

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 16, 2021

MARATHON DIGITAL HOLDINGS, INC.

(Exact Name of Registrant as Specified in Charter)

Nevada (State or other jurisdiction of incorporation)	001-36555 (Commission File Number)	01-0949984 (IRS Employer Identification No.)
1180 North Town Center Drive, Suite 100 Las Vegas, NV		89144
(Address of principal executive offices)		(Zip Code)

Registrant's telephone number, including area code: (800) 804-1690

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

Title of each class Common Stock	Trading Symbol(s) MARA	Name of each exchange on which registered The Nasdaq Capital Market
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FORWARD-LOOKING STATEMENTS

This Form 8-K and other reports filed by Registrant from time to time with the Securities and Exchange Commission (collectively, the "Filings") contain or may contain forward-looking statements and information that are based upon beliefs of, and information currently available to, Registrant's management as well as estimates and assumptions made by Registrant's management. When used in the Filings the words "anticipate," "believe," "estimate," "expect," "future," "intend," "plan" or the negative of these terms and similar expressions as they relate to Registrant or Registrant's management identify forward-looking statements. Such statements reflect the current view of Registrant with respect to future events and are subject to risks, uncertainties, assumptions and other factors relating to Registrant's industry, Registrant's operations and results of operations and any businesses that may be acquired by Registrant. Should one or more of these risks or uncertainties materialize, or should the underlying assumptions prove incorrect, actual results may differ significantly from those anticipated, believed, estimated, expected, intended or planned.

Although Registrant believes that the expectations reflected in the forward-looking statements are reasonable, Registrant cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, Registrant does not intend to update any of the forward-looking statements to conform these statements to actual results.

ITEM 7.01 Regulation FD Disclosure

On March 16, 2021, Marathon Digital Holdings, Inc. (the "Company") released an updated presentation deck and a press release, attached as Exhibits 99.1 and 99.2 to this Current Report on Form 8-K, respectively.

ITEM 9.01 Exhibit

Exhibit 99.1 [Company Deck](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: March 16, 2021

MARATHON DIGITAL HOLDINGS, INC.

By: /s/ Merrick Okamoto

Name: Merrick Okamoto

Title: Chief Executive Officer



Marathon at-a-glance

Building the largest self-mining operation in North America at one of the lowest energy costs.

Potential to grow monthly revenue from **\$500,000** to **\$102,950,000** by Q1 2022 by...



AGGRESSIVELY INCREASING MINING POWER (probability of earning Bitcoin)



REDUCING bitcoin production costs

*All projections based on BTC price of \$60,000 and difficulty rates as of March 2021

Headquarters: Las Vegas, NV
Mining Facility: Hardin, MT

103,120 miners
representing

6.4% of Global Bitcoin Hashrate
And producing

55 - 60 BTC/Day

Electricity cost: \$0.028/kWh

Scaling as Bitcoin Appreciates

If all miners were deployed today*, and Bitcoin's price was...

\$55,000/BTC	\$60,000/BTC	\$65,000/BTC
103,120 miners producing 10.37 EH/s	103,120 miners producing 10.37 EH/s	103,120 miners producing 10.37 EH/s
6.4% of global bitcoin hashrate	6.4% of global bitcoin hashrate	6.4% of global bitcoin hashrate
55-60 Bitcoins per day at an avg. cost of \$4,541/BTC	55-60 Bitcoins per day at an avg. cost of \$4,541/BTC	55-60 Bitcoins per day at an avg. cost of \$4,541/BTC
\$94.4 million in revenue per month	\$103.0 million in revenue per month	\$111.5 million in revenue per month
\$86.5 million in mining profit per month	\$95.0 million in mining profit per month	\$103.6 million in mining profit per month

*Assuming difficulty rates as of March 2021

Owning Bitcoin can feel complicated.

FOR SOME, IT'S IMPRACTICAL.
But many want exposure.

How should I store it?

How is this taxed?

Where can I spend it?

How is this taxed?

What if an exchange is hacked?

What are private & public keys?

Which exchange should I use?

How do I invest with my retirement account?

Which wallet should I use?

