UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended February 28, 2025

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _________ to _________

Commission file number: 000-50612

UNIQUE LOGISTICS INTERNATIONAL, INC.
(Exact name of registrant as specified in its charter)

Nevada	**01-0721929**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
154-09 146th Ave, Jamaica, NY	**11434**
(Address of principal executive offices)	(Zip Code)

(718) 978-2000
(Registrant's telephone number, including area code)

Securities registered under Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of exchange on which registered
None	None	None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act: ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

As of April 25, 2025 there were 799,141,770 shares of the registrant's common stock outstanding.

UNIQUE LOGISTICS INTERNATIONAL, INC.
FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED FEBRUARY 28, 2025

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

UNIQUE LOGISTICS INTERNATIONAL, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	February 28, 2025 (Unaudited)	May 31, 2024 (Audited)
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 4,157,370	$ 3,799,561
Accounts receivable, net	46,945,438	38,601,255
Contract assets	1,920,369	3,961,199
Other current assets and prepaids	6,892,757	5,370,376
Total current assets	59,915,934	51,732,391
Property and equipment, net	702,881	659,701
Other noncurrent assets:		
Goodwill	25,000,147	20,516,018
Intangible assets, net	11,298,444	11,196,171
Equity-method investments	4,579,999	3,457,449
Operating lease right-of-use assets, net	7,623,418	9,019,914
Deferred tax asset, net	1,424,136	4,307,486
Other noncurrent assets	803,815	2,426,314
Total other noncurrent assets	50,729,959	50,923,352
Total assets	$ 111,348,774	$ 103,315,444
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 32,774,487	$ 19,983,859
Accrued expenses and current liabilities	4,967,979	6,471,835
Accrued freight	3,190,527	4,054,220
Revolving credit facility	19,993,456	13,125,031
Derivative liabilities	1,017,987	-
Warrants payable	4,812,500	-
Current portion of notes payable	1,412,053	1,272,165
Current portion of notes payable to related parties	12,253,000	-
Current portion of operating lease liability	2,505,542	2,588,817
Total current liabilities	82,927,531	47,495,927
Noncurrent liabilities		
Notes payable, net of current portion	9,522,157	10,727,835
Notes payable to related parties, net of current portion	-	11,147,010
Operating lease liability, net of current portion	5,583,880	6,902,171
Derivative liabilities	-	5,669,000
Other noncurrent liabilities	1,868,464	10,961,931
Total noncurrent liabilities	16,974,501	45,407,947
Total liabilities	99,902,032	92,903,874
Commitments and contingencies (Note 8)		
Stockholders' Equity:		
Preferred Stock, $0.001 par value: 5,000,000 shares authorized, 941,240 issued and outstanding as of February 28, 2025 and May 31, 2024, respectively.		
Series A Convertible Preferred stock, $0.001 par value; 120,065 issued and outstanding as of February 28, 2025 and May 31, 2024, respectively. Liquidation preference $120 at February 28, 2025	120	120
Series B Convertible Preferred stock, $0.001 par value; 820,800 issued and outstanding as of February 28, 2025 and May 31, 2024, respectively. Liquidation preference of $821 at February 28, 2025	821	821
Series C Convertible Preferred stock, $0.001 par value; 195, issued and outstanding as of February 28, 2025 and May 31, 2024, respectively. Liquidation preference $6.2 million at February 28, 2025	-	-
Series D Convertible Preferred stock, $0.001 par value; 180 issued and outstanding as of February 28, 2025 and May 31, 2024, respectively. Liquidation preference $5.8 million at February 28, 2025	-	-
Common stock, $0.001 par value; 800,000,000 shares authorized; 799,141,770 shares issued and outstanding as of February 28, 2025 and May 31, 2024, respectively.	799,142	799,142
Additional paid-in capital	180,220	180,220
Accumulated other comprehensive income	125,268	(161,543)
Retained earnings	7,640,921	5,952,906
Total Stockholders' Equity attributable to common shareholders	8,746,492	6,771,666
Equity attributable to noncontrolling interests	2,700,250	3,639,904
Total Stockholders' Equity	11,446,742	10,411,570

Total Liabilities and Stockholders’ Equity	$ 111,348,774	$ 103,315,444

See notes accompanying condensed consolidated financial statements.

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

	For the Three Months Ended February 28, 2025	For the Three Months Ended February 29, 2024	For the Nine Months Ended February 28, 2025	For the Nine Months Ended February 29, 2024
Revenues:				
Airfreight services	$ 50,979,522	$ 31,672,402	$ 153,979,527	$ 87,102,162
Ocean freight and ocean services	29,436,467	27,543,642	132,261,130	74,933,392
Contract logistics	389,127	579,675	2,196,061	1,892,954
Customs brokerage and other services	8,150,893	8,034,666	27,944,245	28,612,414
Total revenues	88,956,009	67,830,385	316,380,963	192,540,922
Equity method earnings	388,084	224,854	1,369,191	675,606
Costs and operating expenses:				
Airfreight services	47,858,940	29,076,358	144,738,588	81,374,442
Ocean freight and ocean services	24,951,920	23,999,410	115,950,311	62,964,504
Contract logistics	258,739	126,523	767,964	507,326
Customs brokerage and other services	7,107,885	6,346,786	24,923,948	24,263,573
Salaries and related costs	6,563,018	5,529,773	18,113,257	17,293,553
Professional fees	481,023	666,850	1,955,697	2,299,312
Rent and occupancy	1,179,371	1,176,612	3,740,183	3,382,602
Selling and promotion	582,140	609,751	1,800,521	1,888,439
Depreciation and amortization	501,638	752,750	1,507,931	2,203,093
Foreign exchange transactions, net	22,794	26,858	70,102	(267,209)
Gain on business disposal	-	-	(527,033)	-
Other	(631,036)	282,871	1,257,512	948,402
Total costs and operating expenses	88,876,432	68,594,542	314,298,981	196,858,037
Income (loss) from operations	467,661	(539,303)	3,451,173	(3,641,509)
Other income (expenses)				
Interest expense	(1,874,795)	(1,407,449)	(5,559,560)	(3,823,822)
Change in fair value of derivative liabilities	6,577,666	4,300,429	6,718,336	4,118,566
SPAC merger termination cost	-	(10,415,816)	-	(10,415,816)
Uplist termination cost	-	(3,054,514)	-	(3,054,514)
Total other income (expenses)	4,702,871	(10,577,350)	1,158,776	(13,175,586)
Net income (loss) before income taxes	5,170,532	(11,116,653)	4,609,949	(16,817,095)
Income tax expense (benefit)	(23,536)	(5,268,793)	3,861,588	(5,787,424)
Net income (loss)	5,194,068	(5,847,860)	748,361	(11,029,671)
Noncontrolling interest allocated loss (gain)	(157,641)	(114,538)	939,654	(60,113)
Net income (loss) attributable to for common shareholders	$ 5,036,427	$ (5,962,398)	$ 1,688,015	$ (11,089,784)
Net income (loss) available for common shareholders per common share				
basic	$ 0.01	$ (0.01)	$ 0.00	$ (0.01)
diluted	0.00	(0.01)	0.00	(0.01)
Weighted average common shares outstanding				
basic	799,141,770	799,141,770	799,141,770	799,141,770
diluted	9,677,967,425	799,141,770	9,677,967,425	799,141,770

See notes to accompanying condensed consolidated financial statements.

UNIQUE LOGISTICS INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(unaudited)

	For the Three Months Ended February 28, 2025	For the Three Months Ended February 29, 2024
Net income (loss)	$ 5,194,068	$ (5,847,860)
Other comprehensive income, net of tax:		
Foreign currency translation adjustments	314,254	21,432
OCI tax effect	-	-
Total comprehensive income (loss)	5,508,322	(5,826,428)
Net gain attributable to noncontrolling interest	(157,641)	(114,538)
Comprehensive income (loss) attributable to common shareholder	$ 5,350,681	$ (5,940,966)

	For the Nine Months Ended February 28, 2025	For the Nine Months Ended February 29, 2024
Net income (loss)	$ 748,361	$ (11,029,671)
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	286,811	(236,674)
OCI tax effect	-	14,869
Total comprehensive income (loss)	1,035,172	(11,251,476)
Net (gain) loss attributable to noncontrolling interest	939,654	(60,113)
Comprehensive income (loss) attributable to common shareholder	$ 1,974,826	$ (11,311,589)

See notes to accompanying condensed consolidated financial statements.

UNIQUE LOGISTICS INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(unaudited)

For the Three and Nine Months Ended February 28, 2025

	Series A Preferred Stock		Series B Preferred Stock		Series C Preferred Stock		Series D Preferred Stock		Common Stock		Additional Paid in capital	Accumulated Comprehensive income	Retained earnings	Total Stockholders' equity attributable to common stockholders	Non-Controlling Interest	Total Stockholders Equity
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount						
Balance, June 1, 2024	120,065	$ 120	820,800	$ 821	195	$ -	180	$ -	799,141,770	$799,142	$ 180,220	$ (161,543)	$ 5,952,906	$ 6,771,666	$ 3,639,904	$ 10,411,570
Other comprehensive income (loss), net of tax	-	-	-	-	-	-	-	-	-	-	-	162,749		162,749		162,749
Net loss	-	-	-	-	-	-	-	-	-	-	-		(2,210,927)	(2,210,927)	(103,314)	(2,107,613)
Balance, August 31, 2024	120,065	120	820,800	821	195	-	180	-	799,141,770	799,142	180,220	1,206	3,741,979	4,723,488	3,743,218	8,466,706
Other comprehensive income (loss), net of tax	-	-	-	-	-	-	-	-	-	-	-	(190,192)		(190,192)		(190,192)
Net loss	-	-	-	-	-	-	-	-	-	-	-		(1,137,485)	(1,137,485)	1,200,609	(2,338,094)
Balance, November 30, 2024	120,065	120	820,800	821	195	-	180	-	799,141,770	$799,142	180,220	$ (188,986)	$ 2,604,494	$ 3,395,811	$ 2,542,609	$ 5,938,420
Other comprehensive income (loss), net of tax	-	-	-	-	-	-	-	-	-	-	-	314,254		314,254		314,254
Net income	-	-	-	-	-	-	-	-	-	-	-		5,036,427	5,036,427	157,641	5,194,068
Balance, February 28, 2025	120,065	$ 120	820,800	$ 821	195	$ -	180	$ -	799,141,770	$799,142	$ 180,220	$ 125,268	$ 7,640,921	$ 8,746,492	$ 2,700,250	$ 11,446,742

For the Three and Nine Months Ended February 29, 2024

	Series A Preferred Stock		Series B Preferred Stock		Series C Preferred Stock		Series D Preferred Stock		Common Stock		Additional Paid in capital	Accumulated Comprehensive income	Retained earnings	Total Stockholders' equity attributable to common stockholders	Non-Controlling Interest	Total Stockholders Equity
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount						
Balance, June 1, 2023	120,065	$ 120	820,800	$ 821	195	$ -	180	$ -	799,141,770	$799,142	$ 180,220	$ 3,258	$13,066,109	$ 14,049,670	$ 3,545,963	$ 17,595,633
Other comprehensive income (loss), net of tax	-	-	-	-	-	-	-	-	-	-	-	(166,750)	-	(166,750)	-	(166,750)
Net loss	-	-	-	-	-	-	-	-	-	-	-	-	(2,230,651)	(2,230,651)	(80,477)	(2,311,128)
Balance, August 31, 2023	120,065	120	820,800	821	195	-	180	-	799,141,770	799,142	180,220	(163,493)	10,835,458	11,652,269	3,465,486	15,117,755
Other comprehensive income (loss), net of tax	-	-	-	-	-	-	-	-	-	-	-	(76,487)	-	(76,487)	-	(76,487)
Net loss	-	-	-	-	-	-	-	-	-	-	-	-	(2,896,735)	(2,896,735)	26,052	(2,870,683)
Balance, November 30, 2023	120,065	120	820,800	821	195	-	180	-	799,141,770	$799,142	180,220	(239,979)	7,938,723	8,679,047	3,491,538	12,170,585
Other comprehensive income (loss), net of tax	-	-	-	-	-	-	-	-	-	-	-	21,432	-	21,432	-	21,432
Net loss	-	-	-	-	-	-	-	-	-	-	-	-	(5,962,398)	(5,962,398)	114,538	(5,847,860)
Balance, February 29, 2024	120,065	$ 120	820,800	$ 821	195	$ -	180	$ -	799,141,770	$799,142	$ 180,220	$ (218,547)	$ 1,976,325	$ 2,738,081	$ 3,606,076	$ 6,344,157

See notes to accompanying condensed consolidated financial statements.

