

GABY

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Gabriella's Kitchen Provides Updated Guidance for 2019

- *Sonoma Pacific Distribution Inc. management estimates Q1 sales of C\$9.8 Million versus previously announced C\$8.0 Million*
- *GABY provides guidance for balance of the 2019 fiscal year*

SANTA ROSA, CALIFORNIA and CALGARY, ALBERTA, May 7, 2019 - Gabriella's Kitchen Inc. (the "**Company**" or "**GABY**") (CSE:**GABY**) is pleased to provide an update on its guidance for the balance of its fiscal year 2019, reflecting stronger than expected management estimated sales from Sonoma Pacific Distribution ("**Sonoma Pac**").

Following financial reconciliation that GABY received from Sonoma Pac after closing the acquisition of Sonoma Pac announced on April 1, 2019, management of GABY estimates that Sonoma Pac has generated sales of C\$9.8 Million versus its previously announced sales of C\$8.0 Million during its Q1 of 2019. Based on an updated estimate of sales of Sonoma Pac, GABY is pleased to provide an updated guidance for the balance of its 2019 fiscal year to the effect that it is expected to achieve an aggregate consolidated revenue of C\$35 Million and estimates its 2019 Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) margin to be approximately 10.6%. Based on the management estimated E2019 projected sales, management of GABY estimates that common shares of GABY ("**Common Shares**") is currently trading at a price to sales multiple (P/S) of 0.94x.

GABY expects this strong revenue growth to continue throughout the balance of this fiscal year, at a strong but slightly slower pace than the first quarter as it ramps up its sales team in California, launches its hemp derived CBD strategy into the mainstream market, and realizes greater operating efficiencies from the consolidation of its manufacturing and distribution operations under one leadership team with the guidance of its Executive Vice-President, Cannabis, Aaron Browe.

"We are pleased with the sales reported by Sonoma Pac for Q1 and are already seeing operating efficiencies being realized by our consolidated group of companies, following our closing of Sonoma Pac on April 1, 2019", said Margot Micallef, Founder & CEO of GABY. "This revenue growth coupled with our previously reported capital raise makes us an attractive partner for brands looking to expand into both the California regulated cannabis channel and the mainstream channel" she concluded.

On May 3, 2019 the Company announced a "best efforts" private placement of up to C\$10 Million of units (each, a "**Unit**") consisting of one Common Share and one-half of one Common Share purchase warrant of the Company (each whole warrant, a "**Warrant**") at a price of C\$0.30 per Unit (the "**Offering**"). Each Warrant will allow the holder to acquire one Common Share for a period of two years following the closing date of the Offering at an exercise price of C\$0.38 per share, subject to adjustment in certain events.

“This Offering will enable us to fund this aggressive growth that we are projecting and we look forward to putting the proceeds of this offering to good use” said Margot Micallef.

ABOUT GABRIELLA'S KITCHEN INC.

GABY is a US-focused, consumer packaged goods company operating *a house of brands* in the cannabis industry and in the mainstream grocery channel. GABY holds a manufacturing and a distribution license issued by the Department of Health and the California Bureau of Cannabis Control respectively. With these licenses 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 is positioned to bring 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 offers a diverse range of products that use cannabis, hemp derived CBD and other powerful ingredients 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.

To learn more, please visit the Company's website at www.gabyinc.com.

Further information:

For investment inquiries, please contact Margot Micallef, Founder & CEO or Investor Relations at IR@gabriellas-kitchen.com or (800) 674-2239.

For media inquiries, please contact Lana Rogers, Public Relations Consultant, at or (403) 519-7959.

Disclaimer and Forward-Looking Information

The Canadian Securities Exchange 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 Gabriella's Kitchen Inc. 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 Offering, 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.

Each of The Oil Plant, Inc. ("TOP") and Sonoma Pacific Distribution, Inc. ("Sonoma Pac") are wholly-owned subsidiaries of GABY. TOP and Sonoma Pac each 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. The U.S. Department of Justice issued

guidance in 2013 indicating that it will focus on certain enforcement priorities, outside of which it will generally not enforce federal prohibitions on cannabis in U.S. states that have authorized this conduct so long as the U.S. state has implemented a strong and effective regulatory program. This federal guidance is subject to change, rescission or alteration by other federal government policy pronouncements at any time. To the knowledge of the Company, each of TOP's and Sonoma Pac's businesses 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 change in federal guidance on enforcement actions could adversely affect TOP's and Sonoma Pac's ability to access private and public capital required in order to support continuing operations and its ability to operate in the U.S. Readers are further cautioned that strict compliance with State laws with respect to cannabis will neither absolve GABY, TOP or Sonoma Pac 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, TOP or Sonoma Pac. Any such proceedings brought against GABY, TOP or Sonoma Pac may materially adversely affect the Company's operations and financial performance generally in the U.S. market specifically.

EBITDA (earnings before interest, tax, depreciation and amortization) margin does not have any standardized meanings as prescribed by International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, and, therefore, is considered a non-GAAP measure and may not be comparable to similar measures presented by other issuers. GABY believes the non-GAAP measure of "EBITDA margin", combined with IFRS measures, such as revenue and net loss, are useful measures to its shareholders as management relies on such measures to provide insight into future operations. Readers are cautioned however, that "EBITDA margin" should not be construed as an alternative to financial measures determined in accordance with GAAP or IFRS as an indicator of GABY's financial performance.

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

