



Q3 2021 RESULTS SUMMARY
(FOR THE 12 AND 36-WEEK PERIODS ENDED SEPTEMBER 4, 2021)

COLABOR GROUP INC.
(TSX: GCL)

OCTOBER 15, 2021

FORWARD LOOKING STATEMENT

Disclaimer

This document is for informational purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any securities of Colabor Group Inc. and has not been prepared for delivery to, and review by, prospective investors in order to assist them in making an investment decision or regarding a distribution of securities.

Forward Looking Statement

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, which include risks associated to the COVID-19 pandemic and its possible impact on consumer behavior or the economy, 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

- 1. About Colabor**
- 2. Achievements**
- 3. Q3 2021 Events**
- 4. Q3 2021 Financial Results**
- 5. Share Information**

ABOUT US

Founded in 1962, Colabor is the largest Quebec based distributor and wholesaler of food and related products, serving the hotel, restaurant and institutional markets « HRI ».

DISTRIBUTION

67% of revenues

Broadline Distribution:

- 3 distribution centers in Eastern Québec serving Eastern Québec and New Brunswick

Specialty Distribution:

- 2 distribution centers in Montreal in the greater metropolitan region
- Seafood and meat distributed to premium clients



WHOLESALE

33% of revenues

Boucherville (Québec):

- A 371,000 sq. ft warehouse
- 50+ distributors are clients and serving the HRI and retail market in Québec and the Atlantic provinces

ACHIEVEMENTS

- ✓ Shrink-to-profit
- ✓ Discipline and resources to face the COVID-19 pandemic
- ✓ Invest in growth plan

2019

RATIONALIZATION PLAN

SALE OF NON-CORE ASSETS

NEW LEADERSHIP - CEO

2020

SALE OF ONTARIO
DISTRIBUTION ACTIVITIES

COVID-19 PANDEMIC:
DIVERSIFICATION IS KEY

2021

REFINANCING

Q2-Q3 BACK TO GROWTH

Q3 2021 EVENTS

Return to growth for a second consecutive quarter.

Operating Environment:

- Easing of restrictions starting in May 2021.
- Less restrictive operating environments in Q3 2021 vs Q3 2020 when restrictions were eased at the end of the quarter.
- Constrained labour force in the industry made it difficult to deliver more growth.

Growth Drivers:

- Easing of lockdown measures, channel diversification and initial implementation of growth plan.

Evolution of the Growth Plan:

1. Grow Distribution Activities in Québec
2. Further Improve Operations

Focused on delivering results in 2022:

- H1 2021: Hired sales and marketing professionals to focus on our strategic markets.
- H1 2021: Implemented cross selling initiatives to create synergies between our specialty offering and distribution network.
- H1 2021: Aligned our offering with changes in consumer preferences.
- Q3 2021: Launched our redesigned private label.

3. Raise Employee Engagement

Focused on improving employee experience and raise competitiveness as an employer

- Q4 2021 (subsequent to the end of Q3): Agreed in principle with 99% of unionized employees at a distribution center for the renewal of their collective agreement.

