

Gabriella's Kitchen Announces the Annual and Special Meeting of Shareholders, Stock Option Grants, and Warrant Issuances

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SANTA ROSA, CA and CALGARY, Aug. 6, 2019 /CNW/ - Gabriella's Kitchen Inc. ("**GABY**" or the "**Company**") (CSE: **GABY**) (OTCQB: **GABLF**), a U.S.-focused CPG company operating in the regulated cannabis sector in California as well as the mainstream grocery channel nationally, today announced that the Annual and Special Meeting of Shareholders will be held on Thursday, August 29, 2019 at 11:00 a.m. MDT at the law offices of Gowling WLG (Canada) LLP, located at Suite 1600, 421 - 7th Avenue S.W. Calgary, Alberta. Shareholders will be asked to approve the appointment of Davidson & Company LLP, Chartered Professional Accountants, as auditor, to adopt GABY's stock options plan, and to approve an amendment to GABY's Articles to change the name of the Company to "GABY Inc.". The Company is also pleased to put forward the following slate of directors for shareholder approval at the meeting.

Margot Micallef

Ms. Micallef has been the Chair and Chief Executive Officer of GABY since July 2016. Prior to joining GABY, directly and indirectly, Ms. Micallef was involved in a number of diverse businesses as a significant investor or operator, including broadcasting, publishing, food manufacturing, food service and real estate and has managed the franchise development rights for a number of well-known quick service restaurant brands. Ms. Micallef has invested over \$6 Million in GABY, including \$1 Million in the latest round of financing which closed on June 12, 2019.

Jackie Altwasser

Ms. Altwasser is a Chartered Professional Accountant and an independent consultant, providing financial and accounting advisory services to public and private companies. She has served in several senior finance positions at globally recognized organizations, including Shaw Communications Inc. and Ernst & Young. Ms. Altwasser has been a long-time investor in GABY having invested almost half a million dollars in multiple rounds of financing.

Jason Kujath

Previously a lawyer with Dentons Canada LLP, Mr. Kujath is the co-founder of 51st Parallel Inc., guiding it through the process of applying to Health Canada for a license to produce/distribute cannabis under the Access to Cannabis for Medical Purposes Regulations. Jason also serves as Vice President, Legal of CBI2 Capital Corp. Mr. Kujath is a shareholder of GABY having invested in the Company's financing rounds in June 2018 and 2019.

Russell Wilson

Mr. Wilson is currently the Vice President, Business Development at Prairie Merchant Corporation, overseeing investments in real estate, sports franchises, the energy sector, and most recently has been focusing on the cannabis space, cultivating a portfolio of 50 cannabis investments from across the globe. Mr. Wilson, directly and through associated companies has invested over \$1 Million in the Company's latest two financing rounds in June 2018 and 2019.

Robert Travis

Mr. Travis currently serves as a Managing Partner with Boyden World Corporation in both Canada and the United States, specializing in executive leadership placements with a focus on industrial, consumer, technology and cannabis practice groups. Mr. Travis is a shareholder of GABY having participated in the Company's equity financing in June 2018 and in the debenture round in December 2018.

Maureen Putman (new director nominee)

Ms. Putman is a proven marketing and general management leader with 30 years of experience. Most recently serving as the Chief Innovation Officer and President of the Grocery and Snacks division of The Hain Celestial Group, Inc., her expertise spans product categories with specialized focus on health and wellness, environmental sustainability and accelerating brands.

"The many years of broad and diverse experience which our proposed slate of directors brings across important industries adds valuable perspectives to GABY, not to mention that as significant investors themselves they are also very much aligned with our shareholders" said Margot Micallef, Founder, Chair and CEO. "We appreciate their willingness to serve as directors and look forward to continuing to benefit from their judgment and counsel."

For further information as to the business of the meeting, please refer to GABY's Management Proxy Circular filed on both www.sedar.com, and www.gabyinc.com

STOCK OPTION GRANT

GABY also announces that it has granted an aggregate of 3,950,000 stock options (the "Options") to certain directors, officers and employees of the Company in accordance with GABY's stock option plan. The Options are exercisable at a price of \$0.36 per share, expire five years from the date of grant, and vest over a three-year period, with 1/3 of the Options vesting on the first anniversary, and 1/3 vesting at the end of each of the second and third anniversaries of the date of grant.

ISSUANCE OF WARRANTS & COMMON SHARES

GABY has also issued the following warrants on the terms as noted:

- The issuance of an aggregate of 312,500 warrants to three consultants, at an exercise price of \$0.38 per warrant, for a term of 5 years from the date of issuance.
- The issuance of 300,000 warrants to a consultant, with an exercise price of \$0.38 per warrant, for a term of 5 years from the date of issuance.
- The issuance of 200,000 warrants to a consultant, with an exercise price of \$0.48 per warrant, for a term of 5 years from the date of issuance.
- The issuance of 200,000 warrants to a consultant, with an exercise price of \$0.375 per warrant, for a term of 2 years from the date of issuance.
- The issuance of such number of warrants as is equal to (A) USD\$200,000, divided by (B) the prevailing market price of the common shares of the CSE at an exercise price equal to the closing market price prior to the completion of the purchase, to a seller of membership interest in a company that GABY is currently negotiating a transaction with.
- The issuance of 500,000 warrants to a consultant which vest in equal tranches over a 5-year period having an exercise price of \$0.38, \$0.50, \$0.55, \$0.60 and \$0.65, respectively

- The issuance of 175,000 warrants to a consultant, at an exercise price of \$0.42 per warrant, and the issuance of an additional 175,000 warrants to the same consultant, at an exercise price of \$0.45 per warrant, both issuances for a term of 2 years from the date of issuance.
- The issuance of 600,000 common share purchase warrants exercisable at \$0.50 per share with a term of 3 years and vesting upon the volume weighted average trading price of the Company's common shares on the Canadian Securities Exchange reaching certain prices ranging from \$0.75 to \$1.75 over any 20 consecutive trading days.
- The issuance of 833,333 common shares to a consultant for past services at the closing market price of \$0.36.

This press release is not an offer of the securities for sale in the United States. The securities may not be offered or sold in the United States absent registration or an available exemption from the registration requirements of the United States Securities Act and applicable U.S. state securities laws. The Company will not make any public offering of the securities in the United States. The securities have not been and will not be registered under the U.S. Securities Act. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About Gabriella's Kitchen Inc.

GABY is a U.S.-focused, consumer packaged goods company operating a *house 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 and hemp derived CBD 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

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 additional acquisitions by the Company, 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.

Several of GABY's 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.

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