



Nasdaq: **MARA**
September 2021

Building America's Leading Enterprise Bitcoin Miner

Marathon At-a-Glance

Building one of the largest & most agile enterprise Bitcoin mining operations in North America by...

AGGRESSIVELY INCREASING MARATHON'S HASH RATE (probability of earning bitcoin)



+7,122% from 0.18 EH/s in Jan. 2021 to **13.3 EH/s** in **Mid 2022**

OPTIMIZING BITCOIN PRODUCTION COSTS



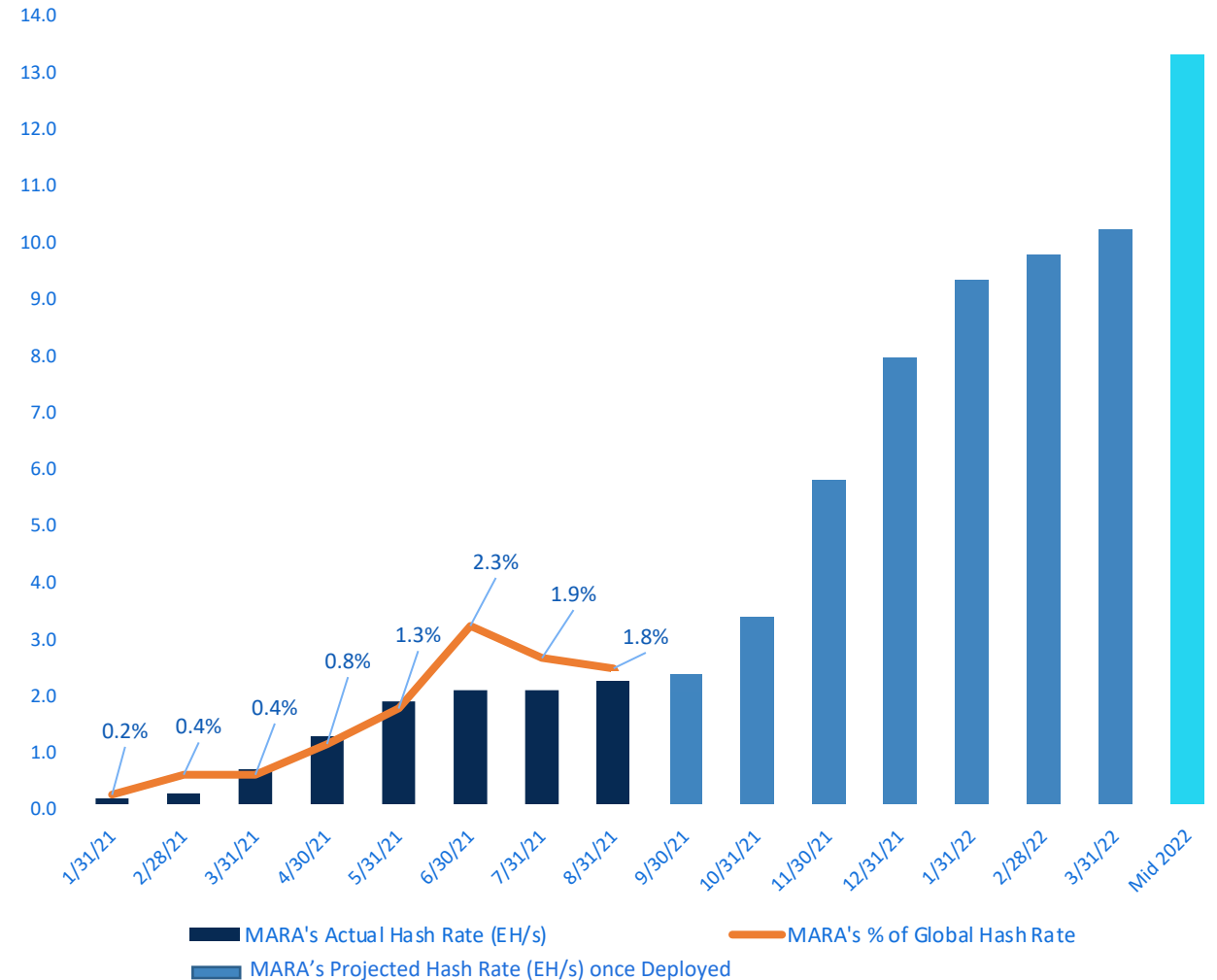
Blended mining costs of **\$5,612 / BTC***

MITIGATING RISKS & INCREASING OPTIONALITY



Investing in **miners not infrastructure**

Hash Rate Growth



All hash rates after August 2021 are estimates based on current shipment, delivery, and installation schedules of miners and are subject to change.
* Unaudited costs include cost of electricity + hosting fees = \$0.045 / kWh; excludes capital expenditure

Aggressively Scaling Mining Operations To Drive Value

As of September 1, 2021...

