Item 8. Financial Statements and Supplementary Data

INDEX TO FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Galaxy Digital Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of Galaxy Digital Inc. and subsidiaries (the Company) as of December 31, 2025 and 2024, the related consolidated statements of operations and other comprehensive income (loss), changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2025, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2025, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Evaluation of audit evidence pertaining to the existence of and rights to digital assets

As discussed in Note 6 to the consolidated financial statements, the Company recognizes a variety of digital assets on its consolidated statement of financial position. Digital assets that are financial assets and digital assets that are qualifying indefinite-lived intangible assets are measured at fair value. Digital assets that are indefinite-lived intangible assets that do not qualify for measurement at fair value are recorded at cost, less any impairment losses incurred. As of December 31, 2025, the carrying value of the Company's digital assets was $4.5 billion. As discussed in Note 18 to the consolidated financial statements, the Company is obligated to safeguard certain digital assets held on behalf of its customers, which are not recognized on its consolidated statement of financial position. As such, the Company may be liable to its customers for losses arising from its failure to safeguard those digital assets from loss. The Company has not incurred any losses related to such obligations and therefore has not accrued any liabilities as of December 31, 2025.

We identified the evaluation of the existence of and the rights to substantially all of the Company's and its customers' digital assets, including the risk that the digital assets may be subject to unauthorized on blockchain transfers to third parties, as a critical audit matter. A high degree of auditor judgment was involved in determining the nature and extent of the procedures performed and audit evidence obtained to assess the existence of and rights to the digital assets.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the effectiveness of certain internal controls over the existence of and the rights to the digital assets, including the risk that the digital assets may be subject to unauthorized on blockchain transfers to third parties. We obtained confirmations of the digital assets held with certain third parties as of December 31, 2025 and compared the results of the confirmations to the Company's records. We also compared the Company's records of certain digital asset balances and transactions to the records on public blockchains using software audit tools. We obtained evidence that management has control of the private keys required to access digital assets through observing the movement of selected digital assets and validating cryptographic messages signed using selected private keys. For a selection of on blockchain transfers to third parties, we obtained and assessed evidence that the transaction was appropriately authorized and recorded by the Company. We evaluated the reliability of audit evidence obtained from public blockchains.

Assessment of fair value of investments

As discussed in Notes 9, 11, and 12 to the consolidated financial statements, the Company held investments, a portion of which represented investments measured using the market approach valuation method with one or more significant unobservable inputs on a recurring basis or as a result of impairment recognition. As of December 31, 2025, the Company has $0.7 billion of current investments and $1.0 billion of non-current investments.

We identified the assessment of the fair value measurement of the investments measured using the market approach valuation method with one or more significant unobservable inputs as a critical audit matter. There was a high degree of audit effort, including specialized skills and knowledge, and subjective and complex auditor judgment involved in the assessment due to significant measurement uncertainty. Specifically, the assessment involved evaluating significant unobservable inputs used in these fair value estimates, such as relevance of prior transactions, valuation adjustments, selection of comparable companies, volatility, and enterprise value-to-revenue multiples.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design of certain internal controls related to the Company's measurement of the investments measured using the market approach valuation method with one or more significant unobservable inputs, including controls related to the review of significant unobservable inputs. We involved valuation professionals with specialized skills and knowledge, who assisted in evaluating the reasonableness of the fair value measurement for a selection of these investments through developing an independent estimate of the fair value of the investment and comparing the results of our estimate of fair value to the Company's fair value measurement. As part of this independent estimate, the valuation professionals developed independent pricing inputs

/s/ KPMG LLP

We have served as the Company's auditor since 2021.

New York, New York
February 26, 2026

Galaxy Digital Inc.
Consolidated Statements of Operations and Other Comprehensive Income (Loss)
For the Years Ended December 31, 2025, 2024 and 2023
(Expressed in thousands of U.S. Dollars)

	For the years ended		
	December 31, 2025	December 31, 2024	December 31, 2023
Revenues	$60,406,728	$42,596,673	$51,626,779
Gains / (losses) from operations	948,939	1,161,117	582,860
Revenues and gains / (losses) from operations	**61,355,667**	**43,757,790**	**52,209,639**
Operating expenses:			
Transaction expenses	60,175,832	42,409,856	51,494,083
Impairment of digital assets	753,701	331,920	98,340
Compensation and benefits	299,868	265,591	219,256
General and administrative	182,893	279,297	58,351
Technology	46,939	30,510	20,107
Professional fees	75,027	51,076	38,051
Notes interest expense	59,247	30,804	27,285
Total operating expenses	**61,593,507**	**43,399,054**	**51,955,473**
Other income / (expense):			
Unrealized gain / (loss) on notes payable - derivative	(35,544)	(31,727)	(9,603)
Other income / (expense), net	2,705	2,774	(135)
Total other income / (expense)	**(32,839)**	**(28,953)**	**(9,738)**
Net income / (loss) before taxes	**$ (270,679)**	**$ 329,783**	**$ 244,428**
Income taxes expense / (benefit)	(29,330)	(16,939)	15,914
Net income / (loss)	**$ (241,349)**	**$ 346,722**	**$ 228,514**
Other comprehensive income (loss), net of tax			
Change in fair value of cash flow hedges	(4,506)	—	
Other comprehensive income (loss)	**(4,506)**	**—**	**—**
Comprehensive income (loss)	**$ (245,855)**	**$ 346,722**	**$ 228,514**
Comprehensive income / (loss) attributed to:			
Class B Unit holders of GDH LP	(204,745)	230,457	152,656
Noncontrolling interests	45,792	—	—
Class A common stockholders of the Company [1]	**$ (86,902)**	**$ 116,265**	**$ 75,858**
Net income / (loss) per share of Class A common stock [2]			
Net income (loss) used in calculation of net income / (loss) per share of Class A common stock [2]	$ (84,863)	$ 116,265	$ 75,858
Basic	$ (0.53)	$ 0.96	0.72
Diluted	$ (0.61)	$ 0.84	0.60
Weighted average shares outstanding used to compute net income / (loss) per share [3]			
Basic	159,201,378	120,847,366	105,677,379
Diluted	366,475,172	356,723,762	325,978,160

[1] For periods prior to the Reorganization Transactions, represents net income / (loss) attributable to Class A Units of GDH LP.
[2] For periods prior to the Reorganization Transactions, represents net income / (loss) per Class A Unit of GDH LP.
[3] For periods prior to the Reorganization Transactions, represents weighted average Class A Units of GDH LP used to calculate net income / (loss) per unit.

Galaxy Digital Inc.
Consolidated Statements of Financial Position
As of December 31, 2025 and December 31, 2024
(Expressed in thousands of U.S. Dollars except where noted)

	December 31, 2025	December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	$ 1,246,240	$ 462,103
Digital intangible assets (includes $2,717.4 and $1,997.4 million measured at fair value)	3,526,216	2,547,581
Digital financial assets	988,621	359,665
Digital asset loans receivable, net of allowance	1,070,029	579,530
Investments	709,069	834,812
Assets posted as collateral, net of allowance	199,983	277,147
Derivative assets	83,807	207,653
Accounts receivable (includes $3.4 and $4.6 million due from related parties)	34,012	55,279
Digital assets receivable	3,778	53,608
Loans receivable, net of allowance	554,449	476,620
Prepaid expenses and other assets	99,734	26,892
Total current assets	8,515,938	5,880,890
Non-current assets		
Digital assets receivable	4,719	7,112
Digital asset loans receivable, net of allowance, non-current	8,900	—
Investments (includes $864.0 and $745.5 million measured at fair value)	1,023,236	808,694
Digital intangible assets	26,824	20,979
Loans receivable, net of allowance, non-current	2,553	—
Property and equipment, net	1,423,113	237,038
Other non-current assets	276,275	107,105
Goodwill	66,523	58,037
Total non-current assets	2,832,143	1,238,965
Total assets	**$ 11,348,081**	**$ 7,119,855**
Liabilities and Equity		
Current liabilities		
Derivative liabilities	40,482	165,858
Accounts payable and accrued liabilities (includes $0.0 and $96.9 million due to related parties)	277,663	281,531
Digital assets borrowed	2,361,161	1,497,609
Payable to customers	85,808	19,520
Loans payable	52,626	510,718
Collateral payable	1,980,171	1,399,655
Notes payable - current	428,545	—
Other current liabilities	85,062	13,034
Total current liabilities	5,311,518	3,887,925
Non-current liabilities		
Notes payable	2,432,510	845,186
Digital assets borrowed, non-current	56,107	—
Other non-current liabilities (includes $72.3 and $0.0 million due to related parties)	513,169	192,392
Total non-current liabilities	3,001,786	1,037,578
Total liabilities	**8,313,304**	**4,925,503**
Commitments and contingencies (Note 17)		
Equity		
GDH LP Unit Holders	—	2,194,352
Class A common stock, $0.001 par value; 2,000,000,000 shares authorized and 192,695,681 issued and outstanding	192	—

Galaxy Digital Inc.
Consolidated Statements of Financial Position
As of December 31, 2025 and December 31, 2024
(Expressed in thousands of U.S. Dollars except where noted)

Convertible Class B common stock,$0.0000000001 par value; 500,000,000 shares authorized and 198,408,277 issued and outstanding	—	—
Additional Paid in Capital	1,614,660	—
Accumulated other comprehensive income (loss)	(2,038)	—
Retained Earnings	342,921	—
Total stockholders' equity[1]	1,955,735	2,194,352
Noncontrolling interest	1,079,042	—
Total equity	**3,034,777**	**2,194,352**
Total liabilities and equity	**$ 11,348,081**	**$ 7,119,855**

[1] For periods prior to the Reorganization Transactions, represents total GDH LP Unit Holders' Capital.

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

Galaxy Digital Inc.
Consolidated Statements of Changes in Equity
For the Year Ended December 31, 2025, 2024 and 2023
(Expressed in thousands of U.S. Dollars except share/unit data)

	Class A Unit Capital		Class B Unit Capital		Class A Common Stock		Class B Common Stock		Additional Paid in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Non-Controlling Interests	
	Number	**Amount**	**Number**	**Amount**	**Number**	**Amount**	**Number**	**Amount**	**Amount**	**Amount**	**Amount**	**Amount**	**Total**
Balance at December 31, 2022	104,811,539	$ 610,374	215,943,369	$ 805,820	—	$ —	—	$ —	$ —	$ —	$ —	$ —	**$1,416,194**
Cumulative effect of change in accounting principles	—	1,533	—	3,209	—	—	—	—	—	—	—	—	4,742
Equity based compensation	—	27,558	—	56,232	—	—	—	—	—	—	—	—	83,790
Distributions	—	(7,301)	—	(15,104)	—	—	—	—	—	—	—	—	(22,405)
Vesting of Class B Units	—	—	15,226	—	—	—	—	—	—	—	—	—	—
Exchange of Class B Units	30,121	141	(30,121)	(141)	—	—	—	—	—	—	—	—	—
Cancellation of Class A Units	(4,221,799)	(10,668)	—	—	—	—	—	—	—	—	—	—	(10,668)
Issuance of Class A Units, net of issuance cost	8,679,471	11,107	—	—	—	—	—	—	—	—	—	—	11,107
Other	—	(121)	—	18	—	—	—	—	—	—	—	—	(103)
Income / (loss) for the period	—	75,858	—	152,656	—	—	—	—	—	—	—	—	228,514
Balance at December 31, 2023	**109,299,332**	**$ 708,481**	**215,928,474**	**$ 1,002,690**	**—**	**$ —**	**—**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$1,711,171**
Balance at December 31, 2023	**109,299,332**	**$ 708,481**	**215,928,474**	**$ 1,002,690**	**—**	**$ —**	**—**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$1,711,171**
Equity based compensation	—	26,897	—	48,120	—	—	—		—	—	—	—	75,017
Distributions	—	(19,526)	—	(35,732)	—	—	—	—	—	—	—	—	(55,258)
Vesting of Class B Units	—	—	15,226	—	—	—	—	—	—	—	—	—	—
Exchange of Class B Units	81,357	541	(81,357)	(541)	—	—	—	—	—	—	—	—	—
Cancellation of Class A Units	(1,832,402)	(20,516)	—	—	—	—	—	—	—	—	—	—	(20,516)
Issuance of Class A Units, net of issuance cost	20,029,493	137,184	—	—	—	—	—	—	—	—	—	—	137,184
Other	—	404	—	(372)	—	—	—	—	—	—	—	—	32
Income / (loss) for the period	—	116,265	—	230,457	—	—	—	—	—	—	—	—	346,722
Balance at December 31, 2024	**127,577,780**	**$ 949,730**	**215,862,343**	**$ 1,244,622**	**—**	**$ —**	**—**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$2,194,352**

Galaxy Digital Inc.
Consolidated Statements of Changes in Equity
For the Year Ended December 31, 2025, 2024 and 2023
(Expressed in thousands of U.S. Dollars except share/unit data)

	Class A Unit Capital		Class B Unit Capital		Class A Common Stock		Class B Common Stock		Additional Paid in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Non-Controlling Interests	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Amount	Amount	Amount	Amount	Total
Balance at December 31, 2024	**127,577,780**	**$ 949,730**	**215,862,343**	**$ 1,244,622**	**—**	**$ —**	**—**	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**	**$2,194,352**
Prior to the Reorganization Transactions													
Equity based compensation	—	7,547	—	12,655	—	—	—	—	—	—	—	—	20,202
Distributions	—	(15,017)	—	(24,864)	—	—	—	—	—	—	—	—	(39,881)
Exchange of Class B Units	—	—	—	—	—	—	—	—	—	—	—	—	—
Cancellation of Class A Units	(2,208,707)	(26,649)	—	—	—	—	—	—	—	—	—	—	(26,649)
Issuance of Class A Units, net of issuance cost	5,533,779	2,294	—	—	—	—	—	—	—	—	—	—	2,294
Income / (loss) for the period	—	(121,592)	—	(204,745)	—	—	—	—	—	—	—	—	(326,337)
Impact of Reorganization Transactions	(130,902,852	(796,053)	(215,862,343	(1,027,392)	130,902,852	131	215,862,343	—	631,523	—	306,192	1,134,298	248,699
After the Reorganization Transactions													
Equity based compensation	—	—	—	—	—	—	—	—	16,978	—	—	19,425	36,403
Distribution	—	—	—	—	—	—	—	—	—	—	—	(9,427)	(9,427)
Cancellation of Class A Units, net of issuance cost	—	—	—	—	(1,608,914)	(2)	—	—	(24,746)	—	—	—	(24,748)
Issuance of Class A common stock, net of issuance cost	—	—	—	—	45,947,677	46	—	—	848,833	—	—	—	848,879
Exchange of Class B common stock	—	—	—	—	17,454,066	17	(17,454,066)	—	111,029	—	—	(111,046)	—
Other	—	(260)	—	(276)	—	—	—	—	31,043	—	—	—	30,507
Income / (loss) for the period	—	—	—	—	—	—	—	—	—	—	36,729	48,260	84,989
Other comprehensive income (loss)	—	—	—	—	—	—	—	—	—	(2,038)	—	(2,468)	(4,506)
Balance at December 31, 2025	**—**	**$ —**	**—**	**$ —**	**192,695,681**	**$ 192**	**198,408,277**	**$ —**	**$ 1,614,660**	**$ (2,038)**	**$ 342,921**	**$ 1,079,042**	**$3,034,777**

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

Galaxy Digital Inc.
Consolidated Statements of Cash Flows
For the Year Ended December 31, 2025, 2024 and 2023
(Expressed in thousands of U.S. Dollars)

	For the years ended		
	December 31, 2025	December 31, 2024	December 31, 2023
Operating activities			
Income / (loss) for the year	$ (241,349)	$ 346,722	$ 228,514
Adjustments for:			
Digital assets sales revenue	(20,510,886)	(11,150,499)	(24,498,135)
Digital assets sales cost	20,220,965	11,264,933	24,463,949
Impairment of digital assets	256,982	89,774	46,757
Provision for credit losses	(2,569)	3,635	—
Depreciation and amortization	34,068	46,892	22,945
Other impairment loss	87,251	101	—
Equity based compensation	53,612	74,857	81,654
Noncash management fee	(56,925)	—	—
Noncash borrowing costs	129,261	70,544	8,230
Noncash interest and net staking income	(127,141)	(100,472)	(24,915)
Net realized loss on disposal	—	—	2,111
Net (gains) / losses from operations	(948,939)	(1,161,117)	(582,860)
Net unrealized (gain) / loss on notes payable – derivative	35,544	31,727	9,603
Noncash notes interest expense	35,667	17,454	13,935
Taxes	41,127	(8,386)	2,498
Other noncash adjustments	698	682	390
Changes in operating assets and liabilities:			
Digital assets	434,709	153,175	148,322
Digital assets receivable	490	33	(2,617)
Investments	(60,165)	—	—
Derivative assets / liabilities	323,000	238,931	122,422
Accounts receivable	24,708	3,491	7,957
Prepaid expenses and other assets	(73,412)	10,030	(8,548)
Other non-current assets	(186,383)	—	2,000
Collateral receivable / payable	(56,429)	65,720	(48,772)
Accounts payable and accrued liabilities	17,921	91,512	18,195
Other current liabilities	16,250	(422,180)	(13,207)
Other non-current liabilities	235,309	127,362	(4,507)
Net cash provided by / (used in) operating activities	(316,636)	(205,079)	(4,079)
Investing activities			
Proceeds from repayments and maturities of loans receivable	554,421	200,679	66,706
Origination of loans receivable	(650,945)	(279,146)	(279,813)
Purchase of property, equipment and intangible assets	(1,192,534)	(59,025)	(45,613)
Acquisitions, net of cash received	(7,782)	(5,115)	(43,893)
Disposal of property and equipment	11,346	2,954	653
Purchase of investments	(2,647,019)	(3,260,043)	(192,330)
Proceeds and distributions from investments	2,641,934	2,878,067	209,508
Net cash provided by / (used in) investing activities	(1,290,579)	(521,629)	(284,782)

Galaxy Digital Inc.
Consolidated Statements of Cash Flows
For the Year Ended December 31, 2025, 2024 and 2023
(Expressed in thousands of U.S. Dollars)

	For the years ended		
	December 31, 2025	December 31, 2024	December 31, 2023
Financing activities			
Payable to customers	(17,093)	16,078	(6,149)
Proceeds from loans payable	380,325	315,516	117,233
Repayments of loans payable	(509,381)	(228,617)	(25,748)
Margin loans payable, net	(311,512)	330,716	—
Proceeds from notes payable, net of issuance costs	2,098,545	388,931	—
Share issuance, net of costs	851,173	125,351	11,107
Distributions	(49,308)	(55,258)	(22,405)
Cancellation of Class A Units withheld	(51,397)	(20,516)	(10,668)
Net cash provided by / (used in) financing activities	2,391,352	872,201	63,370
Net increase / (decrease) in cash and cash equivalents	784,137	145,493	(225,491)
Cash and cash equivalents, beginning of period	462,103	316,610	542,101
Cash and cash equivalents, end of period	**$ 1,246,240**	**$ 462,103**	**$ 316,610**
Supplemental disclosure of cash flow information and noncash investing and financing activities:			
Cash paid during the year for:			
Interest	$ 53,319	$ 51,095	$ 23,292
Taxes	5,805	8,561	9,316
Significant noncash investing and financing activities:			
Digital assets loan receivable, net of allowance	522,072	475,450	54,533
Payables to customers - digital assets	83,381	—	—
Assets posted as collateral	78,447	37,577	290,965
Digital assets borrowed	919,659	1,099,332	227,711
Collateral payable	636,245	754,664	496,537
Purchase of investments with noncash contributions	374,338	13,447	3,409
Payable for investments purchased	—	3,431	—
Proceeds from investments included in receivables	70	218	150
Proceeds from investments received as non-cash contributions	320,571	142,905	2,036
Additions to property, plant and equipment and intangible assets	116,826	160	11,724
Disposals of property, plant and equipment and intangible assets	1,219	—	—
Reclassification between digital assets receivable and investments	2,192	389	18,786
Origination of loans receivable with noncash consideration	—	10,787	10,669
Receivable for repayment of loans receivable	1,250	—	—
Repayment of loans receivable with non-cash considerations	17,491	—	—
Repayments of loans payable with non-cash consideration	17,522	—	—

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

1. BASIS OF PRESENTATION

The Company

Galaxy Digital Inc. ("GDI") was formed in Delaware on April 23, 2021 for the purpose of serving as the U.S. public company entity upon the redomiciliation of Galaxy Digital Holdings Ltd. ("GDH Ltd.") and Galaxy Digital Holdings LP ("GDH LP") to Delaware. On May 13, 2025, the Company (as defined below), GDH Ltd. and GDH LP consummated a series of transactions resulting in the reorganization of the Company's corporate structure (the "Reorganization Transactions"). Pursuant to the Reorganization Transactions, GDH Ltd. and GDH LP changed their jurisdiction of incorporation from the Cayman Islands to the state of Delaware and GDH Ltd. merged with and into the Company, with the Company surviving as the successor public company entity. All outstanding GDH Ltd. ordinary shares were converted into shares of Class A common stock of GDI.

Prior to the Reorganization Transactions, GDH Ltd. owned a minority interest in GDH LP and its ordinary shares were traded on the Toronto Stock Exchange ("TSX"). On May 16, 2025, subsequent to the Reorganization Transactions, the Company succeeded GDH Ltd. as the TSX-listed entity and the Company's Class A common stock began also trading on the Nasdaq Global Select Market ("Nasdaq") under the ticker "GLXY."

The Reorganization Transactions were accounted for as a reverse recapitalization with the Company consolidating GDH LP, which was the accounting acquirer and the predecessor entity. Financial information presented for periods prior to the completion of the Reorganization Transactions, including comparative periods, represents that of GDH LP. References to the "Company," "Galaxy," "we," "us" and "our" refer to GDI and its consolidated subsidiaries subsequent to the Reorganization Transactions and GDH LP, the accounting acquirer and predecessor entity, and its consolidated subsidiaries prior to the Reorganization Transactions.

GDH LP is the operating partnership that conducts all of the Company's business. GDH LP is a Delaware limited partnership that was formed in the Cayman Islands on May 11, 2018, which redomesticated to Delaware as part of the Reorganization Transactions, and is managed by GDI as its general partner. The Company has two classes of common stock, Class A common stock and Class B common stock. Each share of Class A common stock entitles its holder to economic and voting interests in the Company. Each share of Class B common stock entitles its holder to voting interests but not economic interests in the Company. Holders of Class B common stock have an economic interest in the Company through Limited Partnership Units of GDH LP ("LP Units"), which are paired one-for-one with shares of Class B common stock. One share of Class B common stock and one LP Unit are together exchangeable for one share of Class A common stock. As the Company consolidates GDH LP but does not own all of the economic interest in GDH LP, the Company presents a noncontrolling interest related to the economic ownership of GDH LP held by its Class B common stockholders.

