

Marathon Patent Group Announces Third Quarter Financial Results

Conference Call Scheduled Today at 4:30 p.m. Eastern Time

LOS ANGELES, CA -- (Marketwired) -- 11/14/16 -- Marathon Patent Group, Inc. (NASDAQ: MARA) ("Marathon" or "Company"), an IP licensing and commercialization company, today announced its operating results for the quarter ended September 30, 2016, as published in its Quarterly Report on Form 10-Q filed today with the Securities and Exchange Commission.

Operating Results for the Quarter Ended Sept 30, 2016 / Subsequent and Other Year to Date Events

- YTD revenue of \$36.5 million for the nine months ended September 30, 2016.
- We generated total revenue of \$43 thousand and \$6.4 million for the three months ended September 30, 2016 and September 30, 2015, respectively.
- Net operating loss was approximately \$10.7 million (including non-cash expenses) for the three months ended September 30, 2016 compared to \$3.1 million for the three months ended September 30, 2015. The net operating loss includes non-cash operating expenses, which primarily relate to share based compensation and amortization and impairment of patents, in the amounts of \$8.1 million and \$3.8 million for the three months ended September 30, 2016 and September 30, 2015, respectively.
- With 15,047,141 shares outstanding, on a per share basis, our GAAP net loss was \$(0.42) per basic and diluted share for the three months ended September 30, 2016, compared to a GAAP net loss of \$(0.15) per basic and diluted share for the three months ended September 30, 2015.
- On a per share basis, our Non-GAAP net loss was \$(0.21) per basic and diluted share for the three months ended September 30, 2016, compared to a Non-GAAP net loss of \$(0.01) per basic and diluted share for the three months ended September 30, 2015.

Doug Croxall, Chief Executive Officer of Marathon, stated, "While pleased with our record year to date revenues, our third quarter was unsurprisingly very light. While there were revenue opportunities, we remain unwilling to compromise what we believe to be reasonable licenses to try and impact a particular quarter. It's for that reason we've always advised that our financial performance should be evaluated on an annual basis, as opposed to quarterly.

Croxall concluded, "As discussed on our previous earnings call, we continue to refocus our revenue generation on licenses that provide a recurring revenue feature. The recurring

revenue may take the form of fixed quarterly or annual payments by licensees to Marathon and should help investors better model future revenue potential."

Conference Call

Marathon will host a corresponding conference call to discuss the results with Chief Executive Officer Doug Croxall and Chief Financial Officer Frank Knuettel II on Monday November 14, 2016 at 4:30 PM ET/1:30 PM PT. To participate in the conference call, investors from the U.S. and Canada should dial (877) 407-4018 ten minutes prior to the scheduled start time. International calls should dial (201) 689-8471.

In addition, the call will be broadcast live over the Internet and can be accessed through the Investor Relations section of the Company's website at www.marathonpg.com. The broadcast will be archived online upon completion of the conference call. A telephonic replay of the conference call will also be available until 11:59 p.m. ET on Monday, November 28, 2016 by dialing (844) 512-2921 in the U.S. and Canada and (412) 317-6671 internationally and entering the pin number: 13649802.

About Marathon Patent Group

Marathon is an IP licensing and commercialization company. The Company acquires and manages IP rights from a variety of sources, including large and small corporations, universities and other IP owners. Marathon has a global focus on IP acquisition and management. The Company's commercialization division is focused on the full commercialization lifecycle which includes discovering opportunities, performing due diligence, providing capital, managing development, protecting and developing IP, assisting in execution of the business plan, and realizing shareholder value. To learn more about Marathon Patent Group, visit www.marathonpg.com.

