



**UNISYNC CORP.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2026 AND 2025  
(UNAUDITED)**

# Unisync Corp.

March 31, 2026

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## **Notice of No Auditor Review of Condensed Interim Consolidated Financial Statements**

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Corporation discloses that its auditors have not reviewed these condensed unaudited interim consolidated financial statements as at and for the three and six months ended March 31, 2026.

**Unisync Corp.**  
**Condensed Interim Consolidated Statements of Income (Loss)**  
**(Expressed in Canadian dollars) (Unaudited)**

	Three Months Ended March 31		Six Months Ended March 31	
	2026	2025 (Note 20)	2026	2025 (Note 20)
<b>Revenue</b>	\$ 28,650,910	\$ 24,526,613	\$ 49,573,661	\$ 45,884,893
Direct expenses (Note 15)	20,473,972	18,266,561	35,583,138	34,069,714
General and administrative expenses (Note 15)	3,492,296	3,105,587	6,615,454	6,071,332
Depreciation and amortization (Notes 5,6,7)	793,642	1,220,985	1,644,605	2,560,895
	<b>3,891,000</b>	1,933,480	<b>5,730,464</b>	3,182,952
Interest expense ( Notes 9,10)	677,944	901,039	1,375,399	1,848,337
Share-based payment (Note 13)	54,464	-	107,524	-
Foreign exchange (gains) losses (Note 20)	53,795	35,788	(95,229)	1,356,569
<b>Net Income (loss) before income taxes</b>	<b>3,104,797</b>	996,653	<b>4,342,770</b>	(21,954)
Income tax expense (Note 14)	896,744	935,329	1,254,883	653,936
<b>Net Income (loss)</b>	<b>2,208,053</b>	61,324	<b>3,087,887</b>	(675,890)
<b>Attributable to</b>				
Unisync Corp. shareholders	2,099,700	1,629	2,979,212	(742,745)
Minority partner	108,353	59,695	108,675	66,855
	<b>\$ 2,208,053</b>	\$ 61,324	<b>3,087,887</b>	(675,890)
<b>Net income (loss) per share attributable to Unisync Corp. shareholders</b>				
Basic	0.11	0.00	0.16	(0.04)
Diluted	0.11	0.00	0.16	(0.04)
<b>Weighted avg number of shares</b>	<b>19,012,229</b>	19,012,229	<b>19,012,229</b>	19,012,229
<b>Diluted weighted avg # of shares outstanding</b>	<b>19,012,229</b>	19,012,229	<b>19,012,229</b>	19,012,229

*The accompanying notes form an integral part of these interim condensed consolidated financial statements.*

# Unisync Corp.

## Condensed Interim Consolidated Statements of Comprehensive Income (loss) (Expressed in Canadian dollars) (Unaudited)

	Three Months Ended March 31		Six Months Ended March 31	
	2026	2025	2026	2025
Net income (loss) for the period	\$ 2,208,053	\$ 61,324	\$ 3,087,887	\$ (675,890)
Other comprehensive income (loss), net of taxes:				
items that maybe reclassified to net income or loss				
Foreign currency translation differences for foreign operations	32,247	309	920	56,567
<b>Total Comprehensive income (loss) for the period</b>	<b>2,240,300</b>	<b>61,633</b>	<b>3,088,807</b>	<b>(619,323)</b>
<b>Attributable to</b>				
Unisync Corp. shareholders	2,138,785	1,938	2,980,132	(686,178)
Minority partner	101,515	59,695	108,675	66,855
<b>Total Comprehensive income (loss) for the period</b>	<b>\$ 2,240,300</b>	<b>\$ 61,633</b>	<b>3,088,807</b>	<b>(619,323)</b>

*The accompanying notes form an integral part of these interim condensed consolidated financial statements.*

# Unisync Corp.

## Condensed Interim Consolidated Statements of Financial Position (Expressed in Canadian dollars) (Unaudited)

	March 31, 2026	September 30, 2025
<b>ASSETS</b>		
Current		
Cash	\$ 916,167	\$ 861,366
Trade and other receivables	15,401,836	9,892,244
Inventory (Note 4)	37,600,375	40,053,651
Prepaid expenses and deposits	3,162,085	2,125,367
	<b>57,080,463</b>	<b>52,932,628</b>
Property, plant and equipment (Note 5)	6,551,473	6,808,619
Right of use assets (Note 6)	9,078,300	10,080,763
Deferred tax asset (Note 14)	5,670,205	6,881,755
Intangible assets (Note 7)	1,008,975	1,393,522
Goodwill (Note 8)	6,384,797	6,384,797
<b>TOTAL ASSETS</b>	<b>\$ 85,774,213</b>	<b>\$ 84,482,084</b>
<b>LIABILITIES</b>		
Current		
Operating loan (Note 9)	\$ 18,180,002	\$ 18,394,549
Trade payables and accrued liabilities	7,794,266	7,748,047
Deferred revenue	12,678,988	13,245,216
Current portion of mortgage loans (Note 10)	457,091	445,599
Current portion of long-term lease liabilities (Note 11)	2,027,043	1,912,780
Due to minority partner (Note 12)	1,249,500	1,249,500
	<b>42,386,890</b>	<b>42,995,691</b>
Mortgage loans (Note 10)	15,297,346	15,523,527
Long-term lease liabilities (Note 11)	10,370,436	11,404,510
<b>TOTAL LIABILITIES</b>	<b>\$ 68,054,672</b>	<b>\$ 69,923,728</b>
<b>EQUITY</b>		
Share capital (Note 13)	30,447,488	30,447,488
Share-based payments reserve	2,357,696	2,250,172
Deficit	(15,061,608)	(18,041,740)
Equity attributable to Unisync Corp. shareholders	17,743,576	14,655,920
Deficit attributable to minority partner	(24,035)	(97,564)
<b>TOTAL EQUITY</b>	<b>\$ 17,719,541</b>	<b>\$ 14,558,356</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 85,774,213</b>	<b>\$ 84,482,084</b>

