



## Unisync Reports Improving Core Business Revenues in Q1 Financial Results

TORONTO, Feb. 14, 2022 -- **Unisync Corp.** ("Unisync") (TSX:"UNI") (OTCQX:"USYNF") announces its financial results for its first quarter ended December 31, 2021. Unisync operates through two business units: Unisync Group Limited ("UGL") with operations throughout Canada and the USA and 90% owned Peerless Garments LP ("Peerless"), a domestic manufacturing operation based in Winnipeg, Manitoba. UGL is a leading customer-focused provider of corporate apparel, serving many leading Canadian and American iconic brands. Peerless specializes in the production and distribution of highly technical protective garments, military operational clothing and accessories for a broad spectrum of Federal, Provincial and Municipal government departments and agencies.

### **Results for Q1 2022 versus Q1 2021**

Unisync is now seeing a marked improvement in quarterly core business revenues (excluding personal protective equipment ("PPE")) in Q1 2022 in comparison to all previous quarters following the onslaught of COVID in early 2020. Total revenue for the three months ended December 31, 2021 of \$21.8 million decreased by \$3.2 million or 13% over the three months ended December 31, 2020. Excluding PPE, Q1 2022 revenues increased 17% over the corresponding quarter last year, while PPE related revenue decreased from \$6.7 million in Q1 2021 to \$0.3 million in Q1 2022.

Gross profit for the three months ended December 31, 2021 of \$4.4 million or 20% of revenue was down from 25% of revenue in the same period last year on account of reduced operating leverage on the lower volume of sales and the realization of a foreign exchange gain in the prior period as the Canadian dollar strengthened by 3% against the US dollar while it was stable in the current period. The UGL segment recorded gross profit of \$3.4 million or 19% of segment revenue compared to \$5.0 million or 25% of segment revenue in the same quarter of the prior fiscal year as an exchange gain of \$0.6 million was included in direct expenses in the prior period. The Peerless segment recorded gross profit of \$1.1 million or 25% of segment revenue in the first quarter of fiscal 2022 against \$1.2 million or 23% of segment revenue in the same quarter of the prior fiscal year.

At \$4.1 million, total general and administrative expenses for the three months ended December 31, 2021 were down \$0.2 million from the three months ended December 31, 2020.

Interest expense of \$0.3 million for the current quarter was down \$0.3 million from the same period last year with the repayment of the Company's high interest rate bearing subordinated debt during the fourth quarter of fiscal 2021.

The Company reported a net loss of \$0.1 million in the quarter ended December 31, 2021 compared to a net income of \$0.8 million in the same quarter last year for the reasons cited above. Adjusted EBITDA was \$1.2 million for the three months ended December 31, 2021 down from \$2.7 million for the three-month period ended December 31, 2020.

Adjusted EBITDA does not have a standardized meaning prescribed by IFRS and is therefore unlikely to be comparable to similar measures presented by other issuers and should not be considered in isolation nor as a substitute for financial information reported under IFRS. Unisync uses non-IFRS measures, including Adjusted EBITDA, to provide shareholders with supplemental measures of its operating performance. Unisync believes adjusted EBITDA is a widely accepted indicator of an entity's ability to incur and service debt and commonly used by the investing community to value businesses.

### **Business Trends**

The Company has continued to experience a build-up in orders in the transportation and hospitality sectors to pre-pandemic levels since the latter part of Q4 2021 notwithstanding the surge in COVID cases caused by the Omicron variant. With a further increase in deferred revenue of 18% during Q1 2022 to \$14.6 million complimented by recent new account additions, management expects an improving revenue and profitability picture over the balance of fiscal 2022.

More detailed information is contained in the Company's Condensed Interim Consolidated Financial Statements for the quarter ended December 31, 2021 and Management Discussion and Analysis dated February 11, 2022 which may be accessed at [www.sedar.com](http://www.sedar.com).

On Behalf of the Board of Directors

Matthew Graham  
CEO

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### **Forward Looking Statements**

*This news release may contain forward-looking statements that involve known and unknown risk and uncertainties that may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in these forward-looking statements. Any forward-looking statements contained herein are made as of the date of this news release and are expressly qualified in their entirety by this cautionary*

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