



# Marathon Digital Holdings Announces Bitcoin Production and Mining Operation Updates for January 2023

- *Produced a Record 687 BTC in January 2023, 45% Increase from the Prior Month*
- *Increased Unrestricted Cash to \$133.8 Million and Increased Unrestricted Bitcoin Holdings to 8,090 BTC as of January 31*

FORT LAUDERDALE, Fla., Feb. 02, 2023 (GLOBE NEWSWIRE) -- [Marathon Digital Holdings, Inc. \(NASDAQ:MARA\)](#) ("Marathon" or "Company"), a leader in supporting and securing the Bitcoin ecosystem, today published unaudited bitcoin ("BTC") production and miner installation updates for January 2023.

## Management Commentary

"We started the year by producing a record 687 bitcoin in January 2023, which is a 45% increase from the 475 bitcoin we produced in December 2022," said Fred Thiel, Marathon's chairman and CEO. "The improvement in our bitcoin production was primarily a result of our team's ability to work in tandem with the new hosting provider in McCamey, Texas, to address the maintenance and technical issues at the King Mountain data center that had suppressed our bitcoin production in the fourth quarter of 2022. We believe the improvements in our operational efficiency, along with the proactive measures we have taken to strengthen our balance sheet, have placed Marathon in a strong position to achieve our growth and operational targets in 2023.

"With bitcoin production increasing and becoming more consistent, we made the strategic decision to sell some of our bitcoin, as previously planned, to cover some of our operating expenses and for general corporate purposes. We intend to continue to sell a portion of our bitcoin holdings in 2023 to fund monthly operating costs. Even with these sales, our unrestricted bitcoin holdings increased from 7,815 bitcoin as of December 31, 2022, to 8,090 bitcoin as of January 31, 2023, as our production improved and the appreciation in bitcoin's price in January reduced the amount of bitcoin we had posted as collateral. Additionally, we ended the month with \$133.8 million in unrestricted cash on hand.

"As we look ahead, our focus for the year is to energize more miners and to optimize their performance. We remain confident in our ability to scale Marathon into one of the largest and most energy efficient Bitcoin mining operations globally by installing approximately 23 exahashes of computing power near the middle of 2023."

## Operational Highlights and Updates

*Figure 1: Operational Highlights*

Metric	Year-Over-Year Comparison			Prior Month Comparison		
	1/31/2023	1/31/2022	% Δ	1/31/2023	12/31/2022	% Δ
<b>BTC Produced</b>	687	462	49%	687	475	45%
<b>Avg. BTC Produced per Day</b>	22.1	14.9	49%	22.1	15.3	45%
<b>Operational/Energized Hash Rate (EH/s)<sup>1</sup></b>	7.3	3.6	103%	7.3	7.0	4%
<b>Installed Hash Rate (EH/s)<sup>2</sup></b>	11.0	3.6	206%	11.0	9.1	21%

1. Defined as the amount of hash rate that could theoretically be generated if all mining servers that have been operational/energized are currently in operation (includes mining servers that are temporarily offline for maintenance or similar reasons). Hash rates are estimates based on the manufacturers' specifications. All figures are rounded.

2. Defined as the sum of operational/energized hash rate (see above) and hash rate that has been installed but is not yet energized (e.g., mining servers are in containers but not energized). Hash rates are estimates based on the manufacturers' specifications. All figures are rounded.

According to the latest information made publicly available, energization of Applied Digital's facilities in Garden City, Texas, and Ellendale, North Dakota, are expected to commence during the first quarter of 2023. In Garden City, TX, approximately 26,700 of Marathon's S19 XPs (c. 3.7 EH/s) have already been installed.

In January, 2,100 of Marathon's S19 XPs (c. 0.3 EH/s) were energized at the Jamestown facility. As a result, the Company's operating fleet increased to approximately 71,000 Bitcoin servers, theoretically capable of producing approximately 7.3 EH/s as of February 1, 2023, according to the manufacturer's specifications. The Company expects the full energization of the 33 megawatts contracted for at the Jamestown site to occur in the first quarter of 2023, bringing an additional 8,900 S19 XPs (c. 1.2 EH/s) online.

Once all of Marathon's previously purchased miners are installed, approximately 66% of the Company's hash rate is expected to be generated by S19 XPs, which are approximately 30% more energy efficient than the prior generation of mining servers. The Company still expects to have approximately 23 EH/s of capacity installed near the middle of 2023.

## Financial Highlights and Updates

Figure 3: Financial Highlights

### Financial Highlights

Metric	Year-Over-Year Comparison			Prior Month Comparison		
	1/31/2023	1/31/2022	% Δ	1/31/2023	12/31/2022	% Δ
<b>Total Cash, Cash Equivalents, &amp; Restricted Cash (\$, in millions)</b>	142.6	189.1	-25%	142.6	112.5	27%
Unrestricted Cash	133.8	189.1	-29%	133.8	103.7	29%
Restricted Cash	8.8	0.0	NA	8.8	8.8	0%
<b>Total BTC Holdings (in whole numbers)</b>	11,418	8,595	33%	11,418	12,232	-7%
Unrestricted BTC Holdings	8,090	8,595	-6%	8,090	7,815	4%
Restricted BTC Holdings	3,328	0	NA	3,328	4,417	-25%

Note: All cash figures are presented in millions; all bitcoin ("BTC") figures are presented as whole numbers.

In prior press releases and earnings calls, Marathon has indicated that the Company intends to sell a portion of its bitcoin holdings to cover operational expenses as production begins to ramp. With production improving, Marathon opted to sell 1,500 BTC during January 2023. As a result, Marathon holds a total of 11,418 BTC, of which approximately 8,090 BTC (c. \$187.2 million) are unrestricted, as of January 31, 2023. Marathon may continue to sell a portion of

its bitcoin holdings in future periods to support monthly operations, manage its treasury, or for general corporate purposes. The Company ended the month with \$133.8 million in unrestricted cash on hand.

### **Additional Operational Updates**

On January 27, 2023, Marathon Digital Holdings, Inc. (the “Company”) and FS Innovation, LLC (“FSI”) entered into a Shareholders’ Agreement (the “Agreement”) regarding the formation of an Abu Dhabi Global Markets company (the “ADGM Entity”), whose purpose shall be to jointly (a) establish and operate one or more mining facilities for digital assets; and (b) mine digital assets (collectively, the “Business”). The initial project by the ADGM Entity shall consist of two digital asset mining sites comprising 250 MW in Abu Dhabi, and the initial equity ownership in the ADGM Entity shall be 80% FSI and 20% the Company. For more information, see the 8-K filed on January 27, 2023, which can be accessed at Marathon’s [investor relations website](#).

### **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, 2021, filed with the SEC on March 10, 2022. 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 Bitcoin 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 February 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

Bitcoin ecosystem. The Company is currently in the process of becoming one of the largest and most sustainably powered Bitcoin mining operations in North America, while remaining asset light.

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