

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES AND EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2025

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES AND EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-36555

MARA HOLDINGS, INC.

(Exact name of registrant as specified in charter)

MARATM

Nevada

(State or other jurisdiction
of incorporation or organization)

01-0949984

(I.R.S. Employer
Identification No.)

101 NE Third Avenue, Suite 1200, Fort Lauderdale, FL

(Address of principal executive offices)

33301

(Zip Code)

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.0001 per share	MARA	The Nasdaq Capital Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of April 30, 2025, the number of outstanding shares of the registrant's common stock, par value \$0.0001 per share, was 351,927,748.

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PART I

ITEM 1. FINANCIAL STATEMENTS

MARA HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2025	December 31, 2024
	<i>(unaudited)</i>	
<i>(in thousands, except share and per share data)</i>		
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 196,215	\$ 391,771
Restricted cash	12,000	12,000
Digital assets, current portion	3,098	4,327
Other receivables	8,628	6,345
Deposits	22,744	18,778
Derivative instrument, current portion	21,072	1,542
Prepaid expenses and other current assets	28,069	35,610
Total current assets	291,826	470,373
Digital assets, net of current portion	2,745,302	3,223,989
Digital assets - receivable, net	1,164,189	960,057
Property and equipment, net	1,566,069	1,549,491
Advances to vendors	134,045	121,298
Investments	137,214	111,493
Long-term deposits	240,774	240,651
Long-term prepaids	14,194	14,221
Operating lease right-of-use assets	27,335	16,874
Derivative instrument, net of current portion	14,703	7,405
Goodwill	82,751	82,751
Intangible assets, net	2,432	2,714
Deferred tax assets	23,612	—
Total long-term assets	6,152,620	6,330,944
TOTAL ASSETS	\$ 6,444,446	\$ 6,801,317
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 6,489	\$ 12,556
Accrued expenses	45,750	76,887
Line of credit, current portion	300,000	—
Operating lease liabilities, current portion	872	239
Finance lease liability, current portion	168	168
Other current liabilities	15,091	5,347
Total current liabilities	368,370	95,197

See accompanying notes to the Condensed Consolidated Financial Statements

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Notes payable	2,248,549	2,246,578
Line of credit, net of current portion	50,000	200,000
Operating lease liabilities, net of current portion	33,298	22,977
Finance lease liability, net of current portion	3,709	3,709
Deferred tax liabilities	—	88,503
Other long-term liabilities	11,840	8,411
Total long-term liabilities	<u>2,347,396</u>	<u>2,570,178</u>

Commitments and Contingencies (Note 16)

Equity:

Preferred stock, par value \$0.0001 per share, 50,000,000 shares authorized; no shares issued and outstanding at March 31, 2025 and December 31, 2024	—	—
Common stock, par value \$0.0001 per share, 800,000,000 shares authorized; 346,279,403 shares and 340,258,453 shares issued and outstanding at March 31, 2025 and December 31, 2024, respectively	34	34
Additional paid-in capital	4,284,279	4,155,386
Accumulated deficit	(559,586)	(26,387)
Total stockholders' equity attributable to MARA	<u>3,724,727</u>	<u>4,129,033</u>
Noncontrolling interest	3,953	6,909
Total equity	<u>3,728,680</u>	<u>4,135,942</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 6,444,446</u>	<u>\$ 6,801,317</u>

See accompanying notes to the Condensed Consolidated Financial Statements

MARA HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

<i>(in thousands, except share and per share data)</i>	Three Months Ended March 31,	
	2025	2024
Revenues	\$ 213,884	\$ 165,198
Costs and operating expenses (income)		
Purchased energy costs	43,481	6,088
Third party hosting and other energy costs	68,183	69,566
Operating and maintenance costs	19,794	15,814
General and administrative	85,865	68,906
Depreciation and amortization	157,897	81,602
Change in fair value of digital assets	394,162	(488,807)
Change in fair value of derivative instrument	(26,828)	15,252
Taxes other than on income	3,095	2,510
Early termination expenses	—	22,097
Research and development	9,298	2,466
Total costs and operating expenses (income)	754,947	(204,506)
Operating income (loss)	(541,063)	369,704
Other income (loss)		
Change in fair value of digital assets - receivable, net	(116,067)	—
Interest income	11,995	2,573
Interest expense	(9,941)	(1,256)
Equity in net earnings of unconsolidated affiliate	(13)	1,259
Other	2,474	2,944
Total other income (loss)	(111,552)	5,520
Income (loss) before income taxes	(652,615)	375,224
Income tax benefit (expense)	119,172	(38,051)
Net income (loss)	\$ (533,443)	\$ 337,173
Less: net loss attributable to noncontrolling interest	244	—
Net income (loss) attributable to common stockholders	\$ (533,199)	\$ 337,173
Net income (loss) per share of common stock - basic	\$ (1.55)	\$ 1.30
Weighted average shares of common stock - basic	344,098,009	259,098,664
Net income (loss) per share of common stock - diluted	\$ (1.55)	\$ 1.26
Weighted average shares of common stock - diluted	344,098,009	267,912,443

See accompanying notes to the Condensed Consolidated Financial Statements

MARA HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(unaudited)

For the Three Months Ended March 31, 2025

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity	Noncontrolling Interest	Total Equity
	Number	Amount					
<i>(in thousands, except share data)</i>							
Balance at December 31, 2024	340,258,453	\$ 34	\$ 4,155,386	\$ (26,387)	\$ 4,129,033	\$ 6,909	\$ 4,135,942
Stock-based compensation, net of tax withholding	1,741,090	—	49,115	—	49,115	—	49,115
Issuance of common stock, net of offering costs	5,428,548	—	100,140	—	100,140	—	100,140
Repurchase of shares in settlement of restricted stock	(1,148,688)	—	(20,362)	—	(20,362)	—	(20,362)
Distribution to noncontrolling interest	—	—	—	—	—	(2,712)	(2,712)
Net loss	—	—	—	(533,199)	(533,199)	(244)	(533,443)
Balance at March 31, 2025	346,279,403	\$ 34	\$ 4,284,279	\$ (559,586)	\$ 3,724,727	\$ 3,953	\$ 3,728,680

For the Three Months Ended March 31, 2024

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity	Noncontrolling Interest	Total Equity
	Number	Amount					
<i>(in thousands, except share data)</i>							
Balance at December 31, 2023	242,829,391	\$ 24	\$ 2,183,537	\$ (567,640)	\$ 1,615,921	\$ —	\$ 1,615,921
Stock-based compensation, net of tax withholding	2,312,768	—	51,041	—	51,041	—	51,041
Issuance of common stock, net of offering costs	24,663,351	3	489,290	—	489,293	—	489,293
Repurchase of shares in settlement of restricted stock	(861,338)	—	(16,535)	—	(16,535)	—	(16,535)
Net income	—	—	—	337,173	337,173	—	337,173
Balance at March 31, 2024	268,944,172	\$ 27	\$ 2,707,333	\$ (230,467)	\$ 2,476,893	\$ —	\$ 2,476,893

See accompanying notes to the Condensed Consolidated Financial Statements

MARA HOLDINGS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

<i>(in thousands)</i>	Three Months Ended March 31,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ (533,443)	\$ 337,173
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	157,897	81,602
Deferred tax (benefit) expense	(112,115)	37,556
Change in fair value of digital assets and digital assets - receivable, net	510,229	(488,807)
Net gain on investments	(12,429)	(2,944)
Stock-based compensation	49,115	51,913
Change in fair value of derivative instrument	(26,828)	15,252
Early termination expenses	—	22,097
Equity in net earnings of unconsolidated affiliate	13	(1,259)
Other adjustments from operations, net	2,303	4,098
Changes in operating assets and liabilities	(250,230)	(145,021)
Net cash used in operating activities	(215,488)	(88,340)
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances to vendors	(97,432)	(225,166)
Acquisition, net of cash acquired	(36,344)	(183,815)
Deposits for acquisitions	—	(25,000)
Purchase of property and equipment	(38,856)	(9,088)
Proceeds from sale of property and equipment	3,472	—
Proceeds from sale of digital assets	8,675	44,770
Purchase of digital assets	(27,131)	(7,293)
Investment in equity method investments	(2,786)	(2,999)
Purchase of equity investments	(19,444)	(8,000)
Net cash used in investing activities	(209,846)	(416,591)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common stock, net of issuance costs	100,140	489,293
Repurchase of shares in settlement of restricted stock	(20,362)	(16,535)
Line of credit	150,000	—
Cash paid for shares withheld for taxes	—	(872)
Net cash provided by financing activities	229,778	471,886
Net decrease in cash, cash equivalents and restricted cash	(195,556)	(33,045)
Cash, cash equivalents and restricted cash — beginning of period	403,771	357,313
Cash, cash equivalents and restricted cash — end of period	\$ 208,215	\$ 324,268

See accompanying notes to the Condensed Consolidated Financial Statements

MARA HOLDINGS, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
(unaudited)

NOTE 1 – ORGANIZATION AND DESCRIPTION OF BUSINESS

MARA Holdings, Inc. (together with its subsidiaries, the “Company” or “MARA”) is a vertically integrated digital energy and infrastructure company that leverages high-intensity compute, such as bitcoin mining, to monetize excess energy and optimize power management. The Company also offers advanced technology solutions to optimize data center operations, including next-generation liquid immersion cooling systems. The Company is primarily focused on computing for, acquiring, and holding bitcoin as a long-term investment.

The term “Bitcoin” with a capital “B” is used to denote the Bitcoin protocol which implements a highly available, public, permanent, and decentralized ledger. The term “bitcoin” with a lower case “b” is used to denote the digital asset, bitcoin.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The accompanying unaudited Condensed Consolidated Financial Statements include the accounts of the Company and its wholly owned and controlled subsidiaries. All significant intercompany accounts and transactions, including any noncontrolling interest, have been eliminated in consolidation. The Company has prepared the Condensed Consolidated Financial Statements in accordance with generally accepted accounting principles in the United States (“GAAP”) and regulations of the U.S. Securities and Exchange Commission (the “SEC”) applicable to interim financial information, which permit the omission of certain information to the extent it has not changed materially since the latest annual financial statements. These Condensed Consolidated Financial Statements reflect all adjustments, consisting only of normal recurring adjustments, which, in the opinion of management, are necessary to present fairly the financial position, results of operations and cash flows of the Company for the periods presented. The results of operations for the interim periods are not necessarily indicative of the results to be expected for any future fiscal periods in 2025 or for the full year ending December 31, 2025.

These financial statements should be read in conjunction with the financial statements and related notes included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on March 3, 2025.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant accounting estimates inherent in the preparation of the Company’s financial statements include fair value of assets acquired and liabilities assumed in a business combination, estimates associated with the useful lives of property and equipment, realization of long-lived assets, impairment of goodwill, valuation of derivative instruments, deferred income taxes, unrealized tax positions, measurement of digital assets and related receivables and loss contingencies. Actual results could differ from those estimates.

Reclassifications

Effective the first quarter of 2025, the Company made certain changes to the presentation of its Condensed Consolidated Statements of Operations to provide greater transparency and improve the usefulness of its financial reporting. Specifically, the Company disaggregated cost of revenue and certain operating expenses into the following new line items: “Purchased energy costs,” “Third party hosting and other energy costs” and “Operating and maintenance costs.” In addition, cost of depreciation and amortization and amortization of intangibles have been aggregated into a single line item titled “Depreciation and amortization.” The Company also began separately

presenting expenses related to “Taxes other than on income,” which were previously included within general and administrative expenses.

These changes are intended to provide more meaningful information regarding the nature of the Company’s operating expenses and to align the presentation with the evolving nature of the Company’s operations.

Certain prior period amounts have been reclassified to conform to the current period presentation. These reclassifications have no effect on the reported financial position, results of operations, or cash flows. The impact on any prior period disclosures were immaterial.

Segment Information

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker (“CODM”), or decision-making group, in deciding how to allocate resources and assess performance. The Company’s CODM group is composed of the Chief Executive Officer and Chief Financial Officer. The Company operates as one operating segment and uses net income as a measure of profit or loss on a consolidated basis in making decisions regarding resource allocation and performance assessment. Additionally, the Company’s CODM regularly reviews the Company’s expenses on a consolidated basis. The financial metrics used by the CODM help make key operating decisions, such as determination of digital asset purchases and significant acquisitions and allocation of budget between operating costs, general and administrative and research and development expenses.

Cash and Cash Equivalents

The Company considers all highly liquid investments and other short-term investments with a maturity of three months or less, when purchased, to be cash equivalents. The Company maintains cash and cash equivalent balances at financial institutions that are insured by the Federal Deposit Insurance Corporation (“FDIC”). During March 2023, the Company began to participate, to the extent practicable, in insured cash sweep programs which “sweep” its deposits across multiple FDIC insured accounts, each with deposits of no more than \$250.0 thousand. As of March 31, 2025, substantially all of the Company’s cash and cash equivalents were FDIC insured.

Restricted Cash

Restricted cash as of March 31, 2025 principally represented those cash balances that support commercial letters of credit and are restricted from withdrawal.

Digital Assets

In 2024, the Company adopted a full holding onto bitcoin (“HODL”) approach towards its bitcoin treasury policy, retaining all bitcoin mined in its operations, and may periodically make strategic open market purchases of bitcoin. As a result, bitcoin digital assets are included in non-current assets on the Condensed Consolidated Balance Sheets due to the Company’s intent to retain and hold bitcoin. Other digital assets are held with the intent to fund operating expenses are included in current assets on the Condensed Consolidated Balance Sheets. In addition, digital assets loaned and collateralized were reported as “Digital assets - receivable, net” and classified as long-term assets on the Condensed Consolidated Balance Sheets as it is the Company’s intent to maintain the loaned and collateralized bitcoin consistent with its HODL policy. Proceeds from the sale of digital assets are included within investing activities in the accompanying Condensed Consolidated Statement of Cash Flows. Following the adoption of Accounting Standards Update (“ASU”) 2023-08, *Accounting for and Disclosure of Crypto Assets*, effective January 1, 2023, the Company measures digital assets at fair value with changes recognized on the Condensed Consolidated Statements of Operations, in accordance with ASC 350-60 - *Intangibles - Goodwill and Other - Crypto Assets* (“ASC 350-60”). The Company tracks its cost basis of digital assets in accordance with the first-in-first-out method of accounting. Refer to Note 5 – Digital Assets, for further information.

Digital Assets - Receivable, net

The Company lends digital assets to counterparties under fixed term loans. In addition, the Company has pledged bitcoin as collateral for a line of credit. Digital asset receivables that do not have a prespecified maturity date are

repayable at the Company's option, subject to notice between three and 35 business days. A borrower may elect to repay at any time, without incurring any penalty or premium. While the loan is outstanding, the borrower has the right and the ability to use the digital assets at its discretion, including the ability to sell or pledge the borrowed digital assets to third parties. At the conclusion of the loan, the borrower is obligated to return the same type and quantity of digital assets as those lent by the Company.

The digital asset receivables are initially measured upon transfer at fair value and subsequently remeasured at fair value each reporting period. The changes in fair value are recognized on the Condensed Consolidated Statements of Operations, in accordance with ASC 350-60. A loan fee is accrued daily based on the amount owing, paid on a monthly basis consistent with each loan's terms.

The digital asset receivable balance is evaluated for possible credit losses, in accordance with ASC 326 - *Financial Instruments - Credit Losses*. The allowance for credit losses on digital assets receivables under the current expected credit loss ("CECL") model is determined by utilizing the profitability of default ("PD") loss given default ("LGD") approach. In order to apply the PD LGD approach, management considers the remaining expected life of the loans and forecasts of future economic conditions. Allowance for credit losses are included in "Other" on the Condensed Consolidated Statements of Operations. Refer to Note 6 – Digital Assets - Receivable, Net for further information.

Other Receivable

The Company acquired accounts receivable as a result of its acquisition of GC Data Center Equity Holdings, LLC on January 12, 2024 (the "GC Data Center Acquisition"), which consist of trade receivables. Refer to Note 3 – Acquisitions, for further information. The Company provides an allowance for credit losses equal to the estimated uncollectible amounts, based on historical and customer specific experience and current economic and market conditions. The allowance for credit losses was \$8.6 million as of March 31, 2025.

Derivatives

The Company enters into derivative contracts to manage its exposure to fluctuations in the price of bitcoin and energy costs and not for any other purpose. In addition, the Company evaluates its financing and service arrangements to determine whether certain arrangements contain features that qualify as embedded derivatives requiring bifurcation in accordance with ASC 815 - *Derivatives and Hedging*. Embedded derivatives that are required to be bifurcated from the host instrument or arrangement are accounted for and valued as separate financial instruments. There were no embedded derivatives requiring separation from the host instrument as of March 31, 2025 and December 31, 2024.

The Company does not elect to designate derivatives as hedges for accounting purposes and, as such, records derivatives at fair value, with subsequent changes in fair value and settlements recognized in earnings. The Company classifies derivative assets or liabilities on the Condensed Consolidated Balance Sheets as current or non-current based on whether settlement of the instrument could be required within 12 months of the balance sheet date and for derivatives with multiple settlements, based on the term of the contract.

Bitcoin Derivatives

From time to time the Company enters into derivative contracts to mitigate bitcoin market pricing volatility risk. During the three months ended March 31, 2025, the Company recorded a \$7.7 million loss on derivatives as a non-operating expense on the Condensed Consolidated Statements of Operations, settled through bitcoin. There were no derivative instruments outstanding as of March 31, 2025, and various derivative instruments to mitigate bitcoin market pricing volatility risk outstanding as of December 31, 2024.

Energy Derivatives

The Company acquired a commodity swap contract as a result of the GC Data Center Acquisition on January 12, 2024. Refer to Note 3 – Acquisitions, for further information. The commodity swap contract hedges price variability in electricity purchases and expires on December 31, 2027. The commodity swap contract meets the definition of a derivative due to terms that provide for net settlement. As of March 31, 2025, the estimated fair value of the Company's derivative asset instrument was \$35.8 million, estimated using observable market-based inputs classified

under Level 2 of the fair value hierarchy. The significant assumptions used in the discounted cash flow model to estimate fair value include the discount rate and electricity forward curves. Accordingly, the Company records the “Change in fair value of derivative instrument” on the Condensed Consolidated Statements of Operations.

The following table presents the changes in fair value of the derivative instrument:

(in thousands)

Balance at December 31, 2024	\$	8,947
Change in fair value of derivative instrument		26,828
Balance at March 31, 2025	\$	35,775

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation and impairment, as applicable. Property and equipment acquired through business combinations are measured at fair value at the acquisition date. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The Company’s property and equipment is primarily composed of digital asset mining rigs, which are largely homogeneous and have approximately the same useful lives. Accordingly, the Company utilizes the group method of depreciation for its digital asset mining rigs. The Company will update the estimated useful lives of its digital asset mining server group periodically if information on the operations of the mining equipment indicates changes are required. The Company will assess and adjust the estimated useful lives of its mining equipment when there are indicators that the productivity of the mining assets is longer or shorter than the assigned estimated useful lives.

Investments

Investments, which may be made from time-to-time for strategic reasons, are included in non-current assets on the Condensed Consolidated Balance Sheets. Refer to Note 9 – Investments, for further information.

Equity Method Investments

The Company accounts for investments in which it owns between 20% and 50% of the common stock and has the ability to exercise significant influence, but not control, over the investee using the equity method of accounting in accordance with ASC 323 - *Equity Method Investments and Joint Ventures*. Under the equity method, an investor initially records its investment in the investee at cost and adjusts the carrying amount of its investment to recognize its proportionate share of the earnings or losses of the investee after the date of investment.

Other Investments

Investments in which the Company does not have the ability to exercise significant influence and does not have readily determinable fair values, are recorded at cost minus impairment, plus or minus changes from observable price changes in orderly transactions for identical or similar investments of the same issuer, in accordance with the measurement alternative described in ASC 321 - *Investments – Equity Securities* (“ASC 321”).

As part of the Company’s policy to maximize return on strategic investment opportunities, while preserving capital and limiting downside risk, the Company may at times enter into equity investments or Simple Agreements for Future Equity (“SAFE”). The nature and timing of the Company’s investments will depend on available capital at any particular time and the investment opportunities identified and available to the Company. However, the Company generally does not make investments for speculative purposes and does not intend to engage in the business of making investments.

Leases

The Company determines if an arrangement contains a lease at inception based on whether or not the Company has the right to control the asset during the contract period and other facts and circumstances. At lease inception, the Company determines the lease classification as either an operating or finance lease, with classification effecting the expense recognition on the Condensed Consolidated Statements of Operations. For leases with terms longer than 12 months, a lease liability is recorded on the Company's Condensed Consolidated Balance Sheets for the present value of its fixed minimum payment obligations over the lease term, including renewal extension options, and a corresponding right-of-use ("ROU") asset equal to the initial lease liability is recorded, adjusted for any prepayments, indirect costs and lease incentives, as well as adjustments to reflect favorable or unfavorable terms of an acquired lease when compared to market terms at the time of an acquisition. Refer to Note 15 – Leases, for further information.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of the net assets acquired in a business combination. Goodwill is not subject to amortization, and instead, assessed for impairment annually at the end of each fiscal year, or more frequently when events or changes in circumstances indicate that it is more likely than not that the fair value of a reporting unit is less than its carrying amount in accordance with ASC 350 - *Intangibles - Goodwill and Other*.

The Company has the option to first assess qualitative factors to determine whether events or circumstances indicate it is more likely than not that the fair value of a reporting unit is greater than its carrying amount, in which case a quantitative impairment test is not required.

As provided for by ASU 2017-04, *Simplifying the Test for Goodwill Impairment*, the quantitative goodwill impairment test is performed by comparing the fair value of the reporting unit with its carrying amount, including goodwill. If the fair value of the reporting unit exceeds its carrying amount, goodwill is not impaired. An impairment loss is recognized for any excess of the carrying amount of the reporting unit over its fair value up to the amount of goodwill allocated to the reporting unit. Income tax effects from any tax-deductible goodwill on the carrying amount of the reporting unit are considered when measuring the goodwill impairment loss, if applicable.

Finite-Lived Intangible Assets

Intangible assets are recorded at cost less any accumulated amortization and any accumulated impairment losses. Intangible assets acquired through business combinations are measured at fair value at the acquisition date.

Intangible assets with finite lives are comprised of customer relationships and intellectual property and are amortized over their estimated useful lives on an accelerated basis over the projected pattern of economic benefits, which range from one to four years. Finite-lived intangible assets are reviewed for impairment annually, or more frequently when events or changes in circumstances indicate that it is more likely than not that the fair value has been reduced to less than its carrying amount.

Business Combinations

The Company accounts for business combinations under the acquisition method of accounting in accordance with ASC 805 - *Business Combinations* ("ASC 805"), by recognizing the identifiable tangible and intangible assets acquired and liabilities assumed, measured at the acquisition date fair value. The determination of fair value involves assumptions, estimates and judgments. The initial allocation of the purchase price is considered preliminary and therefore subject to change until the end of the measurement period (up to one year from the acquisition date). Goodwill as of the acquisition date is measured as the excess of consideration transferred over the net assets acquired. Contingent consideration is included within the purchase price and is initially recognized at fair value as of the acquisition date. Contingent consideration, classified as either an asset or a liability, is remeasured to fair value each reporting period, until the contingency is resolved. Changes in fair value of contingent consideration period-over-period are recognized in earnings.

Acquisition related expenses are recognized separately from the business combination and are expensed as incurred.

Revenues

The Company recognizes revenue under ASC 606 – *Revenue from Contracts with Customers* (“ASC 606”). The core principle of the revenue standard is that a reporting entity should recognize revenues to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Refer to Note 4 – Revenues, for further information.

Purchased Energy Costs

The Company defines purchased energy costs as the amount paid to power providers for power consumed related to the Company’s owned bitcoin mining operations.

Third Party Hosting and Other Energy Costs

The Company considers third party hosting and other energy costs as power expenses paid to power providers for power consumed related to third party hosted bitcoin mining operations, as well as other digital asset mining operation energy costs. As of March 31, 2025, the Company have third party hosting agreements extending through 2028, refer to Note 16 – Commitments and Contingencies, for further information.

Stock-based Compensation

The Company recognizes stock-based compensation expense for awards to employees and non-employees based on the grant date fair value of the award and uses the graded-vesting method to recognize expense on a straight-line basis over the requisite service period from the date of grant of the award for each separately vesting tranche. The grant date fair value of awards with market-based conditions is determined using the Monte Carlo simulation model. Restricted stock units represent the right to receive a certain number of shares of the Company’s common stock, with vesting subject to a service requirement. Performance-based stock units represent the right to receive a number of shares of the Company’s common stock based on the achievement of performance-based measures or market-based conditions, with vesting subject to a service requirement. At each reporting date, the Company reassesses the level of expected achievement of performance-based measures and records any resulting cumulative adjustment in the period of reassessment. The Company accounts for forfeitures as they occur, rather than estimated expected forfeitures at the grant date, resulting in a true-up of expense to reflect actual vesting outcomes. Refer to Note 13 – Stock-based Compensation, for further information.

