

January 17, 2023



# Unique Logistics International Reports Financial Results for Fiscal Quarter ended November 30, 2022

NEW YORK, Jan. 17, 2023 /PRNewswire/ -- Unique Logistics International, Inc. (OTCMKTS: UNQL) ("Unique" or the "Company"), a global logistics and freight forwarding company, today announced results for its second fiscal quarter ended November 30, 2022.



## Financial Highlights

|                 | For the Three Months Ended November 30 |          | For the Six Months Ended November 30 |          |
|-----------------|--|----------|--------------------------------------|----------|
|                 | 2022                                   | 2021     | 2022                                 | 2021     |
| Revenue         | \$ 88.8                                | \$ 405.4 | \$ 225.3                             | \$ 595.2 |
| Net Income      | 3.3                                    | 4.5      | 6.6                                  | 6.5      |
| Adjusted EBITDA | \$ 5.2                                 | \$ 8.9   | \$ 10.2                              | \$ 12.3  |

  

|                            | As of             |              |
|----------------------------|-------------------|--------------|
|                            | November 30, 2022 | May 31, 2022 |
| Total Assets               | \$ 93.5           | \$ 124.9     |
| Total Stockholders' Equity | \$ 12.4           | \$ 5.8       |

- The current quarter and year to date reflect changes in market conditions in the post covid economy. The volume and price surge from the comparative period of 2021 has dissipated and the logistics market has returned to conditions more similar to 2019, prior to the covid pandemic.
- While revenue declined in comparison with the boom experienced in the corresponding period in the prior year, the Company successfully increased its margins on the business as reflected in net income declining by 27% for the quarter (and increasing 2% year to date) in comparison with revenue declining by 78% for the quarter (and 62% year to date). In relation to Revenue our Net Income margin increased from 1% to 4% in the current quarter compared to the corresponding quarter in the prior year and our adjusted EBITDA margin from 2% to 6% in the same period.

CEO Sunandan Ray commented on the financial results, "Market activity in the current quarter and year to date reflects the normalization of logistics following the boom in 2021 when markets returned post-Covid. There is still some short term concern about excessive

inventory level held by retailers. However, the consistent pace of consumer demand we are seeing will soon require increased shipping to meet demand. The decline in shipping costs and volumes compared with 2021 has restored relative stability to the logistics market in terms of capacity supply and demand and this has helped with increased margin in our business. We are seeing encouraging signs on the sales front with an increase in our total number of customers and the increased shipping volumes of our top 25 customers."

## **Business Outlook**

Mr. Ray stated, "We continue to approach the remainder of the fiscal year optimistic about the Company's progress and growth prospects. We remain confident in our sales efforts as our customer count has grown, and management will continue implementing processes to increase profitability and EBITDA by building on the value additions in our service and operational efficiency. Lastly, we are now close to completing the acquisitions we planned."

## **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](http://www.unique-usa.com).

## **About Non-GAAP Financial Measures (Adjusted EBITDA)**

We define adjusted EBITDA to be earnings before interest, taxes, depreciation and amortization and other non-recurring income or expenses.

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. 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 ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS as part of our form 10-Q.

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 OPERATION**  
(Unaudited)

