Q3 2023 RESULTS

COLABOR GROUP INC.(TSX: GCL)

October 18, 2023

FORWARD LOOKING STATEMENT

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NON-IFRS PERFORMANCE MEASURES

This Document also contains information that follows non-IFRS measures of performance. Such information should not be considered in isolation or as a substitute for other IFRS performance measures, but rather as supplementary information. These measures are widely used in the financial community to evaluate the profitability of operations. They reflect the inclusion or exclusion of certain amounts that are not considered representative of the Company's recurring financial performance. Since these concepts are not defined by IFRS, they may not be comparable with those of other companies.

CONTENT

- Q3 2023 Entering Phase II of our Turnaround
- Q3 2023 Evolution of our Strategic Plan
- Q3 2023 Financial results
- Share information

ENTERING PHASE II OF OUR TURNAROUND

Our transformation strategy has delivered
10 consecutive quarters of year-over-year revenue growth

Implementation of strategic initiatives sustained strong Q3 2023 results:
- 13% revenue growth;
- 80 basis points gross margin increase;
- 24% Adjusted EBITDA[1] growth.

Maintaining solid balance sheet:
- Leverage ratio [2] down at 2.2x from 2.3x at end of FY2022.

[1] Adjusted EBITDA is a non-IFRS measure. Refer to slide 12 non-IFRS 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] 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 for the last twelve months. Lease payment obligations for the LTM as of September 9, 2023 were $11.4M and amounted to $8.2M for both fiscal 2023 and fiscal 2022.

Now entering the second phase of growth of our 5-year strategic plan:
- Sustained demand: revenue growth came in part from our organic and non-organic growth push in Western Quebec, new major account wins as announced in Q4 2022 and from existing customer growth.
- We are gaining momentum in our current markets and winning market share in our coveted markets.

We are well positioned to capture available growth opportunities:
- The upcoming move to the new strategic facility in St-Bruno at the end of 2023 will grow our Distribution footprint, allowing us to efficiently reach 90% of the HRI market in the province from our current 30%.

NEW HYBRID FACILITY (ST-BRUNO, QUEBEC)

WE ARE
ON TIME & BUDGET
TO START MOVING-IN
BY END OF 2023
(HEAD OFFICE &
WHOLESALE
ACTIVITIES)

START OF
DISTRIBUTION
ACTIVITIES TARGETING
WESTERN QUÉBEC
IN Q1 2024

321,000 square feet facility
Floor pouring completed earlier in Q3

40 feet high ceilings
Racking installation in progress

FEATURES:

- Custom-built facility offering optimal refrigeration and freezing capabilities
- Ability to conduct both wholesale and distribution activities on the same footprint
- Improves stock turnover and capacity output
- Improves operating and cost efficiencies

EVOLUTION OF THE 5-YEAR STRATEGIC PLAN

PROFITABILITY
GENERATE PROFITABLE GROWTH

- Improve customer & product mix.
- Optimizing category management and procurement and investing in our private label to achieve an optimal mix of national brands / private label.

RESULTS YTD

- 60 bp gross margin improvement.
- 35% Adjusted EBITDA growth.
- Growing private label sales.

GROWTH
POTENTIAL REACH FROM 30% TO 90% OF THE HRI MARKET

- Organic investments in sales and marketing continued.
- Evaluating pipeline of M&A opportunities.

RESULTS

- Organic and non-organic growth initiatives and Q42022 chain wins were significant contributors to revenue growth.
- Demonstrating demand in Western Quebec.

PEOPLE
ATTRACT, RETAIN AND DEVELOP

- HR focus on attracting and retaining talent

RESULTS

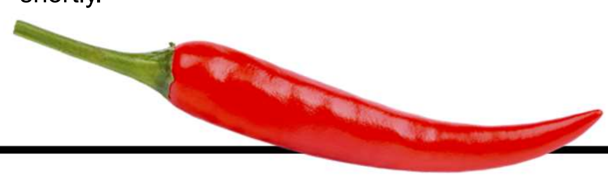
- More resources available to support strong summer season.
- New facility to attract and retain talent. New employer brand will be launched shortly.

BRAND
RENEW, REFRESH

- Focus on raising local offering and customer service.

RESULTS

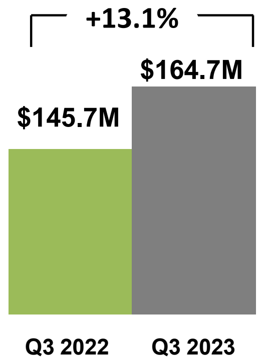
- Fourchette Bleue certification
- Maturin minority investment (local farm-to-table offering).



COLABOR

THIRD QUARTER 2023 HIGHLIGHTS
Q3 2023 SALES AND PROFITABILITY

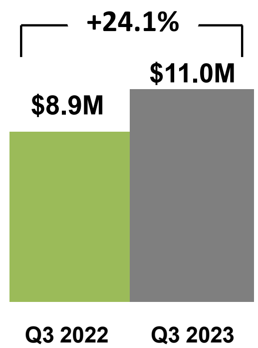
CONSOLIDATED SALES



DISTRIBUTION SALES UP BY 20.4%
WHOLESALE SALES DOWN BY 8.6%

- Higher Distribution volume;
- New chains and street customers;
- Impact of rising inflation estimated at 3.7%;
- Decrease of Wholesale sales segment to the Distribution segment, as part of a supply optimization project between our warehouses.

ADJUSTED EBITDA(1)



Higher adjusted EBITDA(1) in 2023 by $2.1M.

