

GABY Inc. Announces Management Changes and a New Partnership with PRC Distribution Ltd. in Los Angeles, California Further Demonstrating Its California Focussed Strategy

SANTA ROSA, CA / ACCESSWIRE / March 24, 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 CBD sectors across California, today announced that in keeping with its previous announcement (March 12, 2020) that it has narrowed its geographical business focus exclusively to California, the Company is therefore relocating its executive offices and team from Calgary, Alberta to Santa Rosa, California. As a result, Ms. Barb Feit, Chief Financial Officer of the Company, has 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.

“It’s with mixed emotions that I step away from my role as CFO of GABY”, said Barb Feit. “I have nothing but respect for the leadership of this company, in particular for the CEO and the board of directors. I will continue to be a supporter of the Company and look forward to hearing about the Company’s continued success.”

“Barb has been a great asset to GABY and I will miss her keen eye to detail and steady approach” said Margot Micallef, Founder, President and Chief Executive Officer of the Company. “I fully understand her inability to relocate and wish her the best as she moves to the next role in her career.”

The Company 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.

The Company 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.

“PRC is a perfect partner for GABY. They are a family owned cultivator, distributor, and retailer with a strong consumer following in Southern California. Having a hub at PRC’s warehouse will enable us to shorten our delivery times to dispensaries and augment our sales team in Southern California, with PRC’s sales team” said Margot Micallef. “Our goal is to

increase the number of feet we have on the street so as to increase sales and market share in Southern California” she continued. “This partnership allows us to scale and better service our dispensary clients, while minimizing our capital spend by not requiring us to duplicate PRC’s infrastructure. If the industry wants to seriously scale, implementing operational efficiencies is imperative and sharing resources in this manner will become the norm” she concluded.

“We are excited to be partnering with GABY and its team at Sonoma Pacific” said Christopher Bussell, Director of Operations at PRC Distribution. “Like GABY we believe that uniting the industry through sharing resources makes us all stronger. Our partnership with GABY also enables PRC to tap into GABY’s management team and their extensive experience in retail, distribution and consumer packaged goods, while enabling us to efficiently use the infrastructure we’ve built” he concluded.

The Company also announces a series of cost cutting measures as it consolidates its operations in Santa Rosa, as follows:

1. 17 of its 19 employees associated with Gabriella’s Kitchen™, its mainstream food division, have been given notices of termination effective March 31, 2020 as the Company moves to sell this division.
2. An additional 20 positions associated with Sonoma Pacific Distribution, the Company’s cannabis division, have been eliminated.
3. In consolidating its offices and operations in Santa Rosa, the Company has been able to terminate several lease obligations and is in process of subletting or terminating other facilities which have been deemed to be redundant or no longer part of its strategic plan.

California is under an order by the State and several counties for residents to “Shelter at Home” and all non-essential businesses are closed. Cannabis distribution and retail is considered an “essential business”. Subject to changes in the order and ensuring the Company operates in a safe manner to protect employees and those with whom they come into contact, GABY’s cannabis division will continue to operate.

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, the California Department of Food and Agriculture and the County of Sonoma for manufacturing, distribution and cultivation. 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

For further inquiries, please contact:

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The CSE does not accept responsibility for the adequacy or accuracy of this release. 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, the anticipated relocation of GABY's executive team and offices from Calgary, Alberta to Santa Rosa, California. 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.

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