

UNISYNC CORP.

**Management Discussion and Analysis
For the year ended September 30, 2019**

Prepared as at December 17, 2019

UNISYNC CORP.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS For the year ended September 30, 2019

BACKGROUND

The following discussion and analysis, prepared as of December 17, 2019, should be read together with the audited consolidated financial statements and the accompanying notes for the years ended September 30, 2019 and September 30, 2018 prepared in accordance with International Financial Reporting Standards. All amounts are stated in Canadian dollars unless otherwise indicated.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, and actual results could vary considerably from these statements (see section headed "Forward-Looking Information"). Readers are cautioned not to put undue reliance on forward-looking statements.

Additional information related to Unisync Corp. is available for view on SEDAR at www.sedar.com.

DESCRIPTION OF BUSINESS

Unisync Corp. is a British Columbia corporation and reporting issuer in British Columbia, Alberta, Manitoba and Ontario. Unisync's voting Common Shares are listed and posted for trading on the TSX Exchange (since graduating from the TSXV on January 14, 2019) under the symbol "UNI". Unisync Corp. and its subsidiaries are hereinafter referred to collectively as "Unisync" or the "Company".

Unisync operates through two business segments: Peerless Garments LP ("Peerless") of Winnipeg, Manitoba and Unisync Group Limited ("UGL") of Mississauga, Ontario. 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. UGL is a leading customer-focused provider of corporate apparel, serving a list of leading Canadian iconic brands such as Air Canada, Purolator, Shoppers Drug Mart, Sobeys and Tim Hortons.

Unisync's goal is to make the process of ordering, receiving and wearing of apparel, related accessories and duty gear, a customer friendly experience. Unisync is a vertically integrated Canadian enterprise with exceptional capabilities in garment design, domestic manufacturing and offshore outsourcing, combined with state-of-the-art web based B2B ordering, distribution and program management systems.

Business Strategy

Unisync is one of the largest broadly based independent uniform providers in Canada. The business strategy is to market the combined manufacturing and distribution capabilities of Unisync to secure additional accounts in the Canadian government sector and in the North American corporate sector.

In addition, the Company intends to utilize these manufacturing and distribution platforms for expansion into other segments of the garment industry and/or to add established revenue producing businesses as profitable complimentary acquisition opportunities present themselves at accretive values. In October 2018, Unisync acquired Utility Garments Inc. ("Utility") of Saint-Laurent, Quebec and in January 2019, the hospitality division assets of Red the Uniform Tailor ("RTUT") of Lakewood, New Jersey (since re-located to Farmingdale, New Jersey). Utility is a designer, manufacturer and distributor of uniforms and career apparel to customers in Quebec and to national accounts across Canada. RTUT is a designer, manufacturer and distributor of uniforms and related apparel to hospitality industry customers in the United States.

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RESULTS OF OPERATIONS

The following table sets out selected consolidated financial information for the previous three fiscal years.

Fiscal years ended	September 30, 2019	September 30, 2018	September 30, 2017
Consolidated statement of net income (loss) data:			
Revenue	77,992,964	76,835,677	65,572,476
Direct expenses	63,817,276	58,214,844	53,947,042
General and administrative expenses	15,813,328	8,721,352	8,100,386
Depreciation and amortization	1,722,679	949,595	867,626
Interest expense	1,510,950	993,682	952,688
Share-based payment	437,134	341,275	272,104
Net income (loss) before income taxes	(5,308,403)	7,614,929	1,432,630
Income tax expense (recovery)	(1,303,515)	377,335	358,897
Net income (loss)	(4,004,888)	7,237,594	1,073,733
Attributable to Unisync Corp. shareholders	(4,080,141)	7,073,490	689,022
Attributable to minority partner	75,253	164,104	384,711
Net income (loss) per share attributable to Unisync Corp. shareholders:			
Basic	(0.23)	0.53	0.05
Diluted	(0.23)	0.52	0.05
Supplemental data:			
Gross profit (1)	12,453,009	17,671,238	10,757,808
Gross profit as a % of revenue	16.0%	23.0%	16.4%
Adjusted EBITDA (2)	(251,343)	9,899,481	3,525,048
Adjusted EBITDA as a % of revenue	-0.3%	12.9%	5.4%
Consolidated statement of financial position data:			
Working capital, excluding restricted cash, shareholder advances and term loan	14,292,805	11,145,009	7,743,241
Total assets	84,991,792	50,432,602	59,376,808
Other liabilities:			
Term loans	6,670,398	1,567,294	2,682,500
Shareholder advances	1,836,800	-	2,928,001
Deferred tax liabilities	2,054,785	695,148	723,910
Due to minority partner	1,500,000	1,500,000	1,500,000
Shareholder's equity - attributable to Unisync Corp.	29,986,685	29,128,167	11,464,787
Shareholder's equity - attributable to minority partner	(53,728)	(41,427)	(10,695)
<p>(1) Gross profit is calculated by the Company as revenue less direct expenses, less depreciation and amortization. (2) Adjusted EBITDA (earnings before interest expense, income taxes, depreciation and amortization, share-based payment impairment losses and acquisition costs) is a non-GAAP financial measure. Securities regulations require that companies caution readers that earnings and other measures adjusted to a basis other than IFRS do not have standardized meanings and are unlikely to be comparable to similar measures used by other companies. Accordingly, they should not be considered in isolation. We have presented the nonGAAP measure of EBITDA because we believe that it is a widely accepted financial indicator of an entity's ability to incur and service debt and it is used by the investing community to value businesses.</p>			