Galaxy is a technology-driven diversified financial services and investment management firm that provides institutions with a full suite of scaled financial solutions spanning the digital assets ecosystem. The Company is strategically positioned to bridge traditional finance and the emerging digital economy. The Company is focused on digital assets and artificial intelligence enabled by high-performance computing technology, and how these technological innovations will alter the way we store and transfer value. The Company manages and reports its activities in the following segments: Digital Assets, Data Centers, and Treasury and Corporate.

Basis of Presentation

The accompanying consolidated financial statements have been prepared on the basis of accounting principles generally accepted in the United States of America ("U.S. GAAP"). The consolidated financial statements include the accounts of the Company and all entities in which it holds a controlling financial interest. All intercompany balances and transactions have been eliminated.

Change in Presentation

Certain comparative figures in the Company's consolidated statements of operations and other comprehensive income (loss) have been reclassified to conform to the current year's presentation.

2. SIGNIFICANT ACCOUNTING POLICIES

The following represents the Company's significant accounting policies. These accounting policies have been consistently applied to all periods presented in the Company's consolidated financial statements, unless otherwise indicated.

Consolidation

The Company consolidates entities in which it has a controlling financial interest. The Company determines whether it has a controlling financial interest in an entity by evaluating whether the entity is a voting interest entity or a variable interest entity ("VIE").

Voting Interest Entities

Voting interest entities are entities in which (i) the total equity investment at risk is sufficient to enable the entity to finance its activities independently and (ii) the equity holders have the power to direct the activities of the entity that most significantly impact its economic performance, the obligation to absorb the losses of the entity and the right to receive the residual returns of the entity. The usual condition for a controlling financial interest in a voting interest entity is ownership of a majority voting interest. If the Company has a majority voting interest in a voting interest entity, the entity is consolidated.

Variable Interest Entities

A VIE is an entity that lacks one or more of the characteristics of a voting interest entity. The Company has a controlling financial interest in a VIE when the Company has a variable interest or interests that provide it with (i) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (ii) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. See Notes 10 and 18 for further information about VIEs.

Noncontrolling Interests

The Company, as holder of LP Units and sole general partner of GDH LP, has both (i) the power to direct GDH LP's most significant activities; and (ii) the obligation to absorb losses or the right to receive benefits that could be significant to GDH LP. The limited partnership interests in GDH LP that are not owned by the Company are presented as noncontrolling interests in the Company's consolidated financial statements.

The noncontrolling interests were initially measured at the proportional share of equity held by the noncontrolling interest holders on the date of the Reorganization Transaction, May 13, 2025. Each reporting period, the noncontrolling interests are adjusted for (i) the noncontrolling interest holders' share of GDH LP's net income / (loss) based on their relative ownership and (ii) distributions declared.

Each LP Unit of GDH LP that represents a noncontrolling interest in the Company corresponds with a share of Class B common stock of the Company. Each share of Class B common stock, along with its paired LP Unit, are together exchangeable for a share of Class A common stock on a 1:1 basis. Such exchanges increase the Company's ownership of GDH LP and are accounted for as equity transactions.

Because the noncontrolling interests held through LP Units are economically equivalent to shares of Class A common stock, diluted EPS is calculated using the if-converted method, assuming all noncontrolling interests were exchanged for shares of Class A common stock as of the beginning of each period.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company's chief operating decision maker is its chief executive officer. The chief operating decision-maker reviews the operating income and net income before tax of each reportable segment to evaluate segment performance against the Company's budget and to establish management's compensation. The chief operating decision-maker is responsible for allocating resources and assessing the performance of each of the operating segments. All inter-segment transactions are eliminated in the Treasury and Corporate segment.

Use of Estimates

The preparation of the Company's consolidated financial statements, in conformity with U.S. GAAP, requires management to make certain estimates and assumptions about future events that affect the amounts reported and disclosed in the consolidated financial statements and accompanying notes. Actual results could differ materially from those estimates.

Significant estimates and assumptions include: the valuation of certain digital intangible assets, digital asset receivables, digital asset loans receivable, loans receivable, credit losses, assets posted as collateral, goodwill, property, plant, and equipment, investments, equity based awards issued, assets acquired and liabilities assumed in business combinations, and derivatives. To the extent that there are material differences between these estimates and actual results, the Company's consolidated financial statements will be affected. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable; the result of which forms the basis for making judgments about the carrying values of assets and liabilities, as well as reported amounts of revenues and expenses during the reported periods.

Revenues and Gains / (Losses) from Operations

The Company recognizes revenue from digital assets sales, investment management services, digital asset staking, technology licensing, advisory services, proprietary mining and hosting services, when the performance obligations related to those services are satisfied. The Company predominantly acts as a principal in sales and purchases of digital intangible assets, which requires gross recognition of revenue and the corresponding costs. As a principal, the Company obtains control over the digital intangible asset before it is transferred to the customer.

Gains / (losses) from operations include the net realized and unrealized gains and losses recognized on the Company's digital asset transactions, derivative instruments, and investments. Sales of digital financial assets are recognized on a net basis. The Company presents Gains / (losses) from operations net as these transactions are not within the scope of ASC Topic 606, *Revenue from Contracts with Customers* ("ASC 606"). See Notes 6, 8, and 9 for information on gains and losses related to these activities of the Company.

The Company evaluates whether transactions are in scope of ASC Topic 606, and each new digital asset is analyzed to determine whether it is within the scope of the applicable accounting guidance as a financial instrument or an indefinite-lived intangible asset. These classifications dictate the corresponding revenue recognition discussed herein. Additionally, digital assets which the Company holds within consolidated entities for which investment company accounting applies, are measured at fair value with changes in fair value recorded as Gains / (losses) from operations in the Company's consolidated statements of operations.

Digital Assets Sales

The Company considers the counterparty in digital assets sale transactions to be its customer. When the Company sells a digital asset, the Company has a single performance obligation, which is satisfied at the point in time when control of the digital asset sold has transferred.

Fees

The Company accounts for fee revenues using the framework outlined in ASC 606. The Company may receive noncash consideration from customers, which could be digital assets or other financial assets. Such consideration is measured at the fair value of the assets received. Certain contracts with customers include multiple performance obligations. The Company allocates the transaction price to each performance obligation using the relative standalone selling price of each performance obligation determined by maximizing the use of observable inputs.

The Company earns fee revenues from the following sources.

Management and performance-based fees

The Company receives investment management fees for providing investment management services. Investment management fees are recorded within Revenue in the Company's consolidated statements of operations.

The Company's investment management contracts with customers contain a base management fee and sometimes include a performance fee component. These contracts have a single performance obligation that is satisfied over time. Base management fees are recorded based on the amount of assets under management, at the contractually stated rate. Performance management fees are a form of variable consideration and recorded when the performance target is met and a significant reversal of such fees is not probable.

Advisory fees

The Company receives investment banking fees for providing advisory services to customers executing transactions in the digital assets sector. The Company's investment banking contracts with customers have a single performance obligation and fees are recognized as revenue at the point in time when the underlying transaction has been completed.

Licensing fees

The Company licenses its digital asset custody technology products to customers and receives a license fee that is based on the value of the self-custodied digital assets or transaction volume managed using the Company's technology solution. The license fee is variable and subject to a contractual minimum. The license terms are generally one year and can be renewed by the customer on the same terms. License fee revenue is recognized over time as the customer uses the Company's self-custody technology.

Hosting fees

The Company entered into agreements with customers as a hosting services provider where customers host their bitcoin mining equipment at the Company's main facility, Helios, in West Texas. Hosting services require the Company to maintain the customers' mining equipment, provide power and network connectivity, and perform installation and/or repair of customer equipment, as necessary. The Company receives fixed and variable consideration in return for these services. The variable consideration depends on the amount of bitcoin that the customers' mining equipment generates and any power curtailment credit that the Company shares with the customers. Revenue for hosting services is recognized over time as services are provided. These agreements were all expired by December 31, 2025.

Proprietary mining

The Company has entered into arrangements with bitcoin mining pool operators. The Company does not operate the mining pool but instead provides hash calculation services for the purpose of validating blockchain transactions, measured in hash rate per second, to the mining pool operators, as an output of the Company's ordinary activities, to generate returns. The Bitcoin blockchain relies on miners competing to successfully solve a hashing function. To maximize the chances of successfully solving the hashing function, miners aggregate computing power through mining pool operators. Once a solution to the hashing function is found by a participant in a bitcoin mining pool, the bitcoin mining pool operator is entitled to propose a block and receive: 1) transaction fees paid by the Bitcoin blockchain participants for including their transactions in the newly proposed block on the blockchain and 2) newly-created digital assets awarded by the blockchain. This consideration is collectively referred to as block rewards.

Since January 2023, the Company has participated in a mining pool that applies the Full Pay Per Share ("FPPS") model. Under the FPPS model, in exchange for providing hash calculation services, the Company is entitled to pay-per-share network block subsidies and network transaction fee reward compensation, calculated on an hourly basis and settled daily, at an amount that approximates the total bitcoin that could have been mined and transaction fees that could have been awarded using the Company's contributed computing power, based upon the then current blockchain difficulty, less pool operating fees. The mining pool operator therefore bears the risk of not successfully solving the hash function for a given bitcoin block.

The Company has a single performance obligation to its customer (i.e., the mining pool operator), which is to provide hash calculation services to the customer so the customer can earn block rewards. The provision of hash calculation services is an output of the Company's ordinary activities. The arrangement with the mining pool operator can be terminated by either the Company or the customer without penalty or prior notice. The Company is able to determine when and whether to provide hash calculation services to the mining pool, and the Company's enforceable rights and obligations begin when and last only as long as hash rate continues to be provided. The contract with the mining pool operator is continuously renewed and has a duration of less than 24 hours. No material right exists in relation to any additional services the Company may provide if neither the Company, nor the pool operator, terminate the contract because such services are provided at their standalone selling prices.

The transaction consideration the Company receives, which is denominated in bitcoin, includes the block rewards equivalent less a pool operating fee charged by the mining pool operator. The transaction consideration represents noncash consideration and is entirely variable. The Company measures mining revenue at the fair value of the noncash consideration to which it is entitled as of 23:59:59 Universal Time Coordinated ("UTC") on the date of when control of services transfers to the customer, which is the same day as the contract inception. Bitcoins earned from the Company's mining operations are subsequently accounted for in accordance with the Company's digital assets policy.

Blockchain rewards

The Company participates in proof-of-stake validation. Proof-of-stake validation, also referred to as staking, requires the Company to delegate its digital assets to a validator. Staking can be performed on proprietary validation infrastructure or through the use of third-party infrastructure or service providers. The Company concluded that where it controls the validation infrastructure, it is a principal in the provision of staking services to the blockchain, and recognizes staking revenue on a gross basis.

Digital assets staked directly on validation infrastructure are recognized within Digital intangible assets on the Company's consolidated statements of financial position. The Company recognizes staking rewards received, as non-cash consideration for staking activities, as revenue measured at the fair value of the digital assets at the time of contract inception. Staking rewards earned by third-party delegators who stake using the Company's infrastructure are recognized in Transaction expenses. The Company also generates blockchain rewards from holding liquid staking tokens. These blockchain rewards are typically issued by decentralized finance protocols, which are not customers of the Company. Refer to Note 6 for additional discussion on the Company's digital asset staking activities.

Transaction Expenses

The Company's transaction expenses include the following:

Digital asset sales cost and impairment

Digital asset sales cost is allocated to digital assets sold, which meet the appropriate derecognition criteria, on a first-in-first-out basis. Impairment is recognized when the carrying amount exceeds the fair value, which is measured throughout the holding period using observable intraday low prices, of the digital intangible assets not in scope of ASC 350-60. Impairment expense represents the impairment loss incurred in the current period. Impairment is recognized on digital intangible assets not in scope of ASC Subtopic 350-60, *Intangibles—Goodwill and Other—Crypto Assets* ("ASC 350-60"), and measured using the lowest observed price of the digital asset during the period that the asset is held.

Blockchain reward distributions

As a principal in the provision of staking services, the Company recognizes the amount of staking rewards earned by third-parties utilizing the Company's validation infrastructure as part of its Transaction expenses. These costs are measured using the fair value of the digital assets at the time staking rewards are earned by the customer.

Borrowing costs

The Company borrows fiat and digital assets from counterparties and in doing so incurs borrowing costs in both fiat currencies and digital assets. The borrowing costs associated with fiat loans payable are measured using the effective interest method. Borrowing costs related to digital asset loans payable are measured using the fair value of the underlying digital asset owed to counterparties.

Mining and hosting costs

Includes power and hosting fees paid to third-parties. As a part of its mining operations, the Company may enter into power purchase agreements with energy suppliers. These agreements allow the Company to purchase a given capacity of power at a fixed rate for the duration of the agreement term. The Company accounts for power purchase agreements as derivatives. Realized and unrealized gains or losses associated with these agreements are recorded together with hosting fee expense and costs associated with mining equipment recognized through sales-type finance leases.

Cash and Cash Equivalents

Cash and cash equivalents may include cash on hand, cash on trading platforms, cash held at brokers, demand deposits and short-term highly liquid investments that are readily convertible into known amounts of cash, with maturities of three months or less when acquired.

Statements of Cash Flows

The Company participates in digital asset trading activities, which often involve non-cash exchanges of digital assets for other digital assets. In reconciling its net income to the net change in cash from operating activities, the Company includes reconciling adjustments for Digital assets sales revenue and Digital assets cost of sales associated with non-cash sales of intangible digital assets. In addition, the Company includes a reconciling adjustment for Impairment of digital assets associated with non-cash sales of intangible digital assets that were sold during the period and on intangible digital assets that were not sold during the period. Certain lending counterparties post digital asset collateral with the Company. In some instances, the counterparties request that the Company liquidate the collateral to satisfy their loan obligations. In such instances, the Company liquidates the collateral and remits the excess proceeds to the counterparties. Similarly, a lender may request that the Company settle its loan obligations against its trading balance. Such activities are presented as cash payments or receipts in the Company's consolidated statements of cash flows.

Cash Flow Hedge

The Company uses derivative instruments to manage exposure to variability in future cash flows associated with interest payments on the Company's Credit Agreement (see Note 18 for a description of the Credit Agreement). These derivatives are designated as cash flow hedges in accordance with ASC Topic 815, *Derivatives and Hedging* ("ASC 815").

For derivatives that are designated and qualify as effective cash flow hedges, the change in fair value is recorded in Other comprehensive income (loss) ("OCI") and subsequently reclassified into earnings in the same period or periods during which the hedged cash flows affect earnings. Once reclassified into earnings, the impact will be recognized within General and administrative on the Company's consolidated statements of operations and other comprehensive income (loss).

If a derivative ceases to qualify for hedge accounting, or if the hedging relationship is discontinued, future changes in the fair value of the derivative are recognized in earnings. Amounts previously recorded in OCI are reclassified into earnings in the period when the forecasted transaction affects earnings, unless it is no longer probable that the forecasted transaction will occur, in which case the amounts are reclassified immediately into earnings.

Digital Assets

Accounting for digital assets depends on the nature of the asset and how the asset is held. The Company accounts for digital assets in the following ways:

- *Intangible assets recorded at cost less applicable impairment charge.* Recognized as Digital intangible assets in the Company's consolidated statements of financial position as these digital assets do not meet the scope criteria of ASC 350-60, primarily as they provide the holder with enforceable rights to or claims on other assets. The sale of these digital assets to a customer as part of the Company's ordinary activities are presented gross on the Company's consolidated statements of operations. The Company early adopted ASC 350-60 effective for the fiscal year beginning January 1, 2023, resulting in fewer digital intangible assets recorded at cost less applicable impairment charge and a cumulative adoption impact related to the fair value adjustment of in scope digital intangible assets recorded in Stockholders' equity. Prior to the adoption of ASC 350-60, all digital intangible assets held outside of consolidated investment funds were measured at lower of cost or impaired value.

- *Intangible assets recorded at fair value with changes in fair value recorded in Net gain / (loss) on digital assets* within the Company's consolidated statement of operations. These assets include digital intangible assets that meet the scope requirements of ASC 350-60 for the period following January 1, 2023, as well as digital assets held in consolidated sponsored investment funds that qualify as investment companies and for which all consolidated assets and liabilities are measured at fair value. They are recognized as Digital intangible assets in the Company's consolidated statements of financial position. As all changes in the fair value are reported in earnings as they occur, the sale of these digital assets does not necessarily give rise to a gain or loss. The sales of these digital assets to a customer as part of the Company's ordinary activities are presented gross on the Company's consolidated statements of operations.

- *Financial assets for which the Company has elected to apply the fair value option ("FVO").* Recognized as Digital financial assets in the Company's consolidated statements of financial position. These assets represent certain stablecoins, such as USDC, that are contractually redeemable for fiat currency on demand. As any changes in the fair value are reported in earnings as they occur, the derecognition of these digital assets does not necessarily give rise to a gain or loss. Gains and losses resulting from derecognition of these digital assets are presented net on the Company's consolidated statements of operations.

Digital intangible assets and Digital financial assets are collectively referred to as Digital assets.

Stablecoins are digital assets designed to have a relatively stable price that aligns with the price of an underlying asset, most commonly a fiat currency, such as USD, or an exchange-traded commodity. The Company uses stablecoins to post risk margin collateral and to settle trades on certain trading platforms that do not accept cash collateral. The Company primarily holds stablecoins that provide the Company with a contractual right to USD. Stablecoins that are contractually redeemable for fiat currency on demand are carried at fair value as Digital financial assets in the Company's consolidated statements of financial position. Stablecoins concluded to not be contractually redeemable for a fiat currency on demand are accounted for as Digital intangible assets. Some stablecoins meet the scope requirement of ASC 350-60 and are digital intangible assets measured at fair value. Impairment of stablecoins accounted for as Digital intangible assets not measured at fair value is recognized as Transaction expenses in the Company's consolidated statements of operations. Changes in the fair value of stablecoins that are measured at fair value are recorded in Net gain / (loss) on digital assets in the Company's consolidated statements of operations.

The Company places digital assets with trading platforms or loan counterparties to satisfy risk margin or collateral requirements from open trading positions and loans. The margin requirement on trading platforms can generally be met with a combination of digital assets and cash. The Company is able to use the digital assets supplied for margin requirements for trading purposes, with no restriction as long as a minimum balance is held on the trading platform. The Company is able to withdraw such digital assets if no margin loan is outstanding. The initial and subsequent measurements of these digital assets are accounted for in a similar manner as other intangible assets and financial assets not placed on such trading platforms as such digital assets do not qualify for derecognition.

Digital assets staked with third-party non-custodial validator nodes are not derecognized as the third-party non-custodial validator nodes do not control the digital assets staked by the Company, and the Company may initiate withdrawal of the digital assets at any time. Withdrawal time periods vary by protocol and depend on the volume of transactions on the blockchain. The Company is not able to sell or transfer staked digital assets until withdrawal is completed.

Digital assets associated with decentralized finance protocols

The Company participates in decentralized finance protocols, smart contracts that perform specific functions built on various blockchains. Decentralized finance protocols allow the Company to provide or access liquidity, as well as exchange digital assets, directly on the blockchain. To provide liquidity, the Company deposits or transfers its digital assets to the smart contracts of these decentralized finance protocols and typically receives protocol-specific digital assets that represent the Company's claims on the underlying digital assets deposited.

The majority of decentralized finance protocols have the ability to utilize the Company's deposited digital assets for various purposes, including lending or trading with other market participants. When digital assets are transferred to the smart contracts, the Company derecognizes the digital assets and recognizes the protocol-specific digital asset received in return. The Company does not apply ASC 350-60 to the protocol-specific digital asset as they do not meet the scope requirements of ASC 350- 60, in part because these assets provide the Company with enforceable rights to or claims on the underlying digital assets deposited to decentralized protocols. These assets are measured at cost less accumulated impairment and are included in Digital intangible assets on the Company's consolidated statements of financial position. In circumstances where the protocol has the ability to utilize the Company's deposited digital assets, redemption may be delayed to the extent the protocol does not have an adequate supply.

As a liquidity provider to certain such protocols, the Company receives non-cash consideration in the form of additional digital intangible assets from decentralized protocols or an increased claim to the digital assets held in the protocol smart contracts. The Company does not consider any such non-cash consideration as revenue under ASC 606, and the amounts generated from such activities are included in Blockchain rewards from non-customers within Revenues on the Company's consolidated statements of operations.

The Company also places digital assets with decentralized finance protocols where the protocol does not have the ability to lend or trade them with other market participants. In these circumstances, the Company does not receive a protocol-specific digital asset in return and retains control of the digital assets deposited into the protocol. The digital assets are not derecognized and continue to be recorded as digital assets on the Company's consolidated statements of financial position. The Company is able to use these digital assets as collateral for loans from the protocol, and can withdraw such digital assets if no loan is outstanding. These digital assets are presented in other digital assets associated with decentralized finance protocols in Note 6.

Digital Asset Loans Receivable

The Company lends digital assets to counterparties under fixed term loans, typically of less than one year, or loans with no prespecified maturity date. Digital asset loans receivables that do not have a prespecified maturity date are repayable at the option of the Company (i.e., the Company has a put option to put the loan receivable back to the borrower), and the borrower may repay at any time (i.e., the borrower retains a call option on the loan receivable), without penalty or premium. For certain fixed term loans outstanding where the Company acts as the lender, the borrower has the right to prepay the principal amount prior to maturity; however, the Company does not have the right to accelerate the repayment of the assets (i.e., the Company does not have a put option on the loan receivable). While the loan is outstanding the borrower has the right and the ability to use the digital assets at its sole discretion, including the ability to sell or pledge the borrowed digital assets to third parties. At the conclusion of a loan, the borrower is generally required to return the same type and quantity of digital assets as those lent by the Company.

Upon funding of digital asset loans, the Company evaluates whether it can derecognize the loaned Digital assets. Generally, the Company does not meet the derecognition criteria for digital financial asset loans under ASC Topic 860, *Transfers and Servicing* ("ASC 860"). Digital financial assets are reclassified to Digital asset loans receivable upon loan origination, reflecting that the digital financial assets have been transferred to a third-party borrower that can use the digital financial assets at its discretion, and the Company is exposed to the credit risk of the third-party borrower. Digital intangible assets are derecognized upon loan origination, and a Digital asset loan receivable, net of allowance is recognized in the Company's consolidated statement of financial position. Digital asset loans receivable are measured at the fair value of the digital financial assets or digital intangible assets to be received upon settlement. The initial and subsequent gain / loss resulting from the changes in value of the underlying digital assets are recognized in Net gains from digital assets in the Company's consolidated statements of operations. Digital asset loans receivable are placed on nonaccrual status when it is probable that the Company will not collect all principal and interest due under the contractual terms, regardless of the delinquency status, or if a loan is past due for 90 days or more, unless the loan is still over-collateralized or has begun reperforming. A loan is considered past due when a principal or interest payment has not been made according to its contractual terms. The Digital asset loans receivable balance is evaluated for possible credit losses using the framework outlined in ASC Topic 326, *Financial Instruments—Credit Losses* ("ASC 326"). The allowance for credit losses on Digital asset loans receivable under the current expected credit loss ("CECL") model reflects management's estimate of credit losses over the remaining expected life of the loans and also considers forecasts of future economic conditions. Provision for credit losses is included in the General and administrative expense in the Company's consolidated statements of operations.

