



For Immediate Release

News Release

December 16, 2021

**LUFF ANNOUNCES SALE OF NEVADA ASSETS AND
PROVIDES CORPORATE UPDATE**

Vancouver, B.C. – Luff Enterprises Ltd., (CSE: LUFF) (“LUFF” or the “Company”) (all figures CAD unless otherwise stated) is pleased to announce it has completed the previously announced sale of its Nevada assets for aggregate gross proceeds of US\$5 million. Estimated expenses related to the sale will be US\$20K. Concurrent to the closing of the sale the Company has fully repaid its \$2 million secured loan and now has no third party debt outstanding.

This transaction continues the process of divesting non-core assets in the United States and freeing up capital to focus on high impact sales opportunities. The Company is focused on growing sales of its core suite of hemp derived CBD wellness products primarily through online channels. It has recently implemented a subscription model which has shown some early signs of promise to generate meaningful reoccurring revenue for the Company.

LUFF is committed to focusing on its online sales strategy and is looking to deploy this capital to continue to build out high impact sales channels as well as identifying synergistic partnership opportunities to complement this strategy. As recently disclosed in the third quarter financials, the Company recorded strong sales for the third quarter of \$567,000 and \$847,000 for the year to date and gross margins of 56%. While sales in the fourth quarter are expected to be lower, the switch to a subscriber model will contribute recurring revenues and a more sustainable model to build and the proceeds of this sale will allow for increased targeted advertising which will drive future sales.

LUFF CEO Philip Campbell commented, “We are happy to have concluded the sale of our Nevada assets at a very attractive price relative to our cost base. This allows us to utilize the net proceeds to continue to build out our online sales channels across North America. We now have very little outstanding debt, lean overhead costs and over \$4 million in working capital to continue to build and expand the business. Moving into 2022 we are well positioned to continue to grow our sales channels and leverage our strategic advantages.”

About Luff Enterprises Ltd.

LUFF Brands is a CBD lifestyle company, focused on providing premium quality, innovative products across the United States. Committed to plant-based science, LUFF produces a suite of thoughtfully designed products.

The company focuses on unique formulations leveraging cannabinoids such as CBG and CBN; and boosts them with superfood ingredients 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.

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This news release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this news release, forward-looking statements include, but are not limited to, the anticipated timing of the resumption of trading on the CSE. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to general business, economic, competitive, political, and social uncertainties. There can be no assurance that forward-looking 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 the forward-looking statements and information contained in this news release. Except as required by law, Ascent assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.

For further information:

Philip Campbell, CEO and Director
Email: IR@luffbrands.com
Telephone: 250-419-7665