assets and Investments	Net Unrealized Gain/(Loss) on Digital Assets and Investments	Transfers in /(out) of Level 3	Fair Value at June 30, 2022
Digital assets	$ 4,144	$ —	$ —	$ —	$ (577)	$ (3,567)	$ —
Digital assets receivables	61,621	40,025	—	—	(60,805)	(19,762)	21,079
Common stock	215,185	5,000	(4,625)	866	(85,441)	(33,851)	97,134
LP/LLC interests	383,279	30,143	(81,520)	52,883	(103,331)	6,099	287,553
Pre-Launch Network	6,393	1,050	(1,505)	—	(929)	—	5,009
Preferred stock	382,182	29,560	(25,142)	24,789	(107,205)	—	304,184
Warrants/Trust units/ Trust shares	8,897	3	—	—	(8,865)	—	35
Total Digital Assets, Digital Assets Receivables and Investments	**$ 1,071,469**	**$ 107,789**	**$ (112,792)**	**$ 78,538**	**$ (369,156)**	**$ (51,081)**	**$ 724,767**

Liabilities	Fair value at December 31, 2021	Conversions	Revaluation	Fair Value at June 30, 2022
Warrant liability	$ 20,488	$ (165)	$ (19,698)	$ 625
Embedded derivative - Notes payable	$ 58,866	$ —	$ (57,597)	$ 1,269

Transfers in and out of Level 3 are considered to have occurred at the beginning of the period the transfer occurred. Total transfers into Level 3 were $6.1 million and total transfers out of Level 3 were $57.2 million. The transfers out of Level 3 for digital assets and digital assets receivable were due to vesting of digital assets as expected.

The following table represents a reconciliation of Level 3 assets and liabilities for the year ended December 31, 2021:

Assets (in thousands)	Fair value at December 31, 2020	Purchases	Sales/ Distributions	Net Realized Gain (Loss) on Digital Assets and Investments	Net Unrealized Gain/(Loss) on Digital Assets and Investments	Transfers in /(out) of Level 3	Fair Value at December 31, 2021
Digital Assets	$ 6,314	$ 1,951	$ —	$ —	$ 2,193	$ (6,314)	$ 4,144
Digital assets receivables	$ 19,724	$ 16,368	$ —	$ —	$ 37,613	$ (12,084)	$ 61,621
Convertible notes	$ 1,851	$ 6,561	$ —	$ —	$ 694	$ 662	$ 9,768
Common stock	$ —	$ 53,527	$ —	$ —	$ 146,657	$ 15,001	$ 215,185
LP/LLC interests	$ 73,861	$ 133,203	$ (4,114)	$ —	$ 177,329	$ 3,000	$ 383,279
Pre-Launch Network	$ —	$ 6,393	$ —	$ —	$ —	$ —	$ 6,393
Preferred stock	$ 33,385	$ 72,852	$ (24,010)	$ 20,114	$ 251,573	$ 28,268	$ 382,182
Warrants/Trust Units/Trust Shares	$ 54,773	$ 28	$ (20,497)	$ 17,602	$ (12,359)	$ (30,650)	$ 8,897
Total Digital Assets, Digital Assets Receivables and Investments	**$ 189,908**	**$ 290,883**	**$ (48,621)**	**$ 37,716**	**$ 603,700**	**$ (2,117)**	**$ 1,071,469**

Liabilities (in thousands)	Fair value at December 31, 2020	Conversions	Issuance	Revaluation	Fair Value at December 31, 2021
Warrant liability	$ 20,781	$ (45,937)	$ —	$ 45,644	$ 20,488
Embedded derivative - Notes payable	$ —	$ —	$ 70,998	$ (12,132)	$ 58,866

Transfers in and out of Level 3 are considered to have occurred at the beginning of the period the transfer occurred. Total transfers into Level 3 were $46.9 million and total transfers out of Level 3 were $49.0 million. The transfers into Level 3 for common stock were due to fair value adjustments determined by unobservable market inputs as well as the rise of a restriction requiring the application of a discount for lack of marketability. The transfers into Level 3 for convertible notes were due to fair value adjustments determined by unobservable market inputs. The transfers into Level 3 for preferred stock were due to fair value adjustments determined by a market approach utilizing an option pricing based methodology, a discount for lack of marketability and other unobservable market inputs. The transfers into Level 3 for LP/LLC interest were due to fair value adjustments determined by a market approach and other unobservable market inputs. The transfer into Level 3 for Warrants/ Trust units/Trust shares was due to fair value adjustments determined by unobservable market inputs. The transfers into Level 3 for digital assets and digital assets receivable were due to digital assets expected to be distributed over time according to a release schedule. The transfer out of Level 3 for trust units was due to the removal of restrictions.

The carrying values of the Partnership's cash, receivable for digital asset trades, digital asset loans receivable, assets posted as collateral, receivables, due from broker, loans receivable, accounts payable and accrued liabilities, payable for digital asset trades, digital asset loans payable and collateral payable approximate fair value due to their short maturities. The carrying value of the Partnership's lease liability is measured as the present value of the discounted future cash flows.

Quantitative Information for certain Level 3 Assets and Liabilities

Financial Instrument	Fair Value at June 30, 2022 (in thousands)	Significant Unobservable Inputs	Range
Digital assets receivables	$21,079	Marketability discount	7.72% - 86.04%
Common Stock	$97,134	Marketability discount	16.1%
		Time to liquidity event (years)	5.00
		Annualized equity volatility	90%
		Risk free rate	3.01%
		Expected dividend payout ratio	-
		Enterprise value to revenue multiple	13.0x
Convertible notes	$9,773	Recovery rate	0% - 100%
		Scenario probability (1):	
		No deal closure and dissolution	90%
		Deal closure and partial default	5%
		Deal closure and full recovery	5%
LP/LLC interests [(2)]	$287,553	Marketability discount	10%
		Lack of control discount	10%
Preferred stock [(3)]	$304,184	Control discount	10%
		Marketability discount	20% - 25%
		Time to liquidity event (years)	2.75 - 5.0
		Annualized equity volatility	90%
		Risk free rate	0.17% - 3.15%
		Expected dividend payout ratio	—
		Enterprise value to revenue multiple	1.5x - 5.25x
		EV/EBITDA multiple	6.0x
Warrants/Trust Units	$35	Adjusted book value	
Warrant liability	$625	Volatility	110%
		Time to liquidity event (years)	0.37
		Risk free rate	3.07%
		Expected dividend payout ratio	—
		Dilution factor	0.5%
Embedded derivative - notes payable	$1,269	Volatility	52.0%
		Time-Step	0.004 years
		Risk free rate	3.0%

[(1)]Relates to the probability of a deal closure with a potential buyer of the underlying company

[(2)]The remaining fair value relates to additional investments which utilize net asset values provided by funds.

[(3)]The remaining fair value relates to an investment which utilizes a pre-money valuation of the Company.