The majority of the Company's digital asset loans receivable is secured by cash or collateral that is readily convertible to cash such as BTC, ETH, and stablecoins and is typically 110% to 140% of the principal balance. The Company monitors collateral value throughout each day and requests additional collateral from the borrower if the fair value of the collateral associated with a given loan drops below a predefined threshold, typically 110% of the fair value of the digital assets on loan. Should the borrower fail to provide additional collateral upon request, the Company is entitled to liquidate the collateral held and close out the associated digital asset loan(s), usually within 18 hours but in no case later than one business day of the collateral requests being made. The Company maintains processes and controls to ensure adequate collateral is held for all its digital asset loans, including processes that monitor market prices and liquidity of the assets that are held as collateral. The quality and amount of collateral is a key input to the Company's determination of expected credit losses on its loan portfolio, and the Company applies the collateral maintenance practical expedient under ASC 326 in estimating its credit losses.

Under the terms of the Company's lending arrangements, the borrower is required to pay the Company a fee which is calculated as an annualized percentage of the quantity of digital assets lent. The fees for these lending arrangements are denominated in the related digital asset lent. The borrowing fee is recognized as Revenue in the Company's consolidated statements of operations over the life of the loan. The borrower may also be required to pay the Company origination fees. The fees for these lending arrangements are not material and are recognized as Revenue as earned.

Digital Assets Borrowed

The Company enters into borrowing arrangements to acquire digital assets for various purposes including to lend to another counterparty through a lending arrangement, to utilize as collateral for certain trading positions, or for proprietary trading activities. The Company's material borrowings of digital assets have historically consisted of a combination of bitcoin, ether, Solana, and stablecoins.

The Company enters into borrowing arrangements via over-the-counter transactions or on-chain borrowings through DeFi protocols which can be structured as fixed term loans, of less than one year, or loans with no prespecified maturity date. Digital assets borrowings that do not have a prespecified maturity date are repayable at the option of the Company (i.e., the Company has a call option to call the loan from the lender), and the lender may demand repayment, at any time (i.e., the lender retains a put option on the loan), without penalty or premium. The Company has the ability to use the borrowed digital assets at its sole discretion, and an obligation to return the same quantity and type of digital assets to the lender upon the repayment of the digital asset loan. The Company concluded that it does not obtain control of borrowed digital financial assets at the time of loan origination under

ASC 860. When the Company sells the borrowed digital financial assets, the Company recognizes a liability to return the borrowed digital financial assets, which is recognized and measured at fair value.

Digital intangible assets borrowed are recognized at their initial fair value with a corresponding liability associated with the Company's obligation to return the borrowed digital intangible assets. Borrowed digital intangible assets are subsequently accounted for in line with the Company's digital intangible asset accounting policy.

The Company accounts for its digital intangible asset borrowings as hybrid instruments, where the liability host contract contains an embedded feature associated with the put option that gives rise to the Company's repayment obligation which is indexed to the underlying digital asset. The settlement of the embedded put and call options is indexed to the value of the underlying digital intangible assets that are required to be delivered upon settlement. The forward element meets the definition of a derivative on a standalone basis. The Company assesses the digital intangible assets that it borrows to determine whether the digital intangible assets can be readily converted to cash on each balance sheet date. The borrowed digital intangible assets are readily convertible to cash if there is sufficient trading volume such that the Company has the ability to convert the digital intangible assets to cash in the near-term and is not in a position that is substantially different from net settlement. When the underlying digital intangible assets to be delivered upon settlement of the forward element are readily convertible to cash, the embedded feature would be bifurcated as an embedded derivative. The fair value of the embedded derivative is measured as the change in the spot price of the underlying digital intangible asset in which the loan is denominated. Any changes in fair value are recorded in current period earnings in Net gain / (loss) on digital assets in the Company's consolidated statements of operations.

For a portion of its loans, the Company is required to post collateral with the lender in the form of cash and/or digital assets that are transferred to the lending counterparty. In some instances, the counterparty obtains control of the collateral assets, including the ability to use these collateral assets at their sole discretion, with an obligation to return the same type and quantity of the assets to the Company upon the repayment of our loan. The Company accounts for digital asset collateral receivables using the same policy as its lending arrangements for digital intangible assets and digital financial assets, respectively, and presents the receivable as Assets posted as collateral. Digital intangible assets collateral receivables are measured at the fair value of the digital assets the Company has the right to receive, with changes in fair value recognized in Net gain / (loss) on digital assets in the Company's consolidated statements of operations. The Company assesses such collateral receivable for credit risk in the same way as it does digital asset loans receivable. Provision for credit losses expense is included in the General and administrative expense in the Company's consolidated statements of operations. Digital intangible asset collateral that the Company retains control over continues to be accounted for under the Company's accounting policy for digital assets.

Under the terms of the Company's borrowing arrangements, the Company is required to pay a fee to the lender which is calculated as an annualized percentage of the quantity of digital assets borrowed. For digital asset borrowings, the fees are denominated in the related digital asset borrowed. The borrowing fee is recognized over the life of the loan and is included as part of Transaction expenses in the Company's consolidated statements of operations. The Company may also be required to pay the lender origination fees. The fees for these borrowing arrangements are not material and are recognized as Transaction expenses as incurred.

Digital Assets Receivable

The Company invests in start-up blockchain projects in exchange for a right to receive digital assets (tokens) generated by the project at a future date. The associated digital assets are generated and become available for trading following the completion of the project (referred to as the "launch" of the project, or Initial Coin Offering), at which time the Company is entitled to receive a predefined number of tokens. These tokens are distributed to the Company over time, according to an agreed-upon release schedule. The pre-network launch investments in these projects are initially recorded at cost, as Other non-current assets, in the Company's consolidated statements of financial position. After the project launches, but prior to receiving the tokens, the Company records Digital assets receivable, in the Company's consolidated statements of financial position. Digital assets receivable not expected to be settled within a year are classified as non-current. When the Company's right to receive digital assets at a future date meets the definition of a derivative, the Company records changes in the fair value of the Digital assets receivable in Gains / (losses) from operations in the Company's consolidated statements of operations. Digital assets receivable meet the definition of a derivative when quoted prices are available in an active market and the quantities contracted to be delivered can be absorbed by the market without significantly affecting the price. Upon receipt of the digital asset, the Company reclassifies the asset from Digital assets receivable to Digital intangible assets in the consolidated statements of financial position.

Collateral Payable

The Company generally requires the counterparty in a lending transaction to post collateral to secure the borrowed assets. Where the Company obtains control of the collateral assets, the Company recognizes an obligation to return the collateral received as Collateral payable in its consolidated statements of financial position. Collateral accepted is typically limited to digital assets that are the most liquid with the highest market capitalization such as bitcoin, ether and USDC, or U.S. dollars. The Company implements aggregate asset-specific liquidity limits. Digital asset collateral, where the Company obtains control of the collateral received, is recognized as Digital intangible assets or Digital financial assets. The Collateral payable balance represents the obligation to return the collateral including both the host instrument and a bifurcated embedded derivative measured at fair value each period with changes in fair value recorded as Gains / (losses) from operations in the Company's consolidated statements of operations.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit" price) in an orderly transaction between market participants at the measurement date.

Fair value is a market-based measure considered from the perspective of a market participant. When market assumptions are not readily available, assumptions are set to reflect those that the Company believes market participants would use in pricing the asset or liability at the measurement date.

In determining fair value, the Company uses various valuation approaches and establishes a hierarchy for inputs used in measuring fair value, requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect assumptions the Company believes other market participants would use in pricing the asset or liability; they are developed based on the best information available in the circumstance.

The fair value hierarchy is broken down into three levels based on the observability of inputs as follows, with Level 1 being the highest and Level 3 being the lowest level:

- Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

- Level 2: Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

- Level 3: Inputs that are unobservable and typically reflect management's estimate of assumptions that market participants would use in pricing the asset or liability.

The Company values Level 1 and Level 2 assets and liabilities using quoted market prices or alternative pricing sources and models utilizing market observable inputs. The Company utilizes unobservable pricing inputs and assumptions, including but not limited to prior transactions, in determining the fair value of its Level 3 assets and liabilities. These unobservable pricing inputs and assumptions may differ by asset / liability and in the application of valuation methodologies. The Company's reported fair value estimates could vary materially if different unobservable pricing inputs and other assumptions were used; or for applicable assets/liabilities, if the Company only used a single valuation methodology instead of assigning a weighting to different methodologies. Key unobservable inputs that have a significant impact on the Company's Level 3 valuations are described in Note 12. Fair values of Level 3 assets and liabilities may be supported by limited or no market activity within the periods presented.

Investments in investment funds are valued based on Net Asset Value ("NAV"), which is used as a practical expedient to measure the fair value. Funds the Company values based on NAV predominantly invest in the digital asset industry. The Company invests in both open-ended and closed-ended funds. The Company can request to redeem its investment from open-ended funds by providing written notice to the fund's general partner on a date prior to the redemption date which is specified in the relevant agreements for each respective fund. The Company is unable to redeem its investment from the closed-ended funds and receives distributions based on waterfall calculations specified in the relevant agreements for each fund. The Company is unable to transfer or sell its interests in these funds without prior consent from the fund's general partner.

In some instances, the Company records investments using the measurement alternative provided by ASC Topic 321, *Investments-Equity Securities* ("ASC 321"). See Note 9 for a discussion of investments for which the measurement alternative has been elected.

Equity-Method Investments

When the Company does not have a controlling financial interest in an entity but can exert significant influence over the entity's operating and financial policies, the investment may be accounted for either (i) under the equity method of accounting or (ii) at fair value by electing the fair value option. The Company has elected the fair value option for equity-method investments.

Leases

Lessee

The Company leases real estate for use in its business operations. The Company determines if an arrangement is, or contains, a lease at contract inception. A lease exists when the Company has the right to control the use of an identified asset for a period of time. Operating lease right-of-use assets and lease liabilities are included in Other non-current assets, Other current liabilities and Other non-current liabilities, respectively, in the Company's consolidated statements of financial position. Right-of-use assets in the Company's consolidated statements of financial position represent the Company's right to use an underlying asset for the lease term, and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease right-of-use assets and liabilities are recognized at the commencement date based on the present value of future minimum lease payments over the lease term. Most leases do not provide an implicit rate; the Company uses its estimated incremental borrowing rate. The operating lease right-of-use assets include any payments made before commencement and exclude lease incentives. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that those options will be exercised. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Company made the policy election to account for lease payments on short-term leases on a straight-line basis over the lease term and not recognize these leases in the Company's consolidated statements of financial position.

Lessor

The Company purchases new mining equipment from mining manufacturers for proprietary use and from time to time for the purpose of leasing such equipment to customers. The Company leases mining equipment through sales-type financing leases in accordance with *ASC 842*, *Leases*. These leases generally have terms of less than two years with early termination options. The leases also include options to purchase the underlying equipment at the end of the lease term or upon early termination. Revenue on sales type financing leases is recognized at the inception of the lease; related interest revenue is recognized over the term using the effective interest method. Interest revenue is derived from the discounted cash flows of the lease payments. There are no non-lease components associated with these leases. Investment in sales-type leases are included in Other non-current assets in the Company's consolidated statements of financial position and are comprised of the minimum lease payments receivable at present value. There is no residual value associated with the mining equipment. The fees from mining equipment leasing are presented within Revenue in the Company's consolidated statements of operations.

Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation and, where applicable, the initial estimation of any asset retirement obligation. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The Company assesses property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of property and equipment is measured by a comparison of the carrying amount of the asset to undiscounted future cash flows expected to be generated by the asset. If the asset is considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value.

Depreciation is recognized in General and administrative expenses in the Company's consolidated statements of operations on a straight-line basis over the following estimated useful lives:

• Mining equipment	3 – 5 years
• Data center infrastructure	15 – 25 years
• Corporate assets other than leasehold improvements	3 – 10 years
• Leasehold improvements	The shorter of the lease term or useful life of the assets

Items of property or equipment are derecognized upon disposal or when no future economic benefits are expected from their use. Any gain or loss arising on the derecognition of an asset, calculated as the difference between the net disposal proceeds and the carrying value of the asset, is included in General and administrative expenses in the Company's consolidated statements of operations in the period the asset is derecognized. The assets' residual values and useful lives are reviewed at each financial year-end and adjusted if necessary.

Goodwill and Other Intangible Assets

Goodwill

The Company tests goodwill for impairment on an annual basis and at other times, if a significant event or change in circumstance exists. The Company tests goodwill for impairment at the reporting unit level, which is at the level of, or one level below, its business segments. For both the annual and interim tests, the Company has the option to either (i) perform a quantitative impairment test or (ii) first perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, in which case the quantitative test would be performed. The quantitative goodwill test compares the estimated fair value of each reporting unit with its estimated net book value (including goodwill and identifiable intangible assets). If the reporting unit's estimated fair value exceeds its estimated net book value, goodwill is not impaired. An impairment is recognized if the estimated fair value of a reporting unit is less than its estimated net book value. As of December 31, 2025, there were no reporting units with goodwill at-risk for impairment. The Company will continue to monitor its goodwill for possible future impairment.

Intangible Assets— Finite Lived

Intangible assets with a finite useful life are amortized over their estimated useful lives on a straight-line basis. Each period, the Company evaluates the estimated remaining useful life of its intangible assets and whether events or changes in circumstances warrant a revision to the remaining period of amortization. Amortization is recognized in General and administrative expenses in the Company's consolidated statements of operations over the following estimated useful lives:

• Software technology	2 - 5 years

• Customer relationships and other intangibles 2 - 3 years

Intangible Assets—Indefinite Lived

Intangible assets, other than Digital intangible assets, assessed as having indefinite lives are not amortized but are assessed for indicators that the useful life is no longer indefinite or for indicators of impairment each period.

Intangible assets, both finite lived and indefinite lived other than Digital intangible assets, are included in Other non-current assets in the Company's consolidated statements of financial position.

Investments

Investments consist of common stock, convertible notes, limited partnership and limited liability company interests, preferred stock, trust shares, bankruptcy claims, and warrants. Investments denominated in currencies other than the entity's functional currency are valued based on the spot rate of the respective currency at the end of the reporting period with changes related to exchange rate movements reflected in the Company's consolidated statements of operations. See Notes 9, 10 and 11 for further information on investments.

Fair Value Option

The Company has elected the fair value option for certain eligible instruments including:

- Common stock investments
- Limited partnership / Limited liability company interest investments
- Trust units / Trust shares
- Preferred shares
- Stablecoins that are digital financial assets

Such election is irrevocable and is applied on an individual asset by asset or liability by liability basis at initial recognition. The primary reason for electing the fair value option is to reflect economic events in earnings on a timely basis. The investments, for which the fair value option has been elected, are valued consistent with the methodology applied to the other investments held by the Company. Changes in value of investments and stablecoins are recognized in Gains / (losses) from operations in the Company's consolidated statements of operations.

Loans receivable

Loans receivable are U.S. dollar loans and are typically collateralized by the borrower's digital assets. Loans are reported at the value of their outstanding principal balances less any allowance for credit loss, if applicable. Interest income is recognized when earned and is recorded within Revenue in the Company's consolidated statements of operations.

Loans accounted for at amortized cost are placed on nonaccrual status when it is probable that the Company will not collect all principal and interest due under the contractual terms, regardless of the delinquency status or if a loan is past due for 90 days or more, unless the loan is well collateralized or has begun reperforming. Once placed on nonaccrual status, all accrued but uncollected interest is reversed against interest income and interest subsequently collected is recognized on a cash basis to the extent the principal balance is deemed collectible. Otherwise, all cash received is used to reduce the outstanding principal balance. A loan is considered past due when a principal or interest payment has not been made according to its contractual terms. The allowance for credit losses on Loans receivable under the CECL model reflects management's estimate of credit losses over the remaining expected life of the loans and considers forecasts of future economic conditions. For the majority of its loans, including all loans supported by digital asset collateral, the Company applies the collateral maintenance practical expedient under ASC 326 in estimating its credit losses. Provision for credit losses expense is included in the General and administrative expense in the Company's consolidated statements of operations.

Derivative assets and liabilities

The value of derivatives is determined by underlying asset prices, other inputs or a combination of these factors. The Company buys and sells derivative contracts to facilitate trades for its customers and for its own account. These are shown in Derivative assets and Derivative liabilities in the Company's consolidated statements of financial position. Derivative assets and liabilities are measured at fair value, with the changes in fair value recognized in Gains / (losses) from operations in the Company's consolidated statements of operations. The Company does not offset cash collateral paid or received against derivative assets or liabilities.

Equity-based compensation

The Company's equity-based compensation includes grants of stock options, restricted stock, restricted share units, deferred share units and compensatory Class B Units to employees, officers, consultants and non-employee directors. The Company measures compensation expense for all awards based on the estimated fair value of the award on the date of grant. The fair value of awards is based on the price of the publicly traded company shares of GDI post-reorganization. Equity-based compensation is accrued and charged to Operating expenses, with an offsetting credit to shareholders' equity, over the respective vesting periods.

The fair value of each stock option granted to employees is estimated using the Black-Scholes option-pricing model. Stock options granted to nonemployees are measured at grant-date fair value of the equity instruments that the Company is obligated to issue when the service has been rendered. For restricted stock and standard Class B Units, the grant date fair value is based on the closing market price of the publicly traded shares on the date of grant. The fair value of the Profit Interest Class B Units was estimated using a probability-weighted expected return method at the end of each period.

The Company accounts for forfeitures as they occur. Stock-based compensation for time-based awards is recognized on a straight-line basis over the requisite vesting period. Stock-based compensation expense for performance-based awards is recognized on an accelerated basis over the requisite vesting period when it is considered probable that the performance vesting condition will be satisfied. See Note 21 for further information regarding stock-based compensation expense and the assumptions used in estimating that expense.

Income Taxes

GDI is an LP unit holder and sole GP of GDH LP, which is the operating partnership that conducts all of the Company's business and is treated as a partnership for U.S. federal tax purposes. As the Company has a controlling financial interest in GDH LP, the Company consolidates GDH LP's financial results. As a partnership, GDH LP in not subject to most applicable U.S. federal, state, and local income taxes. GDH LP is subject to entity level New York City unincorporated business tax ("UBT") on income allocated or apportioned to New York City while GDH LP's foreign corporate subsidiaries are generally subject to taxes in the foreign jurisdictions where they are located. Any taxable income or loss generated by GDH LP is passed through to and reported by its partners, including the Company, based on their respective allocable share. GDI is taxed as a corporation and pays applicable corporate federal, state, and local taxes on income allocated to it from GDH LP, as well as any stand-alone income or loss generated by GDI As the Company consolidates GDH LP but does not own all of the economic interest in GDH LP, the Company presents a noncontrolling interest related to the economic ownership of GDH LP held by its Class B common stockholders. The Company will not be taxed on the earnings attributed to the non-controlling interests.

Deferred income tax assets and liabilities are recognized for the expected future tax consequences of the differences between the U.S. GAAP and tax bases of assets and liabilities, measured at the balance sheet date using the tax rates in effect for the year in which the differences are expected to reverse. A valuation allowance is recorded when, based on the weight of all available evidence, management determines it is more likely than not that some portion or all of the deferred tax assets will not be realized. Significant judgment is required in determining whether a valuation allowance should be established, as well as the amount of such allowance. Deferred income tax assets and liabilities are offset and presented as a single amount in the statements of financial condition for each tax-paying component of an entity and within a particular tax jurisdiction. Deferred income tax assets are included in Other non-current assets and deferred income tax liabilities are included in Other non-current liabilities in the Company's consolidated statements of financial position.

The Company recognizes the income tax accounting effects of changes in tax law or rates (including retroactive changes) in the period of enactment.

The Company analyzes its tax filing positions in all tax jurisdictions where it is required to file income tax returns, as well as for all open tax years in these jurisdictions, which include all periods starting from 2020. If the Company determines that uncertainties in tax positions exist, the Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained upon examination by the taxing authorities based on the technical merits of the position. The tax benefit recognized in the financial statements for a particular tax position is based on the greatest benefit that is more likely than not to be realized.

Due to the complexity of tax laws and the required interpretations by both the taxpayer and respective taxing authorities, significant judgment is required in determining tax expense / (benefit) and in evaluating tax positions and related uncertainties under U.S. GAAP. The Company reviews its tax positions quarterly and adjusts its tax balances, as necessary, when new legislation is passed or new information becomes available. Interest and penalties, when applicable, related to income taxes are recorded within Income taxes expense / (benefit) in the Company's consolidated statements of operations.

Recent Accounting Developments

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. This update enhances the transparency and decision usefulness of income tax disclosures by requiring additional qualitative and quantitative information, including, among other items, more detailed disaggregation of the effective tax rate reconciliation and expanded disclosures related to income taxes paid by jurisdiction.

The Company adopted this ASU for the year ended December 31, 2025, and changes are reflected within the Income Taxes note (Note 26).

In May 2025, the FASB issued ASU No. 2025-03, *Business Combinations and Consolidation: Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity.* This update revises the current guidance for determining the accounting acquirer for a transaction effected primarily by exchanging equity interests in which the legal acquiree is a Variable Interest Entity ("VIE") that meets the definition of a business. The amendments require that an entity consider the same factors that are currently required for determining which entity is the accounting acquirer in other acquisition transactions. This update will be effective for all entities for annual reporting periods beginning after December 15, 2026. The Company does not expect this ASU to have a material impact on its financial statements.

In September 2025, the FASB issued ASU No. 2025-06, *Intangibles - Goodwill and Other - Internal-Use Software: Targeted Improvements to the Accounting for Internal-Use Software.* This update was issued to modernize the accounting for software costs that are accounted for under the current guidance. This update improves the operability of the guidance by removing all references to software development project stages. As such, an entity is required to start capitalizing the software costs when both (1) management has authorized and committee to funding the software project, and (2) it is probable that the project will be completed and the software will be used to perform the function intended.

ASU 2025-06 will be effective for annual periods commencing after December 15, 2027. The Company is still evaluating the impact of the adoption of this ASU.

In November 2025, the FASB issued ASU 2025-09, *Hedge Accounting Improvements*. This update was issued to clarify certain aspects of the guidance on hedge accounting and to address several incremental hedge accounting issues arising from the global reference rate reform initiative. This update (1) expands the hedged risks permitted to be aggregated in a group of individual forecasted transactions in a cash flow hedge by changing the requirement to designate a group of individual forecasted transactions from having a shared risk exposure to having a similar risk exposure, (2) provide a model to facilitate the application of cash flow hedge accounting to forecasted interest payments on variable-rate debt instruments with contractual terms that permit the borrower to change the interest rate index and interest rate tenor upon which interest is accrued, (3) expand hedge accounting for forecasted purchases and sales of nonfinancial assets, permitting applying hedge accounting to eligible components of forecasted spot-market transactions, forward-market transactions, and subcomponents of explicitly referenced components in an agreement's pricing formula, (4) eliminates the requirement to apply the net written option test to a compound derivative comprising a swap and a written option designated as the hedging instrument in a cash flow hedge or a fair value hedge of interest rate risk, and (5) eliminates the recognition and presentation mismatch related to a dual hedge strategy. requiring that an entity exclude the debt instrument's fair value hedge basis adjustment from the net investment hedge effectiveness assessment.