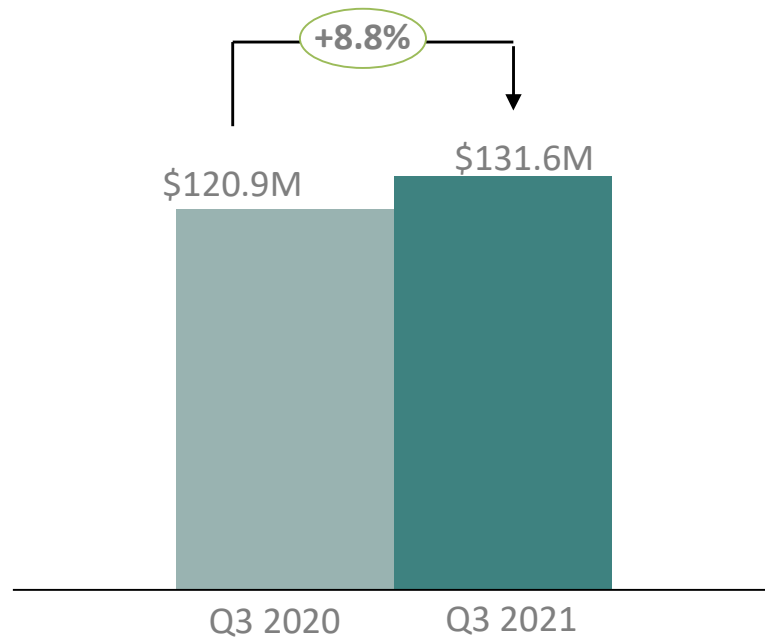


Q3 - 2021 Financial Results

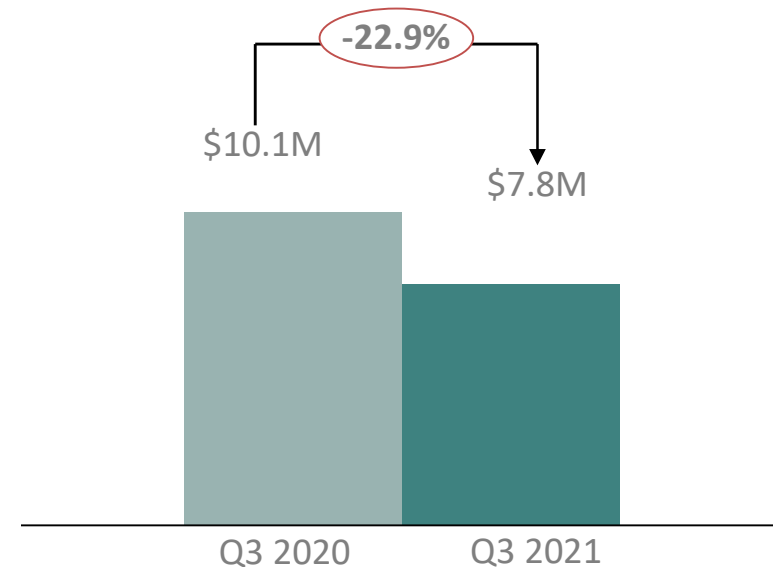


Q3 SALES AND PROFITABILITY TREND

CONSOLIDATED SALES



ADJUSTED EBITDA⁽¹⁾



Distribution sales up by 11.7%

Wholesale sales up by 2.3%

- Reopening of restaurant dining rooms at the beginning of the quarter in 2021 while later in 2020;
- New customers and growth of certain customers;
- Partial loss of volume from a single wholesale customer

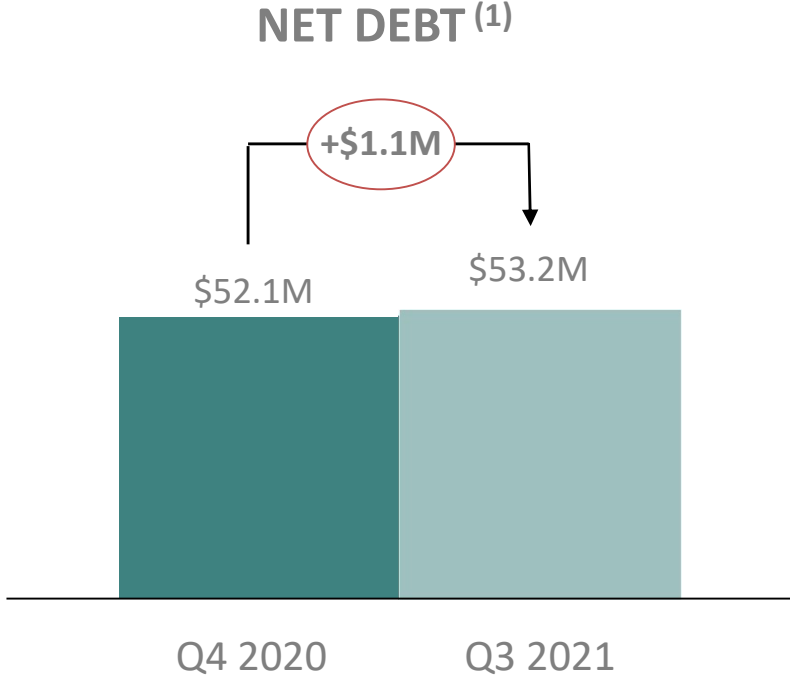
Lower adjusted EBITDA⁽¹⁾ margins at 5.9% in Q3 2021 (vs) 8.4% in Q3 2020:

- Lower Subsidies in 2021 (0,9M\$);
- Additional labor costs from labor shortage and renewal of a collective agreement;
- Spring buying show (0,5M\$); in Q3-2020 vs Q2-2021
- Investments for the repositioning of our private label and to extent our territories

(1) Adjusted EBITDA is a non-IFRS measure. Refer to section 6 "Non-IFRS Performance Measures" of the MD&A for the period ended September 4, 2021.



NET DEBT TREND



Higher utilization of working capital ⁽¹⁾ due to the effect of seasonality

⁽¹⁾ Non-IFRS measure. Refer to section 6 "Non-IFRS Performance Measures" of the MD&A for the period ended September 4, 2021.



Q3 2021

Financial Highlights <small>(in thousands of dollars except percentages, per share data and financial leverage ratio)</small>	12-week periods		36-week periods	
	2021 \$	2020 \$	2021 \$	2020 \$
Sales from continuing operations	131,622	120,931	325,309	328,002
Adjusted EBITDA ⁽¹⁾ from continuing operations	7,821	10,143	18,340	21,454
Adjusted EBITDA ⁽¹⁾ margin (%)	5.9	8.4	5.6	6.5
Net earnings from continuing operations	2,228	3,441	2,917	3,178
Net earnings (loss)	2,038	1,789	2,703	(9,423)
Per share - basic and diluted (\$)	0.02	0.02	0.03	(0.09)
Cash flow from operating activities	7,448	16,359	9,717	23,431
Financial position			As at	As at
			September	December
			4, 2021	26, 2020
Net debt ⁽¹⁾			53,210	52,100
Financial leverage ratio ⁽¹⁾			2.1x	1.8x

(1) Non-IFRS measures. Refer to the table of reconciliation of Net Earnings to adjusted EBITDA in section 6 "Non-IFRS Performance Measures" in the MD&A for the period ended September 4, 2021. **Adjusted EBITDA** corresponds to net earnings before depreciation and amortization, costs not related to current operations, expenses for stock-based compensation plan, 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, net of cash as presented in Colabor's consolidated statements of financial position. **Financial leverage ratio** is defined as net debt / adjusted EBITDA from continuing operations for the last four quarters.



SHARE INFORMATION (TSX: GCL)

STOCK PRICE (as at October 12, 2021)	\$1.01
52-week high-low	\$0.40 - \$1.28
Number of shares issued and outstanding	101,954,885
Average volume (30 days)	37.3 k
Market capitalization	\$103.0 M
Institutional and management ownership	≈ 46.6%





Head Office

1620 de Montarville Boulevard
Boucherville (Québec)
J4B 8P4
Canada

Phone : 450 449-4911

Fax : 450 449-6180

investors@colabor.com