How do I exchange it?

What is cold storage?

How do I keep it safe?

What if I lose my keys?

What if I lose my BTC?

What if my fund doesn't let me hold crypto?

How do I insure it?

Exposure to "Digital Gold" is Simple

Just like with physical gold, you can...

<p>Purchase the asset itself</p> <p>BTC</p>	<p>Invest in a producer (i.e., miner)</p> <p>Nasdaq: MARA</p>	<p>Buy into an ETF</p> <p>OTC: GBTC</p>
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Marathon Creates Opportunities for Alpha

Recent Case Studies

From Nov. 20, 2020 to Dec. 22, 2020*

BTC: Up **28%** from \$18,675 to \$23,823

GBTC: Up **43%** from \$21.24 to \$30.39

MARA: Up **312%** from \$3.39 to \$13.97

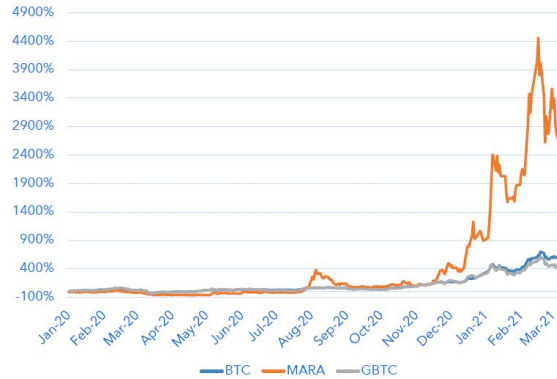
From Dec. 31, 2020 to Mar. 12, 2021*

BTC: Up **98%** from \$28,949 to \$57,265

GBTC: Up **56%** from \$32.00 to \$50.0

MARA: Up **290%** from \$10.44 to \$40.70

*All percentage changes calculated from closing prices
Sources: CapitalIQ and Yahoo Finance



Adoption is Accelerating

"I like bitcoin even more now than I did then. I think we are in the first inning of bitcoin, and it's got a long way to go."
- Paul Tudor Jones, October 2020



2020 Institutional Investors Digital Asset Survey By Fidelity Digital Assets

- 36% of institutional investors surveyed currently invest in digital assets.
- Almost 60% of all investors surveyed have a neutral or positive perception toward digital assets.
- Almost 80% of investors found something appealing about digital assets.

Square, Inc. invests **\$50 Million** in Bitcoin
- October 2020

PayPal launches new service allowing users to **buy, hold, and sell cryptocurrency**, enabling cryptocurrency as a funding source for digital commerce at **its 26 million merchants**
-October 2020

Bitcoin & Traditional Assets ROI (vs USD) as of Dec. 31, 2020

	Bitcoin	Gold	S&P 500
1 year:	+305%	+25%	+16%
2 year:	+686%	+49%	+50%
3 year:	+103%	+46%	+40%
4 year:	+2,939%	+65%	+68%
5 year:	+6,678%	+79%	+84%

Blockchain, "Bitcoin's Role as an Alternative Asset," Bitcoin Investment Thesis, Oct. 2020, www.fidelitydigitalassets.com/~/media/060_www_fidelity.com/documents/PDAS/bitcoin-investment-investment.pdf; Chapman, Frank, "Paul Tudor Jones Says He Likes Bitcoin More than Ever, Says 'We Are in the First Inning,'" The Street, 2020, www.thestreet.com/news/bitcoin-investing-investor-interviews; Hales, Kevin, "Bitcoin Steps Into Bitcoin Bull Billion Dollar Company Says 17X BTC in 74 Hours: News Bitcoin News," Bitcoin News, 20 Sept. 2020, news.bitcoin.com/bitcoin-billion-dollar-company; Blockchain, "THE INSTITUTIONAL INVESTORS DIGITAL ASSET SURVEY," Fidelitydigitalassets.com, June 2020, www.fidelitydigitalassets.com/overview.