|  | For the<br>Three Months<br>Ended<br>30-Nov-22 | For the<br>Three Months<br>Ended<br>30-Nov-21 | For the<br>Six Months<br>Ended<br>30-Nov-22 | For the<br>Six Months<br>Ended<br>30-Nov-21 |
|--|---|---|---|---|
| <b>Revenues:</b>                               |   |   |   |   |
| Airfreight services                            | \$ 21,581,667                                 | \$ 275,070,204                                | \$ 51,515,704                               | \$ 327,232,845                              |
| Ocean freight and ocean services               | 47,930,347                                    | 115,421,970                                   | 136,185,077                                 | 238,722,728                                 |
| Contract logistics                             | 975,711                                       | 1,211,056                                     | 1,744,425                                   | 1,933,720                                   |
| Customs brokerage and other services           | 18,349,508                                    | 13,727,459                                    | 35,900,899                                  | 27,313,256                                  |
| Total revenues                                 | <u>88,837,233</u>                             | <u>405,430,689</u>                            | <u>225,346,105</u>                          | <u>595,202,549</u>                          |
| <b>Costs and operating expenses:</b>           |   |   |   |   |
| Airfreight services                            | 19,950,949                                    | 269,019,226                                   | 47,500,790                                  | 320,645,001                                 |
| Ocean freight and ocean services               | 41,145,915                                    | 107,173,955                                   | 123,083,775                                 | 223,761,697                                 |
| Contract logistics                             | 318,089                                       | 679,426                                       | 630,981                                     | 1,069,826                                   |
| Customs brokerage and other services           | 16,731,183                                    | 12,393,603                                    | 33,375,926                                  | 25,318,695                                  |
| Salaries and related costs                     | 3,675,597                                     | 2,817,938                                     | 6,959,979                                   | 5,569,318                                   |
| Professional fees                              | 411,421                                       | 184,459                                       | 1,174,725                                   | 478,326                                     |
| Rent and occupancy                             | 613,572                                       | 489,770                                       | 1,142,682                                   | 969,979                                     |
| Selling and promotion                          | 461,578                                       | 2,659,490                                     | 562,432                                     | 3,692,618                                   |
| Depreciation and amortization                  | 201,966                                       | 194,875                                       | 402,640                                     | 388,672                                     |
| Other  | 336,814                                       | 1,154,945                                     | 669,761                                     | 1,423,067                                   |
| Total costs and operating expenses             | <u>83,847,084</u>                             | <u>396,767,687</u>                            | <u>215,503,691</u>                          | <u>583,317,199</u>                          |
| Income from operations                         | <u>4,990,149</u>                              | <u>8,663,002</u>                              | <u>9,842,414</u>                            | <u>11,858,350</u>                           |
| <b>Other income (expenses)</b>                 |   |   |   |   |
| Interest expense                               | (972,300)                                     | (1,881,201)                                   | (2,329,985)                                 | (3,198,480)                                 |
| Amortization of debt discount                  | -   | (391,035)                                     | -   | (776,515)                                   |
| Gain on forgiveness of promissory note         | -   | -   | -   | 358,236                                     |
| Change in fair value of derivative liabilities | 125,708                                       | -   | 744,656                                     | -   |
| Gain on extinguishment of convertible note     | -   | -   | -   | 780,050                                     |
| Total other income (expenses)                  | <u>(846,592)</u>                              | <u>(2,272,236)</u>                            | <u>(1,585,329)</u>                          | <u>(2,836,709)</u>                          |
| Net income before income taxes                 | <u>4,143,557</u>                              | <u>6,390,766</u>                              | <u>8,257,085</u>                            | <u>9,048,641</u>                            |
| Income tax expense                             | <u>871,860</u>                                | <u>1,902,541</u>                              | <u>1,664,047</u>                            | <u>2,537,000</u>                            |
| <b>Net income</b>                              | <u><b>\$ 3,271,697</b></u>                    | <u><b>\$ 4,488,225</b></u>                    | <u><b>\$ 6,593,038</b></u>                  | <u><b>\$ 6,511,641</b></u>                  |

