UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A
(Amendment No. 1)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended June 30, 2019

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 1-10542

UNIFI, INC.
(Exact name of registrant as specified in its charter)

New York (State or other jurisdiction of incorporation or organization)	**11-2165495** (I.R.S. Employer Identification No.)

7201 West Friendly Avenue
Greensboro, North Carolina 27410
(Address of principal executive offices)(Zip Code)

Registrant's telephone number, including area code: (336) 294-4410

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.10 per share	UFI	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

As of December 28, 2018, the aggregate market value of the registrant's voting common stock held by non-affiliates of the registrant was approximately $326,065,472. The registrant has no non-voting stock.

As of August 16, 2019, the number of shares of the registrant's common stock outstanding was 18,489,842.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement to be filed with the Securities and Exchange Commission in connection with the registrant's 2019 Annual Meeting of Shareholders are incorporated by reference in Part III of this Form 10-K to the extent described herein.

EXPLANATORY NOTE

Unifi, Inc. ("UNIFI") is filing this Amendment No. 1 on Form 10-K/A (this "Amendment") to amend Item 15 of its Annual Report on Form 10-K for the fiscal year ended June 30, 2019 (the "Original 10-K"), filed with the Securities and Exchange Commission (the "SEC") on August 29, 2019, to include the audited consolidated financial statements and related notes of Parkdale America, LLC ("PAL"), an unconsolidated joint venture in which UNIFI holds a 34% equity ownership interest. UNIFI accounts for its interest in PAL using the equity method of accounting.

Rule 3-09(a) of Regulation S-X under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), provides that if a 50%-or-less-owned person accounted for by the equity method meets the first or third condition of the significant subsidiary tests set forth in Rule 1-02(w) of Regulation S-X, substituting 20% for 10%, separate financial statements for such 50%-or-less-owned person shall be filed. PAL met the significant subsidiary test described above for UNIFI's fiscal years ended June 30, 2019, June 24, 2018 and June 25, 2017. UNIFI's significance test is calculated as of the end of its fiscal year and for its fiscal year.

Item 15 of the Original 10-K is being amended by this Amendment to (i) include the required audited consolidated financial statements and related notes for PAL's fiscal years ended December 28, 2019, December 29, 2018 and December 30, 2017, (ii) reference the PAL audited consolidated financial statements and related notes and the related report of PAL's independent auditors, (iii) file the consent of the independent auditors related to its opinion contained in this report and (iv) include the required certifications under Sections 302 and 906 of the Sarbanes-Oxley Act of 2002. In accordance with Rule 12b-15 of the Exchange Act, the text of the amended Item 15 is set forth in its entirety in this Amendment.

This Amendment does not otherwise update or amend any other items or disclosures as originally filed and does not otherwise reflect events occurring after the filing date of the Original 10-K. Accordingly, this Amendment should be read in conjunction with the Original 10-K and UNIFI's other filings with the SEC subsequent to the filing of the Original 10-K on August 29, 2019.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) 1. Financial Statements

The financial statements and schedules listed in the accompanying Index to Consolidated Financial Statements on page F-i are filed as part of this report.

2. Financial Statement Schedules

Consolidated Financial Statements of PAL as of December 28, 2019 and December 29, 2018 and for PAL's fiscal years ended December 28, 2019, December 29, 2018 and December 30, 2017.

PAL is an unconsolidated joint venture in which UNIFI holds a 34% equity ownership interest and which met the significant subsidiary test for UNIFI's fiscal years ended June 30, 2019, June 24, 2018 and June 25, 2017. Accordingly, pursuant to Rule 3-09(b)(2) of Regulation S-X under the Exchange Act, UNIFI is filing the required audited consolidated financial statements and related notes of PAL via this Amendment.

PAL's fiscal year end is the Saturday nearest to December 31, and is therefore consistently more than 90 days after UNIFI's corresponding fiscal year end, which is the last Sunday in June or July nearest June 30 of each year. PAL's most recent fiscal year, 2019, ended on December 28, 2019 and PAL's prior fiscal year, 2018, ended on December 29, 2018.

Pursuant to Rule 3-09(b)(2) of Regulation S-X under the Exchange Act, UNIFI filed the required fiscal year 2018 audited consolidated financial statements and related notes of PAL with the SEC on March 28, 2019 via an amendment to UNIFI's Annual Report on Form 10-K for the fiscal year ended June 24, 2018.

PricewaterhouseCoopers LLP issued audit reports for PAL's fiscal years 2019, 2018 and 2017.

3. Exhibits

Exhibit Number	Description
3.1	Restated Certificate of Incorporation of Unifi, Inc. (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed October 31, 2016 (File No. 001-10542)).
3.2	Amended and Restated By-laws of Unifi, Inc., as of October 26, 2016 (incorporated by reference to Exhibit 3.2 to the Current Report on Form 8-K filed October 31, 2016 (File No. 001-10542)).
3.3	Declaration of Amendment to the Amended and Restated By-laws of Unifi, Inc., effective April 30, 2019 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed May 1, 2019 (File No. 001-10542)).
4.1†	Description of Unifi, Inc. Common Stock.
4.2	Registration Rights Agreement, dated as of January 1, 2007, by and between Unifi, Inc. and Dillon Yarn Corporation (incorporated by reference to Exhibit 7.1 to the Schedule 13D filed January 16, 2007 by Dillon Yarn Corporation (File No. 005-30881)).