Commitments and contingencies (Note 16)

### Approved by the Board:

Signed "Renting (Tim) Gu"  
Renting (Tim) Gu,  
Executive Chairman & Director

Signed "Ron Miller"  
Ron Miller,  
Director

*The accompanying notes form an integral part of these interim condensed consolidated financial statements.*

**Unisync Corp.**  
**Condensed Interim Consolidated Statements of Changes in Equity**  
**(Expressed in Canadian dollars) (Unaudited)**

	Equity attributable to equity holders of the Company						
	Number of Shares	Share Capital (\$)	Share based Payments Reserve (\$)	Deficit (\$)	Total (\$)	Minority Interest (\$)	Total Equity (\$)
Balance, September 30, 2024	19,012,229	30,447,488	2,250,172	(18,265,564)	14,432,096	(99,526)	14,332,570
Distribution to minority partner	-	-	-	-	-	(21,784)	(21,784)
Net income (loss) for the period	-	-	-	(742,745)	(742,745)	66,855	(675,890)
Other comprehensive income	-	-	-	56,567	56,567	-	56,567
<b>Balance, March 31, 2025</b>	<b>19,012,229</b>	<b>30,447,488</b>	<b>2,250,172</b>	<b>(18,951,742)</b>	<b>13,745,918</b>	<b>(54,455)</b>	<b>13,691,463</b>
<b>Balance, September 30, 2025</b>	<b>19,012,229</b>	<b>30,447,488</b>	<b>2,250,172</b>	<b>(18,041,740)</b>	<b>14,655,920</b>	<b>(97,564)</b>	<b>14,558,356</b>
Share-based payment	-	-	107,524	-	107,524	-	107,524
Distribution to minority partner	-	-	-	-	-	(35,146)	(35,146)
Net income for the period	-	-	-	2,979,212	2,979,212	108,675	3,087,887
Other comprehensive income	-	-	-	920	920	-	920
<b>Balance, March 31, 2026</b>	<b>19,012,229</b>	<b>30,447,488</b>	<b>2,357,696</b>	<b>(15,061,608)</b>	<b>17,743,576</b>	<b>(24,035)</b>	<b>17,719,541</b>

*The accompanying notes form an integral part of these interim condensed consolidated financial statements.*

**Unisync Corp.**  
**Condensed Interim Consolidated Statements of Cash Flows**  
**(Expressed in Canadian dollars) (Unaudited)**

	Three Months Ended March 31		Six Months Ended March 31	
	2026	2025	2026	2025
<b>CASH (USED IN) PROVIDED BY:</b>				
<b>OPERATING ACTIVITIES</b>				
Net income (loss) for the period	\$ 2,208,053	\$ 61,324	\$ 3,087,887	\$ (675,890)
Items not affecting cash:				
Interest expense (Notes 9, 10)	677,944	901,039	1,375,399	1,848,337
Income tax expense (recovery) (Note 14)	896,744	935,329	1,254,883	653,936
Unrealized foreign exchange (gains)/losses	53,795	35,788	(95,229)	1,356,569
Share-based payment (Note 13)	54,464	-	107,524	-
Depreciation and amortization (Note 5,6,7)	793,642	1,220,985	1,644,605	2,560,895
	<b>4,684,642</b>	<b>3,154,465</b>	<b>7,375,069</b>	<b>5,743,847</b>
Changes in non-cash working capital items:				
Trade and other receivables	(4,894,865)	(1,430,598)	(5,506,573)	(581,418)
Inventory	2,934,468	1,119,369	2,449,834	1,476,234
Prepaid expenses and deposits	(506,194)	(196,472)	(1,036,247)	(304,995)
Trade payables and accrued liabilities	741,621	1,172,989	396,534	(402,306)
Deferred revenue	(501,671)	(759,651)	(580,057)	(1,395,890)
	<b>(2,226,641)</b>	<b>(94,363)</b>	<b>(4,276,509)</b>	<b>(1,208,375)</b>
Income taxes paid	(368,446)	(551,341)	(377,932)	(551,341)
<b>Net cash from operating activities</b>	<b>\$ 2,089,555</b>	<b>\$ 2,508,761</b>	<b>\$ 2,720,628</b>	<b>\$ 3,984,131</b>
<b>FINANCING ACTIVITIES</b>				
Increase (decrease) in operating loan	(1,103,211)	(665,765)	(170,297)	(89,711)
Mortgage loans repayments	(110,716)	(105,471)	(220,092)	(209,673)
Repayment of lease liabilities	(650,724)	(629,576)	(1,288,581)	(1,249,779)
Interest paid	(494,803)	(690,977)	(1,002,042)	(1,423,171)
Distributions to minority partner	(35,146)	(17,163)	(35,146)	(21,784)
<b>Net cash used in financing activities</b>	<b>\$ (2,394,600)</b>	<b>\$ (2,108,952)</b>	<b>\$ (2,716,158)</b>	<b>\$ (2,994,118)</b>
Effects of foreign exchange rates on cash	(65,150)	(21,035)	50,331	(741,722)
<b>INCREASE (DECREASE) IN CASH</b>	<b>(370,195)</b>	<b>378,774</b>	<b>54,801</b>	<b>248,291</b>
<b>CASH, BEGINNING OF PERIOD</b>	<b>1,286,362</b>	<b>660,536</b>	<b>861,366</b>	<b>791,019</b>
<b>CASH, END OF PERIOD</b>	<b>\$ 916,167</b>	<b>\$ 1,039,310</b>	<b>\$ 916,167</b>	<b>\$ 1,039,310</b>

*The accompanying notes form an integral part of these interim condensed consolidated financial statements.*

# Unisync Corp.

## Notes to Condensed Interim Consolidated Financial Statements (Expressed in Canadian dollars) (Unaudited)

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### 1. Nature of business

Unisync Corp. (the “Company”) is incorporated under the laws of British Columbia. Its head office, principal address, and registered and records office are located at Suite 1328, 885 West Georgia Street, Vancouver, British Columbia, Canada. Unisync Corp.’s voting Common Shares are listed and posted for trading on the TSX Exchange under the symbol “UNI” and on the OTC under the symbol “USYNF”.

