May 15, 2017

Marathon Patent Group Announces First Quarter Financial Results

Conference Call Scheduled Today at 4:30 p.m. Eastern Time

LOS ANGELES, CA -- (Marketwired) -- 05/15/17 -- Marathon Patent Group, Inc. (NASDAQ: MARA) ("Marathon" or "Company"), an IP licensing and commercialization company, today announced its operating results for the three months ended March 31, 2017, as published in its Quarterly Report on Form 10-Q filed today with the Securities and Exchange Commission.

Operating Results for the Quarter Ended March 31, 2017 / Subsequent Events

- Total revenue of $78 thousand and $2.1 million for the three months ended March 31, 2017 and March 31, 2016, respectively.

- Net operating loss was approximately $2.8 million (including non-cash expenses) for the three months ended March 31, 2017 compared to a net operating loss of $4.9 million for the three months ended March 31, 2016. The net operating loss includes non-cash operating expenses, which primarily relate to share based compensation and amortization and impairment of patents, in the amounts of $0.7 million and $3.0 million for the three months ended March 31, 2017 and March 31, 2016, respectively.

- Our GAAP net loss was $(0.19) per basic and diluted share for the three months ended March 31, 2017, with 19,059,559 weighted average basic and diluted shares outstanding as of March 31, 2017, compared to a GAAP net loss of $(0.26) per basic and diluted share for the three months ended March 31, 2016, with 14,967,141 weighted average basic and diluted shares outstanding as of March 31, 2016.

- On a per share basis, our Non-GAAP net loss was $(0.13) per basic and diluted share for the three months ended March 31, 2017, compared to a Non-GAAP net loss of $(0.16) per basic and diluted share for the three months ended March 31, 2016.

- Entered into agreement related to a payoff of the debt held by DBD Credit Funding, LLC.

Doug Croxall, Chief Executive Officer of Marathon, stated, "As expected, our first quarter was unsurprisingly light. While there were revenue opportunities, we remain unwilling to compromise what we believe to be reasonable licenses to try and impact a particular quarter. It's for that reason we've always advised that our financial performance should be evaluated on an annual basis, as opposed to quarterly.

Croxall added, "On Friday May 12, 2017, we filed a Form 8K with the SEC which represents the initial step in our debt restructuring plan. We entered into an agreement with DBD Credit Funding, LLC, a subsidiary of Fortress Investment Group, under which we can pay them the principal owed of $15,763,240 plus accrued interest on or before August 15, 2017. Upon payment of the note principal and interest obligation, DBD's ongoing entitlement to additional payments based upon revenues will be reduced to five (5%) percent of the gross revenues received from only the patent portfolios the Company currently owns or licenses. We are particularly pleased with the agreement and the amendment is expected to have no negative impact on our normal course of operations already being in line with our existing operating plan."

Conference Call

Marathon will host a corresponding conference call to discuss the results with Chief Executive Officer Doug Croxall and Chief Financial Officer Frank Knuettel II on Monday May 15, 2017 at 4:30 PM ET/1:30 PM PT. To participate in the conference call, investors from the U.S. and Canada should dial (877) 407-0792 ten minutes prior to the scheduled start time. International calls should dial (201) 689-8263.

In addition, the call will be broadcast live over the Internet and can be accessed through the Investor Relations section of the Company's website at www.marathonpg.com. The broadcast will be archived online upon completion of the conference call. A telephonic replay of the conference call will also be available until 11:59 p.m. ET on Monday, May 29, 2017 by dialing (844) 512-2921 in the U.S. and Canada and (412) 317-6671 internationally and entering the pin number: 13661788.

About Marathon Patent Group

Marathon is an IP licensing and commercialization company. The Company acquires and manages IP rights from a variety of sources, including large and small corporations, universities and other IP owners. Marathon has a global focus on IP acquisition and management. The Company's commercialization division is focused on the full commercialization lifecycle which includes discovering opportunities, performing due diligence, providing capital, managing development, protecting and developing IP, assisting in execution of the business plan, and realizing shareholder value. To learn more about Marathon Patent Group, visit www.marathonpg.com.

Safe Harbor Statement

Certain statements in this press release constitute "forward-looking statements" within the meaning of the federal securities laws. Words such as "may," "might," "will," "should," "believe," "expect," "anticipate," "estimate," "continue," "predict," "forecast," "project," "plan," "intend" or similar expressions, or statements regarding intent, belief, or current expectations, are forward-looking statements. While the Company believes these forward-looking statements are reasonable, undue reliance should not be placed on any such forward-looking statements, which are based on information available to us on the date of this release. These forward looking statements are based upon current estimates and assumptions and are subject to various risks and uncertainties, including without limitation those set forth in the Company's filings with the Securities and Exchange Commission (the "SEC"), not limited to Risk Factors relating to its patent business contained therein. Thus, actual results could be materially different. The Company expressly disclaims any obligation to update or alter statements whether as a result of new information, future events or

otherwise, except as required by law.

