

February 8, 2021



Unique Logistics International Reports Second Quarter Fiscal 2021 Earnings (Quarter ending November 30, 2020 and the six months ending November 30, 2020)

NEW YORK, Feb. 8, 2021 /PRNewswire/ -- Unique Logistics International, Inc. (formerly Innocap, Inc.) a global logistics and freight forwarding company, today announced the filing of its Current Report on Form 10-Q (the "Current Report") which included financial results for the three month and six-month period ending November 30, 2020.

Key Financial Results:

	Three Months ended November 30, 2020	Six months ended November 30, 2020
Total revenues	\$124.6 million	\$182.1 million
Income from operations <i>(note 1)</i>	\$3.0 million	\$2.5 million
Net income	\$1.4 million	\$0.8 million
Adjusted EBITDA	\$4.7 million	\$4.8 million

*Note 1: 12 months ended May 31, 2020
Pro-forma Loss from operations \$1.4
million.*

	As of November 30, 2020	As of May 31, 2020
Total Assets	\$69.7 million	\$34.0 million
Total Stockholders' Equity	\$3.9 million	\$1.1 million

Key Business Highlights:

1. First 10-Q since the Company's Reverse Merger with Unique Logistics Holdings, Inc. and subsidiaries (the "Acquired Business").
2. Management has successfully integrated the Acquired Business, achieved synergies and continues to seek further synergies while expanding our business.
3. An increase in pro-forma revenue from \$115.1 million for the 12-month period ended May 31, 2020 (pro forma revenue in the 8K/A as filed on January 26, 2021) to \$182.1 million for the six months period ended November 30, 2020.
4. As evidenced by the revenue increase above, we have successfully increased our per customer revenues.

"We have made significant progress with the integration of the Acquired Business in the last quarter. We continue to explore options to grow our business organically as well as through acquisitions", said Sunandan Ray, the Company's Chief Executive Officer. "We look forward to updating shareholders of our progress, regularly."

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

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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.

Important Cautions Regarding Forward-Looking Statements

This news release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended, regarding, among other things our plans, strategies and prospects -- both business and financial. Although we believe that our plans, intentions and expectations reflected in or suggested by these forward-looking statements are reasonable, we cannot assure you that we will achieve or realize these plans, intentions or expectations. Forward-looking statements are inherently subject to risks, uncertainties and assumptions. Many of

the forward-looking statements contained in this news release may be identified by the use of forward-looking words such as "believe," "expect," "anticipate," "should," "planned," "will," "may," "intend," "estimated," and "potential," among others. Important factors that could cause actual results to differ materially from the forward-looking statements we make in this news release include market conditions and those set forth in reports or documents that we file from time to time with the United States Securities and Exchange Commission. All forward-looking statements attributable to Conversion Labs, Inc. or a person acting on its behalf are expressly qualified in their entirety by this cautionary language.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

UNIQUE LOGISTICS INTERNATIONAL, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	November 30, 2020	May 31, 2020
	(unaudited)	
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 3,532,960	\$ 1,349,363
Accounts receivable – trade, net	27,427,464	7,932,310
Contract assets	12,199,516	4,837,008
Factoring reserve	8,255,173	970,724
Other prepaid expenses and current assets	82,005	91,671
Total current assets	<u>51,497,118</u>	<u>15,181,076</u>
Property and equipment – net	<u>185,371</u>	<u>198,988</u>
Other long-term assets:		
Goodwill	4,773,584	4,773,584
Intangible assets – net	8,398,426	8,752,000
Operating lease right-of-use assets – net	4,300,118	4,770,280
Deposits and other assets	512,362	292,404
Total other long-term assets	<u>17,984,490</u>	<u>18,588,268</u>
Total assets	<u>\$ 69,666,979</u>	<u>\$ 33,968,332</u>
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable – trade	\$ 37,120,279	\$ 9,591,780
Accrued expenses and other current liabilities	1,688,745	3,619,216
Accrued Freight	10,358,076	3,477,380
Current portion of notes payable	858,333	858,333
Current portion of long-term debt due to related parties	6,385,311	6,380,975
Current portion of promissory notes	1,169,916	618,309
Convertible notes payable, net	1,273,212	-
Current portion of operating lease liability	1,383,251	1,288,216
Total current liabilities	<u>60,237,123</u>	<u>25,834,209</u>
Other long-term liabilities	706,674	848,010
Long-term-debt due to related parties, net of current portion	144,992	193,328
Notes payable, net of current portion	1,037,502	1,466,667
Promissory notes, net of current portion	626,146	1,027,753
Operating lease liability, net of current portion	2,970,933	3,482,064
Total long-term liabilities	<u>5,486,247</u>	<u>7,017,822</u>
Total liabilities	<u>65,723,370</u>	<u>32,852,031</u>
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 November 30, 2020 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 November 30, 2020 and May 31, 2020, respectively	840	870
Common stock, \$0.001 par value; 500,000,000 shares authorized; 357,829,365 and 0 shares issued and outstanding as of November 30, 2020 and May 31, 2020, respectively	357,830	-
Additional paid-in capital	3,170,273	1,523,811
Retained earnings (accumulated deficit)	414,536	(408,510)
Total Stockholders' Equity	<u>3,943,609</u>	<u>1,116,301</u>
Total Liabilities and Stockholders' Equity	<u>\$ 69,666,979</u>	<u>\$ 33,968,332</u>

