



Q1 2021 RESULTS SUMMARY
(FOR THE 12-WEEK PERIOD ENDED MARCH 20, 2021)

COLABOR GROUP INC.
(TSX: GCL)

MAY 4, 2021

FORWARD LOOKING STATEMENT

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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 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. Recent Transformation and Optimization**
- 3. Q1 2021 Highlights**
- 4. Q1 2021 Financial Results**
- 5. Share Information**

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 » as well as the retail market. Colabor is Canada's third largest food distributor.

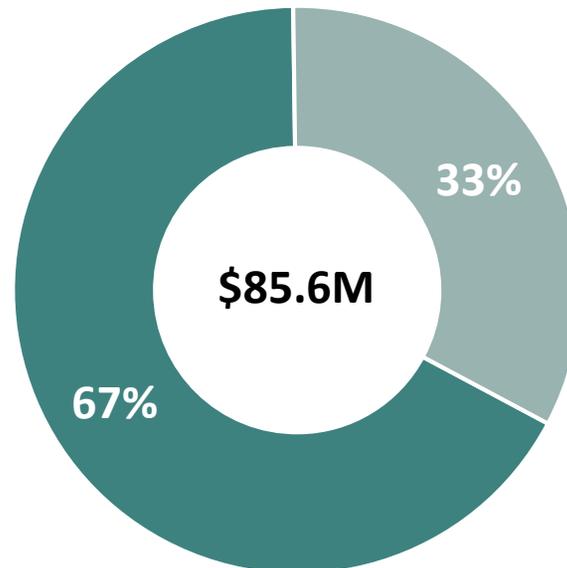
Q1 2021 REVENUE DIVERSIFICATION (CONTINUING OPERATIONS)

DISTRIBUTION

67% of revenues

Broadline: food products and related products

Specialty: meat, fish



WHOLESALE

33% of revenues

SINCE 2019 TRANSFORMATION

Objective : Optimize operations and grow profitably

2019

RATIONALIZATION PLAN

- \$2.9M annual cost savings

SALE OF NON-CORE ASSETS

- Sale of Viandes Décarie for \$20M.
- \$17.8 M used to reduce debt

ONTARIO PHASE I - OPTIMIZATION OF ACTIVITIES

- Termination of non-profitable Recipe contract

NEW LEADERSHIP

- Louis Frenette, ex President and CEO of Parmalat Canada, Bonduelle North America and Danone Canada joins Colabor

Q1 2021

PANDEMIC

- continues to impact; mandatory closure of restaurants dining room during first quarter;

REFINANCING

- Agreement signed for a new credit facility and a new subordinated debt.
- Redemption of all outstanding convertible debentures completed on March 23, 2021

NOMINATION (April 28, 2021)

- Leadership nomination – Pierre Blanchette, Senior Vice President and CFO

2020

COVID-19 PANDEMIC (“pandemic”)

- Started last 2 weeks of Q1 2020 and continued to impact most of fiscal year 2020; mandatory closure of restaurants dining room on an intermittent basis

ONTARIO PHASE II - CONSOLIDATION AND SALE OF DISTRIBUTION ACTIVITIES

- Consolidation of activities at the Mississauga DC.
- Concluded the sale of the majority of the assets in Ontario
- \$8.2M of proceeds received
- Termination of Ontario activities and closure of the distribution centers

Q1 2021 RECENT KEY EVENTS

Colabor concluded the closure of new credit agreements and complete the redemption of all outstanding convertible debentures, which combined with the cash flows generated by operating activities, will allow us to pursue our strategic plan.

February 18, 2021:

- Refinancing - new agreements for a new credit facility and a new subordinated debt;
- The refinancing was used to repay the remaining \$12.0M of subordinated debt as at December 26, 2020; and
- Announcement of the intention to proceed with the early redemption of convertible debentures.

March 23, 2021 :

- Completion of the redemption of all outstanding convertible debentures; and
- Convertible debentures were delisted on this date.

Pandemic:

- The pandemic continues to impact customers demand following the closure of dining rooms.

Diversified customer continue to attenuate the impact:

- Volume decline from restaurant and chain clients mitigated by increase for retails clients;
- Developed new distribution channels (retailers) and clients; and
- Across the province of Québec
- Subsidies received during Q1 2021 and these subsidies would be available until September 2021; and
- Continue to optimally manage our costs structure and cash flows in the context of the pandemic.



