



For Immediate Release

News Release

May 26, 2022

**LUFF ENTERPRISES ANNOUNCES FIRST QUARTER FINANCIAL RESULTS
AND PROVIDES CORPORATE UPDATE**

Vancouver, B.C. – Luff Enterprises Ltd., (CSE: LUFF) (“LUFF” or the “Company”) is pleased to announce its financial results for the first quarter of 2022 and provide a corporate update.

The first quarter of 2022 was a transitional period for the Company as it downsized its operations footprint and focused on preserving cash and working capital balances. As at March 31, 2022, Luff had cash balances of \$3.2 million and positive working capital of \$5.2 million.

The Company’s key strategic initiatives for the remainder of 2022 are to further expand its online sales channels in the US, and to launch a new online sales initiative in Canada. To achieve this, the Company is actively pursuing opportunities to acquire an existing licensed producer in Canada. The Company is also pursuing opportunities to establish an online wellness marketplace. This aligns with our vision of providing high-quality wellness products that empower the lives of our customers.

Luff’s direct-to-consumer business model will allow the Company to connect growers and product manufacturers to users, providing better selection and fresh product at great prices. This will result in higher gross margins and efficiencies. This model will also include implementing new and expanded direct-to-consumer marketing campaigns to bring awareness to Luff’s brands and product offerings.

Philip Campbell, LUFF CEO, commented “This online marketplace strategy allows us to offer a broader range of competitively priced products while capturing intermediary margins by selling directly to the final consumer. With the large oversupply of cannabis in Canada and the compression of wholesale prices, we believe this capital efficient, technology focused strategy will allow us to scale up sales quickly and efficiently while capturing strong gross margins.”

Through the successful execution of this strategy, the Company’s ultimate goal is to become the premier online cannabis dispensary in North America.

A complete set of Luff’s interim consolidated financial statements and Management’s Discussion & Analysis for the quarter ended March 31, 2022 will be filed on SEDAR (www.sedar.com) and posted on the Company’s website (www.luffbrands.com).

About Luff Enterprises Ltd.

LUFF is a hemp and wellness company, focused on providing premium quality, innovative products across the United States through its online store. Committed to plant-based science, LUFF produces and sources a suite of thoughtfully designed products to benefit a wide range of user needs.

Currently, the Company focuses on identifying unique products and formulations leveraging cannabinoids to empower people to realize the full potential of everyday life. LUFF’s scientifically formulated products are non-GMO, THC-free, 3rd party tested, and only crafted with hemp grown in the United States.

For further information:

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION:

Certain statements in this news release, including statements or information containing terminology such as “anticipate”, “believe”, “intend”, “expect”, “estimate”, “may”, “could”, “will”, and similar expressions constitute “forward-looking statements” within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, that address activities, events, or developments that we or a third party expect or anticipate will or may occur in the future, including our future growth, results of operations, performance, and business prospects and opportunities are forward-looking statements. These forward-looking statements reflect the Company’s current beliefs and are based on information currently available to the Company. These statements require the Company to make assumptions it believes are reasonable and are subject to inherent risks and uncertainties. Actual results and developments may differ materially from the anticipated results and developments discussed in the forward-looking statements as certain of these risks and uncertainties are beyond our control. These risk factors are interdependent and the impact of any one risk or uncertainty on a particular forward-looking statement is not determinable. Examples of forward-looking statements in this news release and the key assumptions and risk factors involved in such statements include, but are not limited to, executing the Company’s strategic initiatives for 2022, which includes building out its online sales channels, expanding its business into Canada and pursuing opportunities to acquire an existing licensed producer in Canada. The successful execution of these initiatives is subject to a number of risks and uncertainties, including the company’s ability to successfully acquire an existing licensed producer in Canada, industry competition, and future customer demand for the Company’s products, among others.

Consequently, all of the forward-looking statements made in this news release are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected effects on Luff. These forward-looking statements are made as of the date of this news release. Except as required by applicable securities legislation, the Company assumes no obligation to update publicly or revise any forward-looking statements to reflect subsequent information, events, or circumstances.

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