The Company operates in two main business segments. The Peerless segment includes the Company’s 90% interest in the business of Winnipeg-based Peerless Garments LP (“Peerless”) and 100% of Peerless Garments Inc. (“GP”), the general partner. Peerless manufactures uniforms and harsh weather outerwear for the Canadian military and other government agencies.

The Unisync Group Limited (“UGL”) segment comprises the operations of Unisync Group Limited of Mississauga, Ontario, and Unisync (Nevada) LLC of Henderson, Nevada. During the year ended September 30, 2023, Utility Garments Inc. (“Utility”) of Saint-Laurent, Quebec was amalgamated with Unisync Group Limited to continue as Unisync Group Limited. This segment is involved in the design, manufacture and distribution of direct sale uniforms, workwear, image apparel and related solutions. The UGL segment operates distribution centres in Guelph, Ontario, Vancouver, British Columbia and Henderson, Nevada.

### 2. Basis of presentation and significant accounting policies

These condensed interim consolidated financial statements have been prepared in accordance with IFRS<sup>®</sup> Accounting Standards and International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”. These condensed interim consolidated financial statements do not include all of the information required for full annual financial statements but have been prepared following the same accounting policies and methods of computation as the consolidated financial statements of the Company for the year ended September 30, 2025. The disclosures provided herein are incremental to those included with the annual consolidated financial statements and certain disclosures, which are normally required to be included in the notes to the annual consolidated financial statements, have been condensed or omitted.

These condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto in the Company’s annual filings for the year ended September 30, 2025, as filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

These condensed interim consolidated financial statements were approved by the Company’s Board of Directors and authorized for issue on April 30, 2026.

#### Accounting standards issued but not yet applied

The following amendments to standards have been issued by the IASB and are applicable to the Company for its annual periods beginning on and after October 1, 2025:

#### *IFRS 18 - Presentation and disclosure in financial statements*

In April 2024, the IASB issued the new standard IFRS 18, Presentation and disclosure in financial statements that will replace IAS 1. The new standard aims to improve comparability of the financial performance of similar entities. The standard primarily introduces new requirements for presentation within the statement of profit or loss, requiring entities to classify income and expenses in separate categories including operating, investing and financing activities. The standard also requires management-defined performance measures to be explained and included in a separate note within the consolidated financial statements. The standard is effective for annual reporting periods beginning on or after January 1, 2027 with retrospective application required. The Company is currently assessing the impact of the new standard.

*The accompanying notes form an integral part of these interim condensed consolidated financial statements.*

**3. Critical accounting estimates and judgments**

The preparation of the consolidated financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The significant estimates, assumptions and judgments that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*(a) Trade and other receivables*

The Company maintains a loss provision for doubtful accounts to reflect an impairment risk for trade and other accounts receivable based on an expected credit loss model which factors in changes in credit quality since the initial recognition of trade and other accounts receivable based on customer risk types (insured and non-insured receivables, government receivables). Expected credit losses are also provided for based on collection history and specific risks identified on a customer-by-customer basis.

*(b) Inventory*

The Company determines the carrying value of work in progress inventory ("WIP") and estimated net realizable value at the end of each reporting period. Management allocates costs, such as for materials, labour attributable to goods in production and an allocation of overhead, to WIP based on management's estimate of the percentage completion of the goods, and the nature of the costs for producing that particular good. Estimates are required in relation to forecasted sales volumes and finished good inventory balances. In situations where excess or slow moving inventory balances are identified, the Company assesses its ability to recover customer payment for such inventory and estimates of net realizable values for the excess or slow moving volumes are made.

*(c) Share-based payment*

The Company provides incentives via share-based payment entitlements (Note 13). The fair value of entitlements is determined in accordance with the accounting policy in Note 2(n) of the audited consolidated financial statements for the year ended September 30, 2024. If certain assumptions used in the fair value calculation were to change, there would be an impact on the share-based payment expense recognized in the current period.

*(d) Income taxes*

The Company is subject to income taxes in Canada and the United States. Management has estimated the income tax provision and deferred income tax balances in accordance with its interpretation of the various income tax laws and regulations and has estimated the recoverability of deferred tax balances. It is possible, due to complexity inherent in estimating income taxes that the tax provision and deferred income tax balances could change. Deferred tax assets, including those arising from tax loss carry-forwards, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize tax losses recognized as deferred tax assets. Assumptions about the generation of future taxable profits depend on managements' estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize or recognize net deferred tax assets, if any, at the reporting date could be impacted.

*The accompanying notes form an integral part of these interim condensed consolidated financial statements.*

# Unisync Corp.

## Notes to Condensed Interim Consolidated Financial Statements (Expressed in Canadian dollars) (Unaudited)

### 3. Critical accounting estimates and judgments (continued)

#### (e) *Estimated useful lives*

Management estimates the useful lives of property, plant and equipment, and intangible assets based on the period during which the assets are available for use. The amounts and timing of depreciation and amortization for these amounts are affected by the useful lives. The estimates are reviewed annually and are updated for changes in the expected useful life.

#### (f) *Impairment of long lived assets*

The Company considers both internal and external sources of information in assessing its tangible and intangible assets for indicators of impairment when events or circumstances indicate such. The Company determines the recoverable amount, which is the greater of its value in use and its fair value less costs to sell, using discounted cash flows expected to be derived from the tangible intangible asset, and the appropriate discount rate.

#### (g) *Impairment of goodwill*

The Company performs an assessment of its goodwill for impairment on an annual basis. The Company determines the recoverable amount, which is the greater of its value-in-use and its fair value less costs of disposal, using discounted cash flows expected to be derived from the Company's operations, and the appropriate discount rate. The projected cash flows are significantly affected by changes in assumptions about expected revenues from contracts, estimated costs of production, and the discount rate.

