

2021 ANNUAL REPORT

RADIANT[®]

It's the Network that Delivers![®]



BACK ON TRACK WITH PROFITABLE GROWTH

Fellow Shareholders:

It was nothing short of an extraordinary year with most of us touched both on a personal and a professional level by the challenges and uncertainties presented by

COVID-19. At Radiant, we began the year with a focus on four key objectives: ensuring the health and safety of our employees; providing supply chain continuity for our customers, operating partners and carriers; protecting the economic security of our people to the greatest extent possible; and taking the steps necessary to mitigate the impacts of the slowing economy on our own business. We had also taken steps to preserve our liquidity, initiating temporary workforce reductions, tabling our acquisition efforts and suspending our stock buy-back program as we braced for the unknown.

These proactive measures helped us navigate the challenges of the pandemic and over the course of the year we saw a slow and steady improvement across many of the industries that we serve that allowed us to restore our workforce while helping our customers get their supply-chains back online. During the year we also continued to make good progress with our vertical and field sales strategy along with various technology initiatives which all contributed to putting us back on track for profitable growth.

At the same time, we saw a persistent and broad-based tightening of capacity across virtually every mode of transportation over the course of the year which only heightened the importance of the work we do. Not only have we seen increased activity from our legacy customers as their business continues to recover from the pandemic, but we have also had the opportunity to win new customers looking to take advantage of the breadth and depth of our service offerings and the strength our carrier relationships in this capacity constrained market environment.

As a result, Radiant reported record results for our fiscal year ended June 30, 2021. We reported revenues of \$889.1 million compared to \$855.2 million for the prior period. This reflects an increase of \$33.9 million over the prior period or an increase of \$107.4 million or 71.4% from the prior year after excluding Covid-related project revenues of \$125.5 million realized from air charters in the year ago period. We were able to replace last year's lower margin project revenue with higher margin business during the year. This ultimately grew our net revenues to \$220.8 million delivering record net income attributable to common stockholders of \$22.9 million, record adjusted net income attributable to common stockholders of \$34.4 million and

record Adjusted EBITDA of \$48.8 million. In addition, we also set a new record in terms of our Adjusted EBITDA margins for our fiscal year ended June 30, 2021, which increased to 22.1% up from 18.3% over the comparable prior year period.

We were also able to deliver these exceptional results while maintaining very low leverage on our balance sheet. As of June 30, 2021, we had \$13.7 million of cash on hand and net debt of \$19.9 million, less than half of our \$48.8 million in trailing twelve-month EBITDA, maintaining our ultimate financial flexibility moving forward.

In addition to our continued efforts to deliver organic growth through our various sales and technology initiatives, we also believe there is also a great opportunity for us to create meaningful shareholder value by thoughtfully re-levering our balance sheet. This will likely take the form of a combination of synergistic acquisitions and the purchase of our own stock. Despite all our progress and achievement, we believe that our current share price does not accurately reflect Radiant's intrinsic value or long-term growth prospects, particularly given our unlevered balance sheet. In this regard we were able to begin to re-engage in our stock buy-back and purchased approximately \$1.9 million of our stock during the quarter ended June 30, 2021. We expect to make more meaningful purchases of our stock in the coming quarters to take advantage of the opportunity being presented to us by the disconnect between the underlying value of our stock and our current stock price.

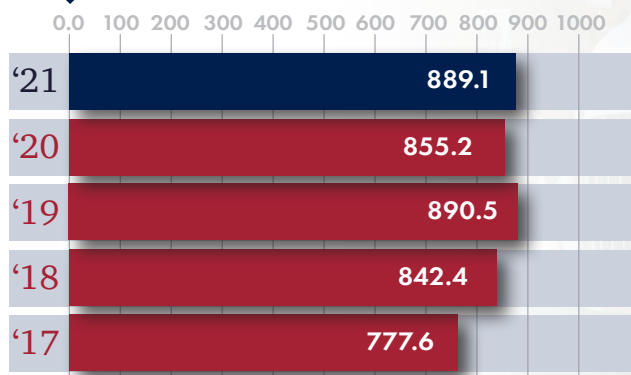
As we think about capital allocation, we do not see acquisitions and stock buy backs as mutually exclusive events. Rather, we expect to take a balanced and opportunistic approach and will continue to look for compelling acquisition opportunities that bring critical mass to our current platform with respect to geography, purchasing power and complementary service offerings. Through this approach we will continue to scale our business, leveraging our best-in-class technology operating system and extensive global network of service partners which we believe, over time, will deliver meaningful value for our shareholders, our operating partners and the end customers that we serve.