133,000 miners purchased
1,758 BTC mined YTD
6,695 BTC held YTD

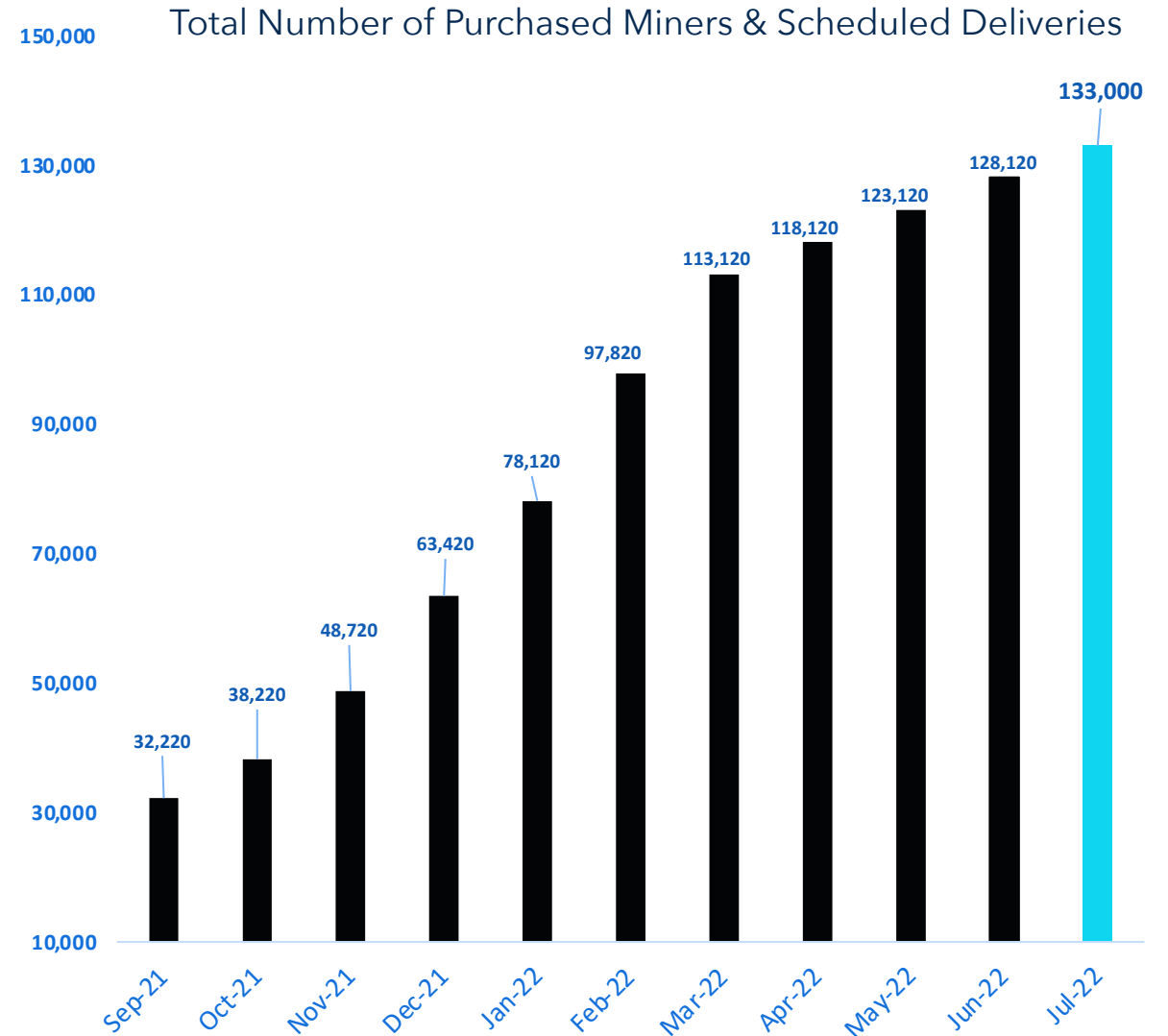
If all miners were deployed today & bitcoin's price was \$45,000...*

11% of the global
bitcoin hash rate = 87 BTC / day

70% carbon neutral mining operations

Revenues = \$119.1 million / month, or \$1.43 billion / year

Non-GAAP income from operations* = \$102.4 million / month,
or \$1.23 billion / year



*Estimates are based on total network's hash rate as of September 1, 2021 and are not a guarantee of future results. All estimates include 90% efficiency of mining operations.

* Non-GAAP income from operations excludes the impact of depreciation and amortization of fixed assets, impairment losses on mined cryptocurrency, server maintenance contract amortization, and stock compensation expense and does not include the change in fair value of the Company's investment fund, which purchased 4,812.66 BTC for approximately \$150 million in January 2021.