ASU 2025-09 will be effective for annual reporting periods commencing after December 15, 2026, and for interim periods within those annual reporting periods. The Company is still evaluating the impact of this ASU.

3. BUSINESS COMBINATIONS

Alluvial Finance

On November 25, 2025, the Company acquired all shares of Alluvial Finance ("Alluvial"), a staking software development firm which was the development company for Liquid Collective, an enterprise-grade liquid staking protocol. The purchase price was $7.1 million, which was paid in cash. The Company accounted for the acquisition under ASC Topic 805, *Business Combinations* ("ASC 805"). The Company recognized the following assets and liabilities in relation to the acquisition of Alluvial:

(in thousands)	November 25, 2025
Cash	$ 345
Other assets (net)	448
Intangible assets	2,470
Goodwill	3,864
Total assets	$ 7,127

The Company recognized approximately $3.9 million of goodwill as a result of this acquisition, which was attributed to the Digital Assets segment. Goodwill was attributed to the expected synergies from combining Alluvial's operations with the Company and the expected future cash flows of the combined business.

Acquired intangible assets as a result of this acquisition consisted of intellectual property valued at $2.5 million. The intangible assets were measured at acquisition date fair value using an income approach in accordance with the Company's accounting policies.

The Company incurred acquisition related transaction costs of $0.1 million, related to professional and legal fees. The revenue and net income / (loss) included in the Company's consolidated statements of operations contributed by Alluvial for the year ended December 31, 2025, from the date of the acquisition, were not material to the Company. The revenue and net income / (loss) in the Company's consolidated statements of operations contributed by Alluvial for the years ended December 31, 2025, 2024, and 2023, had Alluvial been acquired at the beginning of each reporting period, respectively, was not materially different from the amounts reported.

Meridian Labs

On June 5, 2025, the Company completed its purchase of Meridian Labs LLC, a technology consulting firm focused on blockchain development. The purchase price was $4.2 million, inclusive of $3.1 million of estimated contingent consideration to be paid in equal amounts of cash and Class A common stock. The amount of contingent consideration payable is determined by whether the acquired business achieves certain operational milestones. The maximum amount of contingent consideration would be $5.0 million if all of operating milestones are achieved. The Company accounted for the acquisition under ASC 805. The Company recognized approximately $4.2 million of goodwill which was attributed to the Digital Assets segment as a result of this acquisition.

Fierce

On December 9, 2024, a subsidiary controlled by the Company acquired all shares of Fierce Technology, Inc. ("Fierce"), a financial application software provider, for approximately $12.5 million ($3.0 million in cash and $9.5 million in equity). The Company determined that the acquisition of Fierce constituted a business combination under ASC 805.

The consideration transferred was measured at the fair value of the cash and equity paid, and the estimated contingent consideration of approximately $1.2 million, in the form of shares of Class A common stock, that is payable by the Company upon determination of the final working capital amounts. The Company recognized the following assets and liabilities in relation to the acquisition of Fierce:

(in thousands)	December 9, 2024
Cash	$ 315
Intangible assets	411
Goodwill	8,588
Other non-current assets	3,296
Total assets	$ 12,610
Deferred tax liability	110
Total liabilities	$ 110

The Company recorded $8.6 million of goodwill which was attributed to the Digital Assets segment as a result of this acquisition. Goodwill represents the future economic benefit arising from assets acquired which could not be individually identified and separately recognized. Goodwill was attributed to the expected synergies from combining operations with GDH LP and the expected future cash flows of the combined business. The Company also recognized a deferred tax asset of $3.3 million related to the net operating losses of Fierce that the Company expects to utilize. The goodwill from this acquisition is not deductible for tax purposes.

Acquired intangible assets as a result of this acquisition included trade names, trademarks, and technology platforms valued at $0.4 million. The intangible assets were measured at acquisition date fair value using an income approach in accordance with the Company's accounting policies.

The Company incurred acquisition related transaction costs of $0.2 million, of which the majority represented legal fees. The revenue and net income included in the Company's consolidated statements of operations contributed by Fierce for the year ended December 31, 2024, from the date of the acquisition, were not material to the Company.

In August 2025, the Financial Industry Regulatory Authority approved the Company's acquisition of FIN2, LLC ("FIN2"), which the Company subsequently completed for $425,000. This acquisition was in connection with the Company's December 2024 acquisition of Fierce. The full amount of the purchase has been allocated to goodwill.

CryptoManufaktur

On July 18, 2024, a subsidiary controlled by the Company acquired the assets of CryptoManufaktur LLC ("CMF") for approximately $12.4 million. The Company determined that the acquisition of CMF constituted a business combination under ASC 805. CMF provides staking infrastructure, primarily on the Ethereum blockchain, as well as data oracle services.

The consideration transferred was measured at the fair value of the cash and equity paid, and the estimated contingent consideration of approximately $5.5 million, which is payable by the Company if CMF achieves certain financial and operating targets through the end of 2026. On February 28, 2025, an additional 76,573 shares were issued for milestone consideration. The Company recognized the following assets and liabilities in relation to the acquisition of CMF on July 18, 2024:

(in thousands)	July 18, 2024
Intangible assets	$ 7,213
Goodwill	5,193
Total assets	$ 12,406
Accounts payable and accrued liabilities	21
Total liabilities	$ 22

The Company recorded $5.2 million of goodwill as a result of this acquisition which was attributed to the Digital Assets segment. Goodwill was attributed to the expected synergies from combining operations with GDH LP and the expected future cash flows of the combined business. The Company expects all of the goodwill from this acquisition to be deductible for tax purposes.

Acquired intangible assets as a result of this acquisition included customer relationships valued at $7.2 million, which will be amortized over an estimated useful life of 5 years. The intangible assets were measured at acquisition date fair value using an income approach in accordance with the Company's accounting policies.

The Company incurred acquisition related transaction costs of $0.5 million of which the majority represented professional fees. The revenue and net income included in the Company's consolidated statements of operations contributed by CMF for the year ended December 31, 2024, from the date of the acquisition, were not material to the Company.

4. REVENUES

The following tables provide additional details related to the Company’s Revenues by segment for the years ended December 31, 2025, 2024 and 2023.

(in thousands)	Digital Assets	Data Centers	Treasury and Corporate	December 31, 2025
Digital assets sales	$ 59,850,850	$ —	$ —	$ 59,850,850
Fees	167,327	—	(8,756)	158,571
Blockchain rewards	237,135	—	(17,185)	219,950
Proprietary mining	—	—	14,489	14,489
Revenues from contracts with customers	**$ 60,255,312**	**$ —**	**$ (11,452)**	**$ 60,243,860**
Blockchain rewards from non-customers [(1)]	6,330	—	8,609	14,939
Interest income	123,716	8,433	15,780	147,929
Total revenues	**$ 60,385,358**	**$ 8,433**	**$ 12,937**	**$ 60,406,728**

(in thousands)	Digital Assets	Data Centers	Treasury and Corporate	December 31, 2024
Digital assets sales	$ 42,155,920	$ —	$ —	$ 42,155,920
Fees	74,962	—	28,232	103,194
Blockchain rewards	179,924	—	890	180,814
Proprietary mining	—	—	63,305	63,305
Revenues from contracts with customers	**$ 42,410,806**	**$ —**	**$ 92,427**	**$ 42,503,233**
Blockchain rewards from non-customers (1)	5,852	—	2,099	7,951
Interest income	80,405	—	5,084	85,489
Total revenues	**$ 42,497,063**	**$ —**	**$ 99,610**	**$ 42,596,673**

(in thousands)	Digital Assets	Data Centers	Treasury and Corporate	December 31, 2023
Digital assets sales	$ 51,488,120	$ —	$ —	$ 51,488,120
Fees	29,240	—	21,571	50,811
Blockchain rewards	3,230	—	2,455	5,685
Proprietary mining	—	—	33,121	33,121
Revenues from contracts with customers	**$ 51,520,590**	**$ —**	**$ 57,147**	**$ 51,577,737**
Blockchain rewards from non-customers (1)	982	—	—	982
Interest income	43,919	—	4,141	48,060
Total revenues	**$ 51,565,491**	**$ —**	**$ 61,288**	**$ 51,626,779**

(1) Includes blockchain rewards earned from decentralized finance protocols and third-party staking infrastructure.

Contract Liabilities

Contract liabilities consist of deferred revenue and include payments received in advance of performance obligations being met under the terms of the contract. Such amounts are recognized as revenue over the contractual period as the Company satisfies its performance obligations. As of December 31, 2025, December 31, 2024 and December 31, 2023, the Company had contract liabilities of $52.3 million, $0 and $0 respectively.

5. TRANSACTION EXPENSES

The Company incurred the following Transaction expenses by segment for the years ended December 31, 2025, 2024 and 2023.

(in thousands)	Digital Assets	Data Centers	Treasury and Corporate	December 31, 2025
Digital assets sales costs	$ 59,789,962	$ —	$ —	$ 59,789,962
Blockchain reward distributions	202,291	—	(23,369)	178,922
Borrowing costs	87,963	—	70,064	158,027
Mining and hosting costs	—	—	8,110	8,110
Other transaction expenses (1)	28,411	—	12,400	40,811
Transaction expenses	**$ 60,108,627**	**$ —**	**$ 67,205**	**$ 60,175,832**

(in thousands)	Digital Assets	Data Centers	Treasury and Corporate	December 31, 2024
Digital assets sales costs	$ 42,102,441	$ —	$ —	$ 42,102,441
Blockchain reward distributions	146,731	—	(16,433)	130,298
Borrowing costs	25,652	—	75,108	100,760
Mining and hosting costs	—	—	47,643	47,643
Other transaction expenses [(1)]	23,228	—	5,486	28,714
Transaction expenses	**$ 42,298,052**	**$ —**	**$ 111,804**	**$ 42,409,856**

(in thousands)	Digital Assets	Data Centers	Treasury and Corporate	December 31, 2023
Digital assets sales costs	$ 51,441,223	$ —	$ —	$ 51,441,223
Blockchain reward distributions	3,069	—	(504)	2,565
Borrowing costs	8,825	—	9,346	18,171
Mining and hosting costs	—	—	20,772	20,772
Other transaction expenses [(1)]	8,473	—	2,879	11,352
Transaction expenses	**$ 51,461,590**	**$ —**	**$ 32,493**	**$ 51,494,083**

(1) Other transaction expenses include trading commissions, custody, and exchange fees.

6. DIGITAL ASSETS

As of December 31, 2025 and 2024, the Company held digital assets of $4.5 billion and $2.9 billion, respectively. The Company had net gains / (losses) on digital assets of $742.4 million, $634.6 million, and $333.5 million for the years ended December 31, 2025, 2024, and 2023, respectively.

The following tables provide additional detail related to the Company's digital assets balance as of December 31, 2025 and 2024:

(in thousands)	Digital intangible assets, current	Digital financial assets	Digital intangible assets, non-current	December 31, 2025
Digital intangible assets (includes $1,168.4 million measured at fair value)	$ 1,236,892	$ —	$ 591	$ 1,237,483
Digital financial assets	—	422,144	—	422,144
Total self-custodied [1]	**1,236,892**	**422,144**	**591**	**1,659,627**
Digital intangible assets (includes $758.3 million measured at fair value)	840,960	—	26,233	867,193
Digital financial assets	—	8,304	—	8,304
Total held with third parties, including centralized trading platforms [1]	**840,960**	**8,304**	**26,233**	**875,497**
Collateral posted with counterparties [2] **(includes $779.4 million measured at fair value)**	**810,338**	**—**	**—**	**810,338**
Digital assets associated with decentralized finance protocols [2][3]	**638,026**	**558,173**	**—**	**1,196,199**
Total digital assets	**$ 3,526,216**	**$ 988,621**	**$ 26,824**	**$ 4,541,661**

(in thousands)	Digital intangible assets, current	Digital financial assets	Digital intangible assets, non-current	December 31, 2024
Digital intangible assets (includes $1,480.9 million measured at fair value)	$ 1,544,377	$ —	$ 75	$ 1,544,452
Digital financial assets	—	353,459	—	353,459
Total self-custodied (1)	**1,544,377**	**353,459**	**75**	**1,897,911**
Digital intangible assets (includes $451.4 million measured at fair value)	523,002	—	20,904	543,906
Digital financial assets	—	1,392	—	1,392
Total held with third parties, including centralized trading platforms (1)	**523,002**	**1,392**	**20,904**	**545,298**
Collateral posted with counterparties (2) **(measured at fair value)**	**85,874**	**—**	**—**	**85,874**
Digital assets associated with decentralized finance protocols (3)	**394,328**	**4,814**	**—**	**399,142**
Total digital assets	**$ 2,547,581**	**$ 359,665**	**$ 20,979**	**$ 2,928,225**

(1) Includes digital assets subject to sale restrictions, as well as certain digital assets bonded to validator nodes. Excludes digital assets issued by decentralized finance protocols which are self-custodied.

(2) Digital intangible assets posted as collateral under master loan agreements to third parties, for which control has not transferred, supports digital asset and fiat borrowings of $608.9 million and $53.7 million as of December 31, 2025 and 2024, respectively.

(3) Digital assets associated with decentralized finance protocols collectively support borrowings on these platforms of $74.2 million and $124.9 million as of December 31, 2025 and 2024, respectively. Decentralized finance protocols typically require borrowers to maintain a loan to value ratio of no greater than approximately 80% and 95%, collateral dependent. Includes self-custodied wrapped digital assets and digital assets held in smart contracts where the Company retains control.

Digital Assets Associated with Decentralized Finance Protocols

Digital assets associated with decentralized finance protocols includes receipt tokens from decentralized finance protocols, which are digital assets issued by decentralized protocols that derive their value from other digital assets. These tokens allow the holder to redeem the underlying digital assets from the decentralized protocols. Although these receipt tokens are generally stored in the Company’s self-custodied wallets, their economic values are derived from the operations of the protocols that issued the tokens and other digital assets that are held in such protocols via smart contracts. These receipt tokens are used in trading, borrowing and staking on decentralized finance protocols.

In order to transact on decentralized finance protocols, the Company converts some of its digital assets into wrapped tokens (e.g., “wBTC” and “wETH”) which are also included in Digital assets associated with decentralized finance protocols. Wrapped tokens are digital assets that can interact with smart contracts or operate on another blockchain. The Company typically wraps digital assets in expectation of deploying them on decentralized finance protocols.

Some decentralized finance protocols may hold the Company’s digital assets in a smart contract from which only the Company can redeem the digital assets. These decentralized finance protocols do not issue receipt tokens and do not obtain control of the Company’s digital assets. Therefore the tokens continue to be recognized by the Company.

Digital Assets Subject to Lock-up Schedules

Certain digital assets are subject to sale restrictions through lock-up schedules typically associated with purchases from foundations. Digital assets restricted by lock-up schedules which have not yet been received by the Company are recognized as Digital assets receivable.

The Company held $58.3 million and $59.9 million of digital assets restricted by lock-up schedules as of December 31, 2025 and 2024, respectively. The fair value of digital assets subject to sale restrictions by lock-up schedule acquired prior to January 1, 2024 includes a discount for lack of marketability. Sale restrictions associated with these digital assets range from less than one week to approximately 2 years.

Staked Digital Assets

The Company had staked $239.6 million and $371.7 million of digital assets, including digital assets staked on decentralized finance protocols (i.e., liquid staked tokens), as of December 31, 2025 and 2024, respectively. The Company's ability to sell or transfer staked digital assets is subject to restrictions related to unbonding periods on the respective blockchains. As of December 31, 2025 and 2024, the majority of the Company's staked digital assets on various blockchains, including Ethereum, could be unbonded within 7 and 11 days, respectively. The blockchain rewards generated from proprietary staking activities for the were $18.8 million, $30.0 million, and $4.0 million for the year ended December 31, 2025, 2024, and 2023 respectively.

Significant Digital Asset Holdings

The Company's digital asset balance includes digital assets borrowed from counterparties, deposited by counterparties as collateral for which Galaxy has control, and any digital assets which Galaxy has pledged as collateral and retains control. The following tables show the Company's most significant gross digital asset holdings as of December 31, 2025 and 2024:

	December 31, 2025		
(in thousands except for quantity)	**Quantity**	**Historical cost**	**Carrying value**
Bitcoin	25,723	$ 2,282,988	$ 2,251,410
USDC	392,816,281	393,418	392,659
AETHUSDC	231,655,352	231,601	231,562
Ether	61,137	180,946	181,422
SUSDC	138,611,076	149,634	150,083
GTSY	99,926,786	99,997	100,216
SOL	775,289	132,044	96,506
Other	*not meaningful*	423,804	328,957
Digital assets measured at fair value		**3,894,432**	**3,732,815**
Digital assets not measured at fair value	*not meaningful*	**825,224**	**808,846**
Total digital assets		**$ 4,719,656**	**$ 4,541,661**

(in thousands except for quantity)	December 31, 2024 Quantity	Historical cost	Carrying value
Bitcoin	13,704	$ 1,335,194	$ 1,277,816
Ether	112,248	378,907	373,871
USDC	333,713,029	334,224	333,652
SOL	498,767	73,567	94,288
UNI	5,216,565	71,911	68,922
TIA	9,626,784	17,995	34,116
Other	*not meaningful*	231,228	195,357
Digital assets measured at fair value		**2,443,026**	**2,378,022**
Digital assets not measured at fair value	*not meaningful*	**598,295**	**550,203**
Total digital assets		**$ 3,041,321**	**$ 2,928,225**

As of December 31, 2025, Aave, Kamino, and Spark represented approximately 43%, 14%, and 13%, respectively, of the Company's digital assets associated with decentralized finance protocols. As of December 31, 2024, Sky DAO (f.k.a. Maker DAO), Coinbase (via wrapped tokens), and Aave represented approximately 41%, 18%, and 10%, respectively, of the Company's digital assets associated with decentralized finance protocols.

Digital Assets Rollforward

The following tables summarize the activity within our significant digital asset classes for the year ended December 31, 2025 and December 31, 2024:

Assets (in thousands)	Carrying value as of December 31, 2024	Purchases and receipts (1)	Sales or disbursements (2)	Net transferred (borrow / loaned) (3)	Impairment	Gains (4)	Losses (4)	Carrying value as of December 31, 2025
Digital intangible assets	$ 550,203	$ 23,639,878	$ (23,450,239)	$ 144,597	$ (753,701)	$ 693,897	$ (15,789)	$ 808,846
Digital intangible assets at fair value	2,018,357	53,304,380	(53,157,410)	1,171,514	—	2,126,742	(2,719,389)	2,744,194
Digital financial assets	359,665	17,819,463	(17,837,080)	641,520	—	19,214	(14,161)	988,621
Total digital assets	**$ 2,928,225**	**$ 94,763,721**	**$ (94,444,729)**	**$ 1,957,631**	**$ (753,701)**	**$ 2,839,853**	**$ (2,749,339)**	**$ 4,541,661**

Assets (in thousands)	Carrying value as of December 31, 2023	Purchases and receipts (1)	Sales or disbursements (2)	Net transferred (borrow / loaned) (3)	Impairment	Gains (4)	Losses (4)	Carrying value as of December 31, 2024
Digital intangible assets	$ 277,634	$ 13,951,687	$ (13,788,542)	$ (54,557)	$ (331,920)	$ 522,732	$ (26,831)	$ 550,203
Digital intangible assets at fair value	736,151	36,373,625	(36,833,231)	717,704	—	2,772,182	(1,748,074)	2,018,357
Digital financial assets	74,386	12,231,270	(11,756,032)	(190,266)	—	2,507	(2,200)	359,665
Total digital assets	**$ 1,088,171**	**$ 62,556,582**	**$ (62,377,805)**	**$ 472,881**	**$ (331,920)**	**$ 3,297,421**	**$ (1,777,105)**	**$ 2,928,225**

(1) Includes receipts of digital intangible assets and digital financial assets resulting from non-revenue transactions (e.g., cross-chain swaps of similar assets), receipt of loan interest, pre-launch investments, and other investment distributions.
(2) Digital intangible assets consists of digital assets sales costs, excluding impairment, included within Transaction expense in the consolidated statements of operations and disbursements of digital assets to satisfy certain liabilities. Digital financial assets includes disbursements to satisfy certain liabilities.
(3) Includes all movements impacting the Digital intangible assets and Digital financial assets line items in the consolidated statement of financial position associated with digital asset lending and borrowing activities including collateral and fair value revaluations, as applicable.
(4) Includes realized gains of $2.7 billion and $3.2 billion and realized losses of $2.5 billion and $1.6 billion for the year ended December 31, 2025 and December 31, 2024, respectively. Does not include gains or losses from digital assets related to loans or collateral.

7. DIGITAL ASSET LOANS RECEIVABLE AND DIGITAL ASSETS BORROWED

In the ordinary course of business, the Company enters into agreements to borrow digital assets to finance the Company's trading operations. The Company may lend digital assets borrowed from counterparties or acquired through other operations. As of December 31, 2025 and December 31, 2024, no Digital asset loans receivable were past due.

Digital Asset Loans Receivable, Net of Allowance

(in thousands)	December 31, 2025	December 31, 2024
Digital asset loans receivable	$ 1,070,125	$ 579,954
Digital asset loans receivable - non-current	8,900	—
Less: Allowance for credit losses	(96)	(424)
Digital asset loans receivable, net	**$ 1,078,929**	**$ 579,530**

Collateral Payable Associated with Digital Asset Loans Receivable

(in thousands)	December 31, 2025	December 31, 2024
Collateral payable — Digital assets	$ 1,322,442	$ 673,427
Collateral payable — Cash	10,617	44,535
Collateral payable associated with digital asset loans receivable	**$ 1,333,059**	**$ 717,962**

Digital Assets Borrowed

(in thousands)	December 31, 2025	December 31, 2024
Digital assets borrowed — current	$ 2,361,161	$ 1,497,609
Digital assets borrowed — non-current	56,107	—
Digital assets borrowed	**$ 2,417,268**	**$ 1,497,609**

The Company borrows digital assets from both over-the-counter and decentralized finance sources. The most significant digital assets borrowings as of December 31, 2025 were bitcoin, USDC, ether, tether, and SOL, including associated wrapped tokens, which represented approximately 95% of total Digital assets borrowed. The most significant digital assets borrowings as of December 31, 2024 were bitcoin, ether, DAI, and SOL, including associated wrapped tokens, which represented approximately 87% of total Digital assets borrowed.

Assets Posted as Collateral Associated with Digital Assets Borrowed, Current and Non-current

(in thousands)	December 31, 2025	December 31, 2024
Assets posted as collateral — Digital assets	$ 186,514	$ 84,221
Less: Allowance for credit loss	(734)	(826)
Assets posted as collateral associated with digital assets borrowed	**$ 185,780**	**$ 83,395**

Collateral deposited in decentralized finance protocols associated with digital asset loans payable to the decentralized protocols are recognized in Digital intangible assets. Collateral posted with counterparties for which the Company retains control are also recognized in Digital intangible assets. Refer to Note 6 for additional information regarding Digital intangible assets.

