June 9, 2022

Marathon Digital Holdings Announces Bitcoin Production and Mining Operation Updates for May 2022

Total Bitcoin Holdings Increase to 9,941 BTC in May as the Number of Miners Installed and Ready for Energization Increases to 19,000 Miners (c. 1.9 EH/s)

LAS VEGAS, June 09, 2022 (GLOBE NEWSWIRE) -- **Marathon Digital Holdings, Inc. (NASDAQ:MARA) ("Marathon" or "Company")**, one of the largest enterprise Bitcoin self-mining companies in North America, today published unaudited bitcoin ("BTC") production and miner installation updates for May 2022.

Management Commentary
"Although we continue to install miners at the Texas facilities, we have experienced delays in energization as Compute North's energy provider awaits federal agency confirmation of its exempt status for tax purposes based upon its arrangements with Compute North," said Fred Thiel, Marathon's chairman and CEO. "While these delays have been disappointing, our current understanding is that miners should start to come online this month. We continue to work closely and actively engage with Compute North to gain more insight into the energy provider's timeline and to ensure that these delays, once resolved, will not impact our future deployments.

"In the meantime, installations of our miners have progressed irrespective of the energization schedule. Currently, in addition to our active fleet, we now have 19,000 miners, representing approximately 1.9 EH/s, that have been installed and ready for energization. Over 9,000 of these units, representing 0.9 EH/s, are at Compute North's first major facility in West Texas. The remainder are installed at other locations. This first major facility is being completed in four stages. Stage one is already complete. It is our understanding that the entire facility, which will house approximately 68,000 of our miners, will be fully constructed with all miners in installed by the end of the third quarter of 2022.

"These energization delays in Texas, coupled with ongoing maintenance issues at the power generating station in Hardin, MT, negatively impacted our bitcoin production last month. In May, maintenance issues at the power generation station in Montana caused us to produce approximately 47% less bitcoin than what would have been expected based on the network's hash rate during the month. However, we believe that our production results will improve over time as we move forward with our deployment plan and energize our miners installed in Texas.

"We remain confident that Marathon is well positioned to achieve its performance goals, and we will continue to provide updates as they materialize. We have a strong foundation from

which to build, we have a solid pipeline of potential hosting and power arrangements that exceeds our needs and allows us to diversify our operations, and we have a strong balance sheet to support our growth plans. We look forward to continuing to execute on our strategy of achieving carbon neutrality by the end of this year and growing to 23.3 EH/s in early 2023."

Highlights as of June 1, 2022

- Total number of miners installed and awaiting energization increased to 19,000 miners (c. 1.9 EH/s across all facilities.
- Current operating mining fleet consists of 36,830 active miners producing approximately 3.9 EH/s.
- Increased total bitcoin holdings to 9,941 BTC with a fair market value of $315.1 million.
- Produced 268 self-mined bitcoin during May 2022. Production was lower than expected due to ongoing maintenance and downtime at the power plant in Hardin, MT. These issues, which included problems between the induced draft and forced draft fans, the buildup of particulate matter that required cleaning, and GSU transformer testing, in aggregate reduced Marathon's potential bitcoin production by approximately 47% during the month.
- As previously announced, Marathon plans to transition out of Hardin, MT to more sustainable sources of power during the third quarter of 2022.
- Cash on hand was approximately $59.6 million and total liquidity, now defined as unrestricted cash and available credit facilities, was approximately $86 million.

Miner Energization, Installations, and Hash Rate Growth
Marathon was originally informed by Compute North that energization of the Company's miners in Texas would commence on April 17, 2022. Marathon was then informed that energization was rescheduled to May 2022. As of June 8, 2022, the energy provider for Compute North's first major site in West Texas has yet to energize Marathon's installed miners. Although miners continue to be installed at the Texas facilities, Marathon has experienced delays in energization as Compute North's energy provider awaits federal agency confirmation of its exempt status for tax purposes based upon its arrangements with Compute North. It is Marathon's understanding that this matter is likely to be resolved this month.

Despite changes to the energization schedule, installation of Marathon's miners at Compute North's facilities in Texas have proceeded on pace. 19,000 of Marathon's miners (c. 1.9 EH/s) have already been installed at various locations in Texas.

