PRESS RELEASE
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COLABOR GROUP REPORTS RESULTS FOR THE FIRST QUARTER 2020

Boucherville, Quebec, April 29, 2020 - Colabor Group Inc. (TSX: GCL) ("Colabor" or the "Company") reports its results for the first quarter ended March 21, 2020.

First Quarter 2020 Financial Highlights:

- Sales declined to \$111.6 million, compared to \$126.5 million for the corresponding period of 2019, mainly explained by the non-renewal of less profitable contracts in Broadline distribution, by the termination of a contract in Specialized distribution activities and the effects of the Covid-19 pandemic ("pandemic") in the distribution activities;
- Net earnings from continuing operations declined to \$(1.9) million compared to \$(1.1) million for the corresponding period of 2019;
- Cash flow from operating activities reached \$5.6 million (or \$4.0 million excluding the effect of IFRS 16 adoption) compared to \$3.8 million for the corresponding period of 2019;
- Net debt(2) decreased to \$61.0 million, compared to \$68.2 million as at December 28, 2019, bringing the financial leverage ratio(3) to 2.1 as at March 21, 2020 (or 2.3 excluding IFRS 16 adoption), an improvement compared to 2.5 as at December 28, 2019;
- Following the termination of the Recipe contract, Colabor consolidated its Ontario Broadline Distribution activities into its Mississauga distribution center and closed its London and Ottawa centers. Conclusion of an agreement, subject to certain conditions, for the sale of certain assets of the Summit Foods division in Ontario and classification of Ontario activities as discontinued operations; and
- Implementation of IFRS 16 on December 29, 2019 on lease contract recognition impacting the statements of earnings, cash flows and balance sheet.

Table of first quarter Financial Highlights:

Financial highlights	**12 weeks**	
(in thousands of dollars except percentages, per share data and financial leverage ratio)	**2020**	**2019**
	$	**$**
Sales	**111,613**	126,543
Adjusted EBITDA(1)	**3,698**	2,262
Adjusted EBITDA(1) margin (%)	**3.3**	1.8
Net loss from continued operations	**(1,871)**	(1,059)
Net loss	**(8,330)**	(2,733)
Per share - basic and diluted (\$)	**(0.08)**	(0.03)
Cash flow from operating activities	**5,613**	3,787
Financial position	**As at March 21, 2020**	As at December 28, 2019
Net debt(2)	**61,003**	68,155
Financial leverage ratio(3)	**2.1**	2.5

(1) Non-IFRS measure. Refer to the table Reconciliation of Net Earnings to adjusted EBITDA and to MD&A section 6 "Non-IFRS Performance Measures". Adjusted EBITDA corresponds to net earnings before costs not related to current operations, depreciation and amortization and expenses for stock-based compensation plan. The adjusted EBITDA for 2019 has not been adjusted to reflect the impact of IFRS 16 adoption.
(2) Non-IFRS measure. Refer to MD&A section 6 "Non-IFRS Performance Measures". Net debt corresponds to bank indebtedness, current portion of long-term debt, long-term debt and convertible debentures net of cash.
(3) Financial leverage ratio is an indicator of the Company's ability to service its long-term debt. It is defined as net debt / adjusted EBITDA for the last twelve months. Refer to MD&A section 6 "Non-IFRS Performance Measures".

“The end of the quarter was marked by the outbreak of the Covid-19 pandemic, which adversely impacted our sales during the last two weeks of the quarter. The decisions we have made in recent months, namely to not renew unprofitable contracts, to abandon Distribution broadline activities in Ontario and to reduce our debt level will help us deal with the consequences of this pandemic.”

“We continue to follow the evolution of the pandemic and constantly adjust the measures we have put in place to help and protect our customers, suppliers and employees while continuing to meet their needs. Our updated health and safety measures are a priority for us” commented Louis Frenette.

“Given the impact of this pandemic, we are satisfied with the results for the period, the cash flow generated, as well as the low level of debt," concluded Mr. Frenette.

