Q1 2024 RESULTS
COLABOR GROUP INC.(TSX: GCL)

May 2, 2024

FORWARD LOOKING STATEMENT

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FORWARD LOOKING STATEMENT

This document 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. 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, including those mentioned in the Company's Annual Information Form, which can be found under its profile on SEDAR+ (www.sedarplus.ca). 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 document (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.

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

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

PHASE II OF OUR TURNAROUND

Our transformation strategy had delivered 11 consecutive quarters of year-over-year revenue growth, with a slight slowdown for the first time in Q1 2024

Implementation of strategic initiatives helped mitigating the effect of the weakness in the restaurant industry in Q1 2024 results:
- 2.0% decrease in revenue growth;
- a stable gross margin;
- 12.4% decrease in Adjusted EBITDA[1].
- $11.7M in cash flow generated from operating activities.

Maintaining solid balance sheet:
- Leverage ratio [2] decreased to 2.3x from 2.4x at end of FY2023.

[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 March 23, 2024 were $11.7M and amounted to $12.4M for fiscal 2023.

A diversified clientele across the distribution activities, along with efforts to attract new clients and expand into new territories, partially mitigated the effect of the weakness in the restaurant industry.
- Revenue from distribution activities increased slightly by 0.4%;
- Revenue from wholesale activities decreased by 8.7%.

Developments of the new hybrid Distribution / Wholesale facility:
- Certain chain customers are served from the new facility, service levels are maintained;
- Planned relocation in Q2 of Western Quebec customers, actually served from our facility in Eastern Quebec, to the new facility in Saint-Bruno will allow us to generate synergies and integrate new customers in our eastern Québec facility.

NEW HYBRID FACILITY (ST-BRUNO, QUEBEC)

Rendering image provided by Écoparc Saint-Bruno.

EVOLUTION OF THE 5-YEAR STRATEGIC PLAN

PROFITABILITY
GENERATE PROFITABLE GROWTH

- Improve customer & product mix.
- Optimizing the management of our private label to achieve an optimal mix with our national brands.

Q1 RESULTS

- Stable gross margin.
- 12% decrease in Adjusted EBITDA due to lower sales volume.

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

- Growing distribution activities in Western Quebec.
- Continuously evaluating pipeline of M&A opportunities.

Q1 RESULTS

- Gradual startup of new distribution activities.
- Integration of Assets acquired in March 2024.

PEOPLE
ATTRACT, RETAIN AND DEVELOP

- HR focus on attracting and retaining talent.
- Employer brand.

Q1 RESULTS

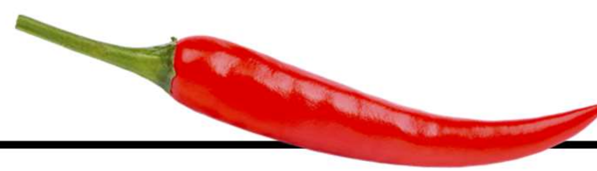
- More resources available, ready for the strong summer season.

BRAND
RENEW, REFRESH

- Focus on raising local offering and customer service.

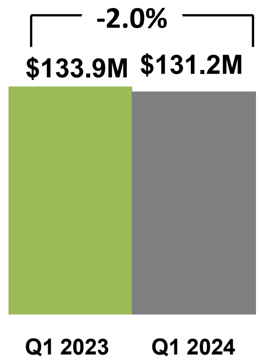
Q1 RESULTS

- Differentiated, locally-inspired, high-quality offerings.
- Highlight on our customer service approach.



FIRST QUARTER 2024 HIGHLIGHTS
Q1 2024 SALES AND PROFITABILITY

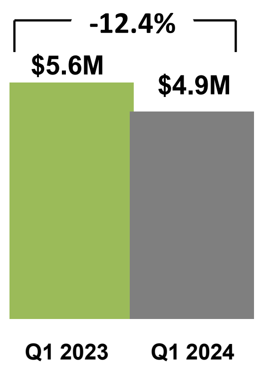
CONSOLIDATED SALES



DISTRIBUTION SALES UP BY 0.4%
WHOLESALE SALES DOWN BY 8.7%

- Higher distribution volume;
    - New HRI customers and territories;
    - Impact of inflation estimated at 2.7%;
- Lower sales volume from restaurant industry in our wholesale and distribution activities in a more difficult macroeconomic environment.

ADJUSTED EBITDA[1]



Lower adjusted EBITDA[1] in 2024 by $0.7M.

- Lower sales volume;
- Higher operating expenses.

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Q1 2024 NET LOSS AND CASH FLOW TREND

NET LOSS

Net loss increased to $1.8M (-$0,02 per share), from a net loss of $0.2M ($nil per share)

- Decrease in EBITDA [1];
- Increase in depreciation and amortization, and finance expenses related to the increase in lease obligations, particularly the one for our premises located in Saint-Bruno.

