April 19, 2022

Unique Logistics International, Inc. Reports Financial Results for the Third Quarter ended February 28, 2022

NEW YORK, April 19, 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 for the third quarter and the first nine months of its current fiscal year.

- Third quarter Net Revenue increased $159.4 million, or 175% versus the second quarter of prior year to $250.4 million; for the year-to-date (9 months) Net Revenue of $845.6 million is rapidly approaching the billion-dollar mark
- Third quarter Income from Operations, increased $2.0 million, or 667%, versus the second quarter of prior year
- Adjusted EBITDA of $2.5 million for the third quarter is up $0.7 million, or 39%, versus the second quarter of prior year and for the year-to-date (9 months) is at $14.8 million (124% higher than prior year)

Key Results
(in millions)

	Third Quarter Ended February 28		Nine Months Ended February 28	
	2022	**2021**	**2022**	**2021**
Net Revenue	**$ 250.4**	$ 91.0	**$ 845.6**	$ 273.0
Income from Operations	**2.3**	0.3	**14.1**	2.8
Net Income (Loss)*	**$ (4.9)**	$ 1.3	**$ 1.6**	$ 2.1
Adjusted EBITDA	**$ 2.5**	$ 1.8	**$ 14.8**	$ 6.6

	As of	
	February 28, 2022	**May 31, 2021**
Total Assets	$ 155.3	$ 69.4
Total Stockholders' Equity*	$ 3.9	$ 6.6

**Net Loss for the current quarter is after recognizing one-time non-operating costs related to debt extinguishment and mark to market of derivative liabilities described further, below, under Reduction of Debt.*

"This was a tumultuous quarter for our industry. Geopolitical events, rising fuel prices, inflation and uncertain outlook for US consumer demand created challenges and potential headwinds for the logistics industry," said Sunandan Ray, CEO of UNQL. "UNQL kept its focus on its critical goals: increasing market share, progress towards closing of the acquisition plans we have already announced, improving our capital structure through the successful conversion of outstanding debt and taking the steps towards completing the financing event that we have disclosed in our public filings."

Key Business Highlights:

Revenue Environment:

- Demand for international logistics services is expected to remain steady despite the uncertainties created by war, rising fuel costs, inflation and uncertainty surrounding US consumer demand outlook. Seasonal factors will also impact shipping volumes in the remainder of the Fiscal Year, but the overall trends are steady; and the Company is in a favorable position thanks to its continuous efforts to grow market share.

- 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 February 28, 2022, saw the expected slowdown of retail demand after the holiday period and generally, in this period, shipping costs can be expected to decline. The rising cost of fuel, however, resulted in shipping costs declining less than expected. The yield on our business declined temporarily in the current quarter.

- Wage inflation is an important factor, now, in the logistics industry and the cost of recruiting staff and the cost of retaining staff are on a rapidly increasing trend. With increased business we have added to our employee base and that together with wage inflation has resulted in significantly higher staff cost.

Reduction of Debt:

- The Company has successfully executed an agreement with its convertible note holders for an exchange of notes and warrants of $3.9 million into equity (preferred stock). As a result, the Company eliminated all the convertible notes on its balance sheet.

- In the quarter ended February 28, 2022, the Company recognized net loss on the extinguishment of convertible notes payable and warrants of approximately $1.3 million in Other Income (Expenses) and recognized approximately $4.6 million as deemed dividends, both reflected in the statement of operations for the three and nine months, ended February 28, 2022. Certain anti-dilution provisions exist in the Preferred Stock requiring derivative liability treatment. The Company recognized a $4.3 million loss on the mark to market of the derivative liability associated with the Series A Preferred Stock. The derivative liability associated with the anti-dilution provisions will expire upon the maturity of the provision, reducing the derivative liability to zero, or upon the conversion of preferred stock to common stock, ultimately reducing the derivative liability and increasing paid in capital for the fair value at the time conversion.

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

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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 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.

UNIQUE LOGISTICS INTERNATIONAL, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	28-Feb-22 (unaudited)	31-May-21
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 995,598	$ 252,615
Accounts receivable – trade, net	102,409,988	20,369,747
Contract assets	36,129,971	23,423,314
Factoring reserve	-	7,593,665
Other prepaid expenses and current assets	504,742	761,458
Total current assets	140,040,299	52,400,799
Property and equipment – net	191,908	192,092
Other long-term assets:		
Goodwill	4,463,129	4,463,129
Intangible assets – net	7,514,492	8,044,853
Operating lease right-of-use assets – net	2,693,878	3,797,527
Deposits and other assets	476,362	555,362
Other long-term assets	15,147,861	16,860,871
Total assets	$ 155,380,068	$ 69,453,762
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable – trade	$ 57,800,238	$ 38,992,846
Accrued expenses and other current liabilities	4,628,742	2,383,915
Accrued freight	15,800,769	10,403,430
Contract liabilities	10,403,335	-
Revolving credit facility	43,888,787	-
Current portion of notes payable – net of discount	1,651,686	2,285,367