MARATHON PATENT GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
(Unaudited)

	March 31, 2017	December 31, 2016
ASSETS		
Current assets:		
Cash	$ 493,452	$ 4,998,314
Accounts receivable - net of allowance for bad debt of $387,976 for March 31, 2017 and December 31, 2016, respectively	103,397	95,069
Bonds posted with courts	351,647	-
Note Receivable	588,864	225,982
Prepaid expenses and other current assets, net of discounts of $3,279 for March 31, 2017 and $3,724 for December 31, 2016	226,088	202,067
Total current assets	1,763,448	5,521,432
Other assets:		
Property and equipment, net of accumulated depreciation of $118,420 and $108,407 for March 31, 2017 and December 31, 2016	20,414	28,329
Intangible assets, net of accumulated amortization of $12,028,755 and $11,323,189 for March 31, 2017 and December 31, 2016	11,683,170	12,314,628
Other non current assets, net of discounts of $797 for March 31, 2017 and December 31, 2016, respectively	200,000	201,203
Goodwill	224,353	222,843
Total other assets	12,127,937	12,767,003
Total Assets	$ 13,891,385	$ 18,288,435
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable and accrued expenses	$ 6,117,663	$ 7,217,078
Clouding IP earn out - current portion	81,930	81,930
Notes payable, net of discounts of $440,219 and $852,404 for March 31, 2017 and December 31, 2016	3,666,278	13,162,007
	9,865,871	20,461,015
Long-term liabilities		
Notes Payable, net of discount of $572,763 and $57,763 for March 31, 2017 and December 31, 2016	12,685,536	4,670,502
Clouding IP earn out	1,386,203	1,400,082
Revenue share liability	1,225,000	1,000,000
Other long term liability	255,400	43,978
Total long-term liabilities	15,552,139	7,114,562
Total liabilities	25,418,010	27,575,577
Stockholders' equity (deficit):		
Preferred stock Series B, $.0001 par value, 100,000,000 shares authorized: 782,004 issued and outstanding at March 31, 2017 and December 31, 2016	78	78
Common stock, $.0001 par value; 200,000,000 shares authorized; 19,302,472 and 18,552,472 issued at March 31, 2017 and December 31, 2016	2,627	1,877
Additional paid-in capital	51,313,656	49,877,689
Accumulated other comprehensive loss	(1,059,308)	(1,060,390)
Accumulated deficit	(61,549,194)	(57,942,548)
Total Marathon Patent Group stockholders' equity (deficit)	(11,292,141)	(9,123,294)
Noncontrolling Interests	(234,484)	(163,848)
Total stockholders' equity (deficit)	(11,526,625)	(9,287,142)

Total liabilities and stockholders' equity (deficit)	$ 13,891,385	$ 18,288,435

The accompanying notes are an integral part to these unaudited consolidated condensed financial statements.

MARATHON PATENT GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(Unaudited)

	For The Three Months Ended March 31, 2017	For The Three Months Ended March 31, 2016
Revenues	$ 78,137	$ 2,059,676
Expenses		
Cost of revenues	451,762	2,639,976
Amortization of patents and website	705,958	2,025,899
Compensation and related taxes	1,085,546	1,033,346
Consulting fees	(28,779)	280,776
Professional fees	425,686	405,493
General and administrative	247,652	217,010
Patent impairment	-	373,195
Total operarating expenses	2,887,825	6,975,695
Operating loss from continuing operations	(2,809,688)	(4,916,019)
Other income (expenses)		
Other income (expense)	(14,825)	(2,159)
Foreign exchange gain (loss)	(85,862)	6,978
Change in fair value adjustment of Clouding IP earn out	13,879	(1,342)
Warrant expense	(213,208)	-
Interest income	1,241	931
Interest expense	(568,819)	(1,006,850)
Total other expenses	(867,594)	(1,002,442)
Loss from continuing operations before benefit for income taxes	(3,677,282)	(5,918,461)
Income tax benefit	-	2,025,048
Net loss	(3,677,282)	(3,893,413)
Net (income) loss attributable to noncontrolling interests	70,636	-
Net loss	$ (3,606,646)	$ (3,893,413)
Loss per common share:		
Basic and fully diluted	$ (0.19)	$ (0.26)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:		
Basic and fully diluted	19,059,559	14,967,141
Net loss attributable to common shareholders	$ (3,606,646)	$ (3,893,413)
Other comprehensive loss:		
Unrealized gain on foreign currency translation	1,083	247,427
Comprehensive loss	(3,605,563)	(3,645,986)
Less: comprehensive income related to non-controlling interest	70,636	-
Comprehensive loss attributable to Marathon Patent Group, Inc.	$ (3,534,927)	$ (3,645,986)

