

## COLABOR GROUP REPORTS RESULTS FOR THE THIRD QUARTER 2024

**Saint-Bruno-de-Montarville, Quebec, October 17, 2024** - Colabor Group Inc. (TSX: GCL) (“Colabor” or the “Company”) reports its results for the third quarter ended September 7, 2024.

### Third Quarter 2024 Financial Highlights:

- Sales decreased by 1.6% to \$162.0 million, compared to \$164.7 million for the corresponding period of 2023;
- Net earnings from continuing operations were \$1.2 million compared to \$3.5 million for the corresponding period of 2023;
- Adjusted EBITDA<sup>(1)</sup> decreased by 14.0% to \$9.5 million from \$11.0 million for the corresponding period of 2023 with an adjusted EBITDA<sup>(1)</sup> margin to 5.9% of sales compared to 6.7% of sales during the corresponding period of 2023;
- Cash flow from operating activities increased to \$9.9 million compared to \$8.0 million for the third quarter of 2023;
- Net debt<sup>(2)</sup> decreased to \$50.7 million, compared to \$61.5 million as at December 30, 2023. The leverage ratio<sup>(3)</sup> is 2.6x as at September 7, 2024, compared to 2.7x as at December 30, 2023.

### Table of Third Quarter 2024 Financial Highlights:

Financial highlights (in thousands of dollars, except percentages, per share data and financial leverage ratio)	12 weeks		36 weeks	
	2024	2023	2024	2023
	\$	\$	\$	\$
Sales from continuing operations	162,034	164,700	454,512	462,809
Adjusted EBITDA <sup>(1)</sup>	9,484	11,034	24,084	25,902
Adjusted EBITDA <sup>(1)</sup> margin (%)	5.9	6.7	5.3	5.6
Net earnings from continuing operations	1,164	3,539	1,067	5,693
Net earnings	1,113	3,539	996	5,693
Per share - basic and diluted (\$)	0.01	0.03	0.01	0.06
Cash flow from operating activities	9,904	7,969	26,627	20,044
<b>Financial position</b>			<b>As at</b>	<b>As at</b>
			<b>September 7,</b>	<b>December 30,</b>
			<b>2024</b>	<b>2023</b>
Net debt <sup>(2)</sup>			50,749	61,481
Financial leverage ratio <sup>(3)</sup>			2.6x	2.7x

<sup>(1)</sup> Non-IFRS measure. Refer to the table Reconciliation of Net Earnings to adjusted EBITDA in MD&A section 5 "Non-IFRS Performance Measures". Adjusted EBITDA corresponds to net operating earnings before costs not related to current operations, depreciation and amortization and expenses for stock-based compensation plan.

<sup>(2)</sup> Non-IFRS measure. Refer to MD&A section 5 "Non-IFRS Performance Measures". Net debt corresponds to bank indebtedness, current portion of long-term debt and long-term debt, net of cash.

<sup>(3)</sup> 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 less lease liability payments and interests on lease obligations for the last four quarters. The corresponding figure for 2023 has been restated to reflect the new calculation method established for 2024. Refer to MD&A section 5 "Non-IFRS Performance Measures".

“The contribution of new customers and the growth in purchasing volume among certain customers of the distribution sector allowed us to gain market share and mitigate the effect of headwinds currently operating in the restaurant and retail industries,” said Louis Frenette, President and Chief Executive Officer of Colabor.

“The sound management of our balance sheet and our ability to generate operational cash flows position us well in the current context, and allow us to continue to execute our strategic plan with optimism and determination,” added Pierre Blanchette, Senior Vice President and Chief Financial Officer.

## Results for the Third Quarter of 2024

Consolidated sales for the third quarter were \$162.0 million, a decrease of 1.6% compared to \$164.7 million during the corresponding quarter of 2023. Sales for the distribution activities increased by 1.5%, primarily as a result of a volume increase, part of which is related to the development of new territories, as well as the recent acquisition and the impact of inflation. This growth was mitigated by a more difficult macroeconomic environment during the third quarter of 2024 directly affecting the restaurant and retail industries. Wholesale sales have declined by 10.1% mainly as a result of a more difficult macroeconomic environment during the third quarter of 2024, as explained previously, and mitigated by the impact of inflation.

Adjusted EBITDA<sup>(1)</sup> from continuing activities was \$9.5 million or 5.9% of sales from continuing activities compared to \$11.0 million or 6.7% during 2023. These variations were the result of a sales decline and higher operating expenses.