Exhibit Number	Description
4.3	Amended and Restated Credit Agreement, dated as of March 26, 2015, by and among Unifi, Inc. and certain of its domestic subsidiaries, as borrowers, Wells Fargo Bank, National Association, as administrative agent, sole lead arranger and sole book runner, and the lenders party thereto (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed March 31, 2015 (File No. 001-10542)).
4.4	First Amendment to Amended and Restated Credit Agreement, dated as of June 26, 2015, by and among Unifi, Inc. and Unifi Manufacturing, Inc., as borrowers, Wells Fargo Bank, National Association, as administrative agent, and the lenders party thereto (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed June 30, 2015 (File No. 001-10542)).
4.5	Second Amendment to Amended and Restated Credit Agreement, dated as of November 19, 2015, by and among Unifi, Inc. and Unifi Manufacturing, Inc., as borrowers, Wells Fargo Bank, National Association, as administrative agent, and the lenders party thereto (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed November 23, 2015 (File No. 001-10542)).
4.6	Third Amendment to Amended and Restated Credit Agreement and Second Amendment to Amended and Restated Guaranty and Security Agreement, dated as of December 18, 2018, by and among Unifi, Inc. and Unifi Manufacturing, Inc., as borrowers, Unifi Sales & Distribution, Inc. and See 4 Process Improvement Solutions, LLC, as guarantors, Wells Fargo Bank, National Association, as agent for the lenders party thereto, and the lenders party thereto (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed December 20, 2018 (File No. 001-10542)).
4.7	Amended and Restated Guaranty and Security Agreement, dated as of March 26, 2015, by and among the grantors from time to time party thereto and Wells Fargo Bank, National Association, as administrative agent (incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K filed March 31, 2015 (File No. 001-10542)).
4.8	First Amendment to Amended and Restated Guaranty and Security Agreement, dated as of June 26, 2015, by and among the grantors from time to time party thereto and Wells Fargo Bank, National Association, as administrative agent (incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K filed June 30, 2015 (File No. 001-10542)).
4.9	Trademark Security Agreement, dated as of May 24, 2012, by and among the grantors party thereto and Wells Fargo Bank, N.A., as agent (incorporated by reference to Exhibit 4.3 to the Current Report on Form 8-K filed May 25, 2012 (File No. 001-10542)).
4.10	Patent Security Agreement, dated as of May 24, 2012, by and among the grantors party thereto and Wells Fargo Bank, N.A., as agent (incorporated by reference to Exhibit 4.4 to the Current Report on Form 8-K filed May 25, 2012 (File No. 001-10542)).
10.1*	2008 Unifi, Inc. Long-Term Incentive Plan (incorporated by reference to Exhibit 99.1 to the Registration Statement on Form S-8 filed December 12, 2008 (File No. 333-156090)).
10.2*	Form of Incentive Stock Option Agreement for Employees for use in connection with the 2008 Unifi, Inc. Long-Term Incentive Plan (incorporated by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q for the quarter ended December 28, 2008 (File No. 001-10542)).
10.3*	Form of Restricted Stock Unit Agreement for Employees for use in connection with the 2008 Unifi, Inc. Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q for the quarter ended September 25, 2011 (File No. 001-10542)).
10.4*	Form of Restricted Stock Unit Agreement for Non-Employee Directors for use in connection with the 2008 Unifi, Inc. Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q for the quarter ended December 26, 2010 (File No. 001-10542)).
10.5*	Unifi, Inc. 2013 Incentive Compensation Plan (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed October 23, 2013 (File No. 001-10542)).
10.6*	Form of Restricted Stock Unit Agreement for Non-Employee Directors for use in connection with the Unifi, Inc. 2013 Incentive Compensation Plan (used for agreements entered into prior to October 25, 2017) (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed October 23, 2013 (File No. 001-10542)).
10.7*	Form of Restricted Stock Unit Agreement for Non-Employee Directors for use in connection with the Unifi, Inc. 2013 Incentive Compensation Plan (used for agreements entered into on or after October 25, 2017) (incorporated by reference to Exhibit 10.9 to the Annual Report on Form 10-K for the fiscal year ended June 24, 2018 (File No. 001-10542)).
10.8*	Form of Restricted Stock Unit Agreement for Employees for use in connection with the Unifi, Inc. 2013 Incentive Compensation Plan (used for agreements entered into prior to February 21, 2017) (incorporated by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q for the quarter ended December 29, 2013 (File No. 001-10542)).
10.9*	Form of Restricted Stock Unit Agreement for Employees for use in connection with the Unifi, Inc. 2013 Incentive Compensation Plan (used for agreements entered into on or after February 21, 2017) (incorporated by reference to Exhibit 10.11 to the Annual Report on Form 10-K for the fiscal year ended June 24, 2018 (File No. 001-10542)).
10.10*	Form of Incentive Stock Option Agreement for Employees for use in connection with the Unifi, Inc. 2013 Incentive Compensation Plan (used for agreements entered into prior to March 26, 2017) (incorporated by reference to Exhibit 10.4 to the Quarterly Report on Form 10-Q for the quarter ended December 29, 2013 (File No. 001-10542)).

Exhibit Number	Description
10.11*	Form of Incentive Stock Option Agreement for Employees for use in connection with the Unifi, Inc. 2013 Incentive Compensation Plan (used for agreements entered into on or after March 26, 2017) (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q for the quarter ended March 26, 2017 (File No. 001-10542)).
10.12*	Unifi, Inc. Amended and Restated 2013 Incentive Compensation Plan (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed November 1, 2018 (File No. 001-10542)).
10.13*	Form of Vested Share Unit Agreement for Non-Employee Directors for use in connection with the Unifi, Inc. Amended and Restated 2013 Incentive Compensation Plan (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q for the quarter ended September 30, 2018 (File No. 001-10542)).
10.14*	Form of Stock Option Agreement for Non-Employee Directors for use in connection with the Unifi, Inc. Amended and Restated 2013 Incentive Compensation Plan (incorporated by reference to Exhibit 10.5 to the Quarterly Report on Form 10-Q for the quarter ended December 30, 2018 (File No. 001-10542)).
10.15*	Form of Restricted Stock Unit Agreement for Employees for use in connection with the Unifi, Inc. Amended and Restated 2013 Incentive Compensation Plan (incorporated by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q for the quarter ended September 30, 2018 (File No. 001-10542)).
10.16*	Form of Cash-Settled Restricted Stock Unit Agreement for Employees for use in connection with the Unifi, Inc. Amended and Restated 2013 Incentive Compensation Plan (incorporated by reference to Exhibit 10.6 to the Quarterly Report on Form 10-Q for the quarter ended December 30, 2018 (File No. 001-10542)).
10.17*	Form of Incentive Stock Option Agreement for Employees for use in connection with the Unifi, Inc. Amended and Restated 2013 Incentive Compensation Plan (incorporated by reference to Exhibit 10.4 to the Quarterly Report on Form 10-Q for the quarter ended September 30, 2018 (File No. 001-10542)).
10.18*	Unifi, Inc. Supplemental Key Employee Retirement Plan (incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K filed July 31, 2006 (File No. 001-10542)).
10.19*	Amendment to Unifi, Inc. Supplemental Key Employee Retirement Plan (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed January 6, 2009 (File No. 001-10542)).
10.20*	Amendment to the Unifi, Inc. Supplemental Key Employee Retirement Plan (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q for the quarter ended March 25, 2018 (File No. 001-10542)).
10.21*	Unifi, Inc. Director Deferred Compensation Plan (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q for the quarter ended December 26, 2010 (File No. 001-10542)).
10.22*	Unifi, Inc. Director Compensation Policy, effective prior to April 30, 2019 (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed October 30, 2017 (File No. 001-10542)).
10.23*	Unifi, Inc. Director Compensation Policy, effective April 30, 2019 (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2019 (File No. 001-10542)).
10.24*	Change in Control Agreement by and between Unifi, Inc. and Thomas H. Caudle, Jr., effective as of August 14, 2009 (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed August 18, 2009 (File No. 001-10542)).
10.25*	Amendment No. 1 to Change in Control Agreement by and between Unifi, Inc. and Thomas H. Caudle, Jr., effective as of December 31, 2011 (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed January 5, 2012 (File No. 001-10542)).
10.26*	Amendment No. 2 to Change in Control Agreement by and between Unifi, Inc. and Thomas H. Caudle, Jr., effective as of December 31, 2014 (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed December 1, 2014 (File No. 001-10542)).
10.27*	Employment Agreement by and between Unifi, Inc. and Thomas H. Caudle, Jr., effective as of September 5, 2018 (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed September 7, 2018 (File No. 001-10542)).
10.28*	Employment Agreement by and between Unifi, Inc. and Kevin D. Hall, effective as of May 3, 2017 (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed May 4, 2017 (File No. 001-10542)).
10.29*	Amendment No. 1 to Employment Agreement by and between Unifi, Inc. and Kevin D. Hall, effective as of May 19, 2017 (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K/A filed May 19, 2017 (File No. 001-10542)).
10.30*	Employment Agreement by and between Unifi, Inc. and John D. Vegas, effective as of July 17, 2017 (incorporated by reference to Exhibit 10.23 to the Annual Report on Form 10-K for the fiscal year ended June 25, 2017 (File No. 001-10542)).
10.31*	Employment Agreement by and between Unifi, Inc. and Richard Gerstein, effective as of July 28, 2017 (incorporated by reference to Exhibit 10.24 to the Annual Report on Form 10-K for the fiscal year ended June 25, 2017 (File No. 001-10542)).
10.32*	Employment Agreement by and between Unifi, Inc. and Jeffrey C. Ackerman, effective as of September 2, 2017 (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed September 6, 2017 (File No. 001-10542)).