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Results for the years ended September 30, 2019 and September 30, 2018

Revenue for the year ended September 30, 2019 of \$78.0 million increased by \$1.2 million or 2% from the prior year on a \$0.3 million rise in revenue in the UGL segment to \$66.2 million and a \$0.9 million revenue increase to \$11.8 million in the Peerless segment. Revenue remained essentially flat in the UGL segment as the contribution of \$20.5 million from the Utility acquisition and \$3.9 million from the former RTUT operations in New Jersey were offset by a decline in revenue from the UGL's segment's existing customer base. In fiscal 2019, the UGL segment did not undertake any new large new uniform rollouts as in the prior year so shipments to its largest airline customer and to its largest drug store account were down \$18.0 million and \$1.5 million respectively year over year as these customers returned to normal replenishment levels. The UGL segment's next significant new uniform rollout, for its second largest airline account, began during mid September 2019 and is expected to continue until March 2020. The Peerless segment's revenue rose over the prior year with the release of new contracts and the exercise of outstanding options on existing contracts by the Department of National Defence ("DND"), the segment's largest customer.

Gross profit of \$12.4 million decreased by \$5.2 million or 30% year over year and fell to 16% of revenue from 23% of revenue in the prior year. Gross profit was impacted by a fair value adjustment of \$1.1 million to direct expenses for inventory acquired in the Utility purchase and by a \$0.4 million increase in amortization expense for the fair value of Utility's customer relationships. Excluding these adjustments, consolidated gross profit would have been \$13.9 million or 18% of revenue. The UGL segment recorded a \$3.6 million drop in gross profit to \$11.8 million while the segment's gross profit margin fell to 18% of revenue from 23% of revenue due to increased fixed distribution labour and property costs relative to the start-up of the Henderson, Nevada, facility in support of the upcoming launch of new uniforms for the Company's first US based airline account and lower economies of scale at the existing Canadian operations. The Peerless segment experienced a \$0.2 million decrease in gross profit to \$2.1 million and the segment's gross profit margin declined from 22% of to 18% of revenue due to a lower margin product mix and higher subcontract costs.

General and administrative expenses increased by \$7.1 million or by 81% to \$15.8 million for the year ended September 30, 2019 from the previous year and as a percentage of revenue rose from 11% to 20% with the inclusion of \$2.9 million of Utility and \$1.1 million of new US location expenses and with increases of \$2.0 million, \$0.7 million and \$0.4 million across the existing UGL, Corporate and Peerless segments respectively. General and administrative expenses rose in the UGL segment due to additional sales and customer service staffing, redundant online ordering support and programming costs with the transition to a new vendor and litigation expenses with former employees. The increase in Corporate expenses was mainly attributable to fees related to defending a legal challenge to the hiring of a former executive of a competitor and increased officer and director compensation. The Peerless segment recorded an increase in compensation costs and building costs, net of sublet income, from fiscal 2018.