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

	For the Nine Months Ended February 28, 2025	For the Nine Months Ended February 29, 2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (loss)	$ 748,361	$ (11,029,671)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	1,507,931	2,203,093
Credit loss (recovery)	256,005	(1,203,978)
Amortization of right of use assets	2,052,987	2,144,717
Equity method earnings	(1,369,191)	(675,606)
Change in net deferred tax provision	2,883,350	(6,838,466)
Change in fair value of derivative liabilities	(6,718,336)	(4,118,566)
Noncash gain on business disposition	(527,033)	-
Uplist termination cost previously deferred	-	2,419,976
Changes in operating assets and liabilities:		
Accounts receivable	(6,666,411)	547,400
Contract assets	2,342,364	(160,791)
Prepaid expenses and current assets	(1,466,463)	3,918,801
Deposits and other noncurrent assets	1,622,499	462,967
Accounts payable	6,732,504	3,035,028
Accrued expenses and other current liabilities	(3,987,657)	4,783,665
Accrued freight	(1,364,643)	(1,264,644)
Operating lease liability	(2,058,057)	(1,991,088)
Net Cash Used in Operating Activities	(6,011,782)	(7,767,163)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(276,019)	(1,122,034)
Dividends received from equity method investments	634,657	608,127
Capital contribution to equity method investments	(388,016)	-
Cash acquired in connection with business acquisition	550,357	-
Net Cash Provided (Used in) by Investing Activities	520,979	(513,907)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings on line of credit, net	6,868,425	3,802,436
Repayments note payable	(1,065,790)	-
Borrowings note payable	-	8,000,000
Repayments related parties	-	(3,300,655)
Net Cash Provided by Financing Activities	5,802,635	8,501,781
Effect of exchange rate on cash and equivalents	45,977	(221,805)
Net change in cash and cash equivalents	357,809	(1,094)
Cash and cash equivalents - Beginning of period	3,799,561	6,744,238
Cash and cash equivalents - End of period	$ 4,157,370	$ 6,743,144
SUPPLEMENTARY CASH FLOW INFORMATION:		
Cash Paid During the period for:		
Income taxes	$ 114,738	$ 1,013,900
Interest	$ 4,261,145	$ 3,088,765
SUPPLEMENTARY DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Right-of-use assets obtained in exchange for lease liabilities	$ 656,491	$ 1,270,702
Promissory notes issued due to related parties (Note 2)	$ 2,150,000	$ -
Promissory note issued due to related party (Note 2)	$ 650,000	$ -
Promissory notes cancelled due to related parties (Note 2)	$ 1,694,010	$ -
Goodwill measurement adjustment (Note 1)	$ 1,506,410	$ -

1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Unique Logistics International, Inc. and its subsidiaries (the "Company") is a non-asset-based provider of global logistics and freight forwarding services operating through a worldwide network of offices and exclusive or non-exclusive agents. The Company's customers include retailers and wholesalers, electronics, high technology, industrial and manufacturing companies around the world. The Company provides a range of international logistics services that enable its customers to outsource sections of their supply chain process. This range of services can be categorized as follows:

- Air Freight
- Ocean Freight
- Customs Brokerage and Compliance
- Warehousing and Distribution
- Order Management

Basis of Presentation

These condensed consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and include all accounts of the Company and its majority owned subsidiaries stated in U.S. dollars, the Company's functional currency. For subsidiaries operating outside the U.S., the financial information will be accounted for on a one-month lag. Substantially all unremitted earnings of international subsidiaries are free of legal and contractual restrictions. All intercompany transactions and balances have been eliminated in the condensed consolidated financial statements.

The unaudited interim financial information furnished herein reflects all adjustments, consisting solely of normal recurring items, which in the opinion of management are necessary to fairly state the financial position of the Company and the results of its operations for the periods presented. The results reported in these interim condensed consolidated financial statements should not be regarded as necessary indicative of results that may be expected for an entire fiscal year. This report should be read in conjunction with the Company's consolidated financial statements and notes thereto included in the Company's Form 10-K for the year ended May 31, 2024. The Company assumes that the users of the interim financial information herein have read or have access to the audited financial statements for the preceding fiscal year and that the adequacy of additional disclosure needed for a fair presentation may be determined in that context. The condensed consolidated balance sheet on May 31, 2024 was derived from audited financial statements but does not include all disclosures required by accounting principles generally accepted in the United States of America.

Liquidity and Going Concern

The Company's financial statements are prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of obligations in the normal course of business. In accordance with ASU No. 2014-15, Disclosure of Uncertainties about an Entity's Ability to Continue as a Going concern (Subtopic 205-40), the Company has evaluated whether there are conditions and events, considered in the aggregate, that raise substantial doubt about its ability to continue as a going concern within one year after the date that the condensed consolidated financial statements are issued.

The Company's principal sources of cash are (i) cash generated from operations, (ii) borrowings available under its revolving line of credit (through March 31, 2025) or the new factoring agreement (beginning April 1, 2025), and (iii) proceeds from debt or equity issuances. As of February 28, 2025, the Company had cash and cash equivalents of approximately $4.2 million, negative working capital of $23.0 million, and $10.0 million available to draw under its operating line of credit with TBK Bank, SSB (the "TBK Facility") based on the amount of its accounts receivable on February 28, 2025. On September 12, 2024, the Company entered into an agreement with TBK Bank to temporarily increase the credit limit under the TBK Facility from $25.0 million to $30.0 million for a period of six months through March 12, 2025. Effective March 31, 2025, the Company and TBK Bank terminated the TBK Facility and entered into a new factoring agreement effective April 1, 2025, for a period of 90 days and with an option to extend for 12 more months with a maximum advance limit of $30.0 million (the "Factoring Agreement").

For the nine months ended February 28, 2025, the Company generated $3.5 million in operating income and used cash for its operations in the amount of $6.0 million, primarily due to the ramp up of accounts receivable and accounts payable due to an increase in sales compared to the nine months ended February 29, 2024. The negative working capital and cash used in operations are all indicators of substantial doubt about the Company's ability to continue as a going concern within one year after the date that the condensed consolidated financial statements appearing elsewhere in this report are issued.

The Company is continually evaluating its liquidity requirements considering its operating needs, growth initiatives and capital resources. Based on its assessment of the Company's projected cash flow, impact of the pending merger and expected business performance as of and subsequent to February 28, 2025, management believes that the Company's current cash and the ability to raise cash under the Factoring Agreement as well as the opportunity to pay off certain of its debt as part of the Merger Agreement would be sufficient to support its operations for at least the next 12 months from the issuance of this report. The Company's plan includes the items noted above as well as securing external financing, which may include raising debt or equity capital. These plans are not entirely within the Company's control including its ability to raise sufficient capital on favorable terms, if at all, and absent an infusion of sufficient capital there is substantial doubt about its ability to continue as a going concern for 12 months after the date the condensed consolidated financial statements for the three and nine months ended February 28, 2025 are issued.

As further discussed in subsequent events note to the financial statements, on March 11, 2025, the Company entered into an agreement and plan of merger by and among the Company, DP World Logistics US Holdings, Inc. and Unique Merger Co., a Nevada corporation and wholly owned subsidiary of DP World Logistics US Holdings (the "Merger Agreement"), pursuant to which Unique Merger Co. will merge with and into the Company, with the Company surviving such merger as a wholly-owned subsidiary of DP World Logistics US Holdings. There can be no assurance that the Company will be able to complete this merger or to raise the capital it needs to continue its operations on satisfactory terms or at all. If capital is not available to the Company when, and in the amounts, needed, the Company could be required to liquidate its assets, cease or curtail operations, which could materially harm its business, financial condition and results of operations, or seek protection under applicable bankruptcy laws or similar state proceedings.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

Significant estimates inherent in the preparation of the condensed consolidated financial statements include determinations of the useful lives and expected future cash flows of long-lived assets, including intangibles, valuation of assets and liabilities acquired in business combinations, and estimates and assumptions in valuation of debt and equity instruments, including derivative liabilities. In addition, the Company makes significant judgments to recognize revenue – see policy note "*Revenue Recognition*" below.

Revenue Recognition

The Company follows ASC 606, *Revenue from Contracts with Customers*. Under ASC 606, revenue is recognized when control of the promised goods or services is transferred to the Company's customers, in an amount that reflects the consideration the Company expects to receive in exchange for services. The Company recognizes revenue upon meeting each performance obligation based on the allocated amount of the total consideration of the contract to each specific performance obligation.

To determine revenue recognition, the Company applies the following five steps:

1. Identify the contract(s) with a customer;

2. Identify the performance obligations in the contract;

3. Determine the transaction price;

4. Allocate the transaction price to the performance obligations in the contract; and

5. Recognize revenue as or when the performance obligation is satisfied.

Revenue is recognized as follows:

i. Freight income - export sales

   Freight income from the provision of air, ocean, and land freight forwarding services are recognized over time based on a relative transit time basis through the sail or departure from origin port. The Company is the principal in these transactions and recognizes revenue on a gross basis.

ii. Freight income - import sales

   Freight income from the provision of air, ocean, and land freight forwarding services are recognized over time based on a relative transit time basis through the delivery to the customer's designated location. The Company is the principal in these transactions and recognizes revenue on a gross basis.

iii. Customs brokerage and other service income

   Customs brokerage and other service income from the provision of other services are recognized at the point in time the performance obligation is met.

The Company's business practices require, for accurate and meaningful disclosure, that it recognizes revenue over time. The "over time" policy is the period from point of origin to arrival of the shipment at the port of entry (or in the case when the customer requires delivery to a designated point, the arrival at that delivery point). This overtime policy requires the Company to make significant judgements to recognize revenue over the estimated duration of time from port of origin to arrival at port of entry. The point in the process when the Company meets its obligation in the port of entry and the subsequent transfer of the goods to the customer is when the customer has the obligation to pay, has taken physical possession, has legal title, risk and awards (ownership) and has accepted the goods. The Company has elected to not disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied as of the end of the period as the Company's contracts with its customers have an expected duration of one year or less.

The Company uses independent contractors and third-party carriers in the performance of its transportation services. The Company evaluates who controls the transportation services to determine whether its performance obligation is to transfer services to the customer or to arrange for services to be provided by another party. The Company determined it acts as the principal for its transportation services performance obligation as it is in control of establishing the prices for the specified services, managing all aspects of the shipments process and assuming the risk of loss for delivery and collection.

Revenue billed prior to realization is recorded as contract liabilities on the consolidated balance sheets and contract costs incurred prior to revenue recognition are recorded as contract assets on the consolidated balance sheets.

Contract Assets

Contract assets represent amounts for which the Company has the right to consideration for the services provided while a shipment is still in-transit but for which it has not yet completed the performance obligation and has not yet invoiced the customer. Upon completion of the performance obligations, which can vary in duration based upon the method of transport and billing the customer, these amounts become classified within accounts receivable.

Contract Liabilities

Contract liabilities represent the amount of obligation to transfer goods or services to a customer for which consideration has been received.

Disaggregation of Revenue from Contracts with Customers

The following table disaggregates gross revenue from our clients by significant geographic area for the three and nine months ended February 28, 2025, and February 29, 2024, based on origin of shipment (imports) or destination of shipment (exports):

	For the Three Months Ended February 28, 2025	**For the Three Months Ended February 29, 2024**
China, Hong Kong & Taiwan	$ 19,190,374	$ 16,597,938
Southeast Asia	29,976,451	12,379,911
United States	19,138,561	17,455,213
India Sub-continent	9,679,790	11,868,317
EMEA (Europe, Middle East, and Africa)	8,444,548	6,253,673
Other	2,526,284	3,275,333
Total revenue	$ 88,956,009	$ 67,830,385

	For the Nine Months Ended February 28, 2025	**For the Nine Months Ended February 29, 2024**
China, Hong Kong & Taiwan	$ 72,617,941	$ 52,412,801
Southeast Asia	84,148,024	34,667,956
United States	69,694,606	46,648,201
India Sub-continent	56,262,718	32,490,278
EMEA (Europe, Middle East, and Africa)	24,774,496	17,179,598
Other	8,883,178	9,142,088
Total revenue	$ 316,380,963	$ 192,540,922

Foreign Currency Translation

For most of our international operations conducted by the subsidiaries operating outside the U.S, local currencies have been determined to be functional currencies. The Company translates functional currency assets and liabilities to their U.S. dollar equivalents at exchange rates in effect as of the balance sheet date and income and expense amounts at average exchange rates for the period. The U.S. dollar effects that arise from changing translation rates are recorded in Other comprehensive income/(loss). Transaction gains or losses result from a change in exchange rates between the functional currency and the currency in which a foreign currency transaction is denominated. The Company aggregates all transaction gains and losses and classify the net amount in a single caption in the income statement in operating income as foreign exchange transactions, net.

