

# GABY

## **GABY Inc. leadership team steers San Diego's Mankind Dispensary towards major operation, cultural, and community impact improvements**

*The announcement celebrates GABY's commitment to honoring the traditional cannabis culture while building a sustainable, scalable operation*

**SAN DIEGO, CA / ACCESSWIRE / October 19, 2021** / GABY Inc. ("GABY" or the "Company") (CSE:GABY) (OTCQB:GABLF), a California consolidator of cannabis dispensaries and the parent company of San Diego's Mankind Dispensary ("Mankind"), announces a series of initiatives that have helped steer Mankind towards operational and cultural improvements since acquiring the dispensary in April 2021.

Highlights of these operational improvements include:

- The onboarding of several key positions including – Simon Lileikis as President (**Starbucks**), Marshall Minor as CFO (**Shryne Group/STIIIZY**), and Rick Foltz as Director of Retail Ops (**Art of Shaving, Nike**).
- **Implemented \$2.3 MM in annual savings commencing in Q4 -21** through payroll savings and operating cost efficiencies.
- **Logistics improvements at its distribution operation, Wild West Industries, Inc. ("Wild West Industries")**, improving inventory turns, and reducing inventory on hand down from 45 days to 20 days.
- **Launched its proprietary brands onto Mankind shelves** accounting for roughly 20% of cannabis flower sales at Mankind. GABY's newest brand, Kind Republic™ sold over \$1MM in Mankind dispensary in just over 6 months and boasts a variable gross margin of almost 75%.
- **Restructured delivery business** with expected revenue increase over the next 12 months of \$1MM, by extending delivery hours, expanding the fleet and reach of the business to meet existing demand.
- **Established foundation for consolidation** by creating an operations manual by which acquired dispensaries will operate - similar to a franchise model.
- **Strategically remerchandised** for greater influence over consumer buying decisions giving priority to higher margin and proprietary products and facilitating expansion of basket size. Every \$1 increase in average basket size adds \$300,000 in additional annual revenue.
- **Using marketing analytics to target consumers** with more effective messages and promotional programs of particular interest to them.

These operational improvements come as GABY places a strong emphasis on company culture and community impact, proving that these operational improvements can be executed while simultaneously making Mankind a more employee and community focused institution.

“Cannabis is an industry unlike any other - few other industries touch on medicinal, recreational, cultural, and social verticals simultaneously.” Said Margot Micallef, Founder, and CEO of GABY Inc. “. Success in cannabis hinges on understanding the uniqueness of the dispensary ecosystem, and how to best balance operational efficiency with cultural, employee, and consumer needs. I’m pleased to say, GABY is doing that.”



*Cannabis Idea Share Event. Pictured, L-R: Purchasing Manager Zac Larson, Lead Assistant Store Manager Sam Golden, Cannabis Consultant Sam Mendillo, VP of Marketing and Communication John Butters, Cannabis Consultant Tyra Mayeselder, Founder and CEO Margot Micallef. Photo Credit: Charlie Rohlf*

The cultural and community based initiatives executed at Mankind include:

- Empowering employees as owners by offering Restricted Stock Units in all employee compensation packages enabling all full-time employees of the Company to become owners.
- The launching of Mankind’s “Plant. People. Planet.” initiative, which inspires mutual action between employees and customers through fundraising and community involvement efforts. Current charity partners include The Last Prisoner Project, Cannabis for Conservation, and The Brahman Project.
- The launching of Mankind’s “Tree Planting Initiative” - which plants a tree together with the Eden Project, for every purchase made at Mankind.
- The development of internal education and idea sharing initiatives, bringing executives, managers, and entry level staff together to ensure channels for communication exist at all levels.

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### **About GABY Inc.**

GABY Inc. is a California-focused retail consolidator and the owner of Mankind Dispensary, one of the oldest licensed dispensaries in California. Mankind is a well-known, and highly respected dispensary with deep roots in the California cannabis community operating in San Diego,

California. Mankind curates and sells a diverse portfolio of products, including its own proprietary brands, Lulu's™ and Kind Republic™. A pioneer in the industry with a strong management team with experience in retail, consolidation, and cannabis, GABY is poised to grow its retail operations both organically and through acquisition.

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 on GABY, visit [GABYInc.com](http://GABYInc.com)

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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. Forward-looking statements include, but are not limited to, the Company's future operational and cultural improvements and the anticipated benefits of such operational and cultural improvements on the future business, operations or financial results of the Company, the Company's business strategy, including its plans to expand organically and through future acquisitions, and the Company's anticipated operational efficiencies. Although GABY believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because GABY can give no assurance that they will prove to be correct. By its nature, such forward-looking information is subject to various risks and uncertainties, which could cause the actual results and expectations to differ materially from the anticipated results or expectations expressed. Without limitation, these risks and uncertainties*

*include: the severity of the COVID-19 pandemic; risks associated with the cannabis industry in general; failure to benefit from partnerships or successfully integrate acquisitions; actions and initiatives of federal, state and provincial governments and changes to government policies and the execution and impact of these actions, initiatives and policies; the size of the medical-use and adult-use cannabis market; competition from other industry participants; adverse United States ("U.S."), Canadian and/or global economic conditions; failure to comply with certain regulations; and departure of key management personnel or inability to attract and retain talent. GABY undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.*

*To the extent any forward-looking information in this press release constitutes "future-oriented financial information" or "financial outlooks" within the meaning of applicable Canadian securities laws, such information is being provided to demonstrate the anticipated benefit of the implementation of the Company's operational and cultural improvements and the reader is cautioned that this information may not be appropriate for any other purpose and the reader should not place undue reliance on such future-oriented financial information and financial outlooks. Future-oriented financial information and financial outlooks, as with forward-looking information generally, are, without limitation, based on the assumptions and subject to the risks set out above under the heading "Disclaimer and Forward-Looking Information". The Company's actual financial position and results of operations may differ materially from its management's current expectations and, as a result, the Company's actual revenue may differ materially from the prospective revenue projections provided in this press release. Such information is presented for illustrative purposes only and may not be an indication of the Company's actual financial position or results of operations.*

*Each of Mankind and Wild West Industries, are subsidiaries of GABY and hold a cannabis license in the State of California. Readers are cautioned that unlike in Canada which has Federal 032320-F legislation uniformly governing the cultivation, distribution, sale and possession of medical cannabis under the Cannabis Act (Federal), in the U.S., cannabis is largely regulated at the State level. Cannabis is legal in the State of California; 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, as applicable, and are in compliance with regulatory and licensing requirements applicable in the State of California, respectively. However, readers should be aware that strict compliance with State laws with respect to cannabis will neither absolve GABY, or its subsidiary 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 subsidiary. Any such proceedings brought against GABY, or its subsidiary may materially adversely affect the Company's operations and financial performance generally in the U.S. market specifically.*