

## **GABY Announces Consummation of Share Issuance for the Purchase of Sonoma Pacific Distribution Inc.**

**SANTA ROSA, CALIFORNIA and CALGARY, ALBERTA / ACCESSWIRE / November 11, 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 further to its press release dated April 1, 2019, GABY has completed its obligations to the Sonoma Pacific Distribution, Inc. ("**Sonoma Pacific**") shareholder as outlined in the earn-out provisions of the agreement. The resulting completion of the earn out provisions has resulted in a net transaction cost of **\$3.375 million**, based on the closing share price of GABY shares on November 8, 2019.

Margot Micallef, Founder and CEO of GABY explains, "We are quite satisfied with the economics of this transaction, Sonoma realized roughly \$4.7 million in revenue in 2018 and has had a strong 2019 to date. The total value of our purchase price represents a steep discount to the values we are seeing in the market today. We look forward to Sonoma continuing to bring value to shareholders for years to come."

The aggregate number of shares issued to the Sonoma Pacific shareholder (the "**Deal-Shares**") is 25MM pursuant to the share purchase agreement between the Company, Sonoma Pacific and its shareholder dated April 1, 2019, as amended. Such 25MM shares are subject to a strict lock-up, as outlined below other than the 3,500,000 of the Deal-Shares, which were issued directly to the Sonoma Pacific shareholder:

1. 5,500,000 of the Deal-Shares are to be released from escrow following the earlier of: (A) GABY common shares having a 20-day volume weighted average trading price on the Canadian Securities Exchange (the "**CSE**") equal to or greater than \$1.00, or (B) November 8, 2020;
2. 5,500,000 of the Deal-Shares are to be released from escrow following the earlier of: (A) GABY common shares having a 20-day volume weighted average trading price on the CSE equal to or greater than \$2.00, or (B) November 8, 2021;
3. 5,500,000 of the Deal-Shares are to be released from escrow following the earlier of: (A) GABY common shares having a 20-day volume weighted average trading price on the CSE equal to or greater than \$3.00, or (B) November 8, 2022; and
4. 5,000,000 of the Deal-Shares are to be released from escrow following the earlier of: (A) GABY common shares having a 20-day volume weighted average trading price on the CSE equal to or greater than \$3.00, (B) November 8, 2022, or (C) the receipt of approval from Sonoma County, California and from the California Bureau of Cannabis Control for the transfer of the cannabis licenses held by Sonoma Pacific.

In addition to the issuance of the Deal-Shares, the Company issued an aggregate of 6,250,000 common shares, representing a value of \$843,750 as at Friday's close, to certain individuals to settle debts of Sonoma Pacific (the "**Debt Settlement Shares**"). Of the 6,250,000 Debt Settlement Shares issued, 875,000 were issued immediately and the remainder were issued into escrow to be released on a schedule identical to the Deal-Shares escrow release schedule.

The number of Deal-Shares and Debt Settlement Shares issued was predetermined and unaffected by current fluctuations in the Company's stock price.

### **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 licenses and permits issued by the California Department of Health, the California Bureau of Cannabis Control and the County of Sonoma for manufacturing and distribution and license applications pending for cultivation and nursery licenses with the California Department of Food and Agriculture. 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](http://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 receipt of regulatory approvals. 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.*

**SOURCE:** GABY Inc.