The Marathon Difference



Scale: Growing hash rate 536% from 2.09 EH/s Q2 2021 to 13.3 EH/s by mid 2022



Profitable: Paying \$0.045 / kWh for electricity + hosting & producing BTC for \$5,612 / BTC;¹ margins of c. 85% upon full deployment



Agile: Investing in miners rather than infrastructure; Model provides agility & focuses on maximizing return on assets



Capital Efficient: By end of 2022, potential for return on assets of 2.24x (\$2.24 in profit for every \$1 spent on assets)²



Well Capitalized: \$70.9 million in cash & 6,695 BTC → \$387.3 million in total liquidity;³ consistent access to capital in capital intensive industry with \$0 long-term debt



Quality Relationships: With industry leaders enable low energy costs, consistent access to miners, & ample expansion opportunities

1. As of Q2 2021
2. Return on Assets = (2022 Potential Net Income / (Total Avg. Assets at Year End 2022 + 2021) / 2)
3. As of September 1, 2021

Mining – The Engine that Fuels the Bitcoin Ecosystem

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

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

How it works



A Bitcoin transaction occurs and is broadcast to the network



A miner pools together “pending” Bitcoin transactions in a “block”



Once a block is formed, miners compete to “hash” their block (i.e., solve a cryptographic puzzle)

Difficult to solve, yet simple to verify (Sudoku)



Once solved, the network checks the miner’s work (i.e., verifies their “Proof of Work” adheres to rules of the Bitcoin protocol)



The new block of verified transactions is attached to a chain of prior blocks, hence “blockchain” (i.e., the public Bitcoin ledger) & the process repeats



For solving the puzzle, miners are rewarded with Bitcoin

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

Finite Supply & Fixed Rewards

21,00,000 BTC mined by 2140

Today

1 block every 10 min.

6.25 BTC / block

=

900 BTC / day

3.9% held by "ETFs"

1.0% held by public companies

Mining pools in "co-opetition"

1.  **ANTPOOL** +24 EH/s
2.  **f2pool** +24 EH/s
3.  **ViaBTC** +18 EH/s
4.  **Poolin** +15 EH/s
5. **BTC.com** +14 EH/s
6.  **BINANCE** +14 EH/s
7. **foundry** +10 EH/s
8. **SLUSH POOL** +3 EH/s
9.  **Huobi** +2 EH/s
10. - 14  **MARAPOL**™ Powered by Marathon +2 EH/s



Carbon neutral mining

Audited by a leading, third-party audit firm based in the U.S.

Exclusive access to services provided by



13.3 EH/s from just Marathon's miners at full deployment in mid 2022

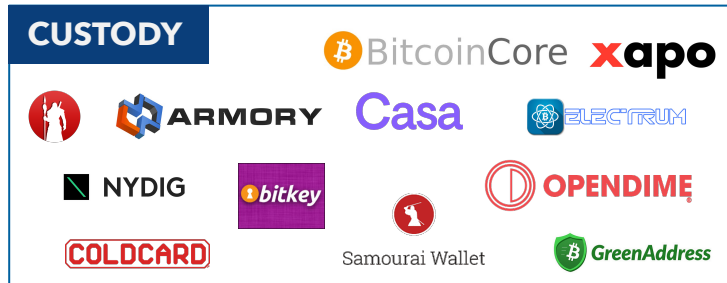
Sources: <https://www.buybitcoinworldwide.com/treasures/>, <https://btc.com/btc/insights/pools>

