Q2 2020 RESULTS SUMMARY

(FOR THE 12 AND 24-WEEK PERIODS ENDED JUNE 13, 2020)

COLABOR GROUP INC.
(TSX: GCL)

JULY 27, 2020

FORWARD LOOKING STATEMENT

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This document 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. 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, including those mentioned in the Company's information form, which can be found under its profile on SEDAR (www.sedar.com). 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.

Content

ABOUT US

Colabor is the largest independent distributor and wholesaler of food and related products in Quebec, serving the hotel, restaurant and institutional markets « HRI ». Colabor is Canada's third largest food distributor.

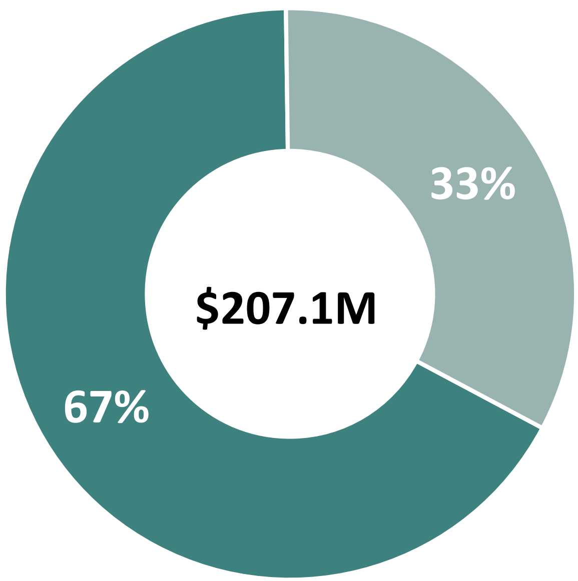
H1 2020
REVENUE DIVERSIFICATION
(CONTINUING OPERATIONS)

DISTRIBUTION

67 % of revenues

Broadline:
Quebec

Specialty:
Meat, Fish



WHOLESALE

33 % of revenues

Broadline:
Quebec

SINCE 2019 TRANSFORMATION

New Team
Manage With a Focus on Costs
Refocus & Optimize

H1 2019

Implementation of a $2.9M rationalization plan

Leadership nominations:

- Pierre Gagné, CFO
- Warren White, Chairman

Sale of Viandes Décarie

- $17.8 M to reduce debt

H2/2019

Ontario transformation plan continues:

- Optimization of Ontario activities with termination of non-profitable Recipe contract

Leadership nominations:

- Louis Frenette, CEO
- Danièle Baillargeon, member of the Board

Q1-2020

COVID-19 pandemic ("pandemic")

- Started last 2 weeks of Q1 2020 and has impacted during Q2-2020 activities

Q2 2020

Sale of the majority of assets in Ontario

- $9.4M subject to certain adjustments after the closing
- $7.7M was received upon closing of the transaction

Refinancing

- Extension the maturity of the credit facility and the subordinated debt
- François R. Roy, member of the Board

Q2 2020 RECENT KEY EVENTS:

Q2 2020 was marked by the pandemic
Measures implemented allowed the Company to achieve financial results above our expectations.
The sale of Summit assets and the debt refinancing will allow Colabor to pursue its 2020 action plan.

Optimization of Ontario Activities Mostly Completed :

- **May 11, 2020:** Sale of the majority of the assets of the Summit division.
- **By the end of July 2020**: Closure of the Mississauga distribution.

Pandemic:

- Affected results and operations since the last two weeks of Q1 2020
- **Diversified customer** base helps attenuate the impact:
  - Volume decline from restaurant and institutional clients mitigated by increase for retails clients;
  - Developed new distribution channels (retailers) and clients
- Implemented cash preservation measures and extended the maturity of its credit facility and subordinated debt.
- Expect to have short term adverse effect on EBITDA but not on available cash.

Q2 2020 HIGHLIGHTS(1)

"Given the impact of the pandemic, we are really satisfied with the second quarter results, the cash flow generated as well as the low level of debt"

Consolidated sales down 47.2% to $95.5M.

- Distribution sales down 56.4%.
  - **Specialty Distribution** down, mainly due to the end of a $40.0M distribution contract and lower volume due to the pandemic.
  - **Broadline Distribution** down, mainly due to a lower volume resulting from the pandemic for restaurant and institutional clients and the decision to cease serving $6.3M less-profitable contracts and was partially compensated by volume increase for retail clients.
- Wholesale sales down 24.0%, due to a volume decrease from the pandemic and lower intersegment sales.

Adjusted EBITDA(2) from continuing operations at $7.6M (8.0% of sales) down from $8.7M (4.8% of sales) last year.