Total interest expense of \$1.5 million for the year ended September 30, 2019 increased \$0.5 million from the prior year with greater utilization of the Company's operating loan facilities during the year to fund working capital growth, the Company's investment in its new ERP system and its expansion into the US market.

The Company reported a net loss of \$4.0 million for the year ended September 30, 2019 compared to a profit of \$7.2 million in the year before. Cash flow from operations, before non-cash working capital items and distributions to minority partner, was a loss of \$1.7 million for the year ended September 30, 2019 down from \$9.9 million in fiscal 2018. Distributions to the 10% minority partner of the Peerless segment decreased to \$0.1 million in the current year, against \$0.2 million last year.

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Summary of Quarterly Results

(Canadian \$'s) (000's), except per share data

	12/31/2017	03/31/2018	06/30/2018	09/30/2018	12/31/2018	03/31/2019	06/30/2019	09/30/2019
Revenue	13,629	36,373	15,017	11,817	16,946	19,073	21,587	20,387
Direct expenses	10,922	24,603	11,870	10,820	13,885	16,054	18,176	15,702
Depreciation & amortization	231	228	236	254	443	505	494	281
General & administrative	2,123	2,313	2,062	2,223	3,445	3,873	4,569	3,926
Interest expense	261	297	277	159	328	370	324	489
Share based payment	112	86	79	64	56	48	133	200
Net income (loss) before income taxes	(20)	8,846	492	(1,703)	(1,211)	(1,777)	(2,109)	(211)
Income tax expense (recovery)	14	2,329	(1,526)	(440)	(300)	(453)	(541)	(9)
Net income (loss)	(34)	6,517	2,018	(1,263)	(911)	(1,324)	(1,568)	(202)
Net income (loss) attributable to Unisync shareholders	(79)	6,449	1,991	(1,287)	(892)	(1,338)	(1,629)	(221)
Income (loss) attributable to minority partner	45	68	27	24	(19)	14	61	19
Basic income (loss) per share	(0.01)	0.48	0.15	(0.09)	(0.05)	(0.08)	(0.09)	(0.01)
Diluted income (loss) per share	(0.01)	0.48	0.15	(0.10)	(0.05)	(0.08)	(0.09)	(0.01)
Supplemental data:								
Gross profit (1)	2,476	11,542	2,910	743	2,618	2,514	2,917	4,404
Gross profit %	18.2%	31.7%	19.3%	6.3%	15.4%	13.2%	13.5%	21.6%
Adjusted EBITDA (2)	584	9,457	1,085	(1,227)	323	(405)	(927)	758
Adjusted EBITDA %	4.3%	26.0%	7.2%	(10.4%)	1.9%	(2.1%)	(4.3%)	3.7%

(1) Gross profit is calculated by the Company as revenue less direct expenses, depreciation and amortization.

(2) Adjusted EBITDA (earnings before interest expense, income taxes, depreciation and amortization, share-based payment, impairment losses and acquisition costs) is a non-GAAP financial measure. Securities regulations require that companies caution readers that earnings and other measures adjusted to a basis other than IFRS do not have standardized meanings and are unlikely to be comparable to similar measures used by other companies. Accordingly, they should not be considered in isolation. We have presented the nonGAAP measure of EBITDA because we believe that it is a widely accepted financial indicator of an entity's ability to incur and service debt and it is used by the investing community to value businesses.

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Results for the quarter ended September 30, 2019 versus the quarter ended September 30, 2018

Revenue for the three months ended September 30, 2019 of \$20.4 million increased by \$8.6 million or 73% over the three months ended September 30, 2018 on a \$7.2 million revenue increase in the UGL segment and a \$1.4 million revenue improvement in the Peerless segment. Fourth quarter 2019 UGL segment revenue of \$17.2 million increased by 72% over the same period in the prior year with the addition of \$4.9 million of revenue from the Utility acquisition and \$2.3 million in US market sales. The increase in the Peerless segment in the current quarter compares to a poor fourth quarter last year when results were negatively effected by a delay in the release of new contracts and in the exercise of outstanding options on existing contracts by the Department of National Defence (“DND”), the segment’s largest customer.