It's the Network that Delivers![®]

Bohn H. Crain
Founder, Chairman & CEO

FINANCIAL HIGHLIGHTS

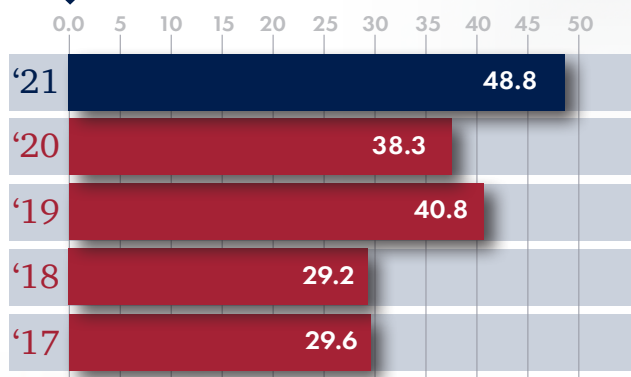
GROSS REVENUES (MILLIONS)



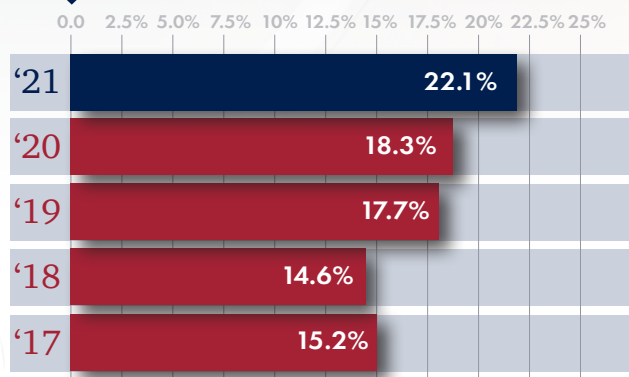
NET REVENUES⁽¹⁾ (MILLIONS)



ADJUSTED EBITDA⁽²⁾ (MILLIONS)



ADJUSTED EBITDA⁽²⁾ MARGIN



(1) Net revenues are revenues net of cost of transportation and other services.

(2) Reflects a non-GAAP measure of income management considered useful in analyzing our results. A reconciliation of our non-GAAP financial measures presented to our GAAP-based net income, as well as a description of our non-GAAP measures, is included on the last page of this Annual Report. Our non-GAAP measures are not intended to replace any presentation included in our consolidated financial statements.



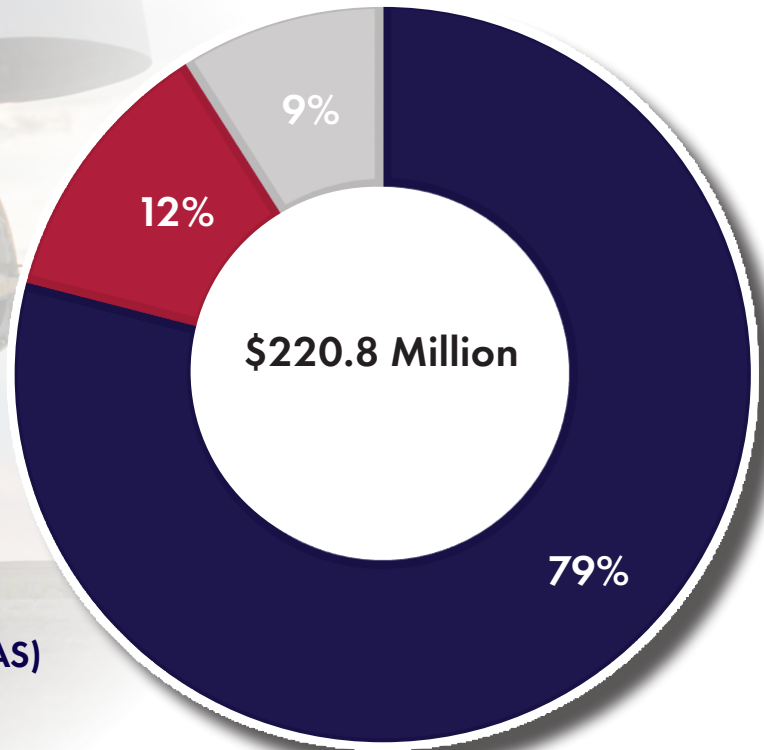
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OUR OPERATIONS

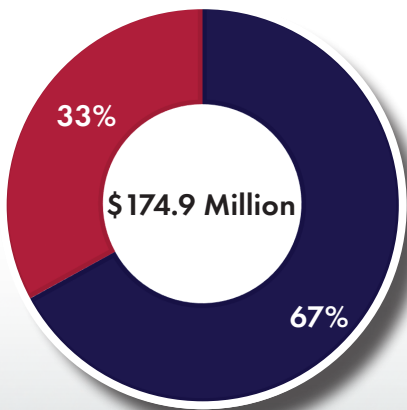
RADIANT and its operating partners provide a unique and comprehensive service platform offering domestic and international freight forwarding, truck and rail brokerage and an array of value added supply chain management services primarily to customers in the United States and Canada who operate across North America and around the world.