Exhibit Number	Description
10.33†	Letter Agreement by and between Unifi, Inc. and Albert P. Carey, effective as of July 1, 2019.
10.34	Sales and Services Agreement, dated as of January 1, 2007, by and between Unifi Manufacturing, Inc. and Dillon Yarn Corporation (incorporated by reference to Exhibit 99.1 to the Registration Statement on Form S-3 filed February 9, 2007 (File No. 333-140580)).
10.35	First Amendment to Sales and Services Agreement, effective as of January 1, 2009, by and between Unifi Manufacturing, Inc. and Dillon Yarn Corporation (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed December 3, 2008 (File No. 001-10542)).
10.36	Second Amendment to Sales and Services Agreement, effective as of January 1, 2010, by and between Unifi Manufacturing, Inc. and Dillon Yarn Corporation (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed December 11, 2009 (File No. 001-10542)).
10.37	Third Amendment to Sales and Services Agreement, effective as of January 1, 2011, by and between Unifi Manufacturing, Inc. and Dillon Yarn Corporation (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed December 22, 2010 (File No. 001-10542)).
10.38	Fourth Amendment to Sales and Services Agreement, effective as of January 1, 2012, by and between Unifi Manufacturing, Inc. and Dillon Yarn Corporation (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed December 20, 2011 (File No. 001-10542)).
10.39**	Yarn Purchase Agreement, effective as of September 1, 2014, by and between Unifi Manufacturing, Inc. and Hanesbrands Inc. (incorporated by reference to Exhibit 10.35 to the Annual Report on Form 10-K for the fiscal year ended June 29, 2014 (File No. 001-10542)).
10.40**	Addendum and Extension to Yarn Purchase Agreement, effective as of June 30, 2018, by and between Unifi Manufacturing, Inc. and Hanesbrands Inc. (incorporated by reference to Exhibit 10.33 to the Annual Report on Form 10-K for the fiscal year ended June 24, 2018 (File No. 001-10542)).
10.41	Deposit Account Control Agreement, dated as of May 24, 2012, by and among Unifi Manufacturing, Inc., Wells Fargo Bank, N.A. and Bank of America, N.A. (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed May 25, 2012 (File No. 001-10542)).
21.1†	List of Subsidiaries of Unifi, Inc.
23.1†	Consent of KPMG LLP.
23.2+	Consent of PricewaterhouseCoopers LLP, Independent Auditors to Parkdale America, LLC.
31.1†	Certification of Principal Executive Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2†	Certification of Principal Financial Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.3+	Certification of Principal Executive Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.4+	Certification of Principal Financial Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1†	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2†	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.3++	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.4++	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101†	The following financial information from Unifi, Inc.'s Annual Report on Form 10-K for the fiscal year ended June 30, 2019, filed August 29, 2019, formatted in eXtensible Business Reporting Language: (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Income, (iii) the Consolidated Statements of Comprehensive (Loss) Income, (iv) the Consolidated Statements of Shareholders' Equity, (v) the Consolidated Statements of Cash Flows and (vi) the Notes to Consolidated Financial Statements.

+ Filed herewith.
++ Furnished herewith.

† Previously filed or furnished, as applicable, with the Original 10-K on August 29, 2019.
* Indicates a management contract or compensatory plan or arrangement.
** Certain portions of this exhibit have been omitted pursuant to a request for confidential treatment filed with the SEC.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

UNIFI, INC.
(Registrant)

Date: March 27, 2020

By: /s/ CRAIG A. CREATURO
Craig A. Creaturo
Executive Vice President & Chief Financial Officer
(Principal Financial Officer and Principal
Accounting Officer)

Report of Independent Auditors

To the Management and the Board of Managers of
Parkdale America, LLC

We have audited the accompanying consolidated financial statements of Parkdale America, LLC and its subsidiaries, which comprise the consolidated balance sheets as of December 28, 2019 and December 29, 2018, and the related consolidated statements of operations, comprehensive income, members' equity, and cash flows for each of the three years in the period ended December 28, 2019.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Parkdale America, LLC and its subsidiaries as of December 28, 2019 and December 29, 2018, and the results of their operations and their cash flows for each of the three years in the period ended December 28, 2019 in accordance with accounting principles generally accepted in the United States of America.