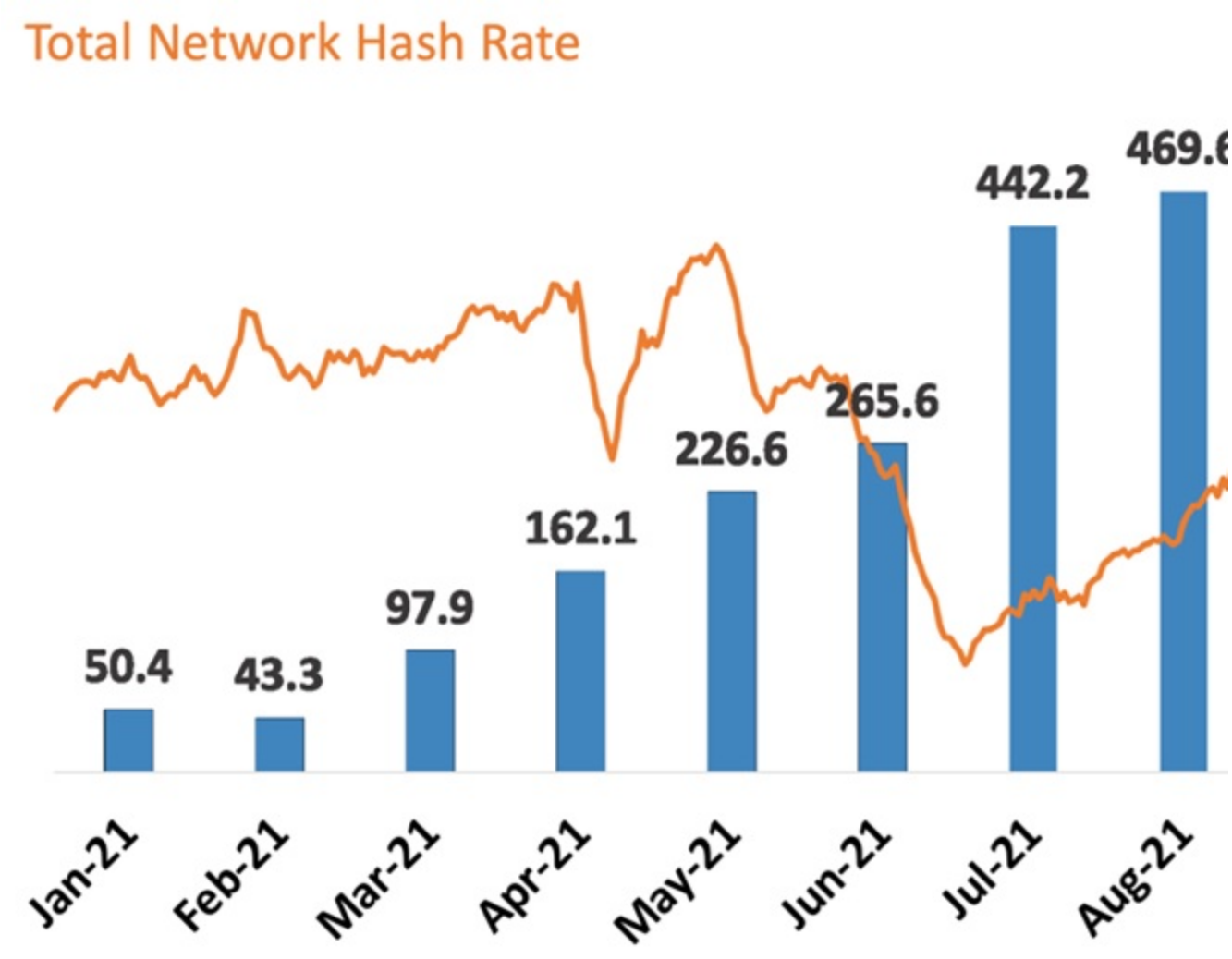
Compute North's first major facility consists of four substations. These substations are being constructed in phases, and in aggregate, they represent 280 MW of capacity for bitcoin mining. The first substation, which houses over 9,000 of Marathon's miners (c. 0.9 EH/s), is complete and currently awaiting energization. The remaining substations are expected to be completed in phases with the entire 280 MW facility expected to be constructed by the end of the third quarter 2022. Once fully constructed, this facility will house approximately 68,000 of Marathon's miners, representing 6.8 EH/s. Based on construction schedules, Compute North has informed Marathon that miners are expected to be installed at this facility as follows:

- June 2022: 19,000 miners (includes the 9,000 miners already installed)

- July 2022: 21,000 miners
- August 2022: 28,000 miners

Given the current construction and installation schedules coupled with the Company's pipeline of potential new hosting and power arrangements, Marathon continues to expect all 199,000 miners, producing approximately 23.3 EH/s, to be installed and energized by early 2023. Additionally, the Company continues to expect its mining operations to be 100% carbon neutral by the end of 2022.

Bitcoin Production Update
Year-to-date through May 31, 2022, Marathon's mining fleet has produced 1,826 bitcoin, a 214% increase over the same time period in the prior year. By month, the Company's bitcoin production was as follows:



*Note: Upgrades and maintenance to the power generating station in Hardin, MT caused Marathon's bitcoin mining operations in Hardin, MT to operate at substantially reduced capacity in November 2021, negatively impacting the Company's bitcoin production for the month. In April and May 2022, the Company's bitcoin production was similarly impacted by maintenance to the power generating station in Hardin, MT.

Total Network Hash Rate Source: https://www.blockchain.com/charts/hash-rate

The Company been accumulating or “hodling” its bitcoin and has not sold bitcoin since October 2020. As of June 1, 2022, Marathon held approximately 9,941 BTC, including the bitcoin purchased in January 2021 for an average price of $31,168 per BTC. On June 1, 2022, the fair market value of one bitcoin was approximately $31,641, implying that the approximate fair market value of Marathon’s current bitcoin holdings is approximately $315.1 million.

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, 2021, filed with the SEC on March 10, 2022 and Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2022, filed with the SEC on May 5, 2022. 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 June 2022. The total network’s hash rate data is calculated from a third-party source, which is available here: https://www.blockchain.com/charts/hash-rate. Data from third-party sources has not been independently verified. 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 mines bitcoin with a focus on the blockchain ecosystem and the generation of digital assets.

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A photo accompanying this announcement is available at https://www.globenewswire.com/NewsRoom/AttachmentNg/d623ed18-d878-446d-bc15-a37b2a94c0aa

Figure 1



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Source: Marathon Digital Holdings, Inc.