- Freight Forwarding
- Brokerage
- Value Added Service (VAS)

NET REVENUE BY SERVICE OFFERING

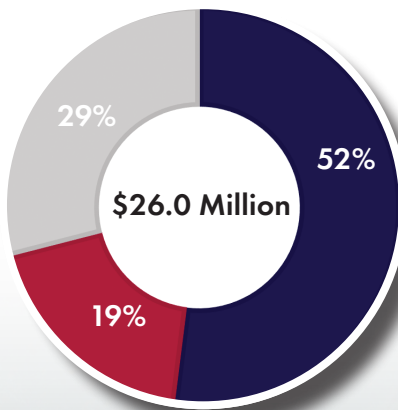


NET REVENUE BREAKOUT



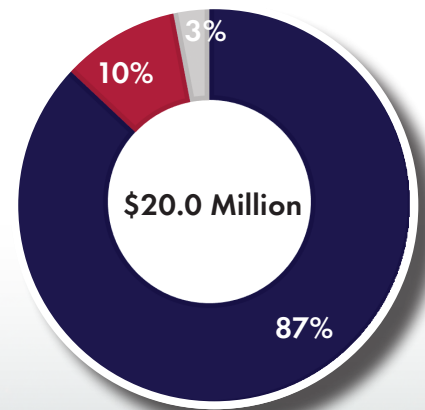
FREIGHT FORWARDING

- Domestic
- International



BROKERAGE

- Less-Than-Truckload
- Truckload
- Intermodal



VALUE ADDED SERVICES

- Consulting/Other
- Customs House Brokerage (CHB)
- Materials Management & Distribution (MM&D)

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

FORM 10-K

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended June 30, 2021

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 001-35392

RADIANT LOGISTICS, INC.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

04-3625550
(I.R.S. Employer
Identification Number)

Triton Tower Two
700 S Renton Village Place, Seventh Floor
Renton, Washington 98057
(Address of Principal Executive Offices)

(425) 462-1094
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$.001 Par Value	RLGT	NYSE American

Securities registered under Section 12(g) of the Exchange Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 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 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	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered accounting firm that prepared or issued its audit report.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant based on the closing share price of the registrant's common stock on December 31, 2020 was approximately \$226 million.

As of September 1, 2021, 49,919,062 shares of the registrant's common stock were outstanding.

Documents Incorporated by Reference:

Portions of the registrant's proxy statement for the 2021 Annual Meeting of Stockholders are incorporated herein by reference in Part III of this Annual Report on Form 10-K. Such proxy statement will be filed with the Securities and Exchange Commission within 120 days of the registrant's fiscal year ended June 30, 2021.

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CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS

Cautionary Statement for Forward-Looking Statements

This report contains “forward-looking statements” within the meaning set forth in United States securities laws and regulations – that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business, financial performance and financial condition, and often contain words such as “anticipate,” “believe,” “estimates,” “expect,” “future,” “intend,” “may,” “plan,” “see,” “seek,” “strategy,” or “will” or the negative thereof or any variation thereon or similar terminology or expressions. These forward-looking statements are not guarantees and are subject to known and unknown risks, uncertainties and assumptions about us that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. We have developed our forward-looking statements based on management’s beliefs and assumptions, which in turn rely upon information available to them at the time such statements were made. Such forward-looking statements reflect our current perspectives on our business, future performance, existing trends and information as of the date of this report. These include, but are not limited to, our beliefs about future revenue and expense levels, growth rates, prospects related to our strategic initiatives and business strategies, along with express or implied assumptions about, among other things: our continued relationships with our strategic operating partners; the performance of our historic business, as well as the businesses we have recently acquired, at levels consistent with recent trends and reflective of the synergies we believe will be available to us as a result of such acquisitions; our ability to successfully integrate our recently acquired businesses; our ability to locate suitable acquisition opportunities and secure the financing necessary to complete such acquisitions; transportation costs remaining in-line with recent levels and expected trends; our ability to mitigate, to the best extent possible, our dependence on current management and certain larger strategic operating partners; our compliance with financial and other covenants under our indebtedness; the absence of any adverse laws or governmental regulations affecting the transportation industry in general, and our operations in particular; the impact of COVID-19 on our operations and financial results; and such other factors that may be identified from time to time in our Securities and Exchange Commission (“SEC”) filings and other public announcements including those set forth under the caption “Risk Factors” in Part 1 Item 1A of this report. In addition, the global economic climate and additional or unforeseen effects from the COVID-19 pandemic amplify many of these risks. All subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the foregoing. Readers are cautioned not to place undue reliance on our forward-looking statements, as they speak only as of the date made. We disclaim any obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

PART I

ITEM 1. BUSINESS

Our Company

Radiant Logistics, Inc. (the “Company”, “we” or “us”), operates as a third-party logistics company, providing multi-modal transportation and logistics services primarily in the United States and Canada. We service a large and diversified account base consisting of consumer goods, food and beverage, manufacturing and retail customers, which we support from an extensive network of operating locations across North America as well as an integrated international service partner network located in other key markets around the globe. We provide these services through a multi-brand network, which includes over 100 operating locations, which includes a number of independent agents, who we also refer to as our “strategic operating partners” that operate exclusively on our behalf as well as approximately 20 Company-owned offices. As a third-party logistics company, we have a vast carrier network of asset-based transportation companies, including motor carriers, railroads, airlines and ocean lines in our carrier network. We believe shippers value our services because we are able to objectively arrange the most efficient and cost-effective means, type and provider of transportation service without undue influence caused by the ownership of transportation assets. In addition, our minimal investment in physical assets affords us the opportunity for a higher return on invested capital and net cash flows than our asset-based competitors.