Financial Instrument	Fair Value at December 31, 2021	Significant Unobservable Inputs	Range
Digital assets	$4,144	Marketability discount	14.4% - 58.2%
Digital assets receivables	61,621	Marketability discount	15.7% - 61.2%
Common Stock	215,185	Marketability discount	15.3% - 25.1%
		Time to liquidity event (years)	0.3 - 5.0
		Annualized equity volatility	50% - 120%
		Risk free rate	0.12% - 0.79%
		Expected dividend payout ratio	0
Convertible Notes	9,768	Recovery rate	0% - 100%
		Scenario probability (1):	
		No deal closure and dissolution	90%
		Deal closure and partial default	5%
		Deal closure and full recovery	5%
LP/LLC interests [(2)]	383,279	Risk-free rate	10%
		Marketability discount	10%
		Time to assumed payoff (years)	0.5
Preferred stock [(3)]	382,182	Control discount	10%
		Marketability discount	20.0% - 25.0%
		Time to liquidity event (years)	2.75 - 5.0
		Annualized equity volatility	50% - 120%
		Risk free rate	0.12% - 0.79%
		Expected dividend payout ratio	—%
		Enterprise value to revenue multiple	0
Warrants / Trust units	8,897	Adjusted book value	
Warrant liability	20,488	Volatility	120%
		Time to expiration (years)	0.87
		Risk free rate	0.69%
		Expected dividend payout ratio	0
		Dilution factor	0.5%
Embedded derivative - notes payable	58,866	Volatility	47.9%
		Time-step	0.004 years
		Risk free rate	1.25%

[(1)]Relates to the probability of a deal closure with a potential buyer of the underlying company

[(2)]The remaining fair value relates to additional investments which utilize net asset values provided by funds.

[(3)]The remaining fair value relates to an investment which utilizes a pre-money valuation of the Company.

For the six months ended June 30, 2022 and the year ended December 31, 2021, the latest available reported net asset value of the underlying funds were used to fair value the Level 3 limited partnership/ limited liability company interests.

As indicated above, certain of the Level 3 Assets had adjustments applied to the prices used to determine fair value. The Partnership does not believe a change in unobservable inputs will have a significant impact on partners' capital.

Valuation Techniques

The following tables summarize the valuation techniques and significant inputs used in the fair value measurement of the Partnership's digital assets and investments as of June 30, 2022 and December 31, 2021, respectively.

Category	Valuation Methods & Techniques	Key Inputs
Cryptocurrency	• Black-Scholes option pricing model for	• Volume-weighted average of trading prices • Vesting period • Risk-free rate • Dividend yield
Pre-Network launch	• Prior transactions method	• Prior prices of subject pre-ICO cryptocurrencies
Convertible notes	• Prior transactions method • Probability-weighted expected return model	• Prior prices of subject convertible note • Scenario probabilities • Recovery rates
Preferred stock	• Prior transactions method • Comparable transactions method • Backsolve method in an option pricing model framework • Discounted cash flows • Control adjustments • Marketability adjustments • Guideline public company method • Adjusted book value	• Prior prices of subject preferred stock • Enterprise value-to-revenue multiple • Expected time to exit • Volatility of the company's total equity • Risk free rate • Expected dividend payout ratio • Discount rate • Selected discounts for lack of control • Selected discounts for lack of marketability • Changes in the valuations of observed private transactions, equity values of public companies and/or values of digital assets • Net assets of subject company
Common stock	• Prior transactions method • Public closing price	• Prior prices of subject common stock • Public closing prices of subject securities
LP/LLC interests	• Prior transactions method	• Prior prices of subject LP/LLC interests
Warrants/Trust Units/ Trust Shares	• Public closing price • Black-Scholes model • Prior transactions method	• Public closing prices of subject securities • Selected volatility of underlying trust units • Prior prices of subject trust shares

Industry

As of June 30, 2022 and December 31, 2021, details of the industry composition of the Partnership's investments, other than cryptocurrency and pre-launch network investments, are as follows:

Industry	June 30, 2022		December 31, 2021	
	Percentage	# of Investments	Percentage	# of Investments
Other (Digital assets and Pre-Launch network investments)	54 %	112	69 %	124
Finance	24	40	17	33
Services: Business	6	13	5	11
High tech industries	15	32	9	29
Software	<1	9	<1	4
Finance technology	<1	2	<1	2
Media: Diversified and production	<1	1	<1	1
Banking	<1	1	—	—
Total	100 %	210	100 %	204

In the table above, multiple portfolio Partnership investments across the capital structure are considered one investment.

While the above table provides information regarding the portfolio's industry concentration, at this time, the industry is not a significant factor that the Principal Investments team considers when determining whether to make an investment. Rather, the Partnership considers all investments in the blockchain/cryptocurrency ecosystem, and those in the broader emerging technology sectors, with an appropriate risk and return profile.

Reconciliation of Investment count per IFRS financial statements and Investment and Portfolio count identified as GDPI

Portfolio Companies and Investment counts reported as Key Performance Indicators ("KPIs") within the Principal Investment segment operational highlights ("GDPI KPIs") was 141 investments across 100 portfolio companies as of June 30, 2022. The GDPI KPI count for Principal Investments differs from the above count of Investments on balance sheet due to the following reasons:

GDPI KPI count excludes:

- **Cryptocurrencies** – while we allocate balance sheet to invest in cryptocurrencies, we do not consider cryptocurrencies to be GDPI portfolio companies
- **First Coin Investment** – we hold one investment in a company that was acquired due to our reverse-merger with First Coin Investment. We do not consider this a GDPI Portfolio Company as our management was not responsible for the acquisition of this specific company
- **100% Hedged investments** – we do not consider balance sheet investments which we have fully hedged against to be GDPI portfolio companies
- **Multiple different-structured investments in one company** – we consider investments with different structuring to be only one, not multiple, GDPI portfolio companies
- **Publicly-traded equity investments used for short-term trading purposes** – at times we invest in publicly-traded equities for short-term trading purposes, but as we do not intend to hold these positions long term, we do not consider these balance sheet investments as GDPI portfolio companies
- **Seed Investments in new Galaxy-sponsored Asset Management funds**: GDPI provides seed investments in new funds launched by our Asset Management business, but we do not consider these positions GDPI portfolio companies

GDPI KPI count includes:

- Restricted Tokens: We consider investments which are structured as Restricted Tokens as GDPI KPIs. Restricted Tokens are reported on the "Digital Assets Receivable" line item on our balance sheet.

Material Positions

The Partnership considers a variety of quantitative and qualitative factors in determining if any one investment is considered a material investment position as of each report date. Factors considered include, but are not limited to, the proportion of each investment to total assets; whether any one investment is materially larger than other portfolio investments; the concentration of the portfolio and any associated risks; the liquidity of each investment, or lack thereof; the impact of such an investment on the Partnership's assets or operations; and the existence or absence of other factors that could cause one to conclude that the investment was significant to the Partnership notwithstanding its absolute size.

Investments

As of June 30, 2022 and December 31, 2021, the Partnership had no material investment positions to disclose.

Digital Assets

As of June 30, 2022, the Partnership had a material holding in bitcoin of approximately $259.4 million (December 31, 2021- $463.8 million) and in ether of $101.1 million (December 31, 2021 - $391.3 million), excluding non-controlling interests liability. The decrease in the value of holdings was primarily driven by the decrease in market value.

