December 5, 2023

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

- Garden City Fully Energized; Grew Hash Rate to 23.7 EH/s

- Produced 1,187 BTC in November 2023 and 10,999 BTC Year-to-Date

- Combined Unrestricted Cash and Bitcoin Was $802.3 Million as of November 30, 2023

Fort Lauderdale, FL, Dec. 05, 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 November 2023.

Management Commentary
“In November, we increased our domestic energized hash rate 20% to 23.1 exahashes as energization of the facility in Garden City, Texas is complete,” said Fred Thiel, Marathon’s chairman and CEO. “We have now reached our 23 exahash goal and extended our lead as the largest bitcoin miner in North America.

“Outside the US, we made further progress in Abu Dhabi where we now have 2.5 exahashes online. This total includes 10,000 rigs energized at our second, larger facility in Masdar City, and the remaining 4.6 exahashes are expected to be online by January 2024. Our new joint venture in Paraguay also started up in November with 1,170 miners energized representing 0.2 exahash. The full 1.1 exahashes are expected to be online by early Q2 2024.

“With our increasing hash rate and continued efficiency gains, we produced 1,187 bitcoin in November, down 1% from October against a 9% sequential increase in network difficulty. This total includes 33 bitcoin from our 20% share of the JV in Abu Dhabi and 3.5 bitcoin from our 80% share of the JV in Paraguay. In the US, we mined 1,151 bitcoin in November which includes approximately 135 bitcoin or 12.0% of the total from transaction fees due to increased network activity.

“We continue to explore innovative ways to lower our power costs and increase our mix of sustainable energy. Our landfill pilot in Utah is powered by waste methane gas with an average cost per coin below $10,000. The new joint venture in Paraguay is 100% powered by hydroelectricity with power costs below $0.04 per kilowatt hour. We are also making progress on finding ways to leverage the heat off take from Bitcoin mining to further improve the economics around renewable energy development. We look forward to sharing more details on the many innovative projects that we are exploring in the months ahead.”

Operational Highlights and Updates

Figure 1: U.S. Operational Highlights

Metric (US Operations Only)	11/30/2023	11/30/2022	% Δ	11/30/2023	10/31/2023	% Δ
Bitcoin Produced	**1,151**	**472**	**144%**	**1,151**	**1,184**	**-3%**
Average Bitcoin Produced per Day	38.4	15.7	144%	38.4	38.2	0%
Transaction Fees as % of Total	12.0%	2.6%	366%	12.0%	2.7%	349%
Number of Blocks Won	159	71	124%	159	181	-12%
Share of Available Miner Rewards[1]	3.6%	1.8%	105%	3.6%	4.0%	-11%
Energized Hash Rate (EH/s)[2]	**23.1**	**7.0**	**230%**	**23.1**	**19.2**	**20%**
Avg Operational Hash Rate (EH/s)[3]	18.6	NA		18.6	17.2	8%
Installed Hash Rate (EH/s)[4]	**23.2**	**7.0**	**231%**	**23.2**	**23.1**	**0%**

1. Defined as the total amount of block rewards including transaction fees that Marathon earned during the period divided by the total amount of block rewards and transaction fees awarded by the Bitcoin network during the period.
2. Defined as the amount of hash rate that could theoretically be generated if all miners that have been energized are currently in operation (includes miners that are temporarily offline for maintenance or similar reasons). Hash rates are estimates based on the manufacturers' specifications. All figures are rounded.
3. Defined as the average hash rate that was actually generated during the month from all operational miners. All figures are estimates and are rounded.
4. Defined as the sum of energized hash rate (see above) and hash rate that has been installed but is not yet energized (e.g., miners are in containers but not energized). Hash rates are estimates based on the manufacturers' specifications. All figures are rounded.

In November, approximately 27,200 of Marathon's Bitcoin miners (c. 3.8 EH/s) were energized at Applied Digital's facility in Garden City, Texas. This energization increased the Company's domestic operating fleet by 17% to approximately 184,400 Bitcoin miners, theoretically capable of producing approximately 23.2 EH/s, according to the manufacturer's specifications as of December 1, 2023.

The Company's average fleet efficiency, based on manufacturers' specifications, was 24.4 J/TH (joules per terahash) as of December 1, 2023. Once fully deployed, Marathon's U.S. fleet efficiency is expected to be approximately 24 J/TH, according to the manufacturers' specifications.

Figure 2: Operational Details by Site

Hash Rates in EH/s			Installed Hash Rate		Energized Hash Rate		Avg Operating Hash Rate		Avg % of Energized	
Site	**State**	**Host**	**Nov 2023**	**Oct 2023**	**Nov 2023**	**Oct 2023**	**Nov 2023**	**Oct 2023**	**Nov 2023**	**Oct 2023**
McCamey	TX	US Bitcoin	7.7	7.7	7.7	7.7	6.9	6.6	90%	86%
Ellendale	ND	Applied	7.8	7.7	7.8	7.7	7.0	7.2	90%	93%
Garden City	TX	Applied	4.1	4.1	4.0	0.2	1.3	0.0	33%	0%
Granbury	TX	US Bitcoin	1.9	1.9	1.9	1.9	1.7	1.7	89%	89%
Jamestown	ND	Applied	1.4	1.4	1.4	1.4	1.4	1.3	96%	89%
All Other		Various	0.9	0.8	0.9	0.8	0.8	0.6	88%	76%
Total			**23.8**	**23.6**	**23.7**	**19.7**	**19.1**	**17.4**	**80%**	**88%**

Marathon and its hosting provider further increased uptime in McCamey, TX from 86% in October to 90% in November. These improvements helped grow average operational hash rate at this facility by 4% to 6.9 EH/s. The Company is continuing to optimize its operations to maximize efficiency and lower operating costs.

Financial Highlights and Updates

Figure 3: Financial Highlights

	Year-Over-Year Comparison			Prior Month Comp	
Metric	11/30/2023	11/30/2022	% Δ	11/30/2023	10/31/2023
Total Cash, Cash Equivalents, & Restricted Cash ($, in millions)	273.1	70.5	287%	273.1	156.1
Unrestricted Cash	273.1	61.7	343%	273.1	156.1
Restricted Cash	0.0	8.8	-100%	0.0	0.0
Total BTC Holdings (in whole numbers)	14,025	11,757	19%	14,025	13,396
Unrestricted BTC Holdings	14,025	4,200	234%	14,025	13,396
Restricted BTC Holdings	0	7,557	-100%	0	0
Pledged BTC Holdings	0	0	NA	0	571

As of November 30, the Company holds a total of 14,025 unrestricted BTC. Marathon opted to sell 700 BTC or 59% of monthly production to cover operating expenses. The Company 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 previous hedges expired at the end of November and were primarily settled in BTC. There were no active hedges as of November 30, 2023.

Marathon held $273.1 million in cash and cash equivalents on its balance sheet at month end, all of which was unrestricted. During November, the combined balance of unrestricted cash and cash equivalents and bitcoin increased from $620.3 million to $802.3 million at November 30, 2023. In anticipation of the next Bitcoin network halving, the Company continues to build liquidity on the balance sheet to capitalize on strategic opportunities, including industry consolidation.

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, 2023. 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 December 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.

For more information, visit www.mara.com, or follow us on:

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