/s/ PricewaterhouseCoopers LLP
Charlotte, North Carolina
March 27, 2020

	December 28, 2019	December 29, 2018
Assets		
Current assets		
Cash and cash equivalents	$ 46,159,000	$ 45,039,000
Trade accounts receivable (less allowance of $2,041,000 and $2,618,000 in 2019 and 2018, respectively)	100,320,000	125,719,000
Other receivables	1,022,000	2,942,000
Due from affiliates	91,000	54,000
Inventories, net	112,375,000	117,592,000
Prepaid expenses and other assets	3,320,000	5,997,000
Due from broker	96,000	585,000
Derivative assets	1,469,000	207,000
Total current assets	264,852,000	298,135,000
Property, plant and equipment, net	155,007,000	148,717,000
Assets held for sale	1,480,000	6,925,000
Deferred financing costs, net	319,000	454,000
Other noncurrent assets	451,000	644,000
Total assets	$ 422,109,000	$ 454,875,000
Liabilities and Members' Equity		
Current liabilities		
Trade accounts payable	$ 55,069,000	$ 55,459,000
Accrued expenses	8,895,000	10,431,000
Due to affiliates	5,354,000	6,846,000
Derivative liabilities	1,262,000	169,000
Total current liabilities	70,580,000	72,905,000
Other long-term liabilities	3,097,000	3,342,000
Total liabilities	73,677,000	76,247,000
Commitments and contingencies (Note 11)		
Members' equity		
Accumulated other comprehensive loss	(5,209,000)	(6,137,000)
Members' equity	353,641,000	384,765,000
Total members' equity	348,432,000	378,628,000
Total liabilities and members' equity	$ 422,109,000	$ 454,875,000

The accompanying notes are an integral part of these financial statements.

Parkdale America, LLC and Subsidiaries
(A Limited Liability Company)
Consolidated Statements of Operations
Years Ended December 28, 2019, December 29, 2018 and December 30, 2017

	2019	2018	2017
Net sales	$ 795,540,000	$ 817,271,000	$ 775,987,000
Cost of goods sold	779,490,000	792,360,000	740,303,000
Gross profit	16,050,000	24,911,000	35,684,000
General and administrative expenses	17,363,000	17,788,000	16,665,000
Gain on disposals of property, plant and equipment, net	(56,000)	(212,000)	(429,000)
Impairment and realignment costs	651,000	482,000	1,978,000
(Loss) income from operations	(1,908,000)	6,853,000	17,470,000
Interest expense	139,000	136,000	219,000
Interest income	(1,184,000)	(791,000)	(363,000)
Foreign exchange loss (gain), net	673,000	(91,000)	414,000
Other (income) expense, net	(3,509,000)	(310,000)	65,000
Income before provision for income taxes	1,973,000	7,909,000	17,135,000
Provision for income taxes	880,000	509,000	1,467,000
Net income	$ 1,093,000	$ 7,400,000	$ 15,668,000

The accompanying notes are an integral part of these financial statements.

	2019	2018	2017
Net income	$ 1,093,000	$ 7,400,000	$15,668,000
Other comprehensive income (loss):			
Foreign currency translation	928,000	(43,000)	524,000
Other comprehensive income (loss)	928,000	(43,000)	524,000
Comprehensive income	$ 2,021,000	$ 7,357,000	$16,192,000

The accompanying notes are an integral part of these financial statements.

	Accumulated Other Comprehensive (Loss) Income	Members' Equity	Total Members' Equity
Balance at December 31, 2016	$ (6,618,000)	$ 391,664,000	$ 385,046,000
Net income	-	15,668,000	15,668,000
Foreign currency translation	524,000	-	524,000
Dividends paid	-	(23,532,000)	(23,532,000)
Balance at December 30, 2017	(6,094,000)	383,800,000	377,706,000
Net income	-	7,400,000	7,400,000
Foreign currency translation	(43,000)	-	(43,000)
Dividends paid	-	(6,435,000)	(6,435,000)
Balance at December 29, 2018	(6,137,000)	384,765,000	378,628,000
Net income	-	1,093,000	1,093,000
Foreign currency translation	928,000	-	928,000
Dividends paid	-	(32,217,000)	(32,217,000)
Balance at December 28, 2019	$ (5,209,000)	$ 353,641,000	$ 348,432,000

The accompanying notes are an integral part of these financial statements.

	2019	2018	2017
Cash flows from operating activities			
Net income	$ 1,093,000	$ 7,400,000	$ 15,668,000
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation	40,584,000	39,447,000	39,306,000
Loss on impairment of property, plant and equipment	406,000	99,000	309,000
Gain on disposals of property, plant and equipment	(56,000)	(212,000)	(429,000)
Amortization of deferred financing costs	135,000	136,000	208,000
Deferred income taxes	(143,000)	(197,000)	(81,000)
Net change in derivative instruments	320,000	886,000	(521,000)
Changes in operating assets and liabilities			
Trade accounts receivable, net	25,532,000	(20,006,000)	(16,309,000)
Other receivables	2,003,000	(1,526,000)	208,000
Due to/from affiliates, net	(1,043,000)	701,000	533,000
Inventories, net	5,228,000	(12,098,000)	14,934,000
Prepaid expenses and other assets	1,721,000	(1,821,000)	(991,000)
Other noncurrent assets	210,000	197,000	9,000
Trade accounts payable	812,000	17,017,000	12,438,000
Accrued expenses and other liabilities	(649,000)	(15,000)	(44,000)
Other noncurrent liabilities	(216,000)	81,000	(197,000)
Net cash provided by operating activities	75,937,000	30,089,000	65,041,000
Cash flows from investing activities			
Purchases of property, plant and equipment	(43,112,000)	(27,329,000)	(20,558,000)
Proceeds from disposal of property, plant and equipment	448,000	1,143,000	740,000
Net cash used in investing activities	(42,664,000)	(26,186,000)	(19,818,000)
Cash flows from financing activities			
Payment of deferred financing costs	-	-	(520,000)
Dividends paid	(32,217,000)	(6,435,000)	(23,532,000)
Net cash used in financing activities	(32,217,000)	(6,435,000)	(24,052,000)
Effect of exchange rate on cash and cash equivalents	64,000	(4,000)	42,000
Net increase (decrease) in cash and cash equivalents	1,120,000	(2,536,000)	21,213,000
Cash and cash equivalents			
Beginning of year	45,039,000	47,575,000	26,362,000
End of year	$ 46,159,000	$ 45,039,000	$ 47,575,000
Supplemental disclosures of cash flow information			
Cash paid during the year for			
Taxes	$ 927,000	$ 938,000	$ 1,121,000
Noncash proceeds from disposal of property, plant and equipment	-	-	848,000
Accrued purchases of property, plant and equipment	1,317,000	2,592,000	2,984,000

The accompanying notes are an integral part of these financial statements.