#### (h) *Allocation of purchase consideration*

Business combinations require judgment and estimates to be made at the date of acquisition in relation to determining the fair value of the asset acquired and liabilities assumed, and the consideration paid. The information necessary to measure the fair values as at the acquisition date of assets acquired and liabilities assumed requires management to make certain judgments and estimates about future events, including but not limited to estimates of future earnings, future operating costs and capital expenditures, and discount rates. Changes to the provisional measurements of assets and liabilities acquired may be retrospectively adjusted when new information is obtained until the final measurements are determined.

### 4. Inventory

	<b>March 31, 2026</b>	September 30, 2025
Raw Materials	\$ 3,435,300	\$ 3,158,044
Work in Progress	1,621,998	909,450
Finished goods	30,266,309	34,379,644
Raw materials and finished goods in-transit	2,276,768	1,606,513
	<b>\$ 37,600,375</b>	<b>\$ 40,053,651</b>

Cost of inventories recognized as an expense during the six months ended March 31, 2026, amounted to \$28,615,648 (March 31, 2025 - \$28,555,407). During the six months ended March 31, 2026, inventory was written down by \$926,633 (March 31, 2025 - \$ nil) to account for inventory deemed obsolete. The carrying amount of inventory recorded at net realizable value at March 31, 2026, was \$nil (September 30 2025 - \$nil), with the remaining inventory recorded at cost.

*The accompanying notes form an integral part of these interim condensed consolidated financial statements.*

**Unisync Corp.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**(Expressed in Canadian dollars) (Unaudited)**

**5. Property, plant and equipment**

Cost	Warehouse and		Computer	Office		Vehicles	Leashold	Total
	Land	Buildings		Manufacturing	Furnishings &			
Balance, September 30, 2024	\$ 2,622,730	\$ 5,050,357	\$ 2,022,050	\$ 1,013,006	\$ 441,959	\$ 87,625	\$ 2,840,138	\$ 14,077,865
Foreign currency translation adjustment	-	-	(6,995)	479	1,388	-	5,767	639
Balance, September 30, 2025	\$ 2,622,730	\$ 5,050,357	\$ 2,015,055	\$ 1,013,485	\$ 443,347	\$ 87,625	\$ 2,845,905	\$ 14,078,504
Foreign currency translation adjustment	-	-	163	20	59	-	246	488
<b>Balance, March 31, 2026</b>	<b>\$ 2,622,730</b>	<b>\$ 5,050,357</b>	<b>\$ 2,015,218</b>	<b>\$ 1,013,505</b>	<b>\$ 443,406</b>	<b>\$ 87,625</b>	<b>\$ 2,846,151</b>	<b>\$ 14,078,992</b>
<b>Accumulated Depreciation</b>								
Balance, September 30, 2024	\$ -	\$ 1,586,708	\$ 1,527,302	\$ 909,800	\$ 350,024	\$ 87,111	\$ 2,054,857	\$ 6,515,802
Depreciation	-	175,911	73,830	13,159	27,320	95	454,529	744,844
Foreign currency translation adjustment	-	-	2,795	301	1,044	-	5,099	9,239
Balance, September 30, 2025	\$ -	\$ 1,762,619	\$ 1,603,927	\$ 923,260	\$ 378,388	\$ 87,206	\$ 2,514,485	\$ 7,269,885
Depreciation	-	87,358	31,733	1,108	11,023	33	125,919	257,174
Foreign currency translation adjustment	-	-	149	25	55	-	231	460
<b>Balance, March 31, 2026</b>	<b>\$ -</b>	<b>\$ 1,849,977</b>	<b>\$ 1,635,809</b>	<b>\$ 924,393</b>	<b>\$ 389,466</b>	<b>\$ 87,239</b>	<b>\$ 2,640,635</b>	<b>\$ 7,527,519</b>
<b>Carrying Value</b>								
At September 30, 2025	\$ 2,622,730	\$ 3,287,738	\$ 411,128	\$ 90,225	\$ 64,959	\$ 419	\$ 331,420	\$ 6,808,619
<b>At March 31, 2026</b>	<b>\$ 2,622,730</b>	<b>\$ 3,200,380</b>	<b>\$ 379,409</b>	<b>\$ 89,112</b>	<b>\$ 53,940</b>	<b>\$ 386</b>	<b>\$ 205,516</b>	<b>\$ 6,551,473</b>

*The accompanying notes form an integral part of these interim condensed consolidated financial statements.*

# Unisync Corp.

## Notes to Condensed Interim Consolidated Financial Statements (Expressed in Canadian dollars) (Unaudited)

### 6. Right of use assets

<b>Cost</b>	
Balance September 30, 2024	\$ 19,565,955
Foreign currency translation adjustment	120,999
Balance, September 30, 2025	\$ 19,686,954
Foreign currency translation adjustment	5,161
<b>Balance, March 31, 2026</b>	<b>19,692,115</b>
<b>Accumulated Depreciation</b>	
Balance September 30, 2024	7,543,582
Depreciation	2,011,137
Foreign currency translation adjustment	51,472
Balance, September 30, 2025	\$ 9,606,191
Depreciation	1,002,899
Foreign currency translation adjustment	4,725
<b>Balance, March 31, 2026</b>	<b>10,613,815</b>
Net Carrying Value, September 30, 2025	\$ 10,080,763
<b>Net Carrying Value, March 31, 2026</b>	<b>\$ 9,078,300</b>

The Company's right of use leases are for its distribution, sales, and administrative facilities.