Fair Value Measurement

The Company follows the authoritative guidance that establishes a formal framework for measuring fair values of assets and liabilities in the consolidated financial statements that are already required by generally accepted accounting principles to be measured at fair value. The guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The transaction is based on a hypothetical transaction in the principal or most advantageous market considered from the perspective of the market participant that holds the asset or owes the liability.

The Company utilizes market data or assumptions that market participants who are independent, knowledgeable, and willing and able to transact would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated or generally unobservable. The Company attempts to utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

The Company is able to classify fair value balances based on the observability of those inputs. The guidance establishes a formal fair value hierarchy based on the inputs used to measure fair value. The hierarchy gives the highest priority to Level 1 measurements and the lowest priority to level 3 measurements, and accordingly, Level 1 measurement should be used whenever possible.

The hierarchy is broken down into three levels based on the reliability of inputs as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities or published net asset value for alternative investments with characteristics similar to a mutual fund.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Unobservable inputs for the asset or liability.

The methods used may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while management believes its valuation methods are appropriate, the fair value of certain financial instruments could result in a difference fair value measurement at the reporting date. There were no changes in the Company's valuation methodologies from the prior year.

For purpose of this disclosure, the fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation. The carrying amounts for financial assets and liabilities such as cash and cash equivalents, accounts receivable - trade, contract assets, factoring reserve, other prepaid expenses and current assets, accounts payable – trade and other current liabilities, including contract liabilities, convertible notes, promissory notes, all approximate fair value due to their short-term nature as of February 28, 2025, and May 31, 2024. The carrying amount of the long-term debt approximates fair value because the interest rates on these instruments approximate the interest rate on debt with similar terms available to the Company. Lease liabilities approximate fair value based on the incremental borrowing rate used to discount future cash flows. The Company had Level 3 liabilities (See Derivative Liability note) as of February 28, 2025 and May 31, 2024. There were no transfers between levels during the reporting period.

Accounts Receivable

Accounts receivable from revenue transactions are based on invoiced prices which the Company expects to collect. In the normal course of business, the Company extends credit to customers that satisfy pre-defined credit criteria. The Company generally does not require collateral to support customer receivables. Accounts receivable, as shown on the consolidated balance sheets, is net of allowances when applicable. Management estimates that allowance for credit losses is based on ongoing review of existing economic conditions, the financial conditions of the customers, historical trends in credit losses, and the amount and age of past due accounts. The Company's trade accounts receivable present similar credit risk characteristics and the allowance for credit loss is estimated on a collective basis, using a credit loss-rate method that uses historical credit loss information and considers the current economic environment.

As of February 28, 2025, and May 31, 2024, the allowance for credit losses was approximately $0.8 million and $0.5 million respectively, and the bad debt expense was immaterial for each of the quarters ended February 28, 2025 and February 29, 2024.

	February 28, 2025	May 31, 2024
Allowance for credit losses:		
Beginning of period	$ 500,000	$ 1,703,978
Net provision for credit losses	504,329	-
Recoveries and write-offs	(248,324)	(1,203,978)
End of period	$ 756,005	$ 500,000

Concentrations

As of February 28, 2025 and May 31, 2024, one major customer (Customer A) represented approximately 11% and 5% of total accounts receivable, respectively.

Revenue from one major customer (Customer B) was 12% and 6% of total revenue for the nine months ended February 28, 2025 and February 29, 2024, respectively. One major customer (Customer C) was 9% and 12% of total revenue for the nine months ended February 28, 2025 and February 29, 2024, respectively.

Revenue from two major customers (Customers A and B) was 18% and 11% of total revenue, respectively, for the three months ended February 28, 2025. Revenue from two major customers (Customers B and C) was 10% and 16%, respectively, of total revenue for the three months ended February 29, 2024.

Goodwill and Intangible Assets

The Company accounts for business acquisitions in accordance with GAAP. Goodwill in such acquisitions is determined as the excess of fair value over amounts attributable to specific tangible and intangible assets. GAAP specifies criteria to be used in determining whether intangible assets acquired in a business combination must be recognized and reported separately from goodwill. Amounts assigned to goodwill and other identifiable intangible assets are based on independent appraisals or internal estimates.

In accordance with GAAP, the Company does not amortize goodwill or indefinite-lived intangible assets. Management evaluates the remaining useful life of an intangible asset that is not being amortized each reporting period to determine whether events and circumstances continue to support an indefinite useful life. If an intangible asset that is not being amortized is subsequently determined to have a finite useful life, it is amortized prospectively over its estimated remaining useful life. Amortizable intangible assets, including tradenames and non-compete agreements, are amortized on a straight-line basis over 3 to 10 years. Customer relationships are amortized on a straight-line basis over 12 to 15 years.

The Company tests goodwill for impairment annually as of May 31 or if an event occurs or circumstances change that indicate that the fair value of the entity, or the reporting unit, may be below its carrying amount.

On August 1, 2024, the Company closed the acquisition of all of the share capital owned by Unique Logistics Holdings Limited, a Hong Kong corporation ("ULHK"), in Unique Logistics International (Sin) Pte Ltd. ("Unique Singapore") and recorded additional goodwill and recognized additional intangible assets. Subsequently, goodwill was adjusted for the impact of deferred tax assets and accounted for as a measurement period adjustment as part of Unique Singapore acquisition and Unique Logistics International (Vietnam) Co., Ltd ("Unique Vietnam") deconsolidation.

On January 14, 2025, the Company and ULHK entered into an agreement to terminate the share sale and purchase between the Company and ULHK dated September 13, 2022, as amended (the "Unique Vietnam Purchase Agreement"), pursuant to which the Company agreed to purchase from ULHK interests representing 65% of the charter capital of Unique Vietnam, resulting in a removal of all Unique Vietnam's assets and liabilities from the consolidated financial statements effective November 30, 2024, and a removal of goodwill and acquisition related intangible assets from the Company's consolidated financial statements as follows:

The changes in Goodwill for the nine months ended February 28, 2025 were as follows:

Beginning balance June 1, 2024	$ 20,516,018
Acquisition of Unique Singapore	3,252,614
Disposition of Unique Vietnam	(274,895)
Measurement period adjustment	1,506,410
Ending balance February 28, 2025	$ 25,000,147

The changes in Intangible assets for the nine months ended February 28, 2025 were as follows:

Beginning balance June 1, 2024	$ 11,196,171
Acquisition of Unique Singapore	1,727,000
Disposition of Unique Vietnam	(354,557)
Ending balance February 28, 2025	12,457,814
Less: Accumulated amortization	(1,270,170)
Ending balance February 28, 2025, net of accumulated amortization	$ 11,298,444

Derivative Liability

Convertible Preferred Stock Series A, C and D feature anti-dilution provision that expires on a specified date. Management has determined the anti-dilution provision embedded in preferred stock Series A, C and D is required to be accounted for separately from the preferred stock as a derivative liability and recorded at fair value. Separation of the anti-dilution option as a derivative liability is required because its economic characteristics are considered more akin to an equity instrument and therefore the anti-dilution option is not considered to be clearly and closely related to the economic characteristics of the preferred stock.

The Company has identified and recorded derivative instruments arising from an anti-dilution provision. An embedded derivative liability is representing the rights of holders of Convertible Preferred Stock Series A, C and D to receive additional common stock of the Company upon issuance of any additional common stock by the Company prior to qualified financing event as defined in the agreement. Each reporting period, the embedded derivative liability, if material, would be adjusted to reflect fair value at each period end with changes in fair value recorded in the "Change in fair value of embedded derivative liability" financial statement line item of the company's statements of operations.

	Level 1	Level 2	Level 3
Derivative liabilities as of June 1, 2024	$ -	$ -	$ 5,669,000
Addition	-	-	-
Change in fair value	-	-	(4,651,013)
Derivative liabilities as of February 28, 2025	$ -	$ -	$ 1,017,987

The underlying value of the anti-dilution provision is calculated from estimating the probability and value of the provision assuming a near term financing event. For the period ended May 31, 2024, based on the assumption of how antidilutive shares of Convertible Preferred Series A, C and D would be exchanged in the near future for common stock, and the fact that the antidilution provision of these shares is effective through December 31, 2025, the assumptions included probability of the financing event, estimated value of common stock at the exchange point and estimated time to financing event.

The key inputs into the model were as follows:

	February 28, 2025	May 31, 2024
Risk-free interest rate	*	4.96%
Probability of capital raise (financing event)	*	30%
Probability of sale (financing event)	*	50%
Estimated value of common stock capital raise per share	*	$ 0.0067
Estimated value of common stock upon sale per share	*	$ 0.0079
Estimated time to financing event	*	1.75 years

*After the period ended February 28, 2025, as further discussed in the subsequent events note, on March 11, 2025, the Company entered into the Merger Agreement, which includes a sale agreement via a merger with a predetermined purchase price for the Company. Accordingly, antidilution provision was adjusted to reflect the fixed price allocated to this feature for the period ended February 28, 2025, resulting in a gain from the change in fair value. The balance of the liability was reclassified as current to reflect the short-term nature of the payout.

Income Taxes

Income taxes are accounted for under the asset and liability method of accounting. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributed to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, the tax effect of loss carry forwards and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is established when necessary to reduce deferred tax assets to amounts expected to be realized.

The Company uses a two-step approach to recognizing and measuring uncertain income tax positions (tax contingencies). The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not the position will be sustained on audit, including resolution of related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement. The Company considers many factors when evaluating its tax positions and estimating our tax benefits, which may require periodic adjustments, and that may not match the ultimate future outcome.

Segment Reporting

Based on the guidance provided by the Financial Accounting Standards Board's Accounting Standards Codification ("ASC") Topic 280, *Segment Reporting*, management has determined that the Company currently operates in one primary geographical segment, the United States of America, where most of its customers are located, and consists of a single reporting unit given the similarities in economic characteristics between its operations and the common nature of its products, services, and customers.

Comprehensive Income

Comprehensive income consists of net earnings and other gains and losses affecting equity that, under GAAP, are excluded from net earnings. For the Company, these consist of foreign currency translation gains and losses, net of related income tax effects and comprehensive income or loss attributable to the noncontrolling interests. Accumulated other comprehensive income or loss consisted entirely of foreign currency translation adjustments, net of related income tax effects for the periods ended February 28, 2025 and February 29, 2024.

Earnings per Share

The computations of basic and diluted earnings per share were as follows:

	For the Three Months Ended	
	February 28, 2025	February 29, 2024
Numerator:		
Net income (loss)	$ 5,194,068	$ (5,847,860)
Effect of dilutive securities:	-	-
Diluted net income (loss)	$ 5,194,068	$ (5,847,860)
Denominator:		
Weighted average common shares outstanding – basic	799,141,770	799,141,770
Dilutive securities:*		
Series A Preferred	1,168,177,320	-
Series B Preferred	5,373,342,576	-
Series C Preferred	1,206,351,359	-
Series D Preferred	1,130,954,399	-
		-
Weighted average common shares outstanding and assumed conversion – diluted	9,677,967,425	799,141,770
Net income (loss) per common share		
Basic	$ 0.01	$ (0.01)
Diluted	$ 0.00	$ (0.01)

	For the Nine Months Ended	
	February 28, 2025	February 29, 2024
Numerator:		
Net Income (Loss)	$ 748,361	$ (11,029,671)
Effect of dilutive securities:	-	-
Diluted net income (loss)	$ 748,361	$ (11,029,671)
Denominator:		
Weighted average common shares outstanding – basic	799,141,770	799,141,770
Dilutive securities*:		
Series A Preferred	1,168,177,320	-
Series B Preferred	5,373,342,576	-
Series C Preferred	1,206,351,359	-
Series D Preferred	1,130,954,399	-
Weighted average common shares outstanding and assumed conversion – diluted	9,677,967,425	799,141,770
Net income (loss) per common share		
Basic	$ 0.00	$ (0.01)
Diluted	$ 0.00	$ (0.01)

* Due to a net loss for the three and nine months ended February 29, 2024, only weighted average common shares are used in calculations. The Company's dilution of all outstanding securities would be as follows:

	February 29, 2024
Weighted average common shares outstanding – basic	799,141,770
Series A Preferred	1,168,177,320
Series B Preferred	5,373,342,576
Series C Preferred	1,206,351,359
Series D Preferred	1,130,954,399
Weighted average common shares outstanding and assumed conversion – diluted	9,677,967,425

Recent Accounting Pronouncements

Improvements to Reportable Segment Disclosures

In November 2023, the Financial Accounting Standards Board (FASB) issued an Accounting Standard Update (ASU) which makes improvements to reportable segment disclosures, by requiring, among other things, the disclosure in interim periods about a reportable segment's profit or loss and assets that are currently required annually, and disclosures of significant segment expenses and profit and loss measures provided to the chief operating decision maker. The ASU does not change how the Company identifies its operating segments and will have no impact its segment disclosures and no impact on its consolidated financial statements, cash flows and financial condition.