Marathon's Growth Strategy

IN THEORY

1. Improve Bitcoin production by increasing hashrate
2. Continue to "de-risk" the business by becoming more resilient to potential declines in price of BTC



Power Output

More, powerful miners → increased power (hashrate)
Increased power → higher probability of earning BTC



Costs of BTC Production

Lower costs → higher profits & mitigated risks to business from BTC price fluctuation

IN PRACTICE

1. **New miners** increasing BTC production & revenue

2020 → **Q1 2022**

BTC: 2 / day
Revenue: \$500k / month

BTC: 55-60 / day
Revenue: \$103.0 million / month

2. **New facility** - opportunity to increase scale **12x** with fixed cost of electricity → more leveraged exposure to Bitcoin

Today → **Potential**

105 Megawatts
@ 2.8 cents / kWh

500+ Megawatts
@ 2.8 cents / kWh

Mining - The Engine that Fuels the Bitcoin Ecosystem

Mining - A system that adds transactions & provides security to the Bitcoin blockchain; How new bitcoins enter the market

A Miner - a computer designed to solve a mathematical algorithm (i.e., the Bitcoin code)

How it works



Bitcoin transactions are pooled together in a "block" & encrypted by a complex puzzle



Once a block is formed, miners compete to solve the puzzle

Difficult to solve, yet simple to verify (Sudoku)



Once solved, the transactions are "verified" by the network



The new block of verified transactions is attached to a chain of prior blocks, hence "blockchain"



For solving the puzzle, miners are rewarded with Bitcoin

Currently, 6.25 BTC per block / Blocks are solved, on avg., every 10 min.

The Path to Profitable Mining



Power
(hashrate)



Costs of Production

Annual Mining Profitability

$$= \left[\left(\frac{\text{Marathon's hash rate}}{\text{Network hash rate}} \right) \times \left(\text{Price of BTC} \right) \times \left(6.25 \text{ block reward} \right) \times \left(52,560 \text{ blocks/year} \right) \right] - \left[\left(\text{Price of miners} \right) + \left(\text{Cost of electricity} \right) + \left(\text{Marathon's corporate expenses}^* \right) \right]$$

Marathon Controls

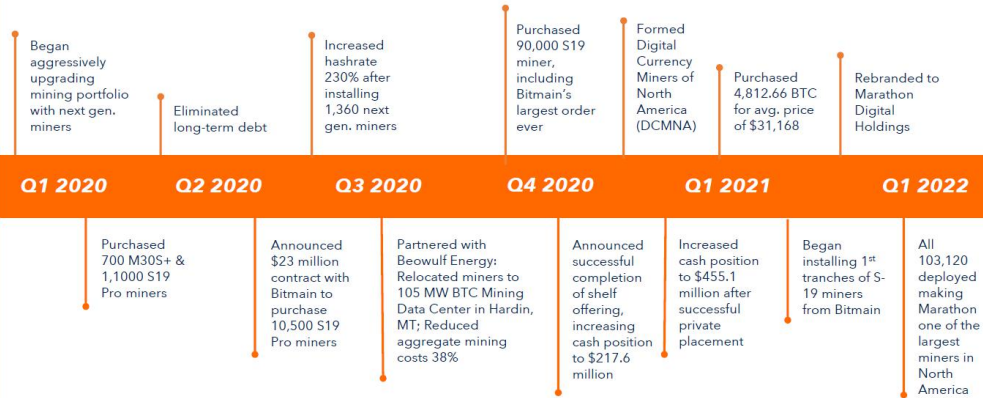
- Its hash rate
- Cost of electricity
- Corporate expenses

Marathon Doesn't Control

- Network hash rate
- Price of BTC
- Block reward & # of blocks/year
- Price of miners

* Rent, employees, public company expense, etc.

