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# Marathon Digital Holdings and Zero Two To Develop and Operate the First Large-Scale Immersion Bitcoin Mining Facilities in Abu Dhabi

FORT LAUDERDALE, Fla., May 09, 2023 (GLOBE NEWSWIRE) -- [Marathon Digital Holdings, Inc. \(NASDAQ:MARA\)](#) ("Marathon" or "Company"), a leader in supporting and securing the Bitcoin ecosystem, and [Zero Two](#) (Registered name FS Innovation), an emerging blockchain and digital assets infrastructure development company focused on accelerating the global digital economy while supporting the power grid of Abu Dhabi, today announced further details regarding the formation of a joint venture (JV) to establish the first large-scale immersion Bitcoin mining operations in the Middle East.

The newly formed Abu Dhabi Global Markets JV Entity (the "ADGM Entity") will initially develop and operate two digital asset mining sites with a combined capacity of 250 megawatts. The larger 200MW site will be located in the sustainability hub of Abu Dhabi, Masdar City, and the 50MW site will be located in the port zone of Mina Zayed. To power the sites, Marathon and Zero Two intend to leverage excess energy in Abu Dhabi, increasing the base load and sustainability of the Abu Dhabi grid. Marathon and Zero Two will offset any non-sustainably produced electricity with clean energy certificates.

The equity ownership in the ADGM Entity will be 80% for Zero Two and 20% for Marathon. During the 2023 development period, capital contributions, in proportion to the equity interest in the ADGM entity, are anticipated to total approximately \$406 million in aggregate. These contributions will consist of both cash and in-kind (i.e., equipment, infrastructure, etc.) amounts. The digital assets mined (i.e., bitcoin) by the ADGM Entity will be distributed twice per month and in accordance with the equity ownership between Zero Two and Marathon, respectively.

Previously, Marathon and Zero Two launched a pilot program to test the efficacy of building a large-scale digital asset mining operation in Abu Dhabi, where the desert climate has historically rendered air-cooled digital asset mining infeasible. To overcome these environmental challenges, Marathon and Zero Two developed a custom-built immersion solution to cool the ASIC miners and implemented proprietary software to optimize their performance. The initial results of the pilot project, which include a significant reduction in the amount of maintenance required for the ASIC miners to effectively produce hash rate, indicate that operating immersion digital asset mining sites in Abu Dhabi is now feasible with the implementation of Marathon's and Zero Two's technological advancements.

The mining equipment and infrastructure required to build each site has already been ordered, and construction of both digital asset mining sites is currently underway. Once

operational, these sites are expected to be among the most technologically advanced and energy-efficient digital asset mining operations globally. Based on the current construction schedules, both sites are expected to come online before the end of 2023, with a combined hash rate of approximately 7 EH/s.

“Our strategic alliance with Marathon marks a significant milestone for the blockchain and digital assets industry in Abu Dhabi,” said Ahmed Al Hameli, Chief Executive Officer of Zero Two. “This alliance leverages Zero Two’s regional expertise, expansive relationships, and growing blockchain infrastructure development and operational capabilities, with Marathon’s technical prowess in developing digital asset sites and innovative mining technologies. These synergies create a powerful combination and lay the groundwork for the success of this pioneering project in the Middle East. Marathon shares our commitment to actively supporting Abu Dhabi’s power grid and developing global digital assets infrastructure. We look forward to working with them on this venture.”

Fred Thiel, Marathon’s chairman and CEO, commented, “Our collaboration with Zero Two is a pivotal moment for Marathon and one that is consistent with our ethos of operating at the forefront of the technology curve and developing innovative technology solutions to advance the Bitcoin mining industry. For this project, our team successfully co-developed and implemented a full immersion solution, as well as developed proprietary mining software from the ground up to provide flexibility, resilience, and optimization. In Zero Two, we have found a valuable collaborator whose expertise in digital asset infrastructure development, and whose relationships in the region are an optimal complement to our team’s unique ability to build and implement innovative technologies. We look forward to working together to build the next-generation Bitcoin mining facilities in Abu Dhabi.”

### **Investor Notice**

Investing in our securities involves a high degree of risk. Before making an investment decision, you should carefully consider the risks, uncertainties and forward-looking statements described under "Risk Factors" in Item 1A of our most recent Annual Report on Form 10-K for the fiscal year ended December 31, 2022, filed with the SEC on March 16, 2023. If any of these risks were to occur, our business, financial condition or results of operations would likely suffer. In that event, the value of our securities could decline, and you could lose part or all of your investment. The risks and uncertainties we describe are not the only ones facing us. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations. In addition, our past financial performance may not be a reliable indicator of future performance, and historical trends should not be used to anticipate results in the future. Future changes in the network-wide mining difficulty rate or digital asset hash rate may also materially affect the future performance of Marathon's production of bitcoin. Additionally, all discussions of financial metrics assume mining difficulty rates as of May 2023. See "Forward-Looking Statements" below.

### **Forward-Looking Statements**

Statements made in this press release include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements can be identified by the use of words such as “may,” “will,” “plan,” “should,” “expect,” “anticipate,” “estimate,” “continue,” or comparable terminology. Such forward-looking statements are inherently subject to certain

risks, trends and uncertainties, many of which the Company cannot predict with accuracy and some of which the Company might not even anticipate and involve factors that may cause actual results to differ materially from those projected or suggested. Readers are cautioned not to place undue reliance on these forward-looking statements and are advised to consider the factors listed above together with the additional factors under the heading “Risk Factors” in the Company's Annual Reports on Form 10-K, as may be supplemented or amended by the Company's Quarterly Reports on Form 10-Q. The Company assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events, new information or otherwise.

### **About Marathon Digital Holdings**

Marathon is a digital asset technology company that focuses on supporting and securing the digital asset ecosystem. The Company is currently in the process of becoming one of the largest and most sustainably powered digital asset mining operations in North America.

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Source: Marathon Digital Holdings, Inc.