

GABY INC. REPORTS Q1 2021 REVENUE OF \$3.4MM AND RECORD FIRST QUARTER 2021 PRO FORMA REVENUE¹ OF \$12.3MM

- *Record Q1 pro forma revenueⁱ of \$12.3 MM up 8.5x over Q1 2020 revenue*
- *Revenue of \$3.4MM up 135% over same quarter last year*
- *Record Q1 pro forma EBITDAⁱ of \$1MM up 140% over Q1 2020 EBITDAⁱ*
- *Improved Q1 2021 EBITDAⁱ of 65% over the same quarter last year*

SANTA ROSA, CA / ACCESSWIRE / May 26, 2021 / GABY Inc. ("GABY" or the "Company") (CSE: GABY) (OTCQB: GABLF), a cannabis retail consolidator operating exclusively in California is pleased to announce first quarter revenue was \$3.4 million, up 135% from the same quarter last year and its Q1 2021 pro forma revenueⁱ was \$12.3 million, up 8.5 times over Q1 2020 revenueⁱⁱ.

Further, GABY's gross margin for Q1 2021 was 7% and its pro forma gross marginⁱ for Q1 2021 was 37% compared to negative 15% in Q1 2020.

Adjusted EBITDA from continuing operations ("EBITDA")ⁱ for Q1 2021 was negative \$0.9 million and Pro Forma EBITDAⁱ for Q1 2021 was \$1.0 million compared to negative \$2.5 million for Q1 2020.

"It is gratifying to see GABY finally starting to reap the reward of its cost cutting measures and business reengineering commenced in Q1, 2020. And better still to know the best is yet to come, as we have yet to see the full benefit of the synergies to be realized with the acquisition of the Mankind Dispensary." Said Margot Micallef, Founder, President and Chief Executive Officer of GABY.

With the acquisition of the Mankind Dispensary, GABY's proprietary products (Sonoma PacificTM and Lulu'sTM) joined Mankind's proprietary products on shelf at its dispensary. Proprietary brands currently make up 20% of all flower sold in Mankind. GABY plans to increase this number to 30% by year end and to add additional proprietary brands in other product categories, starting with concentrates later this month.

GABY is also leveraging Mankind's supplier relationships for the benefit of its other verticals, including its distribution and manufacturing platforms offering and end to end solution for such suppliers from harvest to consumer all the while harvesting additional margin from each of its three verticals: manufacturing, distribution and retail. Specifically:

- a) GABY's goal is to bring 10 third party brands to its distribution platform enabling it to harvest margin from those existing suppliers (brands) through both its distribution and retail verticals. Mankind's knowledge of the pain points of the relationship between brands and third-party distributors, plus its insight into the relative strength of brands, will aid in onboarding additional strong brands onto the SPD platform.

- b) GABY will apply this same strategy to encourage its suppliers to use the third-party manufacturing services of SPD to enable it to harvest additional margin from this vertical.
- c) Further, GABY intends to work with cultivators who have launched, or are interested in launching their own proprietary brands, to exchange shelf space for better wholesale pricing of flower and biomass for its proprietary retail brands.

In addition, with the benefit of the experience which the GABY management team brings to operating retail stores, since closing the Miramar transaction, GABY has been working on integrating and streamlining Mankind operations. Specifically, management has:

1. Implemented a spending freeze pending final approval of departmental budgets which integrate the synergies of the acquisition of Mankind. All new spends are subject to an expected return on investment.
2. Commenced mapping the decision making and deliverables in each department to identify redundancies, inefficiencies, risks, and improvements in communication and collaboration with other departments.
3. Reviewed and revised Standard Operating Procedures (SOPs) with the benefit of the mapping project so as to create an operation manual by which all dispensaries (current and future) will operate (much like a franchise model).

“I’ve done this before”, said Margot Micallef. “Before moving into the cannabis world, I was involved in multiple retail consolidations. Proper integration is painstaking work but well worth the effort. Mankind will be the template for each of the dispensaries we bring on board as we aggressively consolidate the highly fragmented retail vertical in California”, she concluded.

Led by TJ Finch, former head of Business Developments at Cresco (one of the largest and most acquisitive multi-state operators in the United States) GABY now has three merger and acquisition (M&A) experts aggressively sourcing and negotiating opportunities for GABY.

About GABY

Based in Sonoma County California, GABY is a retail cannabis consolidator with a multi-vertical strategy. GABY has several proprietary cannabis brands in market and owns a significant majority of its supply channel including, manufacturing, distribution, and retail. GABY's strong asset base combined with a management team comprised of highly skilled and successful retail entrepreneurs along with pioneers in California cannabis establishes a strong foundation from which GABY will continue to aggressively grow its brand portfolio and dispensary footprint across California.

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

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See Non-GAAP Disclosure below:

NON-GAAP DISCLOSURE

Pro forma revenue, pro forma gross profit, pro forma Adjusted EBITDA from continuing operations and Adjusted EBITDA from continuing operations do not have any standardized meaning as prescribed by IFRS, and, therefore, are considered non-GAAP measures. Management believes that, in addition to revenue and net loss, adjusted EBITDA from continuing operations provides a measure of operating cash flows before servicing debt, income taxes, capital expenditures and other gains and losses. Management believes Pro Forma Revenue, Pro Forma Gross Profit and Adjusted Pro Forma EBITDA from continuing operations provide insight into the future operations of GABY. These measures do not have a standardized meaning and may not be comparable to similar measures presented by other issuers and should not be viewed as a substitute for measures reported under IFRS.