History of Expansion & Growth



A KEY COMPETITIVE ADVANTAGE

Consistent Access to Low-Cost Electricity via Beowulf

BEOWULF ENERGY PARTNERSHIP

A Best-in-Class Energy Generation Company

- Developed, constructed, acquired, and operated over **\$5 billion** of power generation and industrial assets
- Current Portfolio: 2.3 gigawatts of energy assets
- Owens 6 million shares in Marathon (skin-in-the-game)

Beowulf provides Marathon with a stable supply of electricity & opportunities for future growth

- 500+ MW earmarked for future blockchain & data center expansion
- Data center can house up to 30,000 S19 miners (3.320 EH/S)
- Leveraging expertise to open a second data center

AS A RESULT

Marathon's profitability ↑ & risk ↓

Electricity costs decrease to **\$0.028/kWh**

Aggregate mining costs for electricity + data center management decrease **38% to \$0.034/kWh**

Avg. BTC production cost: **\$4,541/BTC**

Marathon now:

- Owens 100% of data center
- Retains 100% of BTC mining output
- Exploring opening renewable energy powered data center in northeastern U.S.

A KEY COMPETITIVE ADVANTAGE

Priority Access to the Industry's Premier Miners

● BITMAIN PARTNERSHIP

The premier supplier of the industry's most advanced ASIC miners

- Guaranteed, priority access to the industry's top miners decreases risk of supply constraints & creates unique barrier to entry
- Fixed price to hedge against anticipated future price increases

Major Orders to Date

August 2020:
Announced \$23 million contract for 10,500 S-19 Pro miners

October 2020:
Purchased 10,000 S-19 Pro miners for \$22 million

December 2020:
Purchased 10,000 S-19j Pro miners for \$22 million & announced \$168 million contract for additional 70,000 S19 miners (Bitmain's largest order ever)



Uniquely Positioned for Long-Term Success

Marathon has eliminated obstacles faced by most mining companies

FOR MINING:

- **Scale** is paramount
- **Access to capital** is imperative

Public company structure allows the ability to act opportunistically & scale effectively

Since May 2020, investing over \$257 million:

- \$238 million in most advanced, state-of-the-art BTC miners
- \$19 million buildout for Hardin, MT data center
- Current cash: \$455.1 million (as of Jan. 2021)

PARTNERSHIPS:

● BEOWULF ENERGY

Consistent supply of low-cost electricity at a fixed rate from an industry leader with skin-in-the-game decreases risk of price increases (\$0.028/kWh)

● BITMAIN

Guaranteed access to the industry's top miners at a fixed price decreases risk of supply constraints & creates hedge against anticipated price increases

Financial Highlights



\$218.4 million in cash & crypto*



On track to produce 55-60 BTC per day



Cash flow positive



Improving mining margins



\$4,541/BTC
Avg. BTC production cost

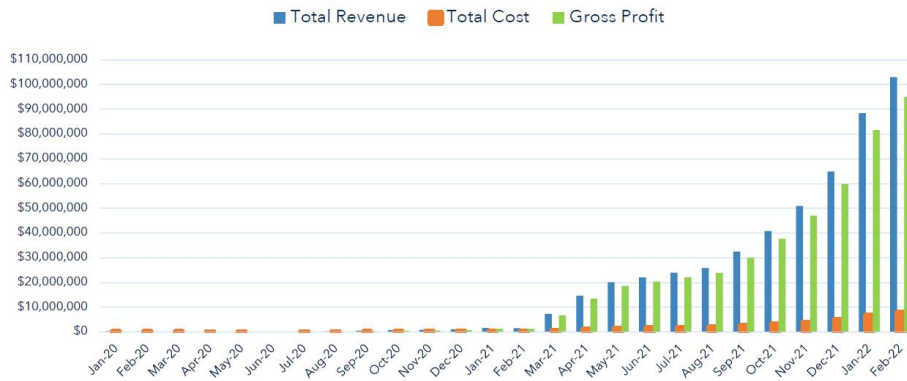


Minimal total liabilities

*Excludes Marathon's \$150 million investment in BTC, which as of 3/15/21 was valued at \$271 million

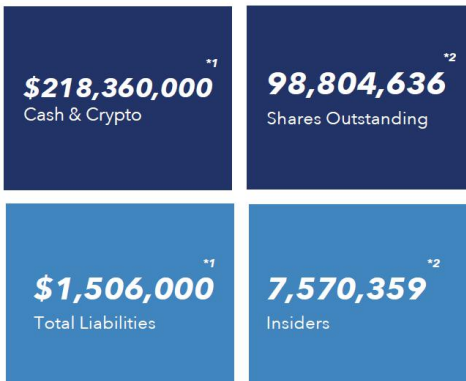
Audited financials as of Dec. 31, 2020
Mining estimates as of March 2021

Predictable Revenue Driving Profitability



*Assuming BTC price of \$60,000 and difficulty rate as of March 2021

Financials



Audited balance sheet data as of 12/31/2020.