Safe Harbor Statement

Certain statements in this press release constitute "forward-looking statements" within the meaning of the federal securities laws. Words such as "may," "might," "will," "should," "believe," "expect," "anticipate," "estimate," "continue," "predict," "forecast," "project," "plan," "intend" or similar expressions, or statements regarding intent, belief, or current expectations, are forward-looking statements. While the Company believes these forward-looking statements are reasonable, undue reliance should not be placed on any such forward-looking statements, which are based on information available to us on the date of this release. These forward looking statements are based upon current estimates and assumptions and are subject to various risks and uncertainties, including without limitation those set forth in the Company's filings with the Securities and Exchange Commission (the "SEC"), not limited to Risk Factors relating to its patent business contained therein. Thus, actual results could be materially different. The Company expressly disclaims any obligation to update or alter statements whether as a result of new information, future events or otherwise, except as required by law.

		Septem	ber 30, 2016	De	cember 31, 2015
	ASSETS	(Un	audited)	<u> </u>	(Audited)
Current Assets					
Cash		\$	1,294,950	\$	2,555,151

Accounts receivable - net of allo for September 30, 2016 and De		7,976 and \$375,750	0	81,865		136,842
Bonds posted with courts				980,919		1,748,311
Prepaid expenses and other cur September 30, 2016 and \$3,414		ts of \$2,483 for		153,388		338,598
Total current assets			\$	2,511,122	\$	4,778,902
Other assets:						
Property and equipment, net of \$67,052 for September 30, 201		of \$98,347 and	\$	38,389	\$	61,297
Intangible assets, net of accuming \$15,557,353 for September 30,				19,551,678		25,457,639
Deferred tax assets				11,918,920		12,437,741
Other non current assets, net of September 30, 2016 and Decer		4,831 for		201,031		9,169
Goodwill				4,483,129		4,482,845
Total other assets			\$	36,193,147	\$	42,448,691
Total Assets			\$	38,704,269	\$	47,227,593
LIABILITIES AND	STOCKHOLDERS' EQUIT	Υ				
Current liabilities:	OTOGRATOLDENO EQUIT	•				
Accounts payable and accrued expe	enses		\$	6,054,015	\$	6,534,825
Clouding IP earn out - current portion				, ,		
				110,100		33,646
Notes payable, net of discounts of \$ 2016 and December 31, 2015	818,919 and \$730,945 for	September 30,		11,139,623		10,383,177
Total current liabilities			\$	17,303,738	\$	16,951,648
Long-term liabilities			•	,,.	•	, ,
Notes payable, net of discount of	of \$798.966 and \$1.425.16	7 for September 30				
2016 and December 31, 2015			' \$	6,456,740	\$	12,223,884
Clouding IP earn out				1,082,586		3,281,238
Deferred tax liability				438,709		1,044,997
Revenue share liability				1,000,000		1,000,000
Other long term liability				45,763		50,084
Total long-term liabilities			<u>\$</u>	9,023,798	<u>\$</u> _	17,600,203
Total Liabilities			<u>\$</u>	26,327,536	<u>\$</u> _	34,551,851
Stockholders' Equity:		a46 a a				
Preferred stock Series B, \$.0001 pa 782,004 issued and outstanding at \$ Common stock, \$.0001 par value; 2	September 30, 2016 and D	ecember 31, 2015	\$	78	\$	78
and 14,867,141 at September 30, 2				1,505		1,487
Additional paid-in capital				44,901,535		43,217,513
Accumulated other comprehensive	income (loss)			(959,401)		(1,265,812)
Accumulated deficit				(31,539,066)		(29,277,524)
Total Marathon Patent Grou	up stockholders' equity		<u>\$</u>	12,404,651	<u>\$</u> _	12,675,742
Noncontrolling interests				(27,918)		<u>-</u>
Total Stockholders' Equity			\$	12,376,733	\$	12,675,742
Total liabilities and stockholders' eq	uity		\$	38,704,269	\$	47,227,593
	For The Three	For The Three		For The Nine		For The Nine
	Months Ended	Months Ended		Months Ended		Months Ended
	September 30, 2016	September 30, 2015		September 30, 2016		September 30, 2015
	(Unaudited)	(Unaudited)	_	(Unaudited)		(Unaudited)
Revenues	43,113	6,407,99	97	36,452,551		11,870,851
	10,110	3, 137,00		33, 132,301		,5. 0,00 /
Expenses						