Improvements to Income Tax Disclosures

In December 2023, the FASB issued an ASU which expands income tax disclosures by requiring the disclosure, on an annual basis, of a tabular rate reconciliation using both percentages and currency amounts, broken out by nature and jurisdiction to the extent those items exceed a specified threshold. In addition, disclosure is required of income taxes paid, net of refunds received, disaggregated by federal, state/local, and foreign and by jurisdiction if the amount is at least 5% of total income tax payments, net of refunds received. This standard will become effective for the Company on June 1, 2025. The Company expects this ASU to only impact its disclosures with no impact on its consolidated financial statements, cash flows and financial condition.

2. ACQUISITIONS AND DIVESTURES

Acquisitions

On August 1, 2024, the Company closed the acquisition of all of the share capital owned by Unique Logistics Holdings Limited, a Hong Kong corporation ("ULHK"), in Unique Logistics International (Sin) Pte Ltd. ("Unique Singapore") pursuant to a Share Sale and Purchase Agreement, as amended, between the Company and ULHK.

The total consideration for the purchased shares was calculated at an estimated fair value of $2,169,652. The Company issued two promissory notes to ULHK, one on August 1, 2024, in the principal amount of $1,800,000 and one executed on October 21, 2024, in the amount of $350,000. The principal amount under these notes is due in full on August 1, 2026, with interest accruing at an annual rate of 15%, payable semi-annually. Both notes were recorded as notes payable at face value of $2,150,000, as agreed with ULHK upon this acquisition, which approximated fair value as of August 1, 2024.

Purchase Price Allocation

The Company obtained full control of Unique Singapore and consolidated this entity as of the acquisition date. GAAP requires an acquirer to recognize the assets acquired, the liabilities assumed, and any noncontrolling interest in the acquired entity at the acquisition date, measured at their fair values as of that date. The acquisition method of accounting requires extensive use of estimates and judgments to allocate the considerations transferred to the identifiable tangible and intangible assets acquired and liabilities assumed.

The following summarizes preliminary estimates of fair values of the assets acquired and liabilities assumed at the acquisition:

		At Fair Value
Assets Acquired:		
Current assets	$	4,288,925
Identifiable intangible assets		1,727,000
Fixed Assets and other non-current assets		4,911
Goodwill		3,252,614
Liabilities Assumed:		
Current liabilities		(7,103,798)
Purchase Price	$	2,169,652

The goodwill acquired is primarily attributable to the workforce retained of the acquired business and synergies expected to arise after the Company's acquisition of the above operating subsidiary. It is also anticipated that the goodwill will be deductible for tax purposes.

The Company paid approximately $0.3 million of closing costs for legal, accounting, and other professional fees that were expensed during the three- and nine month periods ended February 28, 2025.

Identifiable intangible assets and their amortization periods are estimated as follows:

		Cost Basis	Useful Life
Customer relationships	$	1,727,000	7 years

Expense for amortization of identifiable intangible assets related to this acquisition for the three and nine months ended February 28, 2025 was $61,679 and $143,917 respectively. The future amortization schedule is as follows:

For the Twelve Months Ending February 28		
2025	$	123,357
2026		246,714
2027		246,714
2028		246,714
2029		246,714
Thereafter		472,869
Total	$	1,583,083

Pro Forma Information (Unaudited)

The Company is reporting the results of operations of its subsidiaries on a one-month lag basis.

The results of operations of Unique Singapore from May 1, 2024 through July 31, 2024 have not been included in the Company's condensed consolidated financial statements because the Company only acquired this entity on August 1, 2024. The results of Unique Singapore are included in the results of operations from the date of acquisition, which is August 1, 2024 on a one-month lag basis, which would be the second fiscal quarter for the Company.

The following unaudited pro forma financial information represents a summary of the consolidated results of operations of the Company for the three months ended February 29, 2024, assuming the acquisition had been completed as of April 30, 2023, first day of the period for consolidating subsidiaries on a one-month lag basis. The proforma adjustments include the elimination of intercompany revenue and expense transactions.

		Three Months Ended February 29, 2024
Revenue, net	$	68,144,864
Net loss attributable to registrant		(6,062,775)
Weighted average shares of common stock outstanding, basic and diluted		799,141,770
Net loss per share, basic and diluted	$	(0.01)

The following unaudited pro forma financial information represents a summary of the consolidated results of operations of the Company for the nine months ended February 28, 2025 and February 29, 2024, assuming the acquisition had been completed as of April 30, 2023, first day of the period for consolidating subsidiaries on a one-month lag basis. The proforma adjustments include the elimination of intercompany revenue and expense transactions.

		Nine Months Ended February 28, 2025		Nine Months Ended February 29, 2024
Revenue, net	$	317,424,549	$	192,915,399
Net income (loss) attributable to registrant		1,397,374		(12,958,491)
Weighted average shares of common stock outstanding, basic and diluted		9,677,967,425		799,141,770
Net income (loss) per share, basic and diluted	$	0.00	$	(0.01)

The pro forma financial information is not necessarily indicative of the results of operations that would have been achieved if the acquisitions had been effective as of these dates, or of future results.

Divestitures

Per the termination agreement dated as of January 14, 2025 and effective as of November 30, 2024, by and between the Company and ULHK, the parties agreed to terminate the share sale and purchase agreement between the Company and ULHK dated September 13, 2022, as amended (the "Unique Vietnam Purchase Agreement"), pursuant to which the Company agreed to purchase from ULHK interests representing 65% of the charter capital of Unique Logistics International (Vietnam) Co., Ltd. ("Unique Vietnam"). Under the terms of the termination agreement the original $1,000,000 promissory note and $694,010 accrued contingency that the Company issued to ULHK was cancelled and the Company recorded a liability in the amount of $650,000 to ULHK as part of the settlement. In connection with the termination of the Unique Vietnam Purchase Agreement and deconsolidation of Unique Vietnam as of November 30, 2024, the Company recognized a $0.4 million pre-tax gain on business disposal in the condensed consolidated statements of operations for the nine months ended February 28, 2025. The Company evaluated this transaction under discontinued operations guidance and concluded that even though Unique Vietnam operations and cash flows can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity, strategic shift test was not met, therefore this divestiture was deemed to be immaterial and as such reported in continuing operations. Since all periods presented include the activity of the disposed subsidiary pro forma schedules are not required.

3. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consisted of the following on February 28, 2025 and May 31, 2024:

		February 28, 2025		May 31, 2024
Accrued professional fees	$	447,767	$	2,744,066
Accrued salaries and related expenses		906,702		1,620,083
Accrued interest		1,889,074		800,850
Accrued refunds		377,149		529,757
Accrued sales and marketing expense		522,957		187,915
Accrued income tax		65,113		106,213
Other accrued expenses and current liabilities		759,217		482,951
	$	4,967,979	$	6,471,835

4. FINANCING ARRANGEMENTS

Financing arrangements on the condensed consolidated balance sheets consists of:

	February 28, 2025	May 31, 2024
Revolving credit facility	$ 19,993,456	$ 13,125,031
Notes payable (current and noncurrent)	10,934,210	12,000,000
	30,927,666	25,125,031
Less: current portion	21,405,509	14,397,196
	$ 9,522,157	$ 10,727,835

Revolving Credit Facility

The TBK Facility provides for the Company to have access to the lesser of (i) $25.0 million and (ii) the Formula Amount (as defined in the loan and security agreement dated July 20, 2023 with respect thereto the “TBK Agreement”)). The TBK Agreement is for an initial term of 24 months and may be extended or renewed, unless terminated in accordance with its terms, is currently scheduled to mature on June 1, 2025, and carries an interest rate based on Wall Street Journal Prime Rate plus 2.75%.

On September 12, 2024, the Company entered into an amendment to the security and loan agreement for a temporary increase in the available credit limit from $25.0 million to $30.0 million through March 12, 2025. All other terms of the TBK Agreement remain the same.

The Company is subject to certain financial covenants as part of the TBK Agreement. As of February 28, 2025 the Company was in violation of the specified fixed coverage ratio financial covenant. On April 1, 2025, the Company entered into a waiver to the TBK Agreement with TBK Bank whereby TBK Bank agreed to waive the fixed coverage ratio event of default for the quarter ended February 28, 2025.

On March 31, 2025, the Company and TBK terminated TBK Agreement and replaced it with the Factoring Agreement with a maximum advance amount of $30.0 million based on eligible accounts receivable. The Company paid in full $19.7 million loan balance on March 31, 2025, releasing the Company from any future obligations under the TBK Agreement. No gain or loss on this transaction was recognized.

Notes Payable

On March 10, 2023, the Company entered into a financing agreement (the “Financing Agreement”) and related fee letter as a borrower with certain of its subsidiaries party thereto as guarantors (collectively with the Company, the “Borrowers”), the lenders party thereto (collectively, the “Lenders”), CB Agent Services LLC, as origination agent, and Alter Domus (US) LLC, as collateral agent and administrative agent (together with CB Agents, the “Agents”) (collectively, the “Parties”). The Financing Agreement provides for an initial senior secured term loan in a principal amount of $4,210,526 and a delayed draft term loan in an aggregate principal amount of up to $14,789,474. On June 30, 2023, the Company borrowed on the delayed draft term loan amount of $5,263,158.

Including a waiver fee in the amount of $3.0 million (See Note 6) the total of notes payable to the Lenders was $10.9 million as of February 28, 2025 and $9.0 million as of February 29, 2024. These notes, including accrued interest, are due and payable on March 10, 2026.

The Company is subject to certain financial covenants as part of the Financing Agreement. As of February 28, 2025 the Company was in violation of the EBITDA leverage ratio financial covenant set forth in Section 7.03(c) of the Financing Agreement. On March 28, 2025, the Company entered into a waiver agreement with the Agents whereby the Agents waived the requirements of, among other requirements, Section 7.03(c) of the Financing Agreement for the quarter ended February 28, 2025.

5. RELATED PARTY TRANSACTIONS

The Company has the following notes payable to related parties:

	February 28, 2025	May 31, 2024
Due to FTS [1]	$ 500,000	$ 500,000
Due to ULHK[2]	11,753,000	10,647,010
	12,253,000	11,147,010
Less: current portion	(12,253,000)	-
	$ -	$ 11,147,010

(1) Promissory note dated February 21, 2023, in connection with the acquisitions completed in the principal amount of $500,000 for the remaining 35% share capital of Unique Logistics International (India) Private Ltd. acquired by the Company from Frangipani Trade Services ("FTS") maturing December 31, 2025, and bearing no interest. FTS is owned by the Company's CEO.

(2) This debt relates to a series of acquisitions by the Company of the share capital in nine entities previously owned by ULHK. On October 7, 2024, the Company and ULHK amended all the notes outstanding to extend the maturity dates on each of these promissory notes to December 31, 2025.

Transactions listed below are between the Company and ULHK and its operating subsidiaries. These are considered related party transactions due to ULHK being an entity with a more than 10% investment in the Company.

Accounts Receivable and Payable

Transactions with related parties account for $0.5 million and $3.0 million, respectively, of accounts receivable and accounts payable as of February 28, 2025, compared to $1.2 million and $5.2 million, respectively, of accounts receivable and accounts payable as of May 31, 2024.

Revenue and Expenses

Revenue from related party transactions is for export services from related parties or for delivery at place imports nominated by such related parties. For the three months ended February 28, 2025, and February 29, 2024, these transactions represented $0.5 million and $0.2 million, respectively. For the nine months ended February 28, 2025, and February 29, 2024, these transactions represented $1.4 million and $0.8 million, respectively.

Direct costs are services billed to the Company by related parties for shipping activities. For the three months ended February 28, 2025 and February 29, 2024, these transactions represented approximately $5.1 million and $2.4 million, respectively. For the nine months ended February 28, 2025, and February 29, 2024, these transactions represented $15.5 million and 4.9 million, respectively.

6. OTHER LONG-TERM LIABILITIES

Merger Termination

On December 18, 2022, the Company entered into an Agreement and Plan of Merger by and among Edify Acquisition Corp., a Delaware corporation ("Buyer"), Edify Merger Sub, Inc., a Nevada corporation ("Merger Sub"), and the Company, as amended and supplemented (the "Edify Merger Agreement"). On March 1, 2024, the Company, Buyer and Merger Sub entered into a mutual termination agreement, pursuant to which they mutually agreed to terminate the Edify Merger Agreement effective as of such date.

