

**COLABOR GROUP REPORTS RESULTS FOR THE
THIRD QUARTER 2021 AND
ANNOUNCES THE APPOINTMENT OF A NEW BOARD MEMBER**

Boucherville, Quebec, October 14, 2021 - Colabor Group Inc. (TSX: GCL) (“Colabor” or the “Company”) reports its results for the third quarter and the 36-week period ended September 4, 2021 and announces the appointment of Mr. Jean Gattuso as Director of the Company effective today.

Third Quarter 2021 Financial Highlights:

- Sales increased by 8.8% to \$131.6 million, compared to \$120.9 million for the third quarter of 2020, with a reopening of restaurant dining rooms at the beginning of the quarter in 2021 while the reopening occurred later in the third quarter of 2020;
- Net earnings from continuing operations decreased to \$2.3 million compared to \$3.4 million for the corresponding period of 2020, resulting primarily from the decrease of subsidies related to the pandemic and additional labor costs in the current context of labor shortage, partly offset by sales increase;
- Adjusted EBITDA⁽¹⁾ decreased to \$7.8 million from \$10.1 million for the corresponding period of 2020 and decrease in adjusted EBITDA⁽¹⁾ margin to 5.9% of sales compared to 8.4% of sales during the corresponding period of 2020. Excluding the impact of subsidies obtained, the adjusted EBITDA margin⁽¹⁾ would have been 6.0% in 2021 and 7.6% in 2020;
- Cash flow generated by operating activities down to \$7.4 million compared to cash flow from operating activities of \$16.4 million for the third quarter of 2020, due to higher utilization of working capital⁽⁴⁾ in relation with higher sales and by the timing of inventories purchase and suppliers payments, as well as higher collection of receivables in 2020.
- Mr. Gattuso joins the Board of Directors of Colabor as of today.

Table of third quarter 2021 Financial Highlights:

Financial highlights (in thousands of dollars except percentages, per share data and financial leverage ratio)	12 weeks		36 weeks	
	2021 \$	2020 \$	2021 \$	2020 \$
Sales from continuing operations	131,622	120,931	325,309	328,002
Adjusted EBITDA ⁽¹⁾	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	2,288	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 4,	December 26,
			2021	2020
Net debt ⁽²⁾			53,210	52,100
Financial leverage ratio ⁽³⁾			2.1x	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 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".

⁽⁴⁾ 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 reopening of restaurant dining rooms since last spring, 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 third quarter”, said Louis Frenette, President and Chief Executive Officer of Colabor.

“The inflationary pressures we are experiencing and the labor shortage are slowing down our growth plan and has put pressure on our margins. However, the successful transformation of our operations over the past two years, the renewal of the management team and our focused efforts on our value-added activities will allow us to reduce the impacts”.

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

Results for the Third Quarter of 2021

Consolidated sales for the third quarter amounted to \$131.6 million compared to \$120.9 million during the corresponding quarter of 2020, an increase of 8.8%. Sales for the Distribution segment increased by 11.7% explained by a volume increase from restaurants, following the reopening of restaurant dining rooms at the beginning of the quarter in 2021 while the reopening occurred later in the third quarter of 2020. Wholesale segment sales increased by 2.3%, due to the reopening of the restaurant business as explained 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 \$7.8 million or 5.9% of sales from continuing activities compared to \$10.1 million or 8.4% during 2020. These variations are mainly explained by the decrease in subsidies obtained of \$0.9 million, the holding of the spring buying show during the second quarter of 2021, compared to the third quarter of 2020, negatively impacted the expenses by \$0.5 million in 2021, and additional labor costs in the current context of labor shortage, combined with a retroactive adjustment for the renewal of a collective agreement, as well as investments for the repositioning of our private brand and to expand our territory. Excluding the impact of subsidies obtained, the adjusted EBITDA margin⁽¹⁾ would have been 6.0% in 2021 and 7.6% in 2020.

Net earnings from continuing operations were \$2.3 million, a decrease of 33.5% compared to \$3.4 million for the corresponding quarter of the previous year resulting essentially from the decrease in adjusted EBITDA⁽¹⁾ as explained above, mitigated by the decrease of depreciation and amortization expenses, financial expenses and income tax expense.

