April 16, 2021

Unique Logistics International Announces Third Quarter Fiscal 2021 Financial Results

(Quarter ending February 28, 2021 and the nine months ending February 28, 2021)

NEW YORK, April 16, 2021 /PRNewswire/ -- Unique Logistics International, Inc. (OTC Markets: UNQL, formerly INNO) a global logistics and freight forwarding company, today announced the filing of its Current Report on Form 10-Q (the "Current Report") reporting results for the third quarter and first nine months ending February 28, 2021.

Q3 Key Financial Results:

	Three Months ended February 28, 2021	Nine months ended February 28, 2021
Total revenues	$91.0 million	$273.0 million
Income from operations	$0.3 million	$2.8 million
Net income	$1.3 million	$2.1 million
Adjusted EBITDA (Non-GAAP Financial Measure)	$1.8 million	$6.6 million

	As of February 28, 2021	As of May 31, 2020
Total Assets	$62.2 million	$34.0 million
Total Stockholders' Equity	$6.9 million	$1.1 million

"More than a year after the onset of the pandemic, our business is growing and customers are reclaiming their confidence." said Sunandan Ray, Chief Executive Officer. "We have taken the three companies we acquired and delivered revenues that are 265% higher comparing the current reporting quarter versus the comparative prior quarter before acquisition. My sincere thanks to the incredible efforts of our management, staff, customers and business partners."

Key Business Highlights:

Revenue Environment:

1. Management anticipates strong demand for international logistics services for the remainder of 2021 driven by a recovering US economy.

2. The reported revenue for the three months ended February 28, 2021 of $91.0 million represents growth of 265% based on the revenues of $24.9 million (unaudited) in the corresponding period in the prior year before acquisition by the Company on pro forma basis assuming the acquired entities were acquired on June 1, 2019. The results represent Management's success in combining the acquired entities and positioning them for growth. A similar comparison of the reported revenue for the nine months ended February 28, 2021 of $273.0 million represents growth of 210%.

3. Successful integration of the acquired companies along with the synergies achieved by Management, puts the Company in a strong position to grow both organically and through acquisitions in strategic areas of our business.

Cost Performance:

4. The Company is working on procurement strategies for the next twelve months with airlines and shipping lines in order to secure additional capacities to cater for the expected growth in our business. Increasing domestic warehousing and distribution capabilities to support our international business is an integral part of the strategy as the Company prepares for the further growth we will actively pursue in the months ahead.

5. The Company is constantly seeking cost saving opportunities throughout all levels of its business. As noted in our public filings, the Company is currently engaged with a third party financial firm for factoring of specific accounts receivable (the "Factor Agreement"). The Factor Agreement is set to expire on May 29, 2021. The Company has notified the financial firm of its intention to seek alternative working capital financing upon expiration of the Factor Agreement. The Company is currently in discussions with various lenders about replacing this arrangement used primarily for operating capital purposes. The Company recognizes factoring costs upon disbursement of funds. The Company incurred expenses totaling approximately $1,271,000 and $3,156,000 pursuant to the agreements for the three and nine months ended February 28, 2021, respectively, which is presented in costs and operating expenses on the condensed consolidated statement of operations. The Company did not incur factor related expenses for the period from October 28, 2019 (inception), through February 29, 2020.

Non-GAAP Measurement of Business Performance:

This press release includes certain financial information not prepared in accordance with Generally Accepted Accounting Principles in the United States ("GAAP"), including Adjusted EBITDA. Adjusted EBITDA is defined by the Company, for the periods presented, to be earnings before interest, factoring fees, taxes, depreciation and amortization, accretion of debt discounts, loss on debt extinguishments, stock-based compensation, and certain other items. Pursuant to the requirements of Regulation G, the Company has provided a reconciliation in the tables attached to this release of income from continuing operations calculated in accordance with accounting principles generally accepted in the United States of America ("GAAP") to Adjusted EBITDA. Adjusted EBITDA is not a measurement of financial performance under GAAP and may not be comparable to other similarly titled measures of other companies. The Company calculated and communicated Adjusted EBITDA in the tables because the Company's management believes it is of importance to investors and lenders by providing additional information with respect to the performance of its fundamental business activities. Management presents Adjusted EBITDA because it believes that Adjusted EBITDA is a useful supplement to net income as an indicator of operating performance. Management also believes that Adjusted EBITDA is an industry-wide financial measure that is useful both to management and investors when evaluating the Company's performance and comparing our performance with the performance of our competitors. Management also uses adjusted EBITDA for planning purposes, as well as to evaluate the Company's performance because it believes that adjusted EBITDA more accurately reflects the Company's results, as it excludes certain items, such as stock-based compensation charges, that management believes are not indicative of the Company's operating performance. The Company believes that Adjusted EBITDA is a performance measure and not a liquidity measure. Adjusted EBITDA should not be considered as an alternative to operating or net income as an indicator of performance or as an alternative to cash flows from operating activities as an indicator of cash flows, in each case as determined in accordance with GAAP, or as a measure of liquidity. In addition, adjusted EBITDA does not take into account changes in certain assets and liabilities as well as interest and Adjusted EBITDA is defined by the Company for the periods presented to be earnings before interest, factoring fees, taxes, depreciation and amortization, accretion of debt discounts, loss on debt extinguishments, stock-based compensation, and certain other items. Pursuant to the requirements of Regulation G, the Company has provided a reconciliation in the tables attached to this release of loss from continuing operations calculated in accordance with accounting principles generally accepted in the United States of America ("GAAP") to Adjusted EBITDA. Adjusted EBITDA is not a measurement of financial performance under GAAP and may not be comparable to other similarly titled measures of other companies. The Company calculated and communicated Adjusted EBITDA in the tables because the Company's management believes it is of importance to investors and lenders by providing additional information with respect to the performance of its fundamental business activities. Management presents Adjusted EBITDA because it believes that Adjusted EBITDA is a useful supplement to net loss as an indicator of operating performance. Management also believes that Adjusted EBITDA is an industry-wide financial measure that is useful both to management and investors when evaluating the Company's performance and comparing our performance with the performance of our competitors. Management also uses adjusted EBITDA for planning purposes, as well as to evaluate the Company's performance because it believes that adjusted EBITDA more accurately reflects the Company's results, as it excludes certain items, such as stock-based compensation charges, that management believes are not indicative of the Company's operating performance. The Company believes that Adjusted EBITDA is a performance measure and not a liquidity measure. Adjusted EBITDA should not be considered as an alternative to operating or net loss as an indicator of performance or as an alternative to cash flows from operating activities as an indicator of cash flows, in each case as determined in accordance with GAAP, or as a measure of liquidity. In addition, adjusted EBITDA does not take into account changes in certain assets and liabilities as well as interest and income taxes that can affect cash flows.