- Canadian Emergency Wage Subsidies of $4.4M, adoption of IFRS 16, improved gross margin, decrease in salaries resulting from measures taken during the pandemic, mitigated by a lower sales volume.

Net loss at $2.9M (vs) last year net earnings of $9.0M. Net earnings from continuing operations of $1.6M (vs) $2.9M last year.

- Net loss increased by $10.6M due to the loss attributable to discontinued operations, higher costs not related to current operations and higher depreciation.

Cash flow from operations reached $3.2M, up from $1.2M, last year.
Net debt (2) reduced to $63.0M from $68.2M at the end of FY2019.
Leverage ratio at 2.3x (0.5x excluding the convertible debentures) (vs) 2.5x at the end of FY2019.

(1)Data for 2019 has not been adjusted to reflect the impact of IFRS 16 adoption. Refer to section 13 "New accounting policy adopted during the current fiscal year" of the MD&A.
(2) Adjusted EBITDA and total net debt to equity ratio are non-IFRS measures. Refer to section 6 "Non-IFRS Performance Measures" of the MD&A.

Q2 - FY 2020 Financial Results

Q2 2020

"Despite the impacts of the Covid-19 pandemic during the quarter, resulting in almost complete containment of all sectors of the economy, financial results were above our expectations for Q2-2020."

Financial Highlights	12-week periods		24-week periods	
(in thousands of dollars except percentages, per share data and financial leverage ratio)	2020	2019 [2]	2020	2019 [2]
	$	$	$	$
Sales from continuing operations	95,458	180,713	207,071	307,256
Adjusted EBITDA[1] from continuing operations	7,613	8,713	11,311	10,975
Adjusted EBITDA[1] margin (%)	8.0	4.8	5.5	3.6
Net earnings (loss) from continued operations	1,608	2,934	(263)	1,875
Net earnings (loss)	(2,882)	9,039	(11,212)	6,305
Per share - basic and diluted ($)	(0.02)	0.09	(0.11)	0.06
Cash flow from operating activities	3,217	1,198	8,830	4,985

Financial position	As at June 13, 2020	As at December 28, 2020
Net debt[1]	62,969	68,155
Financial leverage ratio[1]	2.3	2.5

Adoption of IFRS 16 *Leases* on December 29, 2019. Since the adoption, all leases are recognized on the balance sheet and are depreciated. The impacts for the 12 and 24-week periods ended June 13, 2020 are as follow:

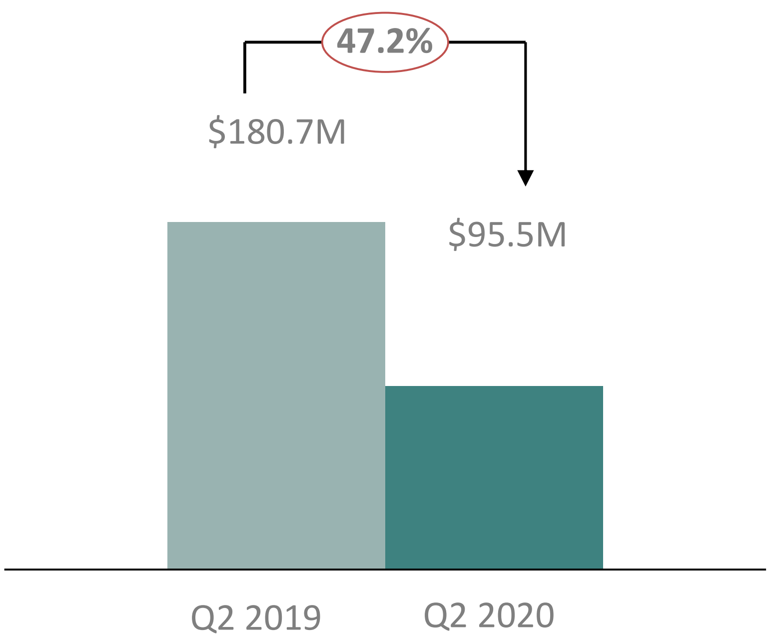
- Adjusted Ebitda[1] increased by $2.0M and $4.0M, respectively
- Net earnings from continuing operations increased by $0.1M and $0.2M, respectively

[1]Non-IFRS measures. Refer to the table of reconciliation of Net Earnings to EBITDA in section 6 "Non-IFRS Performance Measures" in the MD&A for the period ended June 13, 2020. **Adjusted EBITDA** corresponds to net earnings before depreciation and amortization, costs not related to current operations, expenses for stock based compensation plan, expenses related to the pandemic, financial expenses and income taxes, as shown in the Company's financial statements. **Net debt** corresponds to bank indebtedness, current portion of long-term debt, long-term debt and convertible debentures as presented in Colabor's consolidated statements of financial position. **Financial leverage ratio** is defined as net debt / adjusted EBITDA.