The Bitcoin Ecosystem Has Gone Mainstream

INFORMATION



CUSTODY



MINING



NODES



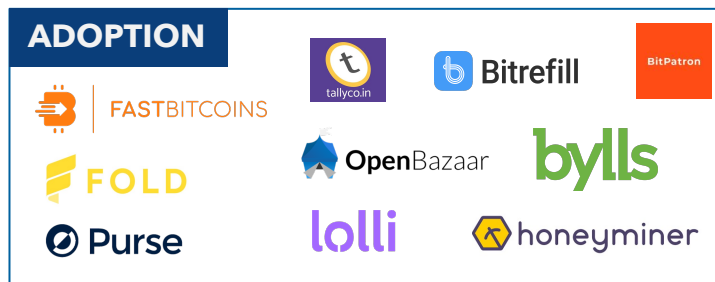
DEVELOPMENT



Exchanges



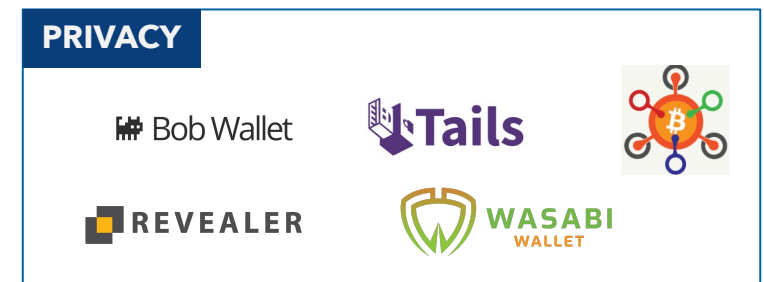
ADOPTION



PAYMENTS

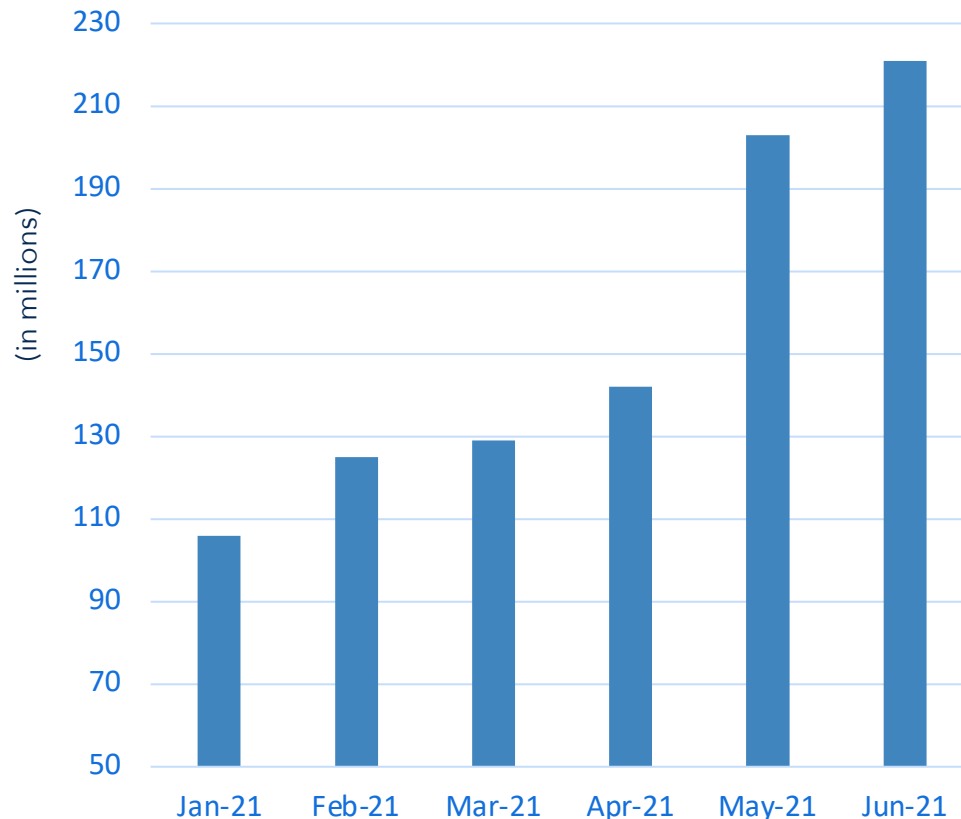


PRIVACY



Adoption is Accelerating

Global Crypto Market Size Over Time



Traditional Payment Processing & FinTech taking BTC mainstream



Partner to offer BTC trading via mobile apps to 650 banks & credit unions



Listed on Nasdaq at \$85.8 billion



Enabling buying, selling, & trading



Offering crypto-friendly payment services

Institutional investors, banks, & countries are coming on board

Marathon Shareholders



Morgan Stanley
J.P.Morgan

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

- Paul Tudor Jones, October 2020

2021: El Salvador makes Bitcoin legal tender



The Path to Profitable Mining



Power (hash rate)

More powerful miners →
increased power (hash rate)

Increased power → higher
probability of earning BTC



Costs of Production

Lower costs → higher profits
in bull markets & survivability
in bear markets

Annual Mining Profitability

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

Marathon Controls

- Its hash rate
- Cost of electricity & hosting
- Corporate expenses

Marathon Doesn't Control

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

* Rent, employees, public company expense, etc.

Typical Mining Business Models

Most miners...



Contract for power



Own hosting facilities



Buy & operate miners

Building Infrastructure

- Invest \$30M to build a 100 MW facility
- \$30M facility = ~28,570 S19 Pro @ 110 TH (total 3.14 EH)
- 19.5 BTC/day @ \$30,000 = \$585,212 in rev / day @ cost of \$112,318
- Operating cost savings of \$0.0032/kWh → **\$7,680 / day** in additional profit
- Return on \$30M invested capital = **9.3%** annually

The Marathon Method

Focuses on Return on Assets



*Growth Strategy: Invest in miners
rather than infrastructure*

Agility = Resilience

Contract for power



Pay for hosting facilities



Buy & operate miners



Buying Miners

- Invest \$30M to purchase miners
- \$30M = 6,000 S19 Pro @110 TH (total of 0.66 EH)
- Incremental 4.1 BTC / day @ 145 EH global hash rate & \$30,000 / BTC
- \$123,000 incremental revenue / day @ incremental cost of \$25,200 / day for hosting + power resulting in Incremental profit
- **\$97,800 / day - \$7,680 cost difference = \$90,120**
- Return on \$30M invested capital= **109%** annually

Advantages

Flexible structure to mitigate price declines & regulatory changes
Ability to capitalize on new power deals & innovations incl. renewables
Higher returns on invested capital

Our Mining Operations

South Dakota Hosted by  **COMPUTENORTH**

Marathon's original mining facility

- +2,000 miners (0.2 EH/s)
- Operational as of Q3 2020

Montana Powered by  **BEOWULF ENERGY**

A stable supply of low-cost electricity

- +30,000 S19 miners (3.3 EH/s)
- Economic stimulus to local Native American community
- Owns 6 million shares in Marathon (skin-in-the-game)

