

GABY Founder and CEO Consolidates Executive Roles - Taking Over the Role of President and Increases Shareholdings to 21.93% of the Company

SANTA ROSA, CALIFORNIA and CALGARY, ALBERTA – January 15, 2020 – GABY Inc. ("GABY" or the "Company") (CSE: GABY) (OTCQB: GABLF), a U.S.-focused, California based consumer packaged goods (CPG) company operating in both the regulated cannabis sector and in the mainstream channel with its hemp-derived CBD products, today announced its CEO and co-founder, Margot Micallef, has consolidated certain senior executive roles and has taken on the role of President from Jamie Faye, who is departing the Company effective immediately. Ms. Micallef also increased her holdings of common shares in the capital of the Company ("**Common Shares**") by 16,666,666 through the conversion and settlement of an interest bearing C\$1MM note owed to a wholly-owned holding company of Ms. Micallef into Common Shares (the "**Debt Conversion**"). Prior to the Debt Conversion, Ms. Micallef, directly and indirectly, owned 28,466,090 Common Shares representing 13.83% of the issued and outstanding Common Shares. Immediately following the Debt Conversion, Ms. Micallef increased her direct and indirect ownership position in GABY to 45,132,756 Common Shares representing 21.93% of the issued and outstanding Common Shares.

"I think the prices at which GABY is trading these days does not properly reflect the value and opportunity in the company and represents a tremendous buying opportunity" said Micallef. "Over the last year we have built and consolidated a tremendous slate of assets and have an exceptional platform from which we can continue to execute on our growth plan. We remain committed to building GABY into a profitable and sustainable company focussing on both the traditional and licensed sales channels in California." She concluded.

"Margot has an extremely successful track record of creating shareholder value evidenced by the previous companies she has founded, developed and sold. Margot possesses extensive experience and understanding of start-ups and navigating a company through its high growth phase" said Robert Travis, Board Member and Chair of the Human Resources and Compensation Committee of GABY. He continued: "To date, Margot has invested approximately C\$7.0 million into GABY participating alongside her investors in every round and often in addition thereto. As a shareholder I'm grateful that Margot has shown and continues to show her commitment to GABY through a substantial investment in the Company".

"The cannabis industry was pioneered by entrepreneurs who know how to manoeuvre through challenging times, who are made of grit and courage and who push forward no matter the obstacles" said Margot Micallef. "We are fortunate to have many entrepreneurs in GABY- some who have been with the company or its predecessors from the beginning and others who have merged their business into GABY and continue to play an important role in the Company. I'm proud to be building GABY alongside these entrepreneurs and our supportive Board of Directors. In my opinion, the GABY team has few equals in this high growth fast moving industry" she stated.

Margot Micallef is a "related party" of GABY as defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") and therefore the Debt Conversion is considered a "related party transaction" pursuant to MI 61-101. The Debt Conversion is exempt from the formal valuation requirements of Section 5.4 of MI 61-101 pursuant to Subsection 5.5(a) of MI 61-101 and exempt from the minority approval requirements of Section 5.6 of MI 61-101 pursuant to Subsection

5.7(a) of MI 61-101. The Company did not file a material change report 21 days prior to the closing of the Debt Settlement as the details of the Debt Settlement had not been confirmed at that time.

In connection with the acquisition of Common Shares by Ms. Micallef pursuant to the Debt Conversion, Ms. Micallef shall be filing a Form 62-103F1 – *Required Disclosure under the Early Warning Requirement* (the "**Early Warning Report**") on the Company's SEDAR profile at www.sedar.com.

About GABY Inc.

GABY is a U.S.-focused, consumer packaged goods company operating a *family of brands* in the cannabis industry and in the mainstream grocery channel. Through its subsidiaries GABY indirectly holds licenses and permits issued by the California Department of Health, the California Bureau of Cannabis Control and the County of Sonoma for manufacturing and distribution and license applications pending for cultivation and nursery licenses with the California Department of Food and Agriculture. With these licenses and permits to operate in the cannabis channel, and its existing infrastructure of major retailers and an extensive broker and distribution network in the mainstream channel, GABY is proud to offer a number of its proprietary brands in both the licensed and mainstream market.

Margot and her sister Gabriella co-founded GABY after Gabriella received a dire cancer diagnosis which spurred the sisters to prolong Gabriella's life through a holistic approach to health. Today, GABY is a wellness company with a diverse range of products that use cannabis, hemp and hemp derived cannabinoids to address a variety of dietary and health concerns. Although Gabriella ultimately passed away from her illness, she lived exponentially longer than doctors predicted. Her memory and passion live on through GABY's mission: to empower people to live healthy lives without compromise.

GABY's shares trade on the Canadian Securities Exchange ("CSE") under the symbol "GABY" and on the OTCQB under the symbol "GABLF". For more information, visit www.GABYInc.com

For further inquiries or to receive a copy of the Early Warning Report, please contact:

General

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The CSE does not accept responsibility for the adequacy or accuracy of this release. Certain information set forth in this news release may contain forward-looking statements that involve substantial known and unknown risks and uncertainties, certain of which are beyond the control of the Company. Forward-looking statements are frequently characterized by words such as "plan", "continue", "expect", "project", "intend", "believe", "anticipate", "estimate", "may", "will", "potential", "proposed" and other similar words, or statements that certain events or conditions "may" or "will" occur. These statements are only predictions. 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 assumes no obligation to update forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

Each of KJM Data and Research Inc., Sonoma Pacific Distribution, Inc., Raw Chocolate Alchemy, Inc. and 2Rise Naturals, Inc. are subsidiaries of GABY. Each of these subsidiaries hold cannabis licenses in either the State of California or the State of Arizona. Unlike in Canada which has Federal legislation uniformly governing the cultivation, distribution, sale and possession of

medical cannabis under the Cannabis Act (Federal), readers are cautioned that in the United States ("U.S."), cannabis is largely regulated at the State level. Cannabis is legal in the State of California and has been legalized for medicinal use in the State of Arizona, however cannabis remains illegal under U.S. federal laws. Notwithstanding the permissive regulatory environment of cannabis at the State level, cannabis continues to be categorized as a controlled substance under the Controlled Substances Act in the U.S. and as such, cannabis-related practices or activities, including without limitation, the manufacture, importation, possession, use or distribution of cannabis are illegal under U.S. federal law. To the knowledge of the Company, the businesses operated by each of GABY's subsidiaries are conducted in a manner consistent with the State law of California or Arizona, as applicable, and are in compliance with regulatory and licensing requirements applicable in the State of California or Arizona, respectively. However, readers should be aware that strict compliance with State laws with respect to cannabis will neither absolve GABY, or its subsidiaries of liability under U.S. federal law, nor will it provide a defense to any federal proceeding in the U.S. which could be brought against any of GABY, or its subsidiaries. Any such proceedings brought against GABY, or its subsidiaries may materially adversely affect the Company's operations and financial performance generally in the U.S. market specifically.

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