1. Summary of Significant Accounting Policies

Nature of Business
On June 30, 1997, Parkdale Mills, Inc. ("Mills") and Unifi, Inc. ("Unifi") entered into a Contribution Agreement (the "Agreement") that sets forth the terms and conditions by which the two companies contributed all of the assets of their spun cotton yarn operations utilizing open-end and air-jet spinning technologies to create Parkdale America, LLC (the "Company"). In exchange for their respective contributions, Mills and Unifi received a 66% and 34% ownership interest in the Company, respectively.
On January 1, 2012, Mills contributed its interest in the Company to its newly formed parent company, Parkdale, Incorporated ("Parkdale, Inc." or the "Parent").

Principles of Consolidation
The accompanying consolidated financial statements include the consolidated accounts of the Company and its wholly-owned subsidiaries Summit Yarn, LLC ("Summit Yarn") and Summit Yarn Holding I, Inc. ("Summit Holding") and its subsidiary Grupo Burlpark, S.A. de C.V. ("Grupo"), a Mexican company. Summit Yarn and Summit Holding are collectively referred to as the "Summit Entities."

All intercompany transactions and accounts have been eliminated in consolidation.

Fiscal Year
The Company's fiscal year end is the Saturday nearest to December 31. The Company's fiscal years 2019, 2018 and 2017 ended on December 28, 2019, December 29, 2018, and December 30, 2017, respectively. Such fiscal years contained 52 weeks.

Operations
The Company is a producer of cotton and synthetic yarns for sale to the textile and apparel industries, both foreign and domestic. As of December 28, 2019, the Company had 11 manufacturing facilities located in North America. The Company incurred $245,000, $383,000, and $1,669,000 during fiscal years 2019, 2018, and 2017, respectively, in facility costs concurrent with realigning and consolidating manufacturing facilities. The costs relate primarily to relocation of manufacturing equipment and are recorded as a component of impairment and realignment costs.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and 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. Actual results could differ from those estimates.

Revenue Recognition
The Company's primary performance obligation is the distribution and sale of its cotton and synthetic yarns. Revenue is recognized when performance obligations under the terms of the contract with the customer are satisfied and are recognized at a point in time, which occurs when control of a good promised in a contract is transferred to a customer. Control is obtained when the customer has the ability to direct the use of and obtain substantially all of the remaining benefits from that good, which generally occurs either on shipment or delivery based on the contractual terms. See Note 2 to the consolidated financial statements for additional information regarding the Company's revenue recognition policy.

Cash and Cash Equivalents
The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. The carrying value of these cash equivalents approximates their fair values. The Company maintains cash deposits with major banks that may exceed federally insured limits. The Company periodically assesses the financial condition of the institutions and believes the risk of loss to be remote.

Concentration of Credit Risk
Substantially all of the Company's accounts receivable is due from companies in the textile and apparel markets located primarily throughout North America. The Company generally does not require collateral for its accounts receivable. The Company performs ongoing credit evaluations of its customers' financial condition and establishes an allowance for doubtful accounts based upon factors surrounding the credit risk of specific customers, historical trends, and other information. Allowances provided for doubtful accounts were $2,041,000 and $2,618,000 as of December 28, 2019 and December 29, 2018, respectively.

Sales to five customers accounted for approximately 75%, 74%, and 78%, of total sales during fiscal years 2019, 2018 and 2017, respectively. As of December 28, 2019 and December 29, 2018, accounts receivable from five customers comprised 79% and 71%, respectively, of total gross accounts receivable outstanding.

Fair Value Measurements
The Company follows the guidance in Accounting Standards Codification ("ASC") 820, *Fair Value Measurement*, to account for fair value measurements. The guidance emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering market participant assumptions in fair value measurements, the guidance establishes a fair value hierarchy, which prioritizes the inputs used in measuring fair values as follows:

Level 1 – Observable inputs, such as quoted prices in active markets

Level 2 – Inputs, other than quoted prices in active markets, that are observable either directly or indirectly

Level 3 – Unobservable inputs for which there is little or no market data, which require the reporting entity to develop its own assumptions

The Company's derivative instruments represent the only balances which are measured at fair value on a recurring basis. The fair value of derivative instruments is based on quoted prices in active markets (Level 1 for cotton futures contracts). See Note 8 for separate disclosure of derivatives measured at fair value.

The carrying amount of cash equivalents, receivables, and accounts payable approximate fair value because of the short-term maturity of such instruments.

Self-Insurance
The Company is self-insured for certain losses relating to workers' compensation, medical and dental claims. The Company has stop-loss coverage to limit the exposure arising from these claims. Self-insurance claims filed and claims incurred but not reported are accrued based upon management's estimates of the ultimate cost for self-insured claims incurred using actuarial assumptions followed in

the insurance industry and historical experience. Accruals for workers' compensation are reported on a discounted basis.

Basis of Foreign Currency Translation
The functional currency for Grupo is the Mexican peso. The reporting currency is U.S. dollars. Grupo's financial statements are translated into U.S. dollars for consolidation purposes. Investment and equity accounts are translated at historical values. All other asset and liability accounts are translated at quoted year end rates. Revenue and expenses are translated on a monthly basis at the average rates of exchange in effect during the periods. Gains and losses on translation are recorded in accumulated other comprehensive loss as a component of members' equity on the accompanying consolidated balance sheets.

Property, Plant, and Equipment
Property, plant, and equipment are recorded at cost. Repairs and maintenance that do not extend the life of the applicable assets are expensed. Provisions for depreciation are determined principally by an accelerated method over the estimated useful lives of the assets.

Assets Held for Sale
Assets held for sale represent those assets that are not in use and management is actively marketing for sale. Depreciation of such assets has ceased. Annually, the Company assesses the criteria for classification for assets held for sale in accordance with ASC 360, Property, Plant, and Equipment. At December 28, 2019, such assets consisted primarily of one manufacturing building that was previously held for sale in the prior year. As of December 29, 2018, there were three manufacturing buildings held for sale.

Impairment of Long-Lived Assets
The Company evaluates long-lived assets to determine impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to undiscounted future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. In fiscal years 2019, 2018, and 2017, loss on impairment was $406,000, $99,000, and $309,000, respectively.

Economic Assistance Program
During August 2008, a federal government program commenced providing economic adjustment assistance to domestic users of upland cotton. A cotton subsidy is paid to manufacturers for cotton consumed in domestic production. The subsidy must be used within 18 months after the marketing year earned to purchase qualifying capital expenditures in the United States for production of goods from upland cotton. The marketing year is from August 1 to July 31. Effective August 1, 2012, the value of the assistance is three cents per pound of consumed cotton.

