



Press Release

For immediate release

Invesco and Galaxy to Offer Efficient Exposure to Spot Bitcoin Through the Invesco Galaxy Bitcoin ETF (BTCO)

Fee waiver brings BTCO management fee to zero

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ATLANTA, January 11, 2024 – Invesco Ltd. (NYSE: IVZ), a leading global provider of exchange-traded funds (ETFs), in partnership with Galaxy Asset Management,¹ one of the world's largest digital assets and blockchain investment managers, today announced the launch of the [Invesco Galaxy Bitcoin ETF \(BTCO\)](#). BTCO invests directly in physical bitcoin to allow investors to access the performance of the market price of bitcoin, as measured by the Lukka Prime Bitcoin Reference Rate² through an ETF structure to provide additional safeguards and ease of trading. BTCO begins trading on the Cboe BZX Exchange today, removing many of the barriers to bitcoin investing.

For the first six months after launch, Invesco is waiving BTCO's entire fee on assets up to \$5 billion³, effectively bringing the total expense ratio of BTCO from 39 basis points to 0 basis points, with the discretion to extend the fee waiver further.

"Through our partnership with Galaxy, the physically backed BTCO ETF benefits from an unparalleled level of combined knowledge and experience in ETF innovation and digital asset expertise," says Brian Hartigan, Global Head of ETFs Investments at Invesco. "We have a high conviction that digital assets have the potential to be a transformative asset class and believe bringing BTCO into a fully transparent and regulated market truly helps to further democratize the asset class."

One of the key factors that differentiates BTCO is Invesco's partnership with Galaxy Asset Management, an affiliate of Galaxy Digital Holdings Ltd. Galaxy's deep knowledge of digital assets and experience in investing across all stages of the ecosystem strengthen the operational risk management of the ETF. Galaxy acts as the execution agent in the buying and selling of bitcoin for cash on behalf of BTCO, bringing seasoned expertise and institutional-grade infrastructure to the process, which may benefit execution of the creation and redemption of BTCO shares.

"What sets the BTCO ETF apart from other similar products is the partnership between Invesco and Galaxy," said Steve Kurz, Global Head of Galaxy Asset Management. "Our collective experience managing crypto ETPs in Canada, Brazil, and Europe, and, more specifically, our direct experience managing a cash create bitcoin ETF in Canada has been instrumental in developing a product with low fees, strong liquidity, and minimal tracking error."

Galaxy also conducts some of the most comprehensive and in-depth thought leadership and research on digital assets. Investors can pair this research with the ETF expertise of Invesco's dedicated product strategy teams to stay current on important developments in the digital asset space.

BTCO uses the Lukka Prime Bitcoin Reference Rate to determine the fair market value (FMV) of the bitcoin it holds, reflecting the execution price of bitcoin on its principal market as determined by Lukka Inc., an independent third-party digital asset data company. Lukka uses institutional data quality standards, such as AICPA Service and Organization Controls (SOC), to ensure financial calculation accuracy and completeness in its evaluation of various bitcoin exchanges, assessing factors like oversight, trading volume, and data integrity.

By purchasing bitcoin through an established financial vehicle, investors are relieved of some of the more difficult operational aspects of spot bitcoin, such as custodial duties and storage wallets to keep

assets secure. BTCO offers flexible entry to and exit from the asset class, trading on a major exchange in a familiar investment vehicle. Unlike digital assets that are directly held, BTCO can be held in investment accounts like brokerages and easily added to an investment portfolio.

The bitcoin holdings of BTCO are stored in institutional-grade storage through a custody agreement with Coinbase. Through Coinbase, bitcoin purchased by the ETF is kept in tamper-proof hardware modules in secure data centers with enhanced security features.

Galaxy Digital and its founder, Michael Novogratz, have demonstrated a strong commitment to the digital assets industry. Since 2018, Galaxy has been focused on building an operating environment for digital asset investment services and strategies well suited for institutional investors. Galaxy Asset Management, specifically, consists of a team of dedicated, seasoned professionals who employ a conservative, fiduciary-first approach that permeates every aspect of its business, which oversees US\$5.3 billion in assets under management (AUM)⁴. As a first mover and leader in digital asset and blockchain-focused funds, Galaxy combines extensive experience at both top-tier financial institutions and within the digital asset sector, working closely with bank platforms, institutional investors, and asset managers across distribution, client service, operations, and portfolio management.