Impairment of Long-lived Assets

Management reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to undiscounted future cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

Research and Development

Research and development costs consist primarily of contractor costs, equipment, supplies, personnel, and related expenses for research and development activities. Research and development costs are expensed as incurred in accordance with ASC 730 - *Research and Development* and are included in operating expenses on the Condensed Consolidated Statements of Operations. Research and development costs were \$9.3 million and \$2.5 million, for the three months ended March 31, 2025 and 2024 respectively.

Income Taxes

Effective Tax Rate

Our effective tax rate (“ETR”) from continuing operations was 18.26% and 10.14% for the three months ended March 31, 2025 and 2024, respectively. The difference between the U.S. statutory tax rate of 21% was primarily due to non-deductible officer compensation, which represents a permanent difference that reduces the overall tax benefit.

During the three months ended March 31, 2025, the Company concluded, based upon all available evidence, it was more likely than not that it would have sufficient future taxable income to realize the Company’s federal and state deferred tax assets, as the Company continues to be in a three year cumulative income position.

Income Tax in Interim Periods

The Company records its tax expense or benefit on an interim basis using an estimated annual effective tax rate. This rate is applied to the current period ordinary income or loss to determine the income tax provision or benefit allocated to the interim period. The income tax effects of unusual or infrequent items are excluded from the estimated annual effective tax rate and are recognized in the impacted interim period.

Adjustments to the estimated annual effective income tax rate are recognized in the period when such estimates are revised.

Uncertain Tax Positions

The Company files federal and state income tax returns. The 2021-2024 tax years generally remain subject to examination by the Internal Revenue Service and various state taxing authorities, although the Company is not currently under examination in any jurisdiction.

The Company does not currently expect any of its remaining unrecognized tax benefits to be recognized in the next twelve months.

Recent Accounting Pronouncements

The Company continually assesses any new accounting pronouncements to determine their applicability. When it is determined that a new accounting pronouncement may affect the Company’s financial reporting, the Company undertakes an analysis to determine any required changes to its Condensed Consolidated Financial Statements and assures that there are proper controls in place to ascertain that the Company’s Condensed Consolidated Financial Statements properly reflect the change.

In March 2025, the Financial Accounting Standards Board (“FASB”) issued ASU No. 2025-02, *Liabilities (405): Amendments to SEC Paragraph Pursuant to SEC Staff Accounting Bulletin No. 122*. ASU 2025-02 amends the Accounting Standard Codification to remove the text of SEC Staff Accounting Bulletin (“SAB”) 121, as rescinded by SAB 122. The new standard is effective immediately and is not expected to have a material impact on the Company’s Condensed Consolidated Financial Statements.

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. ASU 2023-09 requires entities to disclose specific rate reconciliations, amount of income taxes separated by federal and individual jurisdiction, and the amount of income (loss) from continuing operations before income tax expense (benefit) disaggregated between federal, state, and foreign. The new standard is effective for the Company for its annual periods beginning January 1, 2025, with early adoption permitted. The Company has concluded that it will adopt the standard prospectively on the Consolidated Financial Statements to be included in the Annual Report on Form 10-K for the year ending December 31, 2025. The Company is currently evaluating the impact of the new requirement for its income tax disclosure.

NOTE 3 – ACQUISITIONS**The Wind Farm (Hansford County, Texas)**

On February 14, 2025, the Company acquired a wind farm located in Hansford County, Texas with 240 megawatts of interconnection capacity, with 114 megawatts of nameplate wind capacity from Great Plains Wind Park Holdings, LLC (the “Wind Farm”) for a total consideration of \$49.2 million, including transaction costs and contingent consideration. The primary assets acquired were property and equipment of \$48.2 million and \$1.0 million related to working capital. In addition, the Company recorded a \$10.9 million ROU asset and corresponding lease liability and a \$3.3 million asset retirement obligation and offsetting liability, recognized in property and equipment and other long-term liabilities, respectively. The acquisition was accounted for as an asset acquisition that did not meet the definition of a business. The total consideration was allocated based on the relative fair values of the assets acquired and liabilities assumed, and no goodwill was recognized. This acquisition is intended to convert underutilized sustainable resources into economic value, achieve low energy cost, and enable broader renewable energy development.

GC Data Center Acquisition (Granbury, Texas and Kearney, Nebraska)

On January 12, 2024, the Company acquired two operational bitcoin mining sites located in Granbury, Texas and Kearney, Nebraska, totaling 390 megawatts of nameplate capacity in the GC Data Center Acquisition for total consideration of \$189.6 million, including a working capital adjustment that was paid during the three months ended March 31, 2024, plus up to an additional \$19.6 million of cash, which amount is contingent on the expansion of additional megawatt capacity at the acquired facilities by certain milestone dates during the three year period following the anniversary of closing. The acquisition is intended to improve efficiencies and the scale of operations through the integration of the Company’s technology stack and realization of synergies.

The Company will not be taking on any new hosting services customers at these locations and will transition to self-mining at these two sites as existing customer agreements expire or are terminated early.

The following table summarizes the components of total purchase consideration:

<i>(in thousands)</i>	January 12, 2024
Initial cash consideration, net of cash acquired	\$ 175,734
Working capital adjustments	8,081
Estimate fair value contingent earn-out and other	5,832
Total purchase consideration	\$ 189,647

The acquisition was accounted for as a business combination using the acquisition method of accounting in accordance with ASC 805.

The following table summarizes the allocation of the purchase price based on the estimated fair values of the assets acquired and liabilities assumed as of January 12, 2024:

<i>(in thousands)</i>	January 12, 2024
Assets	
Accounts receivable	\$ 20,411
Other current assets	8,506
Property and equipment	132,148
Right-of-use asset	8,852
Goodwill	30,852
Customer relationships	22,000
Derivative instrument	10,989
Other non-current assets	6,250
Total assets	\$ 240,008
Liabilities	
Accounts payable and accrued expenses	\$ 13,940
Lease liability	13,992
Other long-term liabilities	22,429
Total liabilities	50,361
Total purchase consideration	\$ 189,647

Goodwill is calculated as the excess of the purchase price over the net assets acquired. The Company expects the goodwill balance to be deductible for tax purposes over a period of 15 years. Goodwill is primarily attributed to growth and efficiency opportunities as well as expected synergies from combining the operations of bitcoin mining sites with the Company.

The gross contractual amounts receivable were \$24.0 million, of which \$3.6 million is expected to be uncollectible. During the three months ended March 31, 2024, the Company terminated various customer agreements and recognized an \$22.1 million charge recorded to “Early termination expenses” on the Condensed Consolidated Statements of Operations.

The fair value of property and equipment was estimated by applying the cost approach, which estimates fair value using replacement or reproduction cost of an asset of comparable utility, adjusted for loss in value due to depreciation and economic obsolescence, which are considered Level 3 inputs. The fair value of the derivative was estimated using a discounted cash flow approach that considers various assumptions including current market prices and electricity forward curves, time value, as well as other relevant economic measures, which are considered Level 2 inputs. The fair value of the contingent earn-out was estimated using a discounted cash flow approach, which included assumptions regarding the probability-weighted cash flows of achieving certain capacity development milestones, which are considered Level 3 inputs. The fair value of the lease liability was estimated using a discounted cash flow approach, which included assumptions regarding current market prices for similar assets, estimated term and discount rates, which are considered Level 3 inputs.

Intangible assets were determined to meet the criterion for recognition apart from tangible assets acquired and liabilities assumed. The fair values of intangible assets were estimated based on various valuation techniques including the use of discounted cash flow analyses, and multi-period excess earnings valuation approaches, which use significant unobservable inputs, or Level 3 inputs, as defined by the fair value hierarchy. These valuation inputs included estimates and assumptions about forecasted future cash flows, long-term revenue growth rates, and discount rates. The fair value of the customer relationships intangible asset was determined using a discounted cash flow model that incorporates the excess earnings method and will be amortized on an accelerated basis over the

projected pattern of economic benefits of approximately 4 years. As of December 31, 2024, the Company fully amortized customer relationships acquired for \$22.0 million.

The results of the acquired facilities have been included in the Company's Condensed Consolidated Statements of Operations as of the acquisition date.

The following unaudited pro forma financial information reflects the acquisition of GC Data Center Acquisition by the application of pro forma adjustments to the Company's historical financial statements as if the acquisition had occurred on January 1, 2023, for the indicated periods:

<i>(in thousands)</i>	Three Months Ended March 31,	
	2024	
Revenue	\$	168,291
Income before income taxes		374,060
Earnings per common share:		
Basic	\$	1.30
Diluted		1.25

The unaudited pro forma financial information should not be considered indicative of actual results that would have been achieved had the acquisition of the acquired facilities actually been consummated on the date indicated and does not purport to be indicative of the Company's future financial position or results of operations. These pro forma results include the impact of amortizing certain purchase accounting adjustments such as intangible assets and the impact of the acquisition on interest and income tax expense. No adjustments have been reflected in the pro forma financial information for anticipated growth and efficiency opportunities. There were no material nonrecurring pro forma adjustments directly attributable to the acquisition included within the unaudited pro forma financial information.

NOTE 4 – REVENUES

The Company recognizes revenue in accordance with ASC 606. The core principle of the revenue standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The following five steps are applied to achieve that core principle:

- Step 1: Identify the contract with the customer;
- Step 2: Identify the performance obligations in the contract;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract; and
- Step 5: Recognize revenue when the Company satisfies a performance obligation.

In order to identify the performance obligations in a contract with a customer, an entity must assess the promised goods or services in the contract and identify each promised good or service that is distinct. A performance obligation meets ASC 606's definition of a "distinct" good or service (or bundle of goods or services) if both of the following criteria are met:

- The customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e., the good or service is capable of being distinct); and
- The entity's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e., the promise to transfer the good or service is distinct within the context of the contract).

If a good or service is not distinct, the good or service is combined with other promised goods or services until a bundle of goods or services is identified that is distinct.

The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. When determining the transaction price, an entity must consider the effects of all of the following:

- Variable consideration
- Constraining estimates of variable consideration
- The existence of a significant financing component in the contract
- Noncash consideration
- Consideration payable to a customer

Variable consideration is included in the transaction price only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized under the accounting contract will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The transaction price is allocated to each performance obligation on a relative standalone selling price basis.

The transaction price allocated to each performance obligation is recognized when that performance obligation is satisfied, at a point in time or over time, as appropriate.

Application of the Five-Step Model to the Company's Mining and Hosting Operations

The Company's ongoing major or central operation is to provide bitcoin transaction verification services to the transaction requestor, in addition to the Bitcoin network through a Company-operated mining pool as the operator ("Operator") (such activity, "mining") and to provide a service of performing hash calculations to third-party pool operators alongside collectives of third-party bitcoin miners (such collectives, "mining pools") as a participant ("Participant").

In 2024, the Company acquired multiple operational bitcoin mining sites for the purpose of improving efficiencies and the scale of the Company's mining operations. The Company provided hosting services to institutional-scale crypto mining companies at these sites. The Company will not be taking on any new hosting services customers at these locations and will transition to self-mining at these sites as existing customer agreements expire or are terminated early.

The following table presents the Company’s revenues disaggregated for those arrangements in which the Company is the Operator and Participant:

<i>(in thousands)</i>	Three Months Ended March 31,	
	2025	2024
Revenues from contracts with customers		
Mining operator - transaction fees	\$ 2,781	\$ 8,984
Mining participant	10,789	13,442
Hosting services ⁽¹⁾	1,151	20,775
Total revenues from contracts with customers	14,721	43,201
Mining operator - block rewards and other revenue	199,163	121,997
Total revenues	\$ 213,884	\$ 165,198

⁽¹⁾ Includes revenue associated with prior year acquisitions. The Company made a strategic decision to exit hosting services upon acquisitions. Intercompany transactions have been eliminated in consolidation. Refer to Note 3 – Acquisitions, for further information.

Mining Operator

As Operator, the Company provides transaction verification services to the transaction requestor, in addition to the Bitcoin network. Transaction verification services are an output of the Company’s ordinary activities; therefore, the Company views the transaction requestor as a customer and recognizes the transaction fees as revenue from contracts with customers under ASC 606. The Bitcoin network is not an entity such that it may not meet the definition of a customer; however, the Company has concluded that it is appropriate to apply ASC 606 by analogy to block rewards earned from the Bitcoin network. The Company is currently entitled to the block reward of 3.125 bitcoin, subsequent to the halving that occurred on April 19, 2024. Prior to the halving, the Company was entitled to the block reward of 6.25 bitcoin from each successful validation of a block. The Company is also entitled to the transaction fees paid by the transaction requestor payable in bitcoin for each successful validation of a block. The Company assessed the following factors in the determination of the inception and duration of each individual contract to validate a block and satisfaction of its performance obligation as follows:

- For each individual contract, the parties’ rights, the transaction price, and the payment terms are fixed and known as of the inception of each individual contract.
- The transaction requestor and the Bitcoin network each have a unilateral enforceable right to terminate their respective contracts at any time without penalty.
- For each of these respective contracts, contract inception and completion occur simultaneously upon block validation; that is, the contract begins upon, and the duration of the contract does not extend beyond, the validation of an individual blockchain transaction; and each respective contract contains a single performance obligation to perform a transaction validation service and this performance obligation is satisfied at the point-in-time when a block is successfully validated.

From September 2021 until May 2022, the Company engaged unrelated third-party mining enterprises (“pool participants”) to contribute hash calculations, and in exchange, remitted transaction fees and block rewards to pool participants on a pro rata basis according to each respective pool participant’s contributed hash calculations. The MaraPool wallet (owned by the Company as Operator) is recorded on the distributed ledger as the winner of proof of work block rewards and assignee of all validations and, therefore, the transaction verifier of record. The pool participants entered into contracts with the Company as Operator; they did not directly enter into contracts with the network or the requestor and were not known verifiers of the transactions assigned to the pool. As Operator, the Company delegated mining work to the pool participants utilizing software that algorithmically assigned work to each individual miner. By virtue of its selection and operation of the software, the Company as Operator controlled delegation of work to the pool participants. This indicated that the Company directed the mining pool participants to contribute their hash calculations to solve in areas that the Company designated. Therefore, the Company determined that it controlled the service of providing transaction verification services to the network and requestor. Accordingly, the Company recorded all of the transaction fees and block rewards earned from transactions assigned

to MaraPool as revenue, and the portion of the transaction fees and block rewards remitted to MaraPool participants as purchased energy costs.

In accordance with ASC 606-10-32-21, the Company measures the estimated fair value of the non-cash consideration (block reward and transaction fees) at contract inception, which is at the time the performance obligation to the requester and the network is fulfilled by successfully validating a block. The Company measures the non-cash consideration which is fixed as of the inception of each individual contract using the quoted spot rate for bitcoin determined using the Company's primary trading platform for bitcoin at the time the Company successfully validates a block.

Expenses associated with providing bitcoin transaction verification services, such as hosting fees, electricity costs, and related fees are recorded as purchased energy costs. Depreciation on digital asset mining equipment is recorded as depreciation and amortization.

Mining Participant

The Company participates in third-party operated mining pools. When the Company is a Participant in a third-party operated mining pool, the Company provides a service to perform hash calculations to the third-party pool operators. The Company considers the third-party mining pool operators to be its customers under Topic 606. Contract inception and the Company's enforceable right to consideration begins when the Company commences providing hash calculation services to the mining pool operators. Each party to the contract has the unilateral right to terminate the contract at any time without any compensation to the other party for such termination. As such, the duration of a contract is less than a day and may be continuously renewed multiple times throughout the day. The implied renewal option is not a material right because there are no upfront or incremental fees in the initial contract and the terms, conditions, and compensation amount for the renewal options are at the then market rates.

The Company is entitled to non-cash compensation based on the pool operator's payout model. The payout methodologies differ depending on the type of third-party operated mining pool. Full-Pay-Per-Share ("FPPS") pools pay block rewards and transaction fees, less mining pool fees and Pay-Per-Share ("PPS") pools pay block rewards less mining pool fees but no transaction fees. For FPPS and PPS pools, the Company is entitled to non-cash consideration even if a block is not successfully validated by the mining pool operators. Success-based mining pools pay a fractional share of the successfully mined block and transaction fees, reduced by pool operator expenses only if a block is successfully validated.

For the three months ended March 31, 2025 and during 2024, the Company participated in FPPS mining pools.

FPPS Mining Pools

The Company primarily participates in mining pools that use the FPPS payout method for the three months ended March 31, 2025. The Company is entitled to compensation once it begins to perform hash calculations for the pool operator in accordance with the operator's specifications over a 24-hour period beginning midnight UTC and ending 23:59:59 UTC on a daily basis. The non-cash consideration that the Company is entitled to for providing hash calculations to the pool operator under the FPPS payout method is made up of block rewards and transaction fees less pool operator expenses determined as follows:

- The non-cash consideration in the form of a block reward is based on the total blocks expected to be generated on the Bitcoin network for the daily 24-hour period beginning midnight UTC and ending 23:59:59 UTC in accordance with the following formula: the daily hash calculations that the Company provided to the pool operator as a percent of the Bitcoin network's implied hash calculations as determined by the network difficulty, multiplied by the total Bitcoin network block rewards expected to be generated for the same daily period.
- The non-cash consideration in the form of transaction fees paid by transaction requestors is based on the share of total actual fees paid over the daily 24-hour period beginning midnight UTC and ending 23:59:59 UTC in accordance with the following formula: total actual transaction fees generated on the Bitcoin network during the 24-hour period as a percent of total block rewards the Bitcoin network actually

generated during the same 24-hour period, multiplied by the block rewards the Company earned for the same 24-hour period noted above.

- The block reward and transaction fees earned by the Company is reduced by mining pool fees charged by the operator for operating the pool based on a rate schedule per the mining pool contract. The mining pool fee is only incurred to the extent the Company performs hash calculations and generates revenue in accordance with the pool operator's payout formula during the same 24-hour period beginning midnight UTC daily.

The above non-cash consideration is variable in accordance with paragraphs ASC 606-10-32-5 to 606-10-32-7, since the amount of block reward earned depends on the amount of hash calculations the Company performs; the amount of transaction fees the Company is entitled to depends on the actual Bitcoin network transaction fees over the same 24-hour period; and the operator fees for the same 24-hour period are variable since they are determined based on the total block rewards and transaction fees in accordance with the pool operator's agreement. While the non-cash consideration is variable, the Company has the ability to estimate the variable consideration at contract inception with reasonable certainty without the risk of significant revenue reversal. The Company does not constrain this variable consideration because it is probable that a significant reversal in the amount of revenue recognized from the contract will not occur when the uncertainty is subsequently resolved and recognizes the non-cash consideration on the same day that control is transferred, which is the same day as contract inception.

The Company measures the non-cash consideration based on the simple average daily spot rate of bitcoin determined using the Company's primary trading platform for bitcoin over a 24-hour period beginning midnight UTC and ending 23:59:59 UTC on the day of contract inception. The Company recognizes non-cash consideration on the same day that control of the contracted service is transferred to the pool operator, which is the same day as the contract inception.

Hosting Services

The Company operates multiple bitcoin mining sites, which were acquired during the year ended December 31, 2024, that provide hosting services to institutional-scale crypto mining companies. Hosting services include colocation and managed services. Colocation services include providing mining companies with sheltered data center space, electrical power, cooling, and internet connectivity. Managed services generally include providing customers with technical support and maintenance services, in addition to colocation services. As of March 31, 2025, only one customer remains associated with these hosting services. The Company will not be taking on any new hosting services customers and will transition acquired sites to self-mining as existing customer agreements expire or are terminated early.

Colocation services revenue is recognized over time as the customer simultaneously receives and consumes the benefits of the Company's performance. Managed services revenue is recognized at a point-in-time as the control transfers to the customer, satisfying the performance obligation. The transaction price for colocation services is variable based on the consumption of energy and the managed services price is a fixed rate per miner basis. The Company recognizes hosting services revenue to the extent that a significant reversal of such revenue will not occur. Hosting services customers are generally invoiced in advance of the month in which the Company satisfies its performance obligation, and deferred revenue is recorded for any upfront payments received in advance of the Company's performance. The monthly transaction price is generally variable based on the amount of megawatt hours ("MWh") consumed by the customers equipment and when other monthly contracted services are performed. At the end of each month, the customer is billed for the actual amount owed for services performed. The Company recognizes revenue for hosting services under the right-to-invoice practical expedient in ASC 606-10-55-18, which allows for the recognition of revenue over time as the Company's right-to-invoice for final payment corresponds directly with the value of services transferred to the customer to-date.

Expenses associated with providing hosting services are recorded as third party hosting and other energy costs and depreciation on hosting equipment is recorded as depreciation and amortization.

NOTE 5 – DIGITAL ASSETS

The following table presents the Company’s significant digital asset holdings as of March 31, 2025 and December 31, 2024, respectively:

<i>(in thousands, except for quantity)</i>	Quantity	Cost Basis	Fair Value
Bitcoin	33,263	\$ 2,403,662	\$ 2,745,302
Bitcoin - receivable ⁽¹⁾	14,269	651,678	1,177,666
Total bitcoin holdings	47,531	3,055,340	3,922,968
Other digital assets		856	3,098
Total digital assets held as of March 31, 2025		\$ 3,056,196	\$ 3,926,066

<i>(in thousands, except for quantity)</i>	Quantity	Cost Basis	Fair Value
Bitcoin	34,519	\$ 2,415,963	\$ 3,223,989
Bitcoin - receivable ⁽¹⁾	10,374	401,334	968,436
Total bitcoin holdings	44,893	2,817,297	4,192,425
Kaspa	34,817,098	5,624	4,327
Total digital assets held as of December 31, 2024		\$ 2,822,921	\$ 4,196,752

⁽¹⁾ The Company’s bitcoin - receivable holdings include bitcoin lent out in digital asset loan receivable transactions and bitcoin pledged as collateral. Refer to Note 6 – Digital Assets - Receivable, Net and Note 14 - Debt, for further information.

The Company earned 4 and 51 bitcoin that were pending distribution from the Company’s equity method investee, the ADGM Entity (as defined below), which are excluded from the Company’s holdings as of March 31, 2025 and December 31, 2024, respectively.

NOTE 6 – DIGITAL ASSETS - RECEIVABLE, NET

Lending Arrangements

Throughout 2024, the Company entered into master securities loan agreements with various counterparties that represent digital asset loan receivables to generate yield from our loaned bitcoin holdings for the Company’s stakeholders. As of March 31, 2025 and December 31, 2024, a total of 7,377 bitcoin remained loaned to counterparties under these agreements.

Collateralized Digital Assets

As of March 31, 2025, 3,250 bitcoin were collateralized in connection with an additional line of credit of \$150.0 million. As of March 31, 2025 and December 31, 2024, the Company had a total of 6,892 and 2,997 bitcoin collateralized, respectively, in connection with lines of credit. Refer to Note 14 – Debt, for further information.

Digital assets - receivable, net consists of the following:

<i>(in thousands)</i>	March 31, 2025	December 31, 2024
Digital asset receivable - lending	\$ 608,856	\$ 688,674
Digital asset receivable - collateralized	568,810	279,762
Total digital asset receivable	1,177,666	968,436
Less: Allowance for credit loss	(13,477)	(8,379)
Digital assets - receivable, net	\$ 1,164,189	\$ 960,057

The digital asset receivables forementioned are initially recognized at fair value upon transfer and subsequently remeasured at fair value each reporting period. The changes in fair value are recognized as “Changes to digital assets - receivable, net” on the Condensed Consolidated Statements of Operations.

The allowance for credit losses reflects the Company’s current estimate of the potential credit losses associated with the digital asset loan receivable and bitcoin provided as collateral to secure lines of credit for a total of \$350.0 million. The credit loss is recorded as a valuation account, directly offsetting the digital asset receivables on the Condensed Consolidated Balance Sheets. Changes to the allowance for credit losses on loans, based on quarterly analyses, are recorded as provision for credit losses within “Other” on the Condensed Consolidated Statements of Operations.

The Company assesses the creditworthiness of its borrowers on a quarterly basis. For the purpose of determining the allowance for credit loss, financial assets with similar risk characteristics are pooled together. Our financial assets are aggregated by exposure term and assigned risk ratings. The Company considers credit ratings and several factors including the collateral and/or security of the digital asset receivable and are aligned with the ratings used by major credit ratings agencies.

Given the limited historical data related to digital asset receivables and incurred losses related to digital asset receivables, the Company chose to rely on external data to perform the calculation of expected credit losses. The Company utilized the profitability of default (“PD”) and loss given default (“LGD”) approach to estimate the allowance for credit loss. In order to apply the PD LGD approach, management considered the lifetime of the digital asset receivables, the reasonable and supportable forecast, and the PD LGD.

As of March 31, 2025, the Company recorded a corresponding allowance for credit loss of \$13.5 million, based on the PD LGD approach. As of December 31, 2024, the Company had digital asset receivables outstanding and recorded an allowance for credit loss of \$8.4 million.