Below is a reconciliation of the non-GAAP measures highlighted in green in the following table:

	Q1 2021 of Miramar ¹		Q1 2021	Q1 2021
	USD	CAD ²	GABY	Pro forma
			CAD	CAD
Revenue	7,034,403	8,907,665	3,411,901	12,319,566
Gross profit	3,379,921	4,279,994	235,240	4,515,234
Gross margin	48%	48%	7%	37%
Adjustments to gross profit to arrive at Adjusted EBITDA from continuing operations:				
Subtract SG&A expenses	(2,083,623)	(2,638,492)	(1,111,102)	(3,749,594)
Add back Depreciation of plant and equipment included in Miramar's SG&A	185,628	235,061	-	235,061
Adjusted EBITDA from continuing operations	1,481,926	1,876,563	(875,862)	1,000,701

¹Revenue, gross profit, SG&A and depreciation of plant and equipment as reported in USD in Miramar's Condensed Interim Consolidated Financial Statements (UNAUDITED) for the three months ended December 31, 2020 included in GABY's CSE Form 2A Listing Statement filed on SEDAR April 21, 2021.

²USD in preceding column translated using average foreign exchange rate of 1.2663 CAD per USD used in translating GABY's Q1 2021 USD income statement line items.

Cautionary Statement

*This press release contains “forward-looking information” and “forward-looking statements” within the meaning of Canadian securities laws (“**forward-looking statements**”). Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based on management’s current beliefs, expectations or assumptions regarding the future of the business, future plans and strategies, operational results and other future conditions of the Company. In addition, the Company may make or approve certain statements in future filings with Canadian securities regulatory authorities, in press releases, or in oral or written presentations by representatives of the Company that are not statements of historical fact and may also constitute forward-looking statements. All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as “may”, “will”, “would”, “could”, “should”, “believes”, “estimates”, “projects”, “potential”, “expects”, “plans”, “intends”, “anticipates”, “targeted”, “continues”, “forecasts”, “designed”, “goal”, or the negative of those words or other similar or comparable words and includes, among others, information regarding: expectations for the effects of any transactions, including the Mankind transaction; expectations for the potential benefits of any transactions; statements relating to the business and future activities of, and developments related to, the Company after the date of this Press Release, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Company’s business, operations and plans; expectations that planned acquisitions will be completed, including but not limited to other potential acquisition(s); expectations that licenses applied for will be obtained; potential future legalization of adult-use and/or medical cannabis under USA federal law; expectations of market size and growth in the USA, California and such other states in which the Company has expressed desire to operate in; expectations for other economic, business, regulatory and/or competitive factors related to the Company or the cannabis industry generally; and other events or conditions that may occur in the future. Forward-looking statements may relate to future financial conditions, results of operations, plans, objectives, performance or business developments. These statements speak only as of and at the date they are made and are based on information currently available and on the then current expectations. Holders of securities of the Company are cautioned that forward-looking statements are not based on historical facts but instead are based on reasonable assumptions and estimates of management of the Company at the time they were provided or made and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, as applicable, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements, including, but not limited to, risks and uncertainties related to: the available funds of the Company and the anticipated use of such funds; the availability of financing opportunities; legal and regulatory risks inherent in the cannabis industry; risks associated with economic conditions, dependence on management; risks relating to USA regulatory landscape and enforcement related to cannabis, including political risks; risks relating to anti-money laundering laws and regulation; other governmental and environmental regulation; public opinion and perception of the cannabis industry; risks related to contracts with third-party service providers; risks related to the enforceability of contracts; reliance on the expertise and judgment of senior management of the Company, and ability to retain such senior management; risks related to proprietary intellectual property and potential infringement by third parties; risks relating to the management of growth; increasing competition in the industry; risks associated to cannabis products manufactured for human consumption including potential product recalls; reliance on key inputs, suppliers and skilled labor; cybersecurity risks; ability and constraints on marketing products; fraudulent activity by employees, contractors and consultants; tax and insurance related risks; risks related to the economy generally; risk of litigation; conflicts of interest; risks relating to certain remedies being limited and the difficulty of enforcement of judgments and effecting service outside of Canada; risks related to future acquisitions or dispositions; sales by existing shareholders; limited research and data relating to cannabis; as well as those risk factors discussed under “Risk Factors” described in the Annual Financial Statements.*

The purpose of forward-looking statements is to provide the reader with a description of management’s expectations, and such forward-looking statements may not be appropriate for any other purpose. In particular, but without limiting the foregoing, disclosure in this press release as well as statements regarding the Company’s objectives, plans and goals, including future operating results and economic performance may make reference to or involve forward-looking statements. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. Certain of the forward-looking statements and other information contained herein concerning the cannabis industry, its medical, adult-use

and hemp-based CBD markets, and the general expectations of the Company concerning the industry and the Company's business and operations are based on estimates prepared by the Company using data from publicly available governmental sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. However, although generally indicative of relative market positions, market shares and performance characteristics, such data is inherently imprecise. While the Company is not aware of any misstatement regarding any industry or government data presented herein, the cannabis industry involves risks and uncertainties that are subject to change based on various factors.

A number of factors could cause actual events, performance or results to differ materially from what is projected in the forward-looking statements. You should not place undue reliance on forward-looking statements contained in this press release. Such forward-looking statements are made as of the date of this press release. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. The Company's forward-looking statements are expressly qualified in their entirety by this cautionary statement.

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

ii Selected financial and operational information is outlined above and should be read in conjunction with GABY's unaudited condensed consolidated interim financial statements and management's discussion and analysis for the quarter ended March 31, 2021 which are available on SEDAR at www.sedar.com and the Company's website www.GABYinc.com