8. DERIVATIVES

Derivatives not designated as hedging instruments

The Company enters into derivative contracts primarily for the purpose of trading, risk management, and hedging of operating costs. The Company recognized net derivative gain related to free-standing derivatives of

$329.0 million, $267.8 million and $151.6 million for the years ended December 31, 2025, 2024 and 2023 respectively.

The breakdown of the Company's derivatives portfolio, as of December 31, 2025 and December 31, 2024 was as follows:

	December 31, 2025		
(in thousands)	**Notional Amounts (1)**	**Derivative Assets**	**Derivative Liabilities**
Digital assets	$ 1,967,358	$ 72,815	$ (33,656)
Foreign currencies	391,680	1,484	(424)
Equity securities	4,758,135	1,307	(5,103)
Interest rates	1,372,860	465	(189)
Commodities	82,763	2,767	(1,110)
	8,572,796	**78,838**	**(40,482)**
Digital assets receivable	8,527	8,497	—
Embedded derivatives — Digital assets borrowed	2,728,919	321,651	(10,000)
Embedded derivatives — Collateral payable	2,283,590	358,743	(36,057)
Embedded derivatives — Payable to customer	84,235	854	—

	December 31, 2024		
(in thousands)	**Notional Amounts (1)**	**Derivative Assets**	**Derivative Liabilities**
Digital assets	$ 4,685,112	$ 185,208	$ (145,493)
Foreign currencies	19,259	12,064	(10,483)
Equity securities	1,049,846	10,343	(9,683)
Interest rates	5,002	19	(13)
Commodities	10,583	19	(186)
	5,769,802	**207,653**	**(165,858)**
Digital assets receivable	3,911	60,720	—
Embedded derivatives — Digital assets borrowed	1,269,013	24,039	(252,635)
Embedded derivatives — Collateral payable	1,219,247	55,848	(161,261)
Embedded derivatives — Notes payable	847,500	—	(136,192)

(1) Notional amounts represent the U.S. Dollar denominated size of the underlying assets for the derivative instruments. While the notional amounts disclosed above give an indication of the volume of the Company's derivatives activity, they do not accurately reflect the Company's economic exposure as they do not reflect the Company's long and short derivative positions.

The table below represents the breakdown of collateral payable and assets posted as collateral associated with derivative positions as of December 31, 2025 and 2024:

(in thousands)	December 31, 2025	December 31, 2024
Collateral payable — Digital assets	$ 24,747	$ 30,600
Collateral payable — Cash	7,457	30,460
Collateral payable associated with derivatives	**$ 32,204**	**$ 61,060**
Assets posted as collateral — Digital assets	248	$ —
Assets posted as collateral — Cash	700	—
Assets posted as collateral associated with derivatives	**$ 948**	**$ —**

Derivatives designated as hedging instruments

The Company enters into derivatives designated as cash flow hedges to manage exposure to variability in future cash flows associated with interest payments.

The breakdown of the Company's portfolio of derivatives designated as hedging instruments as December 31, 2025 was as follows:

		December 31, 2025	
(in thousands)	Notional Amounts	Derivative Assets	Derivative Liabilities
Interest rates	1,400,000	4,969	
Derivatives designated as cash flow hedges	**$ 1,400,000**	**$ 4,969**	**$ —**

The following table provides information about the amount of gain (loss) related to derivatives designated as cash flow hedges for the following periods:

		Years Ended	
(in thousands)	December 31, 2025	December 31, 2024	December 31, 2023
Gain / (loss) recognized in OCI	(4,506)	—	—
Derivatives designated as cash flow hedges	**$ (4,506)**	**$ —**	**$ —**

9. INVESTMENTS

Net gain / (loss) on investments included in Gains / (losses) from operations in the Company's consolidated statements of operations consists of the following:

- Net realized gains / (losses) related to sales of investments were $258.8 million, $(171.1) million and $13.4 million for the years ended December 31, 2025, 2024 and 2023, respectively.
- Net unrealized gains / (losses) related to investments were $(381.3) million, $429.9 million and $84.4 million for the years ended December 31, 2025, 2024 and 2023, respectively.

Investments at Measurement Alternative

The following table presents investments for which the measurement alternative has been elected. These investments have been valued at cost less impairment and where applicable at observable transaction prices based on orderly transactions for the identical or similar investments of the same issuer.

		Impairment		Upward Adjustments	
(in thousands)	Carrying Value	Period to date	Cumulative	Period to date	Cumulative
December 31, 2025	$ 159,239	$ (19,178)	$ (73,207)	$ 18,727	$ 81,919
December 31, 2024	$ 63,227	$ (6,990)	$ (59,608)	$ 2,214	$ 63,652

10. VARIABLE INTEREST ENTITIES

The Company holds investments in VIEs that are not consolidated due to either a lack of variable interests or where the Company is not the primary beneficiary. The fair value option was elected for investments in non-consolidated VIEs for which the Company was deemed to have significant influence; therefore, changes in the fair value of these investments are recorded through Gains / (losses) from operations in the Company's consolidated statements of operations. NAV was utilized as the practical expedient to fair value.

The Company's involvement in financing operations of the VIEs is limited to its investment in the entity. The Company does not provide performance guarantees and has no other financial obligation to provide funding to VIEs, other than its own capital commitments.

The following table illustrates the Company's maximum exposure to unconsolidated VIEs which is limited to the fair value of its investments and unfunded commitment as of period end.

	December 31, 2025			December 31, 2024		
(in thousands)	Fair Value of Investment	Unfunded Commitments	Maximum Exposure	Fair Value of Investment	Unfunded Commitments	Maximum Exposure
Sponsored Investment Funds	$ 259,276	$ 37,308	$ 296,584	$ 398,386	$ 56,725	$ 455,111
Other VIE's	168,630	12,114	180,744	143,145	12,294	155,439
Total	**$ 427,906**	**$ 49,422**	**$ 477,328**	**$ 541,531**	**$ 69,019**	**$ 610,550**

11. FAIR VALUE OPTION

The Company elected the fair value option for certain eligible assets. The following table summarizes the financial instruments for which the fair value option has been elected:

(in thousands)	December 31, 2025	December 31, 2024
Assets		
Digital financial assets	$ 988,621	$ 359,665
Investments	627,351	558,093
Total	**$ 1,615,972**	**$ 917,758**

The fair value option was only elected for investments, within the Investments line item, where the Company was deemed to have significant influence and otherwise would have applied the equity method of accounting.

Realized and unrealized gains / (losses) on financial instruments for which the fair value option has been elected are recorded in Gains / (losses) from operations in the Company's consolidated statements of operations. The following table presents the realized and net change in unrealized gains / (losses) on the financial instruments on which the fair value option was elected:

	Years Ended December 31,					
	2025		2024		2023	
(in thousands)	Realized Gains / (Losses)	Net Change in Unrealized Gains / (Losses)	Realized Gains / (Losses)	Net Change in Unrealized Gains / (Losses)	Realized Gains / (Losses)	Net Change in Unrealized Gains / (Losses)
Investments	$ 111,919	$ (247,749)	$ 83,441	$ 130,980	$ (833)	$ 88,757

Realized and unrealized gains for digital assets classified as financial assets were $5.1 million, $0.3 million and $11.8 million for the years ended December 31, 2025, 2024 and 2023, respectively.

12. FAIR VALUE MEASUREMENTS

Recurring Fair Value Measurements

Items measured on a recurring basis at fair value:

	As of December 31, 2025			
(in thousands)	Level 1	Level 2	Level 3	Total
Assets				
Digital financial assets	$ 694,991	$ 293,630	$ —	$ 988,621
Digital intangible assets at fair value	2,636,173	108,021	—	2,744,194
Digital asset loans receivable, net of allowance — Financial assets	—	374,308	—	374,308
Digital assets receivable		43	8,454	8,497
Derivative assets	69,548	14,259	—	83,807
Embedded derivative — Collateral payable — Digital assets	—	358,743	—	358,743
Embedded derivative — Digital assets borrowed	—	321,651	—	321,651
Embedded derivative — Payable to customer	—	854	—	854
Investments [(1)]	761,408	29,313	495,372	1,286,093
	$ 4,162,120	**$ 1,500,822**	**$ 503,826**	**$ 6,166,768**
Liabilities				
Investments sold short [(2)]	$ 59,893	$ —	$ —	$ 59,893
Derivative liabilities	32,486	7,996	—	40,482
Embedded derivative — Digital assets borrowed	—	10,000	—	10,000
Embedded derivative — Collateral payable	—	36,057	—	36,057
	$ 92,379	**$ 54,053**	**$ —**	**$ 146,432**

(1) Excludes equity securities measured utilizing net asset value as a practical expedient of $287.0 million and investments utilizing the measurement alternative of $159.2 million as they are without readily determinable fair values.

(2) Investments sold short are included in Other current liabilities in the Company's consolidated statements of financial position.

	As of December 31, 2024			
(in thousands)	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Digital financial assets	$ 354,851	$ 4,814	$ —	$ 359,665
Digital intangible assets at fair value	1,929,661	68,239	20,457	2,018,357
Digital asset loans receivable, net of allowance — Financial assets	—	393,734	—	393,734
Digital assets receivable	204	24	60,492	60,720
Assets posted as collateral — Digital assets	—	278,527	—	278,527
Derivative assets	188,836	18,817		207,653
Embedded derivative — Collateral payable	—	55,848	—	55,848
Embedded derivative — Digital assets borrowed	—	24,039	—	24,039
Investments (1)	751,220	—	524,573	1,275,793
	$ 3,224,772	**$ 844,042**	**$ 605,522**	**$ 4,674,336**
Liabilities				
Investments sold short (2)	$ 6,524	$ —	$ —	$ 6,524
Derivative liabilities	58,155	107,703	—	165,858
Embedded derivative — Digital assets borrowed	—	252,635	—	252,635
Embedded derivative — Collateral payable	—	161,261	—	161,261
Embedded derivative — Notes payable	—	—	136,192	136,192
	$ 64,679	**$ 521,599**	**$ 136,192**	**$ 722,470**

(1) Excludes equity securities measured utilizing net asset value as a practical expedient of $304.5 million and equity securities utilizing the measurement alternative of $63.2 million as they are without readily determinable fair values.
(2) Investments sold short are included in Other current liabilities in the Company’s consolidated statements of financial position

Nonrecurring Fair Value Measurements

Impairment losses are recognized for Digital intangible assets carried at the lower of cost or impaired value and Property and equipment, net when their carrying amounts exceed fair value. See Note 14 for additional information on impairment of Property and equipment. The carrying values for Digital intangible assets carried at the lower of cost or impaired value were $808.8 million and $550.2 million as of December 31, 2025 and 2024, respectively. The Company categorized the fair value measurements for Property and equipment, net as Level 3.

The following table summarize changes in assets and liabilities measured and reported at fair value for which Level 3 inputs have been used to determine fair value for the periods ended December 31, 2025 and 2024, respectively.

(in thousands) Assets	Fair value, Beginning Balance	Purchases	Sales / Distributions	Net Realized Gain / (Loss)	Net Unrealized Gain / (Loss)	Transfers in /(out) of Level 3	Fair value, Ending Balance
Digital intangible assets							
December 31, 2025	$ 20,457	$ —	$ —	$ —	$ —	$ (20,457)	$ —
December 31, 2024	$ 68,004	$ —	$ —	$ —	$ (17,043)	$ (30,504)	$ 20,457
Digital assets receivable							
December 31, 2025	$ 60,492	$ 2,250	$ —	$ —	$ (3,724)	$ (50,564)	$ 8,454
December 31, 2024	$ 20,569	$ —	$ (4,727)	$ 4,724	$ 52,477	$ (12,551)	$ 60,492
Investments							
December 31, 2025	$ 524,573	$ 500,456	$ (354,924)	$ 169,999	$ (91,976)	$ (252,756)	$ 495,372
December 31, 2024	$ 364,576	$ 129,188	$ (221,564)	$ 117,036	$ 119,803	$ 15,534	$ 524,573
Embedded derivative — Notes payable							
December 31, 2025	$ 136,192	$ —	$ —	$ —	$ —	$ (136,192)	$ —
December 31, 2024	$ 10,472	$ 93,993	$ —	$ —	$ 31,727	$ —	$ 136,192

Transfers in and out of Level 3 are considered to have occurred at the beginning of the period the transfer occurred. For the period ended December 31, 2025, gross transfers into Level 3 were $13.1 million and gross transfers out of Level 3 were $473.1 million. The transfers into Level 3 for Investments were due to fair value adjustments determined by unobservable market inputs. The transfers into Level 3 for Digital assets receivable were due to underlying token launches of contracts held. The transfers out of Level 3 for Investments were due to conversion of warrants and preferred stock into publicly traded common stock. Transfers out of Level 3 for Digital assets receivable and Digital assets were due to removal of restrictions. Transfers out of Level 3 for Embedded derivative — Notes payable was due to the Reorganization Transactions. See Note 18 for additional information. For the year ended December 31, 2024, gross transfers into Level 3 were $21.2 million and gross transfers out of Level 3 were $48.7 million. The transfers into Level 3 for Investments were due to fair value adjustments determined by unobservable market inputs. The transfers into Level 3 for Digital assets receivable were due to underlying token launches of contracts held. Transfers out of Level 3 for Investments related to a conversion of a convertible note upon emergence from a bankruptcy during the year. Transfers out of Level 3 for Digital assets receivable and Digital assets were due to the removal of restrictions.

The following table presents additional information about valuation methodologies and significant unobservable inputs used for assets and liabilities that are measured and reported at fair value and categorized within Level 3 as of December 31, 2025 and 2024, respectively:

Financial Instrument	Fair Value at December 31, 2025 (in thousands)	Significant Unobservable Inputs	Range	Weighted Average
Digital assets receivable	$ 8,454	Marketability discount	3.3% - 72.3%	49.3%
Investments	$ 495,372	Time to liquidity event (years)	0.0 - 10.0	4.8
		Annualized equity volatility	60.0% - 90.0%	81.7%
		Risk free rate	3.5% - 4.2%	3.8%
		Market adjustment discount	25.0% - 90.0%	46.9%
		Market adjustment premium	50.0% - 180.0%	102.9%
		Marketability discount	13.8% - 35.0%	23.8%
		Expected dividend payout ratio	—%	—%
		Enterprise value to LTM revenue multiple	2.5x - 3.3x	3.1x
		Enterprise value to projected revenue multiple	3.0x - 5.0x	4.4x
		Enterprise value to annualized revenue	5.0x - 9.0x	7x
		Enterprise value to ARR	3.0x - 13.00x	12.0x
		EV to gross profit	6.0x	6.0x
		Recovery percentage	36.0%	36.0%

Financial Instrument	Fair Value at December 31, 2024 (in thousands)	Significant Unobservable Inputs	Range	Weighted Average
Digital intangible assets	$ 20,457	Marketability discount	15.9% - 45.2%	32.1%
Digital assets receivable	$ 60,492	Marketability discount	5.5% - 72.8%	35.8%
Investments	$ 524,573	Time to liquidity event (years)	1.0 - 5.0	4.1
		Annualized equity volatility	70.0% - 90.0%	88.8%
		Risk free rate	3.4% - 4.4%	4.2%
		Market adjustment discount	30.0% - 90.0%	41.0%
		Market adjustment premium	25.0% - 130.0%	79.6%
		Marketability discount	3.5% - 51.8%	26.0%
		Expected dividend payout ratio	—%	—%
		Enterprise value to LTM revenue multiple	2.5x - 16.8x	10.8x
		Enterprise value to projected revenue multiple	2.0x - 10.5x	7.0x
		Enterprise value to annualized revenue	3.5x - 9.0x	6.7x
		Enterprise value to LTM volume	3.0x	3.0x
		Enterprise Value to ARR	8.5x - 15.8x	10.9x
		Price to tangible book value	1.5x	1.5x
		Enterprise value to projected EBITDA	9.0x - 14.0x	11.5x
		Scenario probability	35.0%	35.0%
		Recovery percentage	35.0% - 61.6%	51.5%
Embedded derivative — Notes payable	$ 136,192	Volatility	45.6% - 75.0%	55.4%
		Risk free rate	4.2% - 4.4%	4.3%
		Time-step (years)	0.004	0.004

Increases and/or decreases in the various unobservable inputs used to determine the Level 3 valuations could result in significantly higher or lower fair value measurements.

Financial Instruments Not Measured at Fair Value

The following table presents the fair value of financial instruments not measured at fair value in the Company's consolidated statements of financial position. This table excludes non-financial assets and liabilities.

	As of December 31, 2025				
(in thousands)	**Carrying Value**	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Cash and cash equivalents	$ 1,246,240	$ 1,246,240	$ 1,246,240	$ —	$ —
Assets posted as collateral – Cash	700	700	—	700	—
Accounts receivable	34,012	34,012	—	34,012	—
Loans receivable	557,002	557,002	—	557,002	—
Total Assets	**$ 1,837,954**	**$ 1,837,954**	**$ 1,246,240**	**$ 591,714**	**$ —**
Accounts payable and accrued liabilities	$ 277,663	$ 277,663	$ —	$ 277,663	$ —
Notes payable	2,861,055	2,864,110	—	1,986,123	$ 877,987
Collateral payable — Cash	19,266	19,266	—	19,266	—
Payable to customers — Cash	2,359	2,359	—	2,359	—
Loans payable	52,626	52,626	—	52,626	—
Settlement liability	151,034	148,775	—	148,775	—
Total Liabilities	**$ 3,364,003**	**$ 3,364,799**	**$ —**	**$ 2,486,812**	**$ 877,987**

	As of December 31, 2024				
(in thousands)	**Carrying Value**	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Cash and cash equivalents	$ 462,103	$ 462,103	$ 462,103	$ —	$ —
Assets posted as collateral – Cash	—	—	—	—	—
Accounts receivable	55,279	55,279	55,279	—	—
Loans receivable	476,620	476,620	—	476,620	—
Total Assets	**$ 994,002**	**$ 994,002**	**$ 517,382**	**$ 476,620**	**$ —**
Accounts payable and accrued liabilities	$ 281,531	$ 281,531	$ 281,531	$ —	$ —
Notes payable	845,186	836,402	—	836,402	—
Collateral payable — Cash	74,995	74,995	—	74,995	—
Payable to customers — Cash	19,520	19,520	—	19,520	—
Loans payable	510,718	510,718	—	510,718	—
Settlement liability	149,445	151,029	—	151,029	—
Total Liabilities	**$ 1,881,395**	**$ 1,874,195**	**$ 281,531**	**$ 1,592,664**	**$ —**

13. LOANS RECEIVABLE

In the general course of business, the Company offers fiat-denominated loans to counterparties against digital assets or other collateral. No loans receivable were on nonaccrual status as of December 31, 2025 or December 31, 2024.

Loans Receivable, Current and Non-current

(in thousands)	December 31, 2025	December 31, 2024
Loans receivable	$ 554,622	$ 476,620
Loans receivable, non-current	2,553	—
Less: allowance for credit loss	(173)	—
Loans receivable, current and non-current	**$ 557,002**	**$ 476,620**

Loans receivable are scheduled to be repaid during the following periods:

(in thousands)	Amounts
2026	$ 554,622
2027	—
2028	2,553
2029	—
2030	—
Loans receivable, current and non-current	**$ 557,175**

Balances represent loan principal and exclude accrued interest receivable on loans.

Collateral Payable Associated with Loans Receivable, Current and Non-current

(in thousands)	December 31, 2025	December 31, 2024
Collateral payable — Digital assets	$ 613,716	$ 620,633
Collateral payable — Cash	1,192	—
Collateral payable associated with loans receivable, current and non-current	**$ 614,908**	**$ 620,633**

Interest income related to the Company's Loans receivable was $54.0 million, $48.7 million and $36.5 million for the years ended December 31, 2025, 2024 and 2023 respectively.

14. PROPERTY AND EQUIPMENT

The following table represents property and equipment balances and accumulated depreciation as of December 31, 2025 and 2024:

(in thousands)	December 31, 2025	December 31, 2024
Corporate assets (1)	$ 15,084	$ 11,093
Mining equipment	79,250	172,572
Data center infrastructure (2)	67,669	113,710
Land	35,272	12,809
WIP / Construction in progress (3)	1,344,211	35,777
Property and equipment, gross (4)	**1,541,486**	**345,961**
Less: Accumulated depreciation	(30,135)	(57,934)
Less: Impairment (5)	(88,238)	(50,989)
Property and equipment, net	**$ 1,423,113**	**$ 237,038**

(1) Corporate assets balances primarily relate to computer equipment, leasehold improvements, and furniture and fixtures.
(2) Data center infrastructure comprises land and improvements associated with our mining and Artificial Intelligence ("AI") and High Performance Computing ("HPC") leasing businesses. During the year ended December 31, 2025, a portion of data center

infrastructure assets were transferred to WIP / Construction in progress as they are undergoing enhancements to support deployment of Galaxy's AI/HPC operations.
(3) WIP/Construction in progress related to data center infrastructure under construction.
(4) Gross asset amounts are net of any asset disposals.
(5) Recognized in General and administrative expenses in the Company's consolidated statements of operations.

Depreciation expense of $18.2 million, $31.2 million and $15.3 million for the years ended December 31, 2025, 2024, and 2023 respectively, is included in General and administrative expenses in the Company's consolidated statements of operations.

Impairment of Mining Equipment and Related Infrastructure

The Company assesses mining equipment and related infrastructure for impairment when a triggering event is identified. For the years ended December 31, 2025, 2024, and 2023 the Company recognized an impairment $87.3 million, $0.1 million, and $0.5 million, respectively. Impairment for 2025 is the result of a change of anticipated use of the mining equipment and related infrastructure in fiscal year 2025. Impairment is recognized in relation to mining equipment and related infrastructure, including assets in WIP/Construction in progress, which was applicable to the Treasury and Corporate segment. Impairment testing of assets held for use requires determination of recoverability using unobservable inputs such as estimated future cash flows and involves significant judgment. The Company estimated the future cash flows related to mining equipment and related infrastructure using the bitcoin price and network difficulty, as well as expected hosting cost as key inputs.

15. LEASES

Lessor

Deferred lease revenue represents payments received in advance of the Company's performance obligation under the lease agreements in its Data Centers segment. Deferred lease revenue is recognized as income on a straight-line basis over the term of the lease agreement. The following table summarizes the Company's deferred lease revenue activity for the years ended December 31, 2025, 2024 and 2023:

(in thousands)	December 31, 2025	December 31, 2024	December 31, 2023
Beginning balance	$ —	$ —	$ —
Lease billings in advance of performance obligation satisfaction	150,000	—	—
Revenue recognized during the period	—	—	—
Ending Balance	**$ 150,000**	**$ —**	**$ —**

For the year ended December 31, 2023, the Company recognized $0.5 million of revenue related to third-party leases of mining equipment. These lease agreements expired in June 2023.

