

## UNISYNC REPORTS SECOND QUARTER FINANCIAL RESULTS

**Vancouver, BC MAY 17, 2017:** Unisync Corp. (TSXV: "UNI") (the "Company"), a leading provider of corporate image apparel, highly technical protective garments, military operational clothing and accessories for a broad spectrum of corporate clients and multiple government agencies today reported second quarter financial results for the three months ended March 31, 2017.

The Company operates through two business segments: Unisync Group Limited ("UGL") of Mississauga, Ontario and Peerless Garments LP ("Peerless") of Winnipeg, Manitoba. The Company generated consolidated revenues of \$13.6 million for the quarter, as compared to \$13.5 million for the corresponding quarter last fiscal year.

Consolidated gross profit for the three months ended March 31, 2017 was \$1.8 million or 13% of revenue versus \$2.0 million or 15% of revenue during the three months ended March 31, 2016. Although the Company is experiencing increased margins and profitability in Peerless, the lower than normal consolidated gross profit and gross profit margins was due to the continued trailing effect of the weakening Canadian dollar on UGL's US\$ offshore product purchases relative to fixed price contracts and the lower absorption of fixed costs experienced by the UGL segment.

General and administrative expenses of \$2.0 million for the three months ended March 31, 2017 were unchanged from the corresponding three months ended March 31, 2016.

The Company reported a net loss of \$206,750 in the quarter ended March 31, 2017 down from a net loss of \$328,506 in the comparable quarter last year. Cash flow from operations, before non-cash working capital items and distributions to minority partner, was \$167,323 for the three months ended March 31, 2017 versus \$68,228 for the three months ended March 31, 2016.

Unisync ended the quarter with \$16.0 million in deferred revenue compared to \$2.8 million as at the end of the last fiscal year. Operating loans under the \$18.5 million operating loan facility were at \$7.6 million as at March 31, 2017 and the term loan facility reduced by a further \$300,000 to \$3.2 million.

### ***Business Outlook***

Notwithstanding the continued weakness in the Canadian dollar against the US dollar, the introduction of new contract orders based on current exchange rates and product sourcing changes which we have put into effect are expected to improve UGL's margins as we progress through the balance fiscal 2017 and into fiscal 2018. In addition, UGL has hedged the offshore production costs of its largest customer's new uniform design to begin shipping in the fourth quarter of 2017. The combination of improved margins and increased absorption of fixed overhead costs associated with an increase in projected revenues from UGL's established and recently acquired accounts, is expected to result in greater future profitability for the UGL segment.

With \$47 million in firm contracts and options on hand as at March 31 2017, up from \$38 million as at the end of fiscal 2016, the Peerless business segment is well positioned for an increase in revenues and improved profitability for the balance of fiscal 2017 and fiscal 2018.

More detailed information is contained in the Company's Interim Financial Statements for the three months ended March 31, 2017 and Management Discussion and Analysis dated May 16, 2017 which may be accessed at [www.sedar.com](http://www.sedar.com).

Unisync's UGL subsidiary serves a list of leading Canadian iconic brands such as Air Canada, TELUS, Loblaws, G4S and Purolator. The combined operations of UGL and Peerless represent a vertically integrated and proudly Canadian based enterprise with exceptional capabilities in garment design, domestic manufacturing and off-shore outsourcing, including state-of-the-art web based B2B ordering, distribution and program management systems.

For more information on our capabilities, products and services please visit our website at [www.unisyncgroup.com](http://www.unisyncgroup.com).

On Behalf of the Board of Directors

Carmin Garofalo  
President and 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 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.*

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