With the increase in sales experienced in both segments, gross profit for the three months ended September 30, 2019 of \$4.4 million or 22% of revenue was up from \$0.7 million or 6% of revenue during the three months ended September 30, 2018. The UGL segment recorded gross profit of \$4.0 million or 24% of segment revenue compared to \$0.5 million or 5% of segment revenue in the same quarter of the prior fiscal year. The Peerless segment recorded gross profit of \$0.4 million or 14% of segment revenue in the fourth quarter of fiscal 2019 against \$0.2 million or 11% of segment revenue in the same quarter of the prior fiscal year.

At \$3.9 million, total general and administrative expenses for the three months ended September 30, 2019 were up \$1.7 million or 77% from the three months ended September 30, 2018 due to the Utility acquisition (\$0.7 million), the new US locations opened in New Jersey and Nevada (\$0.4 million) and increases of \$0.8 million and \$0.3 million in the existing UGL and Peerless segments respectively. General and administrative expenses rose in the UGL segment due to additional sales and customer service staffing while the Peerless segment recorded an increase in compensation costs. Corporate selling and administrative expenses were down \$0.4 million from the same period in 2018 when \$0.2 million of Utility acquisition related expenses were incurred.

Interest expense of \$0.5 million for the current quarter was up \$0.3 million from the same period in fiscal 2018 with greater utilization of the Company’s operating loan facilities to fund working capital growth, the Company’s investment in its new ERP system and its expansion into the US market.

The Company’s reported a net loss of \$0.2 million in the quarter ended September 30, 2019 compared to a net loss of \$1.2 million in the same quarter last year for the reasons cited above. Cash flow from operations, before non-cash working capital items and distributions to minority partner, was \$0.9 million for the three months ended September 30, 2019 versus negative \$1.3 million for the three-month period ended September 30, 2018. Distributions to minority partner of the Peerless segment were unchanged at \$0.04 million in the current quarter from the same period last year.

Business Trends

The UGL segment is seeing rationalization of its competition and opportunities to expand its market share both in Canada and the United States. Following upon the October 1, 2018 Utility acquisition, the Company leased a new 45,000 square foot distribution centre facility in Henderson, Nevada and acquired the hospitality assets of RTUT in Lakewood, New Jersey (since relocated to Farmingdale, New Jersey). Building upon these initial investments, the Company sees significant opportunities for growth in the US market.

As the result of its success with the new uniform rollout to the 30,000 employees of Air Canada, UGL’s largest airline account, in fiscal 2017 and 2018, UGL has been working with WestJet on the test of a new uniform and has assumed distribution to its 10,000 uniformed employees of its existing uniform program in the first quarter of fiscal 2020. It is expected that the manufacture of WestJet’s new uniform will take place during fiscal 2020 with the rollout of the new uniform to start in early fiscal 2021.

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UGL's first U.S. based airline account, Alaska Airlines, began a rollout of new uniforms to its 19,000 uniformed employees starting in mid September 2019 for completion by March 2020. UGL is responsible for all aspects of the program including manufacturing, quality, safety, inventory planning, online ordering, customer service, and warehouse and distribution. UGL is distributing to Alaska Airlines employees from its Henderson Nevada distribution centre. UGL intends to use this location to expand its marketing efforts to other US customers in industry sectors where UGL has built a strong knowledge base, such as in food service, hospitality, private security, retail and transportation.

With \$30 million in firm contracts and options on hand as at September 30, 2019, the Peerless business segment is well positioned to return to more normal levels of revenues and profitability into fiscal 2020 and beyond.

LIQUIDITY

At September 30, 2019, Unisync has established two operating loan facilities totalling \$27.5 million with a Canadian chartered bank to finance its working capital requirements from a Canadian chartered bank. The maximum amount available under the facilities is based on certain margin requirements and covenants as stipulated in the loan facility agreements.

On October 1, 2018, the Company established two new term loan facilities, a \$5 million First Capital Loan Facility and a \$2.86 million Second Capital Loan Facility with a Canadian chartered bank and repaid its existing term loan. The First Capital term loan is repayable by way of quarterly principal payments of \$0.25 million over a notional five year amortization period but shall be paid in full by October 1, 2021 unless extended and the Second Capital term loan is repayable by way of quarterly principal payments of \$0.036 million over a notional twenty year amortization period but shall be paid in full by October 1, 2021 unless extended.

