

Blockdaemon's Acquisition of Sepior

Galaxy Investment Banking Served as Exclusive Financial Advisor

Blockdaemon's acquisition of Sepior was on the heels of a rapid consolidation wave in the MPC market, noting the target was one of the remaining reputable providers in terms of size and quality. This transaction marks Blockdaemon's third successful acquisition, stemming from their engagement with Galaxy Digital Partners.

"The ability to properly secure private keys is a cornerstone of the multi-billion dollar institutional crypto finance industry. With this acquisition we are now able to foster the distribution of trust, identity, and privacy of keys at scale."

Konstantin Richter • Blockdaemon CEO

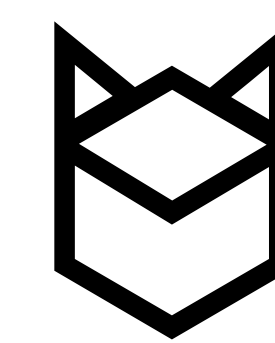
"Integrating advanced MPC into Blockdaemon's portfolio opens up new use cases for our technology that will allow us to serve our customers with even better digital asset security solutions."

Ahmet Tuncay • Sepior CEO



This deal enhances Blockdaemon's customer value proposition and bolsters their strategic roadmap/outlook:

- Adds complementary capabilities like integrated key management that enables auto re-staking and re-bonding.
- Establishes entry into the custody space, offering new institutional-grade custodial and non-custodial solutions.
- Creates cross-sell opportunities from high customer overlap.
- Diversifies top-line performance, given Sepior's subscription model is well-insulated from crypto market dynamics.
- Deepens core principles of risk management and security, offering a complete security-as-a-service product suite.



BLOCKDAEMON



FEBRUARY 2022

Galaxy's Advisory Role

001

Alongside the Blockdaemon management team, GIB identified Sepior, a scarce MPC asset, as an acquisition opportunity through a broad targeting and outreach process.

002

Facilitated inter-management meetings, leveraging Galaxy's deep contact network.

003

Utilized Galaxy's unique crypto sector expertise to perform valuation analyses, and established a foundation to start purchase price negotiations.

004

Structured the transaction to retain and incentivize key management and employees, and drove negotiations on key commercial points.

005

Guided Blockdaemon around third-party interest from potential interlopers, mitigated external interference and maintained key deal objectives.

006

Led and conducted an extensive due diligence and reverse due diligence process.

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