

UNISYNC CORP.

**Management Discussion and Analysis
For the year ended September 30, 2021**

Prepared as at December 23, 2021

UNISYNC CORP.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS For the year ended September 30, 2021

BACKGROUND

The following discussion and analysis, prepared as of December 16, 2021, should be read together with the audited consolidated financial statements and the accompanying notes for the years ended September 30, 2021 and September 30, 2020 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 under the symbol "UNI" and on the OTCQX Best Market under the symbol "USYNF". 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 iconic brands such as Air Canada, Alaska Airlines, Purolator, Shoppers Drug Mart, Sobeys, Tim Hortons and WestJet.

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. In early 2019 UGL opened a new 45,000 square foot distribution and service facility in Henderson, Nevada, as a base to distribute uniforms to the employees of Alaska Airlines and to develop new business in the United States corporate apparel market.

In August 2020, Unisync announced the launch of its new eCommerce venture, Tactical Gear Experts ("TGE"), targeting the Outdoor, Tactical and Lifestyle product markets across Canada and the USA. This B2C and B2B eCommerce platform represents a major growth opportunity for Unisync that will provide consumers with a broad selection of the very best Tactical and Outdoor equipment shipped across Canada and the USA drawing on our decades of experience as a major Canadian military and public safety supplier.

Unisync is now a vertically integrated North American enterprise with exceptional capabilities in garment design, domestic manufacturing and offshore outsourcing, combined with state-of-the-art web based B2B and B2C ordering, distribution and program management systems.

Business Strategy

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

In addition, the Company will continue to pursue complimentary revenue producing business acquisition opportunities as they present themselves.

UNISYNC CORP.

**MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
For the year ended September 30, 2021**

RESULTS OF OPERATIONS

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

Fiscal years ended	September 30, 2021	September 30, 2020	September 30, 2019
Consolidated statement of net income (loss) data:			
Revenue	86,285,179	93,103,296	77,992,964
Direct expenses	66,678,240	72,247,767	63,817,276
General and administrative expenses	16,471,300	16,372,961	15,813,328
Depreciation and amortization	3,810,190	3,256,373	1,722,679
Interest expense	2,182,737	2,570,970	1,510,950
Share-based payment	424,596	79,232	437,134
Net income (loss) before income taxes	(3,281,884)	(1,424,007)	(5,308,403)
Income tax expense (recovery)	(705,316)	(419,200)	(1,303,515)
Net income (loss)	(2,576,568)	(1,004,807)	(4,004,888)
Attributable to Unisync Corp. shareholders	(2,829,887)	(1,264,116)	(4,080,141)
Attributable to minority partner	253,319	259,309	75,253
Net income (loss) per share attributable to Unisync Corp. shareholders:			
Basic	(0.15)	(0.07)	(0.23)
Diluted	(0.15)	(0.07)	(0.23)
Supplemental data:			
Gross profit (1)	15,796,749	17,599,156	12,453,009
Gross profit as a % of revenue	18.3%	18.9%	16.0%
Adjusted EBITDA (2)	3,135,639	4,482,568	(251,343)
Adjusted EBITDA as a % of revenue	3.6%	4.8%	-0.3%
Consolidated statement of financial position data:			
Working capital, excluding shareholder advances, minority interest and current portion of long-term liabilities	16,002,496	17,955,382	14,292,805
Total assets	88,019,763	87,161,314	84,991,792
Other liabilities:			
Mortgage loans	9,847,003	-	-
Term loans	-	5,824,798	6,670,398
Long-term lease liabilities	10,979,093	8,867,429	-
Shareholder advances	-	4,488,981	1,836,800
Due to minority partner	1,500,000	1,500,000	1,500,000
Shareholder's equity - attributable to Unisync Corp.	29,373,598	31,202,022	29,986,685
Shareholder's equity - attributable to minority partner	(82,239)	(30,137)	(53,728)
(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.			

