



**LUXFOLIO HOLDINGS INC.**

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**NEWS RELEASE**

**LUXFOLIO Operations Update**

**VANCOUVER, BC – December 8, 2022** - LUXFOLIO Holdings Inc. (the “Company” or “LUXFOLIO”, which includes references to its subsidiaries) (CSE: LUXX) (OTCQB: LUXFF) (Frankfurt/Berlin: LUH), provides the following update regarding its business environment and operations.

The Bitcoin mining industry continues to face strong headwinds affecting all aspects of the industry and all participants in it. While the Company has achieved a significant reduction in its outstanding debt position, it has not been sufficient to enable it to meet its debt covenants. Luxxfolio’s principal operating subsidiary Westblock Capital Inc. and certain of its subsidiaries (together referred to as “Westblock”) have received written notice that certain events of default (the “Events”) have occurred under the Senior Secured Term Loan Facility Agreement (the “Loan Facility”) with CHP Agent Services Inc. (“CHP”). The Events were due to adverse changes to Westblock’s business, financial condition and prospects, as well as the related collateral valuation metrics in accordance with the provisions of the Loan Facility. CHP has demanded immediate repayment of the outstanding debt obligation of approximately \$1,155,000, not otherwise due until November 30, 2023.

As part of the Loan Facility, CHP and Westblock entered into general security agreements granting CHP a security interest in Westblock’s assets. The Company is engaged with third parties to find a satisfactory solution to the matter; however, there is no assurance that such a solution will be achieved.

The Company also announces the following changes to the Board of Directors: Dr. Michael Byron resigned from the Board effective December 2, 2022. The Company thanks Dr. Byron for his service. Messer’s Geoffrey McCord and Kien Tran have been appointed to the Board, effective December 7, 2022. The Company is currently conducting a search for additional independent directors.

**Contact Information:**

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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”, “intend” 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, miners, and the Company’s development of its 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 and its subsidiaries 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.