



Lifestyle Delivery Systems Inc.

CSE : LDS

OTCQX : LDSYF

Frankfurt: LD6, WKN: A14XHT

Lifestyle Delivery Systems Inc. Announces an Exclusive Agreement to Amalgamate Lifestyle Delivery Systems Inc. with TransCanna Holdings Inc.

Vancouver, British Columbia, Canada, July 1, 2019, Lifestyle Delivery Systems Inc. (CSE: LDS), (OTCQX: LDSYF), (Frankfurt: LD6, WKN: A14XHT) (“LDS” or the “Company”) announces it has entered into an exclusive agreement to negotiate a proposed business amalgamation between TransCanna Holdings Inc. (CSE: TCAN, XETR: TH8) (“TransCanna”, or “TCAN”) and Lifestyle Delivery Systems Inc. The proposed business amalgamation is expected to involve the acquisition by TransCanna of all the outstanding common shares of LDS at a price equal to the greater of \$51,660,140 payable in common shares of TransCanna and the amount resulting from a fixed exchange ratio of one (1) TransCanna common shares for every ten (10) LDS common shares.

This transaction, if completed, would allow for the operational foundation created by LDS to be expanded into the TCAN northern California facility in a significant way. In this new entity the TCAN-known cannabis brands with LDS expertise could have a potential to be cultivated, processed, manufactured and taken direct to market almost immediately upon closing of this transaction. The shareholders of LDS will receive a premium on the current price, while being protected from any downside pricing risk between the day of this news release and the closing date by the purchase price floor of \$51,660,140 (which can be greater but not less) and the fixed share exchange ratio of 10:1 LDS shares for TCAN shares. TCAN management has been successful in their ability to promote and deliver to the market a comprehensive vision of the value of a vertically-integrated California cannabis operation. This transaction would make that vision a reality the day it closes. There are a number of transaction qualifications required before this decision goes to the shareholders. The due diligence by both companies, a fairness opinion and the approval from the Securities Exchange Commission. Ultimately the shareholders will determine the final decision of whether or not the amalgamation will be completed.

The Company’s CEO, Brad Eckenweiler, stated, “We believe that the amalgamation of our two companies will ultimately yield a value greater than the current individual values of LDS and TCAN. During the coming months, I believe the benefit of this transaction will become apparent to all the parties. The transaction will require approximately 60 days to structure and its closing will be subject to the approval of the Securities Exchange Commission, a fairness opinion, due diligence and the shareholders’ approval. During the estimated 60-day period the shareholders will have ample time to decide for themselves as to the value of this transaction. Moreover, there is no single group, brokerage or the management for LDS that have a percentage of ownership that would constitute a

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majority interest capable of deciding this issue alone. This transaction will be decided by the shareholders, period”.

The Company will continue to update the market on all events as they become relevant.

About Lifestyle Delivery Systems Inc.

Lifestyle Delivery Systems Inc. is a technology company that licenses its technology to a state-of-the-art production and packaging facility located in Southern California. The Company’s technology produces infused strips (similar to breath strips) that are not only a safer, healthier option to other forms of delivery but also superior bioavailability of cannabis constituents. Some strips will also include supplemental co-active ingredients such as nutraceuticals, vitamins and peptides. The technology provides a new way to accurately meter the dosage and assure the purity of selected product. From start to finish, the production process, based on the Company’s technology, tests for quality and composition of all the ingredients used in each and every strip which results in a delivery system that is safe, consistent and effective.

About TransCanna Holdings Inc.

TransCanna Holdings Inc. is a Canadian-based company focused on providing integrated branding, transportation and distribution services, through its wholly-owned California subsidiaries, to a range of industries including the cannabis marketplace.

Lifestyle Delivery Systems Inc.
Brad Eckenweiler
CEO & Director

FOR MORE INFORMATION, PLEASE CONTACT:
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Cautionary Disclaimer Statement:

The Canadian Securities Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the content of this news release.

Information set forth in this news release contains forward-looking statements that are based on assumptions as of the date of this news release. These statements reflect management’s current estimates, beliefs, intentions and expectations. They are not guarantees of future performance. The Company cautions that all forward looking statements are inherently uncertain and that actual performance may be affected by a number of material factors, many of which are beyond the Company’s control. Such factors include, among other things: risks and uncertainties relating to the Company’s limited operating history and the need to comply with environmental and governmental

regulations. In addition, marijuana remains a Schedule I drug under the United States Controlled Substances Act of 1970. Although Congress has prohibited the US Justice Department from spending federal funds to interfere with the implementation of state medical marijuana laws, this prohibition must be renewed each year to remain in effect. Accordingly, actual and future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward looking information. Except as required under applicable securities legislation, The Company undertakes no obligation to publicly update or revise forward-looking information.