



LUXXFOLIO Launches Immersion Mining and Substantially Reduces Debt

VANCOUVER, BC, Aug. 10, 2022 /CNW/ - LUXXFOLIO Holdings Inc. (the "Company" or "LUXXFOLIO" which includes reference to its subsidiaries) (CSE: LUXX) (OTCQB: LUXFF) (Frankfurt/Berlin: LUH), announces that it has agreed to a debt settlement arrangement (the "**Debt Settlement**") with its major lender (the "**Lender**"). Under the Debt Settlement, the Company will reduce its debt by approximately USD\$5.8mm (the "**Debt**") in exchange for a reduction to its current mining fleet by approximately 1900 machines (the "**Miners**"). The Debt represents the Company's entire obligation to the Lender and substantially all the Company's long-term debt. The Miners represent substantially all the remaining mining machines that were directly acquired by the Company via asset backed financing facilities with the Lender.

To facilitate and simplify the Debt Settlement, the Company agreed, at the Lender's request, to have an event of default occur under the existing financing agreements to permit the Lender to execute its right under such agreements to take ownership of the Miners in full satisfaction of the Debt. The Debt Settlement is subject to the delivery of the Miners to the Lender and the Lender's satisfactory inspection of them.

This is a strategic move to manage risk in the volatile bitcoin mining industry and the general market conditions. LUXXFOLIO gains financial flexibility and capacity in our New Mexico site to aggressively pursue our immersion mining strategy.

LUXXFOLIO believes immersion is the future of mining and provides a risk-reduced business strategy for mining. With immersion mining, LUXXFOLIO collects consistent monthly hosting revenue, plus the bitcoin mined through the overclocking of hashrate – as high as 50%. This strategy reduces the significant capital required to procure and maintain current generation ASIC miners.

Immersion also provides benefits for a longer life cycle for mining equipment, a stable environment, and consistent temperatures year-round, even in warmer climates. The Company's initial immersion system commenced mining operations on August 8, 2022.

LUXXFOLIO will continue to leverage relationships developed with the Navajo Nation, benefitting from affordable green energy in climates and locations that otherwise would not be suitable for mining.

Please check out <https://www.luxxfolio.com/immersion> for further info.

About LUXXFOLIO

LUXXFOLIO Holdings Inc. is a publicly traded digital asset company based in Canada. It operates an industrial scale cryptocurrency mining facility in the United States powered predominately by renewable energy with a focus on the blockchain ecosystem and generation of digital assets. LUXXFOLIO provides a liquid alternative for exposure to digital assets for the broader capital markets.

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The CSE has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

Certain information contained herein may constitute "forward-looking information" under Canadian securities legislation. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "anticipated", "will be", or variations of such words and phrases or statements that certain actions, events, or results "will" occur. Forward-looking statements regarding the Company, its hosting operations, immersion, miners, and the Company's development of its growth strategy are based on the Company's estimates and are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements or forward-looking information, including capital expenditures and other costs. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. The Company will not update any forward-looking statements or forward-looking information that are incorporated by reference herein, except as required by applicable securities laws.

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