Cost of revenues	1,094,378	4,002,040	19,202,118	12,190,415	
Amortization of patents and website	2,030,886	2,884,269	6,018,196	8,511,730	
Compensation and related taxes	1,252,571	903,685	3,406,841	3,571,817	
Consulting fees	257,420	643,702	903,032	1,869,326	
Professional fees	432,496	882,213	1,336,201	2,230,748	
General and administrative	183,771	177,494	612,284	681,951	
Goodwill impairment	-	-	83,000	-	
Patent impairment	5,531,383	_	6,525,273	766,498	
Total Operating Expenses	10,782,905	9,493,403	38,086,945	29,822,485	
Operating loss	(10,739,792)	(3,085,406)	(1,634,394)	(17,951,634)	
Other income (expenses)				· ·	
Other expense	(37,116)	6,646	(68,647)	14,085	
Foreign exchange gain (loss)	(175,850)	(20,090)	(238,073)		
Change in fair value adjustments	(, ,	(==,===)	(===,===)	(,,	
of Clouding IP earn out	1,954,378	597,047	2,122,208	2,901,348	
Interest Income	931	135	2,793	137	
Interest expense.	(649,065)	(1,078,615)	(2,500,321)	(3,587,238)	
Loss on debt extinguishment	<u>-</u>	(654,000)		(654,000)	
Total Other income (expenses)	1,093,278	(1,148,877)	(682,040)	(1,383,261)	
	<u> </u>		/	/	
Loss before (provision for) benefit					
from income taxes	(9,646,514)	(4,234,283)	(2,316,434)	(19,334,895)	
(Provision for) benefit from income taxes	3,347,909	483,815	26,974	6,300,159	
Net loss	(6,298,605)	(3,750,468)	(2,289,460)	(13,034,736)	
Net loss attributible to noncontrolling interests	24,195	<u>-</u>	27,918		
Net loss attributable to Marathon	-	-			
Patent Group, Inc. common shareholders	(6,274,410)	(3,750,468)	(2,261,542)	(13,034,736)	
Loss per common share:					
Basic and fully diluted	(0.42)	(0.26)	(0.15)	(0.92)	
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:					
Basic and fully diluted	15,047,141	14,376,118	14,944,852	- 14,094,891	
Other comprehensive income (loss)					
Foreign currency translation					
adjustments	209,159	45,628	306,415	(584,706)	
			For The Nine	For The Nine	
			Months Ended	Months Ended	
		Se	eptember 30, 2016	September 30, 2015	
			(Unaudited)	(Unaudited)	
Cash flows from operating activities:					
Net loss attributable to Marathon Patent Adjustments to reconcile net loss to net			(2,261,542)	\$ (13,034,736)	
activities:					
Depreciation			3,780	5,668	
Amortization of patents and website			6,018,196 8,511,73		
Allowance for doubtful accounts			12,226	-	
Deferred tax asset			531,757	(5,579,418)	
Deferred tax liability			(638,268)	(709,280)	