### 7. Intangible assets

<b>Cost</b>	<b>Computer Software</b>	<b>Customer relationships from Utility acquisition</b>	<b>Standards Certification</b>	<b>Total</b>
Balance, September 30, 2024	\$ 7,425,256	\$ 7,195,285	\$ 74,143	\$ 14,694,684
Foreign currency translation adjustment	3,631	-	-	3,631
Balance, September 30, 2025	\$ 7,428,887	\$ 7,195,285	\$ 74,143	\$ 14,698,315
Additions	-	-	-	-
Foreign currency translation adjustment	155	-	-	155
<b>Balance, March 31, 2026</b>	<b>\$ 7,429,042</b>	<b>\$ 7,195,285</b>	<b>\$ 74,143</b>	<b>\$ 14,698,470</b>
<b>Accumulated Depreciation</b>				
Balance, September 30, 2024	\$ 6,706,810	\$ 4,965,821	\$ 68,099	\$ 11,740,730
Amortization	719,224	839,784	2,202	1,561,210
Foreign currency translation adjustment	2,853	-	-	2,853
Balance, September 30, 2025	\$ 7,428,887	\$ 5,805,605	\$ 70,301	\$ 13,304,793
Depreciation	-	383,446	1,101	384,547
Foreign currency translation adjustment	155	-	-	155
<b>Balance, March 31, 2026</b>	<b>\$ 7,429,042</b>	<b>\$ 6,189,051</b>	<b>\$ 71,402</b>	<b>\$ 13,689,495</b>
<b>Carrying Value</b>				
At September 30, 2025	\$ -	\$ 1,389,680	\$ 3,842	\$ 1,393,522
<b>At March 31, 2026</b>	<b>\$ -</b>	<b>\$ 1,006,234</b>	<b>\$ 2,741</b>	<b>\$ 1,008,975</b>

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

# Unisync Corp.

## Notes to Condensed Interim Consolidated Financial Statements (Expressed in Canadian dollars) (Unaudited)

### 8. Goodwill

	March 31, 2026	September 30, 2025
<i>Cost</i>		
Peerless	\$ 2,586,000	\$ 2,586,000
Unisync Group	3,798,797	3,798,797
	\$ 6,384,797	\$ 6,384,797

Goodwill arose on the acquisitions of Peerless in 2010, the acquisitions of Carleton and Omega in 2015 and the acquisition of Utility in 2018. For impairment testing purposes, the goodwill is allocated to the cash-generating unit ("CGU"), with Carleton, Omega and Utility being allocated to Unisync Group. There has been no change to the goodwill since each acquisition.

### 9. Operating loan

During the three months ended March 31, 2026, the Company amended its credit facilities with its existing Canadian chartered bank. The Company's previously established two operating loan facility totalling \$24,000,000 were combined into a single facility with a one-year term. In addition, the prior US \$5,000,000 facility, which was secured by a letter of guarantee from Export development Canada was converted into Canadian dollar denominated facility of \$6,950,000. This facility has a one-year term and will amortize over 60 months through equal principal repayments beginning June 30, 2026. Borrowings under the \$24,000,000 loan facility is subject to customary margining requirements based on eligible accounts receivable and inventory. The \$6,950,000 facility continues to be secured by a letter of guarantee from Export Development Canada. As at March 31, 2026, combined drawings under the operating loan facilities were \$18,180,002 (September 30, 2025 - \$18,394,549). The borrowings under the operating loan facilities are available by way of CORRA or SOFR advances. Advances under the operating loan facilities bear interest at the prevailing CORRA or SOFR rate plus 2.50 to 3.50%. During the six months ended March 31, 2026, the Company incurred interest expense of \$573,727 (March 31, 2025 - \$989,840) on borrowings under its operating loan facilities. In addition, the Company has a \$2,000,000 letter of guarantee facility (see Note 16(a)). Security for the loan facilities include a second mortgage on the Company's land and buildings, general security agreements, a specific pledge of certain assets and inter-company guarantees. Under the terms of its operating loan agreement, the Company must satisfy certain restrictive covenants as to minimum financial ratios as follows:

- (i) The ratio of debt to tangible assets must not be greater than 3:1
- (ii) The ratio of current assets to current liabilities must be greater than 1.25:1
- (iii) The debt service coverage ratio of cash flow from operations to debt obligations must be greater than 1.25:1 for the trailing twelve months.

As at March 31, 2026, the Company was in compliance with the covenants of its operating loan facilities.

*The accompanying notes form an integral part of these interim condensed consolidated financial statements.*

## Unisync Corp.

### Notes to Condensed Interim Consolidated Financial Statements

(Expressed in Canadian dollars) (Unaudited)

#### 10. Mortgage loan facilities

Changes to the Company's mortgage loans for the six months ended March 31 2026, are as follows:

Balance, September 30, 2024	\$	16,382,810
Repayment of mortgage loans		(424,489)
Amortization of mortgage loan financing fees		10,805
Balance, September 30, 2025		15,969,126
Repayment of mortgage loans		(220,092)
Amortization of mortgage loan financing fees		5,403
<b>Balance, March 31, 2026</b>		<b>15,754,437</b>
Less: current portion of mortgage loans		457,091
<b>Balance, March 31, 2026</b>		<b>15,297,346</b>

- a) On July 26, 2021, the Company established two mortgage loan facilities with the Business Development Bank of Canada ("BDC") in amounts of \$3,880,000 (the "Peerless" mortgage loan) and \$6,120,000 (the "Utility" mortgage loan) secured by first mortgages over the land and buildings, by general security agreements and inter-company guarantees. Advances under the Peerless and Utility mortgage loans bear interest at a fixed rate of 4.10% until May 1, 2026, following which the interest rate will be adjusted to the BDC's fixed rate then in effect. The Peerless mortgage loan is repayable in blended monthly instalments of principal and interest of \$23,717 that began on November 1, 2021, over a 240 month term. The Utility mortgage loan is repayable in blended monthly instalments of principal and interest of \$32,642 that began on November 1, 2021, over a 300 month term. Following an updated appraisal of the Company's land and buildings in Saint-Laurent, Quebec, the BDC increased the Utility mortgage loan by \$7,450,000 on August 18, 2023. This additional Utility financing is repayable in blended monthly instalments of principal and interest of \$51,708 commencing on August 1, 2024, for a term of 25 years at a fixed interest rate of 6.7% for the first five years, following which the interest rate will be adjusted to the BDC's fixed rate then in effect. Proceeds from this additional Utility financing were used to repay shareholder advances and to reduce operating loan advances. During the six months ended March 31, 2026, the Company recorded interest expense of \$428,315 (March 31, 2025 - \$438,732) on borrowings under its BDC mortgage loans.

