UNISYNC REPORTS A 16% REVENUE INCREASE IN Q2 FINANCIAL RESULTS

Toronto, ON May 17, 2022: Unisync Corp. ("Unisync") (TSX:"UNI") (OTCQX:"USYNF") announces improved financial results for its second quarter ended March 31, 2022. 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 Q2 2022 versus Q2 2021

Revenue for the three months ended March 31, 2022 ("Q2 2022") of $24.6 million, net of inter segment eliminations, rose by $3.4 million or 16% from the three months ended March 31, 2021("Q2 2021") mostly due to a $3.2 million revenue improvement in the UGL segment. UGL Q2 2022 segment revenue of $19.5 million increased by 20% over Q2 2021 on an improvement in sales to the segment's airline accounts and the addition of new accounts. Peerless' $0.4 million revenue decrease in Q2 2022 was due to a $1.2 million reduction in PPE product sales of masks and manufactured gowns from Q2 2021, offset in part by higher uniform product sales to the Department of National Defence.

The Company's Gross profit for Q2 2022 of $5.1 million improved by $1.6 million over Q2 2021 with a resulting gross profit margin improvement to 20.7% from 16.7%. UGL recorded a gross profit of $4.3 million, or 22% of segment revenue in Q2 2022 compared to $2.5 million or 16% of segment revenue in Q2 2021 as it benefited from the leverage of the sales increase on fixed costs. The Peerless segment recorded gross profit of $0.9 million or 18% against $1.1 million or 20% of segment revenue in Q2 2021 caused primarily by the lower volume of sales in the current period.

At $4.9 million, total general and administrative expenses were up $0.9 million or 22% from the Q2 2021 as a result of severance payments of $0.4 million accrued in the UGL and Corporate segments as well as the costs associated with the expansion of the UGL segment's customer service and information technology teams.

Adjusted EBITDA (before the aforementioned severance payments associated with the recently announced corporate restructuring) was $1.7 million for Q2 2022 versus $0.6 million for the same period last year. The Company's net loss of $0.3 million in Q2 2022 declined from a net loss of $0.8 million in Q2 2021.

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 Outlook

UGL continues to experience a build-up in orders in the transportation and hospitality sectors to pre-pandemic levels since the latter part of Q4 2021. In addition, a new uniform rollout for one of the UGL segment's airline customers will be shipped during Q3 and Q4 2022. As a result, a continuing increase in sales and operating profitability is expected over the balance of fiscal 2022.

Across the global supply chain, delays in the importation of goods to North America from offshore suppliers remain a challenge. Accordingly, UGL has had to adjust its planning and purchasing schedule lead times which, in combination with the onboarding of new accounts, has contributed to an increase in inventory levels.

Similar to many other service companies, we also continue to experience delays in hiring sufficient warehouse staff to accommodate the sudden increase in the delivery demands of our clients. This has in turn caused an unprecedented backlog in orders and a resulting delay in converting inventory on-hand to sales.

The Company expects that these supply chain and distribution issues and the resulting need for increased inventory levels are temporary and will be resolved in the coming months.

Peerless had $14 million in firm contracts and options on hand as at March 31, 2022 and was subsequently awarded a contract from the Department of National Defence estimated at $4.7 million involving the production of converged hot, wet weather, static dissipative CADPATTM jackets, trousers and hoods. The firm portion of the contract amounts to $1.6 million with the remaining option portions exercisable over three years.

The corporate restructuring announced on February 25, 2022 has resulted in a much leaner and cohesive management team focused on maximizing shareholder value. The elimination of significant executive overhead associated with this restructuring will reduce fixed overhead and, at the same time, support continued investment in advanced technology that will ensure we maintain a pre-eminent managed services offering for our clients.

We are extremely pleased with the level of support received from management and staff regarding the restructuring and believe that the current corporate structure is a sustainable one that can efficiently support our future growth initiatives.

More detailed information is contained in the Company's Condensed Interim Consolidated Financial Statements for the quarter ended March 31, 2022 and Management Discussion and Analysis dated May 13, 2022 which may be accessed at www.sedar.com.

On Behalf of the Board of Directors

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Forward Looking Statements