February 5, 2024

Marathon Digital Holdings Announces Bitcoin Production and Mining Operation Updates for January 2024

- *Closed Generate Capital Acquisition, Paving Path to 50 EH/s*
- *Signed Agreement with Hut8 To Assume Full Control of New Sites by April 30*
- *Increased Energized Hash Rate 7% M/M to 26.4 EH/s*
- *BTC Holdings 15,741 and Total Cash & BTC of $1.0B as of January 31, 2024*

Fort Lauderdale, FL, Feb. 05, 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 January 2024.

Management Commentary

"In January, we increased our energized hash rate 7% to 26.4 exahash as our team worked to address several temporary disruptions that negatively impacted our production," said Fred Thiel, Marathon's chairman and CEO. "These disruptions included weather-related curtailment and equipment failures that led to site outages and reduced our average operational hash rate 14% to 19.3 exahash in January. Additionally, total network rewards decreased 14% month-over-month as transaction fees, which spiked in the prior month and represented 22% of our overall production in December, declined to 11% of our overall production in January. As a result, we produced 1,084 BTC in January, 42% less than we produced in December. Our team is addressing the short-term disruptions and working to bring our sites back to full strength. We expect hash rate to improve over the next few weeks.

"While our team began addressing these domestic challenges, we also made notable progress internationally. In collaboration with our regional partner, we completed the construction and energization all 250 megawatts of our joint venture in Abu Dhabi, which is among the most technologically advanced immersion deployments globally and operates at nearly 100% uptime. At the same time, we continued executing our joint venture in Paraguay. This deployment now has 2,100 miners, or 0.3 exahash, operational, and we continue to expect the full 1.1 exahash to be online in Q2 2024.

"After closing the acquisition of the data centers in Granbury, Texas and Kearney, Nebraska in January, we announced last week that we would be terminating Hut8 as the operator of these sites and we intend to assume full operational control ourselves by April 30. By directly owning and operating these sites, we believe we can reduce our operating fees, thereby improving our cost to produce bitcoin, more effectively participate in energy hedging and other energy management services and streamline the implementation of our proprietary

technology to improve operational efficiency.

“We have already added another 0.9 exahash of capacity at our newly owned facility in Granbury, Texas, and we expect progress to accelerate as we gain more operational influence. As we closed the acquisition, our team immediately began engaging with the local community in Granbury, and we look forward to a long and mutually beneficial relationship. With the acquisition closed and seven exahash of miners on order and almost entirely paid, we have a clear path to grow our hash rate another 30% this year and reach 50 EH/s by the end of 2025.”

Operational Highlights and Updates

Figure 1: Operational Highlights

Metric	1/31/2024	1/31/2023	% Δ	1/31/2024	12/31/2023	% Δ
Bitcoin Produced	**1,084**	**687**	**58 %**	**1,084**	**1,853**	**-42 %**
Average Bitcoin Produced per Day	35.0	22.2	58 %	35.0	59.8	-42 %
Share of Available Miner Rewards[1]	3.5 %	2.3 %	52 %	3.5 %	5.1 %	-31 %
Number of Blocks Won[5]	140	68	106 %	140	222	-37 %
Transaction Fees as % of Total[5]	11.4 %	2.3 %	396 %	11.4 %	21.8 %	-48 %
Energized Hash Rate (EH/s)[2]	**26.4**	**7.3**	**262 %**	**26.4**	**24.7**	**7 %**
Average Operational Hash Rate (EH/s)[3]	19.3	5.7	239 %	19.3	22.4	-14 %
Installed Hash Rate (EH/s)[4]	**26.7**	**11.0**	**143 %**	**26.7**	**25.2**	**6 %**

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

Approximately 13,700 of Marathon’s Bitcoin miners (c. 1.6 EH/s) were energized in January. This energization helped increase the Company’s operating fleet by 7% to approximately 212,900 Bitcoin miners, capable of producing approximately 26.7 EH/s, according to the manufacturer’s specifications as of January 31, 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**	**Jan 2024**	**Dec 2023**	**Jan 2024**	**Dec 2023**	**Jan 2024**	**Dec 2023**	**Jan 2024**	**Dec 2023**
McCamey	TX	US Bitcoin	7.7	7.7	7.7	7.7	6.4	7.1	82 %	92 %
Ellendale	ND	Applied	7.8	7.8	7.8	7.8	4.0	7.4	51 %	95 %
Garden City	TX	Applied	4.5	4.5	4.5	4.5	3.8	3.6	83 %	80 %
Granbury	TX	US Bitcoin	2.8	1.9	2.8	1.9	2.2	1.9	78 %	99 %
Jamestown	ND	Applied	1.4	1.4	1.4	1.4	1.3	1.2	90 %	86 %
All Other		Various	2.7	1.3	2.2	1.3	1.8	1.1	82 %	83 %
Total			**26.9**	**24.6**	**26.4**	**24.6**	**19.3**	**22.3**	**73 %**	**90 %**

As of January 31, the Company holds a total of 15,741 unrestricted BTC. With a substantial cash position at year-end 2023, Marathon opted not to sell any bitcoin in January and instead purchased an additional 183.5 bitcoin at an average price of $39,738. The Company intends to continue to sell a portion of its bitcoin holdings in future periods to support monthly operations, manage its treasury, and for general corporate purposes.

Financial Highlights and Updates

Figure 3: Financial Highlights

	Year-Over-Year Comparison			Prior Month Comparison		
Metric	**1/31/2024**	**1/31/2023**	**% Δ**	**1/31/2024**	**12/31/2023**	**% Δ**
Total Cash, Cash Equivalents, & Restricted Cash ($, in millions)	318.9	142.6	124 %	318.9	356.8	-11 %
Unrestricted Cash	318.9	133.8	138 %	318.9	356.8	-11 %
Restricted Cash	0.0	8.8	-100 %	0.0	0.0	NA
Total BTC Holdings (in whole numbers)	15,741	11,419	38 %	15,741	15,174	4 %
Unrestricted BTC Holdings	15,741	8,091	95 %	15,741	15,174	4 %
Restricted BTC Holdings	0	3,328	-100 %	0	0	NA
Pledged BTC Holdings	700	0	NA	700	0	NA

Marathon held $318.9 million in cash and cash equivalents on its balance sheet at month end, all of which was unrestricted. On January 31, 2024, the combined balance of unrestricted cash and cash equivalents and bitcoin was $988.7 million. The transaction to acquire two operating sites from Generate Capital closed on January 12, 2024 for approximately $178.6 million in cash, excluding customary working capital related purchase price adjustments. 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 February 2024. 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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