Lessee

The Company enters into leases primarily for real estate, substantially all of which are used in connection with its operations.

Operating lease costs were $5.9 million, $5.8 million and $7.8 million for the years ended December 31, 2025, 2024 and 2023 respectively. Variable lease costs, which are included in operating lease costs, were not material for the year ended December 31, 2025, 2024 and 2023.

Supplemental disclosures for the Company's consolidated statements of cash flows:

(in thousands)	December 31, 2025	December 31, 2024	December 31, 2023
Net cash provided by / (used in) operating activities			
Cash paid in the measurement of operating lease liabilities	$ 5,625	$ 5,973	$ 7,838

Supplemental statement of financial position and other disclosures related to operating lease right-of-use assets:

(in thousands, except lease term and discount rate)	December 31, 2025	December 31, 2024
Operating lease right-of-use assets	$ 10,337	$ 8,223
Operating lease liabilities	12,479	10,229
Weighted average remaining lease term	3.0 years	3.6 years
Weighted average discount rate[(1)]	9 %	10 %

(1) The weighted average discount rate represents the Company's incremental borrowing rate.

The following table represents future minimum lease payments of the Company's operating lease liabilities as of December 31, 2025:

(in thousands)	Lease liability
Year ending December 31,	
2026	4,822
2027	4,837
2028	4,182
2029	429
Total future minimum lease payments	14,270
Less: Interest	1,791
Total lease liability	**$ 12,479**

16. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill

The following table reflects the changes in the carrying amount of goodwill:

(in thousands)	December 31, 2025	December 31, 2024
Balance, beginning of period	$ 58,037	$ 44,257
Additions due to acquisitions (Note 3)	8,486	13,780
Balance, end of period	**$ 66,523**	**$ 58,037**

The Company recognized no impairment of Goodwill for the years ended December 31, 2025, 2024 and 2023. All goodwill is allocated to the Digital Assets segment.

Other Intangible Assets

The following table represents intangible assets and accumulated amortization as December 31, 2025 and 2024:

(in thousands)	December 31, 2025	December 31, 2024
Software technology [(1)]	$ 48,494	$ 40,508
Other purchased finite-life intangible assets	13,701	13,701
Indefinite-lived intangible asset	1,761	1,761
Intangible assets, gross	**63,956**	**55,970**
Less: Accumulated amortization	(34,458)	(18,619)
Intangible assets, net	**$ 29,498**	**$ 37,351**

(1) Includes capitalized equity based compensation of $4.6 million and $3.1 million as of December 31, 2025 and 2024. respectively.

The Company estimates that there is no significant residual value related to its finite-life intangible assets. The expected future amortization expense for currently amortizing finite-life intangible assets for the next five years is as follows:

(in thousands)	Amounts
2026	11,318
2027	8,369
2028	6,982
2029	547
2030	120
Total future amortization expense	**$ 27,336**

17. OTHER ASSETS AND ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Prepaid expenses and other assets consist of the following:

(in thousands)	December 31, 2025	December 31, 2024
Prepaid expenses and assets [(1)]	$ 43,721	$ 11,112
Asset purchase deposits	34,168	4,845
Current tax asset and taxes receivable	17,152	5,364
Other [(2)]	4,693	5,571
	$ 99,734	**$ 26,892**

(1) Includes certain assets related to data center activities.
(2) Includes receivables related to non-consolidated funds management, advisory activities and tax payments made on behalf of certain related parties. Refer to Note 23 for further information on related party transactions.

Accounts payable and accrued liabilities consist of the following:

(in thousands)	December 31, 2025	December 31, 2024
Compensation and compensation related	$ 93,644	$ 71,553
Professional fees	6,725	5,684
Promissory note (1)	—	96,933
Legal settlement	39,095	40,000
Construction and mining related payables and accrued liabilities	84,901	9,385
Payable for digital asset trades	3,223	20,970
Interest	13,216	15,530
Payable for investments and acquisitions	5,802	11,054
Accounts payable	17,570	6,910
Deferred revenue	441	358
Taxes payable	3,410	—
Other	9,636	3,154
	$ 277,663	**$ 281,531**

(1) As a result of the Reorganization Transactions, the Promissory Note between GDH LP and GDI was eliminated in consolidation. Refer to Note 23 for further information on related party transactions.

Other non-current liabilities consist of the following:

(in thousands)	December 31, 2025	December 31, 2024
Tax liabilities and liability from tax receivable agreement	$ 209,273	$ 42,994
Deferred revenue	183,321	—
Legal settlement	111,939	142,462
Lease liability	8,636	6,936
	$ 513,169	**$ 192,392**

18. COMMITMENTS AND CONTINGENCIES

Leases

As of December 31, 2025 and 2024, the Company had commitments primarily under three leases. Refer to Note 15 for further information on lease commitments.

Investment and Loan Commitments

As of December 31, 2025 and 2024, the Company was obligated to six and seven portfolio companies, respectively, all of which are non-consolidated variable interest entities (VIEs), to fund up to $49.4 million and $69.0 million, respectively. Subsequent to the year ended December 31, 2025, none of this amount has been funded. Refer to Note 10 for further information on VIEs.

As of December 31, 2025 and 2024, the Company had outstanding credit facilities to counterparties and arrangements to finance delayed trading settlement up to three days totaling $80.0 million and $60.0 million, respectively, and had funded $60.0 million and $39.9 million in relation to these facilities as of December 31, 2025 and 2024, respectively. Credit facilities are supported by counterparties' assets. There were no additional fundings of these facilities subsequent to period end.

Safeguarding of Customer Digital Assets

The Company is obligated to safeguard certain digital assets held on behalf of its customers, which are not recognized on the Company's consolidated statement of financial position. As such, the Company may be liable to its customers for losses arising from the Company's failure to safeguard those digital assets from loss. The Company has not incurred any losses related to such obligations and therefore has not accrued any liabilities as of December 31, 2025 and 2024.

Contractual Commitments

As of December 31, 2025 and 2024, the Company had an outstanding commitment for the construction of improvements at its Helios facility totaling $529.8 million and $9.1 million, respectively.

Indemnifications

The Company has provided standard representations for agreements and customary indemnification for claims and legal proceedings. Insurance has been purchased to mitigate certain of these risks. Generally, there are no stated or notional amounts included in these indemnifications and the contingencies triggering the obligation for indemnification are not expected to occur. Furthermore, counterparties to these transactions often provide comparable indemnifications. The Company is unable to develop an estimate of the maximum payout under these indemnifications for several reasons. In addition to the lack of a stated or notional amount in a majority of such indemnifications, it is not possible to predict the nature of events that would trigger indemnification or the level of indemnification for a certain event. The Company believes, however, that the possibility of making any material payments for these indemnifications is remote. As of December 31, 2025 and 2024, there was no liability accrued under these arrangements.

Legal and Regulatory Matters

In the ordinary course of business, the Company and its subsidiaries and affiliates may be threatened with, named as defendants in, or made parties to pending and potential legal actions, including class actions, arbitrations and other disputes. The Company and its subsidiaries and affiliates are also subject to oversight by numerous regulatory and other governmental agencies and may receive inspection requests, investigative subpoenas and requests from regulators for documents and information, which could lead to enforcement investigations and actions.

The Company reviews any lawsuits, regulatory investigations, and other legal proceedings on an ongoing basis and provides disclosure and records loss contingencies in accordance with its accounting policies. Except as discussed below, the Company does not believe that the ultimate resolution of existing legal and regulatory outstanding matters will have a material effect on our financial condition or liquidity. However, in light of the uncertainties inherent in these matters, it is possible that the ultimate resolution of one or more of these matters may have a material adverse effect on the Company's results of operations for a particular period, and future changes in circumstances or additional information could result in additional accruals or resolution in excess of established accruals, which could adversely affect the Company's results of operations, potentially materially.

LUNA Matters: On March 27, 2025, Galaxy reached an agreement with the New York State Attorney General to resolve civil claims relating to certain investments, trading, and public statements made in connection with the LUNA digital asset from late 2020 to 2022. As of December 31, 2025, the Company had accrued a legal provision of $151.0 million. The accrued amounts include the impact of discounting the estimated cash flows at a rate of approximately 4.3%. The undiscounted amount of the settlement was $160.0 million as of December 31, 2025 and payable between 2026 and 2028, with a payment of $40.0 million in 2026, and a payment of $60.0 million in each of 2027 and 2028. Under the terms of the settlement, Galaxy also agreed to, among other things, compliance enhancements related to public statements about cryptocurrency and purchases and sales of cryptocurrency.

In December 2022, a proposed class action was filed in the Ontario Superior Court of Justice against GDH Ltd., our Chief Executive Officer ("CEO") and our former Chief Financial Officer asserting various claims including alleged misrepresentations relating to our public disclosure regarding investments and trading in the LUNA digital asset. The class action purports to be brought on behalf of a proposed class of persons and entities who acquired our securities on the secondary market from May 17, 2021 to and including May 6, 2022. The class action seeks unspecified damages and various declaratory relief, including leave to proceed with the right of action for misrepresentation under statutory securities provisions. These proceedings are still in early stages and have not been certified to proceed as a class action. The plaintiff's motion for leave and certification is scheduled to be heard in June 2026. Based on the stage of the case, the outcome remains uncertain, and the Company cannot estimate the potential impact, if any, on its business or financial statements at this time.

Tax Distributions

The GDH LP 7th Amended and Restated Limited Partnership Agreement (the "LPA"), executed in connection with the Reorganization Transactions in May 2025, provides for pro rata cash distributions to the holders of LP Units for purposes of funding partner tax obligations in respect of the taxable income of GDH LP that is allocated to them. Generally, these tax distributions are computed based on GDH LP's estimate of the net taxable income of GDH LP allocable to each holder of LP Units multiplied by an assumed tax rate equal to the highest effective marginal combined U.S. federal, state and local income tax rate prescribed for an individual or corporate resident of New York, New York (taking into account the non-deductibility of certain expenses and the character of GDH LP's income). Amounts distributed pursuant to such tax distribution provision were treated as an advance against, and reduced (on a dollar for dollar basis), future amounts that would otherwise be distributable to such holders of LP Units. Prior to the Reorganization Transactions, GDH LP's then-effective limited partnership agreement permitted the prior general partner of GDH LP, Galaxy Digital Holdings GP LLC ("GDH GP LLC"), to direct GDH LP to make tax distributions to the holders of LP Units.

Tax-related distributions of $49.3 million, $55.3 million and $22.4 million were paid during the years ended December 31, 2025, 2024 and 2023.

In December 2021, July 2024, and during the year ended December 31, 2025, the Company contributed approximately $523.0 million, $20.0 million, and $634.8 million, respectively, into wholly-owned subsidiaries through which the Company operates bitcoin mining, qualified digital assets and blockchain related activities, and AI/HPC leasing activities in qualified opportunity zones. The qualified opportunity zone program was established by Congress under the Tax Cuts and Jobs Act of 2017 to encourage long-term investments in low-income urban and rural communities nationwide, and through which taxpayers may defer eligible capital gains provided they meet the program's requirements. In December 2026, the Company will be required to recognize capital gains on 90% of the contributed amount for U.S. federal tax purposes, which will be allocated to the limited partner unit holders of GDH LP including the noncontrolling interest holders of the Company, in accordance with their ownership interests at that time. As such depending on facts and circumstances at that time, the Company may be required to make additional tax distributions to its noncontrolling interest holders.

19. LOANS AND NOTES PAYABLE

Loans Payable

In the ordinary course of business the Company may borrow fiat currency, such as US dollars, to facilitate digital asset trading and lending activity. For the majority of these loans, there is no set repayment term and the Company can prepay without penalty.

(in thousands)	December 31, 2025	December 31, 2024
Loans payable	$ 52,626	$ 510,718

Interest expense related to the Company's loans payable was $13.0 million, $11.5 million and $2.2 million for the year ended December 31, 2025, 2024 and 2023 respectively.

Assets Posted as Collateral Associated with Loans Payable

(in thousands)	December 31, 2025	December 31, 2024
Assets posted as collateral — Digital assets	$ 13,317	$ 194,306
Less: Allowance for credit losses	(62)	(554)
Assets posted as collateral associated with digital asset loans payable	**$ 13,255**	**$ 193,752**

Notes Payable

GDH LP issued $500 million aggregate principal amount of 3.00% exchangeable senior notes (the "2026 Exchangeable Notes") on December 9, 2021, $402.5 million aggregate principal amount of 2.500% exchangeable senior notes on November 25, 2024 (the "2029 Exchangeable Notes"), and $1.3 billion aggregate principal amount of 0.50% exchangeable senior notes (the "2031 Exchangeable Notes", together with the "2029 Exchangeable Notes" and "2026 Exchangeable Notes", the "Exchangeable Notes"). Outstanding 2026 Exchangeable Notes, 2029 Exchangeable Notes, and 2031 Exchangeable Notes will mature and the aggregate principal amount is due in 2026, 2029 and 2031, respectively, unless earlier exchanged, redeemed or repurchased. Interest on the Exchangeable Notes is payable semi-annually. There were no origination discounts or premiums associated with the Exchangeable Notes. The 2026 Exchangeable Notes have an initial exchange rate of 7,498.2210 shares of Class A common stock per $250,000 principal amount, the 2029 Exchangeable Notes have an initial exchange rate of 10,497.5856 shares of Class A common stock per $250,000 principal amount, and the 2031 Exchangeable Notes have an initial exchange rate of 17.9352 shares of Class A common stock per $1,000 principal amount. All Exchangeable Notes issued are subject to certain selling and transfer restrictions set forth in each investor's note purchase agreement and as set forth in the applicable indenture that governs the Exchangeable Notes.

Prior to the Reorganization Transactions, the Company determined that the exchange features represented derivative financial instruments embedded in the Exchangeable Notes as the notes were exchangeable for ordinary shares of GDH Ltd., an unconsolidated affiliate. The exchange feature was recorded at fair value as a discount to the value of the Exchangeable Notes as of the applicable inception date. Accordingly, the Company recorded aggregate discounts of $71.0 million and $94.0 million for the fair value of the derivative liability at inception of the 2026 Exchangeable Notes and the 2029 Exchangeable Notes, respectively. The difference between the proceeds allocated to the exchangeable instrument at issuance and the fair value of the exchange feature was allocated to the host contract. Upon the completion of the Reorganization Transactions, given the Exchangeable Notes are now exchangeable for Class A common stock of GDI, the embedded derivative no longer meets the bifurcation criteria and the net loss from the inception of the derivative was reclassified to equity which is reflected in the Impact of Reorganization Transactions in the Company's consolidated statements of changes in equity. As of December 31, 2024, the Exchangeable Notes and the associated derivative liability are shown as Notes payable in the Company's consolidated statements of financial position.

On initial recognition of the 2026 Exchangeable Notes, 2029 Exchangeable Notes, and 2031 Exchangeable Notes, debt issuance costs of $13.4 million, $13.6 million, and $26.7 million, respectively, were recognized as a reduction of Notes payable and are being expensed over the term of the debt. The unamortized debt issuance cost as of December 31, 2025 and 2024 was $39.6 million and $18.5 million, respectively. As of December 31, 2025 and 2024, there was $2.1 billion and $847.5 million, respectively, in principal outstanding of the Exchangeable Notes.

The interest expense from the Exchangeable Notes for the years ended December 31, 2025, 2024 and 2023 was $59.2 million, $30.8 million and $27.3 million including coupon interest of $24.5 million, $14.3 million and $13.4 million, respectively. The effective interest rates on the 2026, 2029, and 2031 Exchangeable Notes are 7.0%, 9.2%, and 0.9% respectively.

Credit agreement

On August 15, 2025, Galaxy Helios I LLC ("Galaxy Helios I"), a wholly owned subsidiary of GDH LP, entered into a credit agreement (the "Credit Agreement") with Deutsche Bank AG providing for a senior secured term loan facility in an aggregate principal amount of up to $1.4 billion. The intended use for this facility is to finance the construction and development of a data center project in Dickens County, Texas and related costs. As of

December 31, 2025, the outstanding amount drawn on this facility was $878.0 million, which is recognized within Notes payable in the Company's consolidated statements of financial position.

Commitments under the Credit Agreement will mature on August 15, 2028, unless otherwise earlier terminated pursuant to the terms of the Credit Agreement. Galaxy Helios I may repay amounts borrowed and/or terminate the commitments under the Credit Agreement (in whole or part) at any time subject to the payment of a Prepayment Premium (as defined in the Credit Agreement).

Loans under the Credit Agreement bear interest at a rate per annum equal to the Secured Overnight Financing Rate ("SOFR") plus an applicable margin of 4.75%, subject to a floor of 2.5%. The Company utilizes cash flow hedges, primarily interest rate caps, to mitigate its exposure to variability in the associated interest rate.

Subject to customary exceptions, the Credit Agreement contains certain limitations on the ability of Galaxy Helios I to engage in certain activities, including incurring indebtedness and liens, making investments, entering into affiliate transactions and undergoing fundamental changes. The Credit Agreement also contains a financial maintenance covenant, requiring Galaxy Helios I to maintain a minimum debt service coverage ratio of 1.40 beginning with the first full quarter after Stabilization (as defined in the Credit Agreement) and a maximum loan to cost ratio of 80% on the closing date and each fiscal quarter thereafter until Stabilization (as defined in the Credit Agreement).

The Credit Agreement contains customary events of default, including, without limitation, payment defaults, covenant defaults, breaches of certain representations and warranties, cross defaults to certain indebtedness, certain events of bankruptcy and insolvency, certain judgments, change of control, certain ERISA events, the termination of certain contracts, the misuse of funds and the invalidity of the loan documents.

As of December 31, 2025, the Company's notes payable repayment obligation was as follows:

(in thousands)	Amount Due
2026	445,000
2027	—
2028	877,987
2029	402,500
2030	—
2031	1,300,000
Total	**3,025,487**

20. EQUITY

Issued Common Stock

The Company has two classes of ownership interests:

(1) Class A common stock, which shares are traded on Nasdaq and the TSX under the ticker "GLXY," and

(2) Class B common stock, which shares are held by Galaxy Group Investments LLC, an entity controlled by our founder and CEO, current and former employees of GDH LP as part of the GDH LP employee compensation plan and certain former shareholders. Shares of Class B common stock do not entitle holders to economic returns in the Company.

GDH LP has one class of LP Units, which are held by the Company and the holders of the Class B common stock.

Under the terms of the LPA, LP Units are exchangeable for the Company's Class A common stock on a one-for-one basis subject to certain limitations and customary adjustments for stock splits, stock dividends and other similar transactions. On receipt of a request to exchange, the Company, as the general partner, cancels the (1) LP Unit(s) and (2) the share(s) of Class B Common Stock, and issues a corresponding amount of Class A common stock. Upon such exchange, GDH LP issues an equivalent number of LP Units to the Company. Alternatively, at the election of the Company, it may deliver cash in an amount of equivalent value in lieu of the Company's Class A common stock to an exchanging LP Unitholder.

During the years ended December 31, 2025, 2024 and 2023 a total of 17,454,066, 81,357 and 30,121 shares of Class B common stock, respectively, were cancelled in connection with exchanges of LP Units for shares of Class A common stock.

During the years ended December 31, 2025, 2024 and 2023, there were tax-related distributions of $49.3 million, $55.3 million and $22.4 million, respectively, made for the purpose of covering GDH LP Unitholders' tax expense due to 2025 and 2024 taxable income. The majority of the recipients of the tax distributions are related parties. See Note 23 for further information on related party transactions.

The Company issues shares of Class A common stock on the exercise of stock options and the vesting and settlement of restricted share units. Shares of Class A common stock may also be cancelled in association with withholding obligations on vested and settled restricted share units.

Modification of Cash-Settled Awards

On August 19, 2025, the Company commenced a tender offer (the "Tender Offer") to exchange outstanding and unvested cash-settled Non-Treasury Share Unit Plan Restricted Share Units ("NTSUP RSUs") for share-settled RSUs ("LTIP RSUs") under the Amended and Restated Galaxy Digital Inc. Long Term Incentive Plan (the "LTIP"). All eligible employees that participated in the Tender Offer also received five additional LTIP RSUs. The Tender Offer expired on September 16, 2025. A total of 411,603 NTSUP RSUs were accepted for exchange in the Tender Offer and 412,133 LTIP RSUs were issued upon such exchange. All tendered NTSUP RSUs were cancelled effective as of September 17, 2025. In accordance with ASC 718, *Compensation - Stock Compensation* ("ASC 718"), the carrying amount of the liability immediately prior to the modification, totaling $8.0 million, was reclassified to equity as additional paid-in capital. The incremental cost of $4.8 million will be recognized over the remaining life of the outstanding LTIP RSUs.

On August 1, 2025, subsequent to Board approval, the Company amended its existing Stock Appreciation Rights ("SARs") to convert them from cash-settled to share-settled under the LTIP. A total of 553,181 SARs were converted to share-settled. In accordance with ASC 718, the carrying amount of the liability immediately prior to the modification, totaling $9.3 million, was reclassified to equity as additional paid-in capital. The incremental cost of $3.8 million will be recognized over the remaining life of the outstanding SARs.

Share Offerings

In June 2025, the Company and certain selling stockholders sold 35,980,967 shares of Class A common stock in an underwritten public offering, of which 26,400,000 were sold by the Company and 9,227,011 were sold by the selling stockholders upon their exchange of shares of Class B common stock and corresponding LP Units for shares of Class A common stock, at an offering price of $19.00 per share. Net proceeds to the Company from the offering were approximately $477.8 million after deducting underwriting discounts and offering costs. The Company did not receive any proceeds from the sale of Class A common stock by the selling stockholders.

In October 2025, the Company entered into investment agreements with certain institutional investors for a $460 million private strategic investment in the Company's Class A common stock, consisting of a purchase of 9,027,778 shares of Class A common stock from the Company and 3,750,000 shares of Class A common stock from certain of its executive officers, at $36.00 per share.

Prior to the Reorganization Transactions, the Company had two classes of ownership interests, representing limited partner interests:

(1) GDH LP Class A Units, which were subdivided into GDH LP A-1 Units, all of which were held by GDH Ltd., and GDH LP A-2 Units, all of which were held indirectly by GDH Ltd., through GDH Ltd.'s wholly owned U.S. subsidiary, GDH Intermediate LLC; and

(2) GDH LP Class B Units, all of which were held by GGI, employees of GDH LP as part of the GDH LP employee compensation plan and certain former shareholders.

The GDH LP Class A Units and GDH LP Class B Units ranked pari passu to all distributions from GDH LP. Pursuant to the Reorganization Transactions, GDH LP has one class of ownership interest, representing limited partner interests. See Note 1 for a description of the Reorganization Transactions.