Q1 2021 HIGHLIGHTS

“Despite restaurant dining room closures and citizen confinement, we are ending the first quarter of 2021 with good results” commented Mr. Frenette, President and Chief Executive Officer of Colabor

Consolidated sales down 23.3% to \$85.6M.

- The pandemic impacted all 12 weeks of the 2021 quarter compared to two weeks in corresponding period in 2020. Distribution sales down 29.0% and we estimate that approximately 17% come from the effects of the pandemic.
 - **Specialty Distribution** down, mainly due to the end of a \$8.6M distribution contract and lower volume due to the pandemic.
 - **Broadline Distribution** down, explained by a lower volume resulting from the pandemic for restaurant and chain clients, partially compensated by a volume increase for retail clients.
- Wholesale sales down 8.2%, due to a volume decrease from the pandemic and lower intersegment sales.

Adjusted EBITDA⁽¹⁾ from continuing operations at \$3.8M (4.5% of sales) up from \$3.7M (3.3% of sales) last year.

- Due to the deployment of operational optimization measures in 2020, decrease in salaries and other expenses resulting from measures taken during the pandemic, subsidies of \$1.3M, mitigated by a sales drop due to the pandemic.

Net loss of \$1.0M (vs) \$8.3M last year. Net loss from continuing operations of \$1.0M (vs) \$1.9M last year.

- Net loss decreased by \$6.5M related to discontinued operations

Cash flow from operations reached \$5.4M, down from \$5.6M, last year.

Net debt⁽¹⁾ reduced to \$50.5M from \$52.1M at the end of FY2020.

Leverage ratio at 1.7x (vs) 1.8x at the end of FY2020.

(1) 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.





Q1 - FY 2021 Financial Results



Q1 2021

“ 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. ”

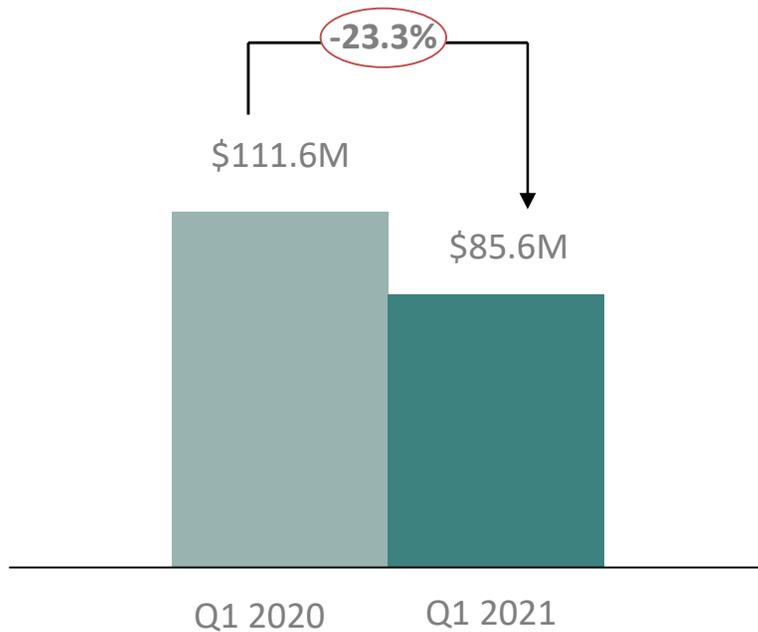
Financial Highlights	12-week period	
	2021	2020
(in thousands of dollars except percentages, per share data and financial leverage ratio)	\$	\$
Sales from continuing operations	85,635	111,613
Adjusted EBITDA ⁽¹⁾ from continuing operations	3,848	3,698
Adjusted EBITDA ⁽¹⁾ margin (%)	4.5	3.3
Net loss from continued 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 December
	March 20, 2021	26, 2020
Net debt ⁽¹⁾	50,530	52,100
Financial leverage ratio ⁽¹⁾	1.7x	1.8x

⁽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 March 20, 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.



