

## 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: 227,077,991

Date: April 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.**

**On March 9, 2020, GABY announced two changes to its board of directors: Charles Mannix resigned from the GABY Board of Directors due to an immediate need to focus on other pressing business matters that required his full attention. Mr. Mannix continues to be a shareholder and strong supporter of GABY's management, board and strategy. In addition, Maureen Putman agreed to take on a more active role in GABY consulting as Chief Marketing Advisor. As such, Ms. Putman resigned from the Board of Directors to concentrate on sales, marketing and brand building for GABY as GABY ramps up sales in the months to come.**

**Also in March, 2020, GABY announced a renewal of its focus in California, and is concentrating its capital spending on organic and acquisitive growth in both the licensed cannabis and unlicensed CBD businesses exclusively focusing on California. Further, GABY has initiated a process to sell its frozen food business, marketed under the Gabriella's Kitchen™. To cut immediate costs all employees managing this division have been released from GABY effective March 31, 2020.**

**Given that GABY has narrowed its geographical business focus exclusively to California, it is relocating its executive offices and team from Calgary, Alberta to Santa Rosa, California. As such, Jason Kujath and Russell Wilson, both Calgary based board members, left the board of directors of GABY. Also, Barb Feit, Chief Financial Officer of the Company, decided not to relocate to California and has resigned as an officer of the Company. Ms. Feit will provide services to GABY on a consulting basis to assist with the search for a new CFO and to help with the transition until the end of April.**

**GABY is currently engaged in a search for a California based CFO with knowledge of US and Canadian accounting standards as well as experience in the cannabis industry.**

**GABY continues to grow sales in Northern California and with the new focus on California, is directing resources for Southern California expansion. GABY is pleased to announce that it has entered into a partnership arrangement with PRC Distribution Inc., a Los Angeles based licensed cannabis distribution company focussed exclusively on the Southern California market. PRC will**

**act as a hub for GABY to inventory a portfolio of proprietary THC products designated for the Southern California market as well as provide fulfillment and sales services to the Company in Southern California.**

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.

N/A

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.

**See #1 above. GABY has initiated a process to sell its frozen food business, marketed under the Gabriella's Kitchen™. To cut immediate costs all employees managing this division have been released from GABY effective March 31, 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.

**See #1 above. GABY has entered into a partnership arrangement with PRC Distribution Inc., a Los Angeles based licensed cannabis distribution company focussed exclusively on the Southern California market. PRC will act as a hub for GABY to inventory a portfolio of proprietary THC products designated for the Southern California market as well as provide fulfillment and sales services to the Company in Southern California.**

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.

N/A

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 March 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 March 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.

**See #1 above. GABY has initiated a process to sell its frozen food business, marketed under the Gabriella's Kitchen™. To cut immediate costs, all employees managing this division have been released from GABY effective March 31, 2020. Certain employees have also been released from the California location in order to streamline operations in that jurisdiction.**

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

**No labour disputes or resolutions occurred during the month of March 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 March 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.

N/A

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

**In March 2020, a related party advanced GABY \$85,000 CDN.**

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

**As per #1 above, Charles Mannix, Jason Kujath, and Russell Wilson resigned from the Board of Directors. Maureen Putman also resigned from the Board to focus her efforts internally, becoming the Chief Marketing Advisor of GABY.**

**In March 2020, the Audit and Finance Committee was also reconstituted to include Matthew Bartlett (Chair), Jackie Altwasser, and Robert Travis.**

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 April 6, 2020

Leanne E. Likness, Corporate Secretary

*“Leanne E. Likness”*

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