



## Unisync Reports 45% Increase in Fiscal Q2 Revenues

TORONTO, May 13, 2020 -- Unisync Corp. (TSX: "UNI") (the "Company") operates through two business segments: Unisync Group Limited ("UGL") of Mississauga, Ontario and Peerless Garments LP ("Peerless") of Winnipeg, Manitoba.

Consolidated revenue for the three months ended March 31, 2020 of \$27.7 million increased by \$8.7 million or 45% over the three months ended March 31, 2019 on a \$6.9 million revenue increase in the UGL segment and a \$1.8 million revenue improvement in the Peerless segment. UGL segment revenue of \$22.8 million increased by 43% over the second quarter in the prior year due in large part to revenues derived from a continuation of the US launch of new corporate imagewear to the segment's second largest airline account that began in September 2019. The increase in the Peerless segment in the current quarter compares to a poor second quarter last year when results were negatively effected by delays in the receipt of technical fabrics and production capacity issues at sub-contractors.

The Company's comprehensive net income of \$0.6 million in the quarter ended March 31, 2020 compared to a comprehensive loss of \$1.3 million in the same quarter last year. Adjusted EBITDA (comprehensive net income before interest expense, income taxes, depreciation and amortization, share-based payment, and acquisition related costs) was \$2.5 million for the quarter ended March 31, 2020 compared to negative \$0.4 million for the comparable quarter last year. During the second quarter, net income continued to be adversely impacted by a buildup in our professional sales staff and significant non-recurring costs associated with upgrading our various systems to accommodate the Company's growth opportunities domestically and in the US.

More detailed information is contained in the Company's Interim Financial Statements for the three months ended March 31, 2020 and Management Discussion and Analysis dated May 11, 2020 which may be accessed at [www.sedar.com](http://www.sedar.com).

### Business Outlook

Late in the second quarter, the Covid-19 pandemic began to impact UGL's large managed apparel programs with its major airline customers, who announced substantial reductions in flights in conjunction with staff layoffs. In addition, UGL's hospitality sector customers, including amusement parks and casinos, were also severely impacted by the mandated shutdowns. The employee layoffs in these industries will have an immediate and proportional effect on the Company's revenues from corporate imagewear during the shutdown period and for some time thereafter. As a result, the Company announced in early April that it had placed 112 of its 254 UGL Canadian employees on temporary layoff and expected to experience a major reduction in third quarter revenues associated with its core business.

On a more positive note, the transit, grocery and drug store business segments as well as the public safety sectors do not appear to be as impacted and, in some cases, are seeing signs of improvement over last year. Furthermore, the recent addition of new managed programs involving customers providing essential services, including but not limited to the Canadian Coast Guard, will have a positive impact on future revenues as our existing clients that have been more severely impacted by the pandemic gradually return to more normal operating levels.

The Covid-19 pandemic has resulted in life-changing challenges requiring additional safety procedures for frontline workers in a wide range of industries, including employees of UGL's transportation, service and hospitality industry accounts. General public customers are also often being required to wear protective face coverings before entering certain retail and service facilities and the transportation industry is increasingly deciding to provide basic personal protection equipment ("PPE") to their passengers. As outlined in our April 30, 2020 update, these changes, that are likely to stay with us for the foreseeable future, have created a multi-billion-dollar market opportunity solely in protective masks. As a result of the progressive build-up in PPE firm orders and prospective transactions in both Canada and the US, we continue to believe that Unisync is well positioned to capitalize on these very substantial PPE opportunities to offset, and eventually potentially exceed, the reduced volume of uniform sales expected from customers in the transportation, hospitality and service industries while they ramp back up to more normal levels of activity.

We want to take this opportunity to thank our employees for their dedication and support during these very difficult times and assure those that we have had to reluctantly place on temporary leave that we will work diligently to bring them back to a viable and safe working environment as soon as possible.

On Behalf of the Board of Directors

Matthew Graham  
CEO

### Investor relations contact:

Douglas F Good at 778-370-1725 Email [dgood@unisyncgroup.com](mailto:dgood@unisyncgroup.com)

### 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.*