NOTE 7 – ADVANCES TO VENDORS AND DEPOSITS

The Company contracts with bitcoin mining equipment manufacturers to procure equipment necessary for the operation of its bitcoin mining operations. These agreements typically require a certain percentage of the value of the total order to be paid in advance at specific intervals, usually within several days of execution of a contract and periodically thereafter with final payments due prior to each shipment date. The Company accounts for these payments as “Advances to vendors” on the Condensed Consolidated Balance Sheets.

As of March 31, 2025 and December 31, 2024, such advances totaled approximately \$134.0 million and \$121.3 million, respectively.

In addition, the Company contracts with various service providers for hosting of its equipment, operational support in data centers where the Company’s equipment is deployed and construction of data centers on leased sites. These contracts typically require advance payments to service providers in conjunction with the contractual obligations associated with these services. Additionally, when applicable, funds related to a surety bond are included. The Company classifies these payments as “Deposits” and “Long-term deposits” on the Condensed Consolidated Balance Sheets.

As of March 31, 2025 and December 31, 2024, such deposits totaled approximately \$263.5 million and \$259.4 million, respectively.

NOTE 8 – PROPERTY AND EQUIPMENT

The components of property and equipment as of March 31, 2025 and December 31, 2024 are:

<i>(in thousands, except useful life)</i>	Useful life (Years)	March 31, 2025	December 31, 2024
Land ⁽¹⁾	—	\$ 3,510	\$ 3,510
Land improvements	9	26,530	26,530
Building and improvements	25	90,265	86,877
Mining rigs	3	1,708,853	1,705,648
Containers	10 - 15	111,794	106,784
Equipment	4 - 15	177,200	124,900
Software and hardware	2	3,316	3,316
Asset retirement obligation	8 - 15	11,129	7,879
Construction in progress	—	157,954	71,396
Other	7	6,908	6,335
Total gross property, equipment		2,297,459	2,143,175
Less: Accumulated depreciation and amortization		(731,390)	(593,684)
Property and equipment, net		\$ 1,566,069	\$ 1,549,491

⁽¹⁾ Refer to Note 15 – Leases, for further information regarding the Company's finance land lease.

The Company's asset retirement obligations represent the estimated costs to return a site to its original state. As of March 31, 2025, the Company recognized an additional asset retirement obligation of \$3.3 million related to the Wind Farm land lease. Asset retirement obligations are accreted over the term of the leases.

The Company's accretion expense related to the asset retirement obligation for the three months ended March 31, 2025 and 2024 was \$0.3 million and \$0.2 million, respectively.

The Company's depreciation expense related to property and equipment for the three months ended March 31, 2025 and 2024 was \$154.8 million and \$78.0 million, respectively.

NOTE 9 – INVESTMENTS

The components of investments as of March 31, 2025 and December 31, 2024 are:

<i>(in thousands)</i>	March 31, 2025	December 31, 2024
Equity method investments	\$ 51,267	\$ 57,447
Other investments	85,947	54,046
Total investments	\$ 137,214	\$ 111,493

Equity Method Investment*The ADGM Entity*

On January 27, 2023, the Company entered into a Shareholders' Agreement to form an Abu Dhabi Global Markets company (the "ADGM Entity") in which the Company has a 20% ownership interest, which is accounted for as an equity method investment. The ADGM Entity commenced mining operations in September 2023.

The Company's share of net loss was nearly zero for the three months ended March 31, 2025, including approximately \$3.1 million of depreciation and amortization and net income of \$1.3 million for three months ended March 31, 2024, including approximately \$2.6 million of depreciation and amortization. As of March 31, 2025, the Company's investment in the ADGM Entity was \$51.3 million and is reflected in "Investments" on the Condensed Consolidated Balance Sheets.

Other Investments

Other investments consist of strategic investments made from time to time in equity securities and SAFE investments.

*Investments in Equity Securities**Auradine*

As of March 31, 2025, the total carrying amount of the Company's investment in Auradine, Inc. ("Auradine") preferred stock was \$85.4 million.

On February 19, 2025, the Company converted \$1.2 million from its prior Auradine SAFE investment into preferred stock and purchased additional shares of Auradine preferred stock for a purchase price of \$20.0 million. The preferred stock purchased on February 19, 2025 was similar to the Company's other investments in Auradine preferred stock and, as a result, the Company recorded \$11.9 million as a gain on investment to adjust the carrying value of its investments to an observable price in accordance with the measurement alternative in ASC 321.

In addition, the Company recorded an additional \$2.7 million gain on investment to adjust the carrying value of its common stock investment in Auradine to an observable price, in accordance with ASC 321. The gain on investments was recorded to "Other" on the Condensed Consolidated Statements of Operations.

Other Investments

During the three months ended March 31, 2025, the Company wrote off a previous investment of \$2.3 million, as the Company believed there were indicators the carrying value may not be recoverable. The loss on investments was recorded to "Other" on the Condensed Consolidated Statements of Operations.

As of March 31, 2025, the Company had no SAFE investments. As of December 31, 2024, the Company had two SAFE investments with a carrying value of \$1.4 million.

NOTE 10 – FAIR VALUE MEASUREMENT

The Company measures certain financial and non-financial assets and liabilities at fair value on a recurring or non-recurring basis. The Company uses a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, essentially an exit price, based on the highest and best use of the asset or liability.

The levels of the fair value hierarchy are:

- Level 1: Observable inputs such as quoted market prices in active markets for identical assets or liabilities
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data
- Level 3: Unobservable inputs for which there is little or no market data, which require the use of the reporting entity’s own assumptions

The carrying amounts reported on the Condensed Consolidated Balance Sheets for cash and cash equivalents, restricted cash, other receivables, deposits, prepaid expenses and other current assets, advances to vendors, accounts payable and accrued expenses approximate their estimated fair market value based on the short-term maturity of these instruments. Additionally, the carrying amounts reported on the Condensed Consolidated Balance Sheets for the Company’s operating lease liabilities and other long-term liabilities approximate fair value as the related interest rates approximate rates currently available to the Company.

Financial assets and liabilities are classified in their entirety within the fair value hierarchy based on the lowest level of input that is significant to their fair value measurement. The Company measures the fair value of its marketable securities and investments by taking into consideration valuations obtained from third-party pricing sources. The pricing services utilize industry standard valuation models, including both income and market-based approaches, for which all significant inputs are observable, either directly or indirectly, to estimate fair value. These inputs included reported trades of and broker-dealer quotes on the same or similar securities, issuer credit spreads, benchmark securities and other observable inputs.

Recurring measurement of fair value

The following tables present information about the Company’s assets and liabilities measured at fair value on a recurring basis and the Company’s estimated level within the fair value hierarchy for each of those assets and liabilities as of March 31, 2025 and December 31, 2024, respectively:

<i>(in thousands)</i>	Total carrying value at March 31, 2025	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:				
Money market funds	\$ 129,267	\$ 129,267	\$ —	\$ —
Digital assets	2,748,400	2,748,400	—	—
Digital assets - receivable, net ⁽¹⁾	1,164,189	—	1,164,189	—
Derivative instrument ⁽²⁾	35,775	—	35,775	—
Liabilities:				
Contingent consideration liability ⁽³⁾	15,255	—	—	15,255

<i>(in thousands)</i>	Total carrying value at December 31, 2024	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:				
Money market funds	\$ 292,927	\$ 292,927	\$ —	\$ —
Digital assets	3,228,316	3,228,316	—	—
Digital assets - receivable, net ⁽¹⁾	960,057	—	960,057	—
Derivative instrument ⁽²⁾	8,947	—	8,947	—
Liabilities:				
Contingent consideration liability ⁽³⁾	8,138	—	—	8,138

⁽¹⁾ The fair value of digital assets - receivable, net was estimated using the market approach, utilizing observable market prices and other relevant market data, which are considered Level 2 inputs. Refer to Note 6 – Digital Assets - Receivable, Net, for further information.

⁽²⁾ The fair value of the derivative instrument was estimated using a discounted cash flow approach that considers various assumptions including current market prices and electricity forward curves, which are considered Level 2 inputs. Fluctuations in market prices and electricity forward curves could result in significant increases (decreases) in the fair value of derivative instruments. Refer to Note 2 – Summary of Significant Accounting Policies - Derivatives, for further information.

⁽³⁾ Represents the estimated amount of acquisition-related consideration expected to be paid in the future as of March 31, 2025 for the GC Data Center Acquisition, the Arkon Acquisition and the Wind Farm. Increases (decreases) in the probability of achieving the milestones could result in significant changes in the fair value of the contingent consideration. Refer to Note 3 – Acquisitions and Note 16 - Commitments and Contingencies, for further information.

The Company includes money market funds in cash and cash equivalents on the Condensed Consolidated Balance Sheets.

There were no transfers among Levels 1, 2 or 3 during the three months ended March 31, 2025.

Fair value of financial instruments not recognized at fair value

The following tables present information about the Company's financial instruments that are not recognized at fair value on the Condensed Consolidated Balance Sheets as of March 31, 2025 and December 31, 2024, respectively, is as follows:

<i>(in thousands)</i>	Total carrying value at March 31, 2025	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities:				
Notes payable	\$ 2,248,549	\$ 1,676,544	\$ —	\$ —

<i>(in thousands)</i>	Total carrying value at December 31, 2024	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities:				
Notes payable	\$ 2,246,578	\$ 1,974,398	\$ —	\$ —

There were no transfers among Levels 1, 2 or 3 during the three months ended March 31, 2025. As of March 31, 2025 and December 31, 2024 there were no other assets and liabilities measured at fair value on a non-recurring basis.

NOTE 11 – NET INCOME (LOSS) PER SHARE

Net income (loss) per share is calculated in accordance with ASC 260 - *Earnings Per Share*. Basic income (loss) per share is computed by dividing net income (loss) attributable to common stockholders by the weighted average number of shares of common stock outstanding during the period. For the three months ended March 31, 2025 and 2024, the Company recorded net income (loss) and as such, the Company calculated the impact of dilutive common stock equivalents in determining diluted earnings per share.

The following table presents the total potential securities that were not included in the computation of diluted income (loss) per share, as their inclusion would have been anti-dilutive:

	Three Months Ended March 31,	
	2025	2024
Warrants	324,375	324,375
Restricted stock units	8,856,663	—
Performance-based restricted stock units ⁽¹⁾	13,484,103	—
Convertible Notes ⁽²⁾	82,106,952	—
Total dilutive shares	104,772,093	324,375

⁽¹⁾ Anti-dilutive performance-based restricted stock units are presented up to 249% as the total potential vested shares. Refer to Note 13 - Stock-based Compensation, for further information.

⁽²⁾ Refer to Note 14 - Debt, for further information.

The following table sets forth the computation of basic and diluted income (loss) per share:

<i>(in thousands, except share and per share data)</i>	Three Months Ended March 31,	
	2025	2024
Basic earnings per share of common stock:		
Net income (loss) attributable to common stockholders - basic	\$ (533,199)	\$ 337,173
Weighted average shares of common stock - basic	344,098,009	259,098,664
Net income (loss) per share of common stock - basic	\$ (1.55)	\$ 1.30
Diluted earnings per share of common stock:		
Net income (loss) attributable to common stockholders - basic	\$ (533,199)	\$ 337,173
Add: Notes interest expense, net of tax	—	985
Net income (loss) attributable to common stockholders - diluted	\$ (533,199)	\$ 338,158
Weighted average shares of common stock - basic	344,098,009	259,098,664
Restricted stock units	—	4,472,357
Convertible Notes	—	4,341,422
Weighted average shares of common stock - diluted	344,098,009	267,912,443
Net income (loss) per share of common stock - diluted	\$ (1.55)	\$ 1.26

NOTE 12 – STOCKHOLDERS' EQUITY

Common Stock

On February 19, 2025, the Company's shareholders approved an amendment to the Company's articles of incorporation that increased the amount of common stock authorized for issuance to 800,000,000 with a par value of \$0.0001 per share.

At-the-Market Offering Agreements

On March 28, 2025, the Company commenced a new at-the-market (“ATM”) offering program, which replaced the 2024 ATM (as defined below), with Barclays Capital Inc., BMO Capital Markets Corp., BTIG, LLC, Cantor Fitzgerald & Co., Guggenheim Securities, LLC, H.C. Wainwright & Co., LLC and Mizuho Securities USA LLC acting as the sales agents (collectively, the “Agents”) pursuant to an ATM agreement (the “2025 ATM”), under which the Company may offer and sell shares of its common stock from time to time through the Agents having an aggregate offering price of up to \$2.0 billion. As of March 31, 2025, the Company has not sold any shares of common stock pursuant to the 2025 ATM.

In February 2024, the Company commenced an ATM offering program pursuant to an ATM agreement (the “2024 ATM”), under which the Company had the right to offer and sell shares of its common stock from time to time having an aggregate offering price of up to \$1.5 billion. During the three months ended March 31, 2025, the Company sold 5,428,548 shares of common stock for an aggregate purchase price of \$100.1 million, net of offering expenses of \$2.6 million, and concluded the 2024 ATM.

NOTE 13 – STOCK-BASED COMPENSATION

2018 Equity Incentive Plan

The Company’s Amended and Restated 2018 Equity Incentive Plan (the “2018 Plan”) provides for the issuance of stock options, restricted stock, restricted stock units (“RSUs”), preferred stock and other awards to employees, directors, consultants and other service providers. As of March 31, 2025, the Company had an aggregate of 5,585,251 shares of common stock reserved for future issuance under the 2018 Plan.

The Company grants awards to employees under annual long-term incentive plans (“LTIP”) to align the incentive structure to the long-term goals of the Company, promote retention, and promote the achievement of targeted results. LTIP awards have included service-based RSUs and performance-based restricted stock units (“PSUs”). PSUs vest subject to the Company’s achievement of defined performance measures and continued employment.

Restricted Stock Units

The Company grants service-based RSUs to employees, directors, and consultants. RSUs granted to employees generally vest over a four-year period from the date of grant; however, in certain instances, all or a portion of a grant may vest immediately. RSUs granted to directors generally vest over a one-year period. The Company measures the fair value of RSUs at the grant date and recognizes expenses on a straight-line basis over the requisite service period from the date of grant for each separately-vesting tranche under the graded-vesting attribution method.

A summary of the Company’s service-based RSU activity for the three months ended March 31, 2025, is as follows:

	Number of RSUs	Weighted Average Grant Date Fair Value
Nonvested at December 31, 2024	7,988,767	\$ 15.44
Granted	2,394,921	14.64
Forfeited	(114,018)	16.49
Vested	(1,399,765)	14.67
Nonvested at March 31, 2025	8,869,905	\$ 15.33

As of March 31, 2025, there was approximately \$73.1 million of aggregate unrecognized stock-based compensation related to unvested service-based RSUs that is expected to be recognized over the next 2.6 years.

Performance-based Restricted Stock Units

The Company granted PSUs on February 28, 2025 to its employees, and subsequently to new hires, pursuant to the 2025 LTIP. The PSUs vest based on the achievement of certain performance-based conditions and a market-based

condition, and are further subject to a service condition. The service periods for these PSUs range from approximately two to four years and will vest as a percentage of the target number of shares between 0% and 249%, based on the individual level of achievement of each of the performance-based conditions and the market-based condition.

A summary of the Company’s PSU activity for the three months ended March 31, 2025, is as follows:

	Number of PSUs	Weighted Average Grant Date Fair Value
Nonvested at December 31, 2024	2,260,612	\$ 49.05
Granted	3,607,080	16.17
Forfeited	(9,375)	51.06
Nonvested at March 31, 2025	5,858,317	\$ 28.80

As of March 31, 2025, there was approximately \$133.9 million of aggregate unrecognized stock-based compensation related to unvested PSUs that is expected to be recognized over the next 3.0 years.

Common Stock Warrants

As of March 31, 2025, the Company’s issued and outstanding common stock warrants had no change from December 31, 2024. The Company continues to have 324,375 outstanding warrants, at a weighted average exercise price of \$25.00, that are expected to expire in approximately 0.8 years.

Stock-based Compensation Expense

The following table presents a summary of the Company’s stock-based compensation expense, by award type:

<i>(in thousands)</i>	Three Months Ended March 31,	
	2025	2024
Performance-based restricted stock units	\$ 24,323	\$ —
Restricted stock units	24,792	51,913
Total stock-based compensation expense	\$ 49,115	\$ 51,913

For the three months ended March 31, 2025, stock-based compensation expense was recorded in “General and administrative,” “Operating and maintenance costs” and “Research and development” for \$48.9 million, \$0.1 million and \$0.1 million, respectively, on the Condensed Consolidated Statements of Operations.

For the three months ended March 31, 2024, stock-based compensation expense was recorded to “General and administrative” on the Condensed Consolidated Statements of Operations.

NOTE 14 – DEBT

The net carrying value of the Company’s outstanding debt as of March 31, 2025 and December 31, 2024, consisted of the following:

<i>(in thousands)</i>	March 31, 2025	December 31, 2024
December 2026 Notes	\$ 66,900	\$ 66,811
September 2031 Notes	292,287	292,014
March 2030 Notes	980,617	979,642
June 2031 Notes	908,745	908,111
Line of credit	350,000	200,000
Total debt	2,598,549	2,446,578
Current portion of long-term debt	(300,000)	—
Total long-term debt	\$ 2,298,549	\$ 2,446,578

Convertible Senior Notes

The Company issued the following convertible notes (collectively, the “Convertible Notes”) in private offerings:

- \$925.0 million aggregate principal amount of 0.0% Convertible Senior Notes due 2031 (the “June 2031 Notes”)
- \$1.0 billion aggregate principal amount of 0.0% Convertible Senior Notes due 2030 (the “March 2030 Notes”)
- \$300.0 million aggregate principal amount of 2.125% Convertible Senior Notes due 2031 (the “September 2031 Notes”)
- \$747.5 million aggregate principal amount of 1.0% Convertible Senior Notes due 2026 (the “December 2026 Notes”)

The following table summarizes the key terms of each of the Convertible Notes:

	December 2026	September 2031	March 2030	June 2031
Issuance Date	November 2021	August 2024	November 2024	December 2024
Maturity Date	December 1, 2026	September 1, 2031	March 1, 2030	June 1, 2031
Remaining Principal <i>(in thousands)</i>	\$ 67,492	\$ 300,000	\$ 1,000,000	\$ 925,000
Stated Interest Rate	1.0 %	2.125 %	— %	— %
Interest Payment Dates	June 1 & December 1	March 1 & September 1	March 1 & September 1	June 1 & December 1
Net Proceeds ⁽¹⁾ <i>(in thousands)</i>	\$ 728,082	\$ 291,595	\$ 979,176	\$ 907,908
Effective Interest Rate	1.0 %	2.6 %	0.4 %	0.3 %
Initial Conversion Rate	13.1277	52.9451	38.5902	28.9159
Initial Conversion Price	\$ 76.17	\$ 18.89	\$ 25.91	\$ 34.58
Share Principal Price	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000

⁽¹⁾ Net proceeds are net of customary offering expenses associated with the issuance of each of the Convertible Notes (the “issuance costs”) at the time of issuance. The Company accounts for these issuance costs as a reduction to the principal amount and amortizes the issuance costs to interest expense from the respective debt issuance date through the Maturity Date, on the Condensed Consolidated Statements of Operations.

Line of Credit

In October 2024, the Company secured lines of credit (collectively, the “Original Line of Credit”) with two counterparties for a total of \$200.0 million, collateralized by 4,499 bitcoin. The Original Line of Credit, as amended in February 2025, bears interest at a rate of 10.5% per annum, with maturity dates beginning in 2026. The Original Line of Credit automatically renews annually unless otherwise terminated by the Company. The Company drew \$200.0 million from the Original Line of Credit in October 2024 and concurrently transferred bitcoin to the counterparties as collateral at a fair value, at the time of transfer, of \$284.8 million.

In March 2025, the Company secured a second line of credit (the “New Line of Credit” and together with the Original Line of Credit, the “Line of Credit”) with a new counterparty for a total of \$150.0 million, collateralized by 3,250 bitcoin. The New Line of Credit bears interest at a rate of 8.85% per annum and has a maturity date of March 2026. The Company drew \$150.0 million from the New Line of Credit in March 2025 and concurrently transferred bitcoin to the counterparty as collateral for a fair value, at the time of transfer, of \$269.5 million.

As of March 31, 2025, the aggregate outstanding balance on the Line of Credit was \$350.0 million, and 6,892 bitcoin remained collateralized. The Line of Credit includes provisions requiring the collateral to be balanced against the outstanding borrowings. If the value of the collateral securing our borrowings fluctuates below or above a set threshold, the Company will be required to contribute additional collateral, or may withdraw excess collateral, as applicable, to maintain the agreed-upon level.

NOTE 15 – LEASES

As of March 31, 2025, the Company had operating and finance leases primarily for office space, mining facilities and land in the United States.

The Company is party to an arrangement for the use of energized cryptocurrency mining facilities under which the Company pays for electricity per megawatt based on usage. The Company has determined that it has embedded operating leases at two of the facilities governed by this arrangement that commenced in January and March 2023, and has elected not to separate lease and non-lease components. Payment for these two operating leases is entirely variable and based on usage of electricity and expensed as incurred.

The Company has amortized the ROU assets totaling \$0.4 million and \$0.3 million for the three months ended March 31, 2025 and 2024, respectively.

The following table presents the assets and liabilities related to the Company’s operating and finance leases as of March 31, 2025 and December 31, 2024:

<i>(in thousands)</i>		March 31, 2025	December 31, 2024
Assets	Balance Sheet Classification		
Operating lease ROU assets	Operating lease right-of-use assets	\$ 27,335	\$ 16,874
Finance lease ROU assets	Property and equipment, net	2,870	2,877
Total ROU assets		<u>\$ 30,205</u>	<u>\$ 19,751</u>
Liabilities			
Current portion:			
Operating lease liabilities	Operating lease liabilities, current portion	\$ 872	\$ 239
Finance lease liability	Finance lease liability, current portion	168	168
Long-term portion:			
Operating lease liabilities	Operating lease liabilities, net of current portion	33,298	22,977
Finance lease liability	Finance lease liability, net of current portion	3,709	3,709
Total lease liabilities		<u>\$ 38,047</u>	<u>\$ 27,093</u>

Lease costs are recorded on a straight-line basis within operating expenses. The Company’s total lease expenses are comprised of the following:

<i>(in thousands)</i>	Three Months Ended March 31,	
	2025	2024
Lease costs:		
Operating lease cost	\$ 1,012	\$ 204
Finance lease cost:		
Amortization of ROU asset ⁽¹⁾	7	—
Short-term lease rent expense	145	16
Variable lease cost	22,282	23,186
Total rent expense	<u>\$ 23,446</u>	<u>\$ 23,406</u>

⁽¹⁾ Amortization of finance lease ROU asset is included in “Depreciation and amortization” on the Condensed Consolidated Statements of Operations.

Additional information regarding the Company's leasing activities is as follows:

	Three Months Ended March 31,	
	2025	2024
Operating cash flows from operating leases	\$ 492	\$ 438
Weighted-average remaining lease term (in years):		
Operating leases	17.5	7.3
Finance lease	96.0	—
Weighted-average discount rate:		
Operating leases	7.2 %	6.9 %
Finance lease	7.2 %	— %

The following table presents the Company's future minimum lease payments as of March 31, 2025:

(in thousands)

Year	Operating Leases	Finance Lease
2025 (remaining)	\$ 1,776	\$ 168
2026	3,190	173
2027	4,962	178
2028	4,927	183
2029	4,759	189
Thereafter	47,707	88,907
Total	67,321	89,798
Less: Imputed interest	(33,151)	(85,921)
Present value of lease liability	<u>\$ 34,170</u>	<u>\$ 3,877</u>

NOTE 16 - COMMITMENTS AND CONTINGENCIES

Commitments

Miners and Other Mining Equipment

The Company entered into purchase agreements to purchase miners and other mining equipment for a total purchase price of \$485.7 million. The remaining commitment of \$23.5 million is due in periodic installments throughout 2025.

The Company contracts with service providers for hosting our equipment and operational support in data centers where our equipment is deployed. Under these arrangements, the Company expects to pay at minimum approximately \$468.1 million in total payments over the next three years.

Contingent Consideration Liabilities

In connection with certain acquisitions, the Company may be required to make additional payments to the sellers that are contingent upon the occurrence of future events. The estimated total contingent consideration as of March

31, 2025 was approximately \$15.3 million related to the GC Data Center Acquisition, the Arkon Acquisition and the Wind Farm. Refer to Note 3 – Acquisitions, for further information.

The following table presents the change in the estimated fair value of the Company’s contingent consideration liabilities:

(in thousands)

Balance at December 31, 2024	\$	8,138
The Wind Farm acquisition		10,000
Change in fair value of contingent consideration		<u>(2,883)</u>
Balance at March 31, 2025	\$	<u>15,255</u>

Contingencies

Legal Proceedings

The Company, and its subsidiaries, from time to time may be subject to various claims, lawsuits and legal proceedings that arise from the ordinary course of business.

