

GABY Announces Closing of Acquisitions of 2Rise Naturals and Lulu's Chocolates

SANTA ROSA, CALIFORNIA and CALGARY, ALBERTA – January 10, 2020 – 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 releases dated May 16, 2019 and July 22, 2019, GABY has completed the acquisition of Raw Chocolate Alchemy, Inc. ("**Lulu's Chocolates**") and further to its press release dated October 2, 2019, GABY has completed the acquisition of 2Rise Naturals, Inc. ("**2Rise Naturals**"), each effective December 31, 2019.

The aggregate number of common shares in the capital of the Company ("**Common Shares**") issued to the former shareholders of Lulu's Chocolate (the "**Lulu's Chocolate Shareholders**") was equal to 6,116,193 (the "**Lulu's Chocolates Consideration Shares**"), each issued at a deemed price of \$0.323 per share. The Lulu's Chocolates Consideration Shares are subject to an escrow agreement dated December 31, 2019 among the Company, Odyssey Trust Company and each of the Lulu's Chocolate Shareholders (the "**Lulu's Chocolate Escrow Agreement**"). Pursuant to the terms of the Lulu's Chocolate Escrow Agreement, the Lulu's Chocolates Consideration Shares shall be released from escrow to each of the Lulu's Chocolate Shareholders in six tranches beginning on the date that is six months from the issuance date and continuing with each subsequent tranche on the date that is six months following the last tranche. The first five tranches shall release Lulu's Chocolates Consideration Shares equal to 15% of the aggregate number of Lulu's Chocolates Consideration Shares and the sixth and final tranche shall be equal to 25% of the aggregate number of Lulu's Chocolates Consideration Shares.

The aggregate number of Common Shares issued to the former shareholder of 2Rise Naturals was equal to 5,780,000 (the "**2Rise Naturals Consideration Shares**"), each issued at a deemed price of \$0.23 per share. The 2Rise Naturals Consideration Shares are subject to an escrow agreement dated December 31, 2019 among the Company, its legal counsel and the former shareholder of 2Rise Naturals. (the "**2Rise Naturals Escrow Agreement**"). Pursuant to the terms of the 2Rise Naturals Escrow Agreement, 50% of the 2Rise Naturals Consideration Shares were released from escrow on January 3, 2020 and the remaining 50% are releasable from escrow on January 3, 2021. In addition to the 2Rise Naturals Consideration Shares, GABY issued 500,000 Common Share purchase warrants (the "**2Rise Naturals Warrants**") to the former shareholder of 2Rise Naturals. The 2Rise Naturals Warrants are exercisable at a price of \$0.45 per warrant and expire on December 31, 2021.

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 Canadian Securities Exchange ("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 release of Lulu's Chocolates Consideration Shares and 2Rise Naturals Consideration Shares pursuant to the Lulu's Chocolate Escrow Agreement and 2Rise Naturals Escrow Agreement, respectively. 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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