The accompanying notes are an integral part to these unaudited consolidated condensed financial statements.

MARATHON PATENT GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

	For The Three Months Ended March 31, 2017	For The Three Months Ended March 31, 2016
Cash flows from operating activities:		
Net loss	$ (3,606,646)	$ (3,893,413)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation	471	1,652
Amortization of patents and website	705,958	2,025,899
Deferred tax asset	-	(1,934,419)
Deferred tax liability	-	(76,463)
Impairment of intangible assets	-	373,195
Stock based compensation	41,424	550,436
Non-cash interest, discount, and financing costs	52,733	605,690
Change in fair value of Clouding earnout	(13,879)	1,342
Non-controlling interest	(70,636)	-
Other non-cash adjustments	67,164	(33,607)
Changes in operating assets and liabilities:		
Accounts receivable	(8,328)	(15,275)
Bonds posted with courts	(351,647)	359,960
Prepaid expenses and other assets	(386,903)	192,352
Other non current assets	1,203	2,069
Accounts payable and accrued expenses	(1,099,415)	1,953,751
Net cash provided by (used in) operating activities	(4,668,501)	113,169
Cash flows from investing activities:		
Purchase of property, equipment, and other intangible assets	(2,097)	(2,097)
Net cash provided by (used in) investing activities	(2,097)	(2,097)
Cash flows from financing activities:		
Cash received upon issuance of common stock	1,262,865	-
Issuance of Warrants	132,427	-
Proceeds from Fortress note payable	4,500,000	-
Payment on Fortress note payable	(4,500,000)	(1,184,600)
Payments on Seimens notes payable	(1,000,000)	-
Payments on 3D Nano notes payable, gross	(100,000)	-
Payments on notes payable to vendors	(25,000)	(63,840)
Payments on notes payable, net	(103,000)	-
Net cash provided (used in) by financing activities	167,292	(1,248,440)
Effect of exchange rate changes on cash	(1,556)	2,607
Net decrease in cash	(4,504,862)	(1,134,761)
Cash at beginning of period	4,998,314	2,555,151
Cash at end of period	$ 493,452	$ 1,420,390
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for:		
Interest expense	$ 333,608	$ 401,159
Taxes paid	$ -	$ 7,999

The accompanying notes are an integral part to these unaudited consolidated condensed financial statements.

	Non-GAAP Reconciliation	
	For the Quarter Ended March 31, 2017	For the Quarter Ended March 31, 2016
Net loss attributable to Marathon Patent Group, Inc. common shareholders	(3,606,646)	(3,893,413)
Non-GAAP		
Amortization of intangible assets	705,958	2,025,899
Equity-based compensation	41,424	551,033
Impairment of intellectual property	-	373,195
Change in earn out liability	(13,879)	1,342
Warrant income (expense)	213,208	-
Non-cash interest expense	235,211	605,690
Deferred tax (benefit) / tax expense	-	(2,025,048)
Other	1,480	1,652
Non-GAAP net income (loss)	(2,423,244)	(2,359,650)

The below is a reconciliation to our US GAAP loss per common share, basic and diluted.

	Non-GAAP Reconciliation	
	For the Quarter Ended March 31, 2017	For the Quarter Ended March 31, 2016
Non-GAAP net loss	$ (2,423,244)	$ (2,359,650)
Denominator		
Weighted average common shares - Basic and Diluted	19,059,559	14,967,141
Non-GAAP loss per common share:		
Non-GAAP loss - Basic and Diluted	$ (0.13)	$ (0.16)
The below is a reconciliation to our US GAAP loss per common share - basic and diluted:		
Net loss attributable to Common Shareholders	$ (3,606,646)	$ (3,893,413)
Denominator		
Weighted average common shares - Basic and Diluted	19,059,559	14,967,141
GAAP earnings (loss) per common share:		
GAAP earnings (loss) - Basic and Diluted	$ (0.19)	$ (0.26)

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Source: Marathon Patent Group