Select Holdings

As of June 30, 2022, the largest investments by fair value were as follows (in thousands):

Investment Name	Investment Type [(1)]	Cost	Fair Value
Fireblocks, Ltd.	Preferred Stock	4,479	81,105
Candy Digital, Inc.	Common Stock	1,897	58,016
Galaxy EOS VC Fund LP	LP/LLC Interests	23,159	54,272
Galaxy Interactive Fund I, LP	LP/LLC Interests	28,073	48,368
block.One	Common Stock	9,232	35,508
Robot Ventures II	LP/LLC Interests	2,000	27,539
Mt Gox Investment Fund LP	LP/LLC Interests	39,360	27,479
Monex Group Inc.	Common Stock	48,216	26,265
Pantera Venture Fund, L.P.	LP/LLC Interests	4,260	24,403
Bullish Global	Preferred Stock	20,000	24,000
Ramp Network Inc.	Preferred Stock	8,432	19,263
Blockchain Capital IV, LP	LP/LLC Interests	—	17,186
Ripple Lab Inc.	Preferred Stock	12,386	15,660
Flipside Crypto, Inc.	Preferred Stock	5,148	15,479
FDCI LLC (Ripple)	LP/LLC Interests	8,955	11,884
Skolem Technologies Ltd.	Preferred Stock	11,500	11,500
Cryptology Asset Group P.L.C.	Common Stock	878	10,987
Xapo Holdings Limited	Preferred Stock	13,800	10,185
Bitfury Group Limited	Preferred Stock	9,000	10,048
		$ 250,775	$ 529,147

[(1)]*The cost and fair value of the investments disclosed may combine the positions in multiple investment types. If the Partnership has written down an investment's fair value to $nil, the investment has been excluded from the disclosure.*

As of December 31, 2021, the largest investments by fair value were as follows (in thousands):

Investment Name	Investment Type (1)	Cost (in thousands)	Fair Value (in thousands)
Fireblocks, Ltd.	Preferred Stock	$ 4,732	$ 147,999
Candy Digital, Inc.	Common Stock	1,897	121,278
Pantera ICO Fund LP	LP/LLC Interests	17,407	85,203
Mt. Gox Investment Fund LP	LP/LLC Interests	47,436	61,826
Galaxy Interactive Fund I, LP	LP/LLC Interests	22,073	50,959
Monex Group Inc.	Common Stock	48,216	43,425
Galaxy EOS VC Fund LP	LP/LLC Interests	23,159	39,892
block.One	Common Stock	9,989	38,418
Bullish Global	Preferred Stock	20,000	37,551
Cryptology Asset Group P.L.C.	Common Stock	878	34,800
Bitfury Group Limited	Preferred Stock	9,000	33,454
HASHR8 Inc.	Preferred Stock	1,100	29,763
Pantera Venture Fund, L.P.	LP/LLC Interests	4,260	29,172
Ripple Labs, Inc.	Preferred Stock	21,341	27,544
Galaxy Institutional Bitcoin Fund LP	LP/LLC Interests	23,228	23,228
		$ 254,716	$ 804,512

(1) *The cost and fair value of the investments disclosed may combine the positions in multiple investment types. If the Partnership has written down an investment's fair value to $nil, the investment has been excluded from the disclosure.*

***Bitfury Group Limited** – a bitcoin mining technology developer and mining asset owner and operator.*

***Block.one** – the developer of the EOS.IO blockchain protocol focused on enabling secure data transfer and high-performance decentralized applications.*

***Blockchain Capital IV L.P.** – an investment firm whose strategy is to investment in privately held, early stage companies, particularly those involved in the development of blockchain based technologies and in related industries.*

***Block.one** – the developer of the EOS.IO blockchain protocol focused on enabling secure data transfer and high-performance decentralized applications.*

***Bullish Global** – Bullish is a cryptocurrency exchange to service the institutional liquidity services market.*

***Candy Digital, Inc.** – a developer of an NFT ecosystem designed to enable sports fans and collectors to purchase, trade, and share officially licensed sports NFTs*

***Compass Mining (fka HASHR8 Inc.)** – modern mining company focused on democratizing bitcoin mining while providing actionable insights through research and media.*

***Cryptology Asset Group P.L.C**. – an investment company investing in crypto assets and crypto companies around the globe and advising blockchain based businesses.*

***Fireblocks, Inc.** – an enterprise SaaS company that has developed a unique security model that is associated with transacting in digital assets.*

***Flipside Crypto, Inc.** – a business intelligence platform providing data analytics on crypto projects.*

***Galaxy EOS VC Fund LP** – a partnership focused on developing the EOS.IO ecosystem with an investment strategy focused on investments that utilize the EOS.IO blockchain software.*

***Galaxy Institutional Bitcoin Fund LP** – private fund designed to provide institutional-quality exposure to bitcoin.*

***Galaxy Interactive Fund I, LP** – sector-focused VC fund dedicated to the interactive entertainment ecosystem.*

***Monex Group Inc.** – company that provides retail online brokerage services to individual investors and businesses.*

Mt. Gox Investment Fund LP *– a partnership focused on buying creditor's claims against Mt Gox, the former bitcoin exchange currently in bankruptcy proceedings.*

Pantera ICO Fund LP *– an investment firm exclusively focused on blockchain technology and digital assets. Pantera's ICO Fund makes investments in Initial Coin Offerings.*

Pantera Venture Fund, L.P. *– an investment firm exclusively focused on blockchain technology and digital assets. Pantera's Venture Fund makes early-stage investments in the blockchain and digital assets ecosystem.*

Ramp Network Inc. *– a fiat on-ramp for cryptocurrencies offering secure and fast ways to exchange fiat currencies for crypto.*

Ripple Labs, Inc. *– the developer of the Ripple exchange network, a blockchain-based technology protocol focused on payment systems.*

Skolem Technologies Ltd. *– a company that provides data and trade execution services for decentralized financial markets.*

Xapo Holdings Ltd*. – a digital assets custody provider offering digital assets wallets, cold storage solutions, and bitcoin*

based debit cards.

Period ended June 30, 2022

The $66.6 million decrease in Fireblocks, Ltd. and $66.3 million decrease in Candy Digital, Inc. were due to fair value model updates considering the changes in the market environment.

The $26.3 million decrease in Mt Gox investment Fund LP was driven by the price decline of the BTC held against the claims in the bankruptcy process.

The $23.8 million decrease in Cryptology Asset Group P.L.C. was due to changes in market price.

The $27.5 million increase in Robot Ventures II was driven by underlying investment fair values as per the latest available investor NAV statement.

The table below presents a breakdown of the fair value of digital assets by market capitalization:

As of June 30, 2022:	**Fair Value (in thousands)**	
> $1 billion market cap	$	856,929
<= $1 billion market cap		18,139
Net	$	875,068

As of December 31, 2021:	**Fair Value (in thousands)**	
> $1 billion market cap	$	2,297,526
<= $1 billion market cap		123,251
Net	$	2,420,777

Above table reflects the fair value of the Partnership's cryptocurrencies by the aforementioned respective capitalizations, Above capitalizations are obtained from coinmarketcap.com.