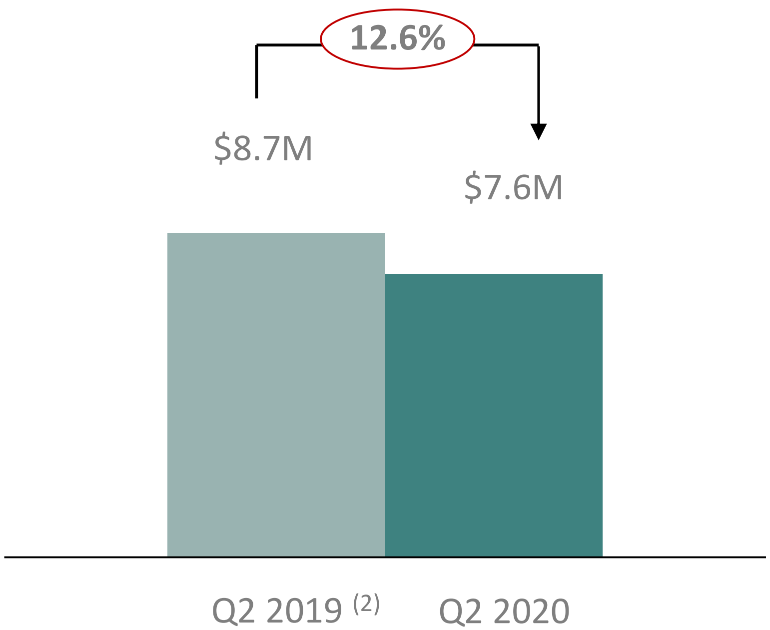
[2]Data for 2019 has not been adjusted to reflect the impact of IFRS 16 adoption. Refer to section 13 " New accounting policy adopted during the current fiscal year" of the MD&A

Q2 SALES AND PROFITABILITY TREND

CONSOLIDATED SALES



ADJUSTED EBITDA[1] [2]



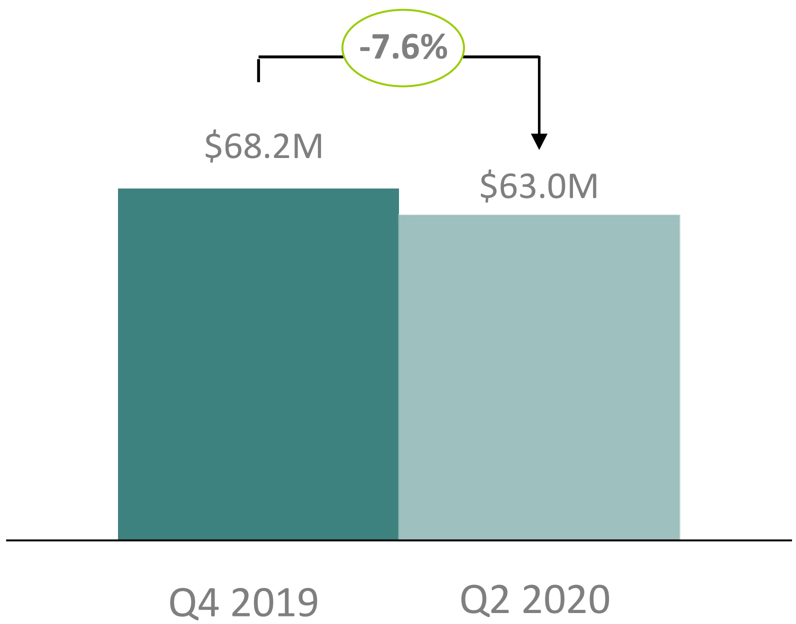
Distribution sales down by 56.4%
Wholesale sales down by 24.0%

Higher adjusted EBITDA[1] margins at 8.0% in Q2/2020 (vs) 4.8% in Q2/2019

(1) Adjusted EBITDA is non-IFRS measures. Refer to section 6 "Non-IFRS Performance Measures" of the MD&A.
(2) Data for 2019 has not been adjusted to reflect the impact of IFRS 16 adoption. Refer to section 13 "New accounting policy adopted during the current fiscal year" of the MD&A

NET DEBT TREND

NET DEBT (1)