Under the terms of its mortgage loan agreement, the Company must satisfy an annual restrictive covenant as to minimum debt service coverage ratio of cash flow from operations to debt obligations must be greater than 1:10:1. The Company is subject to this annual covenant on the mortgage loan facilities and was in compliance as at September 30, 2025.

*The accompanying notes form an integral part of these interim condensed consolidated financial statements.*

## Unisync Corp.

### Notes to Condensed Interim Consolidated Financial Statements (Expressed in Canadian dollars) (Unaudited)

#### 11. Long-term lease liabilities

Balance September 30, 2024	\$	14,945,079
Repayment of lease liabilities		(2,514,124)
Interest accretion		813,250
Foreign currency translation adjustment		73,085
Balance, September 30, 2025	\$	13,317,290
Repayment of lease liabilities		(1,288,581)
Interest accretion		367,954
Foreign currency translation adjustment		816
<b>Balance, March 31, 2026</b>	<b>\$</b>	<b>12,397,479</b>
Less: current portion of long-term lease liabilities		2,027,043
<b>Balance, March 31, 2026</b>	<b>\$</b>	<b>10,370,436</b>

During the six months ended March 31, 2026, the Company accreted interest expense of \$367,954 (March 31, 2025 - \$419,765) on its long-term lease liabilities.

#### 12. Due to minority partner

As part of the acquisition of Peerless in 2010, the Company and the minority partner entered into a put/call agreement to purchase the 10% interest in Peerless held by the minority partner at a fixed price of \$1,500,000. The notice period is a minimum duration of one year plus one day for a triggering event under the triggering events of the put/call agreement. On April 9, 2020, the Company received notice from the minority partner of Peerless that the minority partner was exercising its put option to receive payment of \$1,500,000 from the Company for the minority partner's interest in Peerless by no later than April 10, 2021. On September 30, 2021, the minority partner agreed to defer payment of the put option until October 15, 2022. During the year ended September 30, 2024, the Company paid \$250,500 under the put option which reduced the minority partners interest to 8.33%. The Company is working in co-operation with the minority partner to effect the balance of payment under the put option as it is financially viable to do so.

*The accompanying notes form an integral part of these interim condensed consolidated financial statements.*

# Unisync Corp.

## Notes to Condensed Interim Consolidated Financial Statements (Expressed in Canadian dollars) (Unaudited)

### 13. Capital stock

#### (a) Authorized

Unlimited number of the following classes of shares:

- Common shares without par value.
- Class A preferred shares issuable in series with no voting rights.

#### (b) Shares issued and fully paid

	Number of Common Shares	Amount
Balance, September 30, 2025	19,012,229 \$	30,447,488
<b>Balance, March 31, 2026</b>	<b>19,012,229 \$</b>	<b>30,447,488</b>

#### (c) Stock options

The stock option plan provides that, subject to the requirements of the TSX Exchange (the "Exchange"), the aggregate number of common shares reserved for issuance under the stock option plan may not exceed 10% of the issued and outstanding common shares of the Company.

The following table summarizes stock options outstanding:

	Number of Stock Options Outstanding	Weighted Average Exercise Price
Balance, September 30, 2024	1,315,000 \$	2.09
Forefeited	(110,000)	1.81
Balance, March 31, 2025	1,205,000	2.12
Balance, September 30, 2025	1,855,000 \$	1.80
Forefeited	(480,000)	1.75
<b>Balance, March 31, 2026</b>	<b>1,375,000 \$</b>	<b>1.81</b>

Range of exercise prices	Number of outstanding options	Weighted Average remaining life	Weighted Average Exercise Price	Number of exercisable options	Weighted Average Exercise Price of exercisable options
\$2.90	300,000	0.95 \$	2.9 \$	270,000 \$	2.90
\$2.00	325,000	2.49	2.0	158,333	2.00
\$1.30	750,000	4.48	1.3	-	-
<b>\$ 1.30 to \$2.90</b>	<b>1,375,000</b>	<b>3.24 \$</b>	<b>1.81 \$</b>	<b>428,333 \$</b>	<b>2.57</b>

For the three and six months ended March 31, 2026, the Company expensed \$54,464 (2025-\$nil) and \$107,524 (2025 - \$nil), respectively, to reflect stock based compensation, as derived using the Black-Scholes-Merton option valuation model. Option pricing models require the use of highly subjective estimates and assumptions, changes in which can materially affect the value estimates.

*The accompanying notes form an integral part of these interim condensed consolidated financial statements.*

## Unisync Corp.

### Notes to Condensed Interim Consolidated Financial Statements (Expressed in Canadian dollars) (Unaudited)

#### 13. Capital stock (continued)

(d) Earnings per share

The following table sets out the computation of basic and diluted net loss per common share:

	Three months ended March 31		Six months ended March 31	
	2026	2025	2026	2025
Net Income (loss) attributable to Unisync Corp. shareholders	\$ 2,099,700	\$ 1,629	\$ 2,979,212	\$ (742,745)
Weighted average common share outstanding - basic	19,012,229	19,012,229	19,012,229	19,012,229
Effect of dilutive securities	-	-	-	-
Weighted average common share outstanding - diluted	19,012,229	19,012,229	19,012,229	19,012,229
<b>Net Income (loss) per common share attributable to Unisync Corp. shareholders</b>				
Basic	\$ 0.11	\$ 0.00	\$ 0.16	\$ (0.04)
Diluted	\$ 0.11	\$ 0.00	\$ 0.16	\$ (0.04)