UNISYNC CORP.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS For the year ended September 30, 2021

Results for the years ended September 30, 2021 and September 30, 2020

Revenue for the year ended September 30, 2021 of \$86.3 million decreased by \$6.8 million or 7% from the prior year on a \$4.6 million decline in revenue in the UGL segment to \$68.9 million and a \$2.2 million revenue reduction to \$18.5 million in the Peerless segment. UGL segment revenue decreased by 6% over the prior year when the segment's second largest airline account received a new uniform rollout that generated sales of \$15.0 million. Sales to that same airline fell 53% to \$7.0 million in the current year as sales volumes during new uniform rollouts are typically three times that of normal steady state replenishment levels of uniform sales. Revenue from the UGL segment's largest airline account was down 37% to \$6.4 million from a year ago due to the impact of COVID-19 pandemic travel restrictions. These sales declines with the UGL segment's airline accounts were partially offset by a \$4.7 million increase in personal protective equipment ("PPE") sales, principally reusable face masks and nitrile gloves, to a mix of existing uniform customers and new customers. The UGL segment began distributing PPE products for the first time during the third quarter of fiscal 2020. The Peerless segment's revenue fell 11% over the prior year, despite a \$2.7 million increase in PPE sales, with a decline in 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 \$15.8 million slipped by \$1.8 million or 10% year over year and to 18.3% of revenue from 18.9% of revenue in the prior year with less absorption of fixed costs on the decrease in revenue leading to lower profitability. The UGL segment recorded a \$1.6 million decrease in gross profit to \$12.2 million while the segment's gross profit margin dropped to 18% of revenue from 19% of revenue due to lower economies of scale with the decline in sales. Stimulus subsidies in an amount of \$0.3 million (2020 - \$1.0 million) received from the Federal Governments of Canada under the Canada Emergency Wage Subsidy ("CEWS") and from the United States under Paycheck Protection Program ("PPP") to help offset the negative impact of the COVID-19 pandemic reduced direct payroll costs in the UGL segment and minimized layoffs for employees that would have been otherwise affected. The Peerless segment experienced a \$0.1 million increase in gross profit to \$4.0 million but the segment's gross profit margin rose from 20% of revenue to 22% of revenue on account of the product mix of sales.

Depreciation and amortization expense rose by \$0.6 million from fiscal 2020 to \$3.8 million in the current year primarily on account of a full year's amortization of the Company's new Enterprise Resource Planning ("ERP") software that was implemented at its Henderson, Nevada location in September 2019 and at its Guelph and Mississauga, Ontario locations during 2021.

General and administrative expenses increased by \$0.1 million or by less than 1% to \$16.5 million for the year ended September 30, 2021. CEWS and PPP amounts of \$0.1 million (2020- \$0.8 million) received by the UGL segment reduced administrative payroll costs and maintained employment and wages for employees that would have been otherwise affected by layoffs and wage reductions.

Total interest expense of \$2.2 million for the year ended September 30, 2021 decreased by \$0.4 million from the prior year on account of lower utilization on the Company's operating lines of credit and lower interest rates following the onset of the COVID-19 pandemic in March 2020.

The share-based payment expense rose to \$0.4 million in the current year from \$0.1 million in the previous year with the grant of 1,250,000 (2020 – nil) stock options in October 2020.

The Company reported a net loss of \$2.6 million for the year ended September 30, 2021 against a loss of \$1.0 million in the year before. Cash flow from operations, before non-cash working capital items and distributions to minority partner, was \$3.0 million compared to \$4.5 million for the year ended September 30, 2020. Distributions to the 10% minority partner of the Peerless segment of \$0.3 million in the current year were up from \$0.2 million last year.

UNISYNC CORP.

**MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
For the year ended September 30, 2021**

Summary of Quarterly Results

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

	12/31/2019	03/31/2020	06/30/2020	09/30/2020	12/31/2020	03/31/2021	06/30/2021	09/30/2021
Revenue	27,076	27,740	17,165	21,122	25,068	21,145	20,655	19,417
Direct expenses	20,714	20,834	14,078	16,622	17,958	16,606	16,099	16,015
Depreciation & amortization	826	904	952	575	944	1,018	1,114	734
General & administrative	4,602	4,748	3,301	3,722	4,396	3,980	4,271	3,825
Interest expense	667	735	591	577	557	483	484	659
Share based payment	79	-	-	-	153	110	88	73
Net income (loss) before income taxes	188	519	(1,757)	(374)	1,060	(1,052)	(1,401)	(1,889)
Income tax expense (recovery)	99	156	(640)	(34)	299	(269)	(361)	(374)
Net income (loss)	89	363	(1,117)	(340)	761	(783)	(1,040)	(1,515)
Net income (loss) attributable to Unisync shareholders	67	309	(1,187)	(454)	675	(854)	(1,101)	(1,550)
Income (loss) attributable to minority partner	22	54	70	114	86	71	61	35
Basic income (loss) per share	0.00	0.02	(0.06)	(0.03)	0.04	(0.05)	(0.06)	(0.08)
Diluted income (loss) per share	0.00	0.02	(0.06)	(0.03)	0.04	(0.05)	(0.06)	(0.08)
Supplemental data:								
Gross profit (1)	5,536	6,002	2,136	3,925	6,166	3,521	3,442	2,668
Gross profit %	20.4%	21.6%	12.4%	18.6%	24.5%	16.7%	16.7%	13.7%
Adjusted EBITDA (2)	1,714	2,534	(441)	778	2,714	559	285	(422)
Adjusted EBITDA %	6.3%	9.1%	(2.6%)	3.7%	10.8%	2.6%	1.4%	(2.2%)

(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.

UNISYNC CORP.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS For the year ended September 30, 2021

Results for the quarter ended September 30, 2021 versus the quarter ended September 30, 2020

Revenue for the three months ended September 30, 2021 of \$19.4 million decreased by \$1.7 million or 8% over the three months ended September 30, 2020 as revenue remained flat in the UGL segment, but revenue dipped \$2.8 million in the Peerless segment while intersegment sales of personal protective equipment (“PPE”) were down \$1.1 million. Fourth quarter 2021 UGL segment revenue of \$16.0 million was unchanged from the same period in the prior year but the customer mix changed with the resurging airline industry showing a \$3.2 million revenue increase in the current quarter over the 4th quarter a year ago while PPE sales were down by \$3.7 million to \$1.7 million from \$5.4 million in the same quarter last year. The UGL segment began distributing PPE products for the first time during the third quarter of the prior fiscal year. The decrease in the Peerless segment in the current quarter was due to the combination of lower DND uniform sales and a reduction in PPE product sales.

Gross profit for the three months ended September 30, 2021 of \$2.7 million or 14% of revenue was down by \$1.2 million and fell from 19% of revenue in the same period last year on account of reduced operating leverage on the lower volume of sales and a swing in foreign exchange rates as the Canadian dollar weakened by 3% against the US dollar in the current period compared to a strengthening of 2% in the 4th quarter of fiscal 2020. The UGL segment recorded gross profit of \$1.9 million or 12% of segment revenue compared to \$2.5 million or 16% of segment revenue in the same quarter of the prior fiscal year as an exchange loss of \$0.3 million was included in direct expenses in the current period compared to an exchange gain of \$0.2 million in the same period of the prior year. The Peerless segment recorded gross profit of \$0.8 million or 22% of segment revenue in the fourth quarter of fiscal 2021 against \$1.5 million or 24% of segment revenue in the same quarter of the prior fiscal year.

At \$3.8 million, total general and administrative expenses for the three months ended September 30, 2021 were up \$0.1 million or 3% from the three months ended September 30, 2020.

Interest expense of \$0.7 million for the current quarter was up \$0.1 million from the same period last year due to interest incurred on the extension of long-term lease obligations at the Company’s Guelph, Ontario distribution facility in the current quarter.

