November 12, 2020

Marathon Patent Group Announces 2020 Fiscal Third Quarter Financial Results

- **Year Over Year Quarterly Revenues Increase 160%**
- **Strengthened Balance Sheet with Current Cash of $27.1M**
- **Since May 1, 2020, Company has Invested $72M to Grow Mining Operations**

LAS VEGAS, Nov. 12, 2020 (GLOBE NEWSWIRE) -- Marathon Patent Group, Inc. (NASDAQ:**MARA**) ("Marathon" or "Company"), the largest publicly traded Bitcoin self-mining company in North America, today announced its operating results for the three months and nine month periods ended September 30, 2020, as published in its Form 10-Q filed today with the Securities and Exchange Commission.

Recent Financial Highlights

- Reported revenues of $835,184 and $1.7 million during the three and nine months ended September 30, 2020 as compared to $321,716 and $908,175 during the three and nine months ended September 30, 2019. For the three and nine months ended September 30, 2020, this represented an increase of $513,468 or 160% and an increase of $805,657 or 89% over the same period in 2019.

- Operating loss was approximately $2.0 million and $4.9 million for the three and nine months ended September 30, 2020 and operating loss of $807,859 and $2.5 million for the three and nine months ended September 30, 2019.

- Per share net loss was $(0.06) and $(0.28) per basic and diluted share for the three and nine months ended September 30, 2020 compared to $(0.12) and $(0.37) in the three and nine month periods ended September 30, 2019.

- Cash used in operations was $1.4 million and $3.4 million during the three months and nine months ended September 30, 2020, respectively.

- The Company had approximately $17.3 million of cash and cash equivalents as of September 30, 2020. Today, the Company has approximately $27.1 million of cash and cash equivalents.

Marathon's Chief Financial Officer, Sim Salzman, commented, "We are pleased to announce sizeable year over year revenue growth of 160% and 89% respectively in the three and nine-month periods. During the quarter, the Company was able to enter into favorable purchase agreements with Bitmain that allowed for the material improvement in its current and future financial position. We look forward to continuing our aggressive growth trajectory, while taking advantage of recently executed long term agreements with fixed pricing regardless of

increased bitcoin pricing.”

Recent Operational Highlights

- Completed $6.9 Million upsized underwritten public offering of common stock
- Purchased 700 next generation M31S+ ASIC Miners
- Entered into a long-term purchase contract with Bitmain for the purchase of 10,500 next generation Antminer S-19 Pro ASIC Miners
- Engaged Gateway to lead expanded investor relations program
- Entered into joint venture with Beowulf Energy for 105-Megawatt bitcoin mining data center
- Named Simeon Salzman as Chief Financial Officer
- Purchased an additional 10,000 next generation Antminer S-19 Pro ASIC Miners
- Materially strengthened balance sheet

Merrick Okamoto, Chief Executive Officer, stated, “Our third quarter represents the single most productive quarter in company history and since I took over the CEO role. While we reported record quarterly mining revenues, the majority of the fundamental improvements made to our business in the quarter are not represented in the current filing.

“With only 2,060 miners in operation in September when Bitcoin was trading at $10,000, the company generated $650,000 in Bitcoin revenue, our largest quarterly Bitcoin revenue in history. By the end of the 2nd quarter in 2021, we will have 23,560 miners deployed which equates to a greater than 1100% increase in mining capacity. At current Bitcoin prices, our deployment of new miners has the potential to produce more than an 11 fold increase in our monthly revenue as compared to our September 2020 revenue production.”

About Marathon Patent Group

Marathon is a digital asset technology company that mines cryptocurrencies, with a focus on the blockchain ecosystem and the generation of digital assets.

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, 2019. 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. Lastly, with the current worldwide situation caused by COVID-19, there can be no assurances as to when we may see any recovery in the bitcoin market, and if so, whether any recovery might be significant.

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.

