October 6, 2022

Marathon Digital Holdings Announces Bitcoin Production and Mining Operation Updates for September 2022

- *Produced 360 BTC in September 2022 and 616 BTC in Q3 2022*
- *Total Bitcoin Holdings Increased to 10,670 BTC with a fair market value of $207.3 Million*
- *Current Operations and Energization at King Mountain Wind Farm Continue in Line with Previous Expectations*

LAS VEGAS, Oct. 06, 2022 (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 September 2022.

Management Commentary

"During the third quarter, we sequentially improved our bitcoin production as we successfully transitioned out of our facility in Montana and continued scaling operations at new locations, including the King Mountain wind farm in Texas," said Fred Thiel, Marathon's chairman and CEO. "This progress has continued into the first week of October with approximately 19,000 additional miners, representing approximately 2.0 exahashes per second, coming online since the quarter's end. As of today, Marathon's active fleet currently consists of approximately 57,000 active miners, representing approximately 5.7 exahashes per second. We expect to continue building our hash rate in the fourth quarter as approximately 19,000 additional miners, representing approximately 2.0 exahashes per second, are expected to come online in the next 30 days.

"Our operations at the King Mountain wind farm, among others, are hosted by Compute North, who recently initiated Chapter 11 bankruptcy proceedings. Compute North has been a supportive partner, and we respect this voluntary step to stabilize their business. Based on the information available today, we do not anticipate these proceedings impacting our current operations or our ability to achieve our primary target of 23 exahashes per second in 2023. We are in active discussions with Compute North's management and intend to closely monitor the progress of their proceedings. While we expect operations to continue as originally anticipated, our asset light model provides us with the optionality to relocate our miners to other locations, should the need arise. We believe this agility is a particularly valuable strategic advantage we maintain given current market conditions."

Recent Highlights

- Produced 616 BTC in Q3 2022. As the Company successfully transitioned out of its facility in Hardin, MT and began scaling operations at new facilities, bitcoin production

during the quarter improved sequentially as follows:
    - July 2022: 72 BTC
    - August 2022: 184 BTC
    - September 2022: 360 BTC
- As of September 30, operating mining fleet consisted of approximately 37,000 active miners, producing approximately 3.8 EH/s, after approximately 3,000 miners (c. 0.3 EH/s) were successfully energized during September 2022
- As of October 5, operating mining fleet consisted of approximately 57,000 active miners, producing approximately 5.7 EH/s, after approximately 19,000 additional miners (c. 2.0 EH/s) were energized subsequent to the quarter's end
- Year-to-date through September 30, 2022, produced 2,582 BTC, a 23% increase over the same time period in the prior year
- Benefitted from a downward market price adjustment for the S19 XPs set to ship in October; benefits from price adjustments expected to continue as additional XPs are shipped in November and December
- Total bitcoin holdings increased to 10,670 BTC with a fair market value of approximately $207.3 million as of September 30, 2022
- Unrestricted bitcoin holdings were approximately 6,841 BTC with a fair market value of approximately $132.9 million
- Unrestricted cash on hand was approximately $55.3 million at September 30, 2022
- Successfully completed the exit from Hardin, MT facility on schedule with all Hardin miners resold or redeployed. Proceeds from the sales of Hardin miners totaled approximately $47.5 million

Compute North Bankruptcy Updates
On September 22, 2022, Compute North LLC ("Compute North"), one of Marathon's hosting providers, filed for restructuring under Chapter 11 of the U.S. Bankruptcy Code. The bulk of the Company's current operations are hosted by a Compute North / NextEra Joint Venture in McCamey, TX ("King Mountain"). The Company also has operations hosted by Compute North in Granbury, TX ("Wolf Hollow"), and minor operations hosted by Computer North facilities in Nebraska and South Dakota.

The Compute North entities associated with both the King Mountain and Wolf Hollow sites are not directly subject to the Chapter 11 process. As a result, Marathon has not experienced any significant negative impacts on its operations at King Mountain, where miners continue to be energized according to schedule. The Company has experienced some delays at Wolf Hollow, which Compute North has attributed to a regulatory matter.

Marathon is currently in the process of relocating approximately 3,000 of its miners from Compute North's facilities in Nebraska and South Dakota to new sites. This relocation is unrelated to Compute North's bankruptcy and was previously scheduled to occur upon the October 3, 2022 expiry of the Company's contracts at these facilities.

Marathon's financial exposure to Compute North from investments includes $10 million in convertible preferred stock of Compute North Holdings, Inc. and $21.3 million related to an unsecured senior promissory note with Compute North LLC. The Company has also paid approximately $50 million in operating deposits to Compute North entities. These deposits were primarily related to King Mountain and Wolf Hollow security deposits and prepayments associated with the ongoing operation of those sites.

Miner Energization and Installations Updates
In September, approximately 3,000 of Marathon's previously installed miners, representing approximately 0.3 EH/s, were successfully energized and brought online. As a result, the Company's hash rate increased to approximately 3.8 EH/s (c. 37,000 active miners) as of September 30, 2022.

Since that date, an additional 19,000 of Marathon's miners have been energized, increasing the Company's hash rate to approximately 5.7 EH/s as of October 5, 2022. Based on current construction and installation schedules provided to Marathon by its hosting providers, the Company currently expects that approximately 19,000 additional miners (c. 2.0 EH/s) will be energized over the next 30 days. Based on these reports, the Company continues to expect to have enough miners installed to generate approximately 23 EH/s near the middle of fiscal year 2023.

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. As a result, once fully operational, Marathon's Bitcoin mining operations are currently expected to be among the largest and most energy efficient on a per terahash basis.

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 September 2022. 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.

Marathon Digital Holdings Company Contact:
Telephone: 800-804-1690
Email: ir@mara.com

Source: Marathon Digital Holdings, Inc.