August 1, 2019

Marathon Patent Group Reports Second Quarter 2019 Financial Results

2019 Sequential Quarterly Revenues Increase 54%

LAS VEGAS, Aug. 01, 2019 (GLOBE NEWSWIRE) -- Marathon Patent Group, Inc. (NASDAQ:**MARA**) ("Marathon" or "Company"), today reported its operating results for its second quarter for the three months ended June 30, 2019, as published in its Form 10-Q filed today with the Securities and Exchange Commission.

Operating Results for the Second Quarter Ended June 30, 2019 Compared to the First Quarter Ended March 31, 2019

- Second quarter 2019 revenues increased 54% to $355,765 compared to first quarter 2019 revenues of $230,694.
- Operating loss for the second quarter 2019 improved to 740,597 (inclusive of non-cash expenses) compared to an operating loss of $984,909 (inclusive of non-cash expenses) in the first quarter 2019.
- GAAP net loss improved 44% to $(0.09) per basic and diluted share for the first quarter 2019 compared to $(0.16) for the first quarter 2019.
- Net cash used in operating activities in the second quarter 2019 was $657,972 compared to $811,136 during the first quarter 2019.
- The Company had approximately $1.7 million of cash and cash equivalents as of June 30, 2019.

Operating Results for the For the Three and Six Months Ended June 30, 2019 and 2018

- Revenues of $355,765 and $586,459 during the three and six months ended June 30, 2019 as compared to $688,502 and $928,469 during the three and six months ended June 30, 2018.
- Operating loss from continuing operations of $740,597 and $1.7 million for the three and six months ended June 30, 2019 and operating loss of $4.3 million and $6.2 million for the three and six months ended June 30, 2018.
- Net loss of $565,880 and $1.6 million for the three and six months ended June 30, 2019 and net loss of $4.7 million and $7.1 million for the three and six months ended June 30, 2018.

Merrick Okamoto, Chief Executive Officer, stated, “We’re pleased to show continued financial improvement year to date, including a 54% increase in sequential 2019 quarterly

revenues. As expected, recent improvements in the price of Bitcoin are clearly beneficial to our ongoing mining operations. Should prices continue to sustain at current levels, we believe it sets the stage to benefit our financial performance going forward."

Okamoto added, "We are particularly pleased to have just recently welcomedJesse Lund, former Head of Blockchain for IBM to our team. Jesse previously lead IBM's blockchain market development, digital currency strategy, solutions engineering and client engagement for banking and financial services. I look forward to working with him as we seek potential acquisition opportunities along with helping to monetize our patents, both which have the potential to create meaningful value for our shareholders."

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, 2018. 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 "Safe Harbor" 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.

CONTACT INFORMATION

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

(Unaudited)

	June 30, 2019	December 31, 2018
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,688,426	$ 2,551,171
Digital currencies	4,540	-
Prepaid expenses and other current assets	242,012	464,006
Total current assets	1,934,978	3,015,177
Other assets:		
Property and equipment, net of accumulated depreciation and impairment charges of $4,613,653 and $4,338,931 for June 30, 2019 and December 31, 2018, respectively	759,853	1,034,575
Right-of-use assets	338,740	-
Intangible assets, net of accumulated amortization of $100,833 and $65,245 for June 30, 2019 and December 31, 2018, respectively	1,109,167	1,144,755
Total other assets	2,207,760	2,179,330
TOTAL ASSETS	**$ 4,142,738**	**$ 5,194,507**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 1,065,452	$ 1,235,444
Current portion of lease liability	83,179	-
Warrant liability	115,387	39,083
Convertible notes payable	999,106	999,106
Total current liabilities	2,263,124	2,273,633
Long-term liabilities		
Lease liability	157,007	-
Total long-term liabilities	157,007	-
Total liabilities	2,420,131	2,273,633
Commitments and Contingencies		
Stockholders' Equity:		
Preferred stock, $0.0001 par value, 50,000,000 shares authorized, no shares issued and outstanding at June 30 2019 and December 31, 2018, respectively	-	-
Common stock, $0.0001 par value; 200,000,000 shares authorized; 6,385,405 and 6,379,992 issued and outstanding at June 30 2019 and December 31, 2018, respectively	639	638
Additional paid-in capital	105,873,870	105,461,396
Accumulated other comprehensive loss	(450,719)	(450,719)
Accumulated deficit	(103,701,183)	(102,090,441)
Total stockholders' equity	1,722,607	2,920,874
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 4,142,738**	**$ 5,194,507**