Texas Hosted by  **COMPUTENORTH**

Access to infrastructure with no cap ex & foundation for carbon neutrality

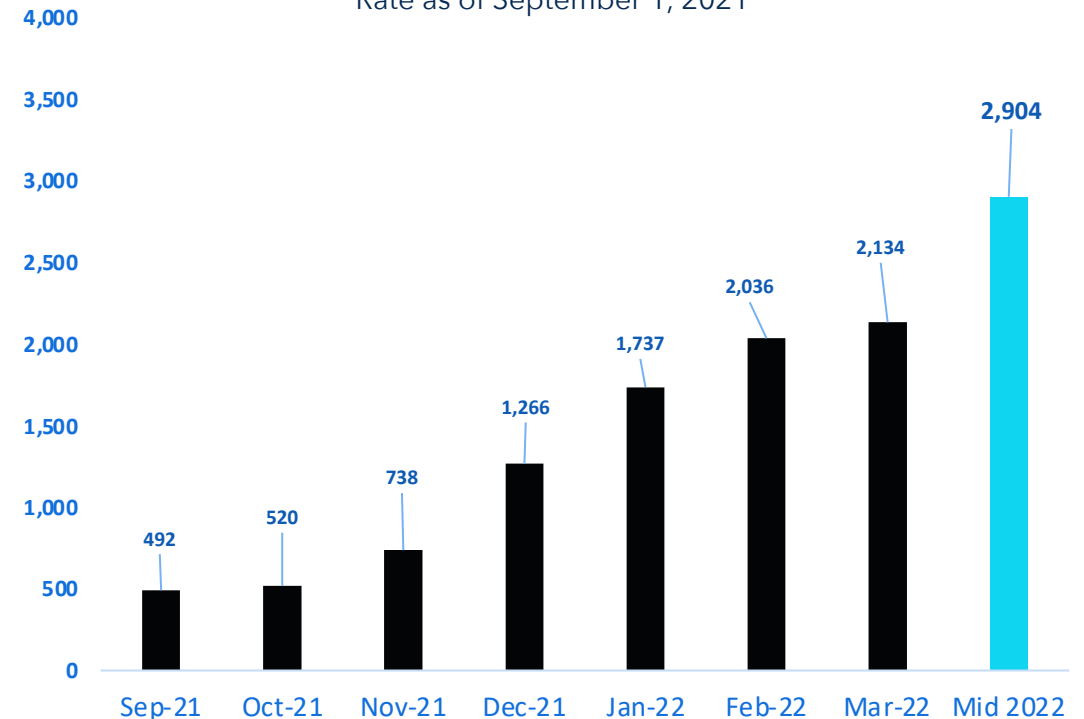
- +73,000 S19 miners (7.0 EH/s)
- Access to 300 MW facility with no capital expenditure
- 100% carbon neutral mining operations from renewable energy sources
- Opportunities for expansion w/ favorable terms

BITMAIN Industry leading performance, accelerated timelines, & competitive pricing

To date:

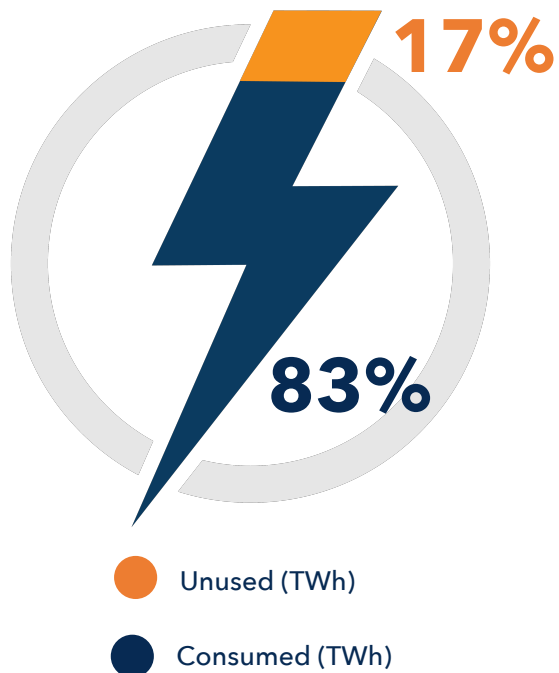
Purchased c. 130,000 S19 miners → Premier customer status
Blended cost paid per TH = \$27.11

Theoretical BTC Produced per Month with Network Hash Rate as of September 1, 2021