As a result of terminating the Edify Merger Agreement, besides the merger termination costs of approximately $10.4 million initially and adjusted to $9.9 million for the year ended May 31, 2024, the Company also recognized an impairment charge for the previously deferred uplist costs in the amount of $3.1 million as reflected on the statement of operations for the year ended May 31, 2024.

Amendment to the financing agreement and a waiver

As previously disclosed, on March 10, 2023, the Company entered into the Financing Agreement as borrower with certain of its subsidiaries party thereto as guarantors, the Lenders, and the Agents, for an initial senior secured term loan in a principal amount of $4,210,526 and a delayed draft term loan in an aggregate principal amount of up to $14,789,474.

Effective March 1, 2024, the Parties entered into a waiver and amendment no. 2 to the Financing Agreement (the "Second Waiver"), whereby the Agents and the Lenders agreed to waive: (i) (a) that certain Event of Default (as defined in Section 9.01 of the Financing Agreement) that has occurred or may occur due to the Borrowers' noncompliance with Section 7.03(a) of the Financing Agreement for each of the fiscal quarters in the fiscal year ending May 31, 2024 and for the fiscal quarter ending August 31, 2024 (the "FCCR Event of Default"), (b) that certain Event of Default that has occurred or may occur due to the Borrowers' noncompliance with Section 7.03(b) of the Financing Agreement for each of the fiscal quarters in the fiscal year ending May 31, 2024 and for the fiscal quarter ending August 31, 2024 (the "Liquidity Event of Default") and (c) that certain Event of Default that has occurred or may occur due to the Borrowers' noncompliance with Section 7.03(c) of the Financing Agreement for each of the fiscal quarters in the fiscal year ending May 31, 2024 and for the fiscal quarter ending August 31, 2024 (together with the FCCR Event of Default and the Liquidity Event of Default, the "Specified Events of Default"); and (ii) interest at the post-default rate with respect to the Specified Events of Default from the date such event occurred through the Second Waiver effective date. As noted above, the Company is still non-compliant with Section 7.03(c) of the Financing Agreement in the second quarter ended February 28, 2025, as discussed in Note 4.

In addition, pursuant to the Second Waiver, the Borrowers agreed to (i) pay the administrative agent a non-refundable Waiver Fee in an aggregate amount of $3,000,000, which was deemed fully earned on the effective date of the Second Waiver, and (ii) issue the origination agent or its designee warrants, in form and substance satisfactory to the origination agent, entitling the holder thereof to purchase a number of shares of the Company's common stock equal to the greater of (a) 7% of enterprise value as calculated in a manner to be mutually agreed and acceptable to the origination agent and the Company on a fully diluted basis and (b) $7,000,000, on terms, conditions and in a form reasonably acceptable to origination agent, and having an exercise price of $0.01 per share.

The anti-dilution provisions applicable to the warrants shall at no time be less favorable to the holder thereof than those accorded by the parent to any other person on or after the effective date. The warrants shall be exercisable for a period of 7.5 years unless otherwise agreed within the warrant agreement, which is currently being drafted. This contract did not meet qualification requirements to be classified as equity because there is no explicit limit on the number of shares to be delivered in a share settlement. Accordingly, the warrants were classified as a liability as the issuer is obligated to settle the warrant by issuing a variable number of shares and the monetary value of the obligation based on a predetermined fixed amount, variation in something other than the issuers stock price, in this case the amount is the enterprise value of the Company at the time of the future financing event.

As the warrants were not yet issued on the balance sheet date, these expected warrants were recorded as other long-term liability with an estimated fair market value of $6,879,823 as of May 31, 2024. Due to the unique nature of these warrants, which the Company anticipates will have an effective date of May 31, 2025, a Monte Carlo simulation was necessary in order to properly perform the valuation. Monte Carlo simulation analysis is mathematically similar to that used in a Black-Scholes option pricing model. However, in a Monte Carlo simulation, a computer is used to generate random price movements, which are constrained by the expected volatility of the underlying security. Where each step in a binomial model contains two possible outcomes, each step in a Monte Carlo simulation contains an unlimited number of potential outcomes. For the fair value of the warrants to be issued, a simulation using a risk neutral drift factor, the risk-free rate, was used.

The key inputs into the model were as follows:

	February 28, 2025	May 31, 2024
Risk-free interest rate	**	4.5%
Discount rate	**	6.0%
Probability of financing event next 2 years	**	85.0%
Probability of financing event years 2 through 7.5	**	90.0%
Term	**	7.3 years

** On March 11, 2025, the Company entered into the Merger Agreement, as further described in the subsequent events note, and as a result, the redemption price of the warrants was specifically negotiated to include fixed and variable components, and the fair value of these was estimated at $4.8 million as of February 28, 2025 and the fair value of the warrants was reclassified to current liabilities on the Company's consolidated balance sheet.

The Company has identified and previously recorded these expected warrants (prior to issuance) due to the contractual nature of this liability as a long-term liability and as noted above as a current liability as of February 29, 2025. Once issued, these warrants will be reclassified into derivative liability as representing the rights of holders of these warrants to receive certain shares of common stock upon qualified financing event. Accordingly, the Company is treating this long-term liability as derivative liability and adjusting it to reflect fair value at each period end with changes in fair value recorded in the "Change in fair value of derivative liabilities" financial statement line item of the Company's statements of operations. As of February 28, 2025, the warrants were recorded as current liability on the condensed consolidated balance sheet due to the imminent nature of the payout.

	Level 1	Level 2	Level 3
Other long-term liabilities as June 1, 2024	$ -	$ -	$ 6,879,823
Addition	-	-	-
Change in fair value of derivative liabilities			(2,067,323)
Current liabilities as February 28, 2025	$ -	$ -	$ 4,812,500

7. STOCKHOLDERS' EQUITY

Common Stock

The Company is authorized to issue 800,000,000 shares of common stock, par value of $0.001 per share.

Preferred Shares

The Company is authorized to issue 5,000,000 shares of preferred stock, $0.001 par value per share.

Series A Convertible Preferred

The shares of the Company's Series A Preferred Stock contain an anti-dilution provision that provides for an adjustment necessary to maintain the stockholders' fully diluted ownership percentage as of the date of issuance of the shares of Series A Preferred Stock.

Subject to the rights of holders of shares of the Company's Series B Preferred Stock, which shares rank pari passu with shares of the Company's Series A Preferred Stock in terms of liquidation preference, in the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary, the stockholders of record of shares of the Company's Series A Preferred Stock shall be entitled to receive, at their option, immediately prior and in preference to any distribution to the holders of the Company's common stock and other junior securities, a liquidation preference equal to their stated value per share.

Series B Convertible Preferred

Subject to the rights of holders of shares of the Company's Series A Preferred Stock, which shares rank pari passu with shares of the Company's Series B Preferred Stock in terms of liquidation preference, in the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary, the stockholders of record of shares of Series B Preferred Stock shall be entitled to receive, at their option, immediately prior and in preference to any distribution to the holders of the Company's common stock and other junior securities, a liquidation preference equal to their stated value per share.

Series C & D Convertible Preferred

The holders of the Company's Series C and Series D Preferred Stock shall be entitled to receive, upon liquidation, dissolution or winding up of the Company, the amount of cash, securities, or other property to which such holder would be entitled to receive with respect to such shares of Preferred Stock if such shares had been converted to shares of common stock immediately prior to such liquidation, dissolution or winding up.

8. COMMITMENTS AND CONTINGENCIES

Litigation

From time to time, the Company may become involved in litigation relating to claims arising in the ordinary course of the business. There are no claims or actions pending or threatened against the Company that, if adversely determined, would in the Company's management's judgment have a material adverse effect on the Company.

Leases

The Company leases office space, warehouse facilities and equipment under non-cancellable lease agreements expiring on various dates through October 2028. Office leases contain provisions for future rent increases. The Company adopted ASC 842 from inception, requiring the Company to recognize an asset and liability on the consolidated balance sheets for lease arrangements with terms longer than 12 months. The Company has elected the practical expedient to not apply the recognition requirement to leases with a term of less than one year (short term leases). The Company uses its incremental borrowing rate to discount lease payments to present value. The incremental borrowing rate is based on the estimated interest rate the Company could obtain for borrowing over a similar term of the lease at commencement date. Rental escalations, renewal options and termination options, when applicable, have been factored into the Company's determination of lease payments when appropriate. The Company does not separate lease and non-lease components of contracts. Variable payments related to pass-through costs for maintenance, taxes and insurance or adjustments based on an index such as Consumer Price Index are not included in the measurement of the lease liability or asset and are expensed as incurred.

Supplemental balance sheet information related to leases was as follows:

	February 28, 2025	May 31, 2024
Operating leases:		
Operating lease ROU assets, net	$ 7,623,418	$ 9,019,914
Current operating lease liabilities	2,505,542	2,588,817
Noncurrent operating lease liabilities	5,583,880	6,902,171
Total operating lease liabilities	$ 8,089,422	$ 9,490,988

The components of lease expense were as follows:

	For the Three Months Ended February 28, 2025	For the Three Months Ended February 29, 2024
Operating lease cost – Right of Use Asset Amortization	$ 675,187	$ 734,957
Interest on lease liabilities	173,721	209,561
Total net lease cost	$ 848,908	$ 944,518

	For the Nine Months Ended February 28, 2025	For the Nine Months Ended February 29, 2024
Operating lease cost – Right of Use Asset Amortization	$ 2,052,987	$ 2,144,717
Interest on lease liabilities	542,815	650,419
Total net lease cost	$ 2,595,802	$ 2,795,136

Supplemental cash flow and other information related to leases were as follows:

	For Nine Months Ended February 28, 2025	For Nine Months Ended February 29, 2024
ROU assets obtained in exchange for lease liabilities:		
Operating leases	$ 656,491	$ 1,270,702
Cash paid for amounts included in the measurement of lease liabilities:		
Operating leases	$ 1,401,566	$ 720,386
Weighted average remaining lease term (in years):		
Operating leases	2.86	3.68
Weighted average discount rate:		
Operating leases	7.89%	8.96%

Future Minimum Payments for the Twelve Months Ended February 28 were as follows:

	February 28, 2025
2025	$ 3,252,339
2026	3,078,884
2027	2,466,272
2028	324,141
2029	11,757
Thereafter	
Total lease payments	9,133,393
Less: imputed interest	1,043,971
Total lease obligations	$ 8,089,422

9. INCOME TAX PROVISION

The breakout of foreign and domestic pretax income (loss) is as follows:

	For the Three Months Ended February 28, 2025	For the Three Months Ended February 29, 2024
Domestic	$ 4,197,309	$ (12,027,981)
Foreign	973,223	911,328
Pretax income (loss)	$ 5,170,532	$ (11,116,653)

	For the Nine Months Ended February 28, 2025	For the Nine Months Ended February 29, 2024
Domestic	$ 3,447,803	$ (17,695,504)
Foreign	1,162,146	878,409
Pretax income (loss)	$ 4,609,949	$ (16,817,095)

The quarterly tax provision is determined using an estimated annual effective tax rate, adjusted for discrete items arising in the applicable quarter. The Company recorded a provision for income tax expense of $3.9 million, reflecting an effective tax rate of 83.8%, and $5.8 million of income tax benefit, with an effective tax rate of 34.4%, for the nine months ended February 28, 2025, and February 29, 2024, respectively. The effective rate differed from the U.S. federal statutory rate primarily due to the recognition of a valuation allowance during the period ended February 28, 2025 and income tax expense as the Company has determined that it is not more likely than not to recognize a portion of its federal, foreign and state deferred tax assets. For the nine-months ended February 29, 2024, our effective tax rate differed from the U.S. federal statutory rate primarily due to the section 245A Deduction on distributions from foreign subsidiaries and equity investments.

For the three months ended February 28, 2025 the Company recorded $0.02 million income tax benefit with an effective tax rate of 0.5%, compared to a tax benefit of $5.3 million and an effective rate of 47.4% for three months ended February 29, 2024. For the three months ended February 29, 2024, our effective tax rate differed from the U.S. federal statutory rate primarily as a result of foreign tax adjustments as described in the above paragraph.