Properties of property 1968 196				
Shock based compensation 1,541,615 1,981,500 Stock issued for services 136,000 1,084,834 Loss on ebel exitinguishment 952,221 1,926,865 Change in fire value of Clouding amout (2,122,198) (2,013,48) Non-controlling interest (20,013,48) (2,013,48) Other non-cash adjustments 96,969 (13,244) Changes in operating assets and liabilities 43,763 (2,109,884) Prepaid expenses and other assets (6,552) 6,958,467 Rocounts receivable 43,763 (2,109,884) Prepaid expenses and other assets (6,553,266) 6,954,467 Net cash provided by (used in) operating activities 11,214,122 (2,221,505) Cash flows from investing activities (3,552,666) 2 Purchase of property, equipment, and other intangible assets (3,552,666) 2 Rocusting provided by (used in) operating activities (3,552,666) 2 Purchase of property, equipment, and other intangible assets (3,552,666) 2 Rocusting provided by (used in) operating activities (2,953,779) (4,200,000) <	Impairment of intangible assets	6,525,273		766,498
Solit Soli	Impairment of goodwill	83,000		-
Descininguishment	Stock based compensation	1,541,615		1,961,505
Non-cash interest, discount, and financing costs	Stock issued for services	136,000		1,084,834
Canage in fair value of Clouding earmout	Loss on debt exstinguishment	-		654,000
Non-controlling interest (27,918) (13,244) Other non-cash adjustments (13,244) Changes in operating assets and liabilities 4,3763 (2,109,984) Accounts receivable 4,3763 (3,109,984) Prepaid expenses and other assets (6,652) 6,0338 Bonds posted with court 883,695 -6,454,467 Net cash provided by (used in) operating activities 11,214,122 (2,921,505) Cash flows from investing activities (3,552,656) -6,222 Purchase of property, equipment, and other intangible assets (8,367) (2,252 Net cash provided by (used in) investing activities (3,552,656) -6,222 Purchase of property, equipment, and other intangible assets (8,367) (2,252 Net cash provided by (used in) investing activities (3,552,656) -6,500,000 Net cash provided by (used in) investing activities (3,552,656) -6,500,000 Net cash provided by (used in) investing activities (2,953,779) (4,200,000 Cash flows from financing activities (2,953,779) (4,200,000 Cash flows from financing activities (3,552,656)	Non-cash interest, discount, and financing costs	952,231		1,926,865
Other non-cash adjustments (13.244) Changes in operating assets and liabilities (2.109,894) Accounts receivable in cerecivable in connection with carry and control spayable and accrued expenses (6,652) 6,0338 Bonds posted with court 883,695 6,0534 6,054,476 Accounts payable and accrued expenses (557,832) 6,454,467 Net cash provided by (used in) operating activities 11,214,122 (2,921,505) Cash flows from investing activities (3,552,656) 2 Acquisition of patents (3,552,656) 2 Purchase of property, equipment, and other intangible assets (8,387) (22,520) Not cash provided by (used in) investing activities (3,552,656) 2 Payment on note payable in connection with the acquisition of Meditech and Orthophoenix (2,953,779) (4,200,000) Payment on note payable in connection with the acquisition of Dynamic Advances (2,953,779) (4,200,000) Payment on note payable in connection with the acquisition of Dynamic Advances (5,579,000) 2 Payment on by payable in connection with the acquisition of Dynamic Advances (5,539,000) 3 Repayment on MR Escrow TLI	Change in fair value of Clouding earnout	(2,122,198)		(2,901,348)
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Changes in operating assets and liabilities 43,763 (2,109,84) Accounts receivable 43,763 (6,562) 60,938 Propaid expenses and other assets (6,562) 60,938 Bonds posted with court 883,695 6.454,467 Net cash provided by (used in) operating activities 11,214,122 (2,925,505) Cash flows from investing activities (3,552,656) 2.25,200 Purchase of property, equipment, and other intangible assets (8,387) (22,520) Net cash provided by (used in) investing activities (3,561,043) (22,520) Payment on note payable in connection with the acquisition of Medlech and Orthophoenix (2,953,779) (4,200,000) Payment on note payable in connection with the acquisition of Sarif (2,953,779) (4,200,000) Payment on note payable in connection with the acquisition of Sarif (2,953,779) (4,200,000) Payment on note payable in connection with the acquisition of Dynamic (2,953,779) (4,200,000) Payment on note payable in connection with the acquisition of Dynamic (2,953,779) (2,624,375) Payment on note payable in connection with the acquisition of Dynamic (3,561,043) (2,624,375)	Other non-cash adjustments	96,996		(13,244)