The Partnership has been able to actively manage its digital asset portfolio by actively trading, both long and short, assets with greater than a $1 billion market capitalization. (*See table in Industry Performance & Outlook for a comparison of the Partnership's digital assets above against the overall cryptocurrency market*)

Safeguarding of Digital Assets

The Partnership utilizes the Fireblocks platform to maintain custody, transfer, and secure a material portion of its digital assets associated with its trading businesses. Fireblocks, with locations in New York and Tel Aviv, utilizes a secure hot vault and secure transfer environment to help establish connections between the Partnership's wallets, exchanges, counterparties, and networks. Fireblocks utilizes multi-party computation ("MPC") protection layers to distribute private key secrets across multiple locations to ensure there is no single point of failure associated with the private keys. The use of MPC ensures private key shards are never concentrated to a single device at any point in time. The Partnership utilizes the Fireblocks Policy Engine to designate transaction approval policies for digital assets held within the Fireblocks portal. As such, administrators configure automated rules to ensure all transactions are disbursed based on the asset sent, total value of the transaction, source and destination of funds and signor requirements. All transactions initiated from Fireblocks that fail to meet the Partnership's pre-defined criteria per the engine policy are automatically rejected. The Partnership also utilizes the Fireblocks network as a settlement layer to transact and settle with pre-approved counterparties or entities. The Fireblocks Network utilizes secure enclave technology and data-in-motion encryption to prevent traditional vulnerabilities associated with authenticating wallet addresses. All internal wallets owned by the Partnership and external wallets for addresses of the partnerships counterparties require multiple approvals in accordance with our whitelisting policy. As such, the Partnership settles with counterparties or entities without the risk of losing funds due to deposit address attacks or errors.

Fireblocks is SOC 2 Type II certified for 2021 and undergoes a SOC 2 review on an annual basis. The Partnership reviews the Fireblocks SOC 2 report to ensure they maintain a secure technology infrastructure and that their systems are designed and operating effectively. Additionally, the Partnership reviews its own complementary user entity controls in conjunction with the Fireblocks controls to ensure that applicable trust services criteria can be met. Fireblocks maintains an insurance policy which has coverage for technology, cyber, and professional liability and is rated "A" by A.M. Best based on the strength of the policy and has had no known security breaches or incidents reported to date. The Partnership currently has an investment interest in Fireblocks in the form of preferred shares.

The Partnership also utilizes cold storage solutions to self-custody a portion of its digital assets offline. Private keys are generated, backed-up and stored in hardware wallets which are maintained in secured locations. Access to private keys and back-ups are segregated amongst authorized personnel throughout the Partnership to ensure appropriate segregation of duties are maintained between departments. Specific details relating to the Partnership's private key management protocols remain highly sensitive in nature and are only discussed internally with the appropriate personnel to minimize security threats.

Institutional grade custodians are used by the Partnership to secure digital assets for its fund products. A material percentage of which are custodied among Bakkt Trust Company, LLC ("Bakkt Warehouse"), Gemini Trust Company, LLC, and Coinbase Custody Trust Company, LLC. The Partnership maintains internal controls to ensure that accounts held with each custodian are appropriately authorized and access restricted. As a part of regular operations, designated individuals of the Partnership review and monitor custodied balances against internal fund records, verifying the accuracy of each holding. Additionally, the Partnership performs due-diligence procedures including regular reviews over each custodian issued SOC report(s) covering the applicable period.

Bakkt, an Atlanta headquartered entity, is a New York State Department of Financial Services (NYDFS) regulated qualified custodian and has business continuity operations at ICE locations in Chicago, New York, and London. Terms and conditions for account services and offerings are predefined and agreed upon by both the Partnership and the custodian per the Bakkt Trust Warehouse Agreement. All Bakkt wallets require multi-signature authorization by 2 of 3 keys to approve each withdrawal transaction. The Warehouse provides both online ("Warm Wallets") and offline ("Cold Wallets") custody solutions, and its systems algorithmically balance between both mechanisms to minimize the inherent risks of online custody. Private keys are stored on hardened systems in cold storage as well as on FIPS 140-2 level 3 HSMs. Additionally, private keys are never transferred across any open or unencrypted communication channels. Bakkt's warm and cold wallets are covered by a $125 million insurance policy from a leading global syndicate. The Partnership currently has an investment interest in Bakkt Holdings, LLC in the form of Class B Voting Units. Bakkt is SOC 1 Type II compliant as of the period April 23, 2021 to December 31, 2021.

Gemini, a New York headquartered cryptocurrency exchange and custodian, is a New York trust company regulated by the New York State Department of Financial Services (NYSDFS); therefore, Gemini is subject to capital reserve requirements, cybersecurity requirements, and banking compliance standards set forth by the NYSDFS and the New York Banking Law. Cold wallet private keys are stored in geographically distributed HSMs and require multi-signature authorization (M-of-N) for transfer of funds. Gemini is SOC 1 Type II and SOC 2 Type II compliant as of the period October 1, 2020 to September 30, 2021.

Leveraging the infrastructure of Coinbase, Inc. for their operations, Coinbase Custody provides cold storage as a service that enables client deposits and withdrawals of supported digital assets into and out of custodial accounts established on the books and records of Coinbase Custody. Private keys are encrypted and sharded so that the process of bringing a key online requires a consensus of individuals and network access with encrypted shards being stored in a restricted storage cabinet in a cold storage environment. Coinbase Custody is SOC 1 Type II compliant and SOC 2 Type II compliant as of the period October 1, 2020 to September 30, 2021.

Crypto Asset Trading Platforms

The Partnership utilizes multiple cryptocurrency exchanges to assist in conducting digital trading activity. As such, the Partnership maintains digital asset balances on their exchange accounts to facilitate operations. Active exchanges are domiciled across multiple geographies including the United States, Malta, Luxembourg, Singapore, Seychelles, and Hong Kong. The

Partnership has a robust due diligence program for all exchanges, regardless of domicile or jurisdiction. Each exchange is required to provide all information and documentation that is necessary to do business with the Partnership. Information security reviews are conducted on each exchange to assess data retention protocols, infrastructure, and applicable IT policies and procedures. Designated departments review all documentation to ensure each exchange meets pre-defined criteria before providing approval for onboarding. Additionally, the Partnership assesses security, reputation, and operational risks in its determination of utilizing any exchange. Once onboarded, each exchange is monitored on an ongoing basis to ensure they maintain compliance with required legal and regulatory standings.

As part of the Partnership's control procedures, certain individuals are designated to administrator and authenticate users with exchange access and secure accounts per IT security protocols. Upon opening a new account, passwords, application programming interface ("API") keys, and multi-factor authentication mechanisms are created to secure credentials under the Partnerships Password and Multi-Factor Authentication Policy. Credentials are managed in secured locations and are only made accessible to authorized personnel with privileged access.

Exchange balances are aggregated via live API feeds to ensure risk exposures are monitored across the Partnership's positions. Exchange accounts with material balances are integrated within the Fireblocks platform; the integration allows for authorized users to initiate exchange withdrawals directly from Fireblocks to dedicated vault accounts within the platform. The Partnership maintains contingency plans to securely transfer digital assets of exchanges to pre-defined wallets and vault accounts. On an ongoing basis, the Partnership assesses its risk exposure based on current market conditions and its digital asset positions. To date, no known security breaches have occurred with any of the Partnership's exchange accounts which have resulted in a loss or theft of digital assets. The Partnership performs reconciliation procedures to review exchange balances, trades, and fees against internal and third-party records to ensure digital asset holdings are complete and accurate.