CASH FLOW FROM OPERATIONS

Cash flows generated amounted to $11.7M, up from $0.8M

- Q1 2024 lower utilization of working capital requirements explained by a higher collection of receivables in 2024 and timing of inventory purchases and supplier payments.

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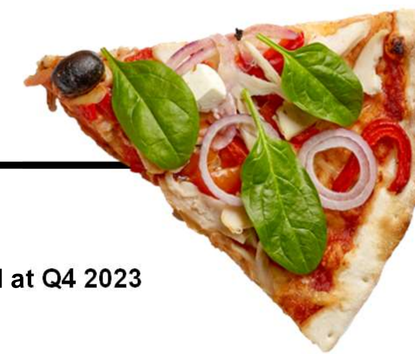
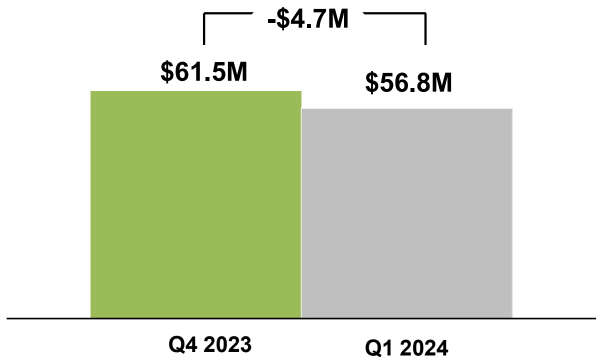
Q1 2024 NET DEBT AND LEVERAGE RATIO TREND



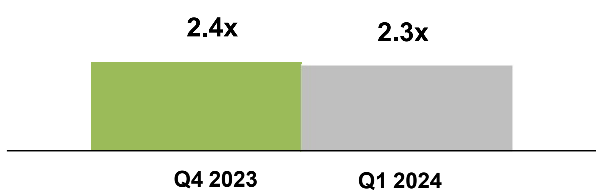
NET DEBT (1)



Net debt decreased to $56.8M, from $61.5M at Q4 2023

- Repayment of credit facility of $3M;
- Decrease in bank indebtedness.

LEVERAGE RATIO(2)



Leverage ratio decreased to 2.3x

- Decrease of net debt.

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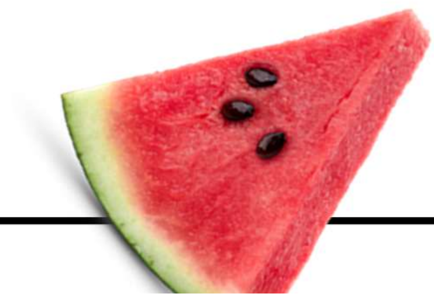
Q1 2024 FINANCIAL HIGHLIGHTS

(in thousands of dollars, except percentages, per share data and financial leverage ratio)	12-week period 2024	12-week period 2023
Sales from continuing operations	**131,200**	133,923
Adjusted EBITDA(1)	**4,882**	5,574
Adjusted EBITDA(1) margin (%)	**3.7**	4.2
Net loss from continuing operations	**(1,776)**	(160)
Net loss	**(1,776)**	(160)
Per share – basic and diluted	**(0.02)**	-
Cash flow from operating activities	**11,745**	807
Financial Position	**As at March 23, 2024**	**As at December 30, 2023**
Net debt(2)	**56,813**	61,487
Financial leverage(3)	**2.3x**	2.4x



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SHARE INFORMATION (TSX: GCL)

LAST 52 WEEKS

STOCK PRICE (as at April 30th, 2024)	**$1.24**
52-week low-high	**$0.72 - $1.33**
Number of shares issued and outstanding	**101,986,464**
Average volume (30 days)	**199k**
Market capitalization	**$126.0M**
Institutional and management ownership	**≈ 40%**
Analyst coverage: Kyle McPhee, CFA Cormark Securities	

NON-IFRS MEASURES

Reconciliation of Net Loss to Adjusted EBITDA (in thousands of dollars)	First quarter 2024 12-weeks	 2023 12-weeks
Net loss from continuing operations	**(1,776)**	(160)
Income taxes recovered	**(616)**	(107)
Financial expenses	**2,589**	1,242
Operating earnings	**197**	975
Expenses for stock-based compensation plan	**15**	89
Costs not related to current operations	**99**	49
Depreciation and amortization	**4,571**	4,461
Adjusted EBITDA	**4,882**	5,574

Calculation of Net Debt (in thousands of dollars)	As at March 23, 2024	As at December 30, 2023
Bank indebtedness	**1,063**	2,731
Current portion of long-term debt	**3,000**	3,000
Long-term debt	**52,750**	55,750
Net debt	**56,813**	61,481

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