

October 21, 2021



Unique Logistics International Announces First Quarter Fiscal 2022 Financial Results

(Quarter ending August 31, 2021)

NEW YORK, Oct. 21, 2021 /PRNewswire/ -- Unique Logistics International, Inc. ("UNQL or the Company") (OTC Markets: UNQL) 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 first quarter of Fiscal 2022.



Q1 Key Financial Results (\$ in millions)

| | For the Three Months Ended | | For the Three Months Ended | | | |
|-------------------------------|----------------------------|-------|----------------------------|-------|-----------|----------|
| | August 31, 2021 | | August 31, 2020 | | \$ change | % change |
| <u>GAAP</u> | | | | | | |
| Total revenues | \$ | 189.8 | \$ | 57.4 | \$ 132.4 | 231% |
| Income (loss) from operations | | 3.2 | | (0.6) | 3.8 | N/A |
| Net income (loss) | \$ | 2.0 | \$ | (0.6) | \$ 2.6 | N/A |
| <u>Adjusted EBITDA</u> | \$ | 3.4 | \$ | 0.1 | \$ 3.3 | 3300% |
| | <u>August 31, 2021</u> | | <u>May 31, 2021</u> | | | |
| Total assets | \$ | 136.0 | \$ | 69.4 | \$ 66.6 | 96% |
| Total Stockholders' Equity | \$ | 8.8 | \$ | 6.6 | \$ 2.2 | 33% |

"We start the new Fiscal Year with solid revenue growth and on track to deliver UNQL's stated goals of organic growth combined with strategic acquisitions. Procurement strategies in a challenging logistics market have seen our market share increase and the 231% growth in revenue, based on organic growth, comprises both increased business with existing customers as well as the addition of significant new customers through our planned sales and marketing activities. This puts us in a strong position to execute on our stated acquisition strategy in the coming months with pinpoint precision," said Sunandan Ray, Chief Executive Officer.

Key Business Highlights:

Revenue Environment:

- Management anticipates strong demand for international logistics services for the remainder of fiscal 2022 driven by the continuing recovery of the US economy.
- The reported revenue for the three months ended August 31, 2021 of approximately \$189.8 million represents growth of 231% compared with the corresponding prior year period. The revenue growth reflects the continuing success of the Company in achieving organic growth and increased market share by acquiring new customers in a challenging logistics market.

Cost Performance:

- The Company continues to execute its procurement strategies with airlines and shipping lines in order to secure additional capacities, including chartered air cargo capacity, to cater for the expected continuing 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 that we will actively pursue in the months ahead.
- The Company is constantly seeking cost saving opportunities throughout all levels of its business. Total cost and operating expenses for the period was contained at a level where the Company was able to deliver \$3.2 million in Operating Income, versus a loss of \$0.6 million in the comparative prior year period.

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 ("US 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 US GAAP to Adjusted EBITDA. Adjusted EBITDA is not a measurement of financial performance under US 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 US 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. 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'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 US 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 US GAAP. These non-GAAP measures should be read only in conjunction with the Company's consolidated financial statements prepared in accordance with US GAAP income taxes that can affect cash flows.

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 those 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.

UNIQUE LOGISTICS INTERNATIONAL, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

| | August 31, 2021 (unaudited) | May 31, 2021 |
|--|--|---------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 296,407 | \$ 252,615 |
| Accounts receivable – trade, net | 70,183,018 | 20,369,747 |
| Contract assets | 48,464,151 | 23,423,314 |
| Factoring reserve | - | 7,593,665 |
| Other prepaid expenses and current assets | 632,210 | 761,458 |
| Total current assets | 119,575,786 | 52,400,799 |
| Property and equipment – net | 199,280 | 192,092 |
| Other long-term assets: | | |
| Goodwill | 4,463,129 | 4,463,129 |
| Intangible assets – net | 7,868,065 | 8,044,853 |
| Operating lease right-of-use assets – net | 3,435,326 | 3,797,527 |
| Deposits and other assets | 475,362 | 555,362 |
| Other long-term assets | 16,241,882 | 16,860,871 |
| Total assets | \$ 136,016,948 | \$ 69,453,762 |
| Liabilities and Stockholders' Equity | | |
| Current Liabilities: | | |
| Accounts payable – trade | \$ 45,030,631 | \$ 38,992,846 |
| Accrued expenses and other current liabilities | 6,738,937 | 2,383,915 |
| Accrued freight | 25,136,944 | 10,403,430 |
| Revolving credit facility | 39,543,083 | - |
| Current portion of notes payable – net of discount | 2,963,874 | 2,285,367 |
| Current portion of long-term debt due to related parties | 392,975 | 397,975 |
| Current portion of operating lease liability | 1,481,602 | 1,466,409 |
| Total current liabilities | 121,288,046 | 55,929,942 |

