April 3, 2023

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

- *Increased Bitcoin Production 21% Month-Over-Month, Producing a Record 825 BTC in March 2023 and a Record 2,195 BTC in Q1 2023*

- *Increased Hash Rate 64% in Q1 2023 to 11.5 EH/s as of March 31, 2023*

- *Reported Unrestricted Cash and Cash Equivalents of $124.9 Million and Increased Unrestricted Bitcoin Holdings to 11,466 BTC (c. $326.5 Million) as of March 31, 2023*

FORT LAUDERDALE, Fla., April 03, 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 March 2023.

Management Commentary
"During the first quarter of 2023, we made notable progress executing on our two primary initiatives for the year, which are to energize our previously purchased mining rigs to reach our target of 23 exahashes by the middle of this year and to optimize our performance so that we are both more effective and more efficient," said Fred Thiel, Marathon's chairman and CEO. "During the quarter, we increased our operational hash rate 64% from 7.0 exahashes to 11.5 exahashes. We also observed improvements in the consistency of our hash rate, which indicates that some of the technological upgrades we have been implementing are starting to take effect. By improving our hash rate, we increased our bitcoin production 41% from the prior quarter to a record 2,195 bitcoin in Q1. In March, we produced a record 825 bitcoin, which is a 21% increase from the prior month.

"In addition to our operational progress, we also improved our financial position during the quarter. We reduced our debt by $50 million and increased our unrestricted bitcoin holdings by 3,132 bitcoin after we prepaid our term loan and terminated our credit facilities with Silvergate Bank. We exited the quarter with approximately $124.9 million in unrestricted cash and cash equivalents and 11,466 bitcoin, the market value of which was approximately $326.5 million on March 31.

"Given the operational and financial improvements we made during the first quarter, we remain optimistic that we can achieve our primary growth targets and establish Marathon as one of the largest and most energy efficient Bitcoin mining operations globally."

Operational Highlights and Updates

Figure 1: Operational Highlights

	Year-Over-Year Comparison			Prior Quarter Comparison		
Metric	**Q1-2023**	**Q1-2022**	**% Δ**	**Q1-2023**	**Q4-2022**	**% Δ**
BTC Produced	2,195	1,259	74%	2,195	1,562	41%
Avg. BTC Produced per Day	24.4	14.0	74%	24.4	17.0	44%
Operational/Energized Hash Rate (EH/s)[1]	11.5	3.9	195%	11.5	7.0	64%
Installed Hash Rate (EH/s)[2]	15.4	NA	NA	15.4	9.1	69%

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.

During the first quarter, Marathon increased its operational hash rate 64% from 7.0 EH/s on January 1, 2023 to 11.5 EH/s as of March 31, 2023. In March, approximately 13,000 of Marathon's previously installed Bitcoin miners (c. 2.0 EH/s) were energized at Applied Digital's facilities in North Dakota. Approximately 9,400 S19 XPs (c. 1.3 EH/s) were energized in Ellendale, ND, and approximately 3,500 S19 XPs (c. 0.5 EH/s) were energized in Jamestown, ND. As of April 1, 2023, Marathon's operating fleet consisted of approximately 105,200 Bitcoin miners, theoretically capable of producing approximately 11.5 EH/s, according to the manufacturer's specifications.

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 rigs. The Company still expects to have approximately 23 EH/s of capacity installed near the middle of 2023.

Financial Highlights and Updates

Figure 2: Financial Highlights

	Year-Over-Year Comparison			Prior Quarter Comparison		
Metric	**Q1-2023**	**Q1-2022**	**% Δ**	**Q1-2023**	**Q4-2022**	**% Δ**
Total Cash, Cash Equivalents, & Restricted Cash ($, in millions)	124.9	118.5	5%	124.9	112.5	11%
Unrestricted Cash	124.9	117.9	6%	124.9	103.7	20%
Restricted Cash	0.0	0.6	-100%	0.0	8.8	-100%
Total BTC Holdings (in whole numbers)	11,466	9,374	22%	11,466	12,232	-6%
Unrestricted BTC Holdings	11,466	9,374	22%	11,466	7,815	47%
Restricted BTC Holdings	0	0	NA	0	4,417	-100%

As previously disclosed, Marathon repaid its term loan and terminated its credit facilities with Silvergate Bank in March. These actions reduced Marathon's debt by $50 million and increased the Company's unrestricted bitcoin holdings by 3,132 BTC.

As of April 1, Marathon holds a total of 11,466 BTC, all of which are now unrestricted. The Company opted to sell 750 BTC during the month of March and intends 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 $124.9 million in unrestricted cash and cash equivalents on its balance sheet.

In response to the March 12 closure of Signature Bank, Marathon redistributed its cash among various institutions and no longer carries any deposits at Signature Bank.

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, 2022, filed with the SEC on March 16, 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 April 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.

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

Source: Marathon Digital Holdings, Inc.