



**PRESS RELEASE
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COLABOR ANNOUNCES THE SALE OF ITS SUMMIT FOODS DIVISION IN ONTARIO

Boucherville, Quebec, March 12, 2020 – Colabor Group Inc. (TSX: GCL) (“Colabor” or the “Company”) today announced it has reached an agreement for the sale of the majority of the assets of its Summit Foods division (“Summit”) in Ontario to Flanagan Foodservice Inc. (“Flanagan”) for proceeds of approximately \$10.0 million subject to post-closing adjustments. The transaction is expected to close at the end of April 2020, subject to obtaining clearance from the Canadian Competition Bureau. The sale of Summit follows the consolidation of Colabor’s Ontario distribution activities into the Mississauga distribution center which was announced earlier in January.

“The sale of this division will allow us to refocus our business while improving operating profitability, strengthening our financial situation and providing the necessary resources and bandwidth to focus on our value-added markets,” said Louis Frenette, President and CEO of Colabor. “After years of operating Summit in a challenging environment, this is the final important step of our optimization plan for our Ontario operations.”

“Summit is a well-respected distributor with a strong track record of providing superior service, value and integrity which complements the Flanagan culture and our own commitment to quality,” said Dan Flanagan, CEO of Flanagan. “As one company, we will use our scale to enhance service to our customers and continue to offer them the difference they deserve.”

The transaction includes the Summit Mississauga distribution center and related equipment, the Street and System business and a majority of the employment contracts. Flanagan Foodservice will also become the exclusive distributor of Colabor’s Menu brand in Ontario.

Forward-Looking Statements

This news release contains certain statements that may be deemed to be forward-looking statements reflecting the opinions or current expectations of Colabor Group Inc. concerning its performance, business operations and future events. Such statements are subject to risks, uncertainties and assumptions and the analysis of the debt structure and available alternatives, and risks mentioned in the Corporation’s annual information form found under its profile on SEDAR (www.sedar.com), such as the risk of dilution for existing shareholders. As such, these statements are not guarantees of future performance, and actual results, realities or events may differ materially. Except as required by law, the Corporation assumes no obligation to update these forward-looking statements in the event that management’s beliefs, estimates or opinions or other factors change.

About Flanagan Foodservice

Flanagan Foodservice is the largest Canadian and family-owned foodservice distributor in the country. The company was founded in 1977 with an emphasis on customer service and has maintained this focus by always putting the customer first, enjoying over 40 years of consistent growth and expansion. Flanagan Foodservice is constantly improving by refining its services, systems, product mix and offering the flexibility to meet its customers’ challenges and changing needs.

About Colabor

Colabor is a distributor and wholesaler of food and related products serving the hotel, restaurant and institutional markets or “HRI” in Quebec, Ontario and in the Atlantic provinces, as well as the retail market (grocery stores and convenience stores). Within its two operating segments, Colabor offers specialty food products such as fresh fish and seafood, meat, as well as food and related products through its Broadline activities.

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