Invesco is one of the largest global ETF providers with over US\$430 billion in AUM⁵. Its flagship Invesco QQQ, launched more than 24 years ago, is one of the most recognized ETFs, as well as one of the most liquid securities. Invesco has an established track record of using the ETF structure to bring previously inaccessible strategies to investors, such as the first actively managed ETF (PSR) in 2008, the first commodity pool ETF (DBA) in 2006, the first thematic ETF (PBW) in 2005, and the first senior loan ETF (BKLN) in 2011.

To view the full prospectus for the Invesco Galaxy Bitcoin ETF, please visit this link: [Invesco Galaxy Bitcoin ETF](#)

¹ Galaxy Asset Management is not affiliated with Invesco. Galaxy Asset Management is the Galaxy Division that operates Galaxy Digital Funds, the execution agent of BTCO.

² The Lukka Prime Bitcoin Reference Rate represents a fair market value for bitcoin that is aligned to GAAP and IFRS guidelines.

³ As disclosed in BTCO's prospectus, for a 6-month period commencing on the day the Trust's Shares are initially listed on the Exchange, the Sponsor intends to waive the entire Sponsor Fee on the first \$5 billion of Trust assets.

⁴ Galaxy Asset Management AUM data as of November 30, 2023.

⁵ Invesco Finance Actuals AUM data as of November 30, 2023, including QQQ.

About Invesco Ltd.

Invesco Ltd. (Ticker NYSE: IVZ) is a global independent investment management firm dedicated to delivering an investment experience that helps people get more out of life. Our distinctive investment teams deliver a comprehensive range of active, passive and alternative investment capabilities. With offices in more than 20 countries, Invesco managed US\$1.49 trillion in assets on behalf of clients worldwide as of October 24, 2023. For more information, visit www.invesco.com/corporate.

About Galaxy

Galaxy (TSX: GLXY) is a digital asset and blockchain leader providing access to the growing digital economy. We serve a diversified client base, including institutions, startups, and qualified individuals. Since 2018, Galaxy has been building a holistic financial platform spanning three complementary operating businesses: Global Markets, Asset Management, and Digital Infrastructure Solutions. Our offerings include, amongst others, trading, lending, strategic advisory services, institutional-grade investment solutions, proprietary bitcoin mining and hosting services, network validator services, and the development of enterprise custodial technology. The company is headquartered in New York City, with global offices across North America, Europe, and Asia. Additional information about Galaxy's businesses and products is available on www.galaxy.com.

The Fund is speculative and involves a high degree of risk. An investor may lose all or substantially all of an investment in the Fund.

The Fund is not a mutual fund or any other type of Investment Company within the meaning of the Investment Company Act of 1940, as amended, and is not subject to regulation thereunder. Shares in the Fund are not FDIC insured, may lose value and have no bank guarantee.

This material must be accompanied or preceded by a prospectus. Please read the prospectus carefully before investing.

The Fund currently intends to effect creations and redemptions principally for cash, rather than principally in-kind because of the nature of the Fund's investments. As such, investments in the Fund may be less tax efficient than investments in ETFs that create and redeem in-kind.

Bitcoin has historically exhibited high price volatility relative to more traditional asset classes, which may be due to speculation regarding potential future appreciation in value. **The value of the Trust's investments in bitcoin could decline rapidly, including to zero.**

The further development and acceptance of the Bitcoin network, which is part of a new and rapidly changing industry, is subject to a variety of factors that are difficult to evaluate. The slowing, stopping or reversing of the development or acceptance of the network may adversely affect the price of bitcoin and therefore an investment in the Shares.

Currently, there is relatively limited use of bitcoin in the retail and commercial marketplace in comparison to relatively extensive use as a store of value, contributing to price volatility that could adversely affect an investment in the Shares.

Regulatory changes or actions may alter the nature of an investment in bitcoin or restrict the use of bitcoin or the operations of the Bitcoin network or venues on which bitcoin trades. For example, it may become difficult or illegal to acquire, hold, sell or use bitcoin in one or more countries, which could adversely impact the price of bitcoin.

The Trust's returns will not match the performance of bitcoin because the Trust incurs the Sponsor Fee and may incur other expenses.