The Company received bank postponed shareholder advances of \$1.75 million in July 2019. Interest and processing fees on the advances are accrued and are to be repaid with the principal amounts of the advances on March 15, 2020.

Excluding the current portion of the term loan facilities and the shareholder financing, Unisync had working capital of \$14.3 million and \$11.1 million at September 30, 2019 and September 30, 2018, respectively. As at September 30, 2019, the Company had outstanding foreign exchange contracts of \$nil (September 30, 2018 - \$nil) and letters of credit of \$0.4 million (September 30, 2018 - \$nil) along with operating loans outstanding of \$24.5 million (September 30, 2018 - \$12.0 million) under its two operating loan facilities. As the Company grows its US customer base, its US dollar revenues are expected to increase, creating a natural hedge against its US dollar offshore purchases and thereby reducing the Company's exposure to changes in the Canadian/US dollar exchange rate.

The increase in the operating loan balance was used to fund the \$1.7 million operating cash loss, a \$6.4 million increase in working capital, \$1.9 million of the Utility acquisition and capital expenditures of \$0.9 million on tangible assets and \$1.6 million on intangible assets. The \$15.0 million increase in inventory experienced year over year was mostly matched by \$13.1 million increase in customer deposits recorded as deferred revenue. This deferred revenue will be recognized as revenue in fiscal 2020 on the shipment of the Alaska Airlines new uniform rollout.

Capital expenditures on property, plant and equipment for the year ended September 30, 2019 of \$0.9 million were up \$0.8 million from the prior year and were largely spend on new computer equipment, warehouse handling equipment and leasehold improvements at the UGL segment's new US locations. Capital expenditures for the Peerless segment were minimal in fiscal 2019 and 2018. The Company began to implement a new Enterprise Resource Planning computer system in fiscal 2018 with expenditures of \$1.0 million being recorded as a long-term prepaid expense in that year. In fiscal 2019 a further \$1.1 million was expended on the project and the full \$2.1 million amount was recorded as an intangible asset as the software was put in partial use in September 2019. The Company expects to incur a further amount of approximately \$0.5 million to complete the system implementation across the organization during its September 30, 2020 fiscal year. Other expenditures on intangible assets in fiscal

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2019 of \$0.5 million (2018 - \$0.3 million) were made on the Company's web based B2B ordering system to service the launch of new accounts and to enhance the tool for existing accounts.

SHARE CAPITAL

The following table sets out the share capitalization of the Company as at September 30, 2019 and the date of this MD&A.

Description	Authorized	Outstanding as at September 30, 2019	Outstanding as at the date of this MD&A
Common Shares	Unlimited	17,637,525	17,637,525
Stock Options – Common Shares	1,763,753	1,170,000	1,170,000
Class A Preferred Shares	Unlimited in series	Nil	Nil

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements other than letters of credit granted in the ordinary course as set out in the Section headed "Liquidity".

CRITICAL ACCOUNTING ESTIMATES

Measurement Uncertainty

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions about future events that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Key areas of estimates and judgments are listed in Note 5 to the consolidated financial statements and include but are not limited to the inventory recognition of deferred income taxes, costing allocations of labour and overhead for inventories, the estimated useful lives of property, plant and equipment, recording of accrued liabilities and contingencies, due to minority partner, valuation of investments, valuation of receivables and inventory obsolescence, valuation of goodwill and share based payments and the allocation of purchase consideration on the acquisition of businesses. Actual results could differ from these estimates.

CHANGE IN ACCOUNTING POLICIES

Accounting standards issued but not yet applied

The reader is referred to Note 4 to the consolidated financial statements for a summary of new standards which will be effective for future years. The Company is in the process of assessing the impact of these new standards.

FORWARD-LOOKING INFORMATION

This Management Discussion and Analysis contains forward-looking information. Specific forward-looking statements included or incorporated by reference in this document include, but are not limited to, statements with respect to:

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- the Company's plan to expand into other segments of the garment industry and/or to add established revenue producing businesses in Canada and the United States as stated in the Business Strategy and Business Trends sections;
- that the UGL segment will pursue new accounts in the United States marketplace with the expectation of growing its US dollar revenues and thereby minimizing its exposure to exchange fluctuations between the Canadian and US dollar as outlined in the Business Trends and Liquidity sections;
- that the UGL segment will ship new uniforms to Alaska Airlines in fiscal 2020 and to WestJet in fiscal 2021 as outlined in the Business Trends section;

Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "believes", "anticipates" or "does not anticipate", or variations of such words and phrases or states that certain actions, events, or results "may", "could", "would", "might", "will be taken", "occur", or "be achieved". Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Unisync to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Although Unisync has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended.

