PRESS RELEASE

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COLABOR GROUP REPORTS RESULTS FOR THE FOURTH QUARTER AND FISCAL 2021

Boucherville, Quebec, February 25, 2022 - Colabor Group Inc. (TSX: GCL) ("Colabor" or the "Company") reports its results for the fourth quarter and the fiscal year ended December 25, 2021.

Fourth Quarter 2021 Financial Highlights:

- Sales increased by 12.9% to $150.5 million, compared to $133.3 million for the fourth quarter of 2020, with restaurant dining rooms open throughout the quarter in 2021 unlike the closing of the dining rooms from October 1, 2020;
- Net earnings from continuing operations increased to $5.3 million compared to $0.6 million for the corresponding period of 2020, resulting primarily from the increased income not related to current operations, essentially from the partial reimbursement of a penalty paid in 2017 to the Ontario Ministry of Finance;
- Adjusted EBITDA(1) decreased to $7.1 million from $7.5 million for the corresponding period of 2020 and decrease in adjusted EBITDA(1) margin to 4.7% of sales compared to 5.6% of sales during the corresponding period of 2020. This decrease is mainly explained by the decrease in subsidies obtained of $1.6 million. Excluding the impact of subsidies obtained, the adjusted EBITDA(1) margin would have been 4.6% in 2021 and 4.3% in 2020; and
- Cash flow generated by operating activities was down to $9.0 million compared to $13.0 million for the fourth quarter of 2020, due to higher utilization of working capital(4).

Fiscal 2021 Financial Highlights:

- Sales amounted to $475.8 million, up 3.1% compared to fiscal year 2020, mainly explained by a volume increase from restaurants, mitigated by the termination of a contract from the Specialized distribution during the first quarter of 2020;
- Net earnings from continuing operations increased to $8.3 million compared to $3.8 million for fiscal year 2020 resulting primarily from the increased income not related to current operations, as explained above, depreciation and amortization expenses and financial expenses mitigated by the decrease of the adjusted EBITDA(1);
- Adjusted EBITDA(1) decreased to $25.4 million or 5.3% of sales compared to $28.9 million or 6.3% of sales for the fiscal year 2020. Excluding the impact of subsidies obtained of $4.3 million, the adjusted EBITDA(1) margin would have been 4.8% in 2021 and 4.7% in 2020;
- Cash flow generated by operating activities down to $18.8 million compared to $36.4 million in 2020 due to higher utilization of working capital(4);
- Net debt(2) decreased to $48.4 million, compared to $52.1 million as at December 26, 2020. The leverage ratio(3) is 1.9x as at December 25, 2021, compared to 1.8x in 2020; and
- Conclusion of new credit agreements in February 2021, and redemption of all outstanding convertible debentures completed on March 23, 2021.

Table of fourth quarter and fiscal 2021 Financial Highlights:

Financial highlights	**16 weeks**		**52 weeks**	
(in thousands of dollars except percentages, per share data and financial leverage ratio)	**2021** **$**	**2020** **$**	**2021** **$**	**2020** **$**
Sales from continuing operations	**150,452**	133,317	**475,761**	461,319
Adjusted EBITDA[(1)]	**7,080**	7,459	**25,420**	28,913
Adjusted EBITDA[(1)] margin (%)	**4.7**	5.6	**5.3**	6.3
Net earnings from continuing operations	**5,336**	620	**8,253**	3,798
Net earnings (loss)	**5,139**	811	**7,842**	(8,612)
Per share - basic and diluted ($)	**0.05**	0.01	**0.08**	(0.08)
Cash flow from operating activities	**9,035**	13,005	**18,752**	36,436
Financial position			**As at December 25, 2021**	**As at December 26, 2020**
Net debt[(2)]			**48,366**	52,100
Financial leverage ratio[(3)]			**1.9x**	1.8x

[(1)] Non-IFRS measure. Refer to the table Reconciliation of Net Earnings to adjusted EBITDA in MD&A section 6 "Non-IFRS Performance Measures". Adjusted EBITDA corresponds to net operating earnings before (income) 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 four quarters. Refer to MD&A section 6 "Non-IFRS Performance Measures".

“The easing of health measures throughout Quebec between the end of May and December 31, the diversification of our channels and the implementation of the first milestones of our strategic plan have enabled us to support the growth of our revenues during the fourth quarter. Excluding the grants acquired during the previous year and the current one, our operating profitability has also improved in a sustainable manner for the coming quarters”, said Louis Frenette, President and Chief Executive Officer of Colabor.

“The successful transformation of our operations over the past two years, the adjustment of our compensation practices to industry norms, the renewal of the management team and our more focused efforts on our value-added activities have enabled us to be more efficient and competitive”.

“With the refinancing of our balance sheet at the end of the first quarter, a lower level of indebtedness and growth opportunities both organically and through acquisitions, we are now well positioned to continue creating value for all of our stakeholders”, concluded Louis Frenette.

Results for the Fourth Quarter of 2021

Consolidated sales for the fourth quarter amounted to $150.5 million compared to $133.3 million during the corresponding quarter of 2020, an increase of 12.9%. Sales for the Distribution segment increased by 19.8% explained by a volume increase from restaurants, since the dinning room remained open in fall of 2021 unlike a closing on October 1, 2020. Wholesale segment sales increased by 5.6%, due to open dining rooms in 2021 as mentioned above, the growth of certain customers less affected by the effects of the pandemic and by new customers, mitigated by the partial loss of volume from a single customer.