*1 Audited cash and total liabilities as of 12/31/20. Subsequent to 12/31/20, 12,500,000 shares were issued for \$250,000,000 and \$150 million was invested into BTC, which as of 3/15/21 had a market value of \$271 million.

*2 Unaudited shares outstanding and insiders' holdings as of 3/15/2021

Summary Balance Sheet

\$ Millions	Dec. 31, 2020
Cash & cash equivalents	\$216.1
Digital currencies	2.3
Deposits	65.6
Prepaid expenses & other current assets	2.4
Total current assets	286.4
Total non-current assets	26.8
Total assets	\$313.2
Accounts payable	\$1.0
Total current liabilities	1.4
Total long-term liabilities	0.1
Total stockholders' equity	311.7
Total liabilities and equity	\$313.2

Key Investment Highlights



6.4% of global
bitcoin hashrate



On track to produce
55-60 BTC/day at avg.
cost of **\$4,541/BTC**



Exclusive partnerships
guarantee low energy
cost & consistent access
to miners



\$216.1 M in Cash
& **\$1.5 M** in Total
Liabilities



Growth strategy + low energy cost →
leveraged exposure to BTC upside &
mitigated downside risk



Consistent access to
capital in capital
intensive industry

Financials as of Dec. 31, 2020
Mining estimates as of March 2021

Contact Us

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Appendix

Safe Harbor Statement

Statements made in this presentation 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, as amended. 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.

DISCLAIMER

This presentation is not intended to be and should not be considered as forward-looking statements by the Company. It is impossible to forecast what the price of bitcoin or the hash rate difficulty will be on any specific date, including during February 2022, when all the Company's miners are expected to be deployed. This presentation is for illustrative purposes only to provide the reader with an estimate of the Company's potential gross revenue, mining power and hosting costs, which might be attained if all miners were deployed as of a specific date and with certain parameters used, as set forth below. The source of this estimate is the Bitcoin Profit Calculator provided to the Company by ViaBTC, the mining pool that is currently used by the Company. A link to this calculator can be found at https://www.viabtc.com/?lang=en_US. The parameters used were total hash rate of 10.37 EH/s, bitcoin price of \$60,000, power costs of \$0.028/kWh and a hosting fee of \$0.006/kWh.

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, 2019. 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. Lastly, with the current worldwide situation caused by COVID-19, there can be no assurances as to when we may see any long-term sustained recovery in the bitcoin market, and if so, whether any recovery might be significant.

Proven Leadership with Technical Know-How

Management

Merrick Okamoto
Executive Chairman &
CEO

Jim Crawford
Chief Operating Officer

Simeon Salzman
Chief Financial Officer

Board of Directors

Merrick Okamoto

Kevin DeNuccio

Fred Thiel

Michael Berg

Peter Benz

Glossary of Relevant Terminology



Bitcoin (BTC) - a type of digital currency in which a record of transactions is maintained and new units of currency are generated by the computational solution of mathematical problems, and which operates independently of a central bank; a unit of bitcoin



Blockchain - a system in which a record of transactions made in bitcoin or another cryptocurrency are maintained across several computers that are linked in a peer-to-peer network



Block - a file that contains a "permanent" record of transactions



Mining (BTC) - the processing of transactions in the digital currency system, in which the records of current Bitcoin transactions, known as a blocks, are added to the record of past transactions, known as the block chain



Hash Rate - The Measure of a Miners Performance - # of calculations a miner can perform in 1 second as it works to solve the BTC code



Block Reward - The amount of BTC "awarded/earned" for successfully mining/verifying a block