21. EQUITY BASED COMPENSATION

Equity Based Compensation

For the years ended December 31, 2025, 2024 and 2023, the total compensation and benefits include cash based payments and equity based payments as follows:

	Year ended		
(in thousands)	**December 31, 2025**	**December 31, 2024**	**December 31, 2023**
Compensation and benefits excluding equity based compensation	$ 244,118	$ 191,435	$ 136,132
Equity based compensation [1]	55,750	74,156	83,124
Total compensation and benefits [2]	**$ 299,868**	**$ 265,591**	**$ 219,256**

(1) Excludes Deferred Share Units related to directors which is included in General and administrative expense.
(2) Net of capitalized compensation costs related to internally generated intangible assets.

The Company has awarded compensatory limited partnership units in the form of profit interest units, stock options and restricted stock to eligible officers and employees. For the years ended December 31, 2025, 2024 and 2023, equity based compensation included the following:

	Year ended		
(in thousands)	**December 31, 2025**	**December 31, 2024**	**December 31, 2023**
Stock options [1]	$ 24,455	$ 20,475	$ 23,138
Restricted Stock (Restricted Stock, Restricted Stock Units and Deferred Share Units) [2]	32,150	54,489	60,593
Compensatory limited partnership units			
Profit Interest Units	—	53	59
	$ 56,605	**$ 75,017**	**$ 83,790**

(1) Includes Stock Appreciation Rights in year ended December 31, 2025
(2) Includes expense associated with restricted stock issued in connection with the Company's acquisition of Vision Hill.

Equity Plans

Prior to May 2021, the Company granted stock options to employees, officers, directors and consultants of the Company under the GDH Ltd. stock option plan (the "Plan"), which was subject to the approval of the board of directors of GDH Ltd. The exercise price of each option was not less than the market price of GDH Ltd.'s ordinary shares at the date of grant. Options granted under the Plan had a term not to exceed 5 years and were subject to vesting provisions determined by the board of directors of GDH Ltd., who administered the Plan. Prior to the Reorganization Transactions, upon exercise of an option, the holder would receive one ordinary share of GDH Ltd. and GDH LP would issue one Class A Unit to GDH Ltd. The maximum number of shares reserved for issuance under the Plan was fixed at 45,565,739 ordinary shares of GDH Ltd. Following the approval of the GDH Ltd. Long Term Incentive Plan ("LTIP") described below, the Company no longer makes grants under the Plan and grants are made from the LTIP. The Plan reserve has been rolled over into the LTIP.

In May 2021, the board of directors of GDH Ltd. approved the LTIP (which was subsequently amended and restated in May 2025 in connection with the Reorganization Transactions) to grant stock options, stock appreciation rights, restricted stock, and share units in the form of restricted share units and/or performance share units to employees, officers, and consultants of the Company (GDH Ltd. prior to the Reorganization Transactions) and its affiliates, and deferred share units to non-employee directors of the Company (GDH Ltd. prior to the Reorganization Transactions) and, prior to the Reorganization Transactions, to non-employee managers of the Board of Managers of then General Partner, GDH GP LLC. Under the LTIP, the exercise price of each option may not be less than the market price of the Company's (GDH Ltd. prior to the Reorganization Transactions) shares at the date of grant. Options granted under the LTIP typically have a term not to exceed five years and are subject to vesting provisions as determined by the board of directors of the Company (GDH Ltd. prior to the Reorganization Transactions), who administer the LTIP. Prior to the Reorganization Transactions, upon exercise of an option, the holder would receive one ordinary share of GDH Ltd. and GDH LP would issue one Class A Unit to GDH Ltd. The maximum number of shares reserved for issuance under the LTIP is fixed at 48,290,478 shares of Class A common stock.

Non-Treasury Plan

In May 2021, the board of directors of the Company approved the GDH Ltd. Non-Treasury Share Unit Plan ("Non-Treasury Plan") as a supplement to the LTIP under which grants are settled solely in cash. Share units are restricted share units or performance share units.

Stock Options

A summary of the Company's stock option activity under the plans, including stock options with performance based conditions and stock appreciation rights, is set forth in the following table:

Description	Number of Options	Weighted Average Exercise Price (C$/$)[1]		Weighted-Average Remaining Terms (Years)	Aggregate Intrinsic Value (in thousands)	
Balance, December 31, 2022	**27,652,543**	**C$**	**8.56**	**2.62**	**$**	**9,594**
Granted	10,963,780	C$	6.30			
Stock options replaced by replacement awards	(1,875,000)	C$	23.08			
Exercised	(5,847,020)	C$	3.73			
Forfeited	(5,485,996)	C$	9.23			
Expired / Canceled / Repurchased	(3,144,334)	C$	14.04			
Balance, December 31, 2023	**22,263,973**	C$	6.56	**2.98**	**$**	**76,893**
Granted	2,913,051	C$	16.66			
Exercised	(3,546,327)	C$	3.16			
Forfeited	(1,521,299)	C$	6.63			
Canceled	(244,390)	C$	11.55			
Balance, December 31, 2024	**19,865,008**	C$	8.58	**3.44**	**$**	**230,641**
Granted [2]	5,453,804	$	14.10			
Exercised	(9,212,436)	$	4.65			
Forfeited	(1,884,877)	$	7.68			
Canceled	(182,185)	$	2.87			
Balance, December 31, 2025	**14,039,314**	$	10.02	**3.02**	**$**	**178,713**
Vested and expected to vest as of December 31, 2025	14,039,314	$	10.02	**3.02**	**$**	**178,713**
Options exercisable as of December 31, 2025	5,209,896	$	8.07	**2.17**	**$**	**137,328**
Vested and expected to vest as of December 31, 2024	19,865,008	C$	8.58	**3.44**	**$**	**230,641**
Options exercisable as of December 31, 2024	10,691,460	C$	7.37	**1.66**	**$**	**132,653**
Vested and expected to vest as of December 31, 2023	22,263,973	C$	6.56	**2.98**	**$**	**76,893**
Options exercisable as of December 31, 2023	9,712,157	C$	5.80	**1.82**	**$**	**40,427**

(1) Post reorganization, exercise prices have been converted from Canadian dollars to U.S. dollars at the daily exchange rate published by the Bank of Canada as of May 15, 2025.
(2) Includes Stock Appreciation Rights for year ended December 31, 2025.

The weighted average grant date fair value of options granted to employees was $10.86, $6.99 and 4.04 per share for the years ended December 31, 2025, 2024 and 2023, respectively. The total intrinsic value of the 9,212,436, 3,546,327 and 5,847,020 options exercised during the years ended December 31, 2025, 2024 and 2023 was $201.6 million, $39.9 million and $14.0 million, respectively. The intrinsic value prior to the completion of the Reorganization Transactions is the difference between the estimated fair value of the GDH LP's units at the time of exercise and the exercise price of the stock options. After the Reorganization Transactions, the intrinsic value is the difference between the trading price of the Company's Class A Common Stock and the exercise price of the stock options.

The aggregate intrinsic value in the table above represents the total pre-tax intrinsic value (the aggregate difference between the closing stock price of the Company's Class A Common Stock on December 31, 2025 and the exercise price for in-the-money options) that would have been received by the option holders if all in-the-money options had been exercised on December 31, 2025.

(Expressed in US Dollars)

The fair value of options vested during the periods ended December 31, 2025, 2024 and 2023 was $30.4 million, $20.3 million and $17.2 million, respectively.

As of December 31, 2025, the total unamortized stock-based compensation expense related to the stock options was $46.9 million, which will be recognized over a weighted-average period of approximately 2.6 years.

Stock Option Valuation Assumptions

The fair value of the options granted was measured using the Black-Scholes option pricing model with the following weighted average inputs:

Inputs to the Black-Scholes Model	December 31, 2025	December 31, 2024	December 31, 2023
Share price	$10.85 - $31.79	C$12.41 - C$27.45	C$4.77-C$7.43
Exercise price	$4.83 - $33.49	C$10.00 - C$37.38	C$4.19-C$8.06
Expected term (in years)	2.5 - 7	5	5
Expected volatility	85% - 90%	85% - 90%	80.0% - 90.0%
Risk-free interest rate	2.6% - 4.4%	2.8% - 3.8%	3.0% - 4.0%%
Dividend yield	0%	0%	0%

The assumptions used in the Black-Scholes option pricing model were determined as follows:

Share price. The closing price of shares of Class A Common Stock (GDH Ltd. ordinary shares prior to the Reorganization Transactions) on the respective grant dates was used.

Expected Term. Full term of the options was used as the expected term.

Expected Volatility. In estimating the expected volatility of the underlying stock price, the Company considered historical volatility of the Company's shares of Class A common stock (GDH Ltd. ordinary shares prior to the Reorganization Transactions), implied volatility from traded options, volatility of comparable companies, and industry indices.

Risk-free Interest Rate. The risk-free interest rate was calculated by interpolating government bond yields over the expected terms of the respective option grants.

Dividend Yield. GDI (GDH Ltd. prior to the Reorganization Transactions) has never declared or paid any cash dividends and does not plan to pay cash dividends in the foreseeable future, and therefore, used an expected dividend yield of zero.

The Company has made a policy election to recognize forfeitures of awards as they occur.

Compensatory Limited Partnership Unit Awards

The Company has awarded LP Units (Class B Units prior to the Reorganization Transactions) to eligible officers and employees. The LP Units granted are typically comprised of subtype R units ("Standard Units") and subtype P units ("Profit Interest Units"). LP Units typically vest over periods ranging from two to four years and are expensed using the straight-line method over the requisite service period.

(Expressed in US Dollars)

The following table summarizes the activity related to the compensatory LP Units during the respective periods:

Description	LP Units		Weighted-Average Grant Date Fair Value (C$/$)(1)
Balance, December 31, 2022	**10,792,944**	**C$**	**1.49**
Granted/ Transferred	—		—
Exchanged	—		—
Forfeited	—		—
Balance, December 31, 2023	**10,792,944**	**C$**	**1.44**
Granted / Transferred	—		—
Exchanged	(81,357)	C$	1.65
Forfeited	—		—
Balance, December 31, 2024	**10,711,587**	**C$**	**1.49**
Granted / Transferred	—		—
Exchanged	(4,473,169)	$	1.56
Forfeited	—		—
Balance December 31, 2025	**6,238,418**	**$**	**1.44**
Class B Units exercisable, December 31, 2025	6,238,418	$	1.44
Class B Units exercisable, December 31, 2024	10,711,587	C$	1.49

(1) Post reorganization, exercise prices have been converted from Canadian dollars to U.S. dollars at the daily exchange rate published by the Bank of Canada as of May 15, 2025.

All LP Units were vested as of December 31, 2024. The fair values of units vested during the year ended December 31, 2024 and 2023 was $0.3 million and $0.1 million, respectively.

Standard Units Valuation Assumptions

The fair value of the Standard Units has been determined to be the closing stock price of shares of Class A common stock (GDH Ltd. ordinary shares prior to the Reorganization Transactions) on the date of grant.

Profit Interest Units Valuation Assumptions

The Profit Interest Units receive “catch up” allocations with respect to book income which enable such units to accumulate capital accounts equal to those of Standard Units. Initially, the Profit Interest Units will have a capital account balance of $0, which will be adjusted upon a liquidation or capital event, or when the capital accounts of the GDH LP unit holders are marked to market to reflect the fair value of GDH LP’s assets. Such “catch up” allocations will terminate once the Profit Interest Units have accumulated capital accounts equal to those of other Standard Units. Once a Profit Interest Unit has vested and has been fully “caught up,” such Profit Interest Unit may be exchanged for one share of the Company for no additional consideration. The fair value of the Profit Interest Units was estimated using the probability-weighted expected return method. In applying this method, a payoff was determined for a Profit Interest Unit under three potential scenarios, each payoff was weighted by an estimated probability of the corresponding scenario and then the probability-weighted payoffs were discounted to the date of grant and summed. The scenarios, probabilities and other inputs into the model were selected using professional judgment, considering, among other things, the results of a one-period trinomial model, the results of a standard Black-Scholes option pricing model under different assumptions and the estimated fair value of a share of Class A common stock (or an ordinary share or GDH Ltd. prior to the Reorganization Transactions).

There were no LP units (Class B Units prior to the Reorganization Transactions) granted during the periods ended December 31, 2025, 2024 and 2023.

(Expressed in US Dollars)

Restricted Stock

On May 19, 2021, the Company granted 845,428 restricted shares as part of the business combination with Vision Hill. The restricted shares vested over approximately 3 years and were expensed using the straight-line method over the requisite service period. All granted restricted shares were fully vested as of June 30, 2024.

The following table summarizes the activity related to Restricted Stock during the respective periods:

Description	Number of Units[(1)]		Weighted Average Grant Price (C$)
Balance, December 31, 2022	**1,643,590**	**C$**	**10.07**
Vested	(736,782)	C$	10.61
Forfeited	(625,000)	C$	5.35
Balance, December 31, 2023	**281,808**	**C$**	**19.11**
Vested	(281,808)	C$	19.11
Forfeited	—		—
Balance, December 31, 2024	**—**		**—**
Vested	—		—
Forfeited	—		—
Balance, December 31, 2025	**—**		**—**

As of December 31, 2025 and December 31, 2024, there was no unamortized stock-based compensation expense related to unvested restricted stock.

Restricted Share Units

Restricted share units vest over approximately 3 - 4 years and are expensed using the straight-line method over the requisite service period. The Company accounts for forfeitures as they occur.

The following table summarizes the activity related to Restricted Share Units during the respective periods:

Description	Number of Units[(1)]		Weighted Average Grant Price (C$/$)[(2)]
Balance, December 31, 2022	**11,462,917**	**C$**	**20.50**
Granted[(1)]	4,983,339	C$	4.92
Exercised	(3,036,166)	C$	19.20
Forfeited / Cancelled	(2,206,466)	C$	18.31
Balance, December 31, 2023	**11,203,624**	**C$**	**14.36**
Granted[(1)]	3,439,035	C$	14.85
Exercised	(3,668,309)	C$	15.44
Forfeited / Cancelled	(964,777)	C$	14.17
Balance, December 31, 2024	**10,009,573**	**C$**	**14.15**
Granted[(1)]	3,807,689	$	20.00
Exercised	(5,922,203)	$	11.58
Forfeited / Cancelled	(773,791)	$	9.53
Balance, December 31, 2025	**7,121,268**	**$**	**14.25**
Units vested as of December 31, 2025	5,922,203	$	11.58
Units vested as of December 31, 2024	4,066,372	C$	15.07

(Expressed in US Dollars)

(1) Includes deferred share units granted to the directors as part of annual compensation and, for year ended December 31, 2025, includes Non-Treasury Share Unit Plans.
(2) Post reorganization, exercise prices have been converted from Canadian dollars to U.S. dollars at the daily exchange rate published by the Bank of Canada as of May 15, 2025.

As of December 31, 2025, there was $75.2 million of unamortized stock-based compensation expense related to unvested restricted share units, which is expected to be recognized over a weighted average period of 2.8 years.

During the years ended December 31, 2025, 2024 and 2023, the Company granted 125,691, 240,164 and 375,783 restricted share units, respectively, under the Non-Treasury Share Unit Plan which will be settled in cash. The restricted share units vest over three to four years with varying vesting schedules and had a fair value of $1.5 million, $2.7 million and $1.2 million at grant date, respectively. The outstanding liability related to cash settled units as of December 31, 2025, 2024, and 2023 was $1.0 million, $10.2 million, and $4.3 million, respectively. Upon the completion of the Tender Offer, the majority of the NTSUP RSUs were converted to LTIP RSUs.

On August 1, 2025, subsequent to Board approval, the Company amended its existing SARs to convert them from cash-settled to share-settled under the LTIP (see Note 20).

22. EARNINGS PER SHARE

The Company calculates basic earnings per share by dividing net income attributable to the Class A common stock holders by the weighted-average number of Class A common stock outstanding during the period. Earnings per share presented for periods prior to the completion of the Reorganization Transactions assume that the post reorganization equity structure of the Company was in place at that time.

	Years Ended		
	December 31, 2025	**December 31, 2024**	**December 31, 2023**
Basic income (loss) per share	$ (0.53)	$ 0.96	$ 0.72
Net income (loss) used in the calculation of basic income (loss) per share	$ (84,863)	$ 116,265	$ 75,858
Weighted average number of Class A common stock shares for the purposes of basic income (loss) per share	159,201,378	120,847,366	105,677,379

The following table sets forth the computation of diluted earnings per share:

	Years Ended		
	December 31, 2025	**December 31, 2024**	**December 31, 2023**
Diluted income (loss) per share	$ (0.61)	$ 0.84	$ 0.60
Net income (loss) used in the calculation of diluted income (loss) per share	$ (221,857)	$ 299,585	$ 194,319
Weighted average number of Class A common stock for the purposes of diluted income (loss) per share	366,475,172	356,723,762	325,978,160

(Expressed in US Dollars)

The following adjustments were made to the basic income (loss) per share as they were dilutive for the periods presented:

	Years Ended		
	December 31, 2025	December 31, 2024	December 31, 2023
Net income (loss) used in the calculation of basic income (loss) per share	$ (84,863)	$ 116,265	$ 75,858
Noncontrolling interests	(136,994)	—	—
Exchangeable LP units	—	178,835	118,461
Exchangeable Notes	—	4,485	—
Net income (loss) used in the calculation of diluted income (loss) per share	$ (221,857)	$ 299,585	$ 194,319
Weighted average number of Class A common stock shares for the purposes of basic income (loss) per share	159,201,378	120,847,366	105,677,379
Noncontrolling interests	207,273,794	—	—
Compensatory LP units	—	11,791	—
Exchangeable LP units	—	215,883,528	215,921,721
Exchangeable notes	—	1,666,959	—
Compensatory awards	—	18,314,118	4,379,060
Weighted average number of Class A common stock for the purposes of diluted income (loss) per share	366,475,172	356,723,762	325,978,160

In addition, the following potentially dilutive shares were excluded from the diluted earnings per share calculation as they were anti-dilutive for the periods presented:

	Years Ended		
	December 31, 2025	December 31, 2024	December 31, 2023
Compensatory LP units	—	—	—
Exchangeable LP units	—	—	—
Compensatory awards	16,392,010	—	—
Exchangeable notes	34,208,431	13,346,833	13,346,833
Total	**50,600,441**	**13,346,833**	**13,346,833**

23. RELATED PARTY TRANSACTIONS

The Company's related parties include entities over which it exercises significant influence and its key management personnel. Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly.

Distributions

Tax-related distributions of $49.3 million, $55.3 million and $22.4 million were paid during the years ended December 31, 2025, 2024 and 2023, respectively. A majority of the recipients of the distributions were related parties.

Tax Receivables Agreement

On July 31, 2018, GDH Ltd. entered into a tax receivables agreement (the "Original TRA") with holders of Class B Units in GDH LP (each such person and any permitted transferee, a "TRA Holder" and together, the "TRA Holders"). The Original TRA generally provided for the payment by GDH Ltd. of 85% of the cash savings, if any, in U.S. federal, state, local, and non-US income tax that GDH Ltd. actually realized (or was deemed to realize in certain circumstances), as applicable to each TRA Holder, as a result of (i) certain increases in tax basis that occur as a result of GDH Ltd.'s acquisition (or deemed acquisition for U.S. federal income tax purposes) of all or a portion of such TRA Holder's Class B Units in connection with the arrangement and (ii) deductions in respect of imputed interest deemed to be paid by GDH Ltd. as a result of, and additional basis arising from, any payments GDH Ltd. made under the Original TRA.

On May 13, 2025, the Company and the TRA Holders entered into an amended and restated tax receivables agreement (the "TRA") to take into account the effects of the Restructuring Transactions.

The amounts payable, as well as the timing of any payments, under the TRA are dependent upon significant future events and assumptions, including the timing of the redemptions of Class B common stock, the price of the Company's Class A common stock at the time of each redemption, the extent to which such redemptions are taxable transactions, the amount of the redeeming unit holder's tax basis in its Class B common stock at the time of the relevant redemption, the depreciation and amortization periods that apply to the increase in tax basis and the portion of the Company's payments under the TRA that constitute imputed interest or give rise to depreciable or amortizable tax basis. The Company has recognized a TRA-related liability within the Other non-current liabilities of $150.4 million as of December 31, 2025, of which $72.3 million were with related parties.

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 fair value of such investments aggregated to $11.5 million and $12.9 million as of December 31, 2025 and 2024, respectively.

Transactions with GDH Ltd.

Prior to the Reorganization Transactions, in accordance with its then-effective limited partnership agreement, the Company reimbursed or paid for all reimbursable expenses of GDH Ltd. For the years ended December 31, 2024, and 2023 the Company paid or accrued $3.2 million and $2.2 million, respectively, on behalf of GDH Ltd., which is included in General and administrative expenses on the Company's consolidated statements of operations. For the year ended December 31, 2025, any expenses paid or accrued on behalf of GDH Ltd. were eliminated upon consolidation.

On April 14, 2022 GDH LP entered into a promissory note (as amended from time to time, the "Promissory Note") with GDH Intermediate LLC ("GDHI LLC"), a subsidiary of GDH Ltd. prior to the Reorganization Transactions. As a result of the Reorganization Transactions, the Promissory Note was amended and restated with GDH LP and GGI as the counterparties. The Promissory Note is eliminated in consolidation subsequent to the Reorganization Transactions. As of December 31, 2024 GDHI LLC had advanced $96.9 million to the Company.

As of December 31, 2024, the Company had $95.8 million, in net payables to GDH Ltd. primarily for the aforementioned Promissory Note partially offset by receivables for stock option exercises and withholding tax associated with restricted share units vesting. Subsequent to the Reorganization Transactions, these net payables and receivables are eliminated in consolidation.

GalaxyOne

Certain of our executive officers and directors have accounts on our GalaxyOne platform (which offers access to certain deposit accounts and provides brokerage accounts for trading securities and digital assets) and use GalaxyOne products and services in the ordinary course. Similar to GalaxyOne's other customers, these individuals pay us standard transaction and other fees related to such use, and earn a yield from us to the extent they hold certain investment products or cash balances on our platform, in each case on the same terms as other customers. As of December 31, 2025, the Company recognized $0.2 million of liabilities related to certain related parties interactions with the GalaxyOne platform.

Other Related Party Transactions

The Company's CEO served as co-chairman of the board for Candy Digital Inc. ("Candy") in which the Company made an investment during 2021, resulting in the two entities becoming related parties. Candy was acquired by Futureverse in April 2025, and following such acquisition, the Company's CEO ceased membership on the Candy board of directors and Candy ceased to be related party. As of December 31, 2024 the Company held an investment in Candy valued at $9.1 million. Galaxy Interactive Fund I, LP, a non-consolidated sponsored investment fund, also held an investment in Candy valued at $1.0 million as of December 31, 2024.

The Company has sub-advisory arrangements with a beneficial owner of GDI (GDH Ltd. prior to the Reorganization Transactions). Such sub-advisory arrangements have been entered into with, or advised by, Galaxy Digital Capital Management LP, a consolidated subsidiary of the Company, in its capacity as an investment advisor registered under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). For the years ended December 31, 2025, 2024 and 2023, the associated advisory fees were $2.7 million, $2.1 million and $0.9 million, respectively.