The Market Price of shares may reflect a discount or premium to NAV.

The price of bitcoin may be impacted by the behaviour of a small number of influential individuals or companies.

Bitcoin faces scaling obstacles that can lead to high fees or slow transaction settlement times, and attempts to increase the volume of transactions may not be effective.

Miners could act in collusion to raise transaction fees, which may affect the usage of the Bitcoin network.

Competition from central bank digital currencies ("CDBC's") and other digital assets could adversely affect the value of bitcoin and other digital assets.

Prices of bitcoin may be affected due to stablecoins, the activities of stablecoin users and their regulatory treatment.

The open-source structure of the Bitcoin network protocol means that certain core developers and other contributors may not be directly compensated for their contributions in maintaining and developing the Bitcoin

network protocol. A failure to properly monitor and upgrade the Bitcoin network protocol could damage the network.

Lack of clarity in the corporate governance of bitcoin may lead to ineffective decision-making that slow development or prevents the Bitcoin network from overcoming important obstacles.

If the award of new bitcoin for solving blocks and transaction fees for recording transactions are not sufficiently high to incentivize miners, miners may reduce or cease processing power to solve blocks which could lead to confirmations on the Bitcoin blockchain being temporarily slowed. Significant delays in transaction confirmations could result in a loss of confidence in the Bitcoin network, which could adversely affect an investment in the Shares.

A temporary or permanent “fork” in the blockchain network could adversely affect an investment in the Shares.

Flaws in the source code of Bitcoin, or flaws in the underlying cryptography, could leave the Bitcoin network vulnerable to a multitude of attack vectors.

A disruption of the internet may affect the use of bitcoin and subsequently the value of the Shares.

Risks of over or under regulation in the digital asset ecosystem could stifle innovation, which could adversely impact the value of the Shares.

Shareholders do not have the protections associated with ownership of Shares in an investment company registered under the Investment Company Act of 1940 (the “1940 Act”) or the protections afforded by the Commodity Exchange Act (the “CEA”).

Future regulations may require the Trust and the Sponsor to become registered, which may cause the Trust to liquidate.

The tax treatment of bitcoin and other digital assets is uncertain and may be adverse, which could adversely affect the value of an investment in the Shares.

Intellectual property rights claims may adversely affect the operation of the Bitcoin network.

The venues through which bitcoin trades are relatively new and may be more exposed to operations problems or failure than trading venues for other assets.

Ownership of bitcoin is pseudonymous, and the supply of accessible bitcoin is unknown. Entities with substantial holdings in bitcoin may engage in large-scale sales or distributions, either on nonmarket terms or in the ordinary course, which could result in a reduction in the price of bitcoin.

The Trust is subject to the risks due to its concentration in a single asset.

Bitcoin spot trading venues are not subject to the same regulatory oversight as traditional equity exchanges.

Bitcoin transactions are irrevocable and stolen or incorrectly transferred bitcoin may be irretrievable. As a result, any incorrectly executed bitcoin transactions could adversely affect an investment in the Trust.

There are risks involved with investing in ETFs, including possible loss of money. Index-based ETFs are not actively managed. Actively managed ETFs do not necessarily seek to replicate the performance of a specified index. Both index-based and actively managed ETFs are subject to risks similar to stocks, including those related to short selling and margin maintenance. Ordinary brokerage commissions apply. The Fund's return may not match the return of the Index. The Fund is subject to certain other risks. Please see the current prospectus for more information regarding the risk associated with an investment in the Fund.

The opinions expressed herein are based on current market conditions and are subject to change without notice. These opinions may differ from those of other Invesco or Galaxy investment professionals.

This does not constitute a recommendation of any investment strategy or product for a particular investor. Investors should consult a financial professional before making any investment decisions.

Shares are not individually redeemable and owners of the Shares may acquire those Shares from the Fund and tender those Shares for redemption to the Fund in Creation Unit aggregations only, typically consisting of 10,000, 20,000, 25,000, 50,000, 80,000, 100,000 or 150,000 Shares.

Invesco Distributors, Inc. is the US distributor for Invesco's retail products and private placements, and Invesco Capital Management LLC is the investment adviser for ETFs. Both entities are indirect, wholly owned subsidiaries of Invesco Ltd.

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