Average # of BTC mined each day =

$$\begin{aligned} &(\text{Block Reward}) \\ &\times \\ & (6x/\text{hr}) \\ &\times \\ & (24 \text{ hrs/day}) \end{aligned}$$

As of May 11, 2020:

$$\begin{aligned} &(6.25 \text{ BTC/Block}) \times \\ & (6x/\text{hr}) \times (24 \text{ hrs/day}) \\ &= \end{aligned}$$

900 BTC per day on avg.



Marathon Reports Fourth Quarter and Fiscal Year 2020 Results

Las Vegas, NV. – March 16, 2021 – **Marathon Digital Holdings, Inc.** (NASDAQ:**MARA**) (“Marathon” or “Company”), one of the largest enterprise Bitcoin self-mining companies in North America, reported financial results for the fourth quarter and fiscal year ended December 31, 2020.

Fourth Quarter 2020 and Recent Highlights

- Purchased 90,000 of the industry’s most efficient Bitcoin miners during the fourth quarter, increasing the Company’s mining fleet to approximately 103,120 miners capable of producing 10.37 EX/s (exahash per second) by the first quarter of 2022
- Initiated construction of mining facility adjacent to Beowulf’s energy plant in Hardin, MT, supplying Marathon long-term access to electricity at 2.8¢/kWh
- As of March 15, 2021, installed 3,697 S-19 ASIC miners at the mining facility Hardin, MT, increasing Marathon’s current active mining fleet to 5,690 miners with an additional 6,641 already delivered from Bitmain and in the process of being installed
- Formed the Digital Currency Miners of North America (DCMNA), a U.S.-based non-profit aimed at improving the mining environment for North American miners
- As of December 31, 2020, the Company had \$216.1 million in cash and cash equivalents and total liabilities of \$1.5 million
- As of December 31, 2020, the Company generated and held over \$2.3 million in bitcoins as digital currencies
- As of March 15, 2021, the Company had \$219.0 million in cash and cash equivalents (*unaudited)
- As of March 15, 2021, the Company generated and held over 254 bitcoins, each of which had a market price of approximately \$56,413; as a result, the approximate value of Marathon’s bitcoins held as digital currencies was over \$14.3 million (*unaudited)
- Subsequent to year end, purchased 4,812.66 bitcoins for \$150 million (average purchase price of \$31,168 per BTC), establishing the Company as one of the only pure-play Bitcoin investment options; as of March 15, 2021, the Company’s \$150 million investment in Bitcoin has a fair market value of approximately \$271 million, a gain of approximately 81%
- Rebranded to Marathon Digital Holdings, reflecting the Company’s position as a leading digital asset technology company
- Strengthened management team with the appointments of Simeon Salzman to chief financial officer and Kevin A. DeNuccio to board of directors

Management Commentary

“2020 was a momentous year for our business as it marked the beginning of our transition into one of the largest and most efficient Bitcoin miners in North America,” said Merrick Okamoto, Marathon’s chairman and CEO. “In the second half of last year alone, we established our 105 MW mining facility in Hardin, MT, where we have consistent access to electricity at rates far below market average, we presciently purchased more than 100,000 of the industry’s top performing Bitcoin miners before supply began to become constrained, and we enhanced our balance sheet.

“With a solid foundation to grow the business established, we are now focused on continuing to build out our mining facility and bring our miners from Bitmain online. Once all miners are deployed, which we currently expect to occur in the first quarter of 2022, Marathon’s mining fleet will consist of approximately 103,120 miners that generate 10.37 EH/s. As evidenced by the investments we have made into our mining operations so far, the establishment of the DCMNA, our \$150 million investment in Bitcoin, and our rebranding, Marathon is fully committed to becoming one of the largest and most innovative enterprise Bitcoin self-mining companies, and we look forward to executing against our strategy to do so throughout 2021 and beyond.”



Marathon’s chief financial officer, Sim Salzman, commented, “Financially, 2020 was highlighted by a 268% increase in revenue year-over-year and a substantial improvement to our balance sheet. We ended the year with \$216.1 million cash and cash equivalents, which compares to less than \$1.0 million cash at the end of 2019. While the price of Bitcoin and the network difficulty rate are subject to change, our mining operations are expected to produce at approximately 90% gross margins, which gives us confidence that we will see improvements in our financial metrics over the coming quarters as we continue to build out our mining operations.”