#### 14. Income taxes

Income tax expense is recognized based on management's estimate of the weighted average annual income tax rate (see below) applicable to consolidated profits of the Company are as follows:

	Three months ended March 31		Six months ended March 31	
	2026	2025	2026	2025
Income tax expense (recovery)	\$ (55,852)	\$ 159,346	\$ 43,333	\$ 225,297
Deferred tax expense	952,596	775,983	1,211,550	428,639
Income tax expense	\$ 896,744	\$ 935,329	\$ 1,254,883	\$ 653,936

The tax on the Company's net income (loss) before tax differs from the amount that would arise using the weighted average tax rate applicable to consolidated profits of the Company as follows:

	Three months ended March 31		Six months ended March 31	
	2026	2025	2026	2025
Net Income (loss) before income taxes	\$ 3,104,797	\$ 996,653	\$ 4,342,770	\$ (21,954)
Tax rate	26.5%	26.2%	26.5%	26.2%
	822,771	261,123	1,150,834	(5,752)
Taxes attributable to minority partner	(29,022)	(16,022)	(28,781)	(17,824)
Tax audit and True-ups	55,659	710,122	57,381	711,489
Permanent differences	47,336	(19,894)	75,449	(33,977)
Income tax expense	\$ 896,744	\$ 935,329	\$ 1,254,883	\$ 653,936

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

## Unisync Corp.

### Notes to Condensed Interim Consolidated Financial Statements (Expressed in Canadian dollars) (Unaudited)

#### 14. Income taxes (continued)

The Company's deferred tax asset (liability) consists of the following:

	March 31, 2026	September 30, 2025
Deferred tax assets		
Non-capital losses	\$ 3,522,081	\$ 4,612,115
Lease liabilities	3,227,244	3,478,655
Interest Carryforward	989,081	1,205,352
Intangible assets	251,363	420,597
Other items	515,160	274,542
	\$ 8,504,929	\$ 9,991,261
Deferred tax liabilities		
Right of Use assets	(2,395,454)	(2,610,066)
Property, plant and equipment	(439,270)	(499,440)
	(2,834,724)	(3,109,506)
	\$ 5,670,205	\$ 6,881,755

The Company has non-capital losses of approximately \$13,174,032 (September 30, 2025 - \$17,264,739) that can be applied against future years' taxable income for Canadian income tax purposes. These losses were recognized as a deferred tax asset in the amount of \$3,522,081 (September 30, 2025 - \$4,612,115) that is included in the deferred tax asset balance at March 31, 2026. The Company has recognized these losses as a deferred income tax asset as it expects to utilize these losses against income from the sale of uniform products for which the Company held contracts at March 31, 2026.

*The accompanying notes form an integral part of these interim condensed consolidated financial statements.*

**Unisync Corp.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**(Expressed in Canadian dollars) (Unaudited)**

**15. Expenses by nature**

	Three Months ended March 31		Six Months ended March 31	
	2026	2025	2026	2025
<b>Direct expenses:</b>				
Materials	\$ 15,783,979	\$ 13,561,529	\$ 26,699,051	\$ 25,252,326
Wages and benefits	2,129,600	2,086,153	4,321,731	4,398,926
Delivery	1,507,700	1,217,261	2,636,222	2,369,175
Rent, utilities and other property costs	551,162	598,453	1,110,157	1,053,036
Subcontract fees	464,916	783,045	734,995	946,927
Other	36,615	20,120	80,982	49,324
	\$ 20,473,972	\$ 18,266,561	\$ 35,583,138	\$ 34,069,714
<b>General and administrative expenses:</b>				
Wages and benefits	\$ 1,768,563	\$ 1,678,365	\$ 3,435,931	\$ 3,222,858
Data services, system maintenance, telecommunications and software licenses	449,127	450,157	831,520	849,018
Legal, bank, insurance and professional services	887,753	648,178	1,517,984	1,234,850
Rent, utilities and other property costs	177,177	178,786	342,074	345,026
Advertising, marketing and other promotion costs	98,293	26,656	132,198	105,444
Other	111,383	123,445	355,747	314,136
	\$ 3,492,296	\$ 3,105,587	\$ 6,615,454	\$ 6,071,332

**16. Commitments and contingencies**

(a) At March 31, 2026, the Company had \$1,685,500 (September 30, 2025 - \$985,500) in letters of credit outstanding.

**17. Economic dependence**

During the six months ended March 31, 2026, revenue from the Canadian military and other Canadian governmental agencies accounted for 18% of total revenue (March 31, 2025 - 9%), and revenue from two airline industry customers accounted for 35% of total revenue ( March 31, 2025 - 39%).

*The accompanying notes form an integral part of these interim condensed consolidated financial statements.*

# Unisync Corp.

## Notes to Condensed Interim Consolidated Financial Statements (Expressed in Canadian dollars) (Unaudited)

### 18. Segmented information

The Company has two reportable operating segments, Peerless and UGL. While both segments are involved in the distribution and manufacture of garments and uniforms and the sale of product to government agencies and corporate entities in Canada, Peerless is primarily engaged in manufacturing products for government agencies while UGL is primarily involved in distributing products to corporate entities. The segments are separately managed for reporting purposes.

Performance is measured based on segment income before income taxes, as included in the internal management reports reviewed by the Company's chief operating decision maker. Management has determined that this measure is the most relevant in evaluating segment results.

