



Unisync Significantly Outperforming Fiscal 2019 in Spite of Pandemic

TORONTO, Oct. 06, 2020 -- **Unisync Corp. (TSX: "UNI")** ("Unisync") is pleased to report on a number of positive developments in spite of one of the worst economic slow-downs being experienced by a number of its larger accounts, particularly in the transportation and hospitality industry segments.

Unisync operates through two business units: Unisync Group Limited ("UGL") with operations throughout Canada and the USA and 90% owned Peerless Garments LP ("Peerless") based in Winnipeg, Manitoba. The Canadian operations of UGL and Peerless were considered essential services and, as such, have continued to operate through shutdowns caused by COVID-19.

UGL Continues To Build On Its Base Of Long-Term Contracts

Prior to the COVID-19 outbreak, the UGL business unit had built a strong base of long-term contracts that supported a consolidated forward revenue base for Unisync exceeding \$100 million. Although UGL has not lost any of these major accounts as a result of the pandemic, revenues dropped precipitously in hard-hit business sectors such as airlines and hospitality. Although these industries are starting to gradually improve, we expect that overall employee uniform orders from these business sectors will only gradually increase over the ensuing year and possibly not return to pre-COVID-19 normality until mid-late 2021.

The early signs of improvement that we referenced in our April update for the transit, grocery and drug store business segments as well as the public safety sectors continue. For example, we are experiencing a build-up in new long-term contract opportunities involving US Transit agencies, Mid-tier US Airlines, Canadian Municipalities, Canadian Transit agencies, Urban and Regional Law Enforcement Agencies, and Corporate Imagewear for high profile Canadian Corporations. During fiscal 2020 UGL has launched or won new long term contracts with the Canadian Coast Guard, Bell Communications and the Ontario Liquor Control Board, and competed successfully in the renewal of existing long-term contracts such as Air Canada, Shoppers Drug Mart and Purolator.

Peerless Awarded \$3.8 Million Contract With DND

In September Peerless was awarded a two year contract with three one year options for the provision of Special Operations Forces Distinctive Service Uniform accessory clothing outerwear to the Department of Defense (DND) . The firm component amounts to \$2.9 million with 80% scheduled for delivery in the first year of the contract. The total contract with options amounts to \$3.8 million.

Revenues at Peerless have improved substantially and are expected to reach \$20 million for the fiscal year ended September 30, 2020 - an increase of approximately 70% over fiscal 2019 revenues of \$11.8 million.

A Successful PPE Pivot

In our April 30th press release Unisync advised it was moving aggressively to capture a share of the personal protective equipment ("PPE") market and on Aug 14, 2020 announced that it had generated PPE related sales with existing and new customers of \$3.0 million in Q3 2020. To date UGL and Peerless have now exceeded \$15 million in firm PPE orders and are recognized as significant suppliers of PPE products, including but not limited to millions of reusable face masks certified to the independent and internationally recognized STANDARD 100 OEKO-TEX®, disposable masks, nitrile gloves and domestically manufactured gowns. A recent order for 20 million nitrile gloves is scheduled for delivery over the next two months. Other large PPE related bids presented in response to government RFPs are still outstanding and unawarded.

Preliminary Results for Fiscal Year Ended Sept 30, 2020

Consolidated revenues for Q4 2020 are expected to come in at \$21 million, a 3% increase over Q4 2019, resulting in expected revenues of \$92 million for the 2020 fiscal year ended September 30, 2020 – an 18% increase over fiscal 2019.

In response to the drop in conventional revenues caused by COVID-19, the UGL segment reduced staffing at the beginning of Q3 2020 and began accessing the Canadian Emergency Wage Subsidy and the United States Paycheck Protection programs to support the payroll costs of the remaining employees. The pivot to PPE requires less administrative support staff and has resulted in a number of permanent staff reductions at both the support staff and senior management levels that should contribute to improved profitability going forward.

Adjusted EBITDA (comprehensive income before interest expense, income taxes, depreciation and amortization, share-based payment, and acquisition related costs) is expected to exceed \$5.0 million for the 2020 fiscal year.

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.

These preliminary results remain subject to finalization and closing of Unisync's accounting books and records for the period, to audit by Unisync's independent auditor and final review and approval by Unisync's Audit Committee and Board of Directors. Preliminary results should not be viewed as a substitute for audited annual financial statements prepared in accordance with International Financial Reporting Standards. The Company expects to release its annual financial statements and management's discussion and analysis on or about December 22, 2020.

We want to again thank our shareholders for their continued support and our management and staff for their efforts in continuing to build value for Unisync through these difficult times.

On Behalf of the Board of Directors

Matthew Graham, CEO

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Forward Looking Statements

Forward-looking statements in this news release include statements with respect to expected revenues for Q4 2020 and expected revenues and Adjusted EBITDA for the fiscal year ended September 30, 2020; the Company's expectation as to the recovery of employee uniform orders from its customers and the timing thereof; the expectation as to quantum and significance of PPE sales; and the expectation of improved profitability from permanent staff reductions. These forward-looking statements 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. Material risk factors that could cause actual results, performance or achievements to be different include, but are not limited to, finalization and audit of Q4 2020 and fiscal year-end results; duration and effect of the COVID-19 pandemic, operational risk, a change in timing or bidding conditions of future government contracts, customers concentration/economic dependence, working capital, disruptions in production, government budgetary restraint, operating cost fluctuations, increases in interest rates, decreases in value of the Canadian dollar against the US dollar and other foreign currencies, access to credit, potential unknown liabilities., For a description of these and other risk factors associated with the Company's business, please refer to the "Risk Factors" section of the Company's most recent Annual Information Form. 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.