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Cash received upon issuance of notes payable (5,379,105) 19,600,000 Repayment of notes payable (5,379,105) 1 Cash received upon exercise of warrants - 18,751 Repayment of convertible notes payable - (5,050,000) Payment on note payable (578,804) (42,500) Net cash provided (used in) by financing activities (8,911,688) 1,266,251 Effect of exchange rate changes on cash (1,592) 4,044 Net decrease in cash (1,260,201) (1,673,730) Cash at beginning of period 2,555,151 5,082,568 Cash at end of period 2,555,151 5,082,568 Cash at end of period for: 1,294,950 3,408,839 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: 2 1,660,372 Taxes paid \$ 36,218 54,437 Loan fees \$ 36,218 54,437 Loan fees \$ 115,000 5-2 Cash invested in 3DNano \$ 115,000 \$ -2 Cash invested in PG Technologies \$ 1,000,000 \$ -2 SUPPLEMENTAL DISCLOSURE OF NON-CASH INVES		-		(2,624,375)
Repayment of notes payable (5,379,105) - Cash received upon exercise of warrants - 18,751 Repayment of convertible notes payable - (5,050,000) Payment on note payable (578,804) (42,500) Net cash provided (used in) by financing activities (8,911,688) 1,266,251 Effect of exchange rate changes on cash (1,592) 4,044 Net decrease in cash (1,260,201) (1,673,730) Cash at beginning of period 2,555,151 5,082,569 Cash at end of period \$ 1,294,950 \$ 3,408,839 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: Taxes paid \$ 1,391,567 \$ 1,660,372 Taxes paid \$ 36,218 \$ 54,437 Loan fees \$ 36,218 \$ 54,437 Loan fees \$ 115,000 \$ - Cash invested in 3DNano \$ 115,000 \$ - Cash invested in PG Technologies \$ 1,000,000 \$ - SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING \$ 1,000,000 \$ - Cash invested in roonjunction with note payable \$ - \$ 1,000,000	Payment on MdR Escrow TLI	-		(50,000)
Cash received upon exercise of warrants - 18,751 Repayment of convertible notes payable - (5,050,000) Payment on note payable (578,804) (42,500) Net cash provided (used in) by financing activities (8,911,688) 1,266,251 Effect of exchange rate changes on cash (1,592) 4,044 Net decrease in cash (1,260,201) (1,673,730) Cash at beginning of period 2,555,151 5,082,569 Cash at end of period \$ 1,294,950 \$ 3,408,839 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: Cash paid for: Interest expense \$ 1,391,567 \$ 1,660,372 Taxes paid \$ 36,218 \$ 54,437 Loan fees \$ 115,000 \$ - Cash invested in 3DNano \$ 115,000 \$ - Cash invested in PG Technologies \$ 1,000,000 \$ - SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES: \$ 1,000,000 \$ - Common stock issued in conjunction with note payable \$ - \$ 1,000,000 Warrant issued in conjunction with note payable \$ 1,000,000	Cash received upon issuance of notes payable (net of issuance costs)	-		19,600,000
Cash received upon exercise of warrants - 18,751 Repayment of convertible notes payable - (5,050,000) Payment on note payable (578,804) (42,500) Net cash provided (used in) by financing activities (8,911,688) 1,266,251 Effect of exchange rate changes on cash (1,592) 4,044 Net decrease in cash (1,260,201) (1,673,730) Cash at beginning of period 2,555,151 5,082,569 Cash at end of period 2,555,151 5,082,569 Cash at paid for: SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: Cash paid for: \$ 1,391,567 \$ 1,660,372 Taxes paid \$ 36,218 \$ 54,437 Loan fees \$ 115,000 \$ - Cash invested in 3DNano \$ 115,000 \$ - Cash invested in PG Technologies \$ 1,000,000 \$ - SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES: \$ 1,000,000 \$ 1,000,000 Common stock issued in conjunction with note payable \$ 1,000,000 \$ 318,679 Revenue share liability inc	Repayment of notes payable	(5,379,105)		-
Repayment of convertible notes payable	Cash received upon exercise of warrants	· · · · · · · · · · · · · · · · · · ·		18,751