**UNIQUE LOGISTICS INTERNATIONAL, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

|   | <b>30-Nov-22</b>     | <b>31-May-22</b>      |
|---|----------------------|-----------------------|
|   | <b>(Unaudited)</b>   |                       |
| <b>ASSETS</b>   |                      |                       |
| Current Assets:   |                      |                       |
| Cash and cash equivalents   | \$ 1,244,044         | \$ 1,422,393          |
| Accounts receivable, net  | 51,348,532           | 74,746,036            |
| Contract assets   | 13,804,866           | 30,970,581            |
| Other prepaid expenses and current assets   | 2,260,969            | 1,404,021             |
| Total current assets  | <u>68,658,411</u>    | <u>108,543,031</u>    |
| Property and equipment, net   | <u>223,757</u>       | <u>188,889</u>        |
| Other long-term assets:   |                      |                       |
| Goodwill  | 4,463,129            | 4,463,129             |
| Intangible assets, net  | 6,984,131            | 7,337,704             |
| Operating lease right-of-use assets, net  | 10,579,787           | 2,408,098             |
| Deferred tax asset, net   | 987,648              | 942,748               |
| Deposits  | 1,596,926            | 1,028,336             |
| Total other long-term assets  | <u>24,611,621</u>    | <u>16,180,015</u>     |
| Total assets  | <u>\$ 93,493,789</u> | <u>\$ 124,911,935</u> |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>   |                      |                       |
| Current Liabilities:  |                      |                       |
| Accounts payable  | \$ 30,955,523        | \$ 49,028,862         |
| Accrued expenses and other current liabilities  | 4,898,633            | 5,666,159             |
| Accrued freight   | 1,195,946            | 9,240,650             |
| Contract Liabilities  | -                    | 468,209               |
| Revolving credit facility   | 20,691,815           | 38,141,451            |
| Current portion of notes payable, net of discount   | 304,167              | 608,333               |
| Current portion of long-term debt due to related parties  | 349,631              | 301,308               |
| Current portion of operating lease liability  | 1,796,663            | 912,618               |
| Total current liabilities   | <u>60,192,378</u>    | <u>104,367,590</u>    |
| Other long-term liabilities   | 141,330              | 282,666               |
| Long-term-debt due to related parties, net of current portion   | 150,655              | 397,968               |
| Derivative liabilities  | 11,693,338           | 12,437,994            |
| Operating lease liability, net of current portion   | 8,891,206            | 1,593,873             |
| Total long-term liabilities   | <u>20,876,529</u>    | <u>14,712,501</u>     |
| Total liabilities   | <u>81,068,907</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 November 30, 2022 and May 31, 2022, respectively. Liquidation preference \$120 on November 30, 2022. | 120                  | 130                   |
| Series B Convertible Preferred stock, \$0.001 par value; 820,800 shares issued and outstanding as of November 30, 2022 and May 31, 2022. Liquidation preference \$821 on November 30, 2022.                     | 821                  | 821                   |
| Series C Convertible Preferred stock, \$0.001 par value; 195 shares, issued and outstanding as of November 30, 2022 and May 31, 2022. Liquidation preference \$30.1 million on November 30, 2022                | -                    | -                     |
| Series D Convertible Preferred stock, \$0.001 par value; 180 and 187, issued and outstanding as of November 30, 2022 and May 31, 2022, respectively. Liquidation preference \$28.3 million on November 30, 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 November 30, 2022 and May 31, 2022, respectively   | 799,142              | 687,197               |
| Additional paid-in capital  | 180,220              | 292,155               |
| Retained earnings   | 11,444,579           | 4,851,541             |
| Total Stockholders' Equity  | <u>12,424,882</u>    | <u>5,831,844</u>      |
| Total Liabilities and Stockholders' Equity  | <u>\$ 93,493,789</u> | <u>\$ 124,911,935</u> |

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

|   | <b>For the<br/>Three Months Ended<br/>November 30, 2022</b> | <b>For the<br/>Three Months ended<br/>November 30, 2021</b> |
|---|---|---|
| Net income available to common shareholders             | \$ 3,271,697  | \$ 4,488,225  |
| Add Back:   |   |   |
| Income tax expense                                      | 871,860   | 1,902,541   |
| Depreciation and amortization                           | 201,966   | 194,875   |
| Change in fair value of derivative liability            | (125,708)   | -   |
| Interest expense (including accretion of debt discount) | 972,300   | 2,272,236   |
| Adjusted EBITDA   | \$ 5,192,115  | \$ 8,857,877  |

|   | <b>For the<br/>Six Months Ended<br/>November 30, 2022</b> | <b>For the<br/>Six Months Ended<br/>November 30, 2021</b> |
|---|---|---|
| Net income available to common shareholders             | \$ 6,593,038  | \$ 6,511,641  |
| Add Back:   |   |   |
| Income tax expense                                      | 1,664,047   | 2,537,000   |
| Depreciation and amortization                           | 402,640   | 388,672   |
| Gain on forgiveness of promissory notes                 | -   | (358,236)   |
| Gain on extinguishment of convertible notes             | -   | (780,050)   |
| Change in fair value of derivative liability            | (744,656)   | -   |
| Interest expense (including accretion of debt discount) | 2,329,985   | 3,974,995   |
| Adjusted EBITDA   | \$ 10,245,054   | \$ 12,274,022   |

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