Current portion of long-term debt due to related parties	174,822	397,975
Derivative liabilities	12,693,282	-
Current portion of operating lease liability	1,141,902	1,466,409
Total current liabilities	148,183,563	55,929,942
Other long-term liabilities	353,334	565,338
Long-term-debt due to related parties, net of current portion	699,177	715,948
Notes payable, net of current portion – net of discount	608,767	3,193,306
Operating lease liability, net of current portion	1,656,882	2,431,144
Total long-term liabilities	3,318,160	6,905,736
Total liabilities	151,501,723	62,835,678
Commitments and contingencies (Note 9)		
Stockholders' Equity:		
Preferred Stock, $0.001 par value: 5,000,000 shares authorized , with $5,000 liquidation preference;		
Series A Convertible Preferred stock, $0.001 par value; 130,000 issued and outstanding as of February 28, 2022 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 February 28,2022 and May 31, 2021, respectively	821	840
Series C Convertible Preferred stock, $0.001 par value; 195 and none, issued and outstanding as of February 28, 2022 and May 31, 2021, respectively	-	-
Series D Convertible Preferred stock, $0.001 par value; 192 and none, issued and outstanding as of February 28, 2022 and May 31, 2021, respectively	-	-
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 February 28, 2022 and May 31, 2021, respectively	655,782	393,743
Additional paid-in capital	323,570	4,906,384
Retained earnings	2,898,042	1,316,987
Total Stockholders' Equity	3,878,345	6,618,084
Total Liabilities and Stockholders' Equity	$ 155,380,068	$ 69,453,762

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

	2022	2021	2022	2021
	For the Three Months Ended February 28,		For the Nine Months Ended February 28,	
	2022	2021	2022	2021
Revenues:				
Airfreight services	$ 127,787,167	$ 25,331,969	$ 455,020,012	$ 115,218,997
Ocean freight and ocean services	104,379,472	54,399,755	343,102,200	127,653,935
Contract logistics	725,932	828,084	2,659,652	2,355,647
Customs brokerage and other services	17,543,324	10,402,606	44,856,580	27,788,522
Total revenues	250,435,895	90,962,414	845,638,444	273,017,101
Costs and operating expenses:				
Airfreight services	127,220,095	23,614,094	447,865,096	109,242,174
Ocean freight and ocean services	99,620,036	50,193,185	323,381,733	116,785,557
Contract logistics	459,492	354,723	1,529,318	916,549
Customs brokerage and other services	16,011,938	9,995,544	41,330,633	26,498,261
Salaries and related costs	2,551,481	2,424,476	8,120,799	6,716,612
Professional fees	190,765	425,676	669,091	1,084,156
Rent and occupancy	508,621	468,744	1,478,600	1,369,860
Selling and promotion	899,097	1,380,282	4,591,715	3,278,593
Depreciation and amortization	196,347	191,226	585,019	573,443
Fees on factoring agreements	-	1,271,384	27,000	3,155,647
Other	524,933	335,990	1,948,000	574,879
Total costs and operating expenses	248,182,805	90,655,324	831,527,004	270,195,731
Income from operations	**2,253,090**	**307,090**	**14,111,440**	**2,821,370**
Other income (expenses)				
Interest expense, net	(1,395,396)	(434,997	(4,566,876)	(241,013
Amortization of debt discount	-	(175,356	(776,515)	(605,519
Loss on extinguishment of convertible notes payable	(1,344,087)	-	(564,037)	(1,147,856
Gain on forgiveness of promissory note	-	1,646,062	358,236	1,646,062
Change in fair value of derivative liabilities	(4,275,986)	-	(4,275,986)	-
Other Income	60,000	-	60,000	-
Total other income (expenses)	(6,955,469)	1,035,709	(9,765,178)	(348,326
Net (loss) income before income tax provision	(4,702,379)	1,342,799	4,346,262	2,473,044
Income tax provision	228,207	77,801	2,765,207	385,000
Net (loss) income	(4,930,586)	1,264,998	1,581,055	2,088,044
Deemed Dividend	(4,565,725)	-	(4,565,725)	-
Net (loss) income available to common shareholders	$ (9,496,311)	$ 1,264,998	$ (2,984,670)	$ 2,088,044

UNIQUE LOGISTICS INTERNATIONAL, INC.
ADJUSTED EBITDA (Non GAAP Measure)

	For the Three Months Ended 28-Feb-22	For the Three Months Ended 28-Feb-21
Net income (loss)	$ (4,930,586)	$ 1,264,998
Add Back:		
Income tax expense	228,207	77,801
Depreciation and amortization	196,347	191,226
Stock-based compensation	-	41,666
(Gain) loss on extinguishment of convertible notes	1,344,087-	(1,646,062
Factoring fees	-	1,271,384
Interest expense (including accretion of debt discount)	1,395,396	610,353
Change in fair value of derivative liabilities	4,275,986	-
Adjusted EBITDA	**$ 2,509,437**	**$ 1,811,366**

	For the Nine Months Ended 28-Feb-22	For the Nine Months Ended 28-Feb-21
Net income (loss)	$ 1,581,055	$ 2,088,044
Add Back:		
Income tax expense	2,765,207	385,000
Depreciation and amortization	585,019	573,443
Stock-based compensation	-	91,666
Gain on forgiveness of promissory notes	(358,236)	(1,646,062
Loss on extinguishment of convertible notes	564,037	1,147,856
Factoring fees	27,000	3,155,647
Change in fair value of derivative liabilities	4,275,986	-
Interest expense (including accretion of debt discount)	5,343,391	846,532
Adjusted EBITDA	**$ 14,783,459**	**$ 6,642,126**

SOURCE Unique Logistics International, Inc.