#### Three months ended March 31, 2026

	Peerless	UGL	Eliminations adjustments and corporate expenses	Total
<b>Revenue</b>	\$ 4,701,700	\$ 23,949,210	\$ -	\$ <b>28,650,910</b>
Direct expenses	3,034,161	17,439,811	-	<b>20,473,972</b>
General and administrative expenses	346,337	3,017,283	128,676	<b>3,492,296</b>
Depreciation and amortization	7,167	677,785	108,690	<b>793,642</b>
	\$ 1,314,035	\$ 2,814,331	\$ (237,366)	\$ <b>3,891,000</b>
Interest expense	32,510	645,480	(46)	<b>677,944</b>
Share-based payments	-	-	54,464	<b>54,464</b>
Foreign exchange (gains) losses	(17,688)	71,483	-	<b>53,795</b>
Net income (loss) before income taxes	\$ 1,299,213	\$ 2,097,368	\$ (291,784)	\$ <b>3,104,797</b>

#### Six months ended March 31, 2026

	Peerless	UGL	Eliminations adjustments and corporate expenses	Total
<b>Revenue</b>	\$ 6,987,709	\$ 42,697,482	\$ (111,530)	\$ <b>49,573,661</b>
Direct expenses	4,939,059	30,755,609	(111,530)	<b>35,583,138</b>
General and administrative expenses	703,362	5,654,229	257,863	<b>6,615,454</b>
Depreciation and amortization	14,334	1,412,890	217,381	<b>1,644,605</b>
	\$ 1,330,954	\$ 4,874,754	\$ (475,244)	\$ <b>5,730,464</b>
Interest expense	45,563	1,329,836	-	<b>1,375,399</b>
Share-based payments	-	-	107,524	<b>107,524</b>
Foreign exchange (gains) losses	(17,688)	(77,541)	-	<b>(95,229)</b>
Net income (loss) before income taxes	\$ 1,303,079	\$ 3,622,459	\$ (582,768)	\$ <b>4,342,770</b>
Total assets	10,883,045	60,713,755	14,177,413	<b>85,774,213</b>
Property, plant and equipment	735,964	5,815,509	-	<b>6,551,473</b>
Right of use assets	-	9,078,300	-	<b>9,078,300</b>
Intangible assets	-	1,008,975	-	<b>1,008,975</b>
Goodwill	2,586,000	3,798,797	-	<b>6,384,797</b>
Liabilities, excluding due to minority partner	5,899,171	60,906,001	-	<b>66,805,172</b>

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

# Unisync Corp.

## Notes to Condensed Interim Consolidated Financial Statements (Expressed in Canadian dollars) (Unaudited)

### 18. Segmented information (continued)

#### Three months ended March 31, 2025

	Peerless	UGL	Eliminations adjustments and corporate expenses	Total
<b>Revenue</b>	\$ 4,522,935	\$ 20,048,809	\$ (45,131)	\$ <b>24,526,613</b>
Direct expenses	3,404,623	14,907,069	(45,131)	<b>18,266,561</b>
General and administrative expenses	347,152	2,589,571	168,864	<b>3,105,587</b>
Depreciation and amortization	8,067	1,103,923	108,995	<b>1,220,985</b>
	\$ 763,093	\$ 1,448,246	\$ (277,859)	\$ <b>1,933,480</b>
Interest expense	23,649	877,390	-	<b>901,039</b>
Foreign exchange (gains) losses	23,684	12,104	-	<b>35,788</b>
Net income (loss) before income taxes	\$ 715,760	\$ 558,752	\$ (277,859)	\$ <b>996,653</b>

#### Six months ended March 31, 2025

	Peerless	UGL	Eliminations adjustments and corporate expenses	Total
<b>Revenue</b>	\$ 6,946,658	\$ 39,180,331	\$ (242,096)	\$ <b>45,884,893</b>
Direct expenses	5,410,188	28,901,622	(242,096)	<b>34,069,714</b>
General and administrative expenses	682,736	5,057,604	330,992	<b>6,071,332</b>
Depreciation and amortization	16,133	2,326,771	217,991	<b>2,560,895</b>
	\$ 837,601	\$ 2,894,334	\$ (548,983)	\$ <b>3,182,952</b>
Interest expense	45,182	1,803,155	-	<b>1,848,337</b>
Foreign exchange (gains) losses	(9,200)	1,365,769	-	<b>1,356,569</b>
Net income (loss) before income taxes	801,619	(274,590)	(548,983)	\$ <b>(21,954)</b>
Total assets	9,902,075	66,724,015	14,947,172	<b>91,573,261</b>
Property, plant and equipment	766,431	6,365,201	-	<b>7,131,632</b>
Right of use assets	-	11,149,869	-	<b>11,149,869</b>
Intangible assets	-	1,824,880	-	<b>1,824,880</b>
Goodwill	2,586,000	3,798,797	-	<b>6,384,797</b>
Liabilities, excluding due to minority partner	5,217,538	71,414,760	-	<b>76,632,298</b>

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

**Unisync Corp.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**(Expressed in Canadian dollars) (Unaudited)**

**18. Segmented information (continued)**

The Company operates in two geographic segments as follows:

	Three Months ended March 31		Six Months ended March 31	
	2026	2025	2026	2025
Revenue				
Canada	\$ 22,716,307	\$ 19,497,200	\$ 39,021,241	\$ 36,237,663
United States of America	5,934,603	5,029,413	10,552,420	9,647,230
	\$ 28,650,910	\$ 24,526,613	\$ 49,573,661	\$ 45,884,893
Total assets				
Canada			75,690,159	78,641,976
United States of America			10,084,054	12,931,285
			\$ 85,774,213	\$ 91,573,261

**19. Related party transactions**

For the six months ended March 31, 2026, the Company paid rent of \$7,317 (2025 - \$14,634) for the Company's head office location to a company having two members of the Company's Board of Directors in common.

For the six months ended March 31, 2026, the Company's minority partner in the Peerless segment, a member of management, received an income allocation of \$108,675 (2025 - \$66,855) and a distribution of \$35,146 (2025 - \$21,784) specifically related to his minority interest.

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

**20. Comparative Figures**

Certain comparative figures have been reclassified to align with the current year's presentation. For the three and six months ended March 31, 2025, the Company has reclassified \$35,788 and \$1,356,569, respectively for foreign exchange losses as a separate line in the consolidated statement of income (loss) from direct expenses. This change aims to present unrealized foreign exchange gains (losses) from monetary assets and liabilities as a distinct expense category for financial statement users.

*The accompanying notes form an integral part of these interim condensed consolidated financial statements.*