

Frequently Asked Questions about Marathon's \$179 Million Acquisition of Two Bitcoin Mining Sites

CONTEXT

On December 19, 2023, Marathon announced that the Company had entered into a definitive purchase agreement to acquire two currently operational Bitcoin mining sites, totaling 390 megawatts of capacity, for a total of \$178.6 million, or \$458,000 per megawatt, to be paid in cash from Marathon's balance sheet.

Below are some frequently asked questions (FAQ) and answers related to this announcement.

What is Marathon purchasing?

- Two currently operational Bitcoin mining sites – one in Granbury, Texas and one in Kearney, Nebraska
- Granbury, Texas is a 290 MW data center
- Kearney, Nebraska is a 100 MW data center

How much is Marathon paying for these sites, and how will the company pay for them? Will this transaction be dilutive?

- \$178.6 million dollars for 390 megawatts of capacity, or \$458,000 per megawatt
- Marathon will pay for the transaction with cash from its balance sheet. The Company is not issuing new shares or debt to pay for these sites.

When is the deal expected to close?

- January 2024

Why did Marathon purchase these sites? What is the strategic importance of this transaction?

- Access to infrastructure – room to grow
 - Today, infrastructure (Bitcoin mining data centers) is scarcer than hardware (Bitcoin miners) at enterprise level scale. Marathon believes it is strategically important and economically beneficial to procure infrastructure today, so that the Company has ample room to grow in the future.

- Access to power – reducing costs & improving resiliency
 - Part of Marathon’s 2023 strategy has been to optimize its operations – to improve efficiency and reduce costs. With this acquisition, Marathon expects to reduce its power cost at the site to approximately \$0.04 per kWh.
 - By owning the site, the Company can function as a load balancer for the Texas grid and directly participate in demand response programs.

How does this transaction benefit Marathon operationally and financially?

- Operationally
- Provides Marathon with the potential to double its current operational hash rate to 50 EH/s over the next 18-24 months
 - Increases Marathon’s Bitcoin mining portfolio 56% from 584 megawatts of capacity to 910 megawatts of capacity
 - Improves Marathon’s control over its global operations by increasing site ownership from 3% to 45%
- Financially
 - Boosts baseline 2024 revenue by over 50%
 - Increases gross margin by over 400 basis points
 - Reduces Marathon’s current cost of operations at this site by 30%

How can I learn more about this transaction?

- Press release issued December 19, 2023: [LINK](#)
- Presentation, published December 19, 2023: [LINK](#)
- Webcast, recorded December 19, 2023: [LINK](#)
- All assets can be found at ir.mara.com