- Higher volume.

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Q3 2023 NET EARNINGS AND CASH FLOW TREND

NET EARNINGS

Net earnings improved to $3.5M ($0.03 per share), from a net earnings of $2.8M ($0.03 per share)

- Higher EBITDA[1] ;
- Improving operational leverage leading to better fixed cost absorption.

CASH FLOW FROM OPERATIONS

Cash flows generated amounted to $8.0M, down from $8.8M

- Q3 2023 higher working capital requirements explained by a higher supplier payments in 2023 related to inventories purchases.

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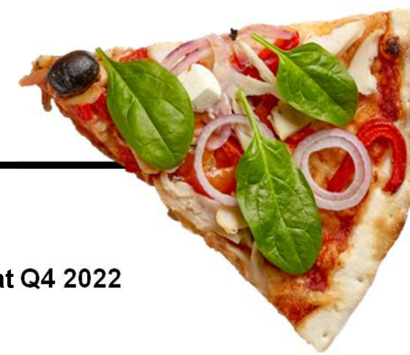
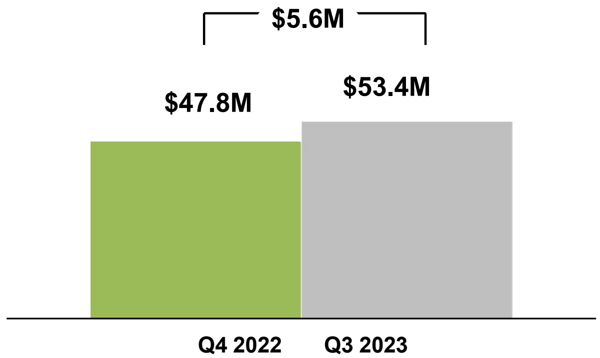
Q3 2023 NET DEBT AND LEVERAGE RATIO TREND



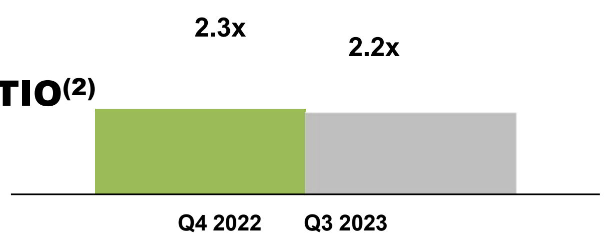
NET DEBT (1)



Net debt increased to $53.4M, was $47.8M at Q4 2022

- Use of credit facility for $6.5M;
- Investment in capex for our new site.

LEVERAGE RATIO(2)



Leverage ratio down at 2.2x

- Contribution of higher Adjusted EBITDA;
- Investment in growth.

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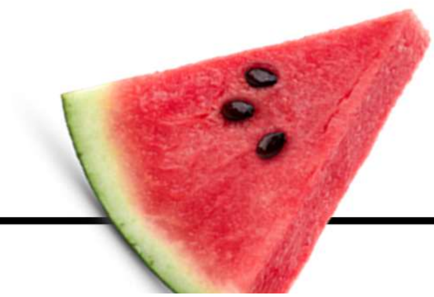
Q3 2023 FINANCIAL HIGHLIGHTS

(in thousands of dollars, except percentages, per share data and financial leverage ratio)	12-week period 2023	12-week period 2022	36-week period 2023	36-week period 2022
Sales from continuing operations	**164,700**	145,670	**462,809**	380,825
Adjusted EBITDA[1]	**11,034**	8,894	**25,902**	19,213
Adjusted EBITDA[1] margin (%)	**6.7**	6.1	**5.6**	5.0
Net earnings from continuing operations	**3,539**	2,832	**5,693**	2,869
Net earnings	**3,539**	2,832	**5,693**	2,802
Per share – basic and diluted	**0.03**	0.03	**0.06**	0.03
Cash flow from operating activities	**7,969**	8,757	**20,044**	19,962

Financial Position	**As at September 9, 2023**	**As at December 31, 2022**
Net debt[2]	**53,364**	47,764
Financial leverage[3]	**2.2x**	2.3x



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SHARE INFORMATION (TSX: GCL)

LAST 52 WEEKS

STOCK PRICE (as at October 17th, 2023)	**$1.11**
52-week low-high	**$0.69 - $1.19**
Number of shares issued and outstanding	**101,986,464**
Average volume (30 days)	**83k**
Market capitalization	**$113.2M**
Institutional and management ownership	**≈ 40%**
Analyst coverage: Kyle McPhee, CFA Cormark Securities	

NON-IFRS MEASURES

Reconciliation of Net Earnings to Adjusted EBITDA (in thousands of dollars)	2023 12-weeks	2022 12-weeks	2023 36-weeks	2022 36-weeks
Net earnings from continuing operations	**3,539**	2,832	**5,693**	2,896
Income taxes	**1,362**	1,097	**2,109**	1,140
Financial expenses	**1,271**	1,080	**3,896**	3,030
Operating earnings	**6,172**	5,009	**11,698**	7,039
Expenses for stock-based compensation plan	**63**	111	**212**	313
Costs not related to current operations	**99**	102	**150**	1,247
Depreciation and amortization	**4,700**	3,672	**13,842**	10,614
Adjusted EBITDA	**11,034**	8,894	**25,902**	19,213

Calculation of Net Debt (in thousands of dollars)	As at September 9, 2023	As at December 31, 2022
Bank indebtedness	**114**	1,014
Current portion of long-term debt	**3,000**	3,000
Long-term debt	**50,250**	43,750
Net debt	**53,364**	47,764

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