The Company's CEO, through an entity which he controls, owns a private aircraft that the Company uses for business purposes in the ordinary course of operations, on terms that are advantageous to the Company. The CEO paid for the purchase of this aircraft with his personal funds and has borne all operating, personnel and maintenance costs associated with its operation and use. During the years ended December 31, 2025, 2024 and 2023, the Company incurred $1.1 million, $0.5 million and $0.3 million, respectively, for such use negotiated on an arms-length basis in compliance with our aviation matters policy adopted in August 2022.

In addition, we have from time to time made use of the CEO's private boat to host corporate meetings and for other business purposes in the ordinary course of the Company's operations, on terms that are advantageous to the Company. The CEO paid for the purchase of this boat with his personal funds and has borne most of the operating, personnel and maintenance costs associated with its operation and use; while the Company paid for the cost of any food and beverage consumption and a portion of operating fees. The expense incurred in relation to this boat was immaterial during the years ended December 31, 2025 and 2024.

Prior to joining GDH Ltd.'s board in September 2021 and GDI's board in May 2025, the Chairman of GDI's board (GDH Ltd.'s board prior to the Reorganization Transactions) entered into a consulting agreement with GDH LP in April 2021. Under the terms of the consulting agreement, the Chairman was engaged to provide professional services to the Company for a period of three years beginning on September 1, 2021. In 2021, the Chairman received 1,500,000 RSUs and 500,000 options under the LTIP in connection with the consulting agreement. There was no equity based compensation expense related to this grant for the year ended December 31, 2025. There was no equity based compensation expense related to this grant for the year ended December 31, 2025. The equity based compensation expense was $5.0 million and $11.9 million for the years ended December 31, 2024 and 2023 respectively. This consulting agreement expired as of September 1, 2024.

In February 2023, the Company entered into a consulting agreement with a board member of GDH Ltd. The Company paid $1.0 million under this agreement during each of the years ended December 31, 2024 and 2023. This consulting agreement expired as of December 31, 2024.

During the years ended December 31, 2025, 2024, and 2023, the Company had recorded $0, $4.8 million and $2.9 million, respectively, of tax payments made on behalf of certain related parties.

24. REPORTABLE SEGMENTS

The Company manages and reports its activities in the following operating businesses: Digital Assets and Data Centers. In the first quarter of 2025, the Company began managing and reporting activities in these two operating segments consistent with changes in our operations and management reporting. In determining the Company's segment structure, the Company considered the basis on which the chief operating decision maker ("CODM"), as well as other members of senior management, review the financial and operational performance of the Company. The Company's CODM is its chief executive officer. The CODM primarily relies on segment net income after taxes to evaluate the performance of each reportable segment. In accordance with ASC 280, *Segment Reporting*, the Company has recast its historical segment information to conform to the current segment structure.

Digital Assets

The Digital Assets segment comprises the Company's counterparty trading activities, lending, advisory and capital market activities, validator staking services, the Company's asset management business which manages investments in the digital assets ecosystem both on behalf of the Company and external limited partners, and its self-custody technology business. The Digital Assets segment generates revenue from digital assets sales, fee income, blockchain rewards, and lending. It includes realized and unrealized gains and losses on certain digital assets and equity investments. The Digital Assets segment also incurs the portion of the Company's interest expense used to fund its trading and lending activities and incurs all the external-facing digital assets sales costs. Management fees generated from the Company's principal investments and fees generated from staking the Company's proprietary digital assets are eliminated in the Treasury and Corporate segment.

Data Centers

The Data Centers segment comprises the Helios infrastructure assets. Our Data Centers segment develops, and will in the future operate, HPC infrastructure to meet the growing demand for large-scale, power-ready facilities in the AI/HPC industry.

Treasury and Corporate

The Treasury and Corporate segment includes the Company's proprietary trading and mining activities, as well as the Company's principal investments and related gains and losses. It includes realized and unrealized gains and losses on certain digital assets held within the segment. The Company's unallocated corporate overhead, other unallocated costs not identifiable to the other reportable segments, and eliminations of inter-segment transactions as required for consolidation. Transactions between segments are based on specific criteria or approximate market rates for comparable services.

The Company's chief operating decision maker reviews compensation expenses separately from other segment items, which include transaction expenses, general and administrative expenses, technology and marketing costs, as well as professional fees.

Assets and liabilities by each of the reportable segments as of December 31, 2025 were as follows:

(in thousands)	Digital Assets	Data Centers	Treasury and Corporate	Totals
Total assets	$ 7,339,673	$ 1,863,911	$ 2,144,497	$ 11,348,081
Total liabilities	$ 6,238,722	$ 1,098,739	$ 975,843	$ 8,313,304

Assets and liabilities by each of the reportable segments as of December 31, 2024 were as follows:

(in thousands)	Digital Assets	Data Centers	Treasury and Corporate	Totals
Total assets	$ 3,723,814	$ 199,694	$ 3,196,347	$ 7,119,855
Total liabilities	$ 3,163,499	$ —	$ 1,762,004	$ 4,925,503

Income and expenses by each of the reportable segments for the year ended December 31, 2025 were as follows:

(in thousands)	Digital Assets	Data Centers	Treasury and Corporate	Totals
Revenues	$ 60,385,358	$ 8,433	$ 12,937	$ 60,406,728
Gains / (losses) from operations	863,908	(1,186)	86,217	948,939
Revenues and gains / (losses) from operations	**61,249,266**	**7,247**	**99,154**	**61,355,667**
Transaction expenses	60,108,627	—	67,205	60,175,832
Impairment of digital assets	635,410	—	118,291	753,701
Compensation and benefits	209,774	5,054	85,040	299,868
Notes interest expense	—	—	59,247	59,247
Depreciation and amortization	14,606	1,251	18,212	34,069
Other expenses	87,288	2,040	181,462	270,790
Operating expenses	**61,055,705**	**8,345**	**529,457**	**61,593,507**
Unrealized gain / (loss) on notes payable – derivative	—	—	(35,544)	(35,544)
Other income / (expense), net	325	—	2,380	2,705
Total other income / (expense)	**325**	**—**	**(33,164)**	**(32,839)**
Net income / (loss) for the period, before taxes	**$ 193,886**	**$ (1,098)**	**$ (463,467)**	**$ (270,679)**
Income tax expense / (benefit)	—	—	(29,330)	(29,330)
Net income / (loss) for the period	**$ 193,886**	**$ (1,098)**	**$ (434,137)**	**$ (241,349)**

Income and expenses by each of the reportable segments for the year ended December 31, 2024 is as follows (unaudited):

(in thousands)	Digital Assets	Data Centers	Treasury and Corporate	Totals
Revenues	$ 42,497,063	$ —	$ 99,610	$ 42,596,673
Gains / (losses) from operations	243,340	—	917,777	1,161,117
Revenues and gains / (losses) from operations	**42,740,403**	**—**	**1,017,387**	**43,757,790**
Transaction expenses	42,298,052	—	111,804	42,409,856
Impairment of digital assets	139,247	—	192,673	331,920
Compensation and benefits	175,925	—	89,666	265,591
Notes interest expense	—	—	30,804	30,804
Depreciation and amortization	11,446	7,497	27,937	46,880
Other expenses	68,725	—	245,278	314,003
Operating expenses	**42,693,395**	**7,497**	**698,162**	**43,399,054**
Unrealized loss on notes payable - derivative	—	—	(31,727)	(31,727)
Other income / (expense), net	—	—	2,774	2,774
Total other income / (expense)	**—**	**—**	**(28,953)**	**(28,953)**
Net income / (loss) for the year, before taxes	**$ 47,008**	**$ (7,497)**	**$ 290,272**	**$ 329,783**
Income tax expense / (benefit)	—	—	(16,939)	(16,939)
Net income / (loss) for the period	**$ 47,008**	**$ (7,497)**	**$ 307,211**	**$ 346,722**

Income and expenses by each of the reportable segments for the year ended December 31, 2023 is as follows (unaudited):

(in thousands)	Digital Assets	Data Centers	Treasury and Corporate	Totals
Revenues	$ 51,565,491	$ —	$ 61,288	$ 51,626,779
Gains / (losses) from operations	87,907	—	494,953	582,860
Revenues and gains / (losses) from operations	**51,653,398**	**—**	**556,241**	**52,209,639**
Transaction expenses	51,461,590	—	32,493	51,494,083
Impairment of digital assets	47,791	—	50,549	98,340
Compensation and benefits	148,909	—	70,347	219,256
Notes interest expense	—	—	27,285	27,285
Depreciation and amortization	4,344	5,548	13,053	22,945
Other expenses	44,854	—	48,710	93,564
Operating expenses	**51,707,488**	**5,548**	**242,437**	**51,955,473**
Unrealized loss on notes payable - derivative	—	—	(9,603)	(9,603)
Other income / (expense), net	—	—	(135)	(135)
Total other income / (expense)	**—**	**—**	**(9,738)**	**(9,738)**
Net income / (loss) for the year, before taxes	**$ (54,090)**	**$ (5,548)**	**$ 304,066**	**$ 244,428**
Income tax expense / (benefit)	—	—	15,914	15,914
Net income / (loss) for the period	**$ (54,090)**	**$ (5,548)**	**$ 288,152**	**$ 228,514**

25. RISKS AND UNCERTAINTIES

The Company's digital assets activities may expose it to a variety of financial and other risks: credit risk, interest rate risk, liquidity risk, market risk, loss of access risk, irrevocability of transactions, hard fork and airdrop risks and regulatory oversight risk, among others.

The Company lends digital assets to third parties. On termination of a loan, the borrower is required to return the digital assets to the Company; any gains or loss in the market price during the loan would inure to the Company. In the event of bankruptcy of the borrower, the Company could experience delays in recovering its digital assets. In addition, to the extent that the value of the digital assets increases during the term of the loan, the value of the digital assets may exceed the value of collateral provided to the Company, exposing the Company to credit risks with respect to the borrower and potentially exposing the Company to a loss of the difference between the value of the digital assets and the value of the collateral. If a borrower defaults under its obligations with respect to a loan of digital assets, including by failing to deliver additional collateral when required or by failing to return the digital assets upon the termination of the loan, the Company may expend significant resources and incur significant expenses in connection with efforts to enforce the loan agreement, which may ultimately be unsuccessful.

The Company also participates in decentralized finance protocols, smart contracts that perform specific functions. Decentralized finance protocols allow the Company to provide or access liquidity, as well as exchange digital assets directly, on the blockchain. The Company deposits or transfers its digital assets to the smart contracts of these decentralized finance protocols and typically receives protocol-specific digital assets that represent the Company's claims on the underlying digital assets. The Company's transactions with such decentralized finance protocols rely on the functions of open source smart contracts, which are not developed by the Company and could be subject to exploits. The Company mitigates this smart contract risk through review of smart contract audits, as well as other risk management strategies that prevent concentration in or over-reliance on any individual decentralized finance protocol. Additionally, as transactions on decentralized protocols may occur without a centralized authority, the Company has implemented processes to monitor and review the digital asset wallets that interact with decentralized protocols in which the Company participates. As of December 31, 2025, three protocols, Aave, Kamino, and Spark, represented 70% of the Company's digital assets associated with decentralized finance protocols balance. As of December 31, 2024, four protocols, Sky DAO (f.k.a. Maker DAO), Coinbase (via wrapped tokens), Aave, and Pendle, represented 77% of the Company's digital assets associated with decentralized finance protocols balance.

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, accounts receivable, and loans receivable. The Company has established guidelines relative to credit ratings and maturities that seek to maintain safety and liquidity. The Company held $564.3 million and $19.7 million of cash and cash equivalents at brokers and $77.5 million and $64.7 million of cash and cash equivalents on trading platforms as of December 31, 2025 and December 31, 2024, respectively. The Company routinely assesses the financial strength of its customers and maintains allowances for anticipated losses. As of December 31, 2025 and December 31, 2024, no individual customer accounted for 10% or more of net accounts receivable. During the year ended December 31, 2025, two digital asset trading platforms accounted for 38% of revenue; and during the year ended December 31, 2024, two digital asset trading platforms accounted for 40% of revenue. As of December 31, 2025, three counterparties and their related parties accounted for 45% of the Company's Loans receivable and Digital assets loan receivable balance. The Company held collateral exceeding 100% of the loan carrying value for each of these three counterparties. As of December 31, 2024, two counterparties and their related parties accounted for 27% of the Company's Loans receivable and Digital asset loans receivable balance.

The Company is also subject to liquidity and concentration risk related to its short-term loans payable. The loans are callable on demand by the counterparties and are typically collateralized by the Company's cash, investment securities, and digital assets held in the Company's trading accounts at counterparties' trading platforms. As of December 31, 2025 and December 31, 2024, one individual lending counterparty accounted for greater than 5% of current liabilities at 9.4% and 8.5%, respectively. The proceeds from these loans are utilized for trading activities.

The Company conducts digital asset trades using both direct principal to principal transactions with counterparties and through centralized or decentralized digital asset trading platforms. Digital assets held on trading platforms are subject to the operational control of the platform operators, and could potentially be lost or impaired due to fraud or negligence of the platform operators. The Company mitigates this risk by performing regular reviews of each digital asset trading platform on which it transacts, distributing its digital assets across multiple different trading platforms to reduce concentration risk, and holding assets in self-custody where appropriate. As of December 31, 2025 and December 31, 2024, approximately 37% and 22%, respectively, of the Company's digital assets were held with third parties, including centralized trading platforms or posted with counterparties. As of December 31, 2025, one centralized digital asset trading platform held more than 10% of the Company's digital assets at 14%. As of December 31, 2024, no centralized digital asset trading platform held more than 10% of the Company's digital assets.

The Company is undertaking the construction of a data center at its Helios campus specifically designed to support AI/HPC applications. This initiative is subject to a variety of risks and uncertainties that could materially affect the Company's financial position, results of operations, and future prospects. These currently include, but are not limited to, construction and development risks, operational and performance risks, tenant credit risk, and financing and liquidity risks. The Company continually monitors these and other potential risks and uncertainties. There can be no assurance that the Company will successfully mitigate these risks or that the construction and operation of the data center will proceed as planned.

The regulatory environment related to digital assets is complex, evolving, and uncertain, requiring the Company to allocate resources in legal, accounting, compliance, technology, and other functions which impact the Company's consolidated financial statements. Future regulatory rules adopted domestically and internationally may impose obligations and restrictions on how the Company manages and / or conducts its business activities in the future.

The Company seeks to minimize potential adverse effects of these risks on performance by employing experienced personnel; daily monitoring of the Company's investments, digital assets and market events; and diversifying the Company's business strategy as well as its investment portfolio within the constraints of the Company's investment objectives.

26. INCOME TAXES

GDI is an LP unit holder and sole GP of GDH LP, which is the operating partnership that conducts all of the Company's business and is treated as a partnership for U.S. federal tax purposes. As the Company has a controlling financial interest in GDH LP, the Company consolidates GDH LP's financial results. As a partnership, GDH LP is not subject to most applicable U.S. federal, state, and local income taxes. GDH LP is subject to entity level New York City unincorporated business tax ("UBT") on income allocated or apportioned to New York City while GDH LP's foreign corporate subsidiaries are generally subject to taxes in the foreign jurisdictions where they are located. Any taxable income or loss generated by GDH LP is passed through to and reported by its partners, including the Company, based on their respective allocable share. GDI is taxed as a corporation and pays applicable corporate federal, state, and local taxes on income allocated to it from GDH LP, as well as any stand-alone income or loss generated by GDI. As the Company consolidates GDH LP but does not own all of the economic interest in GDH LP, the Company presents a noncontrolling interest related to the economic ownership of GDH LP held by its Class B common stockholders. The Company will not be taxed on the earnings attributed to the non-controlling interests.

The components of income (loss) before income taxes were attributable to the following regions (in thousands):

(in thousands)	Year ended December 31, 2025	Year ended December 31, 2024	Year ended December 31, 2023
Domestic	$ (359,322)	$ (181,051)	$ (98,293)
Foreign	88,643	510,834	342,721
Total income (loss) before income taxes	**$ (270,679)**	**$ 329,783**	**$ 244,428**

Provision for (benefit from) income taxes consisted of the following (in thousands):

(in thousands)	Year ended December 31, 2025	Year ended December 31, 2024	Year ended December 31, 2023
Current			
Federal	$ (43,862)	$ —	$ —
State	(2,488)	(6,270)	1,920
Foreign	3,107	(2,283)	7,457
Total Current	**(43,243)**	**(8,553)**	**9,377**
Deferred			
Federal	19,713	(1,333)	(251)
State	1,932	6,222	3,381
Foreign	(7,732)	(13,275)	3,407
Total Deferred	**13,913**	**(8,386)**	**6,537**
Total provision for (benefit from) income taxes	**$ (29,330)**	**$ (16,939)**	**$ 15,914**

The effective income tax rate for the year ended December 31, 2025 differs from the statutory federal income tax rate as follows (in thousands, except percentages):

(in thousands)	Year ended December 31, 2025	
Provision for income taxes at U.S. federal statutory rate	$ (56,843)	21.00 %
State and local income taxes, net of federal benefit [1]	(6,573)	2.43 %
Foreign tax effects	(4,625)	1.71 %
Non-taxable or non-deductible items:		
Share based compensation	(13,589)	5.02 %
Other nondeductible items	(529)	0.20 %
Other adjustments		
Other adjustments	(8,676)	3.21 %
Noncontrolling interest	35,580	(13.14) %
Impact of reorganization	25,925	(9.58) %
Total tax provision and effective tax rate	**$ (29,330)**	**10.84 %**

(1) State and Local taxes in New York, including New York City, make up a majority (greater than 50%) of the tax effect in this category.

As previously disclosed for the years ended December 31, 2024 and 2023, prior to the adoption of ASU 2023-09 and the Reorganization Transactions, the effective income tax rate differs from the Cayman statutory income tax rate of 0.0% as follows:

(in thousands)	Year Ended December 31, 2024		Year Ended December 31, 2023	
Earnings before income taxes	$ 329,783		$ 244,428	
Cayman statutory tax rate	—		—	
Increase (decrease) in the income tax rate resulting from:				
Foreign rate differential on entity level partnership tax	(1,381)	(0.42) %	5,050	2.07 %
Foreign subsidiaries taxed at different rates	(15,558)	(4.72) %	10,864	4.44 %
Total income tax expense and effective income tax rate	**$ (16,939)**	**(5.14)%**	**$ 15,914**	**6.51 %**

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities consisted of the following (in thousands):

(in thousands)	Year ended December 31, 2025	Year ended December 31, 2024
Deferred Tax Assets		
Net operating loss carryforward	$ 208,121	$ 68,432
Other	1,600	6,244
Total Deferred Tax Assets	**209,721**	**74,676**
Deferred Tax Liabilities	—	
Investment basis differences/Net unrealized gains and losses	(29,857)	(52,557)
Other	—	(2,096)
Total Deferred Tax Liabilities	**(29,857)**	**(54,653)**
Net Deferred Tax Assets	**$ 179,864**	**$ 20,023**

A valuation allowance is recorded when, based on the weight of all available evidence, management determines it is more likely than not that some portion or all of the deferred tax assets will not be realized. This analysis is complex and, amongst other factors, requires that management assess the likelihood that the Company and/or its subsidiaries will generate taxable earnings in future periods, in order to utilize its deferred tax assets. As of December 31, 2025 and 2024 the Company did not record a valuation allowance as it is more likely than not that all deferred tax assets will be fully realized.

Galaxy files its tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, Galaxy is subject to examination by federal and certain state, local and foreign tax authorities. The Company recognizes the effects of a tax position in the financial statements only if, as of the reporting date, it is "more likely than not" to be sustained based on its technical merits and their applicability to the facts and circumstances of the tax position. Neither the Company, nor any of its foreign corporate subsidiaries, are subject to income tax examination in any jurisdiction in which they operate for any years prior to 2020. As of December 31, 2025, the Company does not believe that there will be a significant change to the uncertain tax positions during the next 12 months. The Company recognized an income tax benefit of $6.9 million for previously accrued interest during the period ended December 31, 2025.

27. OPERATING PARTNERSHIP FINANCIAL INFORMATION

The following tables represent the consolidated statements of financial position and consolidated statements of operations of GDH LP, the Company's operating partnership.

(Expressed in US Dollars)

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

	For the years ended		
	December 31, 2025	December 31, 2024	December 31, 2023
Revenues	$ 60,406,706	$ 42,596,673	$ 51,626,779
Gains / (losses) from operations	948,939	1,161,117	582,860
Revenues and gains / (losses) from operations	**61,355,645**	**43,757,790**	**52,209,639**
Operating expenses:			
Transaction expenses	60,175,832	42,409,856	51,494,083
Impairment of digital assets	753,701	331,920	98,340
Other operating expenses	674,271	657,278	363,050
Total operating expenses	**61,603,804**	**43,399,054**	**51,955,473**
Other income / (expense):	**(33,532)**	**(28,953)**	**(9,738)**
Net income / (loss) before taxes	**$ (281,691)**	**$ 329,783**	**$ 244,428**
Income taxes expense / (benefit)	(8,653)	(16,939)	15,914
Net income / (loss)	**$ (273,038)**	**$ 346,722**	**$ 228,514**
Other comprehensive income (loss)	**(4,506)**	**—**	**—**
Comprehensive income (loss)	**$ (277,544)**	**$ 346,722**	**$ 228,514**

(Expressed in US Dollars)

Galaxy Digital Holdings LP's Consolidated Statements of Financial Position

	December 31, 2025	December 31, 2024
Assets		
Cash and cash equivalents	$ 1,244,395	$ 462,103
Digital assets	4,541,661	2,928,225
Digital assets receivable	8,497	60,720
Digital asset loans receivable, net of allowance	1,078,929	579,530
Investments	1,732,305	1,643,506
Assets posted as collateral, net of allowance	199,983	277,147
Loans receivable	562,376	476,620
Property and equipment, net	1,423,113	237,038
Other assets	397,651	454,966
Total assets	**$ 11,188,910**	**$ 7,119,855**
Liabilities and Equity		
Digital assets borrowed	2,417,268	1,497,609
Loans payable	188,176	510,718
Collateral payable	1,980,171	1,399,655
Notes payable	2,861,055	845,186
Other liabilities	847,563	672,335
Total liabilities	**8,294,233**	**4,925,503**
Total equity	**2,894,677**	**2,194,352**
Total liabilities and equity	**$ 11,188,910**	**$ 7,119,855**

28. SUBSEQUENT EVENTS

On February 6, 2026, our Board of Directors approved a share repurchase program authorizing the repurchase of up to $200 million of our outstanding Class A common stock (the "Share Repurchase Program"). Under the Share Repurchase Program, we may repurchase shares of our outstanding Class A common stock from time to time through open market purchases, privately negotiated transactions, pre-paid puts or other methods in accordance with applicable securities laws and regulations. The timing, manner, price, and amount of any repurchases will be determined by the Company at its discretion and will depend upon business, economic and market conditions, corporate, legal and regulatory requirements, prevailing stock prices, and other considerations. The Share Repurchase Program has a term of 12 months, may be suspended, discontinued at any time, and does not obligate us to acquire any amount of Class A common stock.