The Company’s reported a net loss of \$1.5 million in the quarter ended September 30, 2021 compared to a net loss of \$0.3 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 negative \$0.4 million for the three months ended September 30, 2021 versus positive \$0.8 million for the three-month period ended September 30, 2020. Distributions to minority partner of the Peerless segment decreased to \$0.1 million in the current quarter from \$0.2 million in the same period last year.

Business Trends

With worldwide COVID-19 vaccination rates increasing in 2021 and with vaccine passports in common use, the Company expects that the improvement in the business conditions of its general customer base will continue as restrictions are lifted, confidence returns and business begins to return to normal. In particular, the Company’s North American airline accounts are experiencing increased demand and are forecasting a return to pre-pandemic passenger volumes in 2022. The Company expects that this will cause a strong increase in uniform sales to its airline accounts as well as other accounts in the transportation and hospitality sectors and when complimented by recent new account additions, will result in an improving revenue and profitability picture. Across the global supply chain, delays are being experienced on the importation of goods to North America from offshore suppliers. Accordingly Unisync has adjusted its planning and purchasing schedule lead times and is working with its customers to accept substitute catalogue products from North American distributors and reduced order fulfillment quantities to ship available product. The Company expects that these supply chain issues are temporary and will be resolved in 2022 with greater COVID-19 vaccination distribution leading to an end to the pandemic and associated government wage subsidy measures.

With \$18 million in firm contracts and options on hand as at September 30, 2021, the Peerless business segment is positioned to maintain its current level of revenues and profitability into fiscal 2022.

UNISYNC CORP.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS For the year ended September 30, 2021

In August 2021, the Company submitted its RFP bid response to the Canadian Federal Government's Operational Clothing and Footwear Consolidated Contract ("OCFC2"). The 20-year \$1 billion contract involves the DND's plans to outsource the procurement, warehousing and distribution of operational clothing, footwear, and personal equipment under one contract. The contract is expected to include provisions for the development of a direct delivery system between the contractor and the individual military member for select items; and include a services component for the improvement and development of related items. Although UGL's Canadian distribution capabilities combined with Peerless' domestic manufacturing experience with the DND provide strong candidacy for the Company's bid, there is no assurance that Unisync will be the successful bidder. A decision on the award of OCFC2 is expected within the next 9 months.

LIQUIDITY

At September 30, 2021, Unisync has established two operating loan facilities totalling \$25.5 million with a Canadian chartered bank and an operating loan facility of USD5.0 million with the United States affiliate of the Canadian chartered bank to finance its working capital requirements. 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 Loan Facility was repayable by way of quarterly principal payments of \$0.25 million over a notional five year period and the Second Capital Loan Facility was repayable by way of quarterly principal payments of \$0.036 million over a notional twenty year amortization period.

The Company received bank postponed shareholder advances of \$1.75 million in July 2019 and \$2.0 million in November 2019. Interest, processing and extension fees on the advances was accrued from the date of each advance.

On July 26, 2021, the Company established two new mortgage loan facilities with the Business Development Bank of Canada ("BDC") in amounts of \$3.9 million (the "Peerless" mortgage loan) and \$6.1 million (the "Utility" mortgage loan) on properties having appraised values of \$5.7 million and \$7.2 million, respectively. The new BDC mortgage loans were used to repay outstanding balances under the First Capital Loan and Second Capital Loan facilities and to repay the postponed shareholder advances and accrued interest, processing and extension fees thereon. Advances under the Peerless and Utility mortgage loans bear interest at a fixed rate of 4.10% until May 1, 2026. The Peerless mortgage loan is repayable in blended monthly instalments of principal and interest of \$0.023 million beginning on November 1, 2021 over a 240 month term. The Utility mortgage loan is repayable in blended monthly instalments of principal and interest of \$0.033 million beginning on November 1, 2021 over a 300 month term.

