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NEWS RELEASE

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Hydro66 Triples Data Center Capacity During Q2, 2018

Hydro66 Holdings Corp. ("Hydro66" or the "Company") (CSE: SIX) is pleased to announce an update on its operations during Q2, 2018.

Highlights from the recent quarter include:

- Commencement of trading on the CSE via a reverse takeover
- Tripled data center capacity from 3.6 to 11.2 MegaWatts ("MW"), completed on time and on budget
- Sold 100% of the additional 7.6 MW capacity to high performance computing ("HPC") partners, which was fully revenue generating by the end of Q2
- Began construction on an additional 8.0 MW of capacity in two data halls, which are due to come online in Q3 and early Q4
- Made strategic hires in technical data center management and financial control to support business growth
- The Company continued to review the digital currency markets to optimize self-mining opportunities

Anne Graf, CEO, commented *"The current model for how to process and store data is broken. The data tsunami is building exponentially, powered by consumer expectations, Internet of Things, personalized medicine, big data, driverless cars, blockchain and cryptocurrencies. Connecting data to the world's most reliable power grid means you can increase uptime, efficiency and scalability. At the same time, complexity, cost and the environmental footprint are all reduced. Every company needs their data to be handled in the most sustainable way possible – financially and environmentally. Hydro66 provides ultra-efficient, green colocation solutions. We will continue to execute on our aggressive build out plan to provide the perfect home for HPC and blockchain infrastructure."*

Following the completion of a C\$10 million private financing in Q1, the Company completed an RTO and began trading on the CSE. The listing milestone provides the Company with increased access to capital, which has accelerated the Company's planned expansion. In addition to the listing process, Hydro66 delivered on its plan to more than triple the MW available to clients from 3.6 MW to 11.2 MW. The buildout of two additional data halls in Q2 was completed on time and on budget and is now fully revenue generating with four new clients and a significant expansion with an existing client.

While a majority of revenue currently comes from providing colocation services, the Company continuously reviews the digital currency markets to optimize self-mining opportunities. The Company mines, holds and sells a suite of coins including Bitcoin, Litecoin, Ethereum and AION and at the end of Q1 2018, the closing value of cryptocurrency held by the Company exceeded US\$1 million.

Following the sale of the additional capacity, Hydro66 has now shifted its focus for Q3 to further expanding the data center with an additional 2 data halls under construction, which represents a further 8 MW scheduled for delivery in late Q3 and early Q4. This will bring total data center capacity to 19.2 MW and 6 data halls. The Company continues to see robust demand for its additional capacity. The Company also plans to lay foundations for up to eight further data halls, which will allow flexible expansion to a total of 40 MW on the existing site. The Company has reserved a further 50 MW of power on a second site and has ability to source excess capacity as required.

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About Hydro66

Hydro66 owns and operates a colocation data center in Sweden specializing in High Performance Computing (“HPC”) hosting. The Company hosts third party IT infrastructure, utilizing 100% green power, at amongst the EU’s lowest power prices and within an ISO27001 accredited facility. The Company is continuing to expand its footprint, with a growth plan in place to expand the current facility from 11.2 MW to 40 MW.

Hydro66 is uniquely positioned to capitalize on opportunities in blockchain infrastructure as well as the traditional enterprise colocation data center market. The Company provides truly green power at a leading price, purpose-built space and cooling, telecoms, IT support services and 24/7 physical security in their facility in Boden, Sweden.

Revenues are generated from colocation data center services to hashrate service companies and traditional enterprise companies as well as digital currency self-mining (GPU and/or ASIC). Combining the above provides steady, diversified revenue with strong margins. A flexible and rapid build-out schedule will allow Hydro66 to rebalance between business lines as market conditions evolve.

Hydro66 is run by a team with decades of technical expertise in data center facility design, construction, operation and more recently blockchain infrastructure and hashrate services.

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Forward-Looking Information

Certain information set forth in this news release may contain forward-looking statements that involve substantial known and unknown risks and uncertainties. All statements other than statements of historical fact are forward-looking statements, including, without limitation, statements regarding future financial position, business strategy, use of proceeds, corporate vision, proposed acquisitions, partnerships, joint-ventures and strategic alliances and co-operations, budgets, cost and plans and objectives of or involving the Company. Such forward-looking information reflects management's current beliefs and is based on information currently available to management. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "predicts", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. A number of known and unknown risks, uncertainties and other factors may cause the actual results or performance to materially differ from any future results or performance expressed or implied by the forward-looking information. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of the Company including, but not limited to, the impact of general economic conditions, industry conditions and dependence upon regulatory approvals. *Certain material assumptions regarding such forward-looking statements may be discussed in this news release and the Company's annual and quarterly management's discussion and analysis filed at www.sedar.com.* Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The Company does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by securities laws.

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