Net earnings from continuing operations and net earnings for the third quarter were \$1.2 million and \$1.1 million respectively, down from \$3.5 million for the corresponding quarter of the previous year, as a result of increased financial expenses combined with a decreased adjusted EBITDA<sup>(1)</sup> and mitigated by lower income taxes expenses. The increase in financial charges is a result of the increased rental obligations, particularly for our premises located in Saint-Bruno-de-Montarville.

## Results for the 36-week period of 2024

Consolidated sales for the 36-week period were \$454.5 million compared to \$462.8 million for the corresponding period of 2023. Sales for the distribution activities grew by 1.0% and the wholesale sales declined by 9.3%.

Adjusted EBITDA<sup>(1)</sup> from continuing operations was \$24.1 million or 5.3% of sales from continuing operations compared to \$25.9 million or 5.6% in 2023. These variations were the result of a sales decrease and higher operating expenses.

Net earnings from continuing operations were \$1.1 million, down from \$5.7 million in the previous fiscal year. This variation is a result of increased financial expenses as explained previously, combined with a decrease of adjusted EBITDA<sup>(1)</sup> and mitigated by lower income taxes expenses.

## Cash Flow and Financial Position

Cash flows from operating activities were \$9.9 million and \$26.6 million for the 12 and 36-week periods of 2024 respectively, compared to \$8.0 million and \$20.0 million for the corresponding periods of 2023. This increase is mainly due to lower utilization of working capital<sup>(4)</sup>, mitigated by the decrease of the adjusted EBITDA<sup>(1)</sup>. The lower utilization of working capital<sup>(4)</sup> is explained by the improvement in the inventory turnover rate and the timing in supplier payments.

As at September 7, 2024, the Company's working capital<sup>(4)</sup> was \$48.2 million, down from \$54.0 million at the end of the fiscal year 2023. This decrease is the result of an improvement in the inventory turnover rate and the timing in supplier payments.

As at September 7, 2024, the Company's net debt<sup>(2)</sup> was down to \$50.7 million, compared to \$61.5 million at the end of the fiscal year 2023, resulting from the credit facility repayment of \$5.5 million and an increase in cash.

## Outlook

“While the restaurant and retail industries are currently going through a more challenging period, we will continue to act on several fronts to continue to improve our productivity and operational efficiency. With our new distribution center in Saint-Bruno-de-Montarville, we are well positioned to distinguish ourselves in a competitive market. We will pursue a strategy of prudent allocation of our cash flows by prioritizing debt repayment, while remaining on the lookout for investment opportunities that will maximize shareholder returns,” concluded Mr. Frenette.

<sup>(4)</sup> 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.

## 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")<sup>(1)</sup>. As these concepts are not defined by IFRS, they may not be comparable to those of other companies. Refer to Section 5 "Non-IFRS Performance Measures" in the Management's Discussion and Analysis.

Reconciliation of Net Earnings to Adjusted EBITDA <sup>(1)</sup> (in thousands of dollars)	12 weeks		36 weeks	
	2024	2023	2024	2023
	\$	\$	\$	\$
<b>Net earnings from continuing operations</b>	<b>1,164</b>	3,539	<b>1,067</b>	5,693
Income taxes	<b>591</b>	1,362	<b>530</b>	2,109
Financial expenses	<b>2,823</b>	1,271	<b>8,196</b>	3,896
<b>Operating earnings</b>	<b>4,578</b>	6,172	<b>9,793</b>	11,698
Expenses for stock-based compensation plan	<b>28</b>	63	<b>80</b>	212
Costs not related to current operations	<b>154</b>	99	<b>276</b>	150
Depreciation and amortization	<b>4,724</b>	4,700	<b>13,935</b>	13,842
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>9,484</b>	11,034	<b>24,084</b>	25,902

## Additional Information

The Management's Discussion and Analysis and the consolidated financial statements of the Company are available on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)). 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](http://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. 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 6 "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), which 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 Friday, October 18, 2024, beginning at 9:30 a.m. Eastern time. Interested parties can join the call by dialing 1-888-510-2154 (from anywhere in North America) or 1-437-900-0527. If you are unable to participate, you can listen to a recording by dialing 1-888-660-6345 or 1-289-819-1450 and entering the code 53065# on your telephone keypad. The recording will be available from 1:30 p.m. on Friday, October 18, 2024, until 11:59 p.m. on October 25, 2024. Note that the recording will be available offline on our website at the following address:

<https://colabor.com/en/investisseurs-en/evenements-et-presentations/>

You can also use the QuickConnect link: <https://emportal.ink/4gfDA9p>. This new link allows any participant to access the conference call by clicking on the URL link and enter their name and phone number.

## 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 activities, Colabor offers specialty food products such as meat, fish and seafood, as well as food and related products through its Broadline activities.

## Further information:

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