



For Immediate Release

News Release

July 21, 2022

## **LUFF ENTERPRISES TO ACQUIRE LICENSED PRODUCER AS NEXT STEP IN ONLINE MARKETPLACE STRATEGY**

**Vancouver, B.C.** – Luff Enterprises Ltd., (CSE: **LUFF**) (“**LUFF**” or the “**Company**”) is pleased to announce the signing of a definitive agreement to acquire a licensed producer in British Columbia. Luff plans to acquire, largely for share consideration, the National Green Biomed group of companies (“**NG Biomed**”). NG Biomed is a licensed producer of cannabis products for both the recreational and medical consumer markets.

Philip Campbell, CEO, commented, “We are pleased to announce the next step in our online marketplace strategy, with the acquisition of a licensed producer. This acquisition will allow us to accelerate our launch of online sales in Canada and establish a new online wellness marketplace. I look forward to welcoming our new shareholders and employees.”

Luff’s online marketplace strategy will allow the Company 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, Luff believes this capital efficient, technology focused strategy will allow the Company to scale up sales quickly and efficiently while capturing strong gross margins.

The acquisition of NG Biomed will be effected by way of a three-cornered amalgamation in accordance with the provisions of the Business Corporations Act (British Columbia) whereby the shareholders of NG Biomed will exchange their shares for up to 170,000,000 common shares in Luff at a deemed price of \$0.025 per share. At closing, Luff will also assume up to a maximum of \$500,000 in debt and up to \$200,000 in other net liabilities.

Upon closing of the acquisition, the Company plans to appoint the Honourable Herb Dhaliwal, NG Biomed’s Chairman, to Luff’s Board of Directors. Mr. Dhaliwal is a former member of Parliament and Minister of National Revenue, Minister of Fisheries & Oceans and Minister of Natural Resources. He is the former Vice-Chair of BC Hydro Power and Authority.

The acquisition of NG Biomed remains subject to approval from NG Biomed’s shareholders, approval from the Canadian Securities Exchange, if needed, and completion of customary closing conditions.

The Company has also entered into a definitive agreement to sell certain assets and licenses at its Portland Oregon facility for cash consideration. Luff plans to continue to sell branded and private label CBD products in the US using its network of partners. This transaction is expected to close within the next 3 months.

### **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 the Company or a third party expect or anticipate will or may occur in the future, including the Company's 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 the Company's 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, closing the pending acquisition of NG Biomed and expanding the Company's business into Canada. The completion of the NG Biomed acquisition is subject to, among other things, approval from NG Biomed's shareholders, approval from the Canadian Securities Exchange, and completion of customary closing conditions. The successful execution of the Company's expansion initiatives is also subject to a number of risks and uncertainties, including industry competition and future customer demand for the Company's products, among others. The company's sale of its assets and licenses in Portland, Oregon remains subject to the completion of customary closing conditions and the legal transfer of the operating license to the buyer.

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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