Marathon Patent Group Company Contact:

Jason Assad
Telephone: 678-570-6791
Email: **Jason@marathonpg.com**

Marathon Patent Group Investor Contact:

Gateway Investor Relations
Matt Glover and Charlie Schumacher
Telephone: 949-574-3860
Email: **MARA@gatewayir.com**

MARATHON PATENT GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
(Unaudited)

	September 30, 2020 (Unaudited)	December 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 17,252,110	$ 692,963
Digital currencies	451,889	1,141
Deposit	13,269,670	-
Prepaid expenses and other current assets	627,552	800,024
Total current assets	31,601,221	1,494,128

Other assets:		
Property and equipment, net of accumulated depreciation and impairment charges of $7,507,970 and $6,157,786 for September 30, 2020 and December 31, 2019, respectively	4,682,293	3,754,969
Right-of-use assets	224,954	297,287
Intangible assets, net of accumulated amortization of $189,804 and $136,422 for September 30, 2020 and December 31, 2019, respectively	1,020,196	1,073,578
Total other assets	5,927,443	5,125,834
TOTAL ASSETS	**$ 37,528,664**	**$ 6,619,962**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 1,010,188	$ 1,238,197
Mining servers payable	-	513,700
Current portion of lease liability	93,197	87,959
Warrant liability	31,500	12,849
Total current liabilities	1,134,885	1,852,705
Long-term liabilities		
Convertible notes payable	-	999,106
Note payable	62,500	-
Lease liability	44,361	120,479
Total long-term liabilities	106,861	1,119,585
Total liabilities	1,241,746	2,972,290
Commitments and Contingencies		
Stockholders' Equity:		
Preferred stock, $0.0001 par value, 50,000,000 shares authorized, no shares issued and outstanding at September 30, 2020 and December 31, 2019, respectively	-	-
Common stock, $0.0001 par value; 200,000,000 shares authorized; 38,962,432 and 8,458,781 issued and outstanding at September 30, 2020 and December 31, 2019, respectively	3,897	846
Additional paid-in capital	147,554,790	109,705,051
Accumulated other comprehensive loss	(450,719)	(450,719)
Accumulated deficit	(110,821,050)	(105,607,506)
Total stockholders' equity	36,286,918	3,647,672
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 37,528,664**	**$ 6,619,962**

MARATHON PATENT GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2020	**2019**	**2020**	**2019**
Revenues				
Cryptocurrency mining revenue	$ 835,184	$ 321,716	$ 1,713,832	$ 908,175
Total revenues	835,184	321,716	1,713,832	908,175
Operating costs and expenses				
Cost of revenue	1,636,046	478,811	3,529,770	1,486,039
Compensation and related taxes	614,604	409,609	1,908,741	1,224,900
Consulting fees	259,563	34,000	325,688	84,000
Professional fees	206,368	91,908	515,562	287,282
General and administrative	112,800	115,247	311,303	359,319
Total operating expenses	2,829,381	1,129,575	6,591,064	3,441,540

Operating loss	(1,994,197)	(807,859)	(4,877,232)	(2,533,365)
Other income (expenses)				
Other income	7,983	300	114,391	181,195
Foreign exchange loss	-	-	-	(11,873)
Loss on conversion of note	-	-	(364,832)	-
Realized gain (loss) on sale of digital currencies	11,206	(11,236)	15,466	13,208
Change in fair value of warrant liability	(21,875)	68,551	(18,651)	(7,753)
Change in fair value of mining payable	-	-	(66,547)	-
Interest income	2,466	8,428	4,845	30,802
Interest expense	-	(12,591)	(20,984)	(37,363)
Total other (expenses) income	(220)	53,452	(336,312)	168,216
Loss before income taxes	$ (1,994,417)	$ (754,407)	$ (5,213,544)	$ (2,365,149)
Income tax expense	-	-	-	-
Net loss	$ (1,994,417)	$ (754,407)	$ (5,213,544)	$ (2,365,149)
Net loss per share, basic and diluted:	$ (0.06)	$ (0.12)	$ (0.28)	$ (0.37)
Weighted average shares outstanding, basic and diluted:	31,520,736	6,372,061	18,868,967	6,353,643
Net loss	$ (1,994,417)	$ (754,407)	$ (5,213,544)	$ (2,365,149)
Other comprehensive income:				
Unrealized gain on foreign currency translation	-	-	-	-
Comprehensive loss attributable to Marathon Patent Group, Inc.	$ (1,994,417)	$ (754,407)	$ (5,213,544)	$ (2,365,149)

MARATHON PATENT GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF STOCKHOLDERS' EQUITY