Net cash provided (used in) by financing activities (8,911,688) 1,266,251 Effect of exchange rate changes on cash (1,592) 4,044 Net decrease in cash (1,260,201) (1,673,730) Cash at beginning of period 2,555,151 5,082,569 Cash at end of period \$ 1,294,950 \$ 3,408,839 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: Taxes paid for: Interest expense \$ 1,391,567 \$ 1,660,372 Taxes paid \$ 36,218 \$ 54,437 Loan fees \$ 36,218 \$ 54,437 Cash invested in 3DNano \$ 115,000 \$ - Cash invested in PG Technologies \$ 1,000,000 \$ - SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES: \$ 1,000,000 \$ - Common stock issued in conjunction with note payable \$ - \$ 1,000,000 Warrant issued in conjunction with note payable \$ - \$ 1,000,000 Revenue share liability incurred in conjunction with note payable \$ - \$ 1,000,000	Repayment of convertible notes payable	-		(5,050,000)
Net cash provided (used in) by financing activities (8,911,688) 1,266,251 Effect of exchange rate changes on cash (1,592) 4,044 Net decrease in cash (1,260,201) (1,673,730) Cash at beginning of period 2,555,151 5,082,569 Cash at end of period \$ 1,294,950 \$ 3,408,839 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: Cash paid for: Interest expense \$ 1,391,567 \$ 1,660,372 Taxes paid \$ 36,218 \$ 54,437 Loan fees \$ 115,000 \$ - Cash invested in 3DNano \$ 115,000 \$ - Cash invested in PG Technologies \$ 1,000,000 \$ - SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES: \$ 1,000,000 \$ - Common stock issued in conjunction with note payable \$ - \$ 1,000,000 Warrant issued in conjunction with note payable \$ - \$ 1,000,000 Revenue share liability incurred in conjunction with note payable \$ - \$ 1,000,000		(578,804)		
Effect of exchange rate changes on cash (1,592) 4,044 Net decrease in cash (1,260,201) (1,673,730) Cash at beginning of period 2,555,151 5,082,569 Cash at end of period \$ 1,294,950 \$ 3,408,839 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: Cash paid for: Interest expense \$ 1,391,567 \$ 1,660,372 Taxes paid \$ 36,218 \$ 54,437 Loan fees \$ 115,000 \$ - Cash invested in 3DNano \$ 115,000 \$ - Cash invested in PG Technologies \$ 1,000,000 \$ - SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES: \$ 1,000,000 \$ 1,000,000 Common stock issued in conjunction with note payable \$ - \$ 318,679 Warrant issued in conjunction with note payable \$ - \$ 318,679 Revenue share liability incurred in conjunction with note payable \$ 1,000,000	Net cash provided (used in) by financing activities	(8,911,688)		
Cash at beginning of period 2,555,151 5,082,569 Cash at end of period \$ 1,294,950 \$ 3,408,839 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: Cash paid for: Interest expense \$ 1,391,567 \$ 1,660,372 Taxes paid \$ 36,218 \$ 54,437 Loan fees \$ 1,500,000 \$ - Cash invested in 3DNano \$ 115,000 \$ - Cash invested in PG Technologies \$ 1,000,000 \$ - SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES: \$ 1,000,000 \$ - Common stock issued in conjunction with note payable \$ - \$ 1,000,000 Warrant issued in conjunction with note payable \$ - \$ 318,679 Revenue share liability incurred in conjunction with note payable \$ - \$ 1,000,000			_	
Cash at beginning of period 2,555,151 5,082,569 Cash at end of period \$ 1,294,950 \$ 3,408,839 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: Cash paid for: Interest expense \$ 1,391,567 \$ 1,660,372 Taxes paid \$ 36,218 \$ 54,437 Loan fees \$ 1,500,000 \$ - Cash invested in 3DNano \$ 115,000 \$ - Cash invested in PG Technologies \$ 1,000,000 \$ - SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES: \$ 1,000,000 \$ - Common stock issued in conjunction with note payable \$ - \$ 1,000,000 Warrant issued in conjunction with note payable \$ - \$ 318,679 Revenue share liability incurred in conjunction with note payable \$ - \$ 1,000,000	Net decrease in cash	(1 260 201)		(1.673.730.)
Cash at end of period \$ 1,294,950 \$ 3,408,839 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		,		,
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: Cash paid for: \$ 1,391,567 \$ 1,660,372 Interest expense \$ 36,218 \$ 54,437 Taxes paid \$ 36,218 \$ 54,437 Loan fees \$ - \$ 400,000 Cash invested in 3DNano \$ 115,000 \$ - Cash invested in PG Technologies \$ 1,000,000 \$ - SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES: \$ 1,000,000 \$ - Common stock issued in conjunction with note payable \$ - \$ 1,000,000 Warrant issued in conjunction with note payable \$ - \$ 318,679 Revenue share liability incurred in conjunction with note payable \$ - \$ 1,000,000	Cash at beginning of period	2,555,151		5,082,569