The Company recognizes income for the cotton subsidy when the cotton has been consumed and the qualifying assets have been acquired. The Company recognized income of $13,000,000, $13,138,000, and $13,141,000, for the cotton consumption portion of the subsidy earned during fiscal years 2019, 2018 and 2017, respectively, as a reduction to cost of goods sold in the accompanying consolidated statements of operations.

The Company records the portion of the cotton subsidy deemed to be associated with the qualifying capital expenditures as a reduction of the cost of the equipment purchased. The portion of the subsidy earned associated with the qualifying capital expenditures for 2019, 2018 and 2017 was $445,000,

$426,000, and $467,000, respectively. These amounts are amortized over the nine year useful life of the corresponding assets on a double declining methodology.

The Company had receivables totaling $855,000 and $1,916,000 related to the subsidy program as of December 28, 2019 and December 29, 2018, respectively, which is included as a component of other receivables on the accompanying consolidated balance sheets.

Shipping Costs
The costs to ship products to customers of approximately $22,306,000, $25,583,000 and $22,037,000 during the fiscal years 2019, 2018, and 2017, respectively, are included as a component of cost of goods sold in the accompanying consolidated statements of operations.

Other (Income) Expense
In 2019, the Company received a credit relating to previously overstated utility billings, of which $2,800,000 was recorded in other income relating to prior years' operations.

Adoption of New Accounting Pronouncements
In May 2014, the FASB issued *Revenue From Contracts With Customers* (ASU 2014-09) ("Topic 606"), that outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance. Topic 606 is based on the principle that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. As amended by *Revenue From Contracts With Customers: Deferral of the Effective Date* (ASU 2015-14), Topic 606 is effective for fiscal years beginning after December 15, 2018. The Company adopted Topic 606 on December 30, 2018, using the modified retrospective approach and applied this approach to contracts not completed as of that date. The adoption of Topic 606 did not result in an adjustment to the Company's opening balance of retained earnings. The adoption of Topic 606 did not have a material impact to the Company's consolidated financial statements. Refer to Note 2 for additional information regarding the Company's adoption of Topic 606.

In August 2017, the FASB issued ASU 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities*. The ASU is intended to improve and simplify the rules around hedge accounting, reduce complexity for certain hedging concepts and better align financial reporting with an entity's risk management activities. The Company adopted Topic 815 on December 30, 2018. The adoption of Topic 815 did not have a material impact to the Company's consolidated financial statements.

Recent Accounting Pronouncements
In February 2016, the FASB issued ASU 2016-02, *Leases,* requiring companies to recognize lease assets and lease liabilities by lessees for all operating leases. In November 2019, the FASB issued *Financial Instruments-Credit Losses, Derivatives and Hedging, and Leases: Effective Dates* (ASU 2019-10) to defer the effective date for non-public companies by one additional year. The pronouncement is effective for fiscal years beginning after December 15, 2020. The Company is currently evaluating the impact this new guidance will have on its consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, that eliminates the probable initial recognition threshold in current U.S. GAAP and, instead, reflects an entity's current estimate of all expected credit losses. The pronouncement is effective for fiscal years beginning after December 31, 2019. The Company is currently evaluating the impact this new guidance will have on the consolidated financial statements.

2. Revenue Recognition

The Company adopted ASC 606 *Revenue from Contracts with Customers* on December 30, 2018, using the modified retrospective approach for all contracts not completed at the date of initial adoption. Upon adoption of this guidance, there was no material impact to the Company's consolidated financial statements.

The Company recognizes revenue when performance obligations under the terms of the contract with the customer are satisfied. The Company's contracts are derived from manufacturing supply agreements and customer orders. Performance obligations associated with manufacturing supply agreements are tied to orders submitted by customers. All orders have a duration of less than one year, performance obligations are related to orders submitted at a point in time, and payment terms are generally 30-90 days. Performance obligations are satisfied when control of a good promised in a contract is transferred to a customer. Control is obtained when the customer has the ability to direct the use of and obtain substantially all of the remaining benefits from that good. The Company measures revenue as the amount of consideration for which it expects to be entitled in exchange for transferring goods at a point in time as control is transferred at a distinct point per the terms of a contract. This transfer occurs upon shipment or delivery based on the contract terms. In some cases, the Company must apply judgment, including contractual rates and historical payment trends, when estimating variable consideration. Certain customers may receive cash and or noncash incentives such as prompt pay discounts, which are accounted for as variable consideration. Revenue is recognized net of variable consideration when the performance obligation has been satisfied. When incentives are paid in arrears, the Company accrues the estimated amount to be paid based on the program's contractual terms.

3. Inventories, Net

Inventories are stated at the lower of cost or net realizable value. Cost is determined using the specific identification method for raw materials, yarn-in-process, and finished yarn inventories. The Company performs periodic assessments to determine the existence of obsolete and slow-moving inventories and records necessary provisions to reduce such inventories to net realizable value, if needed. Inventories, net as of December 28, 2019 and December 29, 2018, consist of the following:

	2019	**2018**
Cotton and synthetics	$ 54,196,000	$ 54,796,000
Yarn in process	8,615,000	9,632,000
Finished yarn	49,227,000	53,049,000
Supplies	1,766,000	1,733,000
Gross inventories	113,804,000	119,210,000
Less: Inventory reserves	(1,429,000)	(1,618,000)
Inventories, net	$ 112,375,000	$ 117,592,000

4. Property, Plant and Equipment, Net

A summary of property, plant and equipment, net as of December 28, 2019 and December 29, 2018, is as follows:

	Useful Lives in Years	2019	2018
Land and land improvements	15	$ 10,032,000	$ 8,906,000
Buildings	15 - 39	125,518,000	114,025,000
Machinery and equipment	5 - 9	592,607,000	568,613,000
Office furniture and fixtures	3 - 7	12,102,000	12,258,000
		740,259,000	703,802,000
Less: accumulated depreciation		(589,992,000)	(563,726,000)
Construction in progress		4,740,000	8,641,000
Property, plant and equipment, net		$ 155,007,000	$ 148,717,000

Depreciation expense for fiscal years 2019, 2018, and 2017, was $40,584,000, $39,447,000 and $39,306,000, respectively.

5. Income Taxes

The Company is a limited liability company treated as a partnership for federal and state income tax reporting purposes. As a result, the Company's results of operations are included in the income tax returns of its individual members. Accordingly, income taxes are accounted for at the individual member level. Therefore, the Company has not recorded a separate provision for income taxes.

