

January 14, 2022



Unique Logistics International, Inc. Reports Financial Results for the Second Quarter ended November 30, 2021

NEW YORK, Jan. 14, 2022 /PRNewswire/ -- Unique Logistics International, Inc. ("UNQL or the Company") (OTC Markets: UNQL) a rapidly growing global logistics and freight forwarding company, today announced the filing of its Current Report on Form 10-Q (the "Current Report") reporting record financial results (unaudited) for the second quarter and the first six months of its current fiscal year.



- Second quarter net sales increased \$280.8 million, or 225% versus the second quarter of prior year to \$405.4 million
- Second quarter Income from Operations, up \$5.7 million, or 190%, versus the second quarter of prior year
- Adjusted EBITDA for the second quarter is up \$4.2 million, or 89%, versus the second quarter of prior year

Key Results (unaudited) (in millions)

	Second Quarter Ended November 30		First Six Months Ended November 30	
	2021	2020	2021	2020
Net Revenue	\$ 405.4	\$ 124.6	\$ 595.2	\$ 182.1
Income from Operations	8.7	3.0	11.9	2.5
Net Income	\$ 4.5	\$ 1.4	\$ 6.5	\$ 0.8
Adjusted EBITDA	\$ 8.9	\$ 4.7	\$ 12.3	\$ 4.8
As of				
	November 30, 2021		May 31, 2021	
Total Assets	\$ 210.7	\$ 69.4		
Total Stockholders' Equity	\$ 13.4	\$ 6.6		

"With this record quarter, UNQL remains firmly on track to achieve and exceed our goals for

Fiscal Year 2022. The successful organic growth of our business has positioned us strongly to complete strategic acquisitions, integrate them into our organization and expand our business for the future," said Sunandan Ray, Chief Executive Officer.

"Our 225% revenue growth over the second quarter of prior year is a testament to this team's successful capacity management for existing customers as well as the addition of new customers, particularly during these unique but challenging peak shipping periods. This organic growth has positioned us to continue making judicious strategic acquisitions and expanding our capacity for new and recurring customers."

Key Business Highlights:

Revenue Environment:

- Demand for international logistics services remains strong. Seasonal factors will undoubtedly impact shipping volumes in the remainder of the Fiscal Year, but the overall trends are positive; and the Company is in a favorable position.
- The reported 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, through critical procurement and marketing strategies.

Cost Performance:

- The quarter ended November 30, 2021, was the peak shipping period for USA imports. The Company's procurement strategy utilizing chartered air cargo capacity as well as long term relationships with shipping lines and airlines resulted in the successful execution of increased shipping demand.
- 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 \$8.7 million in Operating Income, while maintaining competitive rates for its customers, predominantly United States based importers facing increased supply chain costs and various supply chain problems. The Company has been able to deliver consistent cost performance as we seek cost-saving opportunities at all levels of the business.

Subsequent Event/ Reduction of Debt:

- The Company has undertaken continued efforts to strengthen its balance sheet. As disclosed in an 8-K filing on December 13, 2021, the Company reached agreement, effective December 10, 2021, with its convertible debt holders for an exchange of debt and warrants of \$ 3.9 million into equity. As a result, the Company eliminated all convertible debt in its balance sheet.
- As disclosed in another 8-K filing, dated January 10, 2022, on January 7, 2022, the Company repaid, early, \$2 million of non-convertible debt to two of its noteholders.
- The above actions resulted in the elimination of \$5.9 million of debt in the Company's balance sheet. The Company's Stockholder's Equity of \$13.4 million grew 103% during the current Fiscal Year.

Further details can be found in the Company's Form 10-Q filed January 14, 2022.

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

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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 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**

	November 30, 2021 (unaudited)	May 31, 2021
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 840,756	\$ 252,615
Accounts receivable – trade, net	142,577,549	20,369,747
Contract assets	50,004,259	23,423,314
Factoring reserve	-	7,593,665
Other prepaid expenses and current assets	980,779	761,458
Total current assets	<u>194,403,343</u>	<u>52,400,799</u>
Property and equipment – net	<u>200,721</u>	<u>192,092</u>
Other long-term assets:		
Goodwill	4,463,129	4,463,129
Intangible assets – net	7,691,279	8,044,853
Operating lease right-of-use assets – net	3,087,387	3,797,527
Deposits and other assets	879,362	555,362
Other long-term assets	<u>16,121,157</u>	<u>16,860,871</u>
Total assets	<u>\$ 210,725,221</u>	<u>\$ 69,453,762</u>
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable – trade	\$ 75,885,954	\$ 38,992,846
Accrued expenses and other current liabilities	10,710,006	2,383,915
Accrued freight	49,337,707	10,403,430
Contract liabilities	20,331,879	-
Revolving credit facility	29,833,248	-
Current portion of notes payable – net of discount	3,918,339	2,285,367
Current portion of long-term debt due to related parties	198,933	397,975
Current portion of operating lease liability	<u>1,399,186</u>	<u>1,466,409</u>
Total current liabilities	<u>191,615,252</u>	<u>55,929,942</u>
Other long-term liabilities	424,002	565,338