In accordance with ASC 450 - *Contingencies*, if a loss contingency associated with the following legal matters are probable to be incurred and the amount of loss can be reasonably estimated, an accrual is recorded on the Condensed Consolidated Balance Sheets. As of March 31, 2025, the Company has determined that the liabilities associated with certain litigation matters are not expected to have a material impact on the Company’s Financial Statements. The Company will continue to monitor each related legal issue and adjust accruals as new information and developments occur.

Moreno v. Marathon

On March 30, 2023, a putative class action complaint was filed in the United States District Court for the District of Nevada, against the Company and present and former senior management, alleging claims under Section 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), arising out of the Company’s announcement of accounting restatements on February 28, 2023. On March 29, 2024, the court appointed lead plaintiffs and counsel. On June 4, 2024, lead plaintiffs filed an amended class action complaint, styled as *Langer et al. v. Marathon et al.* The allegations in the amended class action complaint are substantially similar to those in the March 30, 2023 putative class action complaint. On August 5, 2024, the defendants moved to dismiss the amended class action complaint. On December 6, 2024, the motion to dismiss the amended class action complaint was fully briefed. On March 3, 2025, the United States District Court for the District of Nevada heard the Company’s motion to dismiss the amended complaint and, while granting the Company’s motion to dismiss, the court also granted the plaintiffs thirty days to amend their complaint to avoid a permanent dismissal. On April 2, 2025, lead plaintiffs filed a second amended class action complaint. The Company’s motion to dismiss the second amended complaint is currently due to be filed on June 2, 2025.

Derivative Complaints

On June 22, 2023, a shareholder derivative complaint was filed in the Circuit Court of the 17th Judicial Circuit for Broward County, Florida, against current members of the Company’s Board and senior management, alleging claims for breach of fiduciary duty and unjust enrichment based on allegations substantially similar to the allegations in the March 30, 2023 putative class action complaint in *Moreno*.

On July 8, 2023, a second shareholder derivative complaint was filed in the United States District Court for the District of Nevada, against current and former members of the Company’s Board and senior management, alleging claims under Sections 14(a), 10(b), and 21D of the Exchange Act and for breach of fiduciary duty, unjust enrichment, and waste of corporate assets, based on allegations substantially similar to the allegations in the March 30, 2023 putative class action complaint in *Moreno*.

On July 12, 2023, a third shareholder derivative complaint was filed in the United States District Court for the District of Nevada, against current and former members of the Company's Board and senior management, alleging claims under Section 14(a) of the Exchange Act and for breach of fiduciary duty, based on allegations substantially similar to the allegations in the March 30, 2023 putative class action complaint in *Moreno*.

On July 13, 2023, a fourth shareholder derivative complaint was filed in the Circuit Court of the 17th Judicial Circuit for Broward County, Florida (together with the complaint filed on June 22, 2023, the "Florida Derivative Actions"), against current members of the Company's Board and senior management, alleging claims for breach of fiduciary duty, unjust enrichment, and waste of corporate assets, based on allegations substantially similar to the allegations in the March 30, 2023 putative class action complaint in *Moreno*.

On August 14, 2023, the two derivative actions pending in the United States District Court for the District of Nevada were consolidated (the "Nevada Derivative Action"). On April 1, 2024, the United States District Court for the District of Nevada appointed co-lead counsel for plaintiffs in the Nevada Derivative Action. On June 25, 2024, plaintiffs filed an amended consolidated complaint in the Nevada Derivative Action alleging breaches of fiduciary duties, unjust enrichment, waste of corporate assets, claims under Section 14(a) of the Exchange Act, and for contribution under Sections 10(b) and 21D of the Exchange Act. On August 9, 2024, the defendants moved to dismiss the amended complaint in the Nevada Derivative Action.

On October 16, 2023, the parties to the derivative actions pending in the Circuit Court of the 17th Judicial Circuit for Broward County, Florida filed an agreed order to stay both actions pending completion of the Nevada Derivative Action. On July 25, 2024, the Florida Derivative Actions were administratively closed. On November 7, 2024, the motion to dismiss the amended complaint in the Nevada Derivative Action was fully briefed. On February 20, 2025, the United States District Court for the District of Nevada heard the Company's motion to dismiss the amended complaint and, while granting the Company's motion to dismiss, the court also granted the plaintiff thirty days to amend its complaint to avoid a permanent dismissal. On March 21, 2025, plaintiffs filed a second amended consolidated complaint. The Company's motion to dismiss the second amended consolidated complaint is currently due to be filed on May 20, 2025.

Information Subpoena

On October 6, 2020, the Company entered into a series of agreements with multiple parties to design and build a data center for up to 100-megawatts in Hardin, Montana. In conjunction therewith, the Company filed a Current Report on Form 8-K on October 13, 2020 disclosing that, pursuant to a Data Facility Services Agreement, the Company issued 6,000,000 shares of restricted common stock, in transactions exempt from registration under Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"). During the quarter ended September 30, 2021, the Company and certain of its executives received a subpoena to produce documents and communications concerning the Hardin, Montana data center facility. The Company received an additional subpoena from the SEC on April 10, 2023, relating to, among other things, transactions with related parties. On April 21, 2025, the SEC's Division of Enforcement notified the Company that it had concluded its investigation and did not intend to recommend an enforcement action against the Company.

Ho v. Marathon

On January 14, 2021, plaintiff Michael Ho ("Ho") filed a civil complaint (the "Complaint") in which he alleged, among other things, that the Company breached the terms of a non-disclosure agreement, profited from commercially sensitive information he shared with the Company, and refused to compensate him for his role in securing the Company's acquisition of an energy supplier. The Complaint initially alleged six causes of action: (1) breach of written contract, (2) breach of implied contract, (3) quasi-contract, (4) services rendered, (5) intentional interference with prospective economic relations, and (6) negligent interference with prospective economic relations. On February 22, 2021, the Company responded to the Complaint with a general denial of the claims and asserted certain affirmative defenses. On February 25, 2021, the Company removed the action to the United States District Court in the Central District of California (the "Court"). The Company subsequently filed a motion for summary judgment with respect to each of the causes of action. As a result of the Court's summary judgment ruling and Ho's voluntary dismissal of certain claims, the only remaining cause of action at the time of verdict was breach of written contract.

On July 8, 2024, the Court commenced a jury trial with respect to the sole remaining claim. On July 18, 2024, the jury determined that the Company had breached the non-disclosure agreement and returned a verdict in the amount of \$138.8 million. On September 18, 2024, the Court entered a judgment of the same amount, plus post-judgment interest. The Company has not paid any portion of the award. On October 16, 2024, the Company filed a renewed motion for judgment as a matter of law (or in the alternative for a new trial and remittitur), which seeks to overturn, or at a minimum significantly reduce, the damage award. Also on October 16, 2024, the Company filed a motion to correct the post-judgment interest rate set forth in the judgment, and Ho filed a motion requesting an award of pre-judgment interest. In the fourth quarter of 2024, the Company acquired a surety bond for the amount owing.

On May 7, 2025, the Court entered an order denying the Company's motions for judgment as a matter of law and for a new trial but granted a 20 percent reduction of the jury's verdict. The Court also denied Ho's motion for pre-verdict prejudgment interest but awarded post-verdict prejudgment interest. The Company intends to continue to defend its positions vigorously and assert its various legal arguments to challenge both the verdict and the amount of the award.

NOTE 17 - RELATED PARTY TRANSACTIONS

During the three months ended March 31, 2025, the Company converted \$1.2 million from its previously outstanding Auradine SAFE investment into preferred stock and purchased additional shares of Auradine preferred stock for a purchase price of \$20.0 million. As of March 31, 2025, the Company's total investment holdings in Auradine was \$85.4 million, reflecting prior purchases of preferred stock, the exercise of a warrant to acquire common stock and adjustments to the carrying value of the investment in accordance with ASC 321.

In addition, during the three months ended March 31, 2025, the Company advanced \$22.3 million to Auradine for future purchases. As of March 31, 2025 total advances to Auradine, net of property and equipment placed into service, was \$57.2 million. The Company holds one seat on Auradine's Board of Directors.

NOTE 18 – SUPPLEMENTAL CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The following table provides supplemental disclosure of Condensed Consolidated Statements of Cash Flows information:

	Three Months Ended March 31,	
	2025	2024
Cash and cash equivalents	\$ 196,215	\$ 324,268
Restricted cash	12,000	—
Total cash, cash equivalents and restricted cash	\$ 208,215	\$ 324,268

Supplemental information:

Cash paid during the year for:

Cash paid for income taxes	\$ —	\$ 3,518
Cash paid for interest	97	—

Supplemental schedule of non-cash investing and financing activities:

Digital assets transferred to digital assets - receivable, net	\$ 325,296	\$ —
Reclassifications from advances to vendor to property and equipment upon receipt of equipment	84,685	59,615
Reclassifications from long-term prepaid to property and equipment	—	3,273
Reclassifications from deposits to property and equipment	2,500	—
Contingent consideration from acquisition	10,000	—
Asset retirement obligation acquired	3,250	—
Dividends received from equity method investment	8,814	12,145
Distribution to noncontrolling interest	326	—

NOTE 19 – SUBSEQUENT EVENTS

Subsequent to March 31, 2025, the Company issued an aggregate 5,220,713 shares of common stock under the 2025 ATM. As a result, the Company had approximately \$1.9 billion aggregate offering price remaining under the 2025 ATM.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Unless otherwise indicated or the context otherwise requires, references to “MARA,” “we,” “us,” and the “Company” refer to MARA Holdings, Inc. and its consolidated subsidiaries.

You should read the following discussion and analysis together with our financial statements and related notes in Part I, Item 1 of this Quarterly Report on Form 10-Q for the quarter ended March 31, 2025 (this “Quarterly Report”).

This Quarterly Report contains forward-looking statements within the meaning of the federal securities laws, which statements are subject to considerable risks and uncertainties. These forward-looking statements are intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. All statements included or incorporated by reference in this Quarterly Report, other than statements of historical fact, are forward-looking statements. You can identify forward-looking statements by the use of words such as “may,” “will,” “could,” “anticipate,” “expect,” “intend,” “believe,” “continue” or the negative of such terms, or other comparable terminology. Forward-looking statements also include the assumptions underlying or relating to such statements. Our forward-looking statements are based on our management’s current assumptions and expectations about future events and trends, which affect or may affect our business, strategy, operations or financial performance. Although we believe that these forward-looking statements are based upon reasonable assumptions, they are subject to numerous known and unknown risks and uncertainties and are made in light of information currently available to us. Our actual financial condition and results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth in the section entitled “Risk Factors” in Part I, Item 1A, of our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on March 3, 2025, (our “Annual Report”), which is incorporated herein by reference, as well as in the other public filings we make with the U.S. Securities and Exchange Commission (the “SEC”). You should read this Quarterly Report with the understanding that our actual future financial condition and results may be materially different from and worse than what we expect.

Additionally, information regarding market and industry statistics contained in this Quarterly Report is included based upon information available to us that we believe is accurate as of the date of this Quarterly Report. It is generally based upon industry and other publications that are not produced for purposes of securities offerings or economic analysis. We have not reviewed or included data from all sources and cannot assure investors of the accuracy or completeness of the data included in this Quarterly Report. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and the additional uncertainties accompanying any estimates of future market size, revenue and market acceptance of products and services. We do not assume any obligation to update any forward-looking statement. As a result, investors should not place undue reliance on these forward-looking statements.

BUSINESS OVERVIEW AND TRENDS

Overview

MARA is a vertically integrated digital energy and infrastructure company that leverages high-intensity compute, such as bitcoin mining, to monetize excess energy and optimize power management. We are focused on two key priorities: strategically growing by shifting our model toward low-cost energy with more efficient capital deployment and bringing to market a full suite of solutions for data centers and edge inference, including energy management, load balancing and advanced cooling. As of March 31, 2025, our total energy portfolio consisted of approximately 1.7 gigawatts (“GW”) of capacity with 16 data centers deployed across North America, the Middle East, Europe, and Latin America. We believe we are one of the world’s largest publicly traded bitcoin mining companies, with the majority of our production in the United States.

While we remain a dominant player in bitcoin mining, we have expanded our footprint in energy generation and are investing in research and development to establish a presence in AI and adjacent markets, creating additional revenue opportunities over the long term. We believe the AI industry is shifting towards inference computing, which requires distributed, low-latency, and energy-efficient infrastructure. To support this shift, we are developing modular at the edge infrastructure solutions, including next-generation two-phase immersion cooling (“2PIC”)

systems designed to improve efficiency and sustainability. We are also exploring power management solutions, including load balancing, to provide services to the variable energy demands of AI inference workloads. We intend to continue vertically integrating and further reduce energy costs.

Recent Developments

Highlights from the quarter ended March 31, 2025:

- On February 14, 2025, we completed the acquisition of a wind farm (the “Wind Farm”) in Hansford County, Texas with 240 megawatts (“MW”) of interconnection capacity and 114 MW of nameplate wind capacity. The Wind Farm will utilize previous-generation ASIC mining hardware to provide an avenue for the hardware to continue operating profitably beyond its normal lifecycle.
- On March 11, 2025, we secured a \$150.0 million line of credit, collateralized by a portion of our bitcoin holdings, to support general corporate needs. As of March 31, 2025, approximately 3,250 bitcoin remained pledged as collateral in connection with this line of credit.
- On March 28, 2025, we commenced a new at-the-market offering program having an aggregate offering price of up to \$2.0 billion.

In addition, during April 2025, we fully energized our 25 MW micro data center initiative at wellheads in North Dakota and Texas, converting excess flared gas into power for our operations. These sites reduce our reliance on grid power and provide us with the lowest cost per bitcoin of our currently operational sites.

Bitcoin Value

Our revenues are generally comprised of block rewards earned in bitcoin as a result of successfully solving blocks, and transaction fees earned for verifying transactions in support of the blockchain. After the halving event of April 2024, the current reward for each solved block is equal to 3.125 bitcoin plus transaction fees. The impacts of halving on our results of operations and financial condition may be exacerbated by changes in the market value of bitcoin, which has historically been subject to significant volatility. For example, as of March 31, 2025, the price of a bitcoin was \$82,534, compared to \$71,289 as of March 31, 2024.

We continue to retain all bitcoin mined in our operations or purchased, in line with our full holding onto bitcoin (“HODL”) strategy. As of March 31, 2025, we held approximately 47,531 bitcoin, including 14,269 loaned and collateralized bitcoin, on our Condensed Consolidated Balance Sheets with a carrying value of approximately \$3.9 billion. The fair value of our bitcoin may be materially impacted as the market value of bitcoin fluctuates. Management believes, given our recent investments, coupled with our relative position and liquidity, we are well-positioned to execute on our long-term growth strategy.

The following table presents our bitcoin digital asset holdings (including loaned and collateralized bitcoin) and the fair value per bitcoin:

	Quantity	Fair Value
March 31, 2025	47,531	\$ 82,534
December 31, 2024	44,893	93,354
September 30, 2024	26,747	63,301
June 30, 2024	18,488	62,668
March 31, 2024	17,320	71,289

Bitcoin Mining Operations

In response to an increased demand for bitcoin, we anticipate additional mining operators entering the market and existing competitors scaling their operations, which will grow the blockchain’s network hashrate and difficulty

associated with solving a block. As the overall hashrate and difficulty of the Bitcoin network increases, we will need to continue growing our hashrate to remain competitive.

During the three months ended March 31, 2025, we mined 2,286 bitcoin, a decrease of 525 bitcoin, or 19%, from the prior year period. The decrease was primarily due to the result of the April 2024 halving event and the increase in global hashrate.

As of March 31, 2025, we owned approximately 420,000 mining rigs globally, including our share of mining rigs from our equity method investee, the ADGM entity, with an energized hashrate of approximately 54.3 exahashes per second (“EH/s”). To stay competitive, we remain focused on strategically deploying additional mining rigs and scaling our operations, while managing our fleet as it ages along the obsolescence curve. In addition, we continuously evaluate strategic opportunities to support our growth strategy and seek to enhance operational efficiencies by utilizing efficient mining rigs and securing contracts with price protection clauses.

The following table presents our computing power, miner efficiency and supplemental information as of March 31, 2025 and 2024:

	As of March 31,	
	2025	2024
Energized hashrate (“EH/s”) ⁽¹⁾	54.3	27.8
Miner efficiency (in joules per terahash) ⁽²⁾	19.3	25.0
BTC Yield ⁽³⁾	3.5 %	2.6 %
Share of available miner rewards	5.5 %	3.1 %

⁽¹⁾ We define Energized Hashrate as the total hashrate that could theoretically be generated if all mining rigs that have been operational are currently in operation and running at 100% of manufacturers’ specifications. We use this metric as an indicator of progress in bringing mining rigs online. We believe this metric is a useful indicator of potential bitcoin production. However, metrics cannot be tied directly to any production level expected to be actually achieved as (a) there may be delays in the energization of hashrate (b) we cannot predict when operational mining rigs may be offline for any reason, including curtailment or machine failure and (c) we cannot predict Global Hashrate (and therefore our share of the Global Hashrate), which has a significant impact on our ability to generate bitcoin in any given period.

⁽²⁾ The average number of joules of energy required to produce one terahash of computing power.

⁽³⁾ BTC Yield is a key performance indicator that represents the percentage change period-to-period of the ratio between our bitcoin holdings and our Assumed Fully Diluted Shares Outstanding. Assumed Fully Diluted Shares Outstanding refers to the aggregate of our actual shares of common stock outstanding as of the end of the applicable period plus all additional shares that would result from the assumed conversion of all outstanding convertible notes inclusive of the potential make-whole fundamental change provision, exercise of all outstanding warrants and settlement of all outstanding restricted stock units and performance-based restricted stock units.

Energy Cost

Energy cost is the most significant cost driver for mining and represented 38.3%, as a percentage of our owned mining revenues for the three months ended March 31, 2025. This excludes energy costs from third party hosted sites.

Energy cost can be highly volatile, cyclical and sensitive to geopolitical events and weather conditions, such as winter storms and earthquakes, which impact supply and demand for power regionally. All of our owned mining sites and our hosted miners are subject to variable prices and market rate fluctuations with respect to wholesale energy costs. Such costs are governed by various power purchase agreements, and energy prices can change hour to hour and by location. While this renders energy prices less predictable, it also gives us greater ability and flexibility to actively manage the energy we consume with a goal of increasing profitability and energy efficiency. When such events occur, we may curtail our operations to avoid using power at increased rates. Although we do not receive significant compensation for curtailment, the dispatchable load of our bitcoin mining operations helps balance the

grid and provides electricity to communities when in need. The average price of direct energy we paid for our owned facilities for the three months ended March 31, 2025 was \$0.04 per kilowatt hour (“kWh”).

	Three Months Ended March 31,	
	2025	2024
Owned Facilities Statistics		
Purchased energy costs per BTC ⁽¹⁾	\$ 35,728	\$ 12,953
Supplemental Information		
Total BTC produced during the period, in whole BTC at owned facilities ⁽²⁾	1,217	470
Average BTC per day, in whole BTC ⁽²⁾	13.5	5.2
Purchased energy cost per kWh ⁽³⁾	\$ 0.04	NM

NM - Not meaningful

⁽¹⁾ Purchased energy cost per BTC is calculated as the amounts paid to power providers for power consumed divided by the quantity of bitcoin produced during the period related to our owned mining operations. In addition to the impact of the April 2024 halving event, purchased energy costs increased due to broad-based increases in energy costs.

⁽²⁾ In 2024, the Company scaled its mining operations through acquisitions and deployment of additional infrastructure, resulting in an increase in its share of BTC block rewards. The growth was partially mitigated by the BTC halving event.

⁽³⁾ Purchased energy cost per kWh is calculated using the amounts paid to power providers for power consumed divided by the kWh consumed related to our owned bitcoin mining operations. In the first quarter of 2024, this metric was not meaningful as we were in the early stages of our transition to a vertically integrated operating model focused on owned infrastructure. This transition began in January 2024, when we commenced acquiring data centers to support owned mining operations, which initially represented a limited portion of our overall operations during the period.

RESULTS OF OPERATIONS

Three Months Ended March 31, 2025 Compared to the Three Months Ended March 31, 2024

Revenues

<i>(in thousands)</i>	Three Months Ended March 31,		Change
	2025	2024	\$
Bitcoin (“BTC”) mining revenue	\$ 207,760	\$ 138,841	\$ 68,919
Other digital assets mining revenue	2,170	4,454	(2,284)
Hosting services	1,151	20,775	(19,624)
Other revenue	2,803	1,128	1,675
Revenues	\$ 213,884	\$ 165,198	\$ 48,686

Supplemental Information			
BTC produced during the period, in whole BTC ⁽¹⁾	2,286	2,811	(525)
Average BTC per day, in whole BTC	25.4	30.9	(5.5)
Average price of BTC mined ⁽²⁾	\$ 93,317	\$ 52,591	\$ 40,726
Number of blocks won	666	368	298
Transaction fees as a percentage of total	1.4 %	7.0 %	(5.6)%

⁽¹⁾ Includes 60 and 171 bitcoin representing our share of the equity method investee, the ADGM entity, for the three months ended March 31, 2025 and 2024, respectively.

⁽²⁾ Average price of BTC mined is calculated using BTC mining revenue divided by the bitcoin production, excluding our share of the bitcoin produced for the equity method investee, the ADGM entity.

We generated revenues of \$213.9 million for the three months ended March 31, 2025, compared to \$165.2 million in the prior year period. The \$48.7 million, or approximately 30%, increase in revenues was primarily driven by an increase in bitcoin mining revenue partially offset by a decrease in hosting services. The \$68.9 million increase in bitcoin mining revenue was primarily driven by a 77% increase in the average bitcoin price, which contributed \$90.7 million, partially offset by a \$21.8 million decrease in bitcoin production due to halving.

During the three months ended March 31, 2025 and 2024, revenue from hosting services was \$1.2 million and \$20.8 million, respectively, a decrease of \$19.6 million due to the termination of various hosting agreements from the GC Data Center Acquisition during 2024.

Costs and expenses

Purchased energy, third party hosting and other energy and operating and maintenance costs

<i>(in thousands)</i>	Three Months Ended March 31,		Change
	2025	2024	\$
Purchased energy costs	\$ 43,481	\$ 6,088	\$ 37,393
Third party hosting and other energy costs	68,183	69,566	(1,383)
Operating and maintenance costs	19,794	15,814	3,980

Supplemental Information

Cost per Petahash per day ⁽¹⁾	\$ 28.5	\$ 38.1	\$ (9.6)
Purchased energy costs per BTC ⁽²⁾	\$ 35,728	\$ 12,953	\$ 22,775

⁽¹⁾ Cost per Petahash per day is calculated using bitcoin mining costs attributable to purchased energy costs, third party hosting and other energy costs and operating and maintenance costs, divided by the daily average operational hashrate online during the period, excluding our share of the hashrate for the equity method investee, the ADGM Entity, and share of hashrate from our noncontrolling interest, by a factor of 1,000.

⁽²⁾ Purchased energy cost per BTC is calculated as the amounts paid to power providers for power consumed divided by the quantity of bitcoin produced during the period related to our owned mining operations.

Purchased energy costs during the three months ended March 31, 2025 totaled \$43.5 million compared to \$6.1 million in the prior year period, an increase of \$37.4 million or approximately 614%. Purchased energy costs consist of power expenses paid to power providers for power consumed related to our owned bitcoin mining operations. The increase was primarily driven by the expansion of our owned mining sites through acquisitions and the growth in our hashrate to 54.3 EH/s. Our Cost per Petahash per day improved to \$28.5 from \$38.1, or approximately 25%, compared to the prior year period despite a higher network difficulty due to an increase in global hashrate. For the three months ended March 31, 2025. Purchased energy cost per bitcoin for our owned mining sites was \$35,728 compared to \$12,953 in the prior year period.

Third party hosting and other energy costs during the three months ended March 31, 2025 totaled \$68.2 million compared to \$69.6 million in the prior year period, a decrease of \$1.4 million or approximately 2%. These costs consist of colocation services related to third party hosted sites and energy expenses related to mining other digital assets. The decrease was primarily due to a decrease in hosting related operating costs and unexpected equipment downtime in the prior year period, offset by an increase in energized miners at third party hosted facilities.

Operating and maintenance costs during the three months ended March 31, 2025 totaled \$19.8 million compared to \$15.8 million in the prior year period, an increase of \$4.0 million or approximately 25%. The increase in operating and maintenance costs was primarily due to an increase in shipping and warehouse fees and site repair and maintenance fees associated with our mining operations compared to the prior year period.

Refer to Note 2 – Summary of Significant Accounting Policies in the notes to our Condensed Consolidated Financial Statements for further information on our presentation change relating to our costs.