The Company, through Grupo, computes deferred taxes based on the after tax effects of temporary differences between the basis of assets and liabilities for financial reporting purposes and the basis for income tax reporting purposes, using the applicable statutory tax rates.

The provision for income taxes for fiscal years 2019, 2018, and 2017, is comprised of the following:

	2019	2018	2017
Current income tax	$ 1,023,000	$ 706,000	$ 1,548,000
Deferred income tax	(143,000)	(197,000)	(81,000)
Total income tax	$ 880,000	$ 509,000	$ 1,467,000

Summit Holding maintains that the undistributed earnings of Grupo will be indefinitely reinvested in foreign jurisdictions; therefore, no deferred tax liability has been recorded with respect to this subsidiary's earnings. The Company continues to believe that these earnings are indefinitely reinvested; however, the Company may change this assertion in a future period.

In December 2017, H.R.1, formerly known as the Tax Cuts and Jobs Act (the "2017 Tax Act") was enacted. The 2017 Tax Act included a number of changes to existing U.S. tax laws. The 2017 Tax Act eliminated the deferral of U.S. income tax on the historical unrepatriated earnings by imposing the

Transition Toll Tax, which was a one-time mandatory deemed repatriation tax on undistributed foreign earnings. The Transition Toll Tax was assessed on a U.S. shareholder's share of foreign corporation's accumulated foreign earnings that had not previously been taxed in the U.S. Earnings in the form of cash and cash equivalents were taxed at a rate of 15.5% and all other earnings were taxed at a rate of 8.0%. The Company recorded a provision for the Transition Toll Tax in an amount of $877,000, included in current income tax expense for fiscal year 2017.

As more information became available, an adjustment to the Transition Toll Tax recorded in 2017 was deemed necessary. The Transition Toll Tax was reduced by $236,000 to $641,000 in 2018. The Company made payments for $32,000 and $70,000 in 2019 and 2018, respectively. As of December 28, 2019, the remaining tax liability is recorded in accrued expenses and other long-term liabilities, in the amounts of $51,000 and $488,000, respectively. As of December 29, 2018, the remaining tax liability is recorded in accrued expenses and other long-term liabilities, in the amounts of $32,000 and $539,000, respectively.

The most significant temporary difference that gives rise to deferred tax liabilities is fixed assets. Grupo has recorded a deferred tax liability related to deferred tax basis differences which is included in other long-term liabilities. As of December 28, 2019 and December 29, 2018, the liability was $720,000 and $786,000, respectively. For Grupo, the effective tax rate differs from the statutory rates primarily due to inflationary adjustments under the Mexican tax regime and non-deductible expenses.

The Company does not believe that it has taken any uncertain tax positions that would require recognition of a contingent liability. The tax returns of Summit Holding for tax years 2016 and forward remain subject to examination by U.S. tax authorities, while the tax years 2005 through 2015 remain subject to examination by U.S. tax authorities to the extent of net operating loss carryforwards, which are not significant. Grupo's tax returns remain subject to examination by Mexican tax authorities for tax years 2014 and forward.

6. Deferred Financing Costs, Net

The Company capitalized financing costs of $520,000 in 2017 related to a new revolving credit facility. There were $158,000 in unamortized deferred financing costs from the prior facility that continue to be associated with the new credit facility. These costs are being amortized over the term of the debt agreement, which matures on April 26, 2022. Amortization of these costs totaled $135,000, $136,000 and $153,000 for fiscal years 2019, 2018 and 2017, respectively, and is included as a component of interest expense in the accompanying consolidated statements of operations. In 2017, deferred financing costs of $55,000 were written off related to the extinguished credit facility (See Note 7). Estimated future amortization expense of deferred financing costs is summarized as follows:

Fiscal Year	**Amount**
2020	138,000
2021	136,000
2022 and thereafter	45,000

7. Long-Term Debt – Related Party

On April 26, 2017, the Company entered into a $175,000,000 related party revolving credit facility with its Parent (the "New Facility"). At the Company's option, borrowings under the facility may be maintained as (1) "Prime Rate" loans or (2) "LIBOR" loans, plus applicable margins ranging from 0.25% to 2.25%. The agreement includes customary covenants that require the borrower to maintain a minimum interest coverage ratio and restrict its leverage ratio. The Company was in compliance with these covenants as of December 28, 2019 and December 29, 2018. There were no outstanding borrowings on the credit facility as of December 28, 2019 and December 29, 2018. The facility matures April 26, 2022. The New Facility replaced a previous revolving credit facility with the Parent with similar terms.

8. Derivative Instruments

All derivatives, whether designated in hedging relationships or not, are required to be recorded on the balance sheet at fair value. Derivatives held by the Company at December 28, 2019 and December 29, 2018 are considered non-designated. Changes in the fair value of the derivatives are recognized in earnings as they occur.

The Company is subject to price risk related to raw materials pricing. In the normal course of business, under procedures established by the Company's financial risk management framework, the Company may enter into cotton futures contracts to manage changes in raw material prices in order to protect the gross margin of fixed-price yarn sales. The changes in fair value related to these cotton futures are reflected as an operating activity in the accompanying consolidated statements of cash flows. As of December 28, 2019 and December 29, 2018, the Company has recorded these instruments at their net fair value of $303,000 and $623,000, respectively, in the accompanying consolidated balance sheets, as follows:

	Balance Sheet Location	Fair Value December 28, 2019	Fair Value December 29, 2018
Derivative assets, commodity contracts			
Nonhedges	Derivative assets	$ 1,469,000	$ 207,000
Derivative liabilities, commodity contracts			
Nonhedges	Derivative liabilities	(1,262,000)	(169,000)
Due from broker		96,000	585,000
Net derivative asset		$ 303,000	$ 623,000

The Company's derivative instruments are listed and traded on an exchange and are thus valued using quoted prices classified within Level 1 of the fair value hierarchy. The fair value of the derivative instruments are classified as current assets and liabilities as of December 28, 2019 and December 29, 2018. The Company did not have any assets or liabilities classified as Level 2 or Level 3 at December 28, 2019 and December 29, 2018.

The Company enters into forward contracts for certain cotton purchases, which qualify as derivative instruments. However, these contracts meet the applicable criteria to qualify for the "normal purchases and normal sales" exemption in ASC 815, "Derivatives and Hedging". Therefore, the hedge accounting requirements are not applicable to these contracts.

