June 26, 2024

Marathon Digital Holdings Announces Kaspa Mining Operations

93 Million KAS Mined, Equivalent to $15 Million, as of June 25, 2024

Fort Lauderdale, FL, June 26, 2024 (GLOBE NEWSWIRE) -- Marathon Digital Holdings, Inc. (NASDAQ:MARA) ("Marathon" or "Company"), a global leader in leveraging digital asset compute to support the energy transformation, today announced that the Company is mining Kaspa (KAS), a proof-of-work (PoW) digital asset, to further diversify its portfolio of digital asset compute.

Kaspa is currently the fifth largest proof-of-work digital asset by market cap. It boasts a market cap of $3.9 billion with approximately $64.8 million in daily trading volume as of June 25, 2024. The circulating supply is approximately 24 billion KAS with a current block reward of 103.83 KAS, and the terminal supply is capped at 28.7 billion KAS.

Similar to Bitcoin, Kaspa is an open-source, decentralized, and fully scalable Layer-1 protocol that uses proof-of-work as its consensus mechanism. However, unlike Bitcoin's blockchain, which is linear and processes one block every ten minutes, Kaspa utilizes a BlockDAG (Directed Acyclic Graph) that enables multiple blocks to be produced simultaneously. The Kaspa network currently processes one block every second, allowing for faster transactions and providing Kaspa miners with the opportunity to potentially earn more block rewards in a given time frame.

In May 2023, Marathon began evaluating Kaspa as a potential way to diversify its revenue while continuing to utilize its current infrastructure and expertise in digital asset compute. After successfully deploying its first Kaspa ASICs in September 2023, the Company began scaling its operations.

Marathon has purchased approximately 60 petahash of KS3, KS5, and KS5 Pro ASICs, each of which is estimated by ASIC Miner Value to generate profit in certain cases up to 95% margins given the current network difficulty rate and price of KAS. 30 petahash of Marathon's Kaspa ASICs are currently operational in the Company's self-owned and operated facilities in Texas, and the remainder are currently expected to be fully energized in Q3 2024.

As of June 25, 2024, Marathon has mined 93 million KAS, which are currently valued at approximately $15 million.

"By mining Kaspa, we are able to create a stream of revenue that is diversified from Bitcoin, and that is directly tied to our core competencies in digital asset compute," said Adam Swick, Marathon's chief growth officer. "Because of our existing infrastructure, our unique relationships with hardware manufacturers, our strong balance sheet, and the expertise of our team, Marathon was uniquely positioned to mine Kaspa and to capitalize on the higher

margins that exist for those who can deploy Kaspa ASICs today. We look forward to continuing to support innovation in proof-of-work ecosystems, as we expand our position as a leader in digital asset compute."

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

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 Digital Holdings (NASDAQ:MARA) is a global leader in digital asset compute that develops and deploys innovative technologies to build a more sustainable and inclusive future. Marathon secures the world's preeminent blockchain ledger and supports the energy transformation by converting clean, stranded, or otherwise underutilized energy into economic value.

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

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