Excluding the current portions of the mortgage or term loan and long-term lease facilities, the shareholder financing and minority interest, Unisync had working capital of \$16.4 million and \$18.0 million at September 30, 2021 and September 30, 2020, respectively. As at September 30, 2021, the Company had outstanding foreign exchange contracts of \$nil (September 30, 2020 - \$nil) and letters of credit of \$2.5 million (September 30, 2020 - \$0.9 million) in support of government contracts along with operating loans outstanding of \$19.0 million (September 30, 2020 - \$23.1 million) under its three 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 \$4.1 million decrease in the operating loan balance was funded by airline industry customer deposits of \$4.1 million provided to fund the launch of a new uniform rollout in 2022 and to meet contractual obligations to fund slow moving inventory.

Capital expenditures on property, plant and equipment for the year ended September 30, 2021 of \$0.5 million were down \$0.5 million from the prior year and were largely spent on the completion of leasehold improvements at the UGL segment's new Vancouver and Mississauga locations that began in fiscal 2020.

UNISYNC CORP.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS For the year ended September 30, 2021

Capital expenditures for the Peerless segment were minimal in fiscal 2021 and 2020. Capital expenditures on intangible assets in fiscal 2021 amounted to \$1.0 million (2020 - \$0.7 million) and included an amount of \$0.9 million (2020 - \$0.6 million) incurred on the ERP system implementation. To date, the Company has invested \$3.7 million in the ERP system and expects to incur an estimated \$0.3 million of capital expenditures to complete the project over the balance of fiscal 2022. Other expenditures on intangible assets in fiscal 2021 of \$0.1 million (2020 - \$0.1 million) were made on the Company's web based B2B ordering system to service the launch of new accounts and to enhance the service offering for existing accounts.

SHARE CAPITAL

The following table sets out the share capitalization of the Company as at September 30, 2021 and the date of this MD&A.

Description	Authorized	Outstanding as at September 30, 2021	Outstanding as at the date of this MD&A
Common Shares	Unlimited	18,987,228	19,012,228
Stock Options – Common Shares	1,898,723	1,740,000	1,665,000
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.

UNISYNC CORP.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS For the year ended September 30, 2021

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:

- that with COVID-19 vaccines being distributed worldwide in 2021, the Company believes that it will see a gradual improvement in the business conditions of its general customer base and supply chain delays are rectified as more people are vaccinated and business begins to return to normal as outlined in the Business Outlook section.
- that 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 as outlined in the Liquidity section;
- that the Company's new ERP system will be rolled out across the balance of locations during 2022 at an estimated capital cost of \$0.3 million as outlined in the Liquidity 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, 2021, interest and processing fees of \$456,735 were recorded on \$2,400,000 of postponed shareholder advances that were repaid in the year and were provided by Bruce Auger, Darryl Eddy, Douglas Good and Michael O'Brian, members of the Company's board of directors, and by a fund of which Christian Turgeon, a former board of director member as of July 26, 2021, is a Managing Director (2020 - interest and processing fees of \$414,996 were accrued on \$2,400,000 of postponed shareholder advances).

Darryl Eddy and Joel Mclean, members of the Company's board of directors, are also board members of a company to which the Company recorded interest and processing fees of \$275,102 on \$1,250,000 of postponed shareholder advances that were repaid during the year (2020 - interest and processing fees of \$218,903 on \$1,250,000 of postponed shareholder advances) and paid rent of \$29,268 (2020 - \$29,268) for its head office location.

UNISYNC CORP.

**MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
For the year ended September 30, 2021**

The Company expensed \$126,628 (2020 - \$nil) in share based payment to Bruce Aunger, Darryl Eddy, Joel McLean, Michael O'Brian, Scott Shepherd and Christian Turgeon, non-salaried members of the Company's board of directors.

The Company paid subcontract fees of \$372,536 (2020 - \$nil) to a garment manufacturing company owned by Tim Gu, a member of the board of directors.

Albert El Tassi, the Company's minority partner in the Peerless segment received an income allocation of \$253,319 (2020 – \$259,309).

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

SUBSEQUENT EVENTS

none

INVESTOR RELATIONS

Investor relations inquiries should be addressed to the Company's Executive Chairman.

Venture Liquidity Providers Inc. provides market-making services and maintains an orderly trading market for the shares of the Company.