



Q2 2022 RESULTS SUMMARY
(FOR THE 12 AND 24 WEEK PERIODS ENDED JUNE 11, 2022)

COLABOR GROUP INC.
(TSX: GCL)

JULY 21, 2022

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. Q2 2022 Events**
- 4. Q2 2022 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

68% 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

32% of revenues

Boucherville (Québec):

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

ACHIEVEMENTS

2020

SALE OF ONTARIO
DISTRIBUTION ACTIVITIES

COVID-19 PANDEMIC:
DIVERSIFICATION IS KEY

2022

CAPITAL ALLOCATION:

- INVESTING IN GROWTH
- HEALTHY DEBT MANAGEMENT
- TWO ACQUISITIONS COMPLETED

2019

RATIONALIZATION PLAN

SALE OF NON-CORE ASSETS

NEW LEADERSHIP - CEO

2021

REFINANCING

Q2-Q4 BACK TO GROWTH

Q2 2022 EVENTS

Continuing growth for a fifth consecutive quarter.

Operating Environment:

- Less restrictive operating environment in Q2 2022 vs Q2 2021 as no dining-in restrictions;
- Increase in labor costs and other supply chain costs, in connection with the increase in inflation.

Others

- Mr. Robert Briscoe has tendered his resignation as director of the Company on March 30;
- On April, 4, acquisition of all the shares of Le Groupe Resto-Achats Inc., a purchasing group;
- On April 22, 2022, acquisition of a customers list related to foodservice activities in the Outaouais and Laurentians regions from Ben Deshaies Inc.;
- On June 14, 2022, appointment of Mr. Marc Beauchamp as Director of the Company.

Evolution of the Strategic Plan:

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

Focused on delivering results in 2022:

- Continue to develop new regions of Quebec;
- Continue our investments in our private label development;
- Investment in the development of the employer brand;
- Continue to maintain an appropriate cost structure and optimal cash flow management.

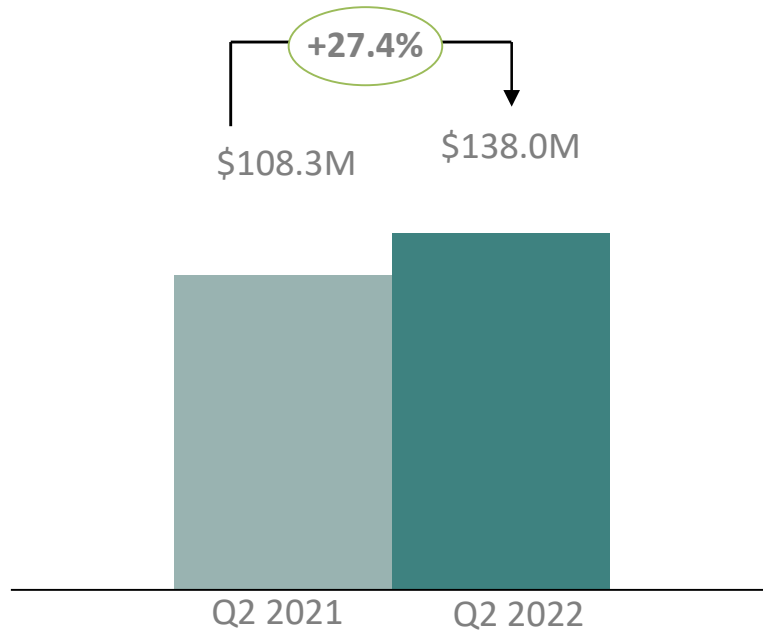


Q2 - 2022 Financial Results



Q2 SALES AND PROFITABILITY TREND

CONSOLIDATED SALES

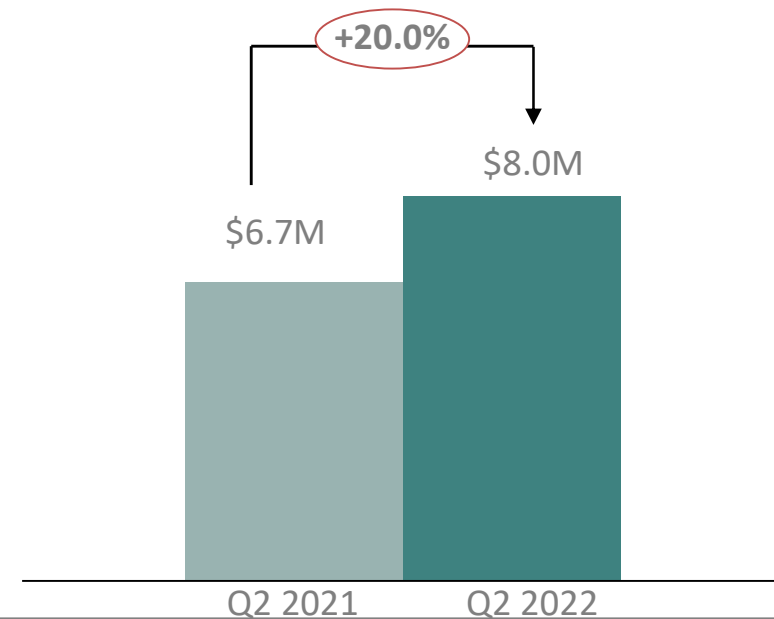


Distribution sales up by 27.7%

Wholesale sales up by 23.1%

- Longer opening period of dining rooms during the second quarter of 2022;
- New customers;
- Impact of rising inflation; and
- Business acquisitions.

