

## 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: 665,621,042

Date: November 5, 2021

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 Inc. is a California-focused retailer with its own proprietary brands in the market. GABY has relationships with over 500 retailers in the mainstream sales channel, and over 200 in the licensed channel, bridging the gap between the licensed dispensary and mainstream markets. A pioneer in the industry with a multi-vertical retail foundation, GABY owns a significant majority of its supply channels, including manufacturing, distribution, and retail. GABY is an employee-owned company, with 100% of full-time employees owning shares in the Company.**

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

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

**On October 19, 2021, GABY announced 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 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.**
  - **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.**
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.

N/A

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.

**N/A**

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.

**N/A**

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.

**N/A**

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

**N/A**

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

**N/A**

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.

**N/A**

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.

**On October 14, 2021, GABY issued a total of 542,850 common shares of the Company to two consultants pursuant to consulting agreements, for a total consideration of \$27,143.**

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.

N/A

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 November 5, 2021

Leanne E. Likness, Corporate Secretary

*“Leanne E. Likness”*

<b><i>Issuer Details</i></b>	For Month End	Date of Report
GABY Inc.	October 2021	November 5, 2021
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.
Leanne Likness	Corporate Secretary	(403) 771 4918
Contact Email Address	Web Site Address	
<a href="mailto:likness@telus.net">likness@telus.net</a>	<a href="http://www.gabyinc.com">www.gabyinc.com</a>	