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

	For the three months ended June 30,		For the six months ended June 30,	
	2019	2018	2019	2018
Revenues				

Cryptocurrency mining revenue	$ 355,765	$ 661,917	$ 586,459	$ 861,499
Other revenue	-	26,585	-	66,970
Total revenues	355,765	688,502	586,459	928,469
Operating costs and expenses				
Cost of revenue	498,588	931,630	1,007,228	1,199,339
Compensation and related taxes	328,604	252,853	815,291	665,971
Consulting fees	30,000	187,583	50,000	225,786
Professional fees	110,341	226,514	195,374	1,030,800
General and administrative	128,829	558,894	244,072	1,122,610
Break-up fee - issuance of shares to GBV	-	2,850,000	-	2,850,000
Total operating expenses	1,096,362	5,007,474	2,311,965	7,094,506
Operating loss	(740,597)	(4,318,972)	(1,725,506)	(6,166,037)
Other income (expenses)				
Other income (expenses)	190,332	(18,909)	180,895	(16,455)
Foreign exchange loss	-	(7,760)	(11,873)	(23,093)
Realized income (loss) on sale of digital currencies	25,052	(71,226)	24,444	(82,293)
Change in fair value of warrant liability	(38,570)	94,629	(76,304)	1,547,886
Amortization of debt discount	-	(345,256)	-	(2,290,028)
Interest income	10,358	-	22,374	-
Interest expense	(12,455)	(9,151)	(24,772)	(49,445)
Total other income (expenses)	174,717	(357,673)	114,764	(913,428)
Net loss	$ (565,880)	$ (4,676,645)	$ (1,610,742)	$ (7,079,465)
Net loss per share, basic and diluted:	$ (0.09)	$ (0.93)	$ (0.25)	$ (1.61)
Weighted average shares outstanding, basic and diluted:	6,350,080	5,009,297	6,344,281	4,410,816
Net loss	$ (565,880)	$ (4,676,645)	$ (1,610,742)	$ (7,079,465)
Other comprehensive income:				
Unrealized gain on foreign currency translation	-	-	-	15
Comprehensive loss attributable to Marathon Patent Group, Inc.	$ (565,880)	$ (4,676,645)	$ (1,610,742)	$ (7,079,450)

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

	For the six months ended June 30,	
	2019	**2018**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (1,610,742)	$ (7,079,465)
Adjustments to reconcile net loss to net cash (used in) operating activities:		
Depreciation	274,722	806,598
Amortization of patents and website	35,588	29,914
Realized (gain) loss on sale of digital currencies	(24,444)	82,293
Change in fair value of warrant liability	76,304	(1,547,886)
Stock based compensation	412,475	457,382
Amortization of debt discount	-	2,290,028
Amortization of right-of-use assets	44,259	-
Bad debt allowance	-	6,826
Break-up fee - issuance of shares to GBV	-	2,850,000
Changes in operating assets and liabilities:		
Digital currencies	(586,459)	(861,499)
Lease liability	(43,672)	-
Litigation liability	-	(2,150,000)
Prepaid expenses and other assets	122,853	(481,997)

Accounts payable and accrued expenses	(169,992)	(7,345)
Net cash used in operating activities	(1,469,108)	(5,605,151)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of digital currencies	606,363	393,931
Acquisition of patents	-	(250,000)
Purchase of property and equipment	-	(5,254,713)
Net cash provided by (used in) investing activities	606,363	(5,110,782)
Effect of foreign exchange rate changes	-	15
Net decrease in cash and cash equivalents	(862,745)	(10,715,918)
Cash and cash equivalents — beginning of period	2,551,171	14,948,529
Cash and cash equivalents — end of period	$ 1,688,426	$ 4,232,611
Supplemental schedule of non-cash investing and financing activities:		
Par value adjustment due to reverse split	$ 1	$ -
Conversion of Series E Preferred Stock to common stock	$ -	$ 89
Common stock issued for acquisition of patents	$ -	$ 960,000
Common stock issued for note conversion	$ -	$ 3,055,588
Restricted stock issuance	$ -	$ 11
Warrants exercised into common shares	$ -	$ 55,791

Source: Marathon Patent Group, Inc.