ADJUSTED EBITDA⁽¹⁾



Higher adjusted EBITDA⁽¹⁾ in 2022 by \$1.3M.

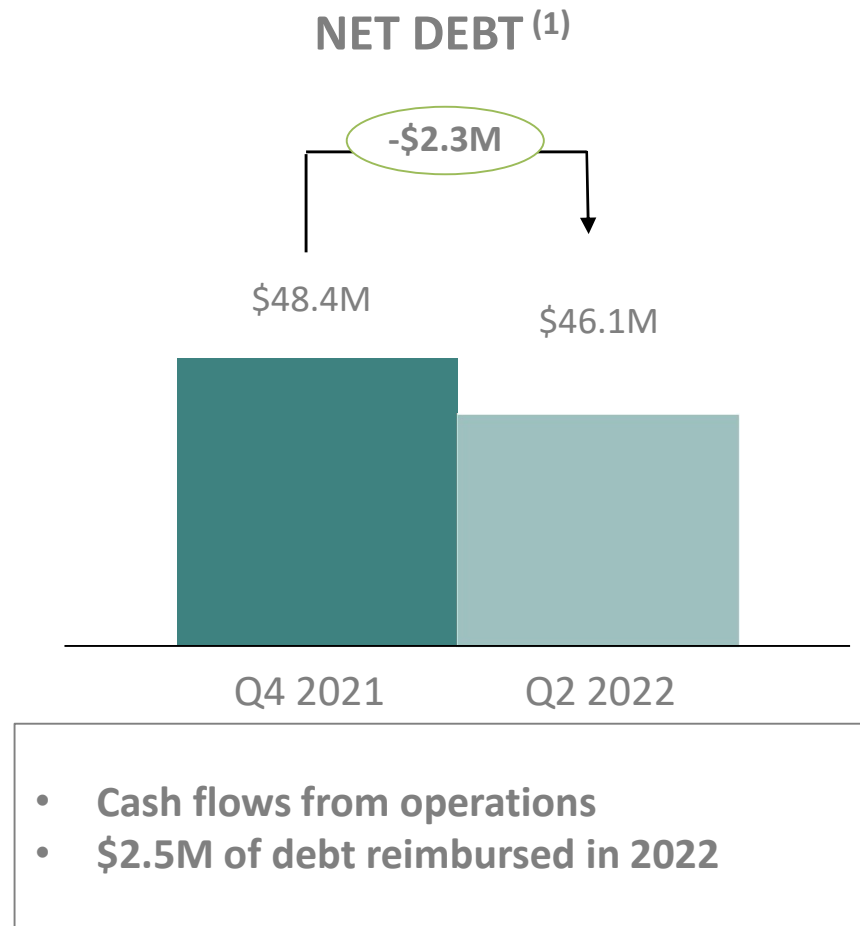
- Increased sales and gross margin;
- Additional labor costs and other supply chain costs;

Excluding the impact of subsidies obtained in 2021 of 1,2M\$, the Adjusted EBITDA⁽¹⁾ margin would have been 5.8% in 2022 and 5.0% in 2021.

(1) Adjusted EBITDA is a non-IFRS measure. Refer to section 6 "Non-IFRS Performance Measures" of the MD&A for the period ended June 11, 2022.



NET DEBT TREND



⁽¹⁾ Non-IFRS measure. Refer to section 6 "Non-IFRS Performance Measures" of the MD&A for the period ended June 11, 2022.



Q2 2022

Financial highlights (in thousands of dollars, except percentages, per share data and financial leverage ratio)	12 weeks		24 weeks	
	2022	2021	2022	2021
	\$	\$	\$	\$
Sales from continuing operations	137,986	108,290	235,155	194,101
Adjusted EBITDA ⁽²⁾	8,006	6,671	10,319	10,519
Adjusted EBITDA ⁽²⁾ margin (%) ⁽¹⁾	5.8	6.2	4.4	5.4
Net earnings from continuing operations	1,690	1,640	37	629
Net earnings (loss)	1,676	1,692	(30)	665
Per share - basic and diluted (\$)	0.02	0.02	0.00	0.01
Cash flow from operating activities	(1,221)	(2,911)	11,205	2,465
Financial position			As at	As at
			June 11,	December 25,
			2022	2021
Net debt ⁽²⁾			46,122	48,366
Financial leverage ratio ⁽²⁾			1.8x	1.9x

(1) Excluding the impact of subsidies obtained, the Adjusted EBITDA⁽²⁾ margin would have been 5,8% in 2022 and 5.0% in 2021 for the 12- week periods and 4,4% in 2022 and 4,1% in 2021 for the 24- week periods .

(2) 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 June 11, 2022. **Adjusted EBITDA** corresponds to net operating earnings before costs not related to current operations, depreciation and amortization and expenses for stock-based compensation plan, as shown in the Company's financial statements. **Net debt** corresponds to bank indebtedness, current portion of long-term debt and long-term debt, net of cash, as presented in Colabor's consolidated statements of financial position. **Financial leverage ratio** is defined as as net debt / adjusted EBITDA for the last four quarters.



SHARE INFORMATION (TSX: GCL)

STOCK PRICE (as at July 19, 2022)	\$0.72
52-week high-low	\$0.65 - \$1.28
Number of shares issued and outstanding	101,954,885
Average volume (30 days)	12.0 k
Market capitalization	\$73.4 M
Institutional and management ownership	≈ 34.5%





Head Office

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

Phone : 450 449-4911

Fax : 450 449-6180

investors@colabor.com