Risk

The Partnership's activities may expose it to variety of financial and other risks: credit risk, interest rate risk, liquidity risk, foreign currency risk, market risk, digital asset risk, loss of access risk, irrevocability of transactions, hard fork and airdrop risks and regulatory oversight risk, among others. The Partnership seeks to minimize potential adverse effects of these risks on performance by employing experienced personnel, daily monitoring of the Partnership's investments and digital assets, and any market events and diversifying the Partnership's business strategy as well as its investment portfolio within the constraints of the Partnership's investment objectives.

Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into, causing the other party to incur a financial loss. The Partnership's cash, receivables, receivable for digital asset trades, and loans (including digital asset loans) receivable are exposed to credit risk. The Partnership limits its credit risk by placing its cash with high credit quality financial institutions and with cryptocurrency exchanges on which the Partnership has performed internal due diligence procedures. The Partnership deems these procedures necessary as some exchanges are unregulated and not subject to regulatory oversight. Furthermore, crypto-exchanges engage in the practice of commingling their clients' assets in exchange wallets. When crypto-assets are commingled, transactions are not recorded on the applicable blockchain ledger but are only recorded by the exchange. Therefore, there is risk around the occurrence of transactions or the existence of period end balances represented by exchanges. As at June 30, 2022, the Partnership held approximately $0 (December 31, 2021 - $13.4 million) in cash and $643.2 million (December 31, 2021 - $1.3 billion) in digital assets at exchanges or custodians that do not have system or organization control reporting available. The Partnership's due diligence procedures around exchanges include, but are not limited to, internal control procedures around on-boarding new exchanges which includes review of the exchanges anti-money laundering ("AML") and know-your-client ("KYC") policies by the Partnership's chief compliance officer, obtaining a security ratings report by an independent third-party on certain exchanges, constant review of market information specifically regarding the exchanges security and solvency risk, setting balance limits for each exchange account based on risk exposure thresholds and preparing daily asset management reports to ensure limits are being followed and having a fail-over plan to move cash and digital assets held on an exchange in instances where risk exposure significantly changes. The Partnership limits its credit risk with respect to its receivables, receivables for digital asset trades, digital assets loans receivable and digital assets receivables by transacting with credit worthy counterparties that are believed to have sufficient capital to meet their obligations as they come due and, with regards to OTC and Master Loan Agreement (MLA) counterparties for the trading business, on which the Partnership has satisfactorily performed the relevant AML and KYC procedures and required the posting of collateral if deemed necessary. As of June 30, 2022 and subsequently, the Partnership does not expect a material loss on any of its loans except for those that it has recorded an allowance. As of each reporting period, the Partnership assesses if there may be expected credit losses requiring recognition of a loss allowance. As of June 30, 2022, the Partnership is exposed to credit risk. While the Partnership intends to only transact with counterparties or exchanges that it believes to be creditworthy, there can be no assurance that a counterparty will not default and that the Partnership will not sustain a material loss on a transaction as a result.

Derivative-related credit risk

Credit risk from derivative transactions is generated by the potential for the counterparty to default on its contractual obligations when one or more transactions have a positive market value to the Partnership. Therefore, derivative-related credit risk is represented by the positive fair value of the instrument and is normally a small fraction of the contract's notional amount.

The Partnership manages credit risk by transacting with counterparties that have gone through an internal due diligence approval process and requiring the posting of collateral if deemed necessary. The Partnership has also established mark-to-market provisions in its agreements with some counterparties which provide it with the right to request that the counterparties pay down or collateralize the current market value of their derivatives when the value exceeds a specified amount.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. General interest rate fluctuations may have an impact on the Partnership's investment opportunities, primarily within its principal investments segment. An increase in interest rates may make it more expensive to utilize a leverage facility in the future to make investments. To the extent the Partnership invests in debt instruments, interest rate changes may affect the value of the instrument indirectly in the case of fixed rate obligations, or directly in the case of adjustable rate instruments. In general, rising rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price. Interest rate sensitivity generally is more pronounced and less predictable in instruments with uncertain payment or prepayment schedules. Adjustable rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). Interest rate changes would also affect its ability to earn interest income on cash balances at variable rates. The Partnership did not have a leverage facility in place, and its digital assets loans receivable and payable are at fixed rates of interest. The Partnership's remaining loans all have fixed rates however in some cases can also be settled in digital assets at the option of the borrower. As of June 30, 2022, the Partnership's exposure to interest rate risk is limited.

Liquidity Risk

Liquidity risk is the risk that the Partnership will not be able to meet its financial obligations as they come due, as well as the risk of not being able to liquidate assets at reasonable prices. The Partnership manages liquidity risk by maintaining sufficient cash balances to enable settlement of its liabilities. Accounts payable and accrued liabilities, other than accrued compensation, and payables for digital asset trades generally have maturities of 30 days or less or are due on demand, or in the case of digital assets loan payable, on 5 to 20 business days' notice or at the end of the set term unless renewed. The Partnership intends to manage its short-term liquidity needs through its available cash balance and cash inflows from its ongoing business activities. In addition, as of June 30, 2022, 97.9% (December 31, 2021 - 69.6%) of the Partnership's digital assets portfolio was in liquid, actively traded cryptocurrency market which can be monetized at reasonable prices in short order.

Foreign Currency Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. To the extent these financial instruments are unhedged or not adequately hedged, the value of the Partnership's financial instruments may fluctuate with exchange rates as well as with price changes in various local markets and currencies. The value of the financial assets may therefore be unfavorably affected by fluctuations in currency rates and exchange control regulations. For the period ended June 30, 2022, the Partnership minimized exposure to digital assets transactions completed in foreign currencies by entering into foreign currency swaps, which are not significant.

Market Risk

Market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All investments present a risk of loss of capital. The maximum risk resulting from financial instruments is equivalent to their fair value. The Partnership's investments are susceptible to other market risk arising from uncertainties about future prices of the instruments. The Partnership moderates this risk through the various investment strategies within the parameters of the Partnership's investment guidelines.

As of June 30, 2022, management’s estimate of the effect on equity due to a +/- 20% change in the market prices of the Partnership’s investments and investments sold short, with all other variables held constant, was +/- $149.0 million (December 31, 2021 - $211.6 million).

Digital Asset Risk

Digital assets are measured at fair value less cost to sell. Digital currency or cryptocurrency prices are affected by various forces including global supply and demand, interest rates, exchanges rates, inflation or deflation and the political and economic conditions. Further, cryptocurrencies have no underlying backing or contracts to enforce recovery of invested amounts.

The profitability of the Partnership is related to the current and future market price of cryptocurrencies; in addition, the Partnership may not be able to liquidate its inventory of cryptocurrencies at its desired price if necessary. Investing in cryptocurrencies is speculative, prices are volatile, and market movements are difficult to predict. Supply and demand for such currencies change rapidly and are affected by a variety of factors, including regulation and general economic trends. Cryptocurrencies have a limited history, their fair values have historically been volatile and the value of cryptocurrencies held by the Partnership could decline rapidly. A decline in the market prices of cryptocurrencies could negatively impact the Partnership's future operations. Historical performance of cryptocurrencies is not indicative of their future performance.