General and administrative expenses

General and administrative expenses were \$85.9 million for the three months ended March 31, 2025, compared to \$68.9 million in the prior year period. General and administrative expenses consist of stock based compensation, professional and legal fees and other people and office expenses. The \$17.0 million, or approximately 25%, increase was primarily due to an increase in the scale of business and acquisitions, an increase in our employee headcount from 72 to 171 and an increase in professional fees as part of our strategic expansion. Stock based compensation decreased \$3.0 million primarily due to the timing of grants. Restricted stock units awarded for 2023 performance were granted earlier during the three months ended March 31, 2024 compared to the grant of 2025 performance-based restricted stock units (“PSUs”).

Depreciation and amortization

Depreciation and amortization during the three months ended March 31, 2025 totaled \$157.9 million compared to \$81.6 million in the prior year prior. The \$76.3 million, or approximately 94%, increase was primarily due to the deployment of additional mining rigs and an overall increased scale of business.

Change in fair value of digital assets

We recognized a loss on digital assets of \$394.2 million for the three months ended March 31, 2025 compared to a gain of \$488.8 million in the prior year period. The \$883.0 million, or approximately 181%, decrease was primarily related to the change in bitcoin price from \$93,354 to \$82,534, from December 31, 2024 to March 31, 2025, respectively and the underlying digital assets held. As of March 31, 2025, we had 47,531 bitcoin, an increase of 174% compared to the prior year period.

Change in fair value of derivative instrument

We recognized a gain on the change in fair value of derivative instrument of \$26.8 million for the three months ended March 31, 2025 compared to a loss of \$15.3 million in the prior year period, to adjust the fair value of the commodity swap contract acquired in the GC Data Center Acquisition, which meets the definition of a derivative instrument and is measured each reporting period at fair value. The changes in fair value are primarily due to the movement in electricity forward curves prices during the respective periods.

Taxes other than on income

Taxes other than on income were \$3.1 million for the three months ended March 31, 2025 compared to \$2.5 million in the prior year period. Taxes other than on income consist primarily of property and sales and use taxes.

Early termination expenses

In the first quarter of 2024, we entered into termination and transition agreements with the operator from the GC Data Center Acquisition, for an early termination fee of \$13.5 million. In addition, we entered into an agreement for the early termination of a data center hosting agreement with one of its customers, upon which we forgave an outstanding accounts receivable balance of \$8.6 million.

Research and development

Research and development expenses were \$9.3 million for the three months ended March 31, 2025 compared to \$2.5 million in the prior year period. The \$6.8 million, or approximately 277% increase, was primarily due to the increase in contractor costs, supplies, personnel, and related expenses for our mining and technology businesses.

Other income (loss)

Change in fair value of digital assets - receivable, net

We recognized a loss on digital assets - receivables, net of \$116.1 million for the three months ended March 31, 2025, for the fair value recognized in connection with the lending agreements with various counterparties and collateralized bitcoin in connection with the lines of credit. There were no such activities in the prior year period.

Equity in net earnings of unconsolidated affiliate

During the three months ended March 31, 2025, we recorded our share of net loss for our 20% interest in the ADGM Entity of nearly zero, compared to an income of \$1.3 million in the prior year period. Our share of the ADGM Entity's operating results included earnings from the production of 60 bitcoin and approximately \$3.1 million of depreciation and amortization during the three months ended March 31, 2025, whereas in the prior year period, our share of ADGM Entity's operating results included earnings from production of 171 bitcoin, a \$4.1 million impairment of property and equipment and approximately \$2.6 million of depreciation and amortization.

Interest income, interest expense and other

<i>(in thousands)</i>	Three Months Ended March 31,		Change
	2025	2024	\$
Interest income	\$ 11,995	\$ 2,573	\$ 9,422
Interest expense	(9,941)	(1,256)	(8,685)
Other	2,474	2,944	(470)

Interest income increased by \$9.4 million compared to the prior year period, primarily due to a higher average balance of cash and cash equivalents and interest earned on loaned bitcoin. Interest expense increased for the three months ended March 31, 2025 by \$8.7 million primarily due to the Convertible Notes and the Line of Credit. Other of \$2.5 million for the three months ended March 31, 2025 primarily related to a net gain on investments of \$12.4 million, partially offset by a \$7.7 million loss on bitcoin derivative settlements and an adjustment to the allowance for credit loss related to additional bitcoin collateralized during the quarter.

Income tax benefit (expense)

We recorded income tax benefit of \$119.2 million for the three months ended March 31, 2025 compared to an income tax expense of \$38.1 million in the prior year period. The \$119.2 million income tax benefit primarily reflects changes in pretax book income and loss during the periods, driven largely by fair value adjustments related to digital assets. The income tax benefit was partially offset by the prior year's release of the valuation allowance.

NON-GAAP FINANCIAL MEASURES

In order to provide a more comprehensive understanding of the information used by our management team in financial and operational decision-making, we supplement our Condensed Consolidated Financial Statements that have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP") with the non-GAAP financial measure of Adjusted EBITDA.

We define Adjusted EBITDA as (a) GAAP net income (loss) attributable to common stockholders plus (b) adjustments to add back the impacts of (1) interest, (2) income taxes, (3) depreciation and amortization and (4) adjustments for non-cash and/or non-recurring items, which currently include (i) stock compensation expense, (ii) change in fair value of derivative instrument, (iii) net gain on investments and (iv) early termination expenses.

Management uses Adjusted EBITDA, along with the supplemental information provided herein, as a means of understanding, managing and evaluating business performance and to help inform operating decision-making. We rely primarily on our Condensed Consolidated Financial Statements to understand, manage and evaluate our financial performance and uses non-GAAP financial measures only supplementally.

We believe that Adjusted EBITDA is a useful measure to us and to our investors because it excludes certain financial, capital structure and non-cash items that we do not believe directly reflect our core operations and may not be indicative of our recurring operations, in part because they may vary widely across time and within our industry independent of the performance of our core operations. We believe that excluding these items enables us to more effectively evaluate our performance period-over-period and relative to our competitors.

Adjusted EBITDA is not a recognized financial measure under GAAP. When analyzing our operating results, investors should use Adjusted EBITDA in addition to, but not as an alternative for, the most directly comparable financial results calculated and presented in accordance with GAAP. Because our calculation of Adjusted EBITDA may differ from that of other companies, our presentation of this measure may not be comparable to similarly titled measures of other companies.

Certain prior period information has been reclassified to conform to the current period presentation.

The following table provides a reconciliation of GAAP net income (loss) to Adjusted EBITDA:

<i>(in thousands)</i>	Three Months Ended March 31,	
	2025	2024
Net income (loss) attributable to common stockholders	\$ (533,199)	\$ 337,173
Interest income, net	(2,054)	(1,317)
Income tax expense (benefit)	(119,172)	38,051
Depreciation and amortization ⁽¹⁾	161,002	84,185
EBITDA	(493,423)	458,092
Stock based compensation expense	49,115	51,913
Change in fair value of derivative instrument	(26,828)	15,252
Net gain on investments ⁽²⁾	(12,429)	(5,236)
Early termination expenses	—	22,097
Adjusted EBITDA	\$ (483,565)	\$ 542,118

⁽¹⁾ Includes approximately \$3.1 million and \$2.6 million of depreciation and amortization from our share in the results of our equity method investee, the ADGM entity, reported in “Equity in net earnings of unconsolidated affiliate” for the three months ended March 31, 2025 and 2024, respectively, on the Condensed Consolidated Statements of Operations. Additionally, for the three months ended March 31, 2024, depreciation and amortization includes \$0.6 million amortization that was previously classified within general and administrative on the Condensed Consolidated Statements of Operations.

⁽²⁾ Net gain on investments is reported in “Other” on the Condensed Consolidated Statements of Operations. Refer to Note 9 – Investments in the notes to our Condensed Consolidated Financial Statements for further information.

FINANCIAL CONDITION AND LIQUIDITY

The following table presents a summary of our cash flow activity for the three months ended March 31, 2025 and 2024:

<i>(in thousands)</i>	For the Three Months Ended March 31,	
	2025	2024
Net cash used in operating activities	\$ (215,488)	\$ (88,340)
Net cash used in investing activities	(209,846)	(416,591)
Net cash provided by financing activities	229,778	471,886
Net decrease in cash, cash equivalents and restricted cash	(195,556)	(33,045)
Cash, cash equivalents and restricted cash — beginning of period	403,771	357,313
Cash, cash equivalents and restricted cash — end of period	\$ 208,215	\$ 324,268

Cash flows for the three months ended March 31, 2025: Cash, cash equivalents and restricted cash totaled \$208.2 million at March 31, 2025, a decrease of \$195.6 million from December 31, 2024.

Cash flows from operating activities resulted in a use of funds of \$215.5 million, as net income (loss), adjusted for non-cash and non-operating items, in the amount of \$34.7 million was offset by the use of cash of \$250.2 million from changes in operating assets and liabilities. When we produce and hold bitcoin on our Condensed Consolidated Balance Sheets, we exclude such bitcoin from our operating cash flows. If we monetize bitcoin in the future, those proceeds are reported as cash flows from investing activities. Changes in cash flows from operating assets and liabilities were driven by a use of funds associated with changes in digital assets of \$212.7 million due to the non-cash adjustment for bitcoin mining revenues and deposits of \$6.6 million resulting from increased deposits associated with hosting agreements and renewable energy credits.

Cash flows from investing activities resulted in a use of funds of \$209.8 million, primarily resulting from the use of funds for advances to vendors of \$97.4 million, purchase of property and equipment of \$38.9 million, the purchase of 340 bitcoin for \$27.1 million and payment of \$36.3 million to acquire the Wind Farm for an additional 114 MW of nameplate capacity. The use of funds was partially offset by proceeds from the sale of digital assets of \$8.7 million and the sale of property and equipment of \$3.5 million.

Cash flows from financing activities resulted in a source of cash of \$229.8 million, primarily from the periodic issuance of common stock under our 2024 ATM of \$100.1 million and securing an additional \$150.0 million line of credit. As of March 31, 2025, the facility was fully utilized.

Bitcoin holdings: At March 31, 2025, we held a total of 47,531 bitcoin, including 14,269 loaned and collateralized bitcoin, on our Condensed Consolidated Balance Sheets with a total fair value of \$3.9 billion. The fair value of a single bitcoin was approximately \$82,534 at March 31, 2025.

Approximately 7,377 of our total bitcoin holdings were loaned to third parties to generate additional return and 6,892 bitcoin were utilized as collateral for borrowings. Loaned and collateralized bitcoin are classified as “Digital asset - receivables, net” on the Condensed Consolidated Balance Sheets with a carrying value of \$1.2 billion.

Consistent with our HODL strategy, the remaining 33,263 unrestricted bitcoin were classified as long-term digital assets on the Condensed Consolidated Balance Sheets with a fair value of \$2.7 billion. Our holdings as of March 31, 2025 excluded 4 bitcoin held by our equity method investee, pending dividend to us.

We expect that our future bitcoin holdings will generally increase but will fluctuate from time to time, both in number of bitcoin held and fair value in U.S. dollars, depending upon operating and market conditions. We intend to add to our bitcoin holdings primarily through our production activities and from time to time purchases. As a result of our adoption of the aforementioned strategy, we anticipate funding our operating and investing activities principally from available cash and cash equivalents and from our financing activities.

At-the-Market Offering Programs and Proceeds: As of March 31, 2025, we sold 5,428,548 shares of common stock for an aggregate purchase price of \$100.1 million, net of commission and offering expenses of \$2.6 million, pursuant to the 2024 ATM, which was terminated and replaced with the 2025 ATM on March 28, 2025. As of March 31, 2025, approximately \$2.0 billion of our common stock remained available for issuance and sale pursuant to the 2025 ATM.

Liquidity and Capital Resources: Cash and cash equivalents, excluding restricted cash, totaled \$196.2 million and the fair value of digital asset holdings, including loaned and collateralized bitcoin, was \$3.9 billion at March 31, 2025. The combined value of cash and cash equivalents, excluding restricted cash, and digital assets, including loaned and collateralized bitcoin, totaled nearly \$4.1 billion as of March 31, 2025.

We expect that Staff Accounting Bulletin (“SAB”) 122’s rescission of SAB 121, which required an entity to recognize a liability and corresponding asset for its obligation to safeguard crypto-assets, will increase commercial banks’ activity in our sector and provide us with expanded access to traditional financing, such as debt financing, project financing and other capital. Our access to financing sources on terms acceptable to us or at all is subject to market and other conditions.

While we classify our digital assets and digital asset receivables as long-term, consistent with the announced HODL strategy, both asset types are readily convertible to cash, and therefore considered a liquid resource.

We expect to have sufficient liquidity, including cash on hand and access to public capital markets, to support ongoing operations in the next 12 months and beyond. We will continue to seek to fund our business activities, and especially our growth opportunities, through the public capital markets, primarily through periodic equity issuances using our at-the-market facilities.

The risks to our liquidity outlook would include events that materially diminish our access to capital markets and/or the value of our bitcoin holdings and production capabilities, including:

- Failure to effectively execute our growth strategies;
- Declines in bitcoin prices and/or production, as well as impacts from bitcoin halving events, which would impact both the value of our bitcoin holdings and our ongoing profitability;
- Significant increases in electricity costs if these cost increases were not accompanied by increases in the price of bitcoin, as this would also reduce profitability;
- Deteriorating macroeconomic conditions, including the impacts of inflation, high interest rates, tariffs and trade wars, a prolonged recession, as well as instability in the banking system; and
- Failure to access financing on terms acceptable to us or at all.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

We contract with service providers for hosting our equipment and operational support in data centers where our equipment is deployed. Under these arrangements, we expect to pay at a minimum approximately (i) \$161.9 million during the remainder of calendar year 2025 and (ii) \$306.2 million in total payments during the calendar years 2026 through 2028. Under certain arrangements, we are required to pay variable pass-through power and service fees in addition to the estimated minimum amounts.

As of March 31, 2025, we had a remaining commitment of approximately \$23.5 million due for the purchase of miners and other mining equipment per our purchase agreements, to be paid in periodic installments throughout 2025.

Assuming the remaining outstanding Convertible Notes are not converted into common stock, repurchased or redeemed prior to maturity, (i) remaining interest payments of approximately \$0.5 million and \$4.8 million through the remainder of the calendar year 2025 for the 1.0% Convertible Senior Notes due 2026 (the “December 2026 Notes”) and the 2.125% Convertible Senior Notes due 2031 (the “September 2031 Notes”), respectively, (ii) annual interest payments of approximately \$0.7 million in the 2026 calendar year in connection with the December 2026 Notes and annual interest payments of approximately \$6.4 million in each calendar year from 2026 through 2031 in connection with the September 2031 Notes and (iii) principal for each of the Convertible Notes upon maturity, for a total of \$2.3 billion, will be payable under the terms of the Convertible Notes. Refer to Note 14 – Debt in the notes to our Condensed Consolidated Financial Statements, for further information.

We have operating and finance lease obligations related to land and office buildings. We expect to make payments of \$1.8 million and \$0.2 million related to operating and finance leases, respectively, for the remainder of 2025 and \$65.5 million and \$89.6 million related to operating and finance leases, respectively, thereafter. Refer to Note 15 – Leases in the notes to our Condensed Consolidated Financial Statements, for further information.

On March 11, 2025, we secured an additional line of credit for \$150.0 million, collateralized by 3,250 of our bitcoin holdings. We used the funds for general corporate purposes. As of March 31, 2025, the facility was fully utilized.

CRITICAL ACCOUNTING ESTIMATES

We are not aware of any material changes to our critical accounting estimates set forth under the caption “Critical Accounting Estimates” in Part II, Item 7 of our Annual Report, which is incorporated herein by reference.

RECENT ACCOUNTING PRONOUNCEMENTS

See Note 2 – Summary of Significant Accounting Policies to our Condensed Consolidated Financial Statements for a discussion of recent accounting standards and pronouncements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are not aware of any material changes to our disclosures regarding market risks in connection with our bitcoin holdings. Refer to Part II, Item 7A of our Annual Report, which is incorporated herein by reference.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report to ensure that the information we are required to disclose in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that information required to be disclosed in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, to allow timely decisions regarding required disclosures. Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of the end of the period covered by this report.

Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in conducting a cost-benefit analysis of possible controls and procedures.

As part of the Company’s ongoing program to implement changes and further improve its internal controls and in conjunction with its Code of Ethics, the Company’s independent directors have been working with management to include protocols and measures aimed at ensuring quality of its internal controls. Among those measures is the implementation of a whistle blower hotline, which allows third parties to anonymously report noncompliant activity. The hotline may be accessed as follows:

To file a report, use the Client Code “MarathonPG” and pick one of the following options:

- Call: 1-877-647-3335
- Click: <http://www.RedFlagReporting.com>

Change in Internal Control Over Financial Reporting

There have been no changes in the Company’s internal control over financial reporting during the three months ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting other than the ongoing remediation efforts undertaken by management.

PART II

ITEM 1. LEGAL PROCEEDINGS

Other than as disclosed under the caption “Contingencies—Legal Proceedings” in Note 16 - Commitments and Contingencies in the notes to our Condensed Consolidated Financial Statements included in this Quarterly Report, we are presently not a party to any material litigation or regulatory proceeding and are not aware of any pending or threatened litigation or regulatory proceeding against us which, individually or in the aggregate, could have a material adverse effect on our business, operating results, financial condition or cash flows.

ITEM 1A. RISK FACTORS

We are not aware of any material changes to the risk factors set forth under the caption “Risk Factors” in Part I, Item 1A of our Annual Report, which are incorporated herein by reference. The risks described in our Annual Report are not the only ones we face. Additional risks that we currently do not know about or that we currently believe to be immaterial may also impair our business, financial condition, operating results, liquidity, and future prospects.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Director and Officer Trading Plans and Arrangements

On March 6, 2025, Douglas Mellinger, a member of the Company’s board of directors, entered into a trading plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act (a “10b5-1 Plan”). Mr. Mellinger’s 10b5-1 Plan provides for the potential sale of up to 13,000 shares of the Company’s common stock between the first potential sale date on June 6, 2025 and the expiration of the 10b5-1 Plan on June 30, 2026. Mr. Mellinger’s existing 10b5-1 Plan will expire on May 13, 2025.

On March 10, 2025, Jay Leupp, a member of the Company’s board of directors, entered into a 10b5-1 Plan. Mr. Leupp’s 10b5-1 Plan provides for the potential sale of up to 33,500 shares of the Company’s common stock between the first potential sale date on June 9, 2025 and the expiration of the 10b5-1 Plan on March 31, 2026. Mr. Leupp’s existing 10b5-1 Plan will expire on June 5, 2025.

On March 14, 2025, Salman Khan, Chief Financial Officer, entered into a 10b5-1 Plan. Mr. Khan’s 10b5-1 Plan provides for the potential sale of up to 69,465 shares of the Company’s common stock between the first potential sale date on June 12, 2025 and the expiration of the 10b5-1 Plan on December 31, 2025. Mr. Khan’s existing 10b5-1 Plan will expire on May 30, 2025.

ITEM 6. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The following exhibits are filed as part of this Quarterly Report.

Exhibit Number	Exhibit Description	Form	Date of First Filing	Exhibit Number	Provided Herewith
3.1	Restated Articles of Incorporation of the Company	Form 10-K	3/3/2025	3.1	
3.2	Amended and Restated Bylaws of the Company	Form 10-K	3/3/2025	3.2	
4.1	Certification of Designation of Series X Preferred Stock	Form 8-K	1/10/2025	3.1	
4.2	Certificate of Withdrawal, dated February 21, 2025	Form 8-K	2/21/2025	3.2	
10.1	Subscription and Investment Representation Agreement, dated January 8, 2025, by and between MARA Holdings, Inc. and the Purchaser	Form 8-K	1/10/2025	10.1	
10.2	At The Market Offering Agreement, dated March 28, 2025	Form 8-K	3/28/2025	1.1	
10.3	Amended and Restated 2018 Equity Incentive Plan				X
10.4	First Amendment to Amended and Restated 2018 Equity Incentive Plan	Form 8-K	6/28/2024	10.1	
10.5	2025 Form of Restricted Stock Unit Agreement under the MARA Holdings, Inc. Amended and Restated 2018 Equity Incentive Plan	Form 8-K	2/28/2025	10.1	
10.6	2025 Form of Performance Based Restricted Stock Unit Awards under the MARA Holdings, Inc. Amended and Restated 2018 Equity Incentive Plan				X
31.1	Certificate of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				X
31.2	Certificate of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				X
32.1*	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				X
101.INS	Inline XBRL Instance Document				X
101.SCH	Inline XBRL Taxonomy Extension Schema Document				X

101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	X
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)	X

* This certification is not deemed “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.

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: May 8, 2025

MARA HOLDINGS, INC.

By: /s/ Fred Thiel
Name: Fred Thiel
Title: Chief Executive Officer and Chairman of the Board
(Principal Executive Officer)

By: /s/ Salman Khan
Name: Salman Khan
Title: Chief Financial Officer
(Principal Financial and Accounting Officer)

MARA HOLDINGS, INC.
AMENDED AND RESTATED
2018 EQUITY INCENTIVE PLAN

1. Purpose of the Plan. This 2018 Equity Incentive Plan (the “Plan”) is intended as an incentive, to retain in the employ of and as directors, officers, consultants, advisors and employees to MARA Holdings, Inc., a Nevada corporation (the “Company”), and any Subsidiary of the Company, within the meaning of Section 424(f) of the United States Internal Revenue Code of 1986, as amended (the “Code”), persons of training, experience and ability, to attract new directors, officers, consultants, advisors and employees whose services are considered valuable, to encourage the sense of proprietorship and to stimulate the active interest of such persons in the development and financial success of the Company and its Subsidiaries.

It is further intended that certain options granted pursuant to the Plan shall constitute incentive stock options within the meaning of Section 422 of the Code (the “Incentive Options”) while certain other options granted pursuant to the Plan shall be nonqualified stock options (the “Nonqualified Options”). Incentive Options and Nonqualified Options are hereinafter referred to collectively as “Options.”

The Company intends that the Plan meet the requirements of Rule 16b-3 (“Rule 16b-3”) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and that transactions of the type specified in subparagraphs (c) to (f) inclusive of Rule 16b-3 by officers and directors of the Company pursuant to the Plan will be exempt from the operation of Section 16(b) of the Exchange Act. Further, the Plan is intended to satisfy the performance-based compensation exception to the limitation on the Company’s tax deductions imposed by Section 162(m) of the Code with respect to those Options for which qualification for such exception is intended. In all cases, the terms, provisions, conditions and limitations of the Plan shall be construed and interpreted consistent with the Company’s intent as stated in this Section 1.

2. Administration of the Plan. The Board of Directors of the Company (the “Board”) shall appoint and maintain as administrator of the Plan a Committee (the “Committee”) consisting of two or more directors who are (i) “Independent Directors” (as such term is defined under the rules of the NASDAQ Stock Market), (ii) “Non-Employee Directors” (as such term is defined in Rule 16b-3) and (iii) “Outside Directors” (as such term is defined in Section 162(m) of the Code), which shall serve at the pleasure of the Board. The Committee, subject to Sections 3, 5 and 6 hereof, shall have full power and authority to designate recipients of Options, restricted stock (“Restricted Stock”), preferred stock which may or may not be convertible (“Preferred Stock”), restricted share units (“RSUs”), and warrants which may qualify as Incentive Warrants or Non-Qualified Warrants (as such terms are defined herein, collectively, “Warrants”), and to determine the terms and conditions of the respective agreements (which need not be identical) and to interpret the provisions and supervise the administration of the Plan. The Committee shall have the authority, without limitation, to designate which Options granted under the Plan shall be Incentive Options and which shall be Nonqualified Options. To the extent any Option does not qualify as an Incentive Option, it shall constitute a separate Nonqualified Option.

In lieu of grants of Options and Restricted Stock, the Committee has the full power to and authority under the Plan to designate Participants to receive shares of the Company’s Preferred

Stock. Further, to the extent that the Committee shall determine that the issuance of Options, Restricted Stock, RSUs or Warrants to a Participant (as defined below) could cause the beneficial ownership by such Participant or its affiliates to exceed more than 9.99% of the total outstanding shares of Common Stock of the Company upon the exercise of the Option or Warrant or the vesting of the Restricted Stock or RSU, as applicable, the Committee shall also have the full power and authority under the Plan to designate Participants to receive shares of the Company's preferred stock in either a series of preferred that has already been authorized and designated by the Board or in a new series of preferred that shall be authorized and designated by the Board in accordance with the Company's Amended and Restated Articles of Incorporation. The Committee shall determine the terms and conditions of the issuance of any Preferred Stock issued pursuant to the Plan (which terms and conditions may include standard equity blockers, conditions to issuance and the conversion price of the Preferred Stock) and any related agreements (which need not be identical) with respect to the issuance of the Preferred Stock and to interpret the provisions and supervise the administration of the Plan with respect to the issuance of any Preferred Stock.