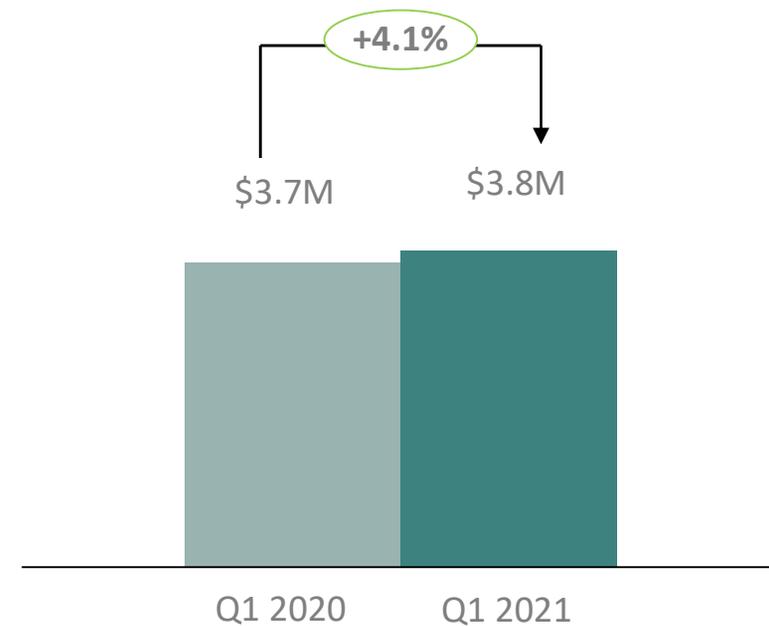
Q1 SALES AND PROFITABILITY TREND

CONSOLIDATED SALES



Distribution sales down by 29.0%
Wholesale sales down by 8.2%

ADJUSTED EBITDA⁽¹⁾

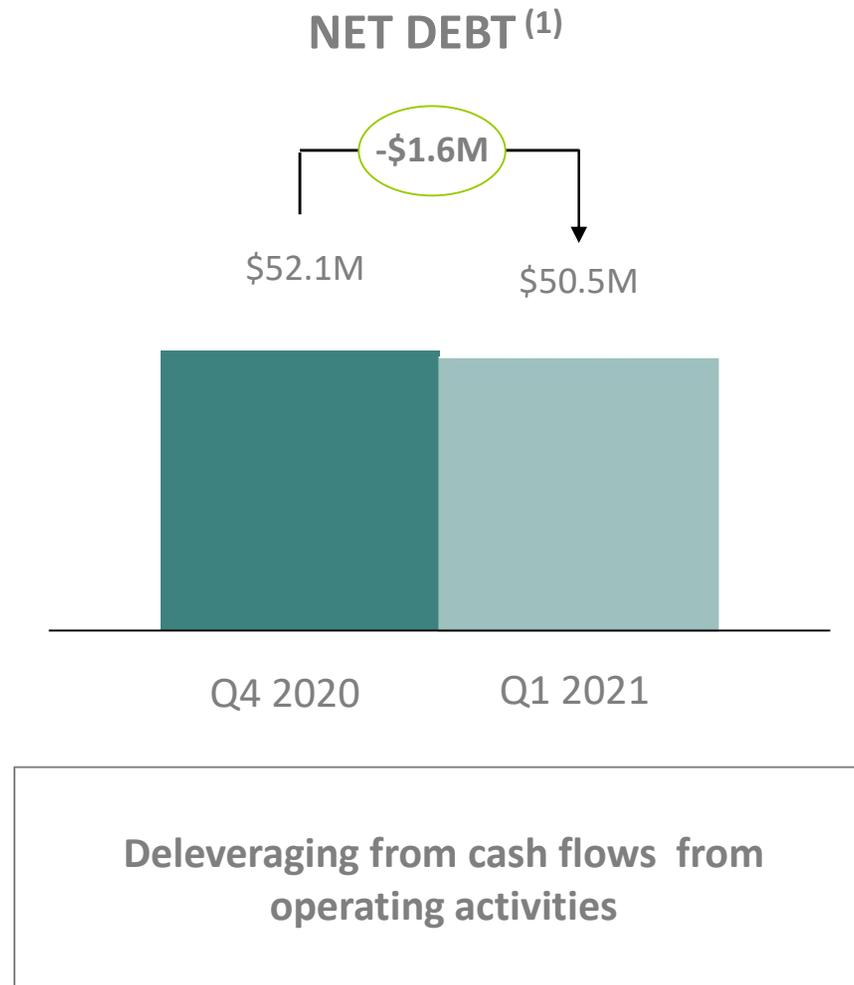


Higher adjusted EBITDA⁽¹⁾ margins at 4.5% in Q1/2021 (vs) 3.3% in Q1/2020

(1) Adjusted EBITDA is non-IFRS measures. Refer to section 6 "Non-IFRS Performance Measures" of the MD&A.



