NEWS RELEASE **FOR IMMEDIATE RELEASE**

COLABOR GROUP REPORTS RESULTS FOR THE SECOND QUARTER OF 2017

- **Net earnings of $3.1 million, stable compared to last year**
- **Adjusted EBITDA of $9.0 million**
- **Cash flow from operating activities of $2.2 million, compared with a negative cash flow of ($7.5 million) in 2016**
- **$1.3 million decrease in financial expenses**

Boucherville, Quebec, July 21, 2017 – Colabor Group Inc. (TSX: GCL) ("Colabor" or the "Corporation") today reported its results for the second quarter of fiscal 2017 ended June 17, 2017.

"Measures put in place in past quarters, such as improved margins in the Distribution segment, the optimization of our distribution platform in Ontario and reduced financial expenses resulting from recapitalization transactions, helped keep our net profit stable. Moreover, an excellent performance by the Norref and CDA divisions, which reflect our vision of focusing on value-added niches, helped us mitigate competitive pressures in the Decarie division," said Claude Gariépy, President and Chief Executive Officer of Colabor.

"We are also happy to see a net improvement in our working capital situation, resulting from the reinstatement of more advantageous credit conditions with suppliers. This attests to the confidence instilled by the ongoing improvements to our balance sheet. With the support of our shareholders and employees in 2016, we successfully stabilized our operations. We are now working to put in place numerous initiatives, from which we have already seen some benefits in the second quarter, to increase profitability and generate future growth in promising areas."

Financial highlights	**Quarter ended**		**Six-month period ended**	
(thousands of dollars except per-share data)	**June 17, 2017**	**June 11, 2016**	**June 17, 2017**	**June 11, 2016**
Sales[1]	**331,372**	342,979	**598,559**	627,791
Adjusted EBITDA	**9,018**	10,074	**9,918**	11,979
Operating earnings before the following items	**6,477**	7,421	**4,838**	6,607
Charges not related to current operations	**467**	-	**1,336**	3,337
Net earnings (loss)	**3,097**	3,073	**(349)**	(2,225)
Per share – basic and diluted ($)	**0.03**	0.11	**(0.00)**	(0.08)
Cash flow from (used in) operations[2]	**2,239**	(7,499)	**(2,294)**	(5,333)
Weighted average number of shares outstanding (basic, in thousands)	**102,074**	27,454	**102,074**	27,454

[1] The Corporation early adopted IFRS 15, *Revenue from Contracts with Customers*, as at December 31, 2016. Figures for the prior year have been reclassified.
[2] After the net change in working capital.

SECOND QUARTER RESULTS

Consolidated sales were $331.4 million for the 84-day period ended June 17, 2017, down 3.4% from $343.0 million for the 84-day period ended June 11, 2016.

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Sales of the Distribution segment decreased 1.9% to $248.3 million, from $253.2 million a year earlier. This decline is primarily due to the prior loss of a major supply contract in Ontario, partially offset by the solid performance of the Norref division.

Sales of the Wholesale segment reached $83.1 million, down 7.5% from $89.8 million the previous year. This decrease reflects a significant decline in sales of the Decarie division due to increased competitive pressures across the sector. This was partially offset by a slight increase in sales at the Boucherville division.

Adjusted EBITDA was $9.0 million or 2.72% of sales, compared to $10.1 million or 2.94% of sales in the second quarter of 2016. The adjusted EBITDA for the second quarter of 2017 includes the non-recurring reversal of a provision of $0.8 million related to the two-year retention program implemented as part of an exceptional situation in July 2015, whereas a bonus to senior management will not be paid out because of a missed profitability target. The decrease in adjusted EBITDA compared to last year primarily reflects a reduction in sales volume as well as an increase in some fees related specifically to optimization initiatives for the Ontario platform and key staff hires. These factors were partially offset by a slight growth in margins as a percentage of sales, which were the result of improved supply processes and a reduction in storage costs following the closure of the Vaughan, Ontario warehouse on April 30, 2017.

