



galaxy

Galaxy to Acquire Leading Custody Platform GK8

Galaxy has been selected as the winning bidder for the GK8 platform in a sale process executed in connection with divestment of Celsius Network assets

Galaxy will provide continued support for GK8's current suite of innovative self-custody security solutions

GK8 infrastructure will underpin Galaxy's new prime offering for institutions

NEW YORK, December 2, 2022 – [Galaxy Digital Holdings Ltd.](#) (TSX: [GLXY](#)) ("Galaxy" or "the Company"), a financial services and investment management innovator in the digital asset, cryptocurrency, and blockchain technology sectors, today announced it intends to acquire GK8, a secure institutional digital asset self-custody platform. The acquisition will be the result of a sale process executed in connection with Celsius Network LLC's Chapter 11 bankruptcy and is subject to court approvals and other closing conditions.

GK8 is a leading technology provider for institutions looking to custody their digital assets with the highest possible security, using patented technology to safely store cryptocurrencies and execute blockchain transactions without connecting to the internet. Galaxy intends to support GK8's ongoing operations in offering unique self-custody technology to the world's leading financial services firms, as well as utilize GK8's custody solution in the ongoing development of GalaxyOne. As [previously announced](#), GalaxyOne is a new prime offering for institutional investors that will combine trading, lending, cross-portfolio margining, and derivatives with the Company's market-tested risk-management processes, supported by a range of custodial options, which will include those from GK8.

"The acquisition of GK8 is a crucial cornerstone in our effort to create a truly full-service financial platform for digital assets, ensuring our clients will have the option to store their digital assets at or separate from Galaxy without compromising versatility and functionality," said Mike Novogratz, Founder and CEO of Galaxy. "Adding GK8 to our prime offering at this pivotal moment for our industry also highlights our continued willingness to take advantage of strategic opportunities to grow Galaxy in a sustainable manner."

The transaction will accelerate Galaxy's product innovation and development by adding a team of nearly 40 people, including cryptographers and blockchain engineers. The deal will also expand Galaxy's geographic reach with the addition of an office in Tel Aviv.

GK8 founders CEO Lior Lamesh and CTO Shahar Shamai will stay on to lead Galaxy's new custodial technologies business. In addition to providing self-custody solutions to GalaxyOne and institutional investors, GK8 will also continue to directly support financial institutions' efforts to safeguard their clients' digital assets, including banks, trust companies, broker-dealers, and retail platforms. Backing up its secure custody solutions, GK8 [recently announced a partnership](#) with USI Insurance Services to offer institutional clients access to up to \$1 billion of insurance coverage for digital assets custodied on the platform.

"We've vigorously worked to become the most secure platform of choice for financial institutions participating in the digital asset ecosystem," said Lamesh. "We are excited by the prospect of joining one of the leading providers of financial and digital asset services to institutions who truly understand the impact of GK8's custody technology on the future of blockchain. With the backing of Galaxy, we aim to introduce new and exciting offerings to the industry that showcase a combination of Galaxy's best-in-class services and GK8's cryptography, security, and unparalleled R&D skills."

About Galaxy

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

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

Additional information about Galaxy's businesses and products is available on www.galaxy.com.

About GK8

GK8 offers both traditional and crypto-native institutions an end-to-end platform for managing blockchain-based assets. The Company developed the world's first true Cold Vault that enables its clients to create, sign, and send secure blockchain transactions without internet connectivity, eliminating all cyber attack vectors paired with a patented MPC for automatic transactions. The platform facilitates custody, staking, DeFi, NFT support, tokenization, trading and more. Chosen by Mastercard to help it define the future of blockchain finance and payments, GK8 serves clients managing billions worth

of digital assets, including social investing network eToro, Securrency, a blockchain fintech company backed by State Street, U.S. Bank, WisdomTree, and Abu Dhabi Catalyst Partners, Tezos Foundation, and Prosegur, one of the world's largest custodians with more than \$400B assets under management. In 2022, Forbes added GK8's co-founders Lior Lamesh and Shahar Shamai to its list of 30 Under 30.

For more information, visit <https://www.gk8.io>

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Disclaimers

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

CAUTION ABOUT FORWARD-LOOKING STATEMENTS

The information in this communication may contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and "forward-looking information" under Canadian securities laws (collectively, "forward-looking statements"). Our forward-looking statements include, but are not limited to, statements regarding our or our management team's expectations, hopes, beliefs, intentions or strategies regarding the future. Statements that are not historical facts, including statements about the acquisition of GK8 (the "acquisition"), and the parties, perspectives and expectations, are forward-looking statements. In addition, any statements that refer to estimates, projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words "anticipate," "believe," "continue," "could," "estimate," "expect," "forecast," "intend," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "would" and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements in this press release may include, for example, statements about: our ability to complete the acquisition; our expectations around the performance of our and GK8's business; our success in retaining or recruiting, or changes required in, our officers, key employees or directors following the acquisition; or our financial performance following the acquisition. The forward-looking statements contained in this release are based on our current expectations and beliefs concerning future developments and their potential effects on us taking into account information currently available to us. There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks include, but are not limited to: (1) the occurrence of any event,

change or other circumstances that could result in the failure to consummate the acquisition; (2) the outcome of any legal proceedings that may be instituted following the acquisition and any definitive agreements with respect thereto; (3) the inability to complete the acquisition due to the failure to satisfy conditions to closing in the definitive agreements with respect to the acquisition including in respect of bankruptcy court approvals (4) changes to the proposed structure of the acquisition that may be required or appropriate as a result of applicable laws or regulations or as a condition to obtaining court approval of the acquisition; (5) costs related to the acquisition; (6) changes in applicable laws or regulations; (7) the possibility that the combined company may be adversely affected by other economic, business, and/or competitive factors; (8) changes or events that impact the cryptocurrency industry, including potential regulation, that are out of our control; (9) the risk that our business will not grow in line with our expectations or continue on its current trajectory; (10) the possibility that our addressable market is smaller than we have anticipated and/or that we may not gain share of it; (11) those other risks contained in the Annual Information Form for the year ended December 31, 2021 available on the Company's profile at www.sedar.com and (12) other risks and uncertainties to be indicated from time to time in filings made on SEDAR. Factors that could cause actual results of the Company to differ materially from those described in such forward-looking statements include, but are not limited to, a decline in the digital asset market or general economic conditions; the possibility that our addressable market is smaller than we have anticipated and/or that we may not gain share of the stated addressable market; the failure or delay in the adoption of digital assets and the blockchain ecosystem and corresponding impacts to our business, including the rollout of GalaxyOne. Should one or more of these risks or uncertainties materialize, they could cause our actual results to differ materially from the forward-looking statements. We are not undertaking any obligation to update or revise any forward looking statements whether as a result of new information, future events or otherwise. You should not take any statement regarding past trends or activities as a representation that the trends or activities will continue in the future. Accordingly, you should not put undue reliance on these statements.