Many cryptocurrency networks are online end-user-to-end-user networks that host a public transaction ledger (blockchain) and the source code that comprises the basis for the cryptographic and algorithmic protocols governing such networks. In many cryptocurrency transactions, the recipient or the buyer must provide its public key, which serves as an address for a digital wallet, to the seller. In the data packets distributed from cryptocurrency software programs to confirm transaction activity, each party to the transaction user must sign transactions with a data code derived from entering the private key into a hashing algorithm, which signature serves as validation that the transaction has been authorized by the owner of the cryptocurrency. This process is vulnerable to hacking and malware, and could lead to theft of the Partnership’s digital wallets and the loss of the Partnership’s cryptocurrency.

Cryptocurrencies are loosely regulated and there is no central marketplace for exchange. Supply is determined by a computer code, not a central bank. Additionally, exchanges may suffer from operational issues, such as delayed execution, that could have an adverse effect on the Partnership.

The cryptocurrency exchanges on which the Partnership may trade on are relatively new and, in many cases, largely unregulated, and therefore may be more exposed to fraud and failure than regulated exchanges for other assets.

Any financial, security, or operational difficulties experienced by such exchanges may result in an inability of the Partnership to recover money or digital assets being held on the exchange. Further, the Partnership may be unable to recover digital assets awaiting transmission into or out of the Partnership, all of which could adversely affect an investment of the Partnership. Additionally, to the extent that the digital asset exchanges representing a substantial portion of the volume in digital asset trading are involved in fraud or experience security failures or other operational issues, such digital asset exchanges' failures may result in loss or less favorable prices of digital assets, or may adversely affect the Partnership, its operations and its investments.

As of June 30, 2022, management’s estimate of the effect on equity due to a +/- 20% change in the market prices of the Partnership’s digital assets, with all other variables held constant, was +/- $175.0 million (December 31, 2021 - $484.2 million).

Loss of access risk

The loss of access to the private keys associated with the Partnership's cryptocurrency holdings may be irreversible and could adversely affect an investment. Cryptocurrencies are controllable only by an individual that possesses both the unique public key and private key or keys relating to the "digital wallet" in which the cryptocurrency is held. To the extent a private key is lost, destroyed or otherwise compromised and no backup is accessible the Partnership may be unable to access the cryptocurrency.

Irrevocability of transactions

Cryptocurrency transactions are irrevocable and stolen or incorrectly transferred cryptocurrencies may be irretrievable. Once a transaction has been verified and recorded in a block that is added to the blockchain, an incorrect transfer or theft generally will not be reversible, and the Partnership may not be capable of seeking compensation.

Hard fork and air drop risks

Hard forks may occur for a variety of reasons including, but not limited to, disputes over proposed changes to the protocol, significant security breach, or an unanticipated software flaw in the multiple versions of otherwise compatible software. In the event of a hard fork in a cryptocurrency held by the Partnership, it is expected that the Partnership would hold an equivalent amount of the old and new cryptocurrency following the hard fork.

Air drops occur when the promoters of a new cryptocurrency send amounts of the new cryptocurrency to holders of another cryptocurrency that they will be able to claim a certain amount of the new cryptocurrency for free.

The Partnership may not be able to realize the economic benefit of a hard fork or air drop, either immediately or ever, for various reasons. For instance, the Partnership may not have any systems in place to monitor or participate in hard forks or airdrops. Therefore, the Partnership may not receive any new cryptocurrencies created as a result of a hard fork or airdrop, thus losing any potential value from such cryptocurrencies.

Regulatory oversight risk

Regulatory changes or actions may restrict the use of cryptocurrencies or the operation of cryptocurrency networks or exchanges in a manner that adversely affects investments held by the Partnership.

Expenses

The Partnership's operating expenses were as follows:

(in thousands)	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
Compensation and compensation related	34,652	(11,319)	75,200	83,633
Equity based compensation	31,134	13,548	53,896	20,647
General and administrative	34,160	9,514	52,108	15,524
Professional fees	$ 9,940	$ 11,527	19,531	16,093
Profit share arrangement expense	—	8,033	—	12,165
Interest	12,067	18,467	24,874	32,260
Notes interest expense	7,336	—	14,610	—
Totals	$ 129,289	$ 49,770	$ 240,219	$ 180,322

Three months ended June 30, 2022 compared to June 30, 2021

Compensation and compensation related expense for the three months ended June 30, 2022 increased compared to three months ended June 30, 2021 primarily due to higher headcount and a partial reversal of bonus accrual in the second quarter of 2021. The total above is inclusive of base compensation, accrued bonuses, placement fees, payroll taxes, benefits, consultants and temporary staff.

Equity based compensation expense for the three months ended June 30, 2022 increased compared to three months ended June 30, 2021 due to grants made to new employees since the second quarter of 2021. Certain officers and employees of the Partnership are awarded equity based awards. Each quarter based on the respective vesting schedules, the fair value of such awards are accrued and charged to operations on a graded vesting basis.

General and administrative costs for the three months ended June 30, 2022 increased compared to three months ended June 30, 2021 due to a $10.1 million provision for credit losses recognized in June 2022, higher mining hosting and equipment depreciation expenses and higher technology expense.

Six months ended June 30, 2022 compared to June 30, 2021

Compensation and compensation related expense for the six months ended June 30, 2022 decreased compared to six months ended June 30, 2021 due to a lower bonus accrual.

Equity based compensation expense for the six months ended June 30, 2022 increased compared to the six months ended June 30, 2021 due to grants made to new employees since the second quarter of 2021.

General and administrative costs for the six months ended June 30, 2022 were higher compared to the six months ended June 30, 2021 due primarily to higher marketing and technology expenses, increased depreciation and amortization expense, higher mining hosting expenses and provision for credit losses recognized in June 2022.

Professional fees for the period ended June 30, 2022 increased compared to June 30, 2021 due primarily to an increase in audit and consulting fees associated with the Partnership's Reorganization.

Profit share arrangement expense was attributable to the acquisition of Blue Fire Capital ("BFC"). For the period of one year which concluded on December 31, 2021 (the "earnout period"), certain management personnel were entitled to receive a percentage of net profit of BFC, payable sixty days after the earnout period, if certain financial metrics were achieved.

Notes interest expense is attributable to the $500 million 3.0% Exchangeable Notes issued in December 2021.

Liquidity and Capital Resources

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

(in thousands)	As of June 30, 2022	As of December 31, 2021
Estimated working capital	$ 882,030	$ 600,071
Digital assets, net	474,254	1,212,455
	$ 1,356,284	$ 1,812,526

Working capital as of June 30, 2022 and December 31, 2021 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, cash posted to the Partnership as collateral, cash portion of payables to customers, payable for digital asset trades, short-term lease liability and payables to customers.

Digital Assets, net as of June 30, 2022 and December 31, 2021 includes all digital assets categorized as assets on the statement of financial position, less all digital assets categorized as liabilities on the statement of financial position, less non-controlling interests liabilities.