The Company has filed its income tax returns in the U.S. federal jurisdiction, various state jurisdictions, and various international jurisdictions. Tax years 2020 and forward generally remain open for examination for federal and state tax purposes. Tax years 2017 and forward generally remain open for examination for foreign tax purposes. To the extent utilized in future years' tax returns, net operating losses as of May 31, 2024 and 2023 will remain subject to examination until the respective tax year is closed. In connection with the termination of the Unique Vietnam acquisition (discussed in Note 2), the Company is no longer legally responsible for the related uncertain tax positions of Unique Vietnam. Such amounts have been removed from the balance sheet and any impacts recorded as part of the gain on the termination and not a component of income tax expense.

10. SUBSEQUENT EVENTS

Material Definitive Agreement

On March 11, 2025, Unique Logistics International, Inc. entered into the Merger Agreement, pursuant to which Unique Merger Co. will merge with and into the Company, with the Company surviving such merger as a wholly-owned subsidiary of DP World. The Company is working towards closing of such merger.

Line of Credit

On March 31, 2025, the Company and TBK Bank agreed to terminate the TBK Agreement and to replace it with a factoring facility through TBK Bank affiliate Triumph Financial Services, LLC (the "Factor"), both of which are wholly owned subsidiaries of Triumph Financial Inc. Under this agreement, the Company is factoring specific accounts receivable to the Factor. On March 31, 2025, the Company factored approximately $19.7 million of accounts receivable and paid off its liability of equal amount under the TBK Facility. The factoring is treated as a sale in accordance with FASB ASC 860, Transfers and Servicing, and is accounted for as an off-balance sheet arrangement. The Company will act as the agent on behalf of the Factor for the arrangements and has no significant retained interests or servicing liabilities related to the accounts receivable sold. The Factoring Agreement provides the Factor with security interests in purchased accounts until the accounts have been repurchased by the Company or paid by the customer. The maximum advance limit was set at $30.0 million.

On April 1, 2025, the Company and TBK Bank entered into a waiver to the TBK Agreement whereby TBK Bank agreed to waive a specified event of default as of February 28, 2025. All other terms and conditions of the original TBK Agreement remained the same until March 31, 2025.

Term Debt

On March 28, 2025, the Company entered into a waiver agreement with the Agents whereby the Agents waived the requirements of, among other requirements, Section 7.03(c) of the Financing Agreement for the quarter ended February 28, 2025.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q includes a number of 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, (the "Exchange Act") that reflect management's current views with respect to future events and financial performance. These statements are based upon beliefs of, and information currently available to, the Company's management as well as estimates and assumptions made by the Company's management. Readers are cautioned not to place undue reliance on these forward-looking statements, which are only predictions and speak only as of the date hereof. When used herein, the words "anticipate," "believe," "estimate," "expect," "forecast," "future," "intend," "plan," "predict," "project," "target," "potential," "will," "would," "could," "should," "continue" or the negative of these terms and similar expressions as they relate to the Company or the Company's management identify forward-looking statements.

Our financial statements are prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). These accounting principles require us to make certain estimates, judgements and assumptions. We believe that the estimates, judgements and assumptions upon which we rely are reasonable based upon information available to us at the time that these estimates, judgements and assumptions are made. These estimates, judgements and assumptions can affect the reported amounts of assets and liabilities as of the date of the condensed consolidated financial statements as well as the reported amounts of revenues and expenses during the periods presented. Our condensed consolidated financial statements would be affected to the extent there are material differences between these estimates and actual results. The following discussion should be read in conjunction with our condensed consolidated financial statements and notes thereto appearing elsewhere in this report.

The forward-looking statements made in this report are based only on events or information as of the date on which the statements are made in this report. Such statements reflect the current view of the Company with respect to future events and are subject to risks, uncertainties, assumptions, and other factors, including the risks relating to the Company's business, industry, and the Company's operations and results of operations. Should one or more of these risks or uncertainties materialize, or should the underlying assumptions prove incorrect, actual results may differ significantly from those anticipated, believed, estimated, expected, intended, or planned. You should read this report and the documents we refer to in this report and have filed as exhibits to this report completely and with the understanding that our actual future results may be materially different from what we expect. These risks include, by way of example and without limitation:

● *The Company provides services to customers engaged in international commerce. Everything that affects international trade has the potential to expand or contract our primary market and adversely impact our operating results*

● *We depend on operators of aircrafts, ships, trucks, ports and airports*

● *We derive a significant portion of our total revenues and net revenues from our largest customers*

● *Due to our dependence on a limited number of customers, we are subject to a concentration of credit risk*

● *Our earnings may be affected by seasonal changes in the transportation industry*

● *Our business is affected by ever increasing regulations from a number of sources in the United States and in foreign locations in which we operate*

● *As a corporation transacting business in multiple countries, we are subject to formal or informal investigations from government authorities or others in the countries in which we do business*

● *The global economy and capital and credit markets continue to experience uncertainty and volatility*

● *Our business is subject to significant seasonal fluctuations driven by market demands and each quarter is affected by seasonal trends*

● *Our revenue and direct costs are subject to significant fluctuations depending on supply and demand for freight capacity*

● *Rising international political tensions, including changes in U.S. and European international trade policies and other cross-border investment regulations, particularly with regard to China, may adversely impact our business and operating results.*

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, or performance. Readers are urged to carefully review and consider the various disclosures made by us in this report and in our other reports filed with the Securities and Exchange Commission ("SEC"). We undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes in the future operating results over time except as required by law. We believe that our assumptions are based upon reasonable data derived from and known about our business and operations. No assurances are made that our actual results of operations or the results of our future activities will not differ materially from our assumptions.

Business Overview and Recent Developments

The Company is a global logistics and freight forwarding company.

Unique Logistics provides a range of international logistics services that enable its customers to outsource to the Company sections of their supply chain process. Our global network of trained employees and integrated information systems seamlessly manage the services that we provide. 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.

Our range of services can be categorized as follows:

- Air freight services
- Ocean freight services
- Customs brokerage and compliance services
- Warehousing and distribution services
- Order management

Industry Trends, Trade Conditions and Competition

We specialize in shipping by air and sea from Asia to the United States. Our business is thus intricately linked to the economic, political and other market factors that impact trade and shipping in this sector. Geopolitical factors have resulted in United States' importers moving production from China to other countries in the region. This trend poses challenges to ensure that we meet the changing logistics requirements of our customers and secure the capacity necessary by air or sea to successfully ship products for our customers from other parts of Asia.

The disruption of shipping through the Suez Canal due to continuing attacks on vessels in the Red Sea has had a significant impact on shipping logistics as a number of shipping companies have diverted their ships around the Cape of Good Hope instead of traveling through the Canal, increasing shipping times and costs. This diluted the impact of increased capacity that was expected from the deployment of new vessels. The increased transit around southern Africa tied up vessel capacity and resulted in higher shipping costs and some conversion to air freight.

Increasing air shipping volumes and reduced airfreight capacity for commercial imports has increased airfreight costs. Delays in the delivery of new aircraft have restricted capacity growth. As new aircraft deliveries get back on track and ocean shipping capacity is possibly boosted by the resumption of Suez Canal sailing, there may be a downward movement in airfreight costs.

At the moment, the global shipping industry is navigating another wave of uncertainty as new tariffs reroute trade flows, raise concerns about rates volatility and stir uncertainty regarding transport demand.

Results of Operations for the Three Months Ended February 28, 2025 and February 29, 2024

Revenue

For the three months ended February 28, 2025 and February 29, 2024, Unique Logistics' revenue by product line was as follows:

	For the Three Months Ended February 28, 2025	For the Three Months Ended February 29, 2024	$ change	% change
Airfreight services	$ 50,979,522	$ 31,672,402	$ 19,307,120	61.0%
Ocean freight and ocean services	29,436,467	27,543,642	1,892,825	6.9%
Contract logistics	389,127	579,675	(190,548)	(32.9)%
Customs brokerage and other services	8,150,893	8,034,666	116,227	1.4%
Total revenues	$ 88,956,009	$ 67,830,385	$ 21,125,624	31.1%

The increase in total revenues for the three months ended February 28, 2025, compared to the three months ended February 29, 2024, is primarily due to increases in airfreight services revenue.

The increase in airfreight services revenue was due to increases of approximately 18.6% in spot market pricing, which was responsible for a 41.3% increase in airfreight services revenue, and approximately 35.8% in volume, which contributed to an increase of 58.7% in airfreight services revenue. The increase in pricing was mainly due to an increase in demand for airfreight services due to the continuing disruption of shipping through the Suez Canal, as discussed above, which has led to reduced airfreight space availability and price increases, while the increase in volume related to shifting demand from ocean to air as a result of geopolitical global turbulence, which has resulted in a greater disruption in ocean shipping routes than in air shipping routes.

An increase in ocean freight and ocean services revenue also contributed to the increase in total revenues. The increase in ocean freight and ocean services revenue was due to increases in pricing (that is, the rates that we charge customers), partially offset by a drop in volumes period-over period. An approximately 18.3% price increase for such services resulted in a 240.0% increase in ocean freight and ocean services revenue period-over period while an approximately 9.6% decrease in volume of such services resulted in a 140.0% decline in ocean freight and ocean services revenue.

Costs and Operating Expenses

For the three months ended February 28, 2025, and February 29, 2024, Unique Logistics' costs and operating expenses were as follows:

	For the Three Months ended February 28, 2025	For the Three Months ended February 29, 2024	$ change	% change
Costs and operating expenses:				
Airfreight services	$ 47,858,940	$ 29,076,358	$ 18,782,582	64.6%
Ocean freight and ocean services	24,951,920	23,999,410	952,510	4.0%
Contract logistics	258,739	126,523	132,216	104.5%
Customs brokerage and other services	7,107,885	6,346,786	761,099	12.0%
Salaries and related costs	6,563,018	5,529,773	1,033,245	18.7%
Professional fees	481,023	666,850	(185,827)	(27.9)%
Rent and occupancy	1,179,371	1,176,612	2,759	0.2%
Selling and promotion	582,140	609,751	(27,611)	(4.5)%
Depreciation and amortization	501,638	752,750	(251,112)	(33.4)%
Foreign exchange (gains) and losses	22,794	26,858	(4,064)	(15.1)%
Other expense	(631,036)	282,871	(913,907)	(323.0)%
Total costs and operating expenses	$ 88,876,432	$ 68,594,542	$ 20,281,890	29.6%

The 29.6% increase in total costs and operating expenses was primarily due to a 64.6% increase in the direct product costs of airfreight services during the three months ended February 28, 2025, compared to the three months ended February 29, 2024. The increase in direct product costs was primarily attributable to the increased purchase prices and additional volumes for the airfreight processed during the three months ended February 28, 2025, compared to the three months ended February 29, 2024, which correlates with the sales revenue increases in the airfreight category.

In addition, salaries and related costs increased period-over-period primarily due to severance payouts as the Company completed its global integration and reorganization related to 2023 and 2024 acquisitions. Professional fees decreased period-over-period because during the three months ended February 29, 2024, the Company was heavily relying on the outside legal advisors in connection with the merger contemplated by the Edify Merger Agreement. Depreciation and amortization during the three months ended February 29, 2024 included amortization of the right of use asset for foreign subsidiaries, which in the current year was reclassified to rental expense, resulting in a decrease in depreciation and amortization expense for the three months ended February 28, 2025 compared with the prior period. Other operating expenses include expenses related to bad debt provision changes, insurance expenses and IT costs and during the most recent period, these expenses were offset by miscellaneous income, primarily from foreign entities, and related to the administrative and technology fees collected from the affiliated companies and a reduction in certain loss provisions.

Other Income (Expenses)

During the quarter ended February 28, 2025, total other income was $4.7 million and consisted of a $6.6 million gain in fair value of derivative liabilities offset by $1.9 million of interest expense. The gain in derivative liabilities was primarily due to changes in estimates of warrants payable and antidilution derivative liabilities embedded in preferred shares and the amounts due were determined based on the allocation of the purchase price to these instruments pursuant to the Merger Agreement. These instruments would have been settled in common shares and the price of the common shares was specifically defined in the Merger Agreement. During the quarter ended February 29, 2024, total other expenses of $10.6 million consisted of $10.4 million in SPAC termination costs, $3.1 million in uplist termination costs and interest expense of $1.4 million, offset by an increase of $4.3 million in the fair value of derivative liabilities that were reported at fair value on the balance sheet date.

Results of Operations for the Nine Months Ended February 28, 2025 and February 29, 2024

Revenue

For the nine months ended February 28, 2025 and February 29, 2024, Unique Logistics' revenue by product line was as follows:

	For the Nine Months ended February 28, 2025	For the Nine Months ended February 29, 2024	$ change	% change
Airfreight services	$ 153,979,527	$ 87,102,162	$ 66,877,365	76.8%
Ocean freight and ocean services	132,261,130	74,933,392	57,327,738	76.5%
Contract logistics	2,196,061	1,892,954	303,107	16.0%
Customs brokerage and other services	27,944,245	28,612,414	(668,169)	(2.3)%
Total revenues	$ 316,380,963	$ 192,540,922	$ 123,840,041	64.3%

The increase in total revenues for the nine months ended February 28, 2025, compared to the nine months ended February 29, 2024, is due almost entirely to increases in airfreight and ocean freight and ocean services revenues.