The Company recorded net gains on forward contracts and cotton purchase agreements designated as derivatives of $2,041,000, $2,140,000 and $2,380,000 for the years ended December 28, 2019, December 29, 2018 and December 30, 2017, respectively. These gains are included in cost of goods sold in the accompanying consolidated statements of operations.

Collateral is settled daily on these contracts and is shown on the balance sheet as "Due to broker" or "Due from broker".

9. Defined Contribution Plan

The Company maintains a defined contribution retirement plan available to substantially all employees. The Company's contributions are based on a formula for matching employee contributions. The Company incurred costs for this plan of $1,015,000, $987,000 and $987,000, during fiscal years 2019, 2018, and 2017, respectively.

10. Related-Party Transactions

Shared Expenses Allocation

The Company and Mills share certain warehousing, distribution and manufacturing expenses that are allocated based on the usages of these services. Amounts charged to the Company for these services were $6,903,000, $7,321,000 and $7,386,000, for fiscal years 2019, 2018, and 2017, respectively, and are recorded as a component of cost of goods sold.

Parkdale, Inc. incurs certain accounting and administrative expenses that are allocated to the Company and Mills based upon a weighted average of certain key indicators, including, but not limited to, pounds of yarn sold and net sales. Amounts charged to the Company by Parkdale, Inc. were $12,155,000, $11,842,000 and $10,777,000 for fiscal years 2019, 2018, and 2017, respectively, and are recorded as a component of general and administrative expenses.

Due to and from Affiliates

Due to and from affiliates as of December 28, 2019 and December 29, 2018, consists of the following:

	2019	2018
Due from Parkdale Mills de Honduras	$ -	$ 44,000
Due from U.S. Cotton, LLC	91,000	10,000
Due from affiliates	$ 91,000	$ 54,000
Due to Mills and subsidiary	$ 3,148,000	$ 4,765,000
Due to Parkdale Mills de Honduras	19,000	-
Due to D'sky DSC S.R.L.	154,000	179,000
Due to Parkdale Mills de El Salvador	78,000	67,000
Due to Parkdale Inc.	1,955,000	1,835,000
Due to affiliates	$ 5,354,000	$ 6,846,000

Amounts due to and from affiliates result from intercompany charges related to inventory purchases, accounts receivable collections, payroll tax payments, and the administrative expense allocation.

Other

The Company has a revolving credit facility with its parent company. See also Note 7.

11. Commitments and Contingencies

Operating Leases

Rent expense for the fiscal years 2019, 2018, and 2017, was $547,000, $444,000 and $440,000, respectively.

Purchase and Sales Commitments

At December 28, 2019 and December 29, 2018, the Company had unfulfilled cotton purchase commitments, at varying prices, for approximately 441,805,000 and 444,467,000 pounds of cotton, respectively, to be used in the production process. These contracts are generally effective for approximately one year. At December 28, 2019 and December 29, 2018, the Company had unfulfilled yarn sales contracts, at varying prices, with various customers that are not expected to result in any loss to the Company.

Contingencies

The Company is involved in various legal actions and claims arising in the normal course of business. Management believes that the resolution of such matters will not have a material effect on the financial condition, results of operations, or cash flows of the Company.

12. Members' Equity

The annual net income of Grupo is subject to the Mexican legal requirement that 5% thereof be transferred to a legal reserve each year until the reserve equals 20% of capital stock. This reserve may not be distributed to the members during the existence of Grupo, except in the form of stock dividends. The legal reserve for Grupo has not been met as of December 28, 2019.

13. Subsequent Events

The Company evaluated transactions occurring after December 28, 2019 in accordance with ASC Topic 855, Subsequent Events, through March 27, 2020, which is the date the accompanying consolidated financial statements were available for issuance.

In December 2019, a novel strain of coronavirus ("COVID-19") was reported in Wuhan, China. In March 2020, the World Health Organization declared COVID-19 a global pandemic and recommended containment and mitigation measures worldwide. As of the date of this filing, many of our manufacturing facilities have been impacted by temporary closures due to reduced customer demand and borders being closed for shipments. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration and severity of the impact. Therefore, while the Company expects this matter to negatively impact its operating results, the related financial impact and duration cannot be reasonably estimated at this time.

In February 2020, a notice of closure was issued for one of the manufacturing facilities in Landis, NC. The effective date of closure is in April 2020, 60 days after the notice was issued. The Company performed an assessment of the carrying values of the long-lived assets held at the Landis manufacturing facility, including land, buildings, machinery and equipment, and the expected future use or disposal of such assets. The Company intends to relocate or dispose of these assets within the next year and does not expect that the relocation and disposal of these assets will result in a material loss to the Company.

Exhibit 23.2

CONSENT OF INDEPENDENT AUDITORS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-140580) and Form S-8 (No. 33-23201, No. 033-53799, No. 333-35001, No. 333-43158, No. 333-156090, No. 333-191870, and No. 333-229533) of Unifi, Inc. of our report dated March 27, 2020 relating to the financial statements of Parkdale America, LLC, which appears in Unifi, Inc.'s Form 10-K/A.

/s/ PricewaterhouseCoopers LLP
Charlotte, North Carolina
March 27, 2020

Exhibit 31.3

CERTIFICATION

I, Thomas H. Caudle, Jr., certify that:

1. I have reviewed this Amendment No. 1 to the Annual Report on Form 10-K/A of Unifi, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 27, 2020

/s/ THOMAS H. CAUDLE, JR.

Thomas H. Caudle, Jr.
President & Chief Operating Officer
(Principal Executive Officer)

Exhibit 31.4

CERTIFICATION

I, Craig A. Creaturo, certify that:

1. I have reviewed this Amendment No. 1 to the Annual Report on Form 10-K/A of Unifi, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 27, 2020

/s/ CRAIG A. CREATURO

Craig A. Creaturo
Executive Vice President & Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.3

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Amendment No. 1 to the Annual Report on Form 10-K/A of Unifi, Inc. (the “Company”) for the fiscal year ended June 30, 2019, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Thomas H. Caudle, Jr., President & Chief Operating Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 27, 2020

/s/ THOMAS H. CAUDLE, JR.
Thomas H. Caudle, Jr.
President & Chief Operating Officer
(Principal Executive Officer)

Exhibit 32.4

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Amendment No. 1 to the Annual Report on Form 10-K/A of Unifi, Inc. (the "Company") for the fiscal year ended June 30, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Craig A. Creaturo, Executive Vice President & Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 27, 2020

/s/ CRAIG A. CREATURO

Craig A. Creaturo
Executive Vice President & Chief Financial Officer
(Principal Financial Officer)