Long-term-debt due to related parties, net of current portion	699,334	715,948
Notes payable, net of current portion – net of discount	2,812,704	3,193,306
Operating lease liability, net of current portion	1,799,273	2,431,144
Total long-term liabilities	5,735,313	6,905,736
Total liabilities	197,350,565	62,835,678
Commitments and contingencies (Note 9)	-	-
Stockholders' Equity:		
Preferred Stock, \$0.001 par value: 5,000,000 shares authorized		
Series A Convertible Preferred stock, \$0.001 par value; 130,000 issued and outstanding as of November 30, 2021 and May 31, 2021	130	130
Series B Convertible Preferred stock, \$0.001 par value; 820,800 and 840,000 shares issued and outstanding as of November 30, 2021 and May 31, 2021, respectively	821	840
Preferred Stock, Value		
Common stock, \$0.001 par value; 800,000,000 shares authorized; 655,781,078 and 393,742,663 shares issued and outstanding as of November 30, 2021 and May 31, 2021, respectively	655,782	393,743
Additional paid-in capital	4,889,295	4,906,384
Retained earnings	7,828,628	1,316,987
Total Stockholders' Equity	13,374,656	6,618,084
Total Liabilities and Stockholders' Equity	\$ 210,725,221	\$ 69,453,762

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

	For the Three Months Ended		For the Six Months Ended	
	November 30,		November 30,	
	2021	2020	2021	2020
Revenues:				
Airfreight services	\$ 275,070,204	\$ 72,388,144	\$ 327,232,845	\$ 89,887,028
Ocean freight and ocean services	115,421,970	42,601,314	238,722,728	73,254,180
Contract logistics	1,211,056	838,853	1,933,720	1,527,563
Customs brokerage and other services	13,727,459	8,811,109	27,313,256	17,385,916
Total revenues	405,430,689	124,639,420	595,202,549	182,054,687
Costs and operating expenses:				
Airfreight services	269,019,226	68,891,139	320,645,001	85,628,080
Ocean freight and ocean services	107,173,955	38,726,139	223,761,697	66,592,372
Contract logistics	679,426	297,758	1,069,826	561,826
Customs brokerage and other services	12,393,603	8,357,835	25,318,695	16,502,717
Salaries and related costs	2,817,938	2,191,247	5,569,318	4,292,136
Professional fees	184,459	228,739	478,326	658,480
Rent and occupancy	489,770	442,605	969,979	901,116
Selling and promotion	2,659,490	846,883	3,692,618	1,898,311
Depreciation and amortization	194,875	191,398	388,672	382,311
Fees on factoring agreements	-	1,410,203	27,000	1,884,263
Other	1,154,945	16,190	1,423,067	238,889
Total costs and operating expenses	396,767,687	121,600,136	583,344,199	179,540,407
Income from operations	8,663,002	3,039,284	11,858,350	2,514,280
Other income (expenses)				
Interest expense, net	(1,881,201)	(28,474)	(3,171,480)	(60,913)
Amortization of debt discount	(391,035)	(175,266)	(776,515)	(175,266)
Gain (loss) on extinguishment of convertible notes payable	-	(1,147,856)	780,050	(1,147,856)
Gain on forgiveness of promissory note	-	-	358,236	-

Total other income (expenses)	<u>(2,272,236)</u>	<u>(1,351,596)</u>	<u>(2,809,709)</u>	<u>(1,384,035)</u>
Net income before income tax provision	<u>6,390,766</u>	<u>1,687,688</u>	<u>9,048,641</u>	<u>1,130,245</u>
Income tax provision	<u>1,902,541</u>	<u>290,505</u>	<u>2,537,000</u>	<u>307,199</u>
Net income	<u>\$ 4,488,225</u>	<u>\$ 1,397,183</u>	<u>\$ 6,511,641</u>	<u>\$ 823,046</u>

UNIQUE LOGISTICS INTERNATIONAL, INC.
Adjusted EBITDA

	For the Three Months Ended November 30, 2021	For the Three Months Ended November 30, 2020
Net income (loss)	\$ 4,488,225	\$ 1,397,183
Add Back:		
Income tax expense	1,902,541	290,505
Depreciation and amortization	194,875	191,398
Stock-based compensation	-	50,000
(Gain) loss on extinguishment of convertible notes	-	1,147,856
Factoring fees	-	1,410,203
Interest expense (including accretion of debt discount)	<u>2,272,236</u>	<u>203,740</u>
Adjusted EBITDA	\$ 8,857,887	\$ 4,690,885

	For the Six Months Ended November 30, 2021	For the Six Months Ended November 30, 2020
Net income (loss)	\$ 6,511,641	\$ 823,046
Add Back:		
Income tax expense	2,537,000	307,199
Depreciation and amortization	388,672	382,217
Stock-based compensation	-	50,000
Gain on forgiveness of promissory notes	(358,236)	-
(Gain) loss on extinguishment of convertible notes	(780,050)	1,147,856
Factoring fees	27,000	1,884,263
Interest expense (including accretion of debt discount)	<u>3,947,995</u>	<u>236,179</u>
Adjusted EBITDA	\$ 12,274,022	\$ 4,830,760

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