	Preferred Stock		Common Stock					
	Number	Amount	Number	Amount	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
Balance as of December 31, 2019	**-**	**$ -**	**8,458,781**	**$ 846**	**$109,705,051**	**$(105,607,506)**	**$ (450,719)**	**$ 3,647,672**
Stock based compensation	-	-	2,745,639	275	1,031,924	-	-	1,032,199
Issuance of common stock, net of offering costs/At-the-market offering	-	-	17,712,635	1,771	28,791,211	-	-	28,792,982
Common stock issued for purchase of mining servers	-	-	350,250	35	171,587	-	-	171,622
Common stock issued for note conversion	-	-	2,023,739	202	1,578,872	-	-	1,579,074
Issue common stock and warrant for cash	-	-	7,666,666	767	6,270,833	-	-	6,271,600
Warrant exercised for cash	-	-	4,722	1	5,312	-	-	5,313
Net loss	-	-	-	-	-	(5,213,544)	-	(5,213,544)
Balance as of September 30, 2020	**-**	**$ -**	**38,962,432**	**$ 3,897**	**$147,554,790**	**$(110,821,050)**	**$ (450,719)**	**$ 36,286,918**

	Preferred Stock		Common Stock					
							Accumulated	

	Number	Amount	Number	Amount	Additional Paid-in Capital	Accumulated Deficit	Other Comprehensive Income (Loss)	Total Stockholders' Equity
Balance as of June 30, 2020	**-**	**$ -**	**24,526,302**	**$ 2,453**	**$118,933,134**	**$(108,826,633)**	**$ (450,719)**	**$ 9,658,235**
Stock based compensation	-	-	-	-	360,211	-	-	360,211
Issuance of common stock, net of offering costs/At-the-market offering	-	-	6,764,742	676	21,985,300	-	-	21,985,976
Issue common stock and warrant for cash	-	-	7,666,666	767	6,270,833	-	-	6,271,600
Warrant exercised for cash	-	-	4,722	1	5,312	-	-	5,313
Net loss	-	-	-	-	-	(1,994,417)	-	(1,994,417)
Balance as of September 30, 2020	**-**	**$ -**	**38,962,432**	**$ 3,897**	**$147,554,790**	**$(110,821,050)**	**$ (450,719)**	**$ 36,286,918**

MARATHON PATENT GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Nine Months Ended September 30,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (5,213,544)	$ (2,365,149)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	1,797,959	412,083
Amortization of patents and website	53,382	53,382
Realized gain (loss) on sale of digital currencies	(15,466)	(13,208)
Change in fair value of warrant liability	18,651	7,753
Change in fair value of mining payable	66,547	-
Stock based compensation	1,032,199	620,030
Amortization of right-of-use assets	72,332	67,602
Changes in operating assets and liabilities:		
Accounts receivables	-	-
Digital currencies	(1,713,832)	(908,175)
Lease liability	(70,880)	(66,707)
Prepaid expenses and other assets	172,472	154,930
Accounts payable and accrued expenses	351,960	(163,822)
Net cash used in operating activities	(3,448,220)	(2,201,281)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of digital currencies	1,278,550	918,502
Purchase of property and equipment	(3,133,908)	(5,224)
Deposit for purchase of the miners	(13,269,670)	-
Net cash (used in) provided by investing activities	(15,125,028)	913,278
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds received on issuance of notes payable	62,500	-
Proceeds from issuance of common stock/At-the-market offering	29,756,736	83,453
Offering costs for the issuance of common stock/At-the-market offering	(963,754)	(3,636)
Proceeds from issuance of common stock and warrant, net	6,271,600	-
Proceeds received on exercise of warrants	5,313	-
Net cash provided by financing activities	35,132,395	79,817
Net increase (decrease) in cash and cash equivalents	16,559,147	(1,208,186)
Cash and cash equivalents — beginning of period	692,963	2,551,171
Cash and cash equivalents — end of period	$ 17,252,110	$ 1,342,985

Supplemental schedule of non-cash investing and financing activities:

Par value adjustment due to reverse split	$	-	$	1
Common stock issued for purchase of mining servers	$	171,622	$	2,233,773
Mining servers payable	$	-	$	1,852,477
Reduction of share commitment for purchase of mining servers	$	408,625	$	-
Common stock issued for note conversion	$	1,579,074	$	-



Source: Marathon Patent Group, Inc.