June 2, 2023

Marathon Digital Holdings Announces Bitcoin Production and Mining Operation Updates for May 2023

- *Produced a Record 1,245 BTC in May 2023 and 4,141 BTC Year-To-Date*

- *Increased Operational Hash Rate 9% to 15.2 EH/s and Installed Hash Rate 13% to 20.1 EH/s in May 2023*

- *Raised nearly $800,000 for Bitcoin Core Developers in Collaboration with Brink*

- *Reported Unrestricted Cash and Cash Equivalents of $97.3 Million and Increased Unrestricted Bitcoin Holdings to 12,259 BTC (c. $333.7 Million) as of May 31, 2023*

FORT LAUDERDALE, Fla., June 02, 2023 (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 May 2023.

Management Commentary

"We produced a record 1,245 bitcoin in May, up 77% from last month and 366% from May 2022," said Fred Thiel, Marathon's chairman and CEO. "The increased production was due to an increased hash rate and a significant increase in transaction fees, which accounted for approximately 11.8% of the total bitcoin we earned in the last month. The emergence of Ordinals significantly increased transaction fees in May, which in some cases, were so high that they exceeded the 6.25 BTC block reward. With our scale and our improved uptime during the month, we were able to capitalize on this opportunity. While such abnormally high transaction fees are historically rare, we believe these events can serve as a positive sign for the future of mining economics.

"In May, we increased our operational hash rate 9% month-over-month to 15.2 exahashes, and we increased our installed hash rate 13% month-over-month to 20.1 exahashes. With the construction of Applied Digital's facility in Ellendale, ND progressing and optimizations across our fleet continuing, we believe we are on track to reach our 23 EH/s target near the middle of this year.

"Also in May, we announced that we were joining forces with Brink to raise up to $1 million to support Bitcoin Core developers. In less than four days, we collectively raised nearly $800,000 for Bitcoin Core developers, $500,000 of which is Marathon's contribution. We are incredibly grateful to the Bitcoin community for rallying behind this initiative to support the volunteers who maintain the open-source protocol on which we all depend. We encourage every Bitcoiner and Bitcoin-related company to support the Bitcoin Core developers and join us in closing the gap to raise $1 million for the Bitcoin Core developers."

Operational Highlights and Updates

Figure 1: Operational Highlights

	Year-Over-Year Comparison			Prior Month Comparison		
Metric	**5/31/2023**	**5/31/2022**	**% Δ**	**5/31/2023**	**4/30/2023**	**% Δ**
BTC Produced	1,245	267	366%	1,245	702	77%
Avg. BTC Produced per Day	40.2	8.6	366%	40.2	23.4	72%
Operational/Energized Hash Rate (EH/s)[1]	15.2	3.9	291%	15.2	14.0	9%
Installed Hash Rate (EH/s)[2]	20.1	3.9	416%	20.1	17.9	13%

1. Defined as the amount of hash rate that could theoretically be generated if all mining servers that have been energized are currently in operation (includes mining servers that are temporarily offline for maintenance or similar reasons). Hash rates are estimates based on the manufacturers' specifications. All figures are rounded.

2. Defined as the sum of energized hash rate (see above) and hash rate that has been installed but is not yet energized (e.g., mining servers are in containers but not energized). Hash rates are estimates based on the manufacturers' specifications. All figures are rounded.

In May, approximately 5,500 of Marathon's Bitcoin miners (c. 0.75 EH/s) were newly energized at Applied Digital's facilities in North Dakota. Approximately 5,300 S19 XPs (c. 0.72 EH/s) were newly energized in Ellendale, ND. The remaining units were energized at the Jamestown, ND, facility, where Marathon's first domestic deployment of immersion mining is well underway.

As a result, the Company's operating fleet increased to approximately 133,600 Bitcoin miners, theoretically capable of producing approximately 15.2 EH/s, according to the manufacturer's specifications, as of June 1, 2023.

Once all of Marathon's previously purchased miners are installed, approximately 66% of the Company's hash rate is expected to be generated by S19 XPs, which are approximately 30% more energy efficient than the prior generation of mining rigs.

Financial Highlights and Updates

Figure 2: Financial Highlights

	Year-Over-Year Comparison			Prior Month Comparison		
Metric	**5/31/2023**	**5/31/2022**	**% Δ**	**5/31/2023**	**4/30/2023**	**% Δ**
Total Cash, Cash Equivalents, & Restricted Cash ($, in millions)	97.3	60.7	60%	97.3	123.5	-21%
Unrestricted Cash	97.3	57.5	69%	97.3	123.5	-21%
Restricted Cash	0.0	3.2	-100%	0.0	0.0	NA
Total BTC Holdings (in whole numbers)	12,259	9,941	23%	12,259	11,568	6%
Unrestricted BTC Holdings	12,259	5,862	109%	12,259	11,568	6%
Restricted BTC Holdings	0	4,079	-100%	0	0	NA

As of June 1, Marathon holds a total of 12,259 BTC, all of which are unrestricted. The Company opted to sell 554 BTC during the month of May and intends to sell a portion of its bitcoin holdings in future periods to support monthly operations, manage its treasury, and for general corporate purposes. The Company ended the month with $97.3 million in unrestricted cash and cash equivalents on its balance sheet.

Donation for Bitcoin Core Developers in Collaboration with Brink

On May 18, 2023, Marathon and Brink launched ajoint initiative to raise up to $1 million to support Bitcoin Core developers. Marathon pledged to match donations up to an aggregate of $500,000 through 2023, for a total potential donation amount of $1 million (when combined with third party donations). The Company committed to matching all donations (up to a $500,000 maximum donation from Marathon) during the Bitcoin 2023 conference on a two-for-one basis.

On May 22, 2023, four days after the campaign's inception, Marathon successfully fulfilled its matching pledge. While this accomplishment marks a significant milestone in the campaign, the goal of $1 million has yet to be achieved. Marathon and Brink are now encouraging the rest of the Bitcoin community to contribute towards this important cause to ensure Bitcoin Core developers can continue their essential work of maintaining and strengthening the Bitcoin network.

Those interested in contributing to the development and security of the Bitcoin network can visit this link to donate or to learn more about Brink and the Marathon match. Brink is a 501(c)(3), and all donations made to the organization are tax deductible.

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, 2022, filed with the SEC on March 16, 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 2023. 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 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.

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