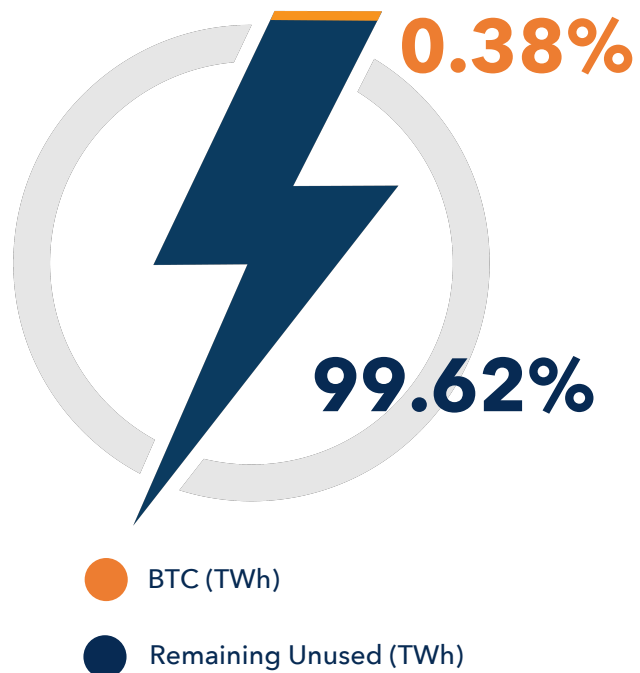


ESG in Action

Global Electricity Production



Bitcoin as a % of Consumed Electricity



Marathon's Focus

By the end of Q1 2022...
70% carbon neutral mining operations

By the end of FY 2022...
100% carbon neutral mining operations

Hardin, MT: Revitalized dormant power plant
 providing economic stimulus to local Native
 American tribe

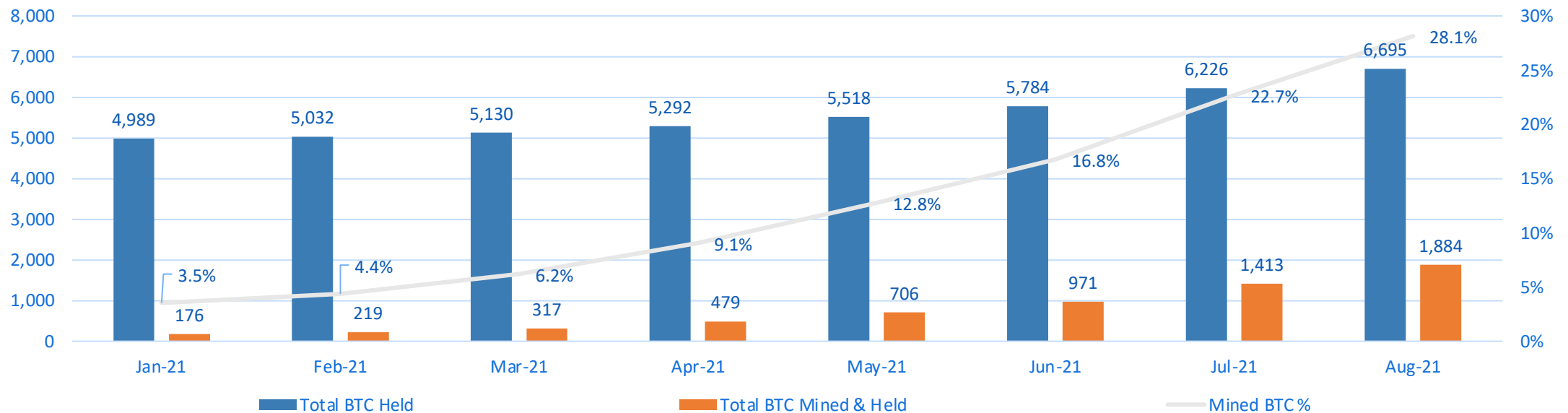
Increasing BTC Production & "HODLing"

As of September 1, 2021

- Avg. BTC mining cost: \$5,612 / BTC*
- BTC mined & held to date: 1,758 BTC
- Total BTC holdings: 6,695 BTC

22,412 miners deployed generating
2.3 EH/s (up 1,119% YTD)

Growth in BTC Mined per Month



* Unaudited costs include cost of electricity + hosting fees = \$0.045 / kWh; excludes capital expenditure
Note: Marathon began "hodling" mined BTC in October 2020

Recent Company Highlights

Estimates as of September 1, 2021

\$70.9 million in cash

\$387.3 million in cash + BTC holdings

22,412 miners installed → 2.3 EH/s

469.6 BTC mined in August

1,757.9 BTC mined in 2021

\$5,612 to produce each BTC¹

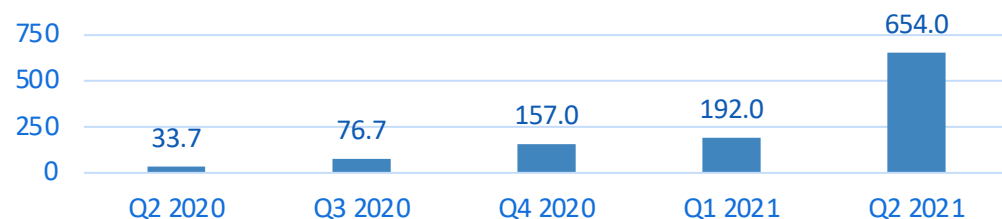
As of Sept. 13, 2021²

Ticker Symbol	MARA
Share Price	\$35.59
Market Cap	\$3.5 B
Shares Issued & Outstanding	99.5 M
Avg. Daily Trading Volume	9.7 M

