

GABY Advises Further on Filing of Fiscal 2019 and 2020 Q1 Results

SANTA ROSA, CALIFORNIA and CALGARY, ALBERTA / ACCESSWIRE / July 31, 2020 / GABY Inc. ("GABY" or the "Company") (CSE:GABY) (OTCQB:GABLE), a California based consumer packaged goods company using cannabinoids (whole plant, isolates and distillates) as foundational ingredients in a range of wellness oriented branded products sold in both the regulated cannabis and unlicensed retail sectors across California and direct to consumers, provides an additional update with respect to the management cease trade order (the "MCTO") issued by the Alberta Securities Commission on June 17, 2020. The MCTO was issued in connection with the filing of its annual financial statements, management's discussion and analysis and related officer certifications for the financial year ended December 31, 2019 (collectively the "Annual Filings"). The MCTO does not affect the ability of shareholders who are not insiders of the Company to trade their securities.

The Alberta Securities Commission has granted an additional extension to the MCTO due to the continued impact of COVID-19. This has caused a delay in the year end audit work, in that GABY's auditor is based on Vancouver, British Columbia and GABY's head office and operations are located in California. Fieldwork delays have resulted from the inability to travel to GABY's California office due to the continued closure of the US/Canada border and the roll back of business openings in California, civil unrest and concerns around safety.

As such, and as per the updates provided on July 3, 2020 and July 15, 2020, GABY continues to work diligently and expeditiously with its auditors on the steps required to complete the Annual Filings and anticipates filing the Annual Filings on or before August 15, 2020. The interim financial statements, management's discussion and analysis and related officer certifications for the three-month period ended March 31, 2020 will also be filed on or before August 15, 2020.

The Company is providing this status update in accordance with the provisions of the Alternative Information Guidelines set out in National Policy 12-203 Management Cease Trade Orders.

ABOUT GABY

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 has successfully brought a number of its proprietary, acquired and third-party brands to market 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

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Disclaimer and Forward-Looking Information

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, anticipated date of filing of the Annual Filings and the Interim Filings. 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., Lulu's Chocolate and 2Rise Naturals 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.

This news release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about GABY's operations, margins, cost cuts and efficiencies, cost savings of approximately \$5 million on an annualized basis and components thereof, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraph. FOFI contained in this document was approved by management as of the date of this document and was provided for the purpose of providing further information about GABY's future business operations. GABY disclaims any intention or obligation to update or revise any FOFI contained in this document, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this document should not be used for purposes other than for which it is disclosed herein.

Neither the CSE nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release.