

FORM 51-102F3
Material Change Report

Item 1 – Name and Address of Corporation

Colabor Group Inc. (“Colabor” or the “Corporation”)
1620 de Montarville Boulevard
Boucherville (Québec)
J4B 8P4

Item 2 – Date of Material Change

February 18, 2021.

Item 3 – News Release

A news release with respect to the material change referred to in this report was disseminated by Colabor on February 18, 2020 through the facilities of the newswire service provided by GlobeNewswire and subsequently filed on SEDAR.

Item 4 – Summary of Material Change

On February 18, 2021, Colabor announced that it has completed its refinancing by entering into an agreement for a new senior secured credit facility of an authorized amount of \$80 million, including a \$50 million revolving credit and a \$30 million term loan, as well as a new financing agreement for a \$20 million subordinated debt with Investissement Québec. Part of the refinancing funds were used to fully repay the Corporation’s existing subordinated debt to the Fonds de solidarité des travailleurs du Québec (F.T.Q.), which had a balance of \$12 million. The funds will also be used to redeem the currently outstanding 6.0% convertible unsecured subordinated debentures due October 13, 2021.

Item 5 – Full Description of Material Change

For a full description of the material change, please refer to the Corporation’s news release dated February 18, 2020 a copy of which is attached hereto as Schedule “A”.

Item 6 – Reliance on Subsection 7.1 (2) of NI 51-102

Not applicable.

Item 7 – Omitted Information

None.

Item 8 – Executive Officer

For further information, please contact:

Colabor Group Inc.

Ms. Marie-France Laberge
Interim Chief Financial Officer
Tel.: 450.449.4900, extension 1272

Item 9 – Date of the Report

February 24, 2020.

SCHEDULE "A"



PRESS RELEASE

FOR IMMEDIATE RELEASE



**COLABOR ANNOUNCES THE CONCLUSION OF ITS REFINANCING
AND THE ISSUANCE OF A NOTICE OF REDEMPTION OF ITS
OUTSTANDING 6.0% CONVERTIBLE UNSECURED
SUBORDINATED DEBENTURES**

BOUCHERVILLE, Québec, Feb. 18, 2021 (GLOBE NEWSWIRE) -- Colabor Group Inc. (TSX:GCL) ("Colabor" or the "Company") today announces the closing of its refinancing including:

- The Company entered into a credit agreement for a new first-ranking secured credit facility for a total amount of \$80 million, comprised of a revolving credit of \$50 million and a term loan of \$30 million. The credit facility bears interest at the cost of funds plus a margin varying between 1.75% to 3.25% depending on the Company's leverage ratios and matures in February 2025. The term loan is repayable in the amount of \$3 million per year. The credit agreement includes an accordion clause allowing the credit facility to be increased by mutual agreement by an additional \$20 million. This facility replaces the existing credit facility.
- The Company also entered into a \$20 million new subordinated loan with Investissement Québec of which \$15 million has been disbursed at closing and \$5 million is available until February 2022 at the Company's option. The subordinated loan bears interest at a rate varying between 7.25% and 8.25% depending on financial ratios and has a 5-year term.
- Concurrently, the Company has repaid in full the existing subordinated debt with Fonds de solidarité des travailleurs du Québec (F.T.Q.) for the balance of the loan of \$12 million.

Notice of Redemption of Convertible Unsecured Subordinated Debentures

Colabor also announces having issued a notice of redemption to the holders of its currently outstanding 6.0% convertible unsecured subordinated debentures maturing on October 13, 2021 (the "Convertible Debentures").

As set out in the notice of redemption, Colabor intends to redeem all of the Convertible Debentures issued and outstanding as at March 23, 2021 (the "Redemption Date"). The Convertible Debentures are redeemable at a redemption price equal to their principal amount (the "Redemption Price"), plus

accrued and unpaid interest thereon to, but excluding, the Redemption Date, for a total amount of \$1023,51 for each \$1,000 tranche of debentures. As at the close of business on February 18, 2021, there was \$50 million principal amount of Convertible Debentures issued and outstanding. Colabor intends to use the proceeds from the refinancing to redeem the Convertible Debentures. Following payment of the Redemption Price, no Convertible Debentures will remain outstanding.

Pursuant to the terms of the Convertible Debentures, holders of the Convertible Debentures have the right, prior to the Redemption Date, to convert their Convertible Debentures into Colabor common shares at a conversion rate of \$2.50 per common share. A full description of the redemption process as well as of the right of holders of Convertible Debentures to convert their debentures into Colabor common shares is set out in Colabor's final short-form prospectus dated April 20, 2010. Holders of Convertible Debentures should also refer to the Trust Indenture dated April 27, 2010, as amended by a first supplemental indenture dated October 13, 2016, for additional information. All of the foregoing documents are available under Colabor's profile on SEDAR at www.sedar.com.

« The refinancing of our credit facilities demonstrates the support of our existing financial partners and new lenders, strengthens our balance sheet, provides additional financial flexibility and reduces our financial expenses. We now have the available resources and financial flexibility to pursue our growth », said Louis Frenette, President and Chief Executive Officer of Colabor.

Forward-Looking Statements

This press release contains certain statements that may be deemed to be forward-looking statements including, but not limited to, the redemption of the Convertible Debentures, 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 Company'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 guarantee of future performance, and actual results, realities or events may differ materially. Except as required by law, the Company 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 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.

Further information

Groupe Colabor Inc.

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