Through our operating locations across North America, we offer domestic, international air and ocean freight forwarding services and freight brokerage services, including truckload services, less than truckload (“LTL”) services, and intermodal services, which is the movement of freight in trailers or containers by combination of truck and rail. Our primary business operations involve arranging the shipment, on behalf of our customers, of materials, products, equipment, and other goods that are generally larger than shipments handled by integrated carriers of primarily small parcels, such as FedEx, DHL, and UPS. Our services include arranging and monitoring all aspects of material flow activity utilizing advanced information technology systems. We also provide other value-added logistics services including materials management and distribution services (collectively, “Materials Management and Distribution” or “MM&D” services), and customs house brokerage (“CHB”) services to complement our core transportation service offering.

The Company expects to grow its business organically and by completing acquisitions of other companies with complementary geographical and logistics service offerings. The Company’s organic growth strategy will continue to focus on strengthening existing and expanding new customer relationships leveraging the benefit of the Company’s truck brokerage and intermodal service offerings, while continuing its efforts on the organic build-out of the Company’s network of strategic operating partner locations. In addition, as the Company continues to grow and scale its business, the Company believes that it is creating density in its trade lanes, which creates opportunities for the Company to more efficiently source and manage its transportation capacity.

In addition to its focus on organic growth, the Company will continue to search for acquisition candidates that bring critical mass from a geographic and purchasing power standpoint, along with providing complementary service offerings to the current platform. As the Company continues to grow and scale its business, it also remains focused on leveraging its back-office infrastructure and technology systems to drive productivity improvement across the organization.

COVID-19

The COVID-19 pandemic continues to have widespread implications and while we see improvements in the broader economy, it is difficult to predict how COVID-19 will impact the overall economy in the future. Many countries have begun the process of vaccinating their residents against COVID-19. However, the large scale and challenging logistics of distributing the vaccines, as well as uncertainty over the efficacy of the vaccines against new variants of the virus, may impact the economy as well as our operations in the future. Our results for the fiscal year 2021 showed encouraging recovery as we navigate through this unique environment. While we are seeing positive results despite the current COVID-19 environment, there remains uncertainty regarding how COVID-19 will impact the Company's results in the future.

The effect of the COVID-19 pandemic may last for a significant period of time and may continue to adversely affect our business, results of operations and financial condition even after the COVID-19 outbreak has subsided. The extent to which the COVID-19 pandemic impacts us will depend on numerous evolving factors and future developments that we are not able to predict, including the duration and scope of the pandemic; governmental, business, and individuals' actions in response to the pandemic; and the impact on economic activity including the possibility of recession or financial market instability. These factors may adversely impact consumer, business, and government spending as well as customers' ability to pay for our services on an ongoing basis. This uncertainty also affects management’s accounting estimates and assumptions, which could result in greater variability in a variety of areas that depend on these estimates and assumptions, including receivables and forward-looking guidance.

Competitive Strengths

As a non-asset based third-party logistics provider, we believe that we are well-positioned to provide cost-effective and efficient solutions to address the demand in the marketplace for transportation and logistics services. We believe that the most important competitive factors in our industry are quality of service, including reliability, responsiveness, expertise and convenience, scope of operations, geographic coverage, information technology and price. We believe our primary competitive advantages are as follows:

Non-asset-based business model

As a non-asset-based logistics provider, we own only a minimal amount of equipment. By not owning the transportation equipment used to transport the freight, which results in relatively minimal fixed operating costs, we are able to leverage our network of locations to offer competitive pricing and flexible solutions to our customers. Moreover, our balanced product offering provides us with revenue streams from multiple sources and enables us to retain customers even as they shift across various modes of transportation. We believe our low capital intensity model allows us to provide low-cost solutions to our customers, operate our business with strong cash flow characteristics, and retain significant flexibility in responding to changing industries and economic conditions.

Offer significant advantages to our strategic operating partners

Our current network is predominantly represented by independent agents, who operate exclusively on our behalf, who we also refer to as our “strategic operating partners”, who rely on us for operating authority, technology, sales and marketing support, access to working capital, our carrier and international partner networks, and collective purchasing power. Through this collaboration, our strategic operating partners have the ability to focus on the operational and sales support aspects of their business without diverting costs or expertise to the structural aspect of their operations, thus, providing our strategic operating partners with the regional, national and global brand recognition that they would not otherwise be able to achieve acting alone.

