

October 12, 2022



Unique Logistics International Reports Financial Results for Fiscal Quarter ended August 31, 2022

NEW YORK, Oct. 12, 2022 /PRNewswire/ -- Unique Logistics International, Inc. (OTCMKTS: UNQL) ("Unique" or the "Company"), a global logistics and freight forwarding company, today announced results for its fiscal quarter ended August 31, 2022.



Financial Results

(in millions)

	For the Three Months Ended August 31			
	2022		2021	
Net Revenue	\$	136.5	\$	189.8
Adjusted EBITDA	\$	5.1	\$	3.4

	As of			
	August 31, 2022		May 31, 2022	
Total Assets	\$	111.7	\$	124.9
Total Stockholders' Equity	\$	9.2	\$	5.8

- The company improved gross margins and finished August 31, 2022, with EBITDA at 3.8% of revenue vs. 1.7% during the same period a year ago, despite top-line revenue falling 28% YoY due to reductions in shipping prices and market activity.
- Adjusted EBITDA increased 50% year over year.

CEO, Sunandan Ray commented on the financial results, "The prevailing market conditions, as expected, have resulted in a drop in our Revenue. Freight rates are significantly lower than a year ago and USA retailers have reduced shipping as inventory levels adjust. We have, however, made significant progress executing our procurement strategy in the August quarter, allowing us to contain costs and increase adjusted EBITDA by 50%. Shipping markets slowed during the August quarter as the post-COVID bounce faded, and macro factors started to weigh on pricing power. We entered the quarter focusing on operational efficiency. We continue to work to close the previously announced acquisitions which will aid our efficiency efforts and help us achieve scale."

Business Outlook

Mr. Ray stated, "We continue to approach the remainder of the year cautiously optimistic about the Company's growth prospects. We are confident our sales efforts will continue to bear fruit, and management will implement processes to increase profitability and EBITDA by building on the value additions in our service and operational efficiency."

About Unique Logistics International, Inc.

Unique Logistics International, Inc. (OTC Markets: 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.

For more information on UNQL and its businesses, please visit www.unique-usa.com.

About Non-GAAP Financial Measures (Adjusted EBITDA)

We define adjusted EBITDA to be earnings before interest, taxes, depreciation and amortization, factoring fees, other income, net, stock-based compensation and expenses, merger and acquisition costs, restructuring, transition and acquisitions expense, net, goodwill impairment and certain other items.

Adjusted EBITDA is not a measurement of financial performance under GAAP and may not be comparable to other similarly titled measures of other companies. We present adjusted EBITDA because we believe that adjusted EBITDA is a useful supplement to net income from operations as an indicator of operating performance. We use adjusted EBITDA as a financial metric to measure the financial performance of the business because management believes it provides additional information with respect to the performance of its fundamental business activities. For this reason, we believe adjusted EBITDA will also be useful to others, including our stockholders, as a valuable financial metric.

We believe that adjusted EBITDA is a performance measure and not a liquidity measure, and therefore a reconciliation between net income from continuing operations and adjusted EBITDA has been provided in the financial results. Adjusted EBITDA should not be considered as an alternative to income from operations or net income from operations 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. We do 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 our condensed consolidated financial statements prepared in accordance with GAAP.

Cautionary Note Regarding Forward-Looking Statements

This press release includes express or implied statements that are not historical facts and are considered forward-looking within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act. Forward-looking statements involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance and may contain projections of our future results of operations or of our financial information or state other forward-looking information. In some cases, you can identify forward-looking statements by the following words: "may," "will," "could," "would," "should," "expect," "intend," "plan," "anticipate," "believe," "estimate," "predict," "project," "potential," "continue," "ongoing," or the negative of these terms or other comparable terminology, although not all forward-looking statements contain these words.

Although we believe that the expectations reflected in these forward-looking statements such as the growth in revenues, along with the statements under the heading Business Outlook are reasonable, these statements relate to future events or our future operational or financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Furthermore, actual results may differ materially from those described in the forward-looking statements and will be affected by a variety of risks and factors that are beyond our control, including, without limitation, statements about our future financial performance, including our revenue, cash flows, costs of revenue and operating expenses; our anticipated growth; our predictions about our industry; the impact of the COVID-19 pandemic on our business and our ability to attract, retain and cross-sell to clients. The forward-looking statements contained in this release are also subject to other risks and uncertainties, including those more fully described in our filings with the Securities and Exchange Commission ("SEC"), including in our Annual Report on Form 10-K for the fiscal year ended May 31, 2022. The forward-looking statements in this press release speak only as of the date on which the statements are made. We undertake no obligation to update, and expressly disclaim the obligation to update, any forward-looking statements made in this press release to reflect events or circumstances after the date of this press release or to reflect new information or the occurrence of unanticipated events, except as required by law.