Results for the First Quarter of 2020

Consolidated sales for the first quarter were $111.6 million compared to $126.5 million during the corresponding quarter of 2019, a decrease of 11.8%. Sales for the Distribution segment decreased by 15.9% due to the termination of a $7.7 million contract for the Specialized distribution activities and a decrease in volume due to the pandemic. Québec Broadline Distribution sales have decreased by $7.5 million, mainly related to the decision to cease serving non-profitable contracts during the last quarter of 2019, a decrease in volume related to the pandemic and the temporary closure of many of our clients' restaurant, lessened by a volume increase for retail and institutional clients. Wholesale segment sales decreased by 2.5%, mainly due to lower intersegment sales.

Adjusted EBITDA(1) from continuing activities reached $3.7 million or 3.3% of sales from continuing activities compared to $2.3 million or 1.8%, an increase of 63.5%. The increase is essentially explained by IFRS 16 adoption for an amount of $2.1 million, gross profit margin improvement, lessened by sales decline following the pandemic and the effect of the provision reversal of $0.4 million resulting from favorable CNESST settlements for the corresponding period of 2019.

Net loss from continuing operations was $(1.9) million, an increase of 76.7% compared to $(1.1) million for the corresponding quarter of 2019, resulting mainly from additional costs not related to current operations.

Net loss for the first quarter were $(8.3) million, compared to $(2.7) million for the corresponding period of 2019. The variation is mainly explained by the amortization charge increase, the $1.1 million costs not related to current operations and the $4.8 million increase of net loss related to discontinued operations which include $6.3 million of costs related to the closure of the London and Ottawa distribution centers, partly mitigated by the adjusted EBITDA(1) increase.

Cash Flow and Financial Position

Cash flows from operating activities reached $5.6 million during the fiscal quarter, an increase of $1.8 million compared to the corresponding period of 2019. This increase is mainly due to a lower use of working capital(4) and by the reclassification to financing activities of simple contract payments following the IFRS 16 adoption.

As at March 21, 2020, the Company's working capital(4) was $30.6 million, down from $58.1 million at the end of the previous fiscal year. This variance is essentially explained by the termination of the contract with Recipe Unlimited and the classification of some assets of the Ontario division as held for sale on the balance sheet as at March 21, 2020.

As at March 21, 2020, the Company's Net debt(2), including convertible debentures and bank indebtedness, amounted to $61.0 million, compared to $68.2 million at the end of the 2019 fiscal year. This decrease is coming from a $2.0 million credit facility repayment compared to a borrowing of $5.7 million during the corresponding period, and by payments under lease contracts under IFRS 16.

(4) Working capital is an indicator of the Company's ability to hedge its current liabilities with its current assets. Refer to MD&A section 3.2 "Financial Position" for detailed calculation.

Outlook

Covid-19 pandemic

Although the pandemic began to impact at the end of the first quarter of 2020, the Company expects to experience greater impacts in the coming months, including an economic slowdown that will affect most sectors of the economy, higher levels of bad debt due to a deteriorating economy and at least the temporary closure of some of our clients, more specifically sales decrease from its clients' restaurants, mitigated by new clients in the retail market, setting up sales directly to individual customers, temporary layoffs or reduction in working hours equivalent to one-third of our workforce, and a temporary reduction in the remuneration of the management team and the board of directors.

For the second quarter of 2020, we expect sales from continuing operations to amount between $80 to $90 million. We also expect the Adjusted EBITDA to amount between $5 and $6 million, taking into consideration layoffs since the beginning of the crisis, the Canada Emergency Wage Subsidy that would be obtained and IFRS 16.

“While we expect the pandemic to have an impact in the coming months on our financial results, our customers diversification, sales force initiatives and Canada’s Emergency Subsidy will allow us to maintain a positive EBITDA in the second quarter. We are currently working on a strategy to seize opportunities that could be offered to Colabor upon deconfinement” concluded Mr. Frenette.