Fourth Quarter 2020 Financial Results

Total revenue increased 854% to \$2.6 million from \$0.3 million in the fourth quarter of 2019.

Operating loss was \$5.0 million compared to an operating loss of \$1.3 million in the fourth quarter of 2019. In the fourth quarter of 2020, cost of goods sold included \$3.0 million of non-cash items, including \$1.2 million of Bitcoin server depreciation, an \$871,000 impairment on mining equipment sold subsequent to year end, and a \$969,000 non-cash expense for server maintenance. Excluding non-cash items, operating loss in the fourth quarter of 2020 was \$1.9 million.

Net loss totaled \$5.2 million or \$(0.10) per diluted share, compared to net loss of \$1.2 million or \$(0.17) per diluted share in the fourth quarter of 2019.

In the fourth quarter 2020, the Company generated over 157 bitcoins. The Company last sold bitcoin on October 21, 2020, and since then, has been accumulating or “hodling” all bitcoin generated. As of December 31, 2020, the Company held approximately 126 bitcoins. Subsequent to the year end, the Company invested \$150 million into a fund-of-one and purchased 4,813 bitcoin using proceeds generated from an at-the-market offering at an average purchase price of \$31,168.

Full Year 2020 Financial Results

Total revenue increased 268% to \$4.4 million from \$1.2 million in the fiscal year 2019.

Operating loss was \$9.8 million compared to \$4.2 million in 2019.

Net loss totaled \$10.4 million, or \$(0.13) per diluted share, compared to net loss of \$3.5 million or \$(0.53) per diluted share in 2019.

Cash used in operations was \$7.8 million, compared to \$3.3 million during 2019.

At December 31, 2020, cash and cash equivalents was \$216.1 million compared to \$17.3 million at September 30, 2020 and \$693,000 at December 31, 2019.



Marathon's Digital Assets

For the year ended December 31, 2020, the carrying value of Marathon's digital assets (comprised solely of bitcoin) was \$2.3 million, which reflects cumulative impairment charges of \$0 since acquisition. Marathon accounts for its digital assets as indefinite-lived intangible assets, which are initially recorded at cost. Subsequently, they are measured at cost, net of any impairment losses incurred since acquisition. Marathon determines the fair value of its bitcoin based on quoted (unadjusted) prices on the active exchange that Marathon has determined is its principal market for bitcoin. Marathon considers the lowest price of one bitcoin quoted on the active exchange at any time since acquiring the specific bitcoin. If the carrying value of a bitcoin exceeds that lowest price, an impairment loss has occurred with respect to that bitcoin in the amount equal to the difference between its carrying value and such lowest price. Impairment losses are recognized as "digital asset impairment losses" in Marathon's Consolidated Statements of Operations and Comprehensive Loss.

As of December 31, 2020, the average cost and average carrying value of Marathon's bitcoins were approximately \$18,391 and \$18,391, respectively. As of March 15, 2021, at 6 p.m. EST, Marathon held approximately 5,066.66 bitcoins, of which 4,812.66 are held in an investment fund of one while the other 254 were generated by the Company's operations. The market price of one bitcoin in the principal market on March 15, 2021 was approximately \$56,413, and the approximate value of the bitcoins the Company has invested in and held as digital currencies was therefore over \$285.8 million (*unaudited).

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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, 2019. 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 hashrate 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 March 2021. 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.

About Marathon Digital Holdings

Marathon is a digital asset technology company that mines cryptocurrencies with a focus on the blockchain ecosystem and the generation of digital assets.