The 76.8% increase in airfreight revenue was due to a 30.2% increase in volume, which contributed 39.4% of the increase in total revenues, and a 35.8% increase in pricing, which contributed 60.6% of the increase in total revenues. The increase in pricing was mainly due to an increase in demand for airfreight services due to the disruption of shipping through the Suez Canal and the resulting reductions in airfreight space availability and cost increases, as discussed above. The increase in volume mostly related to shifting demand from ocean to air as a result of geopolitical global turbulence, which has resulted in a greater disruption in ocean shipping routes than in air shipping routes and, to a lesser degree, higher demand from the existing customers.

The 76.5% increase in ocean freight and ocean services revenue was mostly due to an 82.5% increase in spot market pricing, which resulted in a 104.3% increase in such revenue. This increase was offset by an approximately 3.3% decrease in volume period-over-period due to demand shifting to airfreight shipping as a result of the geopolitical global pressures discussed above, which resulted in a 4.3% reduction in ocean freight and ocean services revenue.

Costs and Operating Expenses

For the nine months ended February 28, 2025 and February 29, 2024, Unique Logistics' costs and operating expenses were as follows:

	For the Nine Months ended February 28, 2025	For the Nine Months ended February 29, 2024	$ change	% change
Costs and operating expenses:				
Airfreight services	$ 144,738,588	$ 81,374,442	$ 63,364,146	77.9%
Ocean freight and ocean services	115,950,311	62,964,504	52,985,807	84.2%
Contract logistics	767,964	507,326	260,638	51.4%
Customs brokerage and other services	24,923,948	24,263,573	660,375	2.7%
Salaries and related costs	18,113,257	17,293,553	819,704	4.7%
Professional fees	1,955,697	2,299,312	(343,615)	(14.9)%
Rent and occupancy	3,740,183	3,382,602	357,581	10.6%
Selling and promotion	1,800,521	1,888,439	(87,918)	(4.7)%
Depreciation and amortization	1,507,931	2,203,093	(695,162)	(31.6)%
Foreign exchange transactions, net	70,103	(267,209)	337,312	(126.2)%
Gain on business disposal	(527,033)	-	(527,033)	100.0%
Other expense	1,257,511	948,402	309,109	32.6%
Total costs and operating expenses	$ 314,298,981	$ 196,858,037	$ 117,440,944	59.7%

The increase in total costs and operating expenses was primarily due to a 69.3% increase in the direct product costs combined (airfreight, ocean freight, custom brokerage and contract logistics costs) during the nine months ended February 28, 2025 compared to the nine months ended February 29, 2024. Total direct product cost was $286.4 million for the nine months ended February 28, 2025, compared to $169.1 million for the nine months ended February 29, 2024, an increase mostly related to an increase in spot market purchasing prices in both airfreight and ocean freight.

The decrease in professional fees period-over-period is related to a lesser reliance on outside legal services during the 2025 period, as discussed above. Reclassification during the 2025 period of right of use asset amortization by our foreign subsidiaries is the primary reason for the increase in rent expense and the decrease in depreciation and amortization expenses period-over period. The deconsolidation of Unique Vietnam effective November 30, 2024, led to a decrease in rent expense that offset part of the impact of the reclassification.

Other operating expenses include expenses related to bad debt provision changes, insurance expenses and IT costs. The increase in other operating expenses during the nine months ended February 28, 2025 compared to the nine months ended February 29, 2024, relate primarily to an increase in the Company's bad debt reserve and IT expenses associated with enhancements to EDI connections of new customers as part of onboarding.

Other Income (Expenses)

For the nine months ended February 28, 2025, total other income was $1.2 million and consisted of a $6.7 million increase in the fair value of derivative liabilities offset by $5.6 million of interest expense. For the nine months ended February 29, 2024, total other expenses of $13.2 million consisted of interest expense of $3.8 million, SPAC merger termination costs of $10.4 million and uplist termination costs of $3.8 million, offset by a $4.1 million increase in the fair value of derivative liabilities. The increase in interest expense period-over-period was due to higher debt balances during the nine months ended February 28, 2025, as borrowings under our line of credit with TBK Bank increased due to higher sales and payments made to the shipping lines. Interest expense also increased due to the Company's restructuring of promissory notes due to related parties during calendar year 2024, which resulted in the Company issuing new notes that accrue interest to replace previously-issued interest free notes.

Liquidity and Capital Resources

The Company's principal sources of cash are (i) cash generated from operations, (ii) borrowings available under its revolving line of credit (through March 31, 2025) or the new factoring agreement (beginning April 1, 2025), and (iii) proceeds from debt or equity issuances. As of February 28, 2025, the Company had cash and cash equivalents of approximately $4.2 million, negative working capital of $23.0 million, and $10.0 million available to draw under its operating line of credit with TBK Bank, SSB (the "TBK Facility") based on the amount of its accounts receivable on February 28, 2025. On September 12, 2024, the Company entered into an agreement with TBK Bank to temporarily increase the credit limit under the TBK Facility from $25.0 million to $30.0 million for a period of six months through March 12, 2025. Effective March 31, 2025, the Company and the TBK Bank terminated TBK Facility and entered into a new factoring agreement effective April 1, 2025, for a period of 90 days and with an option to extend for 12 more months with a maximum advance limit of $30.0 million (the "Factoring Agreement").

For the nine months ended February 28, 2025, the Company generated $3.5 million in operating income and used cash for its operations in the amount of $6.0 million, primarily due to the ramp up of accounts receivable and accounts payable due to an increase in sales compared to the nine months ended February 29, 2024. The negative working capital and cash used in operations are both indicators of substantial doubt about the Company's ability to continue as a going concern within one year after the date that the condensed consolidated financial statements appearing elsewhere in this report are issued.

The Company is continually evaluating its liquidity requirements considering its operating needs, growth initiatives and capital resources. Based on its assessment of the Company's projected cash flow, impact of the pending merger and expected business performance as of and subsequent to February 28, 2025, management believes that the Company's current cash and the ability to raise cash under the Factoring Agreement as well as the opportunity to pay off certain of its debt as part of the Merger Agreement would be sufficient to support its operations for at least the next 12 months from the issuance of this report. The Company's plan includes the items noted above as well as securing external financing, which may include raising debt or equity capital. These plans are not entirely within the Company's control including its ability to raise sufficient capital on favorable terms, if at all, and absent an infusion of sufficient capital there is substantial doubt about its ability to continue as a going concern for 12 months after the date the condensed consolidated financial statements for the three and nine months ended February 28, 2025 are issued.

As further discussed in subsequent events note to the financial statements, on March 11, 2025, the Company entered into an agreement and plan of merger (the "Merger Agreement") by and among the Company, DP World Logistics US Holdings, Inc. and Unique Merger Co., a Nevada corporation and wholly owned subsidiary of DP World Logistics US Holdings, pursuant to which Unique Merger Co. will merge with and into the Company, with the Company surviving such merger as a wholly-owned subsidiary of DP World Logistics US Holdings. There can be no assurance that the Company will be able to complete this merger or to raise the capital it needs to continue its operations on satisfactory terms or at all. If capital is not available to the Company when, and in the amounts, needed, the Company could be required to liquidate its assets, cease or curtail operations, which could materially harm its business, financial condition and results of operations, or seek protection under applicable bankruptcy laws or similar state proceedings.

Critical Accounting Estimates

We consider an accounting estimate to be critical if: (1) the accounting estimate requires us to make assumptions about matters that were highly uncertain at the time the accounting estimate was made, and (2) changes in the estimate that are reasonably likely to occur from period to period, or use of different estimates that we reasonably could have used in the current period, would have a material impact on our financial condition or results of operations.

Management has discussed the development and selection of these critical accounting estimates with our board of directors. In addition, there are other items within our financial statements that require estimation but are not deemed critical as defined above. Changes in estimates used in these and other items could have a material impact on our financial statements.

Our critical accounting estimates are discussed in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of our annual report on Form 10-K for the year ended May 31, 2024.

Adjusted EBITDA

We define adjusted EBITDA as earnings before interest, taxes, depreciation and amortization, transaction gains and losses, other income, merger and acquisition costs, impairment charges and certain other non-recurring 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 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 that it provides additional information with respect to the performance of our fundamental business activities. For this reason, we believe that adjusted EBITDA will also be useful to others, including our stockholders, as a valuable financial metric.

Adjusted EBITDA should not be considered as an alternative to 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 income taxes that can affect cash flows. We do not intend the presentation of this non-GAAP financial measure to be considered in isolation or as a substitute for results prepared in accordance with GAAP. This non-GAAP financial measure should be read only in conjunction with our condensed consolidated financial statements prepared in accordance with GAAP.

Following is the reconciliation of our consolidated net income to adjusted EBITDA for the three and nine months ended February 28, 2025 and February 29, 2024.

	For the three months Ended February 28, 2025	For the three months ended February 29, 2024
Net income (loss)	$ 5,194,068	$ (5,847,860)
Add back:		
Income tax expense (benefit)	(23,536)	(5,268,793)
Depreciation and amortization*	501,638	524,375
(Gain)/loss on foreign exchange	22,794	26,858
Change in fair value of derivative liabilities	(6,577,666)	(4,300,429)
Uplist deferred cost release	-	3,054,514
SPAC Merger termination cost	-	10,415,816
Interest expense	1,874,795	1,407,449
Adjusted EBITDA	$ 992,093	$ 11,930

	For the Nine Months Ended February 28, 2025	For the Nine Months Ended February 29, 2024
Net income (loss)	$ 748,361	$ (11,029,671)
Add Back:		
Income tax expense (benefit)	3,861,588	(5,787,424)
Depreciation and amortization*	1,507,931	1,548,468
(Gain)/loss on foreign exchange	70,103	(267,209)
Change in fair value of derivative liability	(6,718,336)	(4,118,566)
Uplist deferred cost release	-	3,054,514
SPAC Merger termination cost	-	10,415,816
Interest expense	5,559,560	3,823,822
Adjusted EBITDA	$ 5,029,207	$ (2,360,250)

* Previously reported balances were reclassified to conform with the current period presentation. Specifically, the nine months ended February 29, 2024 depreciation and amortization expense was reduced by $654,625_due to reclassification needed between right of use asset amortization (part of rent expense) and amortization of intangibles. The three months ended February 29, 2024 was also reduced by $228,375 compared to the previously reported amount.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a smaller reporting company, we are not required to provide the information required by this item.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

We maintain "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our principal executive officer to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, the Company recognized that disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable assurance of achieving the desired control objectives, and we are required to apply our judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures.

As of February 28, 2025, our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures. Our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our Chief Executive Officer and Chief Financial Officer have concluded, based upon the evaluation described above, that as of February 28, 2025, our disclosure controls and procedures were not effective and require remediation in order to be effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There have not been any changes in our internal control over financial reporting during the quarter ended February 28, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is not involved in any disputes and does not have any litigation matters pending that it believes could have a material adverse effect on its financial condition or results of operations. There is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the Company's executive officers or any of its subsidiaries, threatened against or affecting the Company, its common stock, any of its subsidiaries or of the Company's or the Company's subsidiaries' officers or directors in their capacities as such, in which an adverse decision could have a material adverse effect.

From time to time, however, we may become involved in various lawsuits and legal proceedings that arise in the ordinary course of our business. Litigation is subject to inherent uncertainties, and an adverse result in any such matters may arise from time to time that may harm our business.

ITEM 1A. RISK FACTORS

Our business, financial condition, results of operations, and cash flows may be impacted by a number of factors, many of which are beyond our control, including those set forth in our most recent Annual Report on Form 10-K and in our other filings with the SEC, the occurrence of any one of which could have a material adverse effect on our actual results. There have been no material changes to the Risk Factors previously disclosed in our Annual Report on Form 10-K and our other filings with the SEC.

Our business, financial condition, results of operations, and cash flows may be impacted by a number of factors, many of which are beyond our control, including those set forth in our most recent Annual Report on Form 10-K and in our other filings with the SEC, the occurrence of any one of which could have a material adverse effect on our actual results. Other than as set forth below, there have been no material changes to the Risk Factors previously disclosed in our Annual Report on Form 10-K and our other filings with the SEC.