In the second quarter of 2017, Colabor recorded $467,000 in charges not related to current operations, primarily in connection with the internal restructuring of operations, specifically the closure of the Vaughan warehouse. In addition, the Corporation enjoyed a significant $1.3 million reduction in financial expenses due to its year-over-year debt reduction. As a result, Colabor concluded the second quarter of 2017 with net earnings of $3.1 million, stable compared to last year.

SIX-MONTH RESULTS

Consolidated sales were $598.6 million for the 168-day period ended June 17, 2017, down from $627.8 million for the 168-day period ended June 11, 2016. Adjusted EBITDA was $9.9 million or 1.66% of sales, down from $12.0 million or 1.91% of sales a year earlier. Finally, the net loss for the six-month period ended June 17, 2017, was $0.3 million, compared to a net loss of $2.2 million for the six-month period ended June 11, 2016.

CASH FLOW AND FINANCIAL POSITION

The Corporation generated a cash flow from operating activities of $2.2 million in the second quarter of 2017, compared with a negative cash flow of ($7.5 million) for the same period in 2016. This year-over-year improvement is due to the reduced need for working capital in 2017, resulting from an improvement in credit terms from suppliers and a reduction in inventory compared to the second quarter of last year.

For the first six months of 2017, operating activities used a cash flow of ($2.3 million) compared with ($5.3 million) over the same period in 2016.

As of June 17, 2017, total debt, including convertible debentures and the bank overdraft, amounted to $125.1 million, down sharply from $194.8 million twelve months earlier. This reduction reflects the success of the recapitalization transactions closed on October 13, 2016, and strong cash flow generation over the last twelve months.

TERMINATION NOTICE FOR A SUPPLY AGREEMENT

Colabor has received a termination notice in regards to an agreement to supply the establishments of the Popeyes Louisiana Kitchen ("Popeyes") restaurant chain in Ontario, with an effective date of November 13, 2017. Colabor's annual sales with the Popeyes restaurants amounted to more than $40.0 million.

This development occurs in parallel with the initiatives that Colabor put in place in the second quarter of 2017 to reassess its customer portfolio as part of the reorganization of its distribution network in Ontario. Considering the cost reductions associated with this reorganization and the mitigation measures that will be introduced, the net effect of the termination of this contract on operating profitability should be negligible.

OUTLOOK

"Improving operating efficiency and profit margins remain Colabor's priorities. In the short term, more rigorous management in certain product categories and the investments we have made in our operations, particularly in our sales teams, should begin to take effect during the second half of 2017. In addition, as of the fourth quarter, the negative effect of the competitive situation at Decarie will no longer be reflected in our year-over-year results. Over the long term, new initiatives aimed at stimulating organic sales growth in promising areas will allow Colabor to increase its operating profitability," concluded Mr. Gariépy.

CONFERENCE CALL

Colabor will hold a conference call to discuss these results on Friday, July 21, beginning at 10:30 a.m. Eastern time. Interested parties can join the call by dialling 647-788-4922 (from Toronto and overseas) or 1-877-223-4471 (from elsewhere in North America). If you are unable to participate, you can listen to a recording by dialling 1-800-585-8367 and entering the code 37186004 on your telephone keypad. The recording will be available from 1:30 p.m. on Friday July 21, 2017, to 11:59 p.m. on Friday, July 28, 2017.

Those interested in participating in the webcast and in viewing a presentation should click on this link: http://www.colabor.com/en/investisseurs/evenements-et-presentations/.

NON-IFRS MEASURES

The information provided in this release includes non-IFRS performance measures, notably adjusted earnings before financial expenses, income taxes, depreciation and amortization ("EBITDA") and cash flow. As these concepts are not defined by IFRS, they may not be comparable to those of other companies.

ADDITIONAL INFORMATION

The Management Discussion and Analysis and the financial statements of the Corporation will also be available on SEDAR (www.sedar.com) following publication of this release. Additional information about Colabor Group Inc. can be found on SEDAR and on the Corporation's website at www.colabor.com.

FORWARD-LOOKING STATEMENTS

This news release contains certain statements that may be deemed 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 Colabor

Colabor is a distributor and wholesaler of food and non-food products serving the foodservice market (cafeterias, restaurants, hotels, restaurant chains) in Quebec, Ontario and the Atlantic provinces, as well as the retail market (grocery stores and convenience stores).

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