Lower-risk operation of network of strategic operating partners

We derive a substantial portion of our revenue pursuant to agreements with our strategic operating partners operating under our various brands. These arrangements afford us with a relatively low risk growth model as each strategic operating partner is responsible for its own sales and costs of operations. Under shared economic arrangements, we are responsible to provide to our strategic operating partners centralized back-office infrastructure, transportation and accounting systems, billing and collection services.

Diverse customer base

We service a large and diversified account base of over 12,000 accounts consisting of consumer goods, food and beverage, manufacturing and retail customers. For the annual period up to the date of this report, no single customer and no strategic operating partner represented more than 10% of our consolidated revenue, reducing risks associated with any particular industry, geographic or customer concentration.

Information technology resources

A primary component of our business strategy is the continued development of advanced information systems to provide accurate and timely information to our management, strategic operating partners and customers. We believe that the ability to provide accurate real-time information on the status of shipments has and will become increasingly important in our industry. Our customer delivery tools enable connectivity with our customers’ and trading partners’ systems, which leads to more accurate and up-to-date information on the status of shipments. Our centralized transportation management system (rating, routing, tender and financial settlement process) drives significant efficiency across our network.

Global network of transportation providers

We provide worldwide supply chain services, which include international air and ocean services that complement our domestic service offerings. Our offerings include heavyweight and small package air services, providing same day (next flight out) air charters, next day a.m./p.m., second day a.m./p.m. as well as time definite surface transport moves. Our non-asset-based business model allows us to use commercial passenger and cargo flights. Thus, we have thousands of daily flight options to choose from, and our pickup and delivery network provides us with zip code to zip code coverage throughout North America.

Sourcing and managing transportation

As we continue to grow and scale the business, we believe that we are developing density in our trade lanes, which creates opportunities for us to more efficiently source and manage our transportation capacity. With our acquisition of Radiant Canada (formerly, Wheels Group, Inc.) in 2015, our network has access to truck brokerage and intermodal capabilities. We believe the benefit of our relative purchasing power along with our service line expansion will serve as a competitive differentiator in the marketplace to help us secure new customers and attract additional strategic operating partners to our network.

Value-added services

In addition to our core transportation service offerings, we also provide value-added supply chain services including MM&D, and CHB. We believe that our value-added services allow us to leverage our transportation services to generate additional revenue and provide additional convenience to our customers.

Industry Overview

The logistics industry is highly fragmented with thousands of companies of various sizes competing in the domestic and international markets. As business requirements for efficient and cost-effective logistics services have increased, so has the importance and complexity of effectively managing freight transportation. Businesses increasingly strive to minimize inventory levels, perform manufacturing and assembly operations in the lowest cost locations, and distribute their products in numerous global markets. As a result, companies are increasingly looking to third-party logistics providers to help them execute their supply chain strategies.

Shippers typically manage their supply chains using some combination of asset and non-asset-based service providers. We operate principally as a non-asset based third-party logistics provider focused on freight forwarding, truck brokerage and intermodal transportation services along with associated value-added services. According to Armstrong and Associates, the market for third-party logistics services in the United States and Canada is estimated at approximately \$229.2 billion annually.

Because non-asset based companies select from various transportation options in routing customer shipments, they are often able to serve customers less expensively and with greater flexibility than their asset based competitors, who are typically focused on maximizing the utilization of their own captive fleets of trucks, aircraft and ships rather than the specific needs of the customer.

We believe there are several factors that are increasing demand for global logistics solutions. These factors include:

- outsourcing of non-core activities;
- globalization of trade;
- increased need for time-definite delivery;
- consolidation of global logistics providers; and
- increasing influence of e-business and the Internet.

Our Growth Strategy

Our objective is to provide customers with comprehensive multi-modal transportation and logistics solutions offered by us through our Radiant®, Radiant Canada™, Clipper, Airgroup®, Adcom®, DBA™ and Service by Air™ brands. Since inception of our business in 2006, we have executed a strategy to expand operations through a combination of organic growth and the strategic acquisition of non-asset-based transportation and logistics providers meeting our acquisition criteria. We have successfully completed 19 acquisitions since our initial acquisition of Airgroup in January of 2006, including:

- Automotive Services Group, expanding our services into the automotive industry, in 2007;
- Adcom Express, Inc., (“Adcom”) adding domestic operating partner locations, in 2008;
- DBA Distribution Services, Inc., (“DBA”) adding two Company-owned locations and operating partner locations, in 2011;
- ISLA International Ltd., (“ISLA”) adding a Company-owned location in Laredo, Texas, providing us with bilingual expertise in both north and south bound cross-border transportation and logistics services, in 2011;
- Brunswicks Logistics, Inc., (“ALBS”) adding a strategic Company-owned location in New York-JFK, in 2012;
- Marvir Logistics, Inc., (“Marvir”) adding a Company location in Los Angeles from the conversion of a former operating partner since 2006, in 2012;
- International Freight Systems of Oregon, Inc., (“IFS”) adding a Company location in Portland, Oregon, from the conversion of a former operating partner since 2007, in 2012;

