January 4, 2024

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

- Record BTC Production of 1,853 BTC in December and12,852 BTC in 2023

- Increased Average Operational Hash Rate 18% M/M to 22.4 EH/s

- BTC Holdings Now Over 15,000, Total Cash & BTC of $1.0B as of December 31, 2023

Fort Lauderdale, FL, Jan. 04, 2024 (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 December 2023.

Management Commentary
"In December, we increased our energized hash rate 4% to 24.7 exahashes and extended our lead as the largest publicly traded bitcoin miner in North America," said Fred Thiel, Marathon's chairman and CEO. "We continue to target 30% growth in energized hash rate in 2024 and with the recently announced acquisition of the two sites from Generate Capital, which is expected to close in January 2024, we expect to reach 50 exahashes in the next 18 to 24 months.

"Outside the US, progress continued in Abu Dhabi where we now have 2.7 exahashes online. This total includes over 13,000 rigs energized at our second, larger facility in Masdar City, and the remaining 4.4 exahashes are still expected to be online in January 2024. Our new joint venture in Paraguay also continued to energize, reaching 0.3 exahash with 2,110 miners now online. We continue to expect the full 1.1 exahashes to be online by early Q2 2024.

"Hash rate growth and continued efficiency gains helped grow average operational hash rate* by 18% to 21.9 exahashes or 22.4 exahashes including our share of the joint ventures. This helped drive record bitcoin production as Marathon mined 1,853 BTC in December, up 56% from November, and 290% year-over-year. We believe this to be the highest monthly total ever recorded by a public bitcoin mining company.

"Significantly higher transaction fees helped December's Bitcoin production grow much faster than average operational hash rate. For the month, MaraPool collected more than 380 BTC in transaction fees or 22% of BTC production, up from 12% of production last month. Our success in capturing the sizable transaction fees currently available to miners is directly related to owning and operating our own pool and represents a key competitive advantage of our vertically integrated tech stack.

“The recently announced acquisition of the sites in Granbury, TX and Kearney, NE, which is expected to close in January 2024, is expected to improve our cost structure and increase our near-term growth potential. This transaction is on track to close in mid-January and with new miners already on order, we expect to be able to quickly fill available capacity. We look forward to sharing more details on the integration strategy and financial impact after the deal has closed.”

Operational Highlights and Updates

*Figure 1: Operational Highlights**

Metric	12/31/2023	12/31/2022	% Δ	12/31/2023	11/30/2023	% Δ
Bitcoin Produced	**1,853**	**475**	**290 %**	**1,853**	**1,187**	**56 %**
Average Bitcoin Produced per Day	59.8	15.3	290 %	59.8	39.6	51 %
Share of Available Miner Rewards[1]	5.1 %	1.7 %	197 %	5.1 %	3.6 %	40 %
Number of Blocks Won[5]	222	70	217 %	222	159	40 %
Transaction Fees as % of Total[5]	21.8 %	2.0 %	991 %	21.8 %	12.1 %	80 %
Energized Hash Rate (EH/s)[2]	**24.7**	**7.0**	**253 %**	**24.7**	**23.7**	**4 %**
Avg Operational Hash Rate (EH/s)[3]	22.4	NA		22.4	19.0	18 %
Installed Hash Rate (EH/s)[4]	**25.2**	**7.0**	**260 %**	**25.2**	**23.2**	**9 %**

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 including miners that may be temporarily offline. 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 not yet energized. Hash rates are estimates based on the manufacturers' specifications. All figures are rounded.

5. These metrics are MaraPool only, do not include the joint ventures

In December, approximately 8,900 of Marathon’s Bitcoin miners (c. 0.7 EH/s) were energized at Applied Digital’s facility in Garden City, Texas. This energization helped increase the Company’s operating fleet* by 7% to approximately 199,200 Bitcoin miners, theoretically capable of producing approximately 24.7 EH/s, according to the manufacturer’s specifications as of December 1, 2023.

The Company’s average fleet efficiency*, based on manufacturers’ specifications, was 24.5 J/TH (joules per terahash) as of January 1, 2024.

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**	**Dec 2023**	**Nov 2023**	**Dec 2023**	**Nov 2023**	**Dec 2023**	**Nov 2023**	**Dec 2023**	**Nov 2023**
McCamey	TX	US Bitcoin	7.7	7.7	7.7	7.7	7.1	6.9	92 %	90 %
Ellendale	ND	Applied	7.8	7.8	7.8	7.8	7.4	7.0	95 %	90 %
Garden City	TX	Applied	4.5	4.1	4.5	4.0	3.6	1.3	80 %	33 %
Granbury	TX	US Bitcoin	1.9	1.9	1.9	1.9	1.9	1.7	99 %	89 %
Jamestown	ND	Applied	1.4	1.4	1.4	1.4	1.2	1.4	86 %	96 %
All Other		Various	1.4	0.9	1.4	0.9	1.3	0.8	88 %	88 %
Total			**24.7**	**23.8**	**24.7**	**23.7**	**22.4**	**19.1**	**91 %**	**80 %**

Marathon and its hosting provider further increased uptime in McCamey, TX from 90% in November to 92% in December. These improvements helped grow average operational hash rate at this facility by 2% to 7.1 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 Comparison		
Metric	**12/31/2023**	**12/31/2022**	**% Δ**	**12/31/2023**	**11/30/2023**	**% Δ**
Total Cash, Cash Equivalents, & Restricted Cash ($, in millions)	356.8	112.5	217 %	356.8	273.1	31 %
Unrestricted Cash	356.8	103.7	244 %	356.8	273.1	31 %
Restricted Cash	0.0	8.8	-100 %	0.0	0.0	NA
Total BTC Holdings (in whole numbers)	15,174	12,232	24 %	15,174	14,025	8 %
Unrestricted BTC Holdings	15,174	7,816	94 %	15,174	14,025	8 %
Restricted BTC Holdings	0	4,416	-100 %	0	0	NA
Pledged BTC Holdings	0	0	NA	0	0	NA

As of December 31, the Company holds a total of 15,174 unrestricted BTC. Marathon opted to sell 704 BTC or 38% 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.

Marathon held $356.8 million in cash and cash equivalents on its balance sheet at month end, all of which was unrestricted. During December, the combined balance of unrestricted cash and cash equivalents and bitcoin increased from $802.3 million to $998.5 million at December 31, 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. The transaction to acquire two operating sites from Generate Capital is expected to close in January 2024 for approximately $178.6 million in cash to be paid from the Company's balance sheet.

** Beginning December 2023, the Company's production reports now include the proportional share of international joint ventures (JVs) except where noted. Prior to December 2023, certain operating metrics including hash rates, energized miners, and fleet efficiency were US-only and did not yet include the JVs*

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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LinkedIn: www.linkedin.com/company/marathon-digital-holdings
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