Subject to the provisions of the Plan, the Committee shall interpret the Plan and all Options, Restricted Stock, RSUs, Preferred Stock and Warrants (collectively, the "Securities") granted under the Plan, shall make such rules as it deems necessary for the proper administration of the Plan, shall make all other determinations necessary or advisable for the administration of the Plan and shall correct any defects or supply any omission or reconcile any inconsistency in the Plan or in any Securities granted under the Plan in the manner and to the extent that the Committee deems desirable to carry into effect the Plan or any Securities. The act or determination of a majority of the Committee shall be the act or determination of the Committee and any decision reduced to writing and signed by all of the members of the Committee shall be fully effective as if it had been made by a majority of the Committee at a meeting duly held for such purpose. Subject to the provisions of the Plan, any action taken or determination made by the Committee pursuant to this and the other Sections of the Plan shall be conclusive on all parties.

In the event that for any reason the Committee is unable to act or if the Committee at the time of any grant, award or other acquisition under the Plan does not consist of two or more Non-Employee Directors, or if there shall be no such Committee, or if the Board otherwise determines to administer the Plan, then the Plan shall be administered by the Board, and references herein to the Committee (except in the proviso to this sentence) shall be deemed to be references to the Board, and any such grant, award or other acquisition may be approved or ratified in any other manner contemplated by subparagraph (d) of Rule 16b-3; provided, however, that grants to the Company's Chief Executive Officer or to any of the Company's other four most highly compensated officers that are intended to qualify as performance-based compensation under Section 162(m) of the Code may only be granted by the Committee.

3. Designation of Optionees and Grantees. The persons eligible for participation in the Plan as recipients of Options (the "Optionees"), Restricted Stock, Preferred Stock, RSUs or Warrants (the "Grantees" and together with Optionees, the "Participants") shall include directors, officers and employees of, and consultants and advisors to, the Company or any Subsidiary; provided that Incentive Options may only be granted to employees of the Company and any Subsidiary. In selecting Participants, and in determining the number of shares to be covered by each Option or Warrant or award of Restricted Stock, Preferred Stock or RSU granted to Participants, the Committee may consider any factors it deems relevant, including, without limitation, the office or position held

by the Participant or the Participant's relationship to the Company, the Participant's degree of responsibility for and contribution to the growth and success of the Company or any Subsidiary, the Participant's length of service, promotions and potential. A Participant who has been granted an Option, Restricted Stock, Preferred Stock, RSU or Warrant, hereunder, may be granted additional Options, Restricted Stock, Preferred Stock, RSUs or Warrants, if the Committee shall so determine.

4. Stock Reserved for the Plan. Subject to adjustment as provided in Section 8 hereof, a total of 30,000 shares of the Company's common stock, par value \$0.0001 per share (the "Common Stock"), shall be subject to the Plan. The shares of Common Stock subject to the Plan shall consist of unissued shares, treasury shares or previously issued shares held by any Subsidiary of the Company, and such number of shares of Common Stock shall be and is hereby reserved for such purpose. Any of such shares of Common Stock that may remain unissued and that are not subject to outstanding Options, Preferred Stock or Warrants at the termination of the Plan shall cease to be reserved for the purposes of the Plan, but until termination of the Plan, the Company shall at all times reserve a sufficient number of shares of Common Stock to meet the requirements of the Plan. Should any Securities expire or be canceled prior to its exercise, satisfaction of conditions or vesting in full, as applicable, or should the number of shares of Common Stock to be delivered upon the exercise or vesting in full of an Option or Warrant or award of Restricted Stock or RSU or conversion of Preferred Stock be reduced for any reason, the shares of Common Stock theretofore subject to such Option, Warrant, Restricted Stock, RSU or Preferred Stock, as applicable, may be subject to future Options, Warrants, Restricted Stock, RSUs or Preferred Stock under the Plan, except where such reissuance is inconsistent with the provisions of Section 162(m) of the Code where qualification as performance-based compensation under Section 162(m) of the Code is intended.

5. A. Terms and Conditions of Options. Options granted under the Plan shall be subject to the following conditions and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Committee shall deem desirable:

(a) Option Price. The purchase price of each share of Common Stock purchasable under an Incentive Option shall be determined by the Committee at the time of grant, but shall not be less than 100% of the Fair Market Value (as defined below) of such share of Common Stock on the date the Option is granted; provided, however, that with respect to an Optionee who, at the time such Incentive Option is granted, owns (within the meaning of Section 424(d) of the Code) more than 10% of the total combined voting power of all classes of stock of the Company or of any Subsidiary, the purchase price per share of Common Stock shall be at least 110% of the Fair Market Value per share of Common Stock on the date of grant. The purchase price of each share of Common Stock purchasable under a Nonqualified Option shall not be less than 100% of the Fair Market Value of such share of Common Stock on the date the Option is granted. The exercise price for each Option shall be subject to adjustment as provided in Section 8 below. "Fair Market Value" means the closing price on the final trading day immediately prior to the grant date of the Common Stock on the NASDAQ Capital Market LLC or other principal securities exchange or OTC Bulletin Board on which shares of Common Stock are listed (if the shares of Common Stock are so listed), or, if not so listed, the mean between the closing bid and asked prices of publicly traded shares of Common Stock in the over the counter market, or, if such bid and asked prices shall not be available, as reported by any nationally recognized quotation service selected by the Company, or as determined by the Committee in a manner consistent with the provisions of the Code. Anything in this Section 5A(a) to the contrary notwithstanding, in no event shall the purchase price of a share of Common Stock be

less than the minimum price permitted under the rules and policies of any national securities exchange on which the shares of Common Stock are listed.

(b) Option Term. The term of each Option shall be fixed by the Committee, but no Option shall be exercisable more than ten years after the date such Option is granted and in the case of an Incentive Option granted to an Optionee who, at the time such Incentive Option is granted, owns (within the meaning of Section 424(d) of the Code) more than 10% of the total combined voting power of all classes of stock of the Company or of any Subsidiary, no such Incentive Option shall be exercisable more than five years after the date such Incentive Option is granted.

(c) Exercisability. Subject to Section 5A(j) hereof, Options shall be exercisable at such time or times and subject to such terms and conditions as shall be determined by the Committee at the time of grant; provided, however, that in the absence of any Option vesting periods designated by the Committee at the time of grant, Options shall vest and become exercisable as to one-third of the total number of shares subject to the Option on each of the first, second and third anniversaries of the date of grant; and provided further that no Options shall be exercisable until such time as any vesting limitation required by Section 16 of the Exchange Act, and related rules, shall be satisfied if such limitation shall be required for continued validity of the exemption provided under Rule 16b-3(d)(3).

Upon the occurrence of a "Change in Control" (as hereinafter defined), the Committee may accelerate the vesting and exercisability of outstanding Options, in whole or in part, as determined by the Committee in its sole discretion. In its sole discretion, the Committee may also determine that, upon the occurrence of a Change in Control, each outstanding Option shall terminate within a specified number of days after notice to the Optionee thereunder, and each such Optionee shall receive, with respect to each share of Common Stock subject to such Option, an amount equal to the excess of the Fair Market Value of such shares immediately prior to such Change in Control over the exercise price per share of such Option; such amount shall be payable in cash, in one or more kinds of property (including the property, if any, payable in the transaction) or a combination thereof, as the Committee shall determine in its sole discretion.

For purposes of the Plan, unless otherwise defined in an employment agreement between the Company and the relevant Optionee, a Change in Control shall be deemed to have occurred if:

(i) a tender offer (or series of related offers) shall be made and consummated for the ownership of 50% or more of the outstanding voting securities of the Company, unless as a result of such tender offer more than 50% of the outstanding voting securities of the surviving or resulting corporation shall be owned in the aggregate by the stockholders of the Company (as of the time immediately prior to the commencement of such offer), any employee benefit plan of the Company or its Subsidiaries, and their affiliates;

(ii) the Company shall be merged or consolidated with another corporation, unless as a result of such merger or consolidation more than 50% of the outstanding voting securities of the surviving or resulting corporation shall be owned in the aggregate by the stockholders of the Company (as of the time immediately prior to such transaction), any employee benefit plan of the Company or its Subsidiaries, and their affiliates;

(iii) the Company shall sell substantially all of its assets to another corporation that is not wholly owned by the Company, unless as a result of such sale more than 50% of such assets shall be owned in the aggregate by the stockholders of the Company (as of the time immediately prior to such transaction), any employee benefit plan of the Company or its Subsidiaries and their affiliates; or

(iv) a Person (as defined below) shall acquire 50% or more of the outstanding voting securities of the Company (whether directly, indirectly, beneficially or of record), unless as a result of such acquisition more than 50% of the outstanding voting securities of the surviving or resulting corporation shall be owned in the aggregate by the stockholders of the Company (as of the time immediately prior to the first acquisition of such securities by such Person), any employee benefit plan of the Company or its Subsidiaries, and their affiliates.

Notwithstanding the foregoing, if Change of Control is defined in an employment agreement between the Company and the relevant Optionee, then, with respect to such Optionee, Change of Control shall have the meaning ascribed to it in such employment agreement.

For purposes of this Section 5A(c), ownership of voting securities shall take into account and shall include ownership as determined by applying the provisions of Rule 13d-3(d)(1)(i) (as in effect on the date hereof) under the Exchange Act. In addition, for such purposes, "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof; provided, however, that a Person shall not include (A) the Company or any of its Subsidiaries; (B) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Subsidiaries; (C) an underwriter temporarily holding securities pursuant to an offering of such securities; or (D) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportion as their ownership of stock of the Company.

(d) Method of Exercise. Options to the extent then exercisable may be exercised in whole or in part at any time during the option period, by giving written notice to the Company specifying the number of shares of Common Stock to be purchased, accompanied by payment in full of the purchase price, in cash, or by check or such other instrument as may be acceptable to the Committee. As determined by the Committee, in its sole discretion, at or after grant, payment in full or in part may be made at the election of the Optionee (i) in the form of Common Stock owned by the Optionee (based on the Fair Market Value of the Common Stock which is not the subject of any pledge or security interest, (ii) in the form of shares of Common Stock or Preferred Stock withheld by the Company from the shares of Common Stock otherwise to be received with such withheld shares of Common Stock having a Fair Market Value equal to the exercise price of the Option, or (iii) by a combination of the foregoing, such Fair Market Value determined by applying the principles set forth in Section 5A(a), provided that the combined value of all cash and cash equivalents and the Fair Market Value of any shares surrendered to the Company is at least equal to such exercise price and except with respect to (ii) above, such method of payment will not cause a disqualifying disposition of all or a portion of the Common Stock received upon exercise of an Incentive Option. An Optionee shall have the right to dividends and other rights of a stockholder with respect to shares of Common Stock purchased upon exercise of an Option at such time as the Optionee (i) has given written notice of exercise and has paid in full for such shares, and (ii) has satisfied such conditions that may be imposed by the Company with respect to the withholding of taxes.

(e) Non-transferability of Options. Options are not transferable and may be exercised solely by the Optionee during his lifetime or after his death by the person or persons entitled thereto under his will or the laws of descent and distribution. The Committee, in its sole discretion, may permit a transfer of a Nonqualified Option to (i) a trust for the benefit of the Optionee, (ii) a member of the Optionee's immediate family (or a trust for his or her benefit) or (iii) pursuant to a domestic relations order. Any attempt to transfer, assign, pledge or otherwise dispose of, or to subject to execution, attachment or similar process, any Option contrary to the provisions hereof shall be void and ineffective and shall give no right to the purported transferee.

(f) Termination by Death. Unless otherwise determined by the Committee, if any Optionee's employment with or service to the Company or any Subsidiary terminates by reason of death, the Option may thereafter be exercised, to the extent then exercisable (or on such accelerated basis as the Committee shall determine at or after grant), by the legal representative of the estate or by the legatee of the Optionee under the will of the Optionee, for a period of one (1) year after the date of such death (or, if later, such time as the Option may be exercised pursuant to Section 14(d) hereof) or until the expiration of the stated term of such Option as provided under the Plan, whichever period is shorter.

(g) Termination by Reason of Disability. Unless otherwise determined by the Committee, if any Optionee's employment with or service to the Company or any Subsidiary terminates by reason of Disability (as defined below), then any Option held by such Optionee may thereafter be exercised, to the extent it was exercisable at the time of termination due to Disability (or on such accelerated basis as the Committee shall determine at or after grant), but may not be exercised after ninety (90) days after the date of such termination of employment or service (or, if later, such time as the Option may be exercised pursuant to Section 14(d) hereof) or the expiration of the stated term of such Option, whichever period is shorter; provided, however, that, if the Optionee dies within such ninety (90) day period, any unexercised Option held by such Optionee shall thereafter be exercisable to the extent to which it was exercisable at the time of death for a period of one (1) year after the date of such death (or, if later, such time as the Option may be exercised pursuant to Section 14(d) hereof) or for the stated term of such Option, whichever period is shorter. "Disability" shall mean an Optionee's total and permanent disability; *provided*, that if Disability is defined in an employment agreement between the Company and the relevant Optionee, then, with respect to such Optionee, Disability shall have the meaning ascribed to it in such employment agreement

(h) Termination by Reason of Retirement. Unless otherwise determined by the Committee, if any Optionee's employment with or service to the Company or any Subsidiary terminates by reason of Normal or Early Retirement (as such terms are defined below), any Option held by such Optionee may thereafter be exercised to the extent it was exercisable at the time of such Retirement (or on such accelerated basis as the Committee shall determine at or after grant), but may not be exercised after ninety (90) days after the date of such termination of employment or service (or, if later, such time as the Option may be exercised pursuant to Section 14(d) hereof) or the expiration of the stated term of such Option, whichever date is earlier; provided, however, that, if the Optionee dies within such ninety (90) day period, any unexercised Option held by such Optionee shall thereafter be exercisable, to the extent to which it was exercisable at the time of death, for a period of one (1) year after the date of such death (or, if later, such time as the Option may be

exercised pursuant to Section 14(d) hereof) or for the stated term of such Option, whichever period is shorter.

For purposes of this paragraph (h), “Normal Retirement” shall mean retirement from active employment with the Company or any Subsidiary on or after the normal retirement date specified in the applicable Company or Subsidiary pension plan or if no such pension plan, age 65, and “Early Retirement” shall mean retirement from active employment with the Company or any Subsidiary pursuant to the early retirement provisions of the applicable Company or Subsidiary pension plan or if no such pension plan, age 55.

(i) Other Terminations. Unless otherwise determined by the Committee upon grant, if any Optionee’s employment with or service to the Company or any Subsidiary is terminated by such Optionee for any reason other than death, Disability, Normal or Early Retirement or Good Reason (as defined below), the Option shall thereupon terminate, except that the portion of any Option that was exercisable on the date of such termination of employment or service may be exercised for the lesser of ninety (90) days after the date of termination (or, if later, such time as the Option may be exercised pursuant to Section 14(d) hereof) or the balance of such Option’s term, which ever period is shorter. The transfer of an Optionee from the employ of or service to the Company to the employ of or service to a Subsidiary, or vice versa, or from one Subsidiary to another, shall not be deemed to constitute a termination of employment or service for purposes of the Plan.

(i) In the event that the Optionee’s employment or service with the Company or any Subsidiary is terminated by the Company or such Subsidiary for “cause” any unexercised portion of any Option shall immediately terminate in its entirety. For purposes hereof, unless otherwise defined in an employment agreement between the Company and the relevant Optionee, “Cause” shall exist upon a good-faith determination by the Board, following a hearing before the Board at which an Optionee was represented by counsel and given an opportunity to be heard, that such Optionee has been accused of fraud, dishonesty or act detrimental to the interests of the Company or any Subsidiary of Company or that such Optionee has been accused of or convicted of an act of willful and material embezzlement or fraud against the Company or of a felony under any state or federal statute; provided, however, that it is specifically understood that “Cause” shall not include any act of commission or omission in the good-faith exercise of such Optionee’s business judgment as a director, officer or employee of the Company, as the case may be, or upon the advice of counsel to the Company. Notwithstanding the foregoing, if Cause is defined in an employment agreement between the Company and the relevant Optionee, then, with respect to such Optionee, Cause shall have the meaning ascribed to it in such employment agreement.

(ii) In the event that an Optionee is removed as a director, officer or employee by the Company at any time other than for “Cause” or resigns as a director, officer or employee for “Good Reason” the Option granted to such Optionee may be exercised by the Optionee, to the extent the Option was exercisable on the date such Optionee ceases to be a director, officer or employee. Such Option may be exercised at any time within one (1) year after the date the Optionee ceases to be a director, officer or employee (or, if later, such time as the Option may be exercised pursuant to Section 14(d) hereof), or the date on which the Option otherwise expires by its terms; whichever period is shorter, at which time the Option shall terminate; provided, however, if the Optionee dies before the Options terminate and are no longer exercisable, the terms and provisions of

Section 5A(f) shall control. For purposes of this Section 5A(i), and unless otherwise defined in an employment agreement between the Company and the relevant Optionee, Good Reason shall exist upon the occurrence of the following:

(A) the assignment to Optionee of any duties inconsistent with the position in the Company that Optionee held immediately prior to the assignment;

(B) a Change of Control resulting in a significant adverse alteration in the status or conditions of Optionee's participation with the Company or other nature of Optionee's responsibilities from those in effect prior to such Change of Control, including any significant alteration in Optionee's responsibilities immediately prior to such Change in Control; and

(C) the failure by the Company to continue to provide Optionee with benefits substantially similar to those enjoyed by Optionee prior to such failure.

Notwithstanding the foregoing, if Good Reason is defined in an employment agreement between the Company and the relevant Optionee, then, with respect to such Optionee, Good Reason shall have the meaning ascribed to it in such employment agreement.

(j) Limit on Value of Incentive Option. The aggregate Fair Market Value, determined as of the date the Incentive Option is granted, of Common Stock for which Incentive Options are exercisable for the first time by any Optionee during any calendar year under the Plan (and/or any other stock option plans of the Company or any Subsidiary) shall not exceed \$100,000.

B. Terms and Conditions of Warrants. Warrants may be issued under the Plan in the form of (a) warrants which qualify as Incentive Options ("Incentive Warrants") or (b) warrants that do not qualify as incentive stock options ("Non-Qualified Warrants"). Warrants issued under the Plan shall be subject to the following conditions and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Committee shall deem desirable:

(a) Warrant Grants. The Committee may grant Warrants to purchase shares of Common Stock from the Company, to such key persons, and in such amounts and subject to such vesting and forfeiture provisions and other terms and conditions, as the Committee shall determine, subject to the provisions of the Plan. The term "Incentive Warrant" means a Warrant that is intended to qualify for special federal income tax treatment pursuant to Sections 421 and 422 of the Code as now constituted or subsequently amended, or pursuant to a successor provision of the Code, and which is so designated in the applicable Award Agreement. Any Warrant that is not specifically designated as an Incentive Warrant shall under no circumstances be considered an Incentive Warrant. Any Warrant that is not an Incentive Warrant is referred to herein as a "Non-Qualified Warrant." The Committee may grant Incentive Warrants only to employees, and any grants of Warrants to any other key persons shall only be Non-Qualified Warrants.

(b) Warrant Exercise Price. Each Award Agreement with respect to a Warrant shall set forth the amount (the "Warrant Exercise Price") payable by the Grantee to the Company upon exercise of the Warrant evidenced thereby. The Warrant Exercise Price per share shall be determined by the Committee; provided, however, that with respect to an Grantee who, at the time an Incentive Warrant is granted, owns (within the meaning of Section 424(d) of the Code) more than

10% of the total combined voting power of all classes of stock of the Company or of any Subsidiary, the purchase price per share of Common Stock shall be at least 110% of the Fair Market Value per share of Common Stock on the date of issuance. The purchase price of each share of Common Stock purchasable under a Non-Qualified Warrant shall not be less than 100% of the Fair Market Value of such share of Common Stock on the date such Warrant is issued. The exercise price for each Warrant shall be subject to adjustment as provided in Section 8 below.

(c) Term. Subject to Section 5B(i) hereof, the term of each Warrant shall be fixed by the Committee, but no Warrant shall be exercisable more than ten (10) years after the date such Warrant is issued.

(d) Exercisability. Subject to Section 5B(i) hereof, Warrants shall be exercisable at such time or times and subject to such terms and conditions as shall be determined by the Committee at the time of issuance; provided, however, that in the absence of any Warrant vesting periods designated by the Committee at the time of issuance, Warrants shall vest and become exercisable as to one-third of the total number of shares subject to the Warrant on each of the first, second and third anniversaries of the date of issuance; and, provided further, that no Warrants shall be exercisable until such time as any vesting limitation required by Section 16 of the Exchange Act, and related rules, shall be satisfied if such limitation shall be required for continued validity of the exemption provided under Rule 16b-3(d)(3).

Upon the occurrence of a “Change in Control” (as defined in Section 5A(c) hereof), the Committee may accelerate the vesting and exercisability of outstanding Warrants, in whole or in part, as determined by the Committee in its sole discretion. In its sole discretion, the Committee may also determine that, upon the occurrence of a Change in Control, each outstanding Warrant shall terminate within a specified number of days after notice to the Grantee thereunder, and each such Grantee shall receive, with respect to each share of Common Stock subject to such Warrant, an amount equal to the excess of the Fair Market Value of such shares immediately prior to such Change in Control over the exercise price per share of such Warrant; such amount shall be payable in cash, in one or more kinds of property (including the property, if any, payable in the transaction) or a combination thereof, as the Committee shall determine in its sole discretion.

For purposes of this Section 5B(d), ownership of voting securities shall take into account and shall include ownership as determined by applying the provisions of Rule 13d-3(d)(I)(i) (as in effect on the date hereof) under the Exchange Act. In addition, for such purposes, “Person” shall have the meaning given in Section 5A(c) hereof.

(e) Method of Exercise. Warrants to the extent then exercisable may be exercised in whole or in part from time to time as to all or part of the shares as to which such award is then exercisable, by giving written notice to the Company specifying the number of shares of Common Stock to be purchased, accompanied by payment in full of the purchase price, in cash, or by check or such other instrument as may be acceptable to the Committee. As determined by the Committee, in its sole discretion, at or after issuance, payment in full or in part may be made at the election of the Grantee (i) in the form of Common Stock owned by the Grantee (based on the Fair Market Value of the Common Stock which is not the subject of any pledge or security interest), (ii) in the form of shares of Common Stock or Preferred Stock withheld by the Company from the shares of Common Stock otherwise to be received with such withheld shares of Common Stock having a

Fair Market Value equal to the Warrant Exercise Price of the Warrant, or (iii) by a combination of the foregoing, such Fair Market Value determined by applying the principles set forth in Section 5B(b), provided that the combined value of all cash and cash equivalents and the Fair Market Value of any shares surrendered to the Company is at least equal to such exercise price and except with respect to (ii) above, such method of payment will not cause a disqualifying disposition of all or a portion of the Common Stock received upon exercise of an Incentive Warrant. A Grantee shall have the right to dividends and other rights of a stockholder with respect to shares of Common Stock purchased upon exercise of a Warrant at such time as the Grantee (i) has given written notice of exercise and has paid in full for such shares, and (ii) has satisfied such conditions that may be imposed by the Company with respect to the withholding of taxes.

(f) Non-transferability of Warrants. Warrants are not transferable and may be exercised solely by the Grantee during his lifetime or after his death by the person or persons entitled thereto under his will or the laws of descent and distribution. The Committee, in its sole discretion, may permit a transfer of a Non-Qualified Warrant to (i) a trust for the benefit of the Grantee, (ii) a member of the Grantee's immediate family (or a trust for his or her benefit) or (iii) pursuant to a domestic relations order. Any attempt to transfer, assign, pledge or otherwise dispose of, or to subject to execution, attachment or similar process, any Warrant contrary to the provisions hereof shall be void and ineffective and shall give no right to the purported transferee.

(g) Termination. Unless otherwise determined by the Committee at or after issuance, Warrants issued to the Grantee that have not vested shall be forfeited upon termination of the Grantee in accordance with Section 5A(f), (g), (h) and (i), as applicable. The Committee may provide (on or after issuance) that restrictions or forfeiture conditions relating to the Warrants will be waived in whole or in part in the event of termination resulting from specified causes, and the Committee may in other cases waive in whole or in part restrictions or forfeiture conditions relating to the Warrants.

(h) Special Rules for Incentive Warrants. No Warrant that remains exercisable for more than three months following a Grantee's termination of employment for any reason other than death (including death within three months after termination of employment or within one year after a termination of employment due to disability) or disability, or for more than one year following a Grantee's termination of employment as the result of his becoming disabled, may be treated as an Incentive Warrant.

(i) Limitations of Incentive Warrants.

(i) Exercisability Limitation. The aggregate Fair Market Value, determined as of the date the Incentive Warrant is issued, of Common Stock for which Incentive Warrants are exercisable for the first time by any Grantee during any calendar year under the Plan (and/or any other stock option plans of the Company or any Subsidiary) shall not exceed \$100,000.

(ii) 10% Owners. Notwithstanding the provisions of this Section 5B(d), an Incentive Warrant may not be issued under the Plan to an individual who, at the time the Warrant is issued, owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or its Subsidiary (as such ownership may be determined for purposes of Section 422(b) (6) of the Code), unless (i) at the time such Incentive Warrant is issued

the Warrant Exercise Price is at least 110% of the Fair Market Value of the shares subject thereto and (ii) the Incentive Warrant by its terms is not exercisable after the expiration of five (5) years from the date it is issuance.