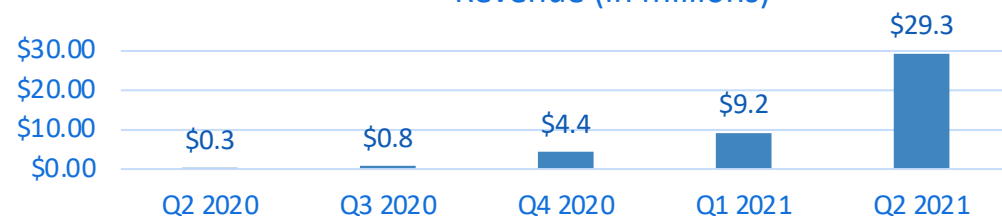
1. Unaudited costs include cost of electricity + hosting fees = \$0.045 / kWh; excludes capital expenditure
2. Sources: [Yahoo Finance](#) & [August Production Update PR](#)

Q2 2021 Financials

BTC Production



Revenue (in millions)



Non-GAAP Income from Operations* (in millions)



* Non-GAAP income from operations excludes the impact of depreciation and amortization of fixed assets, impairment losses on mined cryptocurrency, server maintenance contract amortization, and stock compensation expense and does not include the change in fair value of the Company's investment fund, which purchased 4,812.66 BTC for approximately \$150 million in January 2021.

Summary Balance Sheet

\$ Millions	June 30, 2021	March 31, 2021	Dec. 31, 2020
Cash & cash equivalents	\$170.6	\$211.9	\$141.3
Digital currencies	29.0	10.7	2.3
Deposits	121.6	128.9	65.6
Investment Fund	166.9	281.8	0.0
Total current assets	491.7	635.9	286.4
Total non-current assets	92.2	50.8	26.8
Total assets	583.9	686.7	313.2
Accounts payable	\$2.6	\$1.0	\$1.0
Total current liabilities	3.3	2.9	1.4
Total long-term liabilities	0.0	0.0	0.1
Total stockholders' equity	580.5	683.7	311.7
Total liabilities and equity	583.9	686.7	313.2

Investment Thesis



Scale: Growing hash rate +7,122% from 0.18 EH/s in Jan. 2021 to 13.3 EH/s in Mid 2022



Profitable: BTC production costs = \$5,612 / BTC, paying \$0.045 / kWh¹; margins of c. 85% upon full deployment



Agile: Investing in miners rather than infrastructure → flexible business model with ability to adapt to changes regulations, power requirements, etc.



Capital Efficient: Potential for return on assets of 2.24x (\$2.24 in profit for every \$1 spent on assets) by end of 2022²



Well Capitalized: \$70.9 million in cash & 6,695 BTC → \$387.3 million³ in total liquidity; consistent access to capital in capital intensive industry with \$0 long-term debt



Quality Relationships: With industry leaders enable low energy costs, consistent access to miners, & ample expansion opportunities



Lean Corporate Structure: \$4.2 million in revenue / employee in Q2 2021

1. As of Q2 2021; includes costs of electricity & hosting
2. Return on Assets = (2022 Potential Net Income / (Total Avg. Assets at Year End 2022 + 2021) / 2)
3. As of September 1, 2021

Contact Us

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Appendix

Safe Harbor Statement

Statements made in this presentation include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements can be identified by the use of words such as "may," "will," "plan," "should," "expect," "anticipate," "estimate," "continue," or comparable terminology. Such forward-looking statements are inherently subject to certain risks, trends and uncertainties, many of which the Company cannot predict with accuracy and some of which the Company might not even anticipate and involve factors that may cause actual results to differ materially from those projected or suggested. Readers are cautioned not to place undue reliance on these forward-looking statements and are advised to consider the factors listed above together with the additional factors under the heading "Risk Factors" in the Company's Annual Reports on Form 10-K, as may be supplemented or amended by the Company's Quarterly Reports on Form 10-Q. The Company assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events, new information or otherwise.

DISCLAIMER

This presentation is not intended to be and should not be considered as forward-looking statements by the Company. It is impossible to forecast what the price of bitcoin or the hash rate difficulty will be on any specific date, including during 2022, when all the Company's miners are expected to be deployed. This presentation is for illustrative purposes only to provide the reader with an estimate of the Company's potential gross revenue, mining power and hosting costs, which might be attained if all miners were deployed as of a specific date and with certain parameters used, as set forth below. The parameters used were total hash rate of 13.3 EH/s, bitcoin price of \$45,000, blended power costs and hosting fees of \$0.045/kWh including CAPEX.

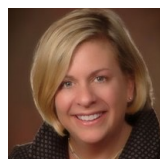
Investor Notice

Investing in our securities involves a high degree of risk. Before making an investment decision, you should carefully consider the risks, uncertainties and forward-looking statements described under "Risk Factors" in Item 1A of our most recent Annual Report on Form 10-K for the fiscal year ended December 31, 2020. If any of these risks were to occur, our business, financial condition or results of operations would likely suffer. In that event, the value of our securities could decline, and you could lose part or all of your investment. The risks and uncertainties we describe are not the only ones facing us. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations. In addition, our past financial performance may not be a reliable indicator of future performance, and historical trends should not be used to anticipate results in the future. Lastly, with the current worldwide situation caused by COVID-19, there can be no assurances as to when we may see any long-term sustained recovery in the bitcoin market, and if so, whether any recovery might be significant.

