

GABY to Acquire Premium Organic CBD Brand 2Rise Naturals

SANTA ROSA, CALIFORNIA and CALGARY, ALBERTA – October 2, 2019 – GABY Inc. ("GABY" or the "Company") (CSE: GABY) (OTCQB: GABLF), a U.S.-focused California based consumer packaged goods ("CPG") company operating in both the regulated cannabis sector and in the hemp-derived CBD market in the mainstream grocery channel, announced today that the Company has signed a definitive agreement to acquire all issued and outstanding securities of 2Rise Naturals LLC, ("2Rise") in an all-share transaction valued at USD\$1 million (the "Transaction"). The proposed transaction will enhance GABY's portfolio of CBD products and is a natural fit with GABY's current portfolio of CBD products, LuLu's Chocolate and the Sonoma Specific CBD skincare line. 2Rise has gained market popularity for its transparency in sourcing and only using top-quality certified organic ingredients. 2Rise's promises customers 100% plants, no chemicals.



Highlights

- 2Rise owns a portfolio of high-quality organic CBD products including, THC-Free CBD tincture, full-spectrum tincture with turmeric or vanilla, and high potency full spectrum capsules. 2Rise products are focused on the CBD supplement market and complement GABY's existing CBD line LuLu's Chocolates and Sonoma Specific skincare line.
- 2Rise products are distributed in 100 stores nationwide, including high-end California health food chain Erewhon. GABY expects to be able to rapidly expand distribution through GABY's existing mainstream distribution.
- 50% of 2Rise sales are direct retail via their website and are heavily driven by repeat customers.

"2Rise is the perfect example of our acquisition framework. A reputable brand that has shown high customer loyalty with strong repeat customer purchases that we can rapidly grow by introducing to a wider customer base using our developed mainstream and regulated sales channels," said Margot Micallef, founder and CEO of GABY "Kendra has done a tremendous job creating a product that resonates with customers by always delivering on the 2Rise promise of high-quality 100% organic plant-based products. We look forward to carrying on that promise and introducing it to a much wider group of customers."

"We've been able to grow 2Rise organically, doubling sales each year for the last three years without any incremental growth capital. We decided to join GABY because of their access to a wide network of

mainstream retailers eager to sell high-quality, all-natural CBD products and the wealth of experience they have working in the health and wellness space," said Kendra Mark, founder of 2Rise. "It is time to take 2Rise to the next level, bring the product to thousands of new customers who are eager to take control of their health."

Transaction Terms

GABY propose to acquire all issued and outstanding securities of 2Rise in an arm's length transaction on the basis of common shares of GABY being issued to the holders of 2Rise securities in exchanged for all issued and outstanding 2Rise securities based on GABY share price calculated based on the 5-day volume weighted average trading price ("VWAP") prior to and including the date of the announcement of the Transaction at an enterprise value of USD\$1.0 million in respect of 2Rise.

As part of the Transaction GABY will issue 500,000 warrants giving the holder of the warrant for a period of two years the right to purchase 500,000 GABY common shares at a price of \$0.45.

The closing date for the purchase of 2Rise by GABY shall be on or about October 30, 2019.

About GABY Inc.

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 a number of licenses and permits issued by the California Department of Health, the California Bureau of Cannabis Control and the County of Sonoma respectively, including manufacturing, distribution, cultivation and nursery licenses. 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 CSE under the symbol "GABY" and on the OTCQB under the symbol "GABLF". For more information, visit www.GABYInc.com

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Disclaimer and Forward-Looking Information

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 closing of the Transaction, the continued growth and expansion of the Company's operations, and the receipt of regulatory approvals, including the approval of the CSE. 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., and Sonoma Pacific are subsidiaries of GABY. Each of these subsidiaries hold cannabis licenses in the State of California. 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 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 and are in compliance with regulatory and licensing requirements applicable in the State of California. 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.

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