NET DEBT TREND



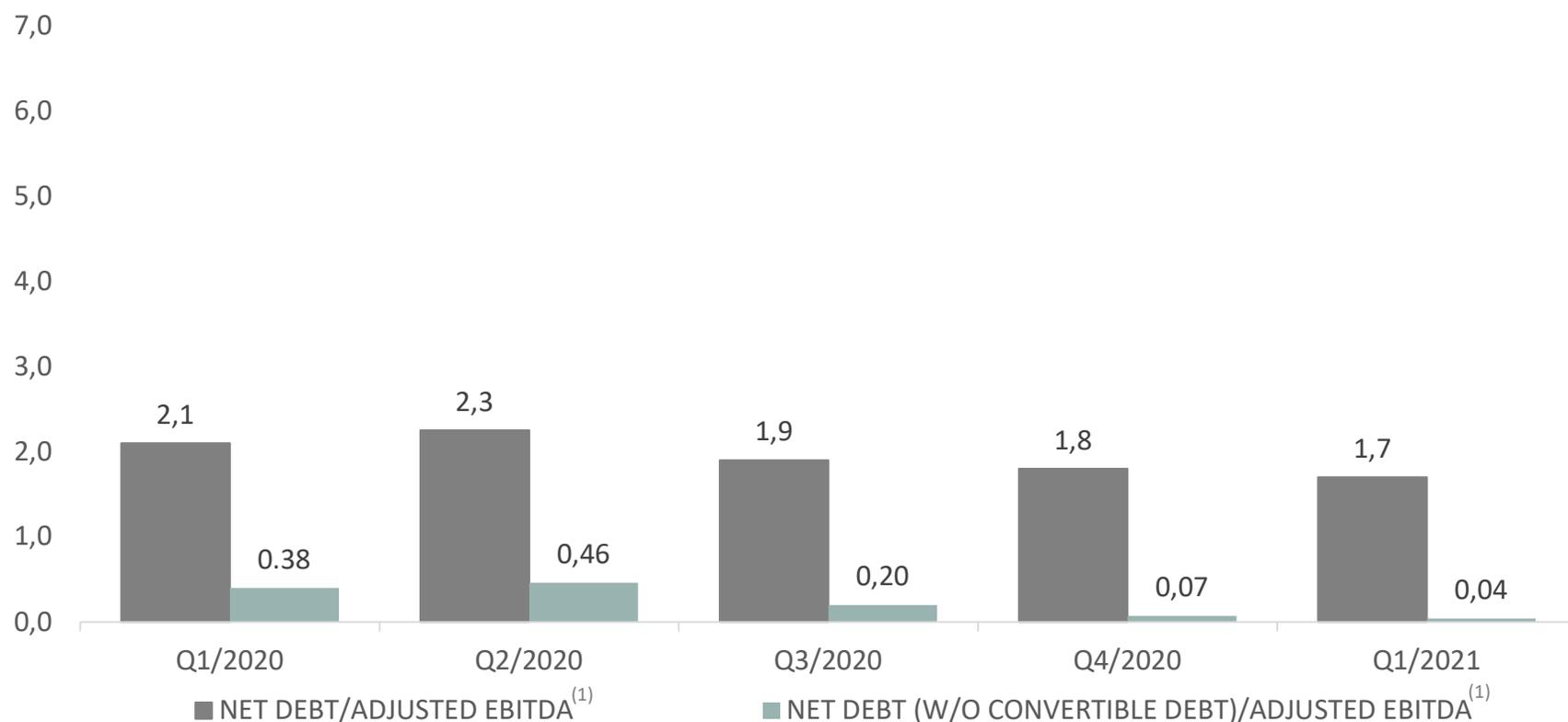
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REDUCED DEBT LEVEL

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 March 20, 2021 for their definitions.



SHARE INFORMATION (TSX: GCL)

STOCK PRICE (as at April 29, 2021)	\$1.12
52-week high-low	\$0.26 - \$1.24
Number of shares issued and outstanding	101,954,885
Average volume (30 days)	55.7 k
Market capitalization	\$114.2 M
Institutional and management ownership	≈ 46.5%





Head Office

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

Phone : 450 449-4911

Fax : 450 449-6180

investors@colabor.com