Non-IFRS Performance Measures

The information provided in this release includes non-IFRS performance measures, notably adjusted earnings before financial expenses, depreciation and amortization and income taxes ("Adjusted EBITDA"[1]). As these concepts are not defined by IFRS, they may not be comparable to those of other companies. Refer to Section 6 "Non-IFRS Performance Measures" in the annual 2019 Management's Discussion and Analysis.

Reconciliation of net earnings (loss) to adjusted EBITDA	**12 weeks**	
(in thousands of dollars)	**2020**	**2019**
	$	**$**
Net loss from continuing operations	**(1,871)**	(1,059)
Income taxes recovered	**(850)**	(448)
Financial expenses	**1,696**	1,791
Operating earnings	**(1,025)**	284
Expenses for stock-based compensation plan	**99**	(217)
Costs not related to current operations	**1,080**	—
Depreciation and amortization	**3,544**	2,195
Adjusted EBITDA[1] from continuing operations	**3,698**	2,262

Additional Information

The Management Discussion and Analysis and the condensed interim consolidated financial statements of the Company are available on SEDAR (www.sedar.com). Additional information, including the annual information form, about Colabor Group Inc. can also be found on SEDAR and on the Company’s website at www.colabor.com.

Forward-Looking Statements

This press release contains certain forward-looking statements as defined under applicable securities law. Forward-looking information may relate to Colabor's future outlook and anticipated events, business, operations, financial performance, financial condition or results and, in some cases, can be identified by terminology such as "may"; "will"; "should"; "expect"; "plan"; "anticipate"; "believe"; "intend"; "estimate"; "predict"; "potential"; "continue"; "foresee", "ensure" or other similar expressions concerning matters that are not historical facts. Particularly, statements regarding the Company's financial guidelines, future operating results and economic performance, objectives and strategies are forward-looking statements. These statements are based on certain factors and assumptions including expected growth, results of operations, performance and business prospects and opportunities, which Colabor believes are reasonable as of the current date. Refer in particular to section 2.2 "Development Strategies and Outlook" of the Company's MD&A available on SEDAR (www.sedar.com). While Management considers these assumptions to be reasonable based on information currently available to the Company, they may prove to be incorrect. Forward-looking information is also subject to certain factors, including risks and uncertainties that could cause actual results to differ materially from what Colabor currently expects. For more exhaustive information on these risks and uncertainties, the reader should refer to section 10 "Risks and Uncertainties" of the Company's MD&A. These factors are not intended to represent a complete list of the factors that could affect Colabor and future events and results may vary significantly from what Management currently foresees. The reader should not place undue importance on forward-looking information contained in this press release, information representing Colabor's expectations as of the date of this press release (or as of the date they are otherwise stated to be made) and are subject to change after such date. While Management may elect to do so, the Company is under no obligation (and expressly disclaims any such obligation) and does not undertake to update or alter this information at any particular time, whether as a result of new information, future events or otherwise, except as required by law.

Conference Call

Colabor will hold a conference call to discuss these results on Thursday April 30, 2020, beginning at 9:30 a.m. Eastern time. Interested parties can join the call by dialing 1-888-231-8191 (from anywhere in North America) or 1-647-427-7450. If you are unable to participate, you can listen to a recording by dialing 1-855-859-2056 or 1-416-849-0833 and entering the code 1309628on your telephone keypad. The recording will be available from 1:30 p.m. on Thursday April 30, 2020, to 11:59 p.m. on Thursday May 7, 2020.

Those wishing to join the webcast, can do so by clicking on the following link:
http://www.colabor.com/en/investisseurs/evenements-et-presentations/

About Colabor

Colabor is a distributor and wholesaler of food and related products serving the hotel, restaurant and institutional markets or "HRI" in Quebec, Ontario and in the Atlantic provinces, as well as the retail market. Within its two operating segments, Colabor offers specialty food products such as meat, fresh fish and seafood, as well as food and related products through its Broadline activities.

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