

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: GABY Inc. (the “Issuer”, “GABY”, or the “Company”).

Trading Symbol: GABY

Number of Outstanding Listed Securities: 226,170,490

Date: February 6, 2020

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer’s ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are “material information” as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

GABY, a U.S.-focused, consumer packaged goods company operating a family of brands in the cannabis industry and in the mainstream grocery channel, continues to bring its proprietary, acquired and third-party brands to market in both the licensed and mainstream market.

GABY Announces Closing of Acquisitions of 2Rise Naturals and Lulu's Chocolates

On January 10, 2020, GABY Inc. ("GABY" or the "Company") announced that further to its press releases dated May 16, 2019 and July 22, 2019, GABY has completed the acquisition of Raw Chocolate Alchemy, Inc. ("Lulu's Chocolates") and further to its press release dated October 2, 2019, GABY has completed the acquisition of 2Rise Naturals, Inc. ("2Rise Naturals"), each effective December 31, 2019.

The aggregate number of common shares in the capital of the Company ("Common Shares") issued to the former shareholders of Lulu's Chocolate (the "Lulu's Chocolate Shareholders") was equal to 6,116,193 (the "Lulu's Chocolates Consideration Shares"), each issued at a deemed price of \$0.323 per share. The Lulu's Chocolates Consideration Shares are subject to an escrow agreement dated December 31, 2019 among the Company, Odyssey Trust Company and each of the Lulu's Chocolate Shareholders (the "Lulu's Chocolate Escrow Agreement"). Pursuant to the terms of the Lulu's Chocolate Escrow Agreement, the Lulu's Chocolates Consideration Shares shall be released from escrow to each of the Lulu's Chocolate Shareholders in six tranches beginning on the date that is six months from the issuance date and continuing with each subsequent tranche on the date that is six months following the last tranche. The first five tranches shall release Lulu's Chocolates Consideration Shares equal to 15% of the aggregate number of Lulu's Chocolates Consideration Shares and the sixth and final tranche shall be equal to 25% of the aggregate number of Lulu's Chocolates Consideration Shares.

The aggregate number of Common Shares issued to the former shareholder of 2Rise Naturals was equal to 5,780,000 (the "2Rise Naturals Consideration Shares"), each issued at a deemed price of \$0.23 per share. The 2Rise Naturals Consideration Shares are subject to an escrow agreement dated December 31, 2019 among the Company, its legal counsel and the former shareholder of 2Rise Naturals. (the "2Rise Naturals Escrow Agreement"). Pursuant to the terms of the 2Rise Naturals Escrow Agreement, 50% of the 2Rise Naturals Consideration Shares were released from escrow on January 3,

2020 and the remaining 50% are releasable from escrow on January 3, 2021. In addition to the 2Rise Naturals Consideration Shares, GABY issued 500,000 Common Share purchase warrants (the "2Rise Naturals Warrants") to the former shareholder of 2Rise Naturals. The 2Rise Naturals Warrants are exercisable at a price of \$0.45 per warrant and expire on December 31, 2021.

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

On January 15, 2020, GABY announced that 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 note totaling C\$1MM 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.

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.

2. Provide a general overview and discussion of the activities of management.

GABY's management continued sales and marketing efforts applicable to its products.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

See #1 above.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

No products or services were discontinued in the month of January 2020.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

Please refer to Item #1 above.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

N/A

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

See Item #1 above.

8. Describe the acquisition of new customers or loss of customers.

No material acquisition of new customers or loss of customers occurred during the month of January 2020 that would be outside of the ordinary course of business.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

No new developments or effects on intangible products occurred during the month of January 2020 other than as may have occurred in the ordinary course of business.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

On January 15, 2020, GABY announced that 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 departed GABY.

11. Report on any labour disputes and resolutions of those disputes if applicable.

No labour disputes or resolutions occurred during the month of January 2020.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

No legal proceedings to which GABY became a party occurred during the month of January 2020.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

N/A

14. Provide details of any securities issued and options or warrants granted.

See details in #1 above.

Security	Number Issued	Details of Issuance	Use of Proceeds⁽¹⁾
Common Shares	6,116,193	The aggregate number of common shares in the capital of the Company issued to the former shareholders of Lulu's Chocolate was equal to 6,116,193, each issued at a deemed price of \$0.323 per share.	N/A
Common Shares	5,780,000	The aggregate number of Common Shares issued to the former shareholder of 2Rise Naturals was equal to 5,780,000, each issued at a deemed price of \$0.23 per share.	N/A
Common Share Purchase Warrants	500,000	In addition to the 2Rise Naturals Common Shares, GABY issued 500,000 Common Share purchase warrants to the former shareholder of 2Rise Naturals. The 2Rise Naturals Warrants are exercisable at a price of \$0.45 per warrant and expire on December 31,	N/A

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
		2021.	
Common Shares	16,666,666	Margot Micallef increased her holdings of common shares in the capital of the Company 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.	N/A
Common Shares	262,500	Issued on January 20, 2020 to a consultant in exchange for services.	N/A

15. Provide details of any loans to or by Related Persons.

N/A.

16. Provide details of any changes in directors, officers or committee members.

As above, on January 15, 2020, GABY announced that 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 departed GABY.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

N/A

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof, there was no new material information concerning the Issuer which had not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated February 6, 2020

Leanne E. Likness, Corporate Secretary

“Leanne E. Likness”

<i>Issuer Details</i>	For Month End	Date of Report
GABY Inc.	January 2020	February 6, 2020
Issuer Address		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
200, 209 - 8th Avenue SW, Calgary, Alberta T2P 1B8	N/A	(800) 674-2239
Contact Name	Contact Position	Contact Telephone No.
Margot Micallef	Founder, Chair and CEO	(800) 674-2239
Contact Email Address	Web Site Address	
IR@gabyinc.com	www.gabyinc.com	