- On Time Express, Inc., (“On Time”) adding three Company-owned locations in Phoenix, Arizona, Dallas, Texas and Atlanta, Georgia, to providing additional line-haul and time critical logistics capabilities, in 2013;
- Phoenix Cartage and Air Freight, LLC, (“PCA”) opening a Company-owned location in Philadelphia, Pennsylvania, in 2014;
- Trans-NET, Inc. (“TNI”) expanding Company-owned operations in Seattle, Washington and providing a gateway of services to the Russian Far East, in 2014;
- Don Cameron and Associates, Inc. (“DCA”), a Minnesota based, privately held company that provides a full range of domestic and international transportation and logistics services across North America, in 2014;
- Radiant Canada, one of the largest third-party logistics providers in Canada, offering truck brokerage services and intermodal service offering throughout the United States and Canada along with value-added warehouse and distribution service offerings in support of U.S. shippers looking to access the Canadian markets, in 2015;
- Highways and Skyways, Inc. (“Highways”), a privately held Kentucky based company, adding a Company-owned location near the Cincinnati airport from the conversion of a former SBA operating partner in 2015;
- Service by Air, Inc. (“SBA”), a privately held corporation based in New York, adding three Company-owned operating locations and forty strategic operating partner locations across North America, in 2015;
- Copper Logistics, Incorporated (“Copper”), a Minneapolis, Minnesota based privately held company that provides a full range of domestic and international transportation and logistics services across North America, in 2015;
- Lomas Logistics (“Lomas”), a division of L.V. Lomas Limited, a Canada based third-party logistics provider that operates in Ontario and British Columbia, in 2017; and
- Dedicated Logistics Technologies, Inc. (“DLT”), a privately held company that has historically operated under the Company’s SBA brand in Newark, New Jersey and Los Angeles, California, in 2017;
- Sandifer-Valley Transportation and Logistics, Ltd. (“SVT”), a privately held company providing a full range of domestic and international cross-border services with Mexico, in 2017; and
- Alexandria, Virginia based Friedway Enterprises, Inc. (“Friedway”) and Pittsburgh, Pennsylvania based CIC2, Inc. (“CIC2”), historically operated the Company’s Adcom agency locations, in 2020.

We expect to grow our business organically and by completing acquisitions of other companies with complementary geographical and logistics service offerings. We will continue to make enhancements to our back-office infrastructure, transportation management, and accounting systems to support this growth. Our organic growth strategy will continue to focus on strengthening existing and expanding new customer relationships, while continuing our efforts on the organic build-out of our network of strategic operating partner locations. In addition, we will also be working to drive further productivity improvements enabled through our value-added truck brokerage and customs house brokerage service capabilities.

Our acquisition strategy has been designed to take advantage of shifting market dynamics. The third-party logistics industry continues to grow as an increasing number of businesses outsource their logistics functions to more cost effectively manage and extract value from their supply chains. The industry is positioned for further consolidation as it remains highly fragmented, and as customers are demanding the types of sophisticated and broad reaching service offerings that can more effectively be handled by larger more diverse organizations. We believe the highly fragmented composition of the marketplace, the industry participants’ need for capital, and their owners’ desire for liquidity has and will continue to produce a large number of attractive acquisition candidates. For the most part, our target acquisition candidates are generally smaller than those identified as acquisition targets of larger public companies and have limited ability to conduct their own public offerings or obtain financing that will provide them with capital for liquidity or rapid growth. We believe that many of these “smaller” companies are receptive to our acquisition program as a vehicle for liquidation or growth. We intend to be opportunistic in executing our acquisition strategy with a goal of expanding both our domestic and international capabilities.

Our Operating Strategy

Leverage the People, Process and Technology Available through a Central Platform. A key element of our operating strategy is to maximize our operational efficiencies by integrating general and administrative functions into our back-office operations and reducing or eliminating redundant functions and facilities at acquired companies. This is designed to enable us to quickly realize potential savings and synergies, efficiently control and monitor operations of acquired companies, and allow acquired companies to focus on growing their sales and operations.

Develop and Maintain Strong Customer Relationships. We seek to develop and maintain strong interactive customer relationships by anticipating and focusing on our customers' needs. We emphasize a relationship-oriented approach to business, rather than the transaction or assignment-oriented approach used by many of our competitors. To develop close customer relationships, we and our network of operating partners regularly meet with both existing and prospective customers to help design solutions for, and identify the resources needed to execute, their supply chain strategies. We believe that this relationship-oriented approach results in greater customer satisfaction and reduced business development expense.