The following table represents a breakdown of the Partnership's Digital assets, net balance:

(in thousands)	As of June 30, 2022	As of December 31, 2021
Assets		
Digital assets	$ 875,068	$ 2,420,777
Digital asset loans receivable, net	69,881	192,684
Digital assets receivable, current	17,287	52,998
Digital assets receivable, noncurrent	6,072	18,659
Assets posted as collateral	88,566	71,400
	1,056,874	2,756,518
Liabilities		
Payables to customers[1]	10,945	18,565
Digital asset loans payable	425,108	905,013
Collateral payable[1]	96,497	458,949
Non-controlling interests liability	50,070	161,536
	582,620	1,544,063
Digital assets, net	**$ 474,254**	**$ 1,212,455**
Stablecoins, net	$ 256,159	$ 240,634
Digital assets, net excl. stablecoins	**$ 218,095**	**$ 971,821**

[1] Excludes cash portion of consolidated balance on the Partnership's balance sheet.

The Partnership has commitments to invest in its managed funds, to participate as an investor in two SPAC merger financings 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.

As of June 30, 2022, the Partnership had total equity of $1.8 billion. As of December 31, 2021, the Partnership had total equity of $2.6 billion. The decrease in equity during the period ended June 30, 2022 was primarily due to the net comprehensive loss for the period.

(in thousands)		June 30, 2022		December 31, 2021
Total assets	$	3,395,862	$	5,096,538
Total liabilities, excluding non-controlling interests liability		1,512,391		2,336,651
Non-controlling interests liability		50,070		161,536
Partners' Capital		1,833,401		2,598,351

Additionally, as of June 30, 2022, the Partnership had cash of $1.0 billion and $474.3 million of net digital assets, including digital assets posted as collateral. As of December 31, 2021, the Partnership had cash of $811.1 million and $1.2 billion of net digital assets. Management believes that the Partnership has sufficient financial resources to maintain its operations and activities for the upcoming year.

On December 9, 2021 (the "Closing"), GDH LP closed a $500.0 million exchangeable note offering. The Partnership intends to use the net proceeds from the exchangeable notes offering to accelerate growth initiatives across the businesses and to address the multitude of opportunities against the backdrop of rapid growth and maturation of the industry.

The Partnership expects to generate incremental cash in the ordinary course through revenues earned in each of its businesses. The Trading business anticipates generating cash through strategically liquidating, shorting, trading and reinvesting in liquid cryptocurrencies, lending and borrowing of cryptocurrencies, as well as through OTC trading. The Asset Management business continues to earn fees for managing third party capital. The Principal Investments business has captured and may capture additional unrealized appreciation in the future by monetizing certain investments in its illiquid book, generating cash to facilitate operating the overall business. Additionally, the Principal Investments business earns current income from interest bearing debt investments. The Investment Banking business has earned fees from serving its clients and is expected henceforth to earn fees by serving larger, more institutional clients in the digital assets and blockchain technology industry. The Mining business earns current income from its proprietary bitcoin mining and from financing clients.

In the event there is insufficient working capital to support the growth of the business, the Partnership may sell digital assets to generate sufficient cash to meet obligations as they come due, or may exit all or a portion of an investment if an exit price is advantageous to the Partnership. The Partnership may also seek additional sources of financing in the future, including but not limited to, issuing equity or convertible notes or seeking other financing in the form of a debt facility.

The following table presents the summary of the Partnership's contractual obligations as of June 30, 2022:

(in thousands)	Payments Due by Period									
Contractual Obligations		**Total**		**Less than 1 year**		**1 - 3 years**		**4 - 5 years**		**After 5 years**
Digital asset loans payable and digital assets sold short	$	425,108	$	425,108	$	—	$	—	$	—
Lease obligations	$	19,320		4,929		5,067		5,037		4,287
Purchase obligations[1]	$	9,400		9,400		—		—		—
Other obligations[2]	$	178,931		97,148		81,783		—		—
Total Contractual Obligations	**$**	**632,759**	**$**	**536,585**	**$**	**86,850**	**$**	**5,037**	**$**	**4,287**

[1]"Purchase obligations" includes the outstanding amount of an agreement for the purchase of blockchain servers.

[2]"Other obligations" includes obligations to fund capital commitments to 8 portfolio companies and two SPAC merger financings.

Additionally, a reverse termination fee of $100 million will be payable by GDH LP to BitGo in certain circumstances, subject to certain conditions set forth in the merger agreement.

Transactions with Related Parties

Compensation of Key Management Personnel

Key management personnel include eleven individuals (June 30, 2021 - twelve individuals), consisting of officers and certain employees who are considered to have decision making authority. The following table represents compensation provided to key management personnel for the period ended June 30, 2022 and 2021:

(in thousands)	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
Base compensation and accrued bonuses[1]	$ (550)	$ (4,792)	$ 6,189	$ 22,877
Benefits	111	66	234	252
Equity based compensation	9,037	6,328	16,291	11,701
Total	**$ 8,598**	**$ 1,602**	**$ 22,714**	**$ 34,830**

[1] As of June 30, 2022, the amount includes approximately $4.2 million (2021 - $20.6 million) of accrued bonuses within accounts payable and accrued liabilities.

Distributions

During the period ended June 30, 2022, the General Partner made pro-rata tax distributions of $137.2 million (June 2021 - $23.4 million). Certain of the recipients of the distributions are related parties.

Sublease

Galaxy Investment Partners LLC ("GIP"), which had leased the office space located on the 7th and 8th floors of 107 Grand Street, New York, New York 10013, has subleased to Galaxy Digital Services ("GDS") to occupy the 8th floor on the same terms as the master lease. In addition, GIP also subleased a portion of the 7th floor to GDS (Note 24). During the year ended December 31, 2021, the Partnership exited the premises prior to the conclusion of the lease term. The Partnership will make payments on the lease through June 2023 (Note 24) and has an associated lease liability of $2.0 million as of June 30, 2022 (December 31, 2021 - $2.5 million).

Transactions with GDH Ltd

In accordance with the LPA (Note 5), the Partnership will reimburse or pay for all reimbursable expenses of GDH Ltd. For the three and six months ended June 30, 2022, the Partnership paid or accrued 0.9 million and $1.6 million, respectively (June 30, 2021 - $1.4 million and $2.8 million, respectively), on behalf of GDH Ltd., which has been included in general and administrative expenses (Note 18).

On April 14, 2022 the Partnership entered into a Promissory Note (the "Promissory Note") with GDH Intermediate LLC ("GDHI LLC"), a subsidiary of GDH Ltd. Under the terms of the Promissory Note, the Partnership can request that GDHI LLC make advances to the Partnership from time to time, which decision is in GDHI LLC's sole and absolute discretion. As of June 30, 2022, GDHI LLC has advanced $37.2 million to the Partnership.

Under the terms of the Promissory Note, interest accrues on any outstanding advances at a rate per annum equal to 7.0%. Interest is payable semi-annually in arrears on June 30 and December 31 of each year, commencing on December 31, 2022, subject to the right of GDHI LLC to elect that the amount of any such interest payment be capitalized and increase the principal amount of the Promissory Note in lieu of being paid in cash by the Partnership. The Promissory Note will mature, and the principal amount of all outstanding advances, plus any accrued and unpaid interest, will be due and payable on December 31, 2024, unless extended by GDHI LLC.

