

**COLABOR GROUP REPORTS RESULTS FOR THE
FIRST QUARTER 2021**

Boucherville, Quebec, May 3, 2021 - Colabor Group Inc. (TSX: GCL) (“Colabor” or the “Company”) reports its results for the first quarter ended March 20, 2021.

First Quarter 2021 Financial Highlights and Recent Events:

- Sales decreased by 23.3% to \$85.6 million, compared to \$111.6 million for the first quarter of 2020, mainly explained by the mandatory closure of restaurant dining rooms in Quebec in the first quarter of 2021 as a result of the pandemic and the termination of a contract in Specialized distribution activities during the first quarter of 2020;
- Net loss from continuing operations decreased to \$1.0 million compared to \$1.9 million for the corresponding period of 2020;
- Adjusted EBITDA⁽¹⁾ increased to \$3.8 million from \$3.7 million for the corresponding period of 2020 and increase in adjusted EBITDA⁽¹⁾ margin to 4.5% of sales compared to 3.3% of sales during the corresponding period of 2020;
- Stable cash flow from operating activities of \$5.4 million compared to \$5.6 million for the first quarter of 2020, despite lower sales; and
- Conclusion of new credits agreements in February 2021, and redemption of all outstanding convertible debentures completed on March 23, 2021.

Table of first quarter 2021 Financial Highlights:

Financial highlights (in thousands of dollars except percentages, per share data and financial leverage ratio)	12 weeks	
	2021	2020
	\$	\$
Sales from continuing operations	85,635	111,613
Adjusted EBITDA ⁽¹⁾	3,848	3,698
Adjusted EBITDA ⁽¹⁾ margin (%)	4.5	3.3
Net loss from continuing operations	(1,011)	(1,871)
Net loss	(1,027)	(8,330)
Per share - basic and diluted (\$)	(0.01)	(0.08)
Cash flow from operating activities	5,376	5,613
Financial position	As at	As at
	March 20,	December 26,
	2021	2020
Net debt ⁽²⁾	50,530	52,100
Financial leverage ratio ⁽³⁾	1.7x	1.8x

⁽¹⁾ Non-IFRS measure. Refer to the table Reconciliation of Net Earnings (loss) to adjusted EBITDA and to MD&A section 6 "Non-IFRS Performance Measures". Adjusted EBITDA corresponds to net earnings (loss) before costs not related to current operations, depreciation and amortization and expenses for stock-based compensation plan.

⁽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".

“Despite restaurant dining room closures and citizen confinement, we are ending the first quarter of 2021 with good results. Due to the optimization measures implemented in 2020, as well as tight management of our cost structure, subsidies contribution and optimal cash flow management in order to minimize the impacts of the pandemic, Colabor continued to improve profitability, generate strong cash flow and reduce net debt.”, said Louis Frenette, President and Chief Executive Officer of Colabor.

Results for the First Quarter of 2021

Consolidated sales for the first quarter amounted to \$85.6 million compared to \$111.6 million during the corresponding quarter of 2020, a decrease of 23.3%. The pandemic impacted all 12 weeks of the 2021 quarter compared to two weeks in the quarter of last year. Sales for the Distribution segment decreased by 29.0% explained by an amount of \$8.6 million related to the termination of a contract from the Specialized distribution during the first quarter of 2020, as well as the volume decrease related to the pandemic for restaurants and chains clients, partially mitigated by a volume increase for retail clients. Wholesale segment sales decreased by 8.2%, due to a volume decrease from the pandemic and lower intersegment sales, partly mitigated by growth from some customers less affected by the effects of the pandemic and new customers.

Adjusted EBITDA⁽¹⁾ from continuing activities reached \$3.8 million or 4.5% of sales from continuing activities compared to \$3.7 million or 3.3% during 2020. The improvement, as a percentage of sales, are mainly due to the deployment of operational optimization measures in fiscal year 2020, the decrease in salaries resulting from measures taken during the pandemic and the subsidies of \$1.3 million, mitigated by the decrease in sales due to the pandemic.

Net loss from continuing operations was \$1.0 million, a decrease of 46.0% compared to \$1.9 million for the corresponding quarter of 2020 resulting essentially from the increase in adjusted EBITDA⁽¹⁾, the decrease in the depreciation and amortization expenses, the decrease in costs not related to current operations, mitigated by the decrease of the income tax recovered.

Net loss for the first quarter were \$1.0 million, compared to net loss of \$8.3 million for the corresponding period of 2020. The variation is explained by the elements mentioned above and to the net loss decrease of \$6.5 million related to discontinued operations.

Cash Flow and Financial Position

Cash flows from operating activities reached \$5.4 million for the first quarter, compared to \$5.6 million for the corresponding period of 2020. This decrease is mainly due to a higher utilization of working capital⁽⁴⁾, mitigated by the increase in adjusted EBITDA⁽¹⁾.

As at March 20, 2021, the Company's working capital⁽⁴⁾ was \$29.9 million, down from \$31.2 million at the end of the fiscal year 2020. This variation is explained by the drop in sales during the first quarter due to the pandemic and by the seasonality effect.

As at March 20, 2021, the Company's net debt⁽²⁾, including convertible debentures and net of cash, was down to \$50.5 million, compared to \$52.1 million at the end of the fiscal year 2020. This decrease is mainly due to the increase in cash generated by cash flows from operating activities.

⁽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

“We will continue to adapt as the pandemic evolves and we are prepared for the eventual recovery. Closing the new credit agreements in the first quarter of 2021 is in line with our primary objective of increasing our profitability and will allow us to have cash available to implement the 2021 strategic plan when conditions permit.”, commented Louis 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 Management's Discussion and Analysis.

Reconciliation of Net Loss to Adjusted EBITDA⁽¹⁾ (in thousands of dollars)	12 weeks	
	2021	2020
	\$	\$
Net loss from continuing operations	(1,011)	(1,871)
Income taxes recovered	(251)	(850)
Financial expenses	1,737	1,696
Operating earnings (loss)	475	(1,025)
Expenses for stock-based compensation plan	22	99
Costs not related to current operations	91	1,080
Depreciation and amortization	3,260	3,544
Adjusted EBITDA⁽¹⁾	3,848	3,698

Additional Information

The Management Discussion and Analysis and the 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 Tuesday, May 4, 2021, beginning at 9:00 a.m. Eastern time. Interested parties can join the call by dialing 1-888-390-0549 (from anywhere in North America) or 1-416-764-8682. If you are unable to participate, you can listen to a recording by dialing 1-888-390-0541 or 1-416-764-8677 and entering the code 104375 on your telephone keypad. The recording will be available from 1:30 p.m. on Tuesday, May 4, 2021, until 11:59 p.m. on Tuesday, May 11, 2021.

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 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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