Cash paid for: Interest expense \$ 1,391,567 \$ 1,660,372 Taxes paid \$ 36,218 \$ 54,437 Loan fees \$ - \$ 400,000 Cash invested in 3DNano \$ 115,000 \$ - Cash invested in PG Technologies \$ 1,000,000 \$ - SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES: \$ 1,000,000 \$ - Common stock issued in conjunction with note payable \$ - \$ 1,000,000 Warrant issued in conjunction with note payable \$ - \$ 318,679 Revenue share liability incurred in conjunction with note payable \$ - \$ 1,000,000	Cash at end of period	\$ 1,294,950	\$	3,408,839
Interest expense	SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Interest expense \$ 1,391,567 \$ 1,660,372 Taxes paid \$ 36,218 \$ 54,437 Loan fees \$ - \$ 400,000 Cash invested in 3DNano \$ 115,000 \$ - Cash invested in PG Technologies \$ 1,000,000 \$ - SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES: \$ 1,000,000 \$ 1,000,000 Common stock issued in conjunction with note payable \$ - \$ 1,000,000 Warrant issued in conjunction with note payable \$ - \$ 318,679 Revenue share liability incurred in conjunction with note payable \$ - \$ 1,000,000	Cash paid for:			
Taxes paid \$ 36,218 \$ 54,437 Loan fees \$ - \$ 400,000 Cash invested in 3DNano \$ 115,000 \$ - Cash invested in PG Technologies \$ 1,000,000 \$ - SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES: Common stock issued in conjunction with note payable \$ - \$ 1,000,000 Warrant issued in conjunction with note payable \$ - \$ 318,679 Revenue share liability incurred in conjunction with note payable \$ - \$ 1,000,000		\$ 1,391,567	\$	1,660,372
Loan fees \$ - \$ 400,000 Cash invested in 3DNano \$ 115,000 \$ - Cash invested in PG Technologies \$ 1,000,000 \$ - SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES: Common stock issued in conjunction with note payable \$ - \$ 1,000,000 Warrant issued in conjunction with note payable \$ - \$ 318,679 Revenue share liability incurred in conjunction with note payable \$ - \$ 1,000,000				54.437
Cash invested in 3DNano \$ 115,000 \$ - Cash invested in PG Technologies \$ 1,000,000 \$ - SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES: Common stock issued in conjunction with note payable \$ - \$ 1,000,000 Warrant issued in conjunction with note payable \$ - \$ 318,679 Revenue share liability incurred in conjunction with note payable \$ - \$ 1,000,000				
Cash invested in PG Technologies \$ 1,000,000 \$ - SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES: Common stock issued in conjunction with note payable \$ - \$ 1,000,000 Warrant issued in conjunction with note payable \$ - \$ 318,679 Revenue share liability incurred in conjunction with note payable \$ - \$ 1,000,000			=	400,000
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES: Common stock issued in conjunction with note payable Warrant issued in conjunction with note payable Revenue share liability incurred in conjunction with note payable \$ - \$ 1,000,000 \$ 1,000,000	Cash invested in 3DNano	<u>\$</u> 115,000		<u>-</u>
ACTIVITIES: Common stock issued in conjunction with note payable Warrant issued in conjunction with note payable Revenue share liability incurred in conjunction with note payable \$ - \$ 1,000,000 \$ 1,000,000	Cash invested in PG Technologies	\$ 1,000,000	\$	
Warrant issued in conjunction with note payable Revenue share liability incurred in conjunction with note payable \$ - \$ 318,679 \$ 1,000,000		3		
Warrant issued in conjunction with note payable Sevenue share liability incurred in conjunction with note payable Sevenue share liability incurred in conjunction with note payable Sevenue share liability incurred in conjunction with note payable Sevenue share liability incurred in conjunction with note payable	Common stock issued in conjunction with note payable	\$ -	\$	1,000,000
Revenue share liability incurred in conjunction with note payable \$ - \$ 1,000,000	Warrant issued in conjunction with note pavable		\$	318.679
= 		=======	===	
Note payable issuance in conjunction with the acquisition of GE patent \$\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\		=====		1,000,000
	Note payable issuance in conjunction with the acquisition of GE patent	<u>\$</u> 1,000,000	<u>\$</u>	<u> </u>