| | | |
|---|-----------------------|----------------------|
| Other long-term liabilities | 494,670 | 565,338 |
| Long-term-debt due to related parties, net of current portion | 688,168 | 715,948 |
| Notes payable, net of current portion – net of discount | 2,689,885 | 3,193,306 |
| Operating lease liability, net of current portion | 2,064,121 | 2,431,144 |
| Total long-term liabilities | <u>5,936,844</u> | <u>6,905,736</u> |
| Total liabilities | <u>127,224,890</u> | <u>62,835,678</u> |
| Commitments and contingencies (Note 9) | - | - |
| Stockholders' Equity: | | |
| Preferred Stock, \$.001 par value: 5,000,000 shares authorized | | |
| Series A Convertible Preferred stock, \$.001 par value; 130,000 issued and outstanding as of August 31, 2021 and May 31, 2021 | 130 | 130 |
| Series B Convertible Preferred stock, \$.001 par value; 820,800 and 840,000 shares issued and outstanding as of August 31, 2021 and May 31, 2021, respectively | 821 | 840 |
| Common stock, \$.001 par value; 800,000,000 shares authorized; 603,246,759 and 393,742,663 shares issued and outstanding as of August 31, 2021 and May 31, 2021, respectively | 603,247 | 393,743 |
| Additional paid-in capital | 4,847,457 | 4,906,384 |
| Retained earnings | 3,340,403 | 1,316,987 |
| Total Stockholders' Equity | <u>8,792,058</u> | <u>6,618,084</u> |
| Total Liabilities and Stockholders' Equity | <u>\$ 136,016,948</u> | <u>\$ 69,453,762</u> |

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

| | For the Three Months Ended August 31, 2021 | For the Three Months Ended August 31, 2020 |
|---|---|---|
| Revenues: | | |
| Airfreight services | \$ 52,162,641 | \$ 17,498,884 |
| Ocean freight and ocean services | 123,300,758 | 30,652,866 |
| Contract logistics | 722,664 | 688,710 |
| Customs brokerage and other services | 13,585,797 | 8,574,807 |
| Total revenues | <u>189,771,860</u> | <u>57,415,267</u> |
| Costs and operating expenses: | | |
| Airfreight services | 51,625,775 | 16,736,941 |
| Ocean freight and ocean services | 116,587,742 | 27,866,233 |
| Contract logistics | 390,400 | 264,068 |
| Customs brokerage and other services | 12,925,092 | 8,144,882 |
| Salaries and related costs | 2,751,380 | 2,100,889 |
| Professional fees | 293,867 | 418,616 |
| Rent and occupancy | 480,209 | 485,544 |
| Selling and promotion | 1,033,128 | 1,062,553 |
| Depreciation and amortization | 193,799 | 190,819 |
| Fees on factoring agreements | 27,000 | 474,060 |
| Other | 268,120 | 222,700 |
| Total costs and operating expenses | <u>186,576,512</u> | <u>57,967,305</u> |
| Income (loss) from operations | <u>3,195,348</u> | <u>(552,038)</u> |
| Other income (expenses) | | |
| Interest expense, net | (1,290,279) | (32,439) |
| Amortization of debt discount | (385,480) | - |
| Gain on extinguishment of convertible notes payable | 780,050 | - |
| Gain on forgiveness of promissory note | 358,236 | - |
| Total other expenses | <u>(537,473)</u> | <u>(32,439)</u> |
| Net income (loss) before income taxes | <u>2,657,875</u> | <u>(584,477)</u> |
| Income tax expense | <u>634,459</u> | <u>16,694</u> |

| | | | | |
|-------------------|----|-----------|----|-----------|
| Net income (loss) | \$ | 2,023,416 | \$ | (601,171) |
| Net income (loss) | \$ | 1,725,497 | \$ | (408,510) |

**UNIQUE LOGISTICS INTERNATIONAL, INC.
ADJUSTED EBITDA**

| | For the Three Months Ended August 31, 2021 | For the Three Months Ended August 31, 2020 |
|---|---|---|
| Net income (loss) | \$ 2,023,416 | \$ (601,171) |
| Add Back: | | |
| Income tax expense | 634,459 | 16,694 |
| Depreciation and amortization | 193,797 | 190,819 |
| Stock-based compensation | - | - |
| Gain on forgiveness of promissory notes | (358,236) | - |
| Gain on extinguishment of convertible notes | (780,050) | - |
| Factoring fees | 27,000 | 474,060 |
| Interest expense (including accretion of debt discount) | 1,675,759 | 32,439 |
| Adjusted EBITDA | \$ 3,416,145 | \$ 112,841 |

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