6. A. Terms and Conditions of Restricted Stock. Restricted Stock may be granted under this Plan aside from, or in association with, any other award and shall be subject to the following conditions and shall contain such additional terms and conditions (including provisions relating to the acceleration of vesting of Restricted Stock upon a Change of Control), not inconsistent with the terms of the Plan, as the Committee shall deem desirable:

(a) Grantee rights. A Grantee shall have no rights to an award of Restricted Stock unless and until Grantee accepts the award within the period prescribed by the Committee and, if the Committee shall deem desirable, makes payment to the Company in cash, or by check or such other instrument as may be acceptable to the Committee. After acceptance and issuance of a certificate or certificates, as provided for below, the Grantee shall have the rights of a stockholder with respect to Restricted Stock subject to the non-transferability and forfeiture restrictions described in Section 6(d) below.

(b) Issuance of Certificates. The Company shall issue in the Grantee's name a certificate or certificates for the shares of Common Stock associated with the award promptly after the Grantee accepts such award.

(c) Delivery of Certificates. Unless otherwise provided, any certificate or certificates issued evidencing shares of Restricted Stock shall not be delivered to the Grantee until such shares are free of any restrictions specified by the Committee at the time of grant.

(d) Forfeitability, Non-transferability of Restricted Stock. Shares of Restricted Stock are forfeitable until the terms of the Restricted Stock grant have been satisfied. Shares of Restricted Stock are not transferable until the date on which the Committee has specified such restrictions have lapsed. Unless otherwise provided by the Committee at or after grant, distributions in the form of dividends or otherwise of additional shares or property in respect of shares of Restricted Stock shall be subject to the same restrictions as such shares of Restricted Stock.

(e) Change of Control. Upon the occurrence of a Change in Control as defined in Section 5A(c), the Committee may accelerate the vesting of outstanding Restricted Stock, in whole or in part, as determined by the Committee, in its sole discretion.

(f) Termination of Employment. Unless otherwise determined by the Committee at or after grant, in the event the Grantee ceases to be an employee or otherwise associated with the Company for any other reason, all shares of Restricted Stock theretofore awarded to him which are still subject to restrictions shall be forfeited and the Company shall have the right to complete the blank stock power. The Committee may provide (on or after grant) that restrictions or forfeiture conditions relating to shares of Restricted Stock will be waived in whole or in part in the event of termination resulting from specified causes, and the Committee may in other cases waive in whole or in part restrictions or forfeiture conditions relating to Restricted Stock.

B. Terms and Conditions of Preferred Stock. In lieu of grants of Options, Warrants, Restricted Stock and RSUs, to the extent that the Committee shall determine that the issuance of Options, Warrants, Restricted Stock or RSUs to a Participant could cause the beneficial ownership by such Participant or its affiliates to exceed more than 9.99% of the total outstanding shares of Common Stock of the Company upon the exercise of the Option or Warrant or the vesting of the Restricted Stock or RSU, as applicable, Preferred Stock may be granted under this Plan aside from, or in association with, any other award and shall be subject to the following conditions and shall contain such additional terms and conditions (including provisions relating to the acceleration of vesting of Restricted Stock or RSU upon a Change of Control), not inconsistent with the terms of the Plan, as the Committee shall deem desirable:

(a) Grantee rights. A Grantee shall have no rights to an award of Preferred Stock unless and until all of the following conditions have been met (A) the Committee designates an award of Preferred Stock in a series of Preferred Stock that has already been authorized and designated the Board, the Board passes a resolution authorizing and designating a new series of Preferred Stock on the terms and conditions determined by the Committee, (B) if applicable, the Company files a Certificate of Designation with the Secretary of State of the State of Nevada that sets forth the rights, preferences and other terms of any newly authorized and designated series of the Preferred Stock, and (C) Grantee accepts the award within the period prescribed by the Committee and, if the Committee shall deem desirable, executes an agreement that sets forth the terms and conditions of the issuance of the award of Preferred Stock as may be acceptable to the Committee. After acceptance and issuance of a certificate or certificates, as provided for below, the Grantee shall have the rights set forth in the applicable Certificate of Designation and any related agreement with respect to the Preferred Stock award. The Preferred Stock shall also be subject to the non-transferability and forfeiture restrictions described in Section 6B(d) below.

(b) Issuance of Certificates. The Company shall issue in the Grantee's name a certificate or certificates for the shares of Preferred Stock associated with the award promptly after the Grantee accepts such award. The Company shall issue in the Grantee's name a certificate or certificates for the shares of Common Stock underlying the Preferred Stock associated with the award promptly after the Grantee converts the Preferred Stock in accordance with the terms and conditions set forth in the applicable Certificate of Designation and related agreement, if any.

(c) Delivery of Certificates. Unless otherwise provided, any certificate or certificates issued evidencing shares of Preferred Stock and/or the underlying Common Stock issuable upon the conversion of the Preferred Stock shall not be delivered to the Grantee until such shares are free of any restrictions specified by the Committee at the time of grant.

(d) Forfeitability, Non-transferability of Preferred Stock. Shares of Preferred Stock and any underlying shares of Common Stock issuable upon the conversion of the Preferred Stock are forfeitable until the terms of the Preferred Stock grant have been satisfied. Shares of Preferred Stock and any underlying shares of Common Stock issuable upon the conversion of the Preferred Stock are not transferable until the date on which the Committee has specified such have lapsed. Unless otherwise provided by the Committee at or after grant, distributions in the form of dividends or otherwise of additional shares or property in respect of shares of Preferred Stock if the applicable Certificate of Designation provides for such distributions, shall be subject to the same restrictions as such shares of Preferred Stock.

(e) Change of Control. Upon the occurrence of a Change in Control as defined in Section 5A(c), the Committee may waive any conditions and/or restrictions to the issuance of any contingent award of Preferred Stock, in whole or in part, as determined by the Committee, in its sole discretion.

(f) Termination of Employment or Consulting Agreement. Unless otherwise determined by the Committee at or after grant, in the event the Grantee ceases to be, as applicable, an employee, a consultant or otherwise associated with the Company for any other reason, all shares of Preferred Stock theretofore awarded to him which are still subject to restrictions shall be forfeited and the Company shall have the right to complete the blank stock power. The Committee may provide (on or after grant) that restrictions or forfeiture conditions relating to shares of Preferred Stock will be waived in whole or in part in the event of termination resulting from specified causes, and the Committee may in other cases waive in whole or in part restrictions or forfeiture conditions relating to Preferred Stock.

(g) Maximum Percentage. Notwithstanding anything to the contrary set forth herein, the Company shall not effect any conversion of Preferred Stock issued under the Plan, and no Participant shall have the right to convert any Preferred Stock, to the extent that after giving effect to such conversion, the beneficial owner of such shares (together with such Participant's affiliates) would have acquired, through conversion of such Preferred Stock or otherwise, beneficial ownership of a number of shares of Common Stock that exceeds 9.99% (the "Maximum Percentage") of the number of shares of Common Stock outstanding immediately after giving effect to such conversion. The Company shall not give effect to any voting rights of such Preferred Stock, and any Participant shall not have the right to exercise voting rights with respect to any Preferred Stock pursuant hereto, to the extent that giving effect to such voting rights would result in such Participant (together with its affiliates) being deemed to beneficially own in excess of the Maximum Percentage of the number of shares of Common Stock outstanding immediately after giving effect to such exercise, assuming such exercise as being equivalent to conversion. For purposes of the foregoing, the number of shares of Common Stock beneficially owned by a Participant and its affiliates shall include the number of shares of Common Stock issuable upon conversion of the Preferred Stock with respect to which the determination of such sentence is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (A) conversion of the remaining, nonconverted shares of Preferred Stock beneficially owned by such Participant or any of its affiliates and (B) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company (including, without limitation, any notes or warrants) subject to a limitation on conversion or exercise analogous to the limitation contained in this Section 6B(g) beneficially owned by such Participant or any of its affiliates. Except as set forth in the preceding sentence, for purposes of this Section 6B(g), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act. For purposes of this Section 6B(g), in determining the number of outstanding shares of Common Stock, a Participant may rely on the number of outstanding shares of Common Stock as reflected in (1) the Company's most recent Form 10-K, Form 10-Q, or Form 8-K, as the case may be, (2) a more recent public announcement by the Company, or (3) any other notice by the Company or its transfer agent setting forth the number of shares of Common Stock outstanding. For any reason at any time, upon the written request of any Participant, the Company shall within one (1) business day following the receipt of such notice, confirm orally and in writing to any such Participant the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company,

including the Preferred Stock, by such Holder and its affiliates since the date as of which such number of outstanding shares of Common Stock was reported. By written notice to the Company, the Participant may from time to time increase or decrease the Maximum Percentage to any other percentage not in excess of 9.99% specified in such notice; provided, that (i) any such increase will not be effective until the sixty-first (61st) day after such notice is delivered to the Company, and (ii) any such increase or decrease will apply only to the Holder providing such written notice and not to any other Holder. In the event that the Company cannot pay any portion of any dividend, distribution, grant or issuance hereunder to a Participant solely by reason of this Section 6B(g) (such shares, the "Limited Shares"), notwithstanding anything to the contrary contained herein, the Company shall not be required to pay cash in lieu of the payment that otherwise would have been made in such Limited Shares, but shall hold any such Limited Shares in abeyance for such Holder until such time, if ever, that the delivery of such Limited Shares shall not cause the Participant to exceed the Maximum Percentage, at which time such Participant shall be delivered such Limited Shares to the extent as if there had been no such limitation. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 6B(g) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended beneficial ownership limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation.

C. Terms and Conditions of Restricted Stock Units. Restricted Stock Units, or RSUs, may be granted under this Plan aside from, or in association with, any other award and shall be subject to the following conditions and shall contain such additional terms and conditions (including provisions relating to the acceleration of vesting of RSUs upon a Change of Control), not inconsistent with the terms of the Plan, as the Committee shall deem desirable:

(a) Grantee rights. A Grantee shall have no rights to an award of RSUs unless and until Grantee accepts the award within the period prescribed by the Committee and, if the Committee shall deem desirable, makes payment to the Company in cash, or by check or such other instrument as may be acceptable to the Committee. After acceptance and issuance of a certificate or certificates, as provided for below, the Grantee shall have the rights of a stockholder with respect to the RSUs subject to the non-transferability and forfeiture restrictions described in Section 6C(d) below.

(b) Vesting. At the time of the grant of RSUs, the Committee may place restrictions on RSUs that shall lapse, in whole or in part, upon the passage of time. Unless otherwise provided in an Award Agreement, upon the vesting of a RSU, there shall be delivered to the Grantee, within 30 days of the date on which such Award (or any portion thereof) vests, the number of shares of common stock equal to the number of RSUs becoming so vested.

(c) Non-transferability of RSUs. Prior to the time that shares of common stock underlying RSUs have been delivered to the Grantee, RSUs are not transferable and may be exercised solely by the Grantee during his lifetime or after his death by the person or persons entitled thereto under his will or the laws of descent and distribution. The Committee, in its sole discretion, may permit a transfer of an RSU to (i) a trust for the benefit of the Grantee, (ii) a member of the Grantee's immediate family (or a trust for his or her benefit) or (iii) pursuant to a domestic relations order. Any attempt to transfer, assign, pledge or otherwise dispose of, or to subject to execution, attachment or similar process, any RSU contrary to the provisions hereof shall be void and ineffective and shall give no right to the purported transferee.

(d) Change of Control. Upon the occurrence of a Change in Control as defined in Section 5A(c), the Committee may accelerate the vesting of outstanding RSUs, in whole or in part, as determined by the Committee, in its sole discretion.

(e) Dividend Equivalents. To the extent provided in an Award Agreement, and subject to the requirements of Section 409A of the Code, an award of RSUs may provide the Grantee with the right to receive dividend equivalent payments with respect to common stock subject to such award, which payments may be settled in cash or common stock, as determined by the Committee. Any such settlements and any crediting of dividend equivalents may, at the time of grant of the RSU, be made subject to the transfer restrictions, forfeiture risks, vesting and conditions of the RSUs and subject to such other conditions, restrictions and contingencies as the Committee shall establish at the time of grant of the RSU, including the reinvestment of such credited amounts in common stock equivalents, provided that all such conditions, restrictions and contingencies shall comply with the requirements of Section 409A of the Code.

(f) Termination. Unless otherwise determined by the Committee at or after grant, RSUs awarded to the Grantee that have not vested shall be forfeited upon termination of the Grantee in accordance with Section 5A(f), (g), (h) and (i), as applicable. The Committee may provide (on or after grant) that restrictions or forfeiture conditions relating to the RSUs will be waived in whole or in part in the event of termination resulting from specified causes, and the Committee may in other cases waive in whole or in part restrictions or forfeiture conditions relating to the RSUs.

7. Term of Plan. No Securities shall be granted pursuant to the Plan on or after the date which is ten years from the effective date of the Plan, but Options and Warrants and awards of Restricted Stock and/or Preferred Stock and/or RSUs theretofore granted may extend beyond that date.

8. Capital Change of the Company. In the event of any merger, reorganization, consolidation, recapitalization, stock dividend, or other change in corporate structure affecting the Common Stock of the Company, the Committee shall make an appropriate and equitable adjustment in the number and kind of shares reserved for issuance under the Plan and (A) in the number and price of shares subject to outstanding Options or Warrants granted or issued under the Plan, to the end that after such event each Optionee's or Grantee's proportionate interest shall be maintained (to the extent possible) as immediately before the occurrence of such event and (B) in the number and conversion price of shares subject to outstanding Preferred Stock granted under the Plan, to the end that after such event each Participant's (who has received a grant of Preferred Stock) proportionate interest shall be maintained (to the extent possible) as immediately before the occurrence of such event. The Committee shall, to the extent feasible, make such other adjustments as may be required under the tax laws so that any Incentive Options or Incentive Warrants previously granted or issued shall not be deemed modified within the meaning of Section 424(h) of the Code. Appropriate adjustments shall also be made in the case of outstanding Restricted Stock or RSUs granted under the Plan.

The adjustments described above will be made only to the extent consistent with continued qualification of the Option or Warrant under Section 422 of the Code (in the case of an Incentive Option or Incentive Warrant) and Section 409A of the Code.

9. Purchase for Investment/Conditions. Unless the Securities, and shares of Common Stock underlying such Securities, covered by the Plan have been registered under the Securities Act of 1933, as amended (the "Securities Act"), or the Company has determined that such registration is unnecessary, each person exercising or receiving Securities under the Plan may be required by the Company to give a representation in writing that he is acquiring the securities for his own account for investment and not with a view to, or for sale in connection with, the distribution of any part thereof. The Committee may impose any additional or further restrictions on awards of Securities as shall be determined by the Committee at the time of award.

10. Taxes.

(a) The Company may make such provisions as it may deem appropriate, consistent with applicable law, in connection with any Securities granted under the Plan with respect to the withholding of any taxes (including income or employment taxes) or any other tax matters.

(b) If any Grantee, in connection with the acquisition of Restricted Stock, makes the election permitted under Section 83(b) of the Code (that is, an election to include in gross income in the year of transfer the amounts specified in Section 83(b)), such Grantee shall notify the Company of the election with the Internal Revenue Service pursuant to regulations issued under the authority of Code Section 83(b).

(c) If any Grantee shall make any disposition of shares of Common Stock issued pursuant to the exercise of an Incentive Option or Incentive Warrant under the circumstances described in Section 421(b) of the Code (relating to certain disqualifying dispositions), such Grantee shall notify the Company of such disposition within ten (10) days hereof.

11. Effective Date of Plan. The Plan shall be effective on July 31, 2018; provided, however, that the Plan must subsequently be approved by majority vote of the Company's shareholders in accordance with the rules and regulations of the NASDAQ Stock Market LLC no later than July 31, 2019.

12. Amendment and Termination. The Board may amend, suspend, or terminate the Plan, except that no amendment shall be made that would impair the rights of any Participant under Securities theretofore granted without the Participant's consent, and except that no amendment shall be made which, without the approval of the shareholders of the Company would:

(a) materially increase the number of shares that may be issued under the Plan, except as is provided in Section 8;

(b) materially increase the benefits accruing to the Participants under the Plan;

(c) materially modify the requirements as to eligibility for participation in the Plan;

(d) decrease the exercise price of an Incentive Option or Incentive Warrant to less than 100% of the Fair Market Value per share of Common Stock on the date of grant or issuance

thereof or the exercise price of a Nonqualified Option or Non-Qualified Warrant to less than 100% of the Fair Market Value per share of Common Stock on the date of grant or issuance thereof;

(e) extend the term of any Option or Warrant beyond that provided for in Section 5A(b) and Section 5B(c), respectively;

(f) except as otherwise provided in Sections 5A(d), 5B(e) and 8 hereof, reduce the exercise price of outstanding Options or Warrants or effect repricing through cancellations and re-grants of new Options or Warrants;

(g) increase the number of shares of Common Stock to be issued or issuable under the Plan to an amount that is equal to or in excess of 19.99% of the number of shares of Common Stock outstanding before the issuance of the stock or securities; or

(h) otherwise require stockholder approval pursuant to the rules and regulations of the NASDAQ Stock Market LLC.

Subject to the forgoing, the Committee may amend the terms of any Option or Warrant theretofore granted, prospectively or retrospectively, but no such amendment shall impair the rights of any Optionee or Grantee without the Optionee's or Grantee's consent.

It is the intention of the Board that the Plan comply strictly with the provisions of Section 409A of the Code and Treasury Regulations and other Internal Revenue Service guidance promulgated thereunder (the "Section 409A Rules") and the Committee shall exercise its discretion in granting awards hereunder (and the terms of such awards), accordingly. The Plan and any grant of an award hereunder may be amended from time to time (without, in the case of an award, the consent of the Participant) as may be necessary or appropriate to comply with the Section 409A Rules.

13. Government Regulations. The Plan, and the grant and exercise or conversion, as applicable, of Securities hereunder, and the obligation of the Company to issue and deliver shares under such Securities shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies, national securities exchanges and interdealer quotation systems as may be required.

14. General Provisions.

(a) Certificates. All certificates for shares of Common Stock or Preferred Stock delivered under the Plan shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations and other requirements of the Securities and Exchange Commission, or other securities commission having jurisdiction, any applicable Federal or state securities law, any stock exchange or interdealer quotation system upon which the Common Stock is then listed or traded and the Committee may cause a legend or legends to be placed on any such certificates to make appropriate reference to such restrictions.

(b) Employment Matters. Neither the adoption of the Plan nor any grant or award under the Plan shall confer upon any Participant who is an employee of the Company or any Subsidiary any right to continued employment or, in the case of a Participant who is a director,

continued service as a director, with the Company or a Subsidiary, as the case may be, nor shall it interfere in any way with the right of the Company or any Subsidiary to terminate the employment of any of its employees, the service of any of its directors or the retention of any of its consultants or advisors at any time.

(c) **Limitation of Liability.** No member of the Committee, or any officer or employee of the Company acting on behalf of the Committee, shall be personally liable for any action, determination or interpretation taken or made in good faith with respect to the Plan, and all members of the Committee and each and any officer or employee of the Company acting on their behalf shall, to the extent permitted by law, be fully indemnified and protected by the Company in respect of any such action, determination or interpretation.

(d) **Registration of Stock.** Notwithstanding any other provision in the Plan, no Option or Warrant may be exercised unless and until the Common Stock to be issued upon the exercise thereof has been registered under the Securities Act and applicable state securities laws, or are, in the opinion of counsel to the Company, exempt from such registration in the United States. The Company shall not be under any obligation to register under applicable federal or state securities laws any Common Stock to be issued upon the exercise of an Option or Warrant granted or issued hereunder in order to permit the exercise of an Option or Warrant and the issuance and sale of the Common Stock subject to such Option or Warrant, although the Company may in its sole discretion register such Common Stock at such time as the Company shall determine. If the Company chooses to comply with such an exemption from registration, the Common Stock issued under the Plan may, at the direction of the Committee, bear an appropriate restrictive legend restricting the transfer or pledge of the Common Stock represented thereby, and the Committee may also give appropriate stop transfer instructions with respect to such Common Stock to the Company's transfer agent.

15. Non-Uniform Determinations. The Committee's determinations under the Plan, including, without limitation, (i) the determination of the Participants to receive awards, (ii) the form, amount and timing of such awards, (iii) the terms and provisions of such awards and (iv) the agreements evidencing the same, need not be uniform and may be made by it selectively among Participants who receive, or who are eligible to receive, awards under the Plan, whether or not such Participants are similarly situated.

16. Governing Law. The validity, construction, and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with the internal laws of the State of Nevada, without giving effect to principles of conflicts of laws, and applicable federal law.

17. Additional Issuance Restrictions. If the Company has not obtained the approval of its stockholders in accordance with NASDAQ Listing Rule 5635(d), then the Company may not issue any Securities under this Plan that would upon the issuance of any Securities or upon the exercise or conversion of such Securities, as applicable, into shares of the Company's Common Stock, when aggregated with any other shares of Common Stock (i) held by a Participant, (ii) underlying any convertible security held by a Participant, and (iii) issuable upon prior exercise of any convertible security held by a Participant, would exceed 19.99% shares of the Company's Common Stock, subject to adjustment for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions of the Common Stock that occur after the date of the adoption of this Plan (such number of shares, the "**Issuable Maximum**"). The Participant shall be entitled to a portion of

the Issuable Maximum as reasonably determined by the Committee so as not to violate NASDAQ Listing Rule 5635(d). In addition, the Participant may allocate its pro-rata portion of the Issuable Maximum among Securities held by it in its sole discretion. Such portion shall be adjusted upward ratably in the event a Participant no longer holds any Securities and the amount of shares issued to such Participant pursuant to its Securities was less than such Participant's pro-rata share of the Issuable Maximum.

PERFORMANCE-BASED RESTRICTED STOCK UNIT AGREEMENT
MARA HOLDINGS, INC.
AMENDED AND RESTATED
2018 EQUITY INCENTIVE PLAN

You have been granted performance-based Restricted Stock Units (“*PSUs*”) by MARA Holdings, Inc. (the “*Company*”) under the 2018 Equity Incentive Plan (as amended, the “*Plan*”), subject to the terms, restrictions and conditions of the Plan, the Performance-Based Restricted Stock Unit Award Grant Notice or Exhibit A thereto, as applicable (in either case, the “*Award Schedule*”) and this Performance-Based Restricted Stock Unit Agreement (this “*PSU Agreement*”). Unless otherwise defined herein, the terms defined in the Plan shall have the same meanings in this PSU Agreement.

1. **Settlement.** Subject to Section 19 below, settlement of PSUs shall be within 30 days of vesting, with the actual date of settlement to be determined by the Company. Settlement of the PSUs shall be in shares of Common Stock (“*Shares*”). Settlement means the delivery of the Shares vested under a PSU. No fractional PSUs or rights for fractional Shares shall be created pursuant to this PSU Agreement.

2. **Vesting upon Change in Control.**

(a) The provisions of this Section 2 shall apply notwithstanding the Vesting Schedule in the Award Schedule, if applicable, or, if not, such other vesting applicable to the PSUs; *provided, however*, that in the event your employment agreement, severance agreement, change in control agreement or other similar agreement (in any such case, “*Employment Agreement*”) provides for vesting upon a Change in Control or similar terms, in each case that conflict with the provisions of this Section 2, such provisions of your Employment Agreement shall control.

(b) To the extent the PSUs are unvested at the time a Change in Control occurs, and either (i) the Change in Control is not approved by a majority of the Continuing Directors (as defined below) or (ii) the acquiring or successor entity (or parent thereof) does not agree to provide for the continuance or assumption of this PSU Agreement or the substitution for this PSU Agreement of a new agreement of comparable value covering shares of a successor corporation (“*New Incentives*”), then the PSUs shall become immediately and unconditionally vested in full effective immediately prior to and conditioned upon the consummation of such Change in Control, with any applicable performance conditions deemed to be achieved at target level.

(c) Notwithstanding Section 2(b) above, if, pursuant to a Change in Control approved by a majority of the Continuing Directors, the acquiring or successor entity (or parent thereof) provides for the continuance or assumption of this PSU Agreement or the substitution for this PSU Agreement of a new agreement of comparable value covering New Incentives, then vesting of the PSUs shall not accelerate in connection with such Change in Control to the extent this PSU Agreement is continued, assumed or substituted for New Incentives; *provided, however*: (x) any applicable performance conditions shall be deemed to be achieved at target level upon the closing of such Change in Control and (y) if there is a Termination of Service (as defined below) with respect to you without “Cause” (as defined below) or “Good Reason” (as defined below) within 12 months following such Change in Control, the PSUs or New Incentives, as applicable, shall vest in full effective upon such termination, notwithstanding Section 3 below.

(d) For purposes of this PSU Agreement:

(i) “*Affiliate*” has the definition set forth in Rule 405 issued under the Securities Act.