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

	For the Three Months Ended August 31, 2022	For the Three Months Ended August 31, 2021
Revenues:		
Airfreight services	\$ 29,934,037	\$ 52,162,641
Ocean freight and ocean services	88,254,730	123,300,758
Contract logistics	768,714	722,664
Customs brokerage and other services	17,551,391	13,585,797
Total revenues	<u>136,508,872</u>	<u>189,771,860</u>
Costs and operating expenses:		
Airfreight services	27,549,841	51,625,775
Ocean freight and ocean services	81,937,860	116,587,742
Contract logistics	312,892	390,400
Customs brokerage and other services	16,644,743	12,925,092
Salaries and related costs	3,284,382	2,751,380
Professional fees	763,304	293,867
Rent and occupancy	529,110	480,209
Selling and promotion	100,854	1,033,128
Depreciation and amortization	200,674	193,799
Other	332,947	295,120
Total costs and operating expenses	<u>131,656,607</u>	<u>186,576,512</u>
Income from operations	<u>4,852,265</u>	<u>3,195,348</u>
Other income (expenses)		
Interest expense	(1,357,685)	(1,290,279)
Amortization of debt discount	-	(385,480)
Gain on forgiveness of promissory note	-	358,236
Change in fair value of derivative liabilities	618,948	-
Gain on extinguishment of convertible note	-	780,050
Total other income (expenses)	<u>(738,737)</u>	<u>(537,473)</u>
Net income before income taxes	<u>4,113,528</u>	<u>2,657,875</u>
Income tax expense	<u>792,187</u>	<u>634,459</u>
Net income	<u>3,321,341</u>	<u>2,023,416</u>

UNIQUE LOGISTICS INTERNATIONAL, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	August 31, 2022 (Unaudited)	August 31, 2021
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 270,802	\$ 1,422,393
Accounts receivable, net	64,118,815	74,746,036
Contract assets	28,179,436	30,970,581
Other prepaid expenses and current assets	2,340,290	1,404,021
Total current assets	<u>94,909,343</u>	<u>108,543,031</u>
Property and equipment, net	<u>233,572</u>	<u>188,889</u>
Other long-term assets:		
Goodwill	4,463,129	4,463,129
Intangible assets, net	7,160,918	7,337,704
Operating lease right-of-use assets, net	2,421,792	2,408,098
Deferred tax asset, net	918,618	942,748
Deposits	1,591,926	1,028,336
Other long-term assets	16,556,383	16,180,015
Total assets	<u>\$ 111,699,298</u>	<u>\$ 124,911,935</u>
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable	\$ 41,663,853	\$ 49,028,862
Accrued expenses and other current liabilities	5,200,815	5,666,159
Accrued freight	3,056,146	9,240,650
Contract Liabilities	-	468,209
Revolving credit facility	36,785,256	38,141,451
Current portion of notes payable, net of discount	608,333	608,333
Current portion of long-term debt due to related parties	369,979	301,308
Current portion of operating lease liability	720,096	912,618
Total current liabilities	<u>88,404,478</u>	<u>104,367,590</u>
Other long-term liabilities	211,998	282,666
Long-term-debt due to related parties, net of current portion	301,308	397,968
Derivative liabilities	11,819,046	12,437,994
Operating lease liability, net of current portion	1,809,283	1,593,873
Total long-term liabilities	<u>14,141,635</u>	<u>14,712,501</u>
Total liabilities	<u>102,546,113</u>	<u>119,080,091</u>
Commitments and contingencies	-	-
Stockholders' Equity:		
Preferred Stock, \$0.001 par value: 5,000,000 shares authorized		
Series A Convertible Preferred stock, \$0.001 par value; 120,065 and 130,000, issued and outstanding as of August 31, 2022 and May 31, 2022, respectively. Liquidation preference \$12 on August 31, 2022.	120	130
Series B Convertible Preferred stock, \$0.001 par value; 820,800 shares issued and outstanding as of August 31, 2022 and May 31, 2022. Liquidation preference \$82 on August 31, 2022.	821	821
Series C Convertible Preferred stock, \$0.001 par value; 195 shares, issued and outstanding as of August 31, 2022 and May 31, 2022. Liquidation preference \$15.9 million on August 31, 2022	-	-
Series D Convertible Preferred stock, \$0.001 par value; 182 and 187, issued and outstanding as of August 31, 2022 and May 31, 2022, respectively. Liquidation preference \$14.9 million on August 31, 2022	-	-
Preferred stock, value		
Common stock \$0.001 par value; 800,000,000 shares authorized.		
799,141,770 and 687,196,478 common shares issued and outstanding as of August 31, 2022 and May 31, 2022, respectively	799,142	687,197
Additional paid-in capital	180,220	292,155
Retained earnings	8,172,882	4,851,541
Total Stockholders' Equity	<u>9,153,185</u>	<u>5,831,844</u>
Total Liabilities and Stockholders' Equity	<u>\$ 111,699,298</u>	<u>\$ 124,911,935</u>

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

	For the Three Months Ended	For the Three Months Ended
	August 31, 2022	August 31, 2021
Net income available to common shareholders	\$ 3,321,341	\$ 2,023,416
<i>Add Back:</i>		
Income tax expense	792,187	634,459
Depreciation and amortization	200,674	193,799
Gain on forgiveness of promissory notes	-	(358,236)
Gain on extinguishment of convertible notes	-	(780,050)
Change in fair value of derivative liability	(618,948)	-
Factoring fees	-	27,000
Interest expense	1,357,685	1,675,759
Adjusted EBITDA	\$ 5,052,939	\$ 3,416,147

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