Known and unknown factors could cause actual results or events to differ materially from those projected in the forward-looking statements. Such material factors include, but are not limited to competition, operational risk, litigation, a change in the timing or bidding conditions of future government contracts, customer concentration/economic dependence, working capital, potential conflicts of interest, volatility of stock price, disruptions in production, government budgetary restraint, reliance on key personnel, reliance on few suppliers, reliance on subcontractors, technological milestones, operating cost fluctuations, increases in interest rates, decreases in the value of the Canadian dollar against the U.S. dollar and other foreign currencies, access to credit, and potential unknown liabilities. Accordingly, readers should not place undue reliance on forward-looking information. Unisync does not undertake any obligation to update forward-looking information except as otherwise required by law.

RELATED PARTY TRANSACTIONS

During the year ended September 30, 2019, interest and processing fees of \$40,657 were accrued on \$1,650,000 of shareholder advances (2018 - interest and processing and extension fees of \$147,565 were accrued and paid on \$792,500 of shareholder advances that were repaid) that were provided by Bruce Aunger, Darryl Eddy, Douglas Good, and Michael O'Brian, members of the Company's board of directors.

Darryl Eddy and Joel Mclean, members of the Company's board of directors, are also board members of a company to which the Company paid rent of \$29,268 (2018 - \$29,268) for its head office location.

The Company paid \$210,000 (2018 - \$75,000) in consulting fees to a company controlled by Douglas Good, the Company's Executive Chairman and former Chief Executive Officer.

The Company expensed \$71,958 (2018 - \$44,334) in share based payment to Bruce Aunger, Darryl Eddy, Joe Gantz, Joel McLean and Michael O'Brian, non-salaried members of the Company's board of directors.

Albert El Tasi, the Company's minority partner in the Peerless segment received an income allocation of \$75,253 (2018 - \$164,104) and the Company paid rent of \$nil (2018 - \$48,000) for the Company's facility in Carleton Place, Ontario to a corporation which was owned by Terry Perkins, a former Vice President of UGL.

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Related party transactions are recorded at the exchange amounts, which are the amounts agreed upon by the related parties.

SUBSEQUENT EVENTS

- (a) On October 23, 2019, Unisync Group Limited executed a lease for a 27,300 square foot facility in Mississauga, Ontario in which the Company intends to relocate and consolidate its current Mississauga office and service outlet locations. Under the terms of the offer, the 126 month lease will commence on October 1, 2020. The Company will be committed to minimum lease payments with respect to the basic rent of the business premises as follows:

	\$
2020	-
2021	220,000
2022	220,000
2023	240,000
2024	327,576
Thereafter	2,429,522
	<hr/> 3,437,098 <hr/>

- (b) In November 2019, the Company received \$2 million in bank postponed shareholder advances. As with the \$1.75 million in bank postponed shareholder advances received in July 2019, interest and processing fees on these subsequent advances are to be accrued and are to be repaid with the principal amounts of the advances on March 15, 2020.
- (c) In December 2019, upon receipt of an Export Development Canada guarantee issued under the EDC Export Guarantee Program, a Canadian chartered bank established a US\$5 million guarantee facility until December 31, 2020 to offer guarantees of up to US\$5 million to its US bank affiliate in support of a US\$5 million operating loan facility to be provided by the US bank affiliate to Unisync (Nevada) LLC. The Export Development Canada guarantee is subject to a setup fee of \$16,551 and a guarantee fee of 2.35% per annum. The US\$5 million Canadian chartered bank guarantee facility is also secured by a general security agreement over the assets of Unisync (Nevada) LLC and is subject to fees of 1% on the amount of any guarantees issued.

INVESTOR RELATIONS

Investor relations inquiries are handled by the Company's Executive Chairman.

Citadel Securities Canada ULC provides market-making services and maintains an orderly trading market for the shares of the Company.