Rising international political tensions, including changes in U.S. and European international trade policies and other cross-border investment regulations, particularly with regard to China, may adversely impact our business and operating results.

The U.S. government has made statements and taken certain actions that may lead to changes in U.S. and international trade policies towards China. It remains unclear what additional actions, if any, will be taken by the U.S. or other governments with respect to international trade agreements, the imposition of tariffs on goods imported into the United States, tax policy related to international commerce, or other trade matters.

We are closely monitoring potential changes in international trade policy and assessing the potential impact of these and other trade policy changes on our business operations and financial performance. In February and March 2025, the U.S. administration imposed an additional 20 percent duty on Chinese imports. Subsequently, authorities in China announced tariffs over selected U.S. products and regulatory investigation against U.S. companies in response to the tariff imposed by the U.S. Furthermore, on April 2, 2025, the U.S. administration announced that the United States would impose a 10% tariff on all countries, effective on April 5, 2025, and an individualized reciprocal higher tariff on countries with which the United States has the largest trade deficits, including a 34% additional reciprocal tariff on goods imported from China that brings the total tariff rate to 54%. On April 4, 2025, the Foreign Ministry of China announced that China would impose a retaliatory 34% tariff on goods imported from the United States starting on April 10, 2025. Any unfavorable government policies on international trade, such as capital controls or tariffs, may affect the demand for our products and services, impact on the competitive position of our products or prevent us from selling products in certain countries. If any new tariffs, legislation and/or regulations are implemented, or if existing trade agreements are renegotiated or, in particular, if the U.S. government takes retaliatory trade actions due to the recent U.S.-China trade tension, such changes could have an adverse effect on our business, financial condition and results of operations.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

There were no unregistered sales or purchases by the Company of the Company's equity securities during the quarter ended February 28, 2025.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference		Filed or Furnished	
		Form	Exhibit	Filing Date	Herewith
3.1	Certificate of Amendment of Certificate of Designations, Preferences and Rights of Series A Convertible Preferred Stock of Unique Logistics International, Inc., filed with the Nevada Secretary of State on January 2, 2025.	8-K	3.1	01/03/25	
3.2	Certificate of Amendment of Certificate of Designations, Preferences and Rights of Series C Convertible Preferred Stock of Unique Logistics International, Inc., filed with the Nevada Secretary of State on January 2, 2025.	8-K	3.2	01/03/25	
3.3	Certificate of Amendment of Certificate of Designations, Preferences and Rights of Series D Convertible Preferred Stock of Unique Logistics International, Inc., filed with the Nevada Secretary of State on December 31, 2024.	8-K	3.2	01/03/25	
10.1	Mutual Termination of the Share Sale and Purchase Agreement dated January 14, 2025, by and between Unique Logistics Holdings Limited and Unique Logistics International, Inc.				X
31.1	Rule 13a-14(a) / 15d-14(a) Certification of Chief Executive Officer.				X
31.2	Rule 13a-14(a) / 15d-14(a) Certification of Chief Financial Officer.				X
32.1	Section 1350 Certification of Chief Executive Officer.				X
32.2	Section 1350 Certification of Chief Financial Officer.				X
101.INS	Inline XBRL Instance Document				X
101.SCH	Inline XBRL Taxonomy Extension Schema Document				X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document				X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document				X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document				X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document				X
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)				X

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

UNIQUE LOGISTICS INTERNATIONAL, INC.

By: */s/ Sunandan Ray*
Sunandan Ray
Chief Executive Officer (Principal Executive Officer)

April 25, 2025

By: */s/ Eli Kay*
Eli Kay
Chief Financial Officer (Principal Financial Officer)

April 25, 2025

Exhibit 10.1

MUTUAL TERMINATION
OF
SHARE SALE AND PURCHASE AGREEMENT

THIS MUTUAL TERMINATION OF THE SHARE SALE AND PURCHASE AGREEMENT (this "**Agreement**"), dated January 14, 2025, and reflecting the agreement reached between the parties hereto as of November 30, 2024 (the "**Effective Date**"), is by and between Unique Logistics Holdings Limited, a Hong Kong corporation ("**ULHL**") and Unique Logistics International, Inc., a Nevada corporation (the "**UNQL**"). Capitalized terms used herein but not otherwise defined shall have the respective meanings attributed thereto in the Purchase Agreement (defined below).

WHEREAS, ULHL and UNQL are parties to that certain Share Sale and Purchase Agreement, dated September 13, 2022, as amended (the "**Purchase Agreement**"), pursuant to which UNQL agreed to purchase from ULHL, and ULHL agreed to sell to UNQL, certain interests owned by ULHL, representing 65% of the charter capital, of Unique Logistics International (Vietnam) Co. Ltd, a company established and operating under the ERC (as defined in the Purchase Agreement) and having its registered address at 181 Dien Bien Phu Street, DaKao Ward, District No.01, Ho Chi Minh City, Vietnam ("**ULI-Vietnam**"), pursuant to the terms and subject to the conditions set forth therein;

WHEREAS, pursuant to Section 8.2(a) of the Purchase Agreement, ULHL and UNQL have determined to terminate the Purchase Agreement by mutual consent, based on the failure of a condition therein that the governmental, regulatory and corporate authorizations necessary to complete the transactions would be obtained as required under Sections 3.1(a) and (c) of the Purchase Agreement; and

WHEREAS, concurrent herewith and by separate agreement under local Vietnam law, ULI-Vietnam and another Vietnamese company identified by UNQL ("**Vietnam-Co**") have agreed that Vietnam-Co shall have the right hereafter and shall offer employment to at least 30 of the 37 employees of ULI-Vietnam, at least 10 of whom shall be those individuals specifically highlighted (by asterisk*) on Schedule A hereto, whose employment must be transferred to Vietnam-Co (the "**Designated Employees**").

NOW, **THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, ULHL and UNQL hereto agree as follows:

1. **Termination**. UNQL and ULHL hereby agree that, effective as of November 30, 2024 at 11:59 p.m., the Purchase Agreement and any other documents executed in connection with the Purchase Agreement, including specifically and without limitation, that certain Promissory Note, dated February 21, 2023, in the principal amount of US$1,000,000 (the "**Note**") (all such documents, the "**Transaction Documents**") are deemed to have been cancelled and terminated in their entirety and of no further force or effect whatsoever. The Note, if held by UNQL shall be cancelled by UNQL. If held by ULHL shall be surrendered to UNQL for cancellation and ULHL agrees that it will not, in any event, present the Note for payment to or by any entity or attempt to collect any amounts stated to have been owed thereunder.

2. **<u>Accommodation Fee</u>**. In order to obtain the consent of ULHL to terminate the Purchase Agreement, the Transaction Documents and the transactions contemplated thereby and consent to hire the Designated Employees (to whom employment is offered by Vietnam-Co and accepted by said employees) as provided herein, UNQL has agreed, subject to the conditions set forth herein, to pay ULHL an accommodation fee equal to US$650,000 (the "**Accommodation Fee**") in the form of a promissory note (the "**Fee Note**"), the maturity date of which shall be December 31, 2025 (the "**Maturity Date**"). Interest shall accrue on the Fee Note at the simple rate of 15.0% per annum based on a 365-day year up to the date on which the Accommodation Fee is paid in full. Payment of the Accommodation Fee and issuance of the Fee Note shall be contingent upon completion by Vietnam-Co, to UNQL's reasonable satisfaction, of the offer of employment and engagement of the Designated Employees. The Fee Note shall be issued and provided to ULHL as soon as possible after the offer by Vietnam-Co of employment to the Designated Employees has been accepted by each of the 10 Designated Employees. In the event that one or more Designated Employees do not accept Vietnam-Co's offer of employment as contemplated hereunder, the parties hereto shall promptly negotiate in good faith to agree upon a [reduction] of the Accommodation Fee under the Fee Note. Following agreement between the parties relating to the adjusted Accommodation Fee, the Fee Note shall then be deliverable promptly, but in any event within 10 business days of such agreement. [Notwithstanding anything else set forth herein, the Accommodation Fee shall not be due or required to be delivered if the parties fail to reach such an agreement.]

3. **<u>Fees Based on ULHL Net Income</u>**. No later than 14 days after execution hereof, ULHL shall pay to UNQL a fee in an amount equal to 65% of ULI-Vietnam's net income (which, for the avoidance of doubt, means its net profit after tax and expenses as determined by the internal financial statements of ULI-Vietnam) for the period from February 1, 2023 through November 30, 2024 (the "**Net Income Fee**"). In addition to the Net Income Fee, in the event that Vietnam-Co has not completed the transfer of the Designated Employees as contemplated by this Agreement by February 28, 2025, from the Effective Date hereof until such time as the transfer of the Designated Employees by Vietnam-Co is complete (as determined by UNQL), ULHL shall pay to UNQL in respect of ULHL's delay in transferring said employees, a delay fee in an amount equal to 65% of ULI-Vietnam's net income from the Effective Date hereof until such time as the transfer of the Designated Employee is complete (the "**Delay Fee**"). For purposes hereof, the term "complete" shall mean Vietnam-Co's offer to the Designated Employees and the acceptance of said offer by the Designated Employees. Each of ULHL and UNQL agrees to use its best efforts, in good faith, to cause the transfer of the Designated Employees as contemplated under this Agreement. At the discretion of UNQL, amounts payable by ULHL hereunder in respect of the Net Income Fee and the Delay Fee may be offset by UNQL and deducted against amounts otherwise payable to ULHL by UNQL under the Fee Note. In the event that any fees payable under this Agreement exceed the amount available for offset under the Fee Note, the excess amount shall be remitted in cash by wire transfer of immediately available funds. Notwithstanding anything to the contrary in this Agreement, the Delay Fee shall not exceed the amount of the Accommodation Fee paid to ULHL.

4. **<u>Entire Agreement</u>**. This Agreement constitutes the entire agreement of ULHL and UNQL with respect to the termination of the Purchase Agreement and the Transaction Documents and supersedes all prior or contemporaneous written or oral agreements, whether express or implied, related to the subject matter hereof.

5. **<u>Governing Law</u>**. This Agreement shall be governed in all respects by the internal laws of the State of New York without regard to the laws regarding conflicts of laws.

6. **Interpretation; Headings**. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

7. **Severability**. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement

8. **Waiver of Trial by Jury**. **EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL ACTION, PROCEEDING, CAUSE OF ACTION OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT: (a) NO REPRESENTATIVE OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION; (b) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER; (c) SUCH PARTY MAKES THIS WAIVER KNOWINGLY AND VOLUNTARILY; AND (d) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 8**.

9. **Counterparts**. This Agreement may be executed in any number of identical counterparts, any or all of which may contain the signature of less than all of the parties, all of which shall be construed together as a single document. A signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission shall be deemed to have the same effect as delivery of an original signed copy of this Agreement.

10. **Assignment; Successors and Assigns**. Neither party hereto may assign any of its rights or obligations hereunder without the prior written consent of the other party hereto, which consent shall not be unreasonably withheld, conditioned or delayed. This Agreement is binding upon and inures to the benefit of the parties hereto and their respective successors and permitted assigns. Any purported assignment in violation of this section shall be null and void. No assignment shall relieve the assigning party of any of its obligations hereunder.

11. **Amendment and Modification; Waiver**. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No failure to exercise, or delay in exercising, any right or remedy arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right or remedy.

[Remainder of Page Intentionally Blank; Signature Pages Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement on the date first above written.

UNQL:

UNIQUE LOGISTICS INTERNATIONAL, INC.

By: ____________________________
Name: Sunandan Ray
Title: Chief Executive Officer

ULHL:

UNIQUE LOGISTICS HOLDINGS LIMITED

By: ____________________________
Name: Richard Lee Chi Tak
Title: Chief Executive Officer

[Signature Page to UNQL-ULHL Termination Agreement (Vietnam SPA)]

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Sunandan Ray, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Unique Logistics International, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 25, 2025

/s/ Sunandan Ray
Sunandan Ray
Chief Executive Officer

Exhibit 31.2

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Eli Kay, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Unique Logistics International, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 25, 2025

/s/ Eli Kay
Eli Kay
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES OXLEY ACT OF 2002

In connection with the Quarterly Report of Unique Logistics International, Inc. (the "Company") on Form 10-Q for the period ended February 28, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Sunandan Ray, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Sunandan Ray
Sunandan Ray
Chief Executive Officer

April 25, 2025

Exhibit 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES OXLEY ACT OF 2002**

In connection with the Quarterly Report of Unique Logistics International, Inc. (the "Company") on Form 10-Q for the period ended February 28, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Eli Kay, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Eli Kay
Eli Kay
Chief Financial Officer

April 25, 2025