Operations

Through our operating locations across North America, we offer domestic and international air and ocean freight forwarding services and freight brokerage services including truckload services, LTL services, and intermodal services, which is the movement of freight in trailers or containers by combination of truck and rail. As a third-party logistics provider, our primary business operations involve arranging the shipment, on behalf of our customers, of materials, products, equipment and other goods that are generally larger than shipments handled by integrated carriers of primarily small parcels, such as FedEx, DHL and UPS, including arranging and monitoring all aspects of material flow activity utilizing advanced information technology systems. We also provide other value-added supply chain services, including MM&D and CHB, to complement our core transportation service offering.

As a non-asset-based provider, we generally do not own the transportation equipment used to transport the freight. We generally expect to neither own nor operate any material transportation assets and, consequently, arrange for transportation of our customers' shipments via trucking companies, commercial airlines, air cargo carriers, railroads, ocean carriers and other non-asset based third-party providers. We select the carrier for a shipment based on route, departure time, available cargo capacity and cost. We may charter cargo aircraft and/or ocean vessels from time to time depending upon seasonality, freight volumes and other factors. We generate our gross margin on the difference between what we charge to our customers for the services provided to them, and what we pay to the transportation providers to transport the freight.

We are organized functionally in two geographic operating segments: U.S. and Canada. Our transportation services for both the U.S. and Canada segments can be broadly placed into the categories of freight forwarding and freight brokerage services:

Freight forwarding. As a freight forwarder, we operate as a non-asset-based carrier providing domestic and international air and ocean freight forwarding services. Our freight forwarding operations involve obtaining shipment or material orders from customers, creating and delivering a wide range of logistics solutions to meet customers' specific requirements for transportation and related services, and arranging and monitoring all aspects of material flow activity utilizing advanced information technology systems. We arrange for transportation of our customers' shipments via trucking companies, commercial airlines, air cargo carriers, ocean carriers and other asset and non-asset based third-party providers. We select the carrier for a shipment based on route, departure time, available cargo capacity and cost. We charter cargo aircraft from time to time depending upon seasonality, freight volumes and other factors.

Freight brokerage. We also provide significant bi-modal brokerage capabilities providing truckload, LTL and intermodal services throughout the United States and Canada, which is managed through our centralized service centers in Chicago, Illinois and Toronto, Ontario. We offer temperature-controlled, dry van, intermodal drayage, and flatbed services and specialize in the transport of food and beverage, consumer packaged goods and frozen food and refrigerated products.

As a truck broker, we match the customers' needs with carriers' capacity to provide the most effective combination of service and price. We have contracts with a substantial number of carriers allowing us to meet the varied needs of our customers. As part of the truck brokerage services, we negotiate rates, track shipments in transit and handle claims for freight loss and damage on behalf of our customers. For our LTL service, we employ a point-to-point model that we believe serves as a competitive advantage over the traditional hub and spoke LTL model in terms of faster transit times, lower incidence of damage, and reduced fuel consumption.

As an intermodal services company, we arrange for the movement of our customers' freight in containers, trailers and rail boxcars, typically over long distances of at least 750 miles. We contract with railroads to provide transportation for the long-haul portion of the shipment and with local trucking companies, known as "drayage companies," for pickup and delivery. As part of our intermodal services, we negotiate rail and drayage rates, electronically track shipments in transit, consolidate billing and handle claims for freight loss or damage on behalf of our customers.

To complement our core transportation service offerings, we also provide a number of value-added services, including MM&D and CHB solutions.

Information Services

The continued enhancement of our information systems and ultimate migration of acquired companies and additional strategic operating partners to a common set of customer-facing and back-office applications is a key component of our growth strategy. We believe that the ability to provide accurate real-time information on the status of shipments as well as enhanced reporting and visibility tools has become increasingly important and that our efforts in this area will result in competitive service advantages. In addition, we believe that centralizing our operations into a single transportation management system (rating, routing, tender and financial settlement processes) will continue to drive significant productivity improvement across our network.

In our forwarding operations, we use a third-party and proprietary transportation management system (Cargowise, SBA Review) and are migrating operations to SAP TM, that are integrated to our third-party accounting system (SAP ECC). These systems combine to form the foundation of our supply-chain technologies, which provides us with a common set of back-office operating, accounting and customer facing applications. In our brokerage operations, we utilize the TEDS system for transportation management and Megatrans for intermodal services. In our warehousing operations, we use Microsoft's Navision and are migrating to Highjump, which uses SAP for order management services. These systems are connected to Epicor and JD Edwards for accounting and financial reporting. We continue to make gradual progress in migrating these various operating and financial reporting systems to a singular SAP-based platform. We are taking a phased approach to these migrations and currently we continue to transition our domestic and international freight forwarding services to our new SAP-based transportation management system. Future phases will include the transition of our legacy brokerage transportation management and financial reporting systems to SAP ECC.