Adjusted EBITDA[(1)] from continuing activities reached $7.1 million or 4.7% of sales from continuing activities compared to $7.5 million or 5.6% during 2020. These variations are mainly explained by the decrease in subsidies obtained of $1.6 million, additional labor costs in the current context of labor shortage, the impact of a week-long strike, as well as investments to expand our territory and for the repositioning of our private brand, mitigated by an increase in sales. Excluding the impact of subsidies obtained, the adjusted EBITDA[(1)] margin would have been 4.6% in 2021 and 4.3% in 2020.

Net earnings from continuing operations were $5.3 million, an increase compared to $0.6 million for the corresponding quarter of the previous year, resulting essentially from the increase of the income not related to current operations, the depreciation and amortization expenses, and the financial expenses, mitigated by the decrease of the adjusted EBITDA[(1)], as explained previously.

Net earnings for the fourth quarter were $5.1 million, compared to net earnings of $0.8 million for the corresponding period of 2020. The variation is explained by the facts described above mitigated by the variation of $0.4 million in net loss from discontinued operations.

Results for Fiscal Year 2021

Cumulative consolidated sales amounted to $475.8 million compared to $461.3 million in fiscal year 2020, an increase of 3.1% mainly from the Distribution segment. The increase in the Distribution segment is mainly explained by the increase in volume from restaurants in the fourth quarter, mitigated by 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 during the first quarter of 2021. Wholesale segment sales have increased by 1.9% partially explained by the reopening of the restaurant business as mentioned above, a volume increase from some customers less affected by the effects of the pandemic and by new customers, mitigated by a volume decrease related to the pandemic during the first quarter of 2021 and by the partial loss of volume from a single customer.

Adjusted EBITDA(1) from continuing operations reached $25.4 million or 5.3% of sales from continuing operations compared to $28.9 million or 6.3% in 2020 and is mainly explained by the reduction of $4.3 million in subsidies obtained. Excluding the impact of subsidies obtained, the adjusted EBITDA(1) margin would have been 4.8% in 2021 and 4.7% in 2020.

Net earnings from continuing operations was $8.3 million, up from $3.8 million in last fiscal year. The variation is mainly explained by the increase of the income not related to current operations, the depreciation and amortization expenses and the financial expenses mitigated by the decrease of the adjusted EBITDA(1) as mentioned previously.

Cash Flow and Financial Position

Cash flows from operating activities reached $18.8 million for fiscal year 2021 compared to $36.4 million for fiscal year 2020. This decrease is mainly due to higher utilization of working capital(4) and a lower adjusted EBITDA(1), mitigated by higher income not related to current operations. The higher utilization of working capital(4) is explained by the timing of inventories purchase and suppliers payments, as well as higher collection of receivables in 2020.

As at December 25, 2021, the Company's working capital(4) was $40.8 million, up from $31.2 million at the end of the fiscal year 2020. This variation is explained by the increase in sales during the fourth quarter of 2021 and a non-recurring gain receivable as at December 25, 2021.

As at December 25, 2021, the Company's net debt(2) was down to $48.4 million, compared to $52.1 million at the end of the fiscal year 2020. This decrease is mainly due to credit facility repayments.

Outlook

“We are starting the year 2022 on solid foundations. The implementation of our strategic plan allows us to improve our customer mix, our product offering and gain market share in certain territories. We are in an excellent position to take advantage of the gradual recovery of restaurant activities in Quebec.

Importantly in the context of the pandemic and labor shortage, our industry-aligned compensation practices will allow us to improve our competitiveness as an employer and to retain and attract the best candidates. In these constantly changing market, I am very proud of the efforts made by our employees, who adapt to new conditions every day and contribute to Colabor's success,” 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.

(4) Working capital is a non-IFRS performance measure. 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. The working capital calculation of 2020 excludes the current portion of the convertible debentures that have been redeemed in 2021.

Reconciliation of Net Earnings to Adjusted EBITDA[1] (in thousands of dollars)	**16 weeks**		**52 weeks**	
	2021	**2020**	**2021**	**2020**
	$	**$**	**$**	**$**
Net earnings from continuing operations	**5,336**	620	**8,253**	3,798
Income taxes (recovered)	**(19)**	(320)	**1,435**	1,171
Financial expenses	**1,286**	1,975	**5,109**	6,712
Operating earnings	**6,603**	2,275	**14,797**	11,681
Expenses for stock-based compensation plan	**155**	84	**303**	309
(Income) costs not related to current operations	**(3,998)**	344	**(3,768)**	1,811
Depreciation and amortization	**4,320**	4,756	**14,088**	15,112
Adjusted EBITDA[1]	**7,080**	7,459	**25,420**	28,913

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,which include the risks related to the pandemic of Covid-19 ("pandemic") and the possible impacts on consumers and 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.

Conference Call

Colabor will hold a conference call to discuss these results on Monday, February 28, 2022, beginning at 9:30 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 912818# on your telephone keypad. The recording will be available from 1:30 p.m. on Monday, February 28, 2022, until 11:59 p.m. on March 7, 2022.

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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