(ii) “*Cause*” as a reason for your Termination of Service shall have the meaning assigned such term in the Employment Agreement, if any, between you and the Company or applicable Subsidiary thereof. If you are not a party to an Employment Agreement with the Company or a Subsidiary thereof in which such term is defined, “Cause” shall mean a Termination of Service for any of the following reasons: (a) the continued, unreasonable refusal or omission by you to perform any material duties required of you by the Company or any Subsidiary thereof, as applicable, if such duties are consistent with duties customary for the position held with the Company or such other entity, as applicable; (b) any material act or omission by you involving malfeasance or gross negligence in the performance of your duties to, or material deviation from any of the policies or directives of, the Company or such other entity, as applicable; (c) conduct on your part which constitutes the breach of any statutory or common law duty of loyalty to the Company or such other entity, as applicable, including the unauthorized disclosure of material confidential information or trade secrets of the Company or such other entity, as applicable; or (d) any illegal act by you which materially and adversely affects the business of the Company or such other entity or any felony committed by you, as evidenced by conviction thereof; *provided* that the Company or such other entity, as applicable, may suspend you with pay while any allegation of such illegal or felonious act is investigated.

(iii) “*Continuing Director*” means any member of the Board of the Company who was a member of the Board prior to the adoption of the Plan, and any person who is subsequently elected to the Board if such person is recommended or approved by a majority of the Continuing Directors.

(iv) “*Good Reason*” as a reason for your Termination of Service shall have the meaning assigned such term in the Employment Agreement, if any, between you and the Company or applicable Subsidiary thereof. If you are not a party to an Employment Agreement with the Company or a subsidiary of the Company in which such term is defined, then unless otherwise defined in the applicable PSU Agreement, “Good Reason” shall mean (i) a material diminution in your base salary from the level immediately prior to the Change in Control or (ii) a material change in the geographic location at which you must primarily perform your services (which shall in no event include a relocation of your current principal place of business to a location less than 50 miles away) from the geographic location immediately prior to the Change in Control; *provided* that no termination shall be deemed to be for Good Reason unless (a) you provide the Company with written notice setting forth the specific facts or circumstances constituting Good Reason within 90 days after the initial existence of the occurrence of such facts or circumstances, (b) to the extent curable, the Company has failed to cure such facts or circumstances within 30 days of its receipt of such written notice and (c) the effective date of the termination for Good Reason occurs no later than 180 days after the initial existence of the facts or circumstances constituting Good Reason.

(v) “*Termination of Service*” means any termination of your employment with or service to the Company or any Subsidiary thereof; *provided, however*, that such termination shall be determined in accordance with Section 3 and, to the extent applicable, Section 19.

3. **Termination.** Upon any Termination of Service with respect to you (other than a termination described in Section 2(c) of this PSU Agreement), all unvested PSUs shall be immediately forfeited to the Company, and all rights you have to such PSUs shall immediately

terminate. In case of any dispute as to your Termination of Service, the Committee shall have sole discretion to determine whether such termination has occurred and the effective date of such termination.

4. **No Stockholder Rights.** Unless and until such time as Shares are issued in settlement of vested PSUs, you shall have no ownership of the Shares allocated to the PSUs and shall have no right to dividends or to vote such Shares.

5. **No Dividend Equivalents.** You shall not have rights to dividend equivalents. Dividends, if any (whether in cash or Shares), shall not be credited to you until the Shares under the PSU have been issued by the Company to you. No adjustment shall be made for a dividend or other right for which the record date is prior to the date the Shares are issued under the PSU.

6. **No Transfer.** PSUs may not be sold, transferred, pledged, hypothecated or otherwise disposed of in any manner except as expressly provided for in the Plan, or as the Committee may otherwise determine on a case-by-case basis. Any attempt to sell, transfer, pledge, hypothecate or otherwise dispose of any PSU contrary to the provisions of this PSU Agreement and the Plan shall be void and ineffective and shall give no right to the purported transferee.

7. **Restrictions on Resale.** You agree not to sell any Shares that have been issued pursuant to this PSU Agreement at a time when applicable laws, Company policies or an agreement between the Company and its underwriters, or between you and the Company's underwriters, prohibit a sale. This restriction shall apply until your Termination of Service and for such period thereafter as the Committee may specify.

8. **Tax Consequences.** You acknowledge that you will recognize tax consequences in connection with the PSUs. You acknowledge that the Company has not provided, and is not hereby providing, tax advice regarding the PSUs, and you should consult a tax adviser regarding your tax obligations in the jurisdictions where you are subject to tax. In general, (i) under U.S. federal tax law, you will not recognize taxable income when you are granted or vest in the PSUs and (ii) the PSUs will be taxed when they are settled and you will recognize ordinary income equal to the value of the Shares that you receive from the Company.

9. **Withholding Taxes and Stock Withholding.** Regardless of any action the Company or your actual employer (the "**Employer**") takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related withholding ("**Tax-Related Items**"), you acknowledge that the ultimate liability for all Tax-Related Items legally required to be paid by you is and remains your responsibility and that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the award, including the grant, vesting or settlement of the PSUs, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends and (ii) do not commit to structure the terms of the award or any aspect of the PSUs to reduce or eliminate your liability for Tax-Related Items. You acknowledge that if you are subject to Tax-Related Items in more than one jurisdiction, the Company and/or the Employer may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the settlement of the PSUs, you shall pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all withholding and payment on account obligations of the Company and/or the Employer. In this regard, you authorize the Company and/or the Employer (and their agents) to withhold all applicable Tax-Related Items payable by you from your wages or other cash compensation paid to you by the Company and/or

the Employer. With the Company's consent, these arrangements may also include, if permissible under local law, (i) withholding Shares that otherwise would be issued to you when the PSUs are settled; *provided* that the Company only withholds the amount of Shares necessary to satisfy the minimum statutory withholding amount (the Fair Market Value of the Shares, determined as of the effective date when taxes otherwise would have been withheld in cash, shall be applied as a credit against the withholding taxes), (ii) having the Company withhold taxes from the proceeds of the sale of the Shares, either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf and you hereby authorize such sales by this authorization), (iii) your payment of a cash amount or (iv) any other arrangement approved by the Company; all under such rules as may be established by the Committee and in compliance with the Company's insider trading policy in effect at such time; *provided, however*, that if you are subject to Section 16 of the Exchange Act, then the Committee shall establish the method of withholding from alternatives (i)–(iv) above, and the Committee shall establish such method prior to the Tax-Related Items withholding event. You shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold as a result of your participation in the Plan or your receipt of Shares that cannot be satisfied by the means previously described. Finally, you acknowledge that the Company has no obligation to deliver Shares to you until you have satisfied the obligations in connection with the Tax-Related Items as described in this Section 9.

10. **Notices.** Any notice to be given under the terms of this PSU Agreement, the Plan or the Award Schedule or otherwise with respect to the PSUs shall be addressed to the Company in care of its principal office, and any notice to be given to you shall be addressed to you at the address maintained by the Company for you or at such other address as you may specify in writing to the Company.

11. **Construction.** This PSU Agreement is the result of negotiations between and has been reviewed by each of the parties hereto and their respective counsel, if any; accordingly, this PSU Agreement shall be deemed to be the product of all of the parties hereto, and no ambiguity shall be construed in favor of or against any one of the parties hereto.

12. **Acknowledgement.** The Company and you agree that the PSUs are granted under and governed by this PSU Agreement, the Plan and the Award Schedule. You: (i) acknowledge receipt of a copy of the Plan and, if applicable, the Plan prospectus, (ii) represent that you have carefully read and are familiar with their provisions and (iii) hereby accept the PSUs subject to all of the terms and conditions set forth in this PSU Agreement, the Plan and the Award Schedule. You hereby agree to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the PSUs, this PSU Agreement, the Plan and the Award Schedule.

13. **Compliance with Laws and Regulations.** The issuance of the PSUs and the Shares shall be subject to and conditioned upon compliance by the Company and you with all applicable state, federal and foreign laws and regulations, and with all applicable requirements of any stock exchange or automated quotation system on which the Common Stock may be listed or quoted at the time of such issuance. The Shares issued pursuant to this PSU Agreement or otherwise pursuant to the PSUs shall be endorsed with appropriate legends, if any, as determined by the Company.

14. **Severability.** If one or more provisions of this PSU Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (a) such provision shall be excluded from this PSU Agreement, (b) the balance of this PSU Agreement shall be interpreted as if such provision were so excluded and (c) the balance of this PSU Agreement shall be enforceable in accordance with its terms.

15. **Governing Law.** This PSU Agreement, the Award Schedule, the Plan, the rights and obligations of the parties hereto, any PSUs, any other Restricted Stock Units awarded to you and all matters concerning your employment with or other services provided to the Company or any Subsidiary or Affiliate (collectively, "**Employment Matters**") shall be governed, construed and interpreted in accordance with the laws of the State of Florida without giving effect to principles of conflicts of law. For purposes of litigating any dispute that may arise directly or indirectly from any Employment Matter that is not otherwise required to be arbitrated pursuant to Section 19 of this PSU Agreement, the parties hereby submit and consent to litigation in the exclusive jurisdiction of the State of Florida and agree that any such litigation shall be conducted only in the courts of the State of Florida and of the United States of America, in each case located in the State of Florida.

16. **No Rights as Employee, Director or Consultant.** Nothing in this PSU Agreement, the Award Schedule or the Plan shall affect in any manner whatsoever the right or power of the Company, or a Subsidiary or Affiliate of the Company, to terminate your employment or other service, for any reason, with or without Cause.

17. **Award Subject to Company Clawback or Recoupment.** The PSUs may be subject to clawback or recoupment pursuant to applicable law and/or any compensation clawback or recoupment policy adopted by the Board or a committee thereof. In addition to any other remedies available under such policy or applicable law, the PSUs may be subject to cancellation (whether vested or unvested) and any gains realized upon settlement of the PSUs and sale of the Shares may be subject to recoupment.

18. **Consent to Electronic Delivery of All Plan Documents and Disclosures.** By your acceptance of this PSU and/or your signature below, you consent to the electronic delivery of the Award Schedule, this PSU Agreement, the Plan, account statements, Plan prospectuses required by the Securities and Exchange Commission and all other documents that the Company is required to deliver to its security holders (including, without limitation, annual reports and proxy statements) or other communications or information related to the PSUs. Electronic delivery may include the delivery of a link to a Company intranet or the internet site of a third party involved in administering the Plan, the delivery of the document via email or such other delivery determined at the Company's discretion. You acknowledge that you may receive from the Company a paper copy of any documents delivered electronically at no cost if you contact the Company by telephone, through a postal service or electronic mail at legal@mara.com. You further acknowledge that you will be provided with a paper copy of any documents delivered electronically if electronic delivery fails; similarly, you understand that you must provide on request to the Company or any designated third party a paper copy of any documents delivered electronically if electronic delivery fails. Also, you understand that your consent may be revoked or changed, including any change in the electronic mail address to which documents are delivered (if you have provided an electronic mail address), at any time by notifying the Company of such revised or revoked consent by telephone, postal service or electronic mail at legal@mara.com.

19. **Code Section 409A.** For purposes of this PSU Agreement, a termination of employment or other service shall be determined consistent with the rules relating to a

“separation from service” as defined in Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations thereunder (“**Section 409A**”). Notwithstanding anything else provided herein, to the extent any payments provided under this PSU Agreement in connection with your termination of employment or other service constitute deferred compensation subject to Section 409A, and you are deemed at the time of such termination to be a “specified employee” under Section 409A, then such payment shall not be made or commence until the earlier of (a) the expiration of the six-month period measured from your separation from service or (b) the date of your death following such a separation from service; *provided, however*, that such deferral shall only be effected to the extent required to avoid adverse tax treatment to you, including, without limitation, the additional tax for which you would otherwise be liable under Section 409A(a)(1)(B) in the absence of such a deferral. To the extent any payment under this PSU Agreement may be classified as a “short-term deferral” within the meaning of Section 409A, such payment shall be deemed a short-term deferral, even if it may also qualify for an exemption from Section 409A under another provision of Section 409A. Payments pursuant to this Section are intended to constitute separate payments for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

20. **Dispute Resolution**. To ensure the timely and economical resolution of disputes that may arise in connection with any Employment Matter, you and the Company agree that any and all disputes, claims or causes of action arising from or relating to the enforcement, breach, performance, negotiation, execution or interpretation of this PSU Agreement, the Plan, the Award Schedule or otherwise to the PSUs, your employment, the termination of your employment or any other Employment Matter, including, but not limited to, statutory claims, will be resolved pursuant to Florida Law, including the Florida Arbitration Code, and the Federal Arbitration Act, 9 U.S.C. §1-16, and to the fullest extent permitted by law, by final, binding and confidential arbitration, held in Fort Lauderdale, Florida by a single arbitrator, conducted by JAMS, Inc. (“JAMS”) under the then-applicable JAMS Employment Arbitration Rules & Procedures (which can be found at the following web address: <http://www.jamsadr.com/rules-employment-arbitration/english>, and which will be provided to you upon request). By agreeing to this arbitration procedure, both you and the Company waive the right to resolve any such dispute through a trial by jury or judge or administrative proceeding. The Company acknowledges that you will have the right to be represented by legal counsel at any arbitration proceeding. The arbitrator shall: (a) have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as would otherwise be permitted by law and (b) issue a written arbitration decision, to include the arbitrator’s essential findings and conclusions and a statement of the award. The arbitrator shall be authorized to award any or all remedies that you or the Company would be entitled to seek in a court of law. The Company shall pay all JAMS’ arbitration fees in excess of the amount of filing fees that would be required of you if the dispute were decided in a court of law. Nothing in this Agreement is intended to prevent either you or the Company from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration. Any awards or orders in such arbitrations may be entered and enforced as judgments in the federal and state courts of any competent jurisdiction.

21. **Entire Agreement; Enforcement of Rights**. This PSU Agreement, the Plan and the Award Schedule constitute the entire agreement and understanding of the parties relating to the PSUs or otherwise to the subject matter herein and supersede all prior discussions between them. Any prior agreements, commitments or negotiations concerning the issuance of the PSUs or the Shares are superseded. No modification of or amendment to this PSU Agreement or the Award Schedule, nor any waiver of any rights under this PSU Agreement or the Award Schedule, shall be effective unless in writing and signed by the parties to this PSU Agreement. The failure by either party to enforce any rights under this PSU Agreement or the Award Schedule shall not be construed as a waiver of any rights of such party.

Participant: _____
Date: _____

BY ACCEPTING THIS PSU AGREEMENT AND/OR BY YOUR SIGNATURE BELOW, YOU AGREE TO COMPLY WITH ALL OF THE TERMS AND CONDITIONS DESCRIBED IN THIS PSU AGREEMENT, THE PLAN AND THE AWARD SCHEDULE.

PARTICIPANT:

Signature: __

Name: __

MARA HOLDINGS, INC.:

By: __

Name: __

Its: __

**MARA HOLDINGS, INC.
AMENDED AND RESTATED**

2018 EQUITY INCENTIVE PLAN PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD GRANT NOTICE

MARA Holdings, Inc., a Nevada corporation (the “*Company*”), pursuant to its 2018 Equity Incentive Plan (as amended, the “*Plan*”), hereby grants to the holder listed below (“*Participant*”), an award of performance-based Restricted Stock Units (“*PSUs*”). Each vested PSU represents the right to receive one share of Common Stock (“*Share*”). This award of PSUs is subject to all of the terms and conditions set forth in this Performance-Based Restricted Stock Unit Award Grant Notice (the “*Grant Notice*”), the Plan and the Performance-Based Restricted Stock Unit Agreement (the “*PSU Agreement*”) to which this Grant Notice relates. Unless otherwise defined herein, capitalized terms shall have the meanings given to them in the Plan or the PSU Agreement, as applicable.

Participant: _____

Grant Date: _____

Dollar Value of PSUs on Grant Date: _____

Total Number of PSUs: _____

Subject to the limitations set forth in the Plan and the PSU Agreement, the PSUs shall vest in accordance with the vesting schedule set forth on Exhibit A (the “*Vesting Schedule*”), subject to Participant not experiencing a Termination of Service prior to the applicable vesting date unless otherwise required by applicable law.

Termination of Service: Except as otherwise provided by the Committee or required by applicable law, if Participant experiences a Termination of Service, all PSUs that have not become vested on or prior to the date of such Termination of Service shall thereupon be automatically forfeited by Participant without payment of any consideration therefor.

If the Company uses an electronic capitalization table system (such as Shareworks, Carta or Equity Edge) and the fields in this Grant Notice are blank or the information is otherwise provided in a different format electronically, the blank fields and other information shall be deemed to come from the electronic capitalization system and be considered part of this Grant Notice. In addition, the Company’s signature below shall be deemed to have occurred by the Company’s input of the PSUs in such electronic capitalization table system and Participant’s signature below shall be deemed to have occurred by Participant’s online acceptance of the PSUs through such electronic capitalization table system.

By Participant's signature below, Participant agrees to be bound by the terms and conditions of the Plan, the PSU Agreement and this Grant Notice. Participant has (i) reviewed the Plan, the PSU Agreement and this Grant Notice in their entirety, (ii) had an opportunity to obtain the advice of counsel prior to executing the PSU Agreement and this Grant Notice, and (iii) fully understands all of the provisions of the Plan, the PSU Agreement and this Grant Notice.

Participant acknowledges that the grant of PSUs by the Company is at the Company's sole discretion and does not entitle Participant to any further grant(s) of PSUs or any other award(s) under the Plan or any other plan or program maintained by the Company.

Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan, the PSU Agreement or this Grant Notice.

MARA HOLDINGS, INC.:

By: __
Name: __
Title: __
Address: __

PARTICIPANT:

By: __
Name: __
Address: __

EXHIBIT A
Vesting Schedule

The PSUs shall vest subject to (i) the Company's achievement of certain Performance Metrics and (ii) your continued employment through each applicable vesting date, in each case, as follows:

1. Hashrate-Vesting PSUs: [●]% of the PSUs shall be eligible to vest based on achievement of Hashrate Hours (the "**Hashrate PSUs**") during the Operational Metrics Performance Period. The number of Hashrate PSUs that vest, with respect to the performance-vesting condition, will be determined by multiplying the total number of Hashrate PSUs by the Performance Achievement Multiplier (such PSUs, the "**Performance-Vested Hashrate PSUs**"), subject to your continued employment through the end of the Performance Period. [●]% of the Performance-Vested Hashrate PSUs shall be settled within 30 days following the Committee's certification of the performance achievement and [●]% of the Performance-Vested Hashrate PSUs shall continue to remain outstanding, following the end of the Performance Period, and vest, subject to your continued employment, in eight equal quarterly installments during the period beginning on January 1, 20[●], and ending on December 31, 20[●]. For the avoidance of doubt, the applicable vesting date for each quarterly installment shall be the last day of each applicable calendar quarter during such period.
 2. Total Exahash PSUs: [●]% of the PSUs shall be eligible to vest based on achievement of Total Exahash (the "**Total Exahash PSUs**") during the Operational Metrics Performance Period. The number of Total Exahash PSUs that vest, with respect to the performance-vesting condition, will be determined by multiplying the total number of Total Exahash PSUs by the Performance Achievement Multiplier (such PSUs, the "**Performance-Vested Total Exahash PSUs**"), subject to your continued employment through the end of the Performance Period. [●]% of the Performance-Vested Total Exahash PSUs shall be settled within 30 days following the Committee's certification of the performance achievement and [●]% of the Performance-Vested Total Exahash PSUs shall continue to remain outstanding, following the end of the Performance Period, and vest, subject to your continued employment, in eight equal quarterly installments during the period beginning on January 1, 20[●], and ending on December 31, 20[●]. For the avoidance of doubt, the applicable vesting date for each quarterly installment shall be the last day of each applicable calendar quarter during such period.
 3. Megawatts-Vesting PSUs: [●]% of the PSUs shall be eligible to vest based on achievement of Megawatts (the "**Megawatts PSUs**") during the Operational Metrics Performance Period. The number of Megawatts PSUs that vest, with respect to the performance-vesting condition, will be determined by multiplying the total number of Megawatts PSUs by the Performance Achievement Multiplier (such PSUs, the "**Performance-Vested Megawatts PSUs**"), subject to your continued employment through the end of the Performance Period. [●]% of the Performance-Vested Megawatts PSUs shall be settled within 30 days following the Committee's certification of the
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performance achievement and [●]% of the Performance-Vested Megawatts PSUs shall continue to remain outstanding, following the end of the Performance Period, and vest, subject to your continued employment, in eight equal quarterly installments during the period beginning on January 1, 20[●], and ending on December 31, 20[●]. For the avoidance of doubt, the applicable vesting date for each quarterly installment shall be the last day of each applicable calendar quarter during such period.

4. **Relative TSR-Vesting PSUs:** [●]% of the PSUs shall be eligible to vest based on achievement of Relative TSR (the “*Relative TSR PSUs*”) during the TSR Performance Period. The number of Relative TSR PSUs that vest will be determined by multiplying the total number of Relative TSR PSUs by the Performance Achievement Multiplier, subject to your continued employment through December 31, 20[●].

Any PSUs that vest pursuant to this Exhibit A shall be settled in accordance with Section 1 of the PSU Agreement.

For purposes of this Exhibit A, the following terms shall have the corresponding meanings:

1. “**Performance Achievement Multiplier**” means the Company’s level of achievement of the applicable Performance Metric, determined in good faith by the Committee, in the Committee’s sole and absolute discretion, following the completion of the applicable Performance Period in accordance with the percentages set forth in the following table:

Level of Achievement During the Applicable Performance Period	Payout as a Percentage of Target Number of Performance-Based PSUs*
[●]% or more (Maximum)	[●]%
[●]%	[●]%
[●]%	[●]%
[●]%	[●]%
[●]%	[●]%
[●]%	[●]%
[●]%	[●]%
[●]%	[●]%
[●]% (Target)†#	[●]%

*Vesting between the thresholds listed above shall be subject to customary rounding conventions (e.g., a level of achievement of [●]% rounds up to the [●]% threshold).

† For purposes of this chart, “Target” means: (i) with respect to Hashrate Hours, [●]; (ii) with respect to Total Exahash, [●]; (iii) with respect to Megawatts, [●]; and (iv) with respect to Relative TSR, [●]%.
#Vesting below target is subject to straight-line interpolation.

2. “**Hashrate Hours**” means the amount of hashrate the Company’s deployed miners produces expressed in hours.
3. “**Megawatts**” means megawatts the Company can readily deploy (i.e., all variables are within the Company’s control; there are no regulatory hurdles; there are no transmission requirements; the Company is able to draw power as soon as engineering, procurement and construction are complete; and miners are onsite).
4. “**Operational Metrics Performance Period**” means the period beginning on January 1, 20[●], and ending on December 31, 20[●].
5. “**Performance Metric**” means each of Hashrate Hours, Total Exahash, Megawatts and Relative TSR, as applicable.
6. “**Performance Period**” means the Operational Metrics Period Performance Period or the TSR Performance Period, as applicable.
7. “**Relative TSR**” means an expression of the Ending Measurement Metric as a percentage of the Beginning Measurement Metric, where (x) the Beginning Measurement Metric is an expression of the Company’s closing stock price on the first day of the TSR Performance Period as a percentage of the Russell 2000 Index’s price as of such date and (y) the Ending Measurement Metric is an expression of the Company’s closing stock price on the last day of the TSR Performance Period as a percentage of the Russell 2000 Index’s price as of such date.
8. “**TSR**” means “total shareholder return,” determined in the customary manner based on the percentage increase in the Company’s stock price or Russell 2000 Index’s price, as applicable (assuming all dividends and other distributions made, with respect to such company stock, are reinvested) from the first day of the TSR Performance Period to the last day of the TSR Performance Period. For this purpose, the Company’s stock price will be its closing stock price, and the Russell 2000 Index’s price will be its closing price, on the applicable date (or the immediately preceding trading day if the applicable date is not a trading day).
9. “**TSR Performance Period**” means the period beginning on January 1, 20[●], and ending on December 31, 20[●].
10. “**Total Exahash**” means the total hashrate of the Company’s active miners.

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Fred Thiel, certify that:

1. I have reviewed this quarterly report on Form 10-Q of MARA Holdings, Inc.;
 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
 4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
 5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.
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Dated: May 8, 2025

By:

/s/ Fred Thiel

Fred Thiel

Chief Executive Officer and Chairman of the Board
(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Salman Khan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of MARA Holdings, Inc.;
 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
 4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
 5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.
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Dated: May 8, 2025

By:

/s/ Salman Khan
Salman Khan
Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(SUBSECTIONS (A) AND (B) OF SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE)**

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of MARA Holdings, Inc. (the "Company"), does hereby certify, that:

The Quarterly Report on Form 10-Q for the period ended March 31, 2025 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 8, 2025

By:

/s/ Fred Thiel

Fred Thiel

Chief Executive Officer and Chairman of the Board
(Principal Executive Officer)

Dated: May 8, 2025

By:

/s/ Salman Khan

Salman Khan

Chief Financial Officer
(Principal Financial Officer)