Non-cash interest increase in debt assumed in the Orthophoenix acquisition	\$ 	\$ 750,000
Note payable issuance in conjunction with the acquisition of BATO patent	\$ -	\$ 10,000,000
Note payable issuance in conjunction with the acquisition of Seimens patent	\$ 1,755,635	\$ -
Note payable issuance in conjunction with the acquisition of 3Dnano Liscense	\$ 200,000	\$ -
Conversion from AP to NP	\$ -	\$ 705,093

	Non-GAAP Reconciliation					
	For the Three Months Ended September 30, 2016	For the Three Months Ended September 30, 2015	For the Nine Months Ended September 30, 2016	For the Nine Months Ended September 30, 2015		
Net income (loss) attributable to Marathon Patent Group, Inc. common shareholders Non-GAAP	(6,274,410)	(3,750,468)	(2,261,542)	(13,034,736)		
Amortization of intangible assets	2,030,886	2,884,269	6,018,196	8,511,730		
Equity-based compensation	478,819	901,446	1,677,616	3,111,498		
Impairment of Intellectual Property	5,531,383	-	6,608,273	766,498		
Change in Earn Out Liability	(1,954,378)	(597,047)	(2,122,208)	(2,901,348)		
Non-cash interest expense	288,049	301,544	952,231	1,926,866		
Deferred tax (benefit) / Tax expense	(3,347,909)	(483,815)	(26,974)	(6,300,159)		
Loss on note payable	-	654,000	-	654,000		
Clawback on Medtronic debt	-	-	-	750,000		
Other	12,468	1,631	28,448	14,458		
Non-GAAP net income (loss)	(3,235,092)	(88,440)	10,874,040	(6,501,193)		
Weighted average common shares outstanding:						
Basic	15,047,141	14,376,118	14,944,852	14,094,891		
Fully diluted	15,047,141	14,376,118	15,984,269	14,094,891		
Non-GAAP net income (loss) per common share - basic and diluted						
Basic	\$ (0.21)	\$ (0.01)	\$ 0.73	\$ (0.46)		
Fully diluted	\$ (0.21)	\$ (0.01)	\$ 0.68	\$ (0.46)		

Marathon Patent Group Jason Assad 678-570-6791 Email Contact

Source: Marathon Patent Group