The Company's calculation of Adjusted EBITDA may or may not be consistent with the calculation of this measure by other companies in the same industry. Investors should not view Adjusted EBITDA as an alternative to the GAAP operating measure of net income (loss). In addition, Adjusted EBITDA does not take into account changes in certain assets and liabilities as well as interest and income taxes that can affect cash flows. Management does not intend the presentation of these non-GAAP measures to be considered in isolation or as a substitute for results prepared in accordance with GAAP. These non-GAAP measures should be read only in conjunction with the Company's consolidated financial statements prepared in accordance with GAAP income taxes that can affect cash flows. The Company's calculation of Adjusted EBITDA may or may not be consistent with the calculation of this measure by other companies in the same industry. Investors should not view Adjusted EBITDA as an alternative to the GAAP operating measure of net income (loss). In addition, Adjusted EBITDA does not take into account changes in certain assets and liabilities as well as interest and income taxes that can affect cash flows. Management does not intend the presentation of these non-GAAP measures to be considered in isolation or as a substitute for results prepared in accordance with GAAP. These non-GAAP measures should be read only in conjunction with the Company's consolidated financial statements prepared in accordance with GAAP.

About Unique Logistics International, Inc.

Unique Logistics International, Inc. (OTC: UNQL) through its wholly owned operating subsidiaries, is a global logistics and freight forwarding company providing a range of international logistics services that enable its customers to outsource to the Company sections of their supply chain process. The services provided are seamlessly managed by its network of trained employees and integrated information systems. We enable our customers to share data regarding their international vendors and purchase orders with us, execute the flow of goods and information under their operating instructions, provide visibility to the flow of goods from factory to distribution center or store and when required, update their inventory records.

Forward-Looking Statements

This release does not constitute an offer to sell or a solicitation of offers to buy any securities of any entity. This news release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that are intended to be covered by the "safe harbor" created by hose sections. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies and expectations, can generally be identified by the use of forward-looking terms such as "believe," "expect," "may," "should," "could," "seek," "intend," "plan," "goal," "estimate," "anticipate" or other comparable terms. All statements other than statements of historical facts included in this news release regarding our strategies, prospects, financial condition, operations, costs, plans and objectives are forward-looking statements. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following: our ability to successfully market our services; the acceptance of our services by customers; our continued ability to pay operating costs and ability to meet demand for our services; the amount and nature of competition from other logistics service providers; the effects of changes in the logistics market; our ability to comply with applicable regulations; and the other risks and uncertainties described in our prior filings with the Securities and Exchange Commission. We undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

FINANCIAL STATEMENTS (EXTRACT FROM 10-Q)
UNIQUE LOGISTICS INTERNATIONAL, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