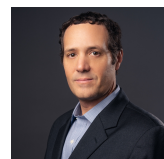
Leadership Team



Fred Thiel
Chief Executive Officer



Jolie Kahn
Legal Counsel



Jim Crawford
Chief Operating Officer

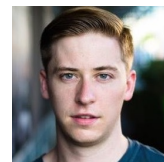
Peter Benz
VP of Corporate Development



Sim Salzman
Chief Financial Officer



Will Beam
Controller



Charlie Schumacher
Director of Corporate
Communications

Judy Clayton
Exec. Admin Assistant

Board of Directors



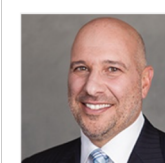
Merrick Okamoto
Executive Chairman



Georges Antoun
Independent Director



Said Ouissal
Independent Director



Kevin DeNuccio
Director



Jay Leupp
Independent Director

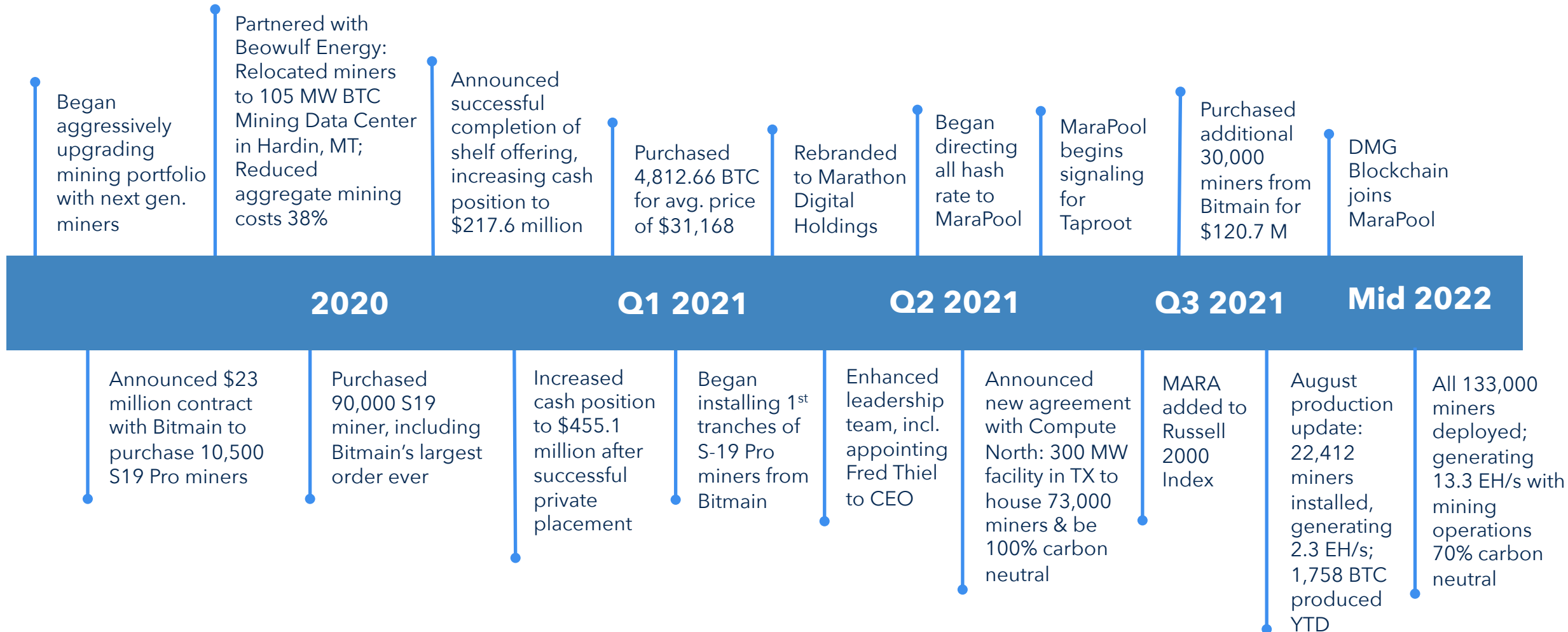


Sarita James
Independent Director



Fred Thiel

History of Expansion & Growth



Bitcoin & Traditional Assets ROI

as of September 1, 2021

	Bitcoin	Gold	S&P 500
1 year:	+310%	-6%	+28%
2 year:	+402%	+17%	+56%
3 year:	+579%	+50%	+56%
4 year:	+892%	+37%	+83%
5 year:	+8,435%	+36%	+108%
6 year:	+21,387%	+59%	+136%
7 year:	+10,130%	+43%	+126%
8 year:	+33,338%	+30%	+176%
9 year:	+488,094%	+7%	+222%
10 year:	+595,259%	+0%	+276%

Glossary of Relevant Terminology



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



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



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



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



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



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

Average # of BTC mined each day =

(Block Reward)

x

(6x/hr)

x

(24 hrs/day)

As of May 11, 2020:

(6.25 BTC/Block) **x**
(6x/hr) **x** (24 hrs/day)

=

**900 BTC per
day on avg.**