Net earnings for the third quarter were \$2.0 million, compared to net loss of \$1.8 million for the corresponding period of 2020. The variation is explained by the facts described above and by the variation of \$1.4 million in net loss from discontinued operations.

Results for the 36-week period of 2021

Consolidated sales for the 36-week period were \$325.3 million compared to \$328.0 million in the corresponding period of 2020, a decrease of 0.8% mainly from the Distribution segment. Adjusted EBITDA⁽¹⁾ from continuing operations reached \$18.3 million or 5.6% of sales from continuing operations compared to \$21.5 million or 6.5% in 2020 and is mainly explained by the reduction of \$2.7 million in subsidies obtained. Excluding the impact of subsidies obtained, the adjusted EBITDA margin⁽¹⁾ would have been 4.9% in 2021 and in 2020. Net earnings from continuing operations was \$2.9 million, down from a net loss of \$3.2 million in the 36-week period of last year.

Cash Flow and Financial Position

Cash flows from operating activities reached \$7.4 million for the third quarter, compared to \$16.4 million for the corresponding period of 2020. This decrease is mainly due to higher utilization of working capital⁽⁴⁾ and by the decrease in adjusted EBITDA⁽¹⁾.

As at September 4, 2021, the Company's working capital⁽⁴⁾ was \$37.0 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 third quarter, by the seasonality effect and by timing differences in purchases.

As at September 4, 2021, the Company's net debt⁽²⁾ was up to \$53.2 million, compared to \$52.1 million at the end of the fiscal year 2020. This increase is mainly due to the increase in working capital⁽⁴⁾ due to the effect of seasonality.

Outlook

“We are entering into the fourth quarter on solid foundation. We recently reached an agreement in principle for the renewal of our collective agreement with the employees of our largest distribution center. With more than 99% of our employees in favor, this agreement aligns our compensation practices with the industry and will allow us to improve our competitiveness as an employer and to retain and attract the best candidates. In this context, I am even more grateful for our employees' efforts, who every day contributed to Colabor's success throughout the pandemic”, 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.

Reconciliation of Net Earnings to Adjusted EBITDA ⁽¹⁾ (in thousands of dollars)	12 weeks		36 weeks	
	2021	2020	2021	2020
	\$	\$	\$	\$
Net earnings from continuing operations	2,288	3,441	2,917	3,178
Income taxes	1,130	1,938	1,454	1,491
Financial expenses	984	1,443	3,823	4,737
Operating earnings	4,402	6,822	8,194	9,406
Expenses for stock-based compensation plan	81	48	148	225
Costs not related to current operations	75	(121)	230	1,467
Depreciation and amortization	3,263	3,394	9,768	10,356
Adjusted EBITDA⁽¹⁾	7,821	10,143	18,340	21,454

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.

Appointment of a new Board member

Mr. Gattuso joined Lassonde in 1987. He held various senior executive positions at the subsidiary A. Lassonde Inc. between 1995 and 2009. Mr. Gattuso was appointed Chief Operating Officer of Lassonde Industries Inc. in 2009, and then President and Chief Operating Officer from 2012 to 2021, in addition to holding the position of President and Chief Executive Officer of various subsidiaries and being the Chairman of the Board of Directors of the US subsidiary of Lassondes Industries Inc. Under his leadership, the company has grown into the largest manufacturer of fruit juices and beverages in Canada and became a market leader in North America. Seasoned Director, Mr. Gattuso is sitting on various Boards of Directors, including Investissement Québec, La Table des Chefs and Le Cercle des Présidents du Québec, and the advisory boards of two privately held corporations. Mr. Gattuso holds a Bachelor of Commerce from McGill University and an MBA from Université du Québec à Montréal. He has received many honors during his career including “Person of the Year” in the food industry in 2003, “Entrepreneur of the Year 2008” from Ernst & Young in Quebec, "MBA of the Year" award in 2014 and, the Golden Pencil Award in 2015.

“We are pleased to welcome Mr. Gattuso to our Board of Directors. His extensive food industry knowledge, managerial expertise and Board experience will greatly benefit Colabor and its Board of Directors”, said Mr. Warren White, Chairman of the Board.



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 Friday, October 15, 2021, 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 568259# on your telephone keypad. The recording will be available from 1:30 p.m. on Friday, October 15, 2021, until 11:59 p.m. on Friday, October 22, 2021.

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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