As at June 30, 2022, the Partnership had $23.8 million ((December 31, 2021 - $25.2 million) in receivables from GDH Ltd. for reimbursement from warrant and stock option exercises, net of reimbursable expenses.

Other

For a period of one year starting on January 1, 2021 (the "earnout period"), related to the acquisition of BFC, certain BFC management personnel, were entitled to receive a percentage of BFC's net profit, payable sixty days after the earnout period, if certain financial metrics were achieved. The arrangement ended on December 31, 2021. As of June 30, 2021, accounts payable and accrued expenses include $12.2 million of such profit share compensation to the management personnel.

The Partnership's CEO serves as co-chairman of the board for another company, resulting in the Partnership and that company being related parties. As at June 30, 2022, the Partnership had an investment in the company valued at $58.0 million (December 31, 2021 - $121.3 million).

The Partnership has a sub-advisory arrangement with a beneficial owner of GDH Ltd. which invests in certain funds managed by the Partnership. Such sub-advisory arrangements have been entered into with, or advised by, Galaxy Digital Asset Management in its capacity as an investment advisor registered under the Advisers Act, and any fee arrangements, if applicable, have been on an arms-length basis. For the three and six months ended June 30, 2022, the total amount of advisory fees received from the sub-advisory arrangement was $0.3 million and $0.7 million, respectively (June 30, 2021 $0.1 million and $0.3 million, respectively).

The Partnership's CEO, through an entity which he controls, owns a private aircraft that is used for business purposes in the ordinary course of the Partnership's operations. The Partnership paid $0.5 million for usage of aircraft during the six months ended June 30, 2022. The amount paid for the three months ended June 30, 2022 was not significant.

Investments in Galaxy Funds

Our directors and executive officers are generally permitted to invest their own capital (or capital of estate planning vehicles controlled by them or their immediate family members) directly in our funds and affiliated entities. In general, such investments are not subject to management fees, and in certain instances may not be subject to performance fees. The cash invested by our directors and executive officers and their investment vehicles aggregated to $18.5 million as of June 30, 2022 (December 31, 2021 - $30.8 million).

Change in Critical accounting estimates and Accounting Policies including Initial Adoption

There were no changes to the critical accounting estimates or accounting policies for the three months ended June 30, 2022.

Digital Assets

A significant portion of the Partnership's assets are digital assets inventory held at fair value.

Digital assets are utilized primarily by the Partnership in its Trading business and are affected by various economic and technological forces including but not limited to global supply and demand, interest rates, foreign exchange rates, inflation or deflation and ongoing political, regulatory, and economic conditions.

A significant portion of the Partnership's profitability and future cash flows are impacted by the current and future prices and price fluctuations of digital assets. The Partnership may not be able to liquidate its inventory of digital assets at its desired price, if needed. In addition, the ability of the Partnership to transfer or liquidate its inventory of digital assets in a timely manner may be impacted by technical and procedural limitations of digital asset exchanges, custodians, and relevant local regulatory restrictions. A broad decline in the market prices of digital assets could negatively impact the Partnership's future operations and profitability.

Digital assets have a limited history and their fair value historically has been volatile. Historical performance and fair value of digital assets are not indicative of their future value and price performance.

Partnership Interests

The Partnership is a limited partnership between GDH GP, GDH Ltd., GGI and other Class B Unit holders.

The information contained in this MD&A and the information in the condensed consolidated interim financial statements for the three months ended June 30, 2022, represents the financial position of the Partnership and do not include all of the assets, liabilities, income and expenses of the partners. Income taxes are the responsibility of the partners and not GDH LP.

As of June 30, 2022 and December 31, 2021, the Partnership has two classes of ownership interests, namely Class A Units and Class B Units. As of August 4, 2022, there were 108,994,432 Class A Units and 219,158,610 Class B Units outstanding. As of June 30, 2022, there were 109,491,132 Class A Units and 219,158,610 Class B Units outstanding.

Equity Based Compensation Awards and Other

As of August 4, 2022 and June 30, 2022, 14,568,440 compensatory Class B Unit awards were outstanding, net of exchanges and forfeitures, of which, 13,977,733 Class B Units were exercisable.

As of June 30, 2022, 29,923,204 options granted under the GDH Ltd. stock option plan and LTIP were outstanding, of which 10,753,629 were exercisable. As of August 4, 2022, there were 29,923,204 options outstanding, of which 10,844,646 were exercisable.

As of August 4, 2022 and June 30, 2022, there were 1,623,718 warrants outstanding and exercisable. As of December 31, 2021, 1,647,556 warrants issued by GDH Ltd. in connection with the PIPE were outstanding.

As of August 4, 2022 and June 30, 2022 there were 13,008,879 restricted share units outstanding (December 31, 2021-7,833,659).

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 International Financial Reporting Standards ("IFRS").

For the year ended December 31, 2021, we identified material weaknesses in our internal control over financial reporting. A material weakness is defined as a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of annual or interim financial statements will not be prevented or detected on a timely basis. The noted material weaknesses are as follows:

- We did not design sufficient internal controls over financial reporting related to financial statement presentation and the selection and application of accounting standards for certain borrowing arrangements, derivative contracts, issued financial instruments, and investments. Moreover, we did not design compensating controls that were precise enough to prevent or detect a material misstatement. We believe this material weakness existed because we had an insufficient number of dedicated resources with the requisite technical accounting skills to analyze and review these arrangements and contracts.
- We did not design certain process-level and management review controls at a sufficient level of precision to (1) verify that certain information used in accounting for digital asset transactions obtained through database queries was complete, accurate, appropriate for the intended use, and subject to proper change management and (2) to validate the accuracy of data elements utilized in spreadsheets for accounting for digital assets, derivatives, issued financial instruments, and the valuation of investments.
- We did not have sufficiently designed controls to ensure that all journal entries were properly reviewed and approved prior to posting to the general ledger due to the ability to modify a posted journal entry without an additional review. As such, our control over the risk of management override was not sufficiently designed.
- We had insufficient segregation of duties within our trading operations between authorizing and executing transfers of certain digital assets, as well as the recording and settlement of trades.

Remediation Plan

We continue to execute our plan to remediate the material weaknesses identified in the prior year. The remediation measures are ongoing, and although not all inclusive, remediation measures include hiring additional accounting and financial reporting personnel and implementing additional policies, procedures, and controls.

We are working to remediate these material weaknesses as efficiently and effectively as possible. At this time, we cannot provide an estimate of the timing for achieving full remediation or the costs expected to be incurred in connection with implementing this remediation plan; however, these remediation measures will be time consuming, could result in us incurring significant costs, and could place significant demands on our financial and operational resources. We cannot assure you the measures we are taking to remediate these material weaknesses will be sufficient or that they will prevent future material weaknesses. Additional material weaknesses or failure to maintain effective internal control over financial reporting could cause us to fail to meet our reporting obligations as a public company and may result in a restatement of our financial statements for prior periods.

There have been no significant changes to the Partnership's ICFR for the period ended June 30, 2022, which have materially affected, or are reasonably likely to materially affect the Partnership's ICFR.

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 MD&A 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, 2021 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, except as required by law. 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.