		February 28, 2021 (unaudited)		May 31, 2020
ASSETS				
Current Assets:				
Cash and cash equivalents	$	1,391,592	$	1,349,363
Accounts receivable – trade, net		24,673,028		7,932,310
Contract assets		16,475,681		4,837,008
Factoring reserve		2,424,287		970,724
Other prepaid expenses and current assets		28,642		91,671
Total current assets		44,993,230		15,181,076
Property and equipment – net		182,449		198,988
Other long-term assets:				
Goodwill		4,463,129		4,773,584
Intangible assets – net		8,221,639		8,752,000
Operating lease right-of-use assets – net		3,948,730		4,770,280
Deposits and other assets		431,362		292,404
Other long-term assets		17,064,860		18,588,268
Total assets	$	62,240,539	$	33,968,332
Liabilities and Stockholders' Equity				
Current Liabilities:				
Accounts payable – trade	$	35,757,338	$	9,591,780
Accrued expenses and other current liabilities		2,505,270		3,619,216
Accrued freight		5,089,295		3,477,380
Current portion of notes payable		2,569,287		1,476,642
Current portion of long-term debt due to related parties		2,762,322		6,380,975
Current portion of operating lease liability		1,402,300		1,288,216
Total current liabilities		50,085,812		25,834,209
Other long-term liabilities		636,006		848,010
Long-term-debt due to related parties, net of current portion		874,106		193,328
Notes payable, net of current portion		1,118,421		2,494,420
Operating lease liability, net of current portion		2,609,255		3,482,064
Total long-term liabilities		5,237,788		7,017,822
Total liabilities		55,323,600		32,852,031
Commitments and contingencies				
Stockholders' Equity:				
Series A Convertible Preferred stock, $0.001 par value; 130,000 shares authorized; 130,000 issued and outstanding as of February 28, 2021 and May 31, 2020		130		130
Series B Convertible Preferred stock, $0.001 par value; 870,000 shares authorized; 840,000 and 870,000 issued and outstanding as of February 28, 2021 and May 31, 2020, respectively		840		870

Common stock, $0.001 par value; 800,000,000 shares authorized; 358,286,791 and 0 shares issued and outstanding as of February 28, 2021 and May 31, 2020, respectively	358,287	-
Additional paid-in capital	4,878,148	1,523,811
Retained earnings (accumulated deficit)	1,679,534	(408,510)
Total Stockholders' Equity	6,916,939	1,116,301
Total Liabilities and Stockholders' Equity	$ 62,240,539	$ 33,968,332

See notes to condensed consolidated financial statements in 10-Q.

UNIQUE LOGISTICS INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended February 28, 2021	For the Three Months Ended February 29, 2020	For the Nine Months Ended February 28, 2021	For the Period October 28, 2019 (inception) Through February 29, 2020
Revenues:				
Airfreight services	$ 25,331,969	$ -	$ 115,218,997	$ -
Ocean freight and ocean services	54,399,755	-	127,653,935	-
Contract logistics	828,084	-	2,355,647	-
Customs brokerage and other services	10,402,606	-	27,788,522	-
Total revenues	90,962,414	-	273,017,101	-
Costs and operating expenses:				
Airfreight services	23,614,094	-	109,242,174	-
Ocean freight and ocean services	50,193,185	-	116,785,557	-
Contract logistics	354,723	-	916,549	-
Customs brokerage and other services	9,995,544	-	26,498,261	-
Salaries and related costs	2,424,476	-	6,716,612	-
Professional fees	425,676	-	1,084,156	-
Rent and occupancy	468,744	-	1,369,860	-
Selling and promotion	1,380,282	-	3,278,593	-
Depreciation and amortization	191,226	-	573,443	-
Fees on factoring agreements	1,271,384	-	3,155,647	-
Other	335,990	40,025	574,879	40,040
Total costs and operating expenses	90,655,324	40,025	270,195,731	40,040
Income (loss) from operations	**307,090**	**(40,025)**	**2,821,370**	**(40,040)**
Other income (expenses)				
Interest	(610,353)	-	(846,532)	-
Gain on forgiveness of promissory notes	1,646,062	-	1,646,062	-
Loss on extinguishment of convertible note	-	-	(1,147,856)	-
Total other income (expenses)	1,035,709	-	(348,326)	-
Net income (loss) before income taxes	1,342,799	(40,025)	2,473,044	(40,040)
Income tax expense	77,801	-	385,000	-
Net income (loss)	**$ 1,264,998**	**$ (40,025)**	**$ 2,088,044**	**$ (40,040)**
Net income (loss) per common share				
– basic	$ 0.00	$ -	$ 0.01	$ -
– diluted	$ 0.00	$ -	$ 0.00	$ -
Weighted average common shares outstanding				
– basic	357,891,040	-	230,663,175	-
– diluted	9,976,549,430	-	9,849,321,565	-

See notes to condensed consolidated financial statements in 10-Q.

Adjusted EBITDA (Non-Gap Financial Measure)
Following is the reconciliation of our consolidated net income to adjusted EBITDA:

		For the Three Months Ended February 28, 2021		For the Nine Months Ended February 28, 2021
Net income	$	1,264,998	$	2,088,044
Add Back:				
Income tax expense		77,801		385,000
Depreciation and amortization		191,226		573,443
Stock- based compensation		41,666		91,666
Gain on forgiveness of promissory notes		(1,646,062)		(1,646,062)
Loss on extinguishment of convertible notes		-		1,147,856
Factoring fees		1,271,384		3,155,647
Interest expense (including accretion of debt discount)		610,353		846,532
		546,368		4,554,082
Adjusted EBITDA	**$**	**1,811,366**	**$**	**6,642,126**

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