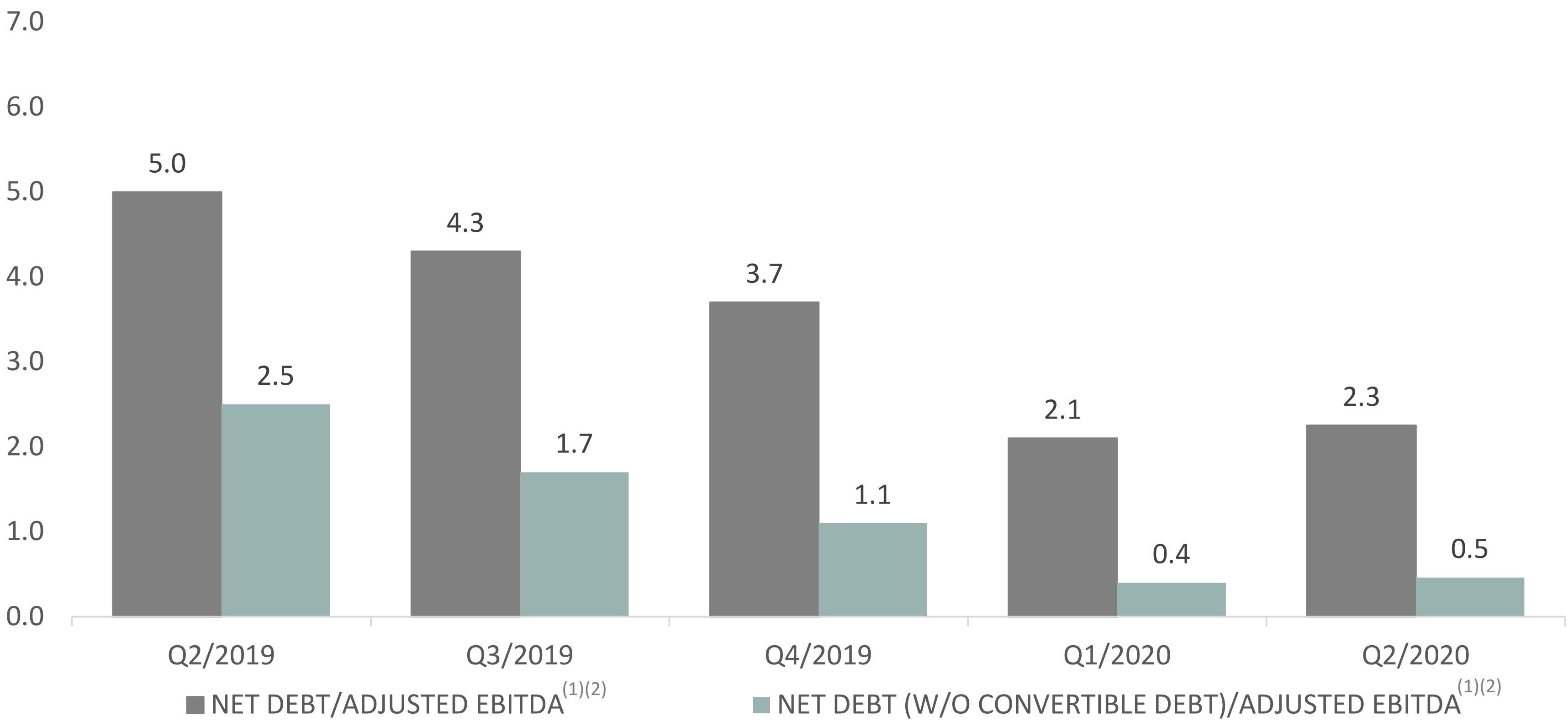
Deleveraging from an increase in cash flow from operating activities

(1)Non-IFRS measures. Refer to section 6 "Non-IFRS Performance Measures" in the MD&A for the period ended June 13, 2020. **Net debt** corresponds to bank indebtedness, current portion of long-term debt, long-term debt and convertible debentures as presented in Colabor's consolidated statements of financial position.

REDUCED DEBT LEVEL

Financial discipline:

- Maintain strong cash flow from operations
- Divest non-core assets



(1) Adjusted EBITDA and total debt to Adjusted EBITDA are non-IFRS performance measures. See MD&A for the period ended June 13, 2020 for their definitions. Starting in Q2 2019, the Adjusted EBITDA from continuing operations is used to calculate the ratio, to reflect the sale of the Viandes Décarie division and starting in Q1 2020, the Summit division is not part of the continuing operations.

(2) Adoption of IFRS 16 in Q1-2020. Data for 2019 has not been adjusted to reflect the impact of IFRS 16 adoption. Refer to section 13 "New accounting policy adopted during the current fiscal year" of the MD&A

SHARE INFORMATION (TSX: GCL)

STOCK PRICE (as at July 22, 2020)	$0.385
52-week high-low	$1.09 - $0.21
Number of shares issued and outstanding	101,677,932
Average volume (30 days)	24.9 k
Market capitalization	$39.1 M
Institutional and management ownership	≈ 46%

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