March 5, 2024

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

- Increased Energized Hash Rate 9% M/M to 28.7 EH/s

- Increased BTC Holdings to 16,930 BTC; Total Cash and BTC of $1.5B as of February 29, 2024

Fort Lauderdale, FL, March 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 February 2024.

Management Commentary

"The operational challenges that commenced in January, continued into February and reduced our operational hash rate and our bitcoin production for the month," said Fred Thiel, Marathon's chairman and CEO. "The Garden City and Ellendale sites, which are operated by Applied Digital and collectively represent approximately 43% of our energized hash rate, experienced unplanned outages due to transformer and transmission line maintenance. Last week, Garden City was re-energized and Ellendale was nearly back to full strength. However, while Garden City is now fully operational, infrastructure issues at Ellendale are still being resolved as capacity at that site is being ramped up.

"Largely due to these maintenance issues, we operated at an average of 61% of our total energized capacity in February. As a result, we produced 833 bitcoin last month. Our team is actively working with our hosting providers to bring sites back to full strength and to make the necessary repairs to mitigate these issues in the future. We will continue to provide updates on our progress as they materialize. While we work through these issues, we increased our hash rate another 9% to 28.7 exahash.

"We have also continued to strengthen our balance sheet by increasing our bitcoin holdings to 16,930 BTC and bringing our combined cash and bitcoin to approximately $1.5 billion. As we look to capitalize on strategic opportunities, we have also begun launching new tools and services for those who are building the future of Bitcoin, including Slipstream and Anduro. While both are in early stages, we are confident that these innovations and others, which we expect to announce later this year, will help differentiate Marathon and add to our our position as a leader in converting energy into economic value."

Operational Highlights and Updates

Figure 1: Operational Highlights

	Year-Over-Year Comparison	Prior Month Comparison

Metric	2/29/2024	2/28/2023	% Δ	2/29/2024	1/31/2024	% Δ
Bitcoin Produced	**833**	**683**	**22 %**	**833**	**1,084**	**(23)%**
Average Bitcoin Produced per Day	28.7	24.4	18 %	28.7	35.0	(18)%
Share of available miner rewards [1]	3.0 %	2.5 %	— %	3.0 %	3.5 %	— %
Transaction Fees as % of Total [5]	5.1 %	2.4 %	— %	5.1 %	11.4 %	— %
Number of Blocks Won [5]	110	72	53 %	110	140	(21)%
Energized Hash Rate (EH/s) [2]	**28.7**	**9.5**	**202 %**	**28.7**	**26.4**	**9 %**
Average Operational Hash Rate (EH/s) [3]	17.6	6.6	167 %	17.6	19.3	(9)%
Installed Hash Rate (EH/s) [4]	**28.7**	**14.0**	**105 %**	**28.7**	**26.9**	**7 %**

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 February, Marathon increased its operating fleet by 8% to approximately 231,000 Bitcoin miners, theoretically capable of producing approximately 28.7 EH/s, after approximately 16,000 of Marathon’s Bitcoin miners (c. 2.0 EH/s) were energized. Hash rate figures are calculated according to the manufacturer’s 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**	**Feb 2024**	**Jan 2024**	**Feb 2024**	**Jan 2024**	**Feb 2024**	**Jan 2024**	**Feb 2024**	**Jan 2024**
McCamey	TX	US Bitcoin	7.7	7.7	7.7	7.7	6.0	6.4	78%	82%
Ellendale	ND	Applied	7.8	7.8	7.8	7.8	1.8	4.0	23%	51%
Garden City	TX	Applied	4.5	4.5	4.5	4.5	2.6	3.8	57%	83%
Granbury	TX	US Bitcoin	4.2	2.8	4.2	2.8	3.4	2.2	82%	78%
Jamestown	ND	Applied	1.4	1.4	1.4	1.4	1.4	1.3	97%	90%
All Other		Various	3.1	2.7	3.1	2.2	2.4	1.8	77%	82%
Total			**28.7**	**26.9**	**28.7**	**26.4**	**17.6**	**19.3**	**61%**	**73%**

As of February 29, the Company holds a total of 16,930 unrestricted BTC. Marathon opted to sell 290 bitcoin in February. The Company still intends 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

Metric	Year-Over-Year Comparison 2/29/2024	2/28/2023	% Δ	Prior Month Comparison 2/29/2024	1/31/2024	% Δ
Total Cash, Cash Equivalents & Restricted Cash ($, in millions)	**$ 425.6**	**$ 228.5**	**86 %**	**$ 425.6**	**$ 318.9**	**33 %**
Unrestricted Cash	425.6	219.7	94 %	425.6	318.9	33 %
Restricted Cash	—	8.8	(100)%	—	—	— %
Total BTC Holdings (in whole numbers)	16,930	11,392	49 %	16,930	15,741	8 %
Unrestricted BTC Holdings	16,930	8,260	105 %	16,930	15,741	8 %
Restricted BTC Holdings	—	3,132	(100)%	—	—	— %
Pledged BTC Holdings	—	—	— %	—	700	(100)%

Marathon held $425.6 million in cash and cash equivalents on its balance sheet at month end, all of which was unrestricted. During February, the combined balance of unrestricted cash and cash equivalents and bitcoin increased from $988.7 million to $1,461.3 million at February 29, 2024. 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 company early adopted FASB's new accounting standard for crypto assets, ASU 2023-08 as of December 31, 2023.

Upcoming Conferences
Powering Africa Summit
March 5-6, 2024
The Mayflower Hotel - Washington D.C.

36th Annual ROTH Conference
March 17-19, 2024
The Ritz Carlton - Dana Point, California

Empower Energizing Bitcoin
Presenting March 27, 2024
713 Music Hall - Houston, TX

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, 2023, filed with the SEC on February 28, 2024. 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. See "Forward-Looking Statements" below.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the federal securities laws. Forward-looking statements in this press release relate to the expected timing and achievement of our growth targets, specifically relating to our anticipated hash rate and exahash growth. You can identify forward-looking statements by the use of words such as “may,” “will,” “could,” “anticipate,” “expect,” “intend,” “believe,” “continue,” or the negative of such terms, or other comparable terminology. Forward-looking statements include the assumptions underlying or relating to such statements. The Company has based these forward-looking statements largely on its current expectations and projections about future events and trends that we believe may affect its business, results of operations and financial condition. The outcomes of the events described in these forward-looking statements are subject to risks, uncertainties and other factors described under the heading “Risk Factors” in the reports the Company files with the Securities and Exchange Commission. The Company cannot assure you that the events and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results could differ materially from those expressed or implied in the forward-looking statements. The forward-looking statements made in this press release relate only to events as of the date of this press release. The Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made.

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:

Twitter: @MarathonDH
LinkedIn: www.linkedin.com/company/marathon-digital-holdings
Facebook: www.facebook.com/MarathonDigitalHoldings
Instagram: @marathondigitalholdings

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

Marathon Digital Holdings Media Contact:
Email: marathon@wachsman.com

Source: Marathon Digital Holdings Inc.