May 2, 2023

UPDATE - Marathon Digital Holdings Announces Bitcoin Production and Mining Operation Updates for April 2023

- *Increased Operational Hash Rate 22% to 14 EH/s and Installed Hash Rate 16% to 17.9 EH/s in April 2023*
- *Produced 702 BTC in April 2023 and 2,896 BTC Year-To-Date*
- *Reported Unrestricted Cash and Cash Equivalents of $123.5 Million, and Increased Unrestricted Bitcoin Holdings to 11,568 BTC (c. $319.2 Million) as of April 30, 2023*

FORT LAUDERDALE, Fla., May 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 April 2023.

Management Commentary

"In April, we increased our operational hash rate to 14.0 exahashes, achieving 61% of our 23 exahashes goal, and we increased our installed hash rate to 17.9 exahashes, reaching 78% of the same goal," said Fred Thiel Marathon's chairman and CEO. "We produced 702 bitcoin in April, which is a 134% increase year-over-year, but a decrease from the prior month due to upward adjustments in the network's difficulty rate and to a lesser extent, curtailment activity, April having one less day than March, and the impact of the 'luck factor' (see reference). In addition to increasing our hash rate, we also witnessed our first domestic deployment of immersion mining come online in Jamestown, ND. This immersion deployment is representative of our broader strategy to utilize technological innovations to optimize the performance of our miners and improve the efficiency of our operations. With 17.9 of our targeted 23 exahashes already installed and our operational hash rate consistently increasing, we remain confident that we are on track to achieve our primary target of 23 exahashes near the middle of 2023. We look forward to continuing to establish Marathon as one of the largest and most energy efficient Bitcoin miners globally."

Operational Highlights and Updates

Figure 1: Operational Highlights

	Year-Over-Year Comparison			Prior Month Comparison		
Metric	**4/30/2023**	**4/30/2022**	**% Δ**	**4/30/2023**	**3/31/2023**	**% Δ**
BTC Produced	702	299	134%	702	825	-15%
Avg. BTC Produced per Day	23.4	10.0	134%	23.4	26.6	-12%
Operational/Energized Hash Rate (EH/s)[1]	14.0	3.9	260%	14.0	11.5	22%
Installed Hash Rate (EH/s)[2]	17.9	NA	NA	17.9	15.4	16%

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.

In April, approximately 10,600 of Marathon's Bitcoin miners (c. 1.6 EH/s) were newly energized at Applied Digital's facilities in North Dakota. Approximately 10,400 S19 XPs (c. 1.5 EH/s) were newly energized in Ellendale, ND. The remaining units were energized at the Jamestown, ND, facility, where Marathon initiated its first-ever domestic deployment of immersion mining.

As a result, the Company's operating fleet increased to approximately 122,900 Bitcoin miners, theoretically capable of producing approximately 14.0 EH/s, according to the manufacturer's specifications, as of May 1, 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 of mining rigs.

Financial Highlights and Updates

Figure 2: Financial Highlights

	Year-Over-Year Comparison			Prior Month Comparison		
Metric	**4/30/2023**	**4/30/2022**	**% Δ**	**4/30/2023**	**3/31/2023**	**% Δ**
Total Cash, Cash Equivalents, & Restricted Cash ($, in millions)	123.5	40.4	205%	123.5	124.9	-1%
Unrestricted Cash	123.5	39.8	210%	123.5	124.9	-1%
Restricted Cash	0.0	0.6	-100%	0.0	0.0	NA
Total BTC Holdings (in whole numbers)	11,568	9,673	20%	11,568	11,466	1%
Unrestricted BTC Holdings	11,568	9,673	20%	11,568	11,466	1%
Restricted BTC Holdings	0	0	NA	0	0	NA

As of May 1, Marathon holds a total of 11,568 BTC, all of which are unrestricted. The Company opted to sell 600 BTC during the month of April and intends to sell a portion of its bitcoin holdings in future periods to support monthly operations, manage its treasury, and for general corporate purposes. The Company ended the month with $123.5 million in unrestricted cash and cash equivalents on its balance sheet.

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 May 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.

Definition of Luck
“The Luck of crypto mining is probabilistic in nature. Imagine that each miner is given a lottery ticket for a certain amount of hashing power they provide. For illustrative purposes imagine that you provide 1 EH/s of hashing power and the overall hashing power in the network was 100 EH/s then you would receive 1 of 100 total lottery tickets. The probability of you winning the lottery (finding the block reward) would be 1%. So for every 100 blocks found you should statistically find 1 of them.

“Now imagine that you found 2 out of the 100 blocks, this means that you found a block earlier than you statistically should. You are lucky! Now imagine you found 0 out of 100. This would make you unlucky. Over the long run, statistically you should find on average 1 out of 100 (1%) blocks, but there is short term variance.”

Source: Luxor

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.

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Source: Marathon Digital Holdings, Inc.