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	December 31, 2020	December 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 141,322,776	\$ 692,963
Digital currencies	2,271,656	1,141
Other receivable	74,767,226	-
Deposit	65,647,592	-
Prepaid expenses and other current assets	2,399,965	800,024
Total current assets	<u>286,409,215</u>	<u>1,494,128</u>
Non-current assets:		
Property and equipment, net of accumulated depreciation of \$6,480,359 and \$3,487,323 for December 31, 2020 and 2019, respectively	17,224,321	3,754,969
Prepaid service contract	8,415,000	-
Right-of-use assets	200,301	297,287
Intangible assets, net of accumulated amortization of \$207,598 and \$136,422 for December 31, 2020 and 2019, respectively	1,002,402	1,073,578
Total non-current assets	<u>26,842,024</u>	<u>5,125,834</u>
TOTAL ASSETS	<u>\$ 313,251,239</u>	<u>\$ 6,619,962</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 999,742	\$ 1,238,197
Mining servers payable	-	513,700
Current portion of operating lease liability	93,197	87,959
Warrant liability	322,437	12,849
Total current liabilities	<u>1,415,376</u>	<u>1,852,705</u>
Long-term liabilities		
Convertible notes payable	-	999,106
SBA PPP loan payable	62,500	-
Operating lease liability	28,399	120,479
Total long-term liabilities	<u>90,899</u>	<u>1,119,585</u>
Total liabilities	<u>1,506,275</u>	<u>2,972,290</u>
Commitments and Contingencies		
Stockholders' Equity:		
Preferred stock, 0.0001 par value, 50,000,000 shares authorized, no shares issued and outstanding at December 31, 2020 and 2019, respectively	-	-
Common stock, 0.0001 par value; 200,000,000 shares authorized; 81,974,619 and 8,458,781 issued and outstanding at December 31, 2020 and 2019, respectively	8,197	846
Additional paid-in capital	428,242,763	109,705,051
Accumulated other comprehensive loss	(450,719)	(450,719)
Accumulated deficit	<u>(116,055,277)</u>	<u>(105,607,506)</u>
Total stockholders' equity	<u>311,744,964</u>	<u>3,647,672</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 313,251,239</u>	<u>\$ 6,619,962</u>



Marathon Digital Holdings
Condensed Consolidated Statements of Operations

	For the Three Months Ended		For the Years Ended	
	December 31,		December 31,	
	2020	2019	2020	2019
Revenues				
Cryptocurrency mining revenue	\$ 2,643,610	\$ 277,052	\$ 4,357,443	\$ 1,185,227
Total revenues	2,643,610	277,052	4,357,443	1,185,227
Operating costs and expenses				
Cost of revenue	3,471,357	996,142	7,001,128	2,482,181
Impairment of mining equipment	871,302	-	871,302	-
Impairment of leasehold improvements	-	447,776	-	447,776
Compensation and related taxes	2,741,276	250,550	4,730,143	1,475,450
Consulting fees	57,000	46,813	302,561	130,813
Professional fees	218,179	135,053	733,741	422,335
General and administrative	240,367	106,464	551,672	465,783
Total operating expenses	7,599,481	1,982,798	14,190,547	5,424,338
Operating loss	(4,955,871)	(1,705,746)	(9,833,104)	(4,239,111)
Other income (expenses)				
Gain from extinguishment of debt	-	800	-	181,995
Other income (expenses)	(915)	-	113,476	-
Foreign exchange loss	-	-	-	(11,873)
Loss on conversion of note	-	-	(364,833)	-
Realized gain on sale of digital currencies	-	22,884	15,466	36,092
Change in fair value of warrant liability	(290,937)	33,987	(309,588)	26,234
Change in fair value of mining payable	-	507,862	(66,547)	507,862
Interest income	13,497	2,849	18,343	33,651
Interest expense	-	(14,552)	(20,984)	(51,915)
Total other (expenses) income	(278,355)	553,830	(614,667)	722,046
Loss before income taxes	\$ (5,234,226)	\$ (1,151,916)	\$ (10,447,771)	\$ (3,517,065)
Income tax expense	-	-	-	-
Net loss	\$ (5,234,226)	\$ (1,151,916)	\$ (10,447,771)	\$ (3,517,065)
Net loss per share, basic and diluted:	\$ (0.10)	\$ (0.17)	\$ (0.13)	\$ (0.53)
Weighted average shares outstanding, basic and diluted:	53,013,453	6,664,238	81,408,340	6,664,238