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

	For the Three Months Ended November 30, 2020	For the Six Months Ended November 30, 2020	For the Period October 28, 2019 (inception) Through November 30, 2019
Revenues:			
Airfreight services	\$ 72,388,144	\$ 89,887,028	\$ -
Ocean freight and ocean services	42,601,314	73,254,180	-
Contract logistics	838,853	1,527,563	-
Customs brokerage and other services	8,811,109	17,385,916	-
Total revenues	<u>124,639,420</u>	<u>182,054,687</u>	<u>-</u>
Costs and operating expenses:			
Airfreight services	68,891,139	85,628,080	-
Ocean freight and ocean services	38,726,139	66,592,372	-
Contract logistics	297,758	561,826	-
Customs brokerage and other services	8,357,835	16,502,717	-
Salaries and related costs	2,191,247	4,292,136	-
Professional fees	228,739	658,480	-
Rent and occupancy	442,605	901,116	-
Selling and promotion	846,883	1,898,311	-
Depreciation and amortization	191,398	382,217	-
Fees on factoring agreements	1,410,203	1,884,263	-
Other	16,190	238,889	15
Total costs and operating expenses	<u>121,600,136</u>	<u>179,540,407</u>	<u>15</u>
Income (loss) from operations	<u>3,039,284</u>	<u>2,514,280</u>	<u>(15)</u>
Other expenses			
Interest	(203,740)	(236,179)	-
Loss on extinguishment of convertible note	(1,147,856)	(1,147,856)	-
Total other expenses	<u>(1,351,596)</u>	<u>(1,384,035)</u>	<u>-</u>
Net income (loss) before income taxes	<u>1,687,688</u>	<u>1,130,245</u>	<u>(15)</u>
Income tax expense	<u>290,505</u>	<u>307,199</u>	<u>-</u>
Net income (loss)	\$ <u>1,397,183</u>	\$ <u>823,046</u>	\$ <u>(15)</u>
Net income (loss) per common share			
– basic	\$ <u>0.01</u>	\$ <u>0.01</u>	\$ <u>(0.00)</u>
– diluted	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>(0.00)</u>
Weighted average common shares outstanding			
– basic	<u>252,603,584</u>	<u>167,748,635</u>	<u>-</u>
– diluted	<u>8,646,523,725</u>	<u>9,180,134,802</u>	<u>-</u>

Adjusted EBITDA

Following is the reconciliation of our consolidated net income to Adjusted EBITDA:

	For the Three Months Ended November 30, 2020	For the Six Months Ended November 30, 2020
Net income	\$ 1,400,038	825,901
Add Back:		
Income tax expense	290,505	307,199
Depreciation and amortization	191,398	382,217
Stock- based compensation	50,000	50,000
Loss on extinguishment of convertible notes	1,147,856	1,147,856
Factoring fees	1,410,203	1,884,263
Interest expense (including accretion of debt discount)	203,740	236,179
	<u>3,293,702</u>	<u>4,007,714</u>
Adjusted EBITDA	4,690,885	4,830,760

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SOURCE Unique Logistics International, Inc.