



## **UNISYNC REPORTS A 19% REVENUE INCREASE IN Q3 2022 OVER Q3 2021**

**Toronto, ON August 16, 2022: Unisync Corp.** ("Unisync") (TSX:"UNI") (OTCQX:"USYNF") announces its financial results for its third quarter ended June 30, 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 Q3 2022 versus Q3 2021***

Revenue for the three months ended June 30, 2022 of \$24.6 million rose by \$4.0 million or 19% from the three months ended June 30, 2021 due to a \$5.5 million revenue improvement in the UGL segment less a \$1.2 million revenue decrease in the Peerless segment and less a \$0.3 million increase in intersegment sales eliminations. UGL segment revenue of \$21.8 million increased by 33% over the same period in the prior year on an improvement in sales to the segment's airline accounts. The revenue decrease in the Peerless segment in the current quarter was due to a reduction in uniform product deliveries to the Department of National Defence ("DND").

Gross profit for Q3 2022 of \$4.5 million was up \$1.0 million from the same quarter of fiscal 2021 and the gross profit margin improved to 18.1% of revenue from 16.7%. As a result of the higher margin mix of sales realized in the UGL segment, gross profit of \$3.9 million or 18% of segment revenue was recorded in Q3 2022 compared to \$2.6 million or 16% of segment revenue in Q3 of the prior fiscal year. Peerless recorded gross profit revenue in Q3 2022 of \$0.6 million or 20% against \$0.9 million or 23% of revenue in Q3 of the prior fiscal year on account of the lower volume of deliveries in the current period.

At \$4.4 million, total general and administrative expenses for Q3 2022 were up a modest \$0.1 million or 3% from Q3 2021 on account of employee cost of living pay increases and management restructuring costs incurred in the UGL segment.

The Company's net loss of \$0.5 million before tax in Q3 2022 declined from a net loss before tax of \$1.4 million in the same quarter last year. Although a significant improvement over the \$0.3 million recorded for Q3 2021, Adjusted EBITDA of \$1.2 million for Q3 2022 was adversely affected by \$0.5 million in inventory write-downs and one-time employee severance costs associated with the previously announced management restructuring.

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 continues to experience an improvement in demand from its customer base as COVID restrictions are lifted, confidence returns, and life begins to return to normal. In particular, the Company's North American airline accounts are experiencing increased demand and have returned to pre-pandemic passenger volumes. The Company expects that this will continue to

cause a strong increase in uniform sales to these accounts as well as other accounts in the transportation and hospitality sectors and when complimented by recent new account additions, is expected to result in an improving revenue and profitability picture.

Delays in the importation of goods to North America from offshore suppliers in combination with delays in hiring sufficient warehouse staff to accommodate the sudden increase in the delivery demands of our clients, continues to contribute to 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.

Unisync is a well-known and respected managed service provider of custom corporate image apparel. Unisync's recent decision to focus more on strategic growth in the US, combined with the addition of a US based Vice President with extensive experience and relationships in the industry is already making significant contributions to UGL's expansion into the market. In the last few months, Unisync has been successful in being added as an approved supplier to a number of upcoming requests for formal proposals ("RFPs") with major US corporations totaling over Cdn\$54 million in potential additional annual revenue. Furthermore, Unisync is in active discussions for upcoming RFP opportunities expected to be released over the next two years representing an additional Cdn\$150 million in annual revenue. The Company's management team continues to develop its product and services offering to maximize its success in being awarded a major portion of these opportunities.

More detailed information is contained in the Company's Condensed Interim Consolidated Financial Statements for the quarter ended June 30, 2022 and Management Discussion and Analysis dated August 12, 2022 which may be accessed at [www.sedar.com](http://www.sedar.com).

On Behalf of the Board of Directors

Douglas F. Good  
Executive Chairman

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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 statement. Except as required by law, the Company undertakes no obligation to publicly update or revise any such forward-looking statements to reflect any change in its expectations or in events, conditions or circumstances on which any such forward-looking statements may be based, or that may affect the likelihood that actual results will differ from those set forth in the forward-looking statements. Neither the TSX nor its Regulation Services Provider (as that term is defined in the policies of the TSX) accepts responsibility for the adequacy or accuracy of this release.*