Sales and Marketing

We principally market our services through our network of Company-owned and strategic operating partner locations across North America. Each office is staffed with operational employees to provide support for the sales team, develop frequent contact with the customer's traffic department, and maintain customer service. Our current network is predominantly represented by strategic operating partners that rely on us for operating authority, technology, sales and marketing support, access to working capital, our carrier and international partners networks, and collective purchasing power. Through this collaboration, our strategic operating partners have the ability to focus on the operational and sales support aspects of the business without diverting costs or expertise to the structural aspect of their operations, providing our partners with the regional, national and global brand recognition that they would not otherwise be able to achieve by solely serving their local market. We have no customers or strategic operating partners that separately account for more than 10% of our consolidated revenue, although we do have a number of significant customers and strategic operating partner locations with volume and stature, the loss of one or more of which could negatively impact our ability to retain and service our customers.

Competition and Business Conditions

The logistics business is directly impacted by the volume of domestic and international trade. The volume of such trade is influenced by many factors, including economic and political conditions in the United States and abroad, major work stoppages, currency fluctuations, acts of war, terrorism and other armed conflicts, United States and international laws relating to tariffs, trade restrictions, foreign investments and taxation.

The global transportation and logistics services industry is intensively competitive and is expected to remain so for the foreseeable future. We compete against asset based and other non-asset based third-party logistics companies, consultants, information technology vendors and shippers' transportation departments. This competition is based primarily on rates, quality of service (such as damage-free shipments, on-time delivery and consistent transit times), reliable pickup and delivery and scope of operations. Certain of our competitors have substantially greater financial resources than we do. However, we believe the incremental service offerings enabled through our acquisition strategy (e.g. Radiant Canada's truck brokerage and intermodal capabilities) will serve as a catalyst for margin expansion in our existing business and a competitive differentiator in the marketplace to help us secure new customers and attract additional strategic operating partners to our network.

Regulation

Interstate and international transportation of freight is highly regulated. Failure to comply with applicable state and federal regulations, or to maintain required permits or licenses, can result in substantial fines or revocation of operating permits or authorities imposed on both transportation intermediaries and their shipper customers. We cannot give assurance as to the degree or cost of future regulations on our business. Some of the regulations affecting our current and prospective operations are described below.

Air freight forwarding operations are subject to regulation, as an indirect air cargo carrier, under the Federal Aviation Act as enforced by the Federal Aviation Administration of the U.S. Department of Transportation, and the Transportation Security Administration of the Department of Homeland Security. While air freight forwarders are exempted from most of the Federal Aviation Act's requirements by the Economic Aviation Regulations, the industry is subject to ongoing regulatory and legislative developments that can impact the economics of the industry by requiring changes to operating practices or influencing the demand for, and the costs of, providing services to customers.

Surface freight forwarding operations are subject to various state and federal statutes and are regulated by the Federal Motor Carrier Safety Administration of the U.S. Department of Transportation and, to a very limited extent, the Surface Transportation Board. These federal agencies have broad investigatory and regulatory powers, including the power to issue a certificate of authority or license to engage in the business, to approve specified mergers, consolidations and acquisitions, and to regulate the delivery of some types of domestic shipments and operations within particular geographic areas.

The Federal Motor Carrier Safety Administration also has the authority to regulate interstate motor carrier operations, including the regulation of certain rates, charges and accounting systems, to require periodic financial reporting, and to regulate insurance, driver qualifications, operation of motor vehicles, parts and accessories for motor vehicle equipment, hours of service of drivers, inspection, repair, maintenance standards and other safety related matters. The federal laws governing interstate motor carriers have both direct and indirect application to the Company. The breadth and scope of the federal regulations may affect our operations and the motor carriers that are used in the provisioning of the transportation services. In certain locations, state or local permits or registrations may also be required to provide or obtain intrastate motor carrier services.

The Federal Maritime Commission, or FMC, regulates and licenses ocean forwarding operations. Non-vessel operating common carriers are subject to FMC regulation, under the FMC tariff filing and surety bond requirements, and under the Shipping Act of 1984, particularly those terms proscribing rebating practices.

United States customs brokerage operations are subject to the licensing requirements of the Bureau of Customs and Border Protection of the Department of Homeland Security. Likewise, any customs brokerage operations must also be licensed in and subject to the regulations of countries into which freight is imported.

Human Capital

As of June 30, 2021, we have 685 employees, of which 656 are full time. None of these employees are covered by a collective bargaining agreement. We have experienced no work stoppages and consider our relations with our employees to be good.

Available Information

We maintain a website at www.radiantdelivers.com. We are not including the information contained on our website as a part of, nor incorporating it by reference into, this Annual Report on Form 10-K. We post on our website, free of charge, documents that we file with or furnish to the SEC, including our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and proxy statements, as soon as reasonably practicable after we electronically file such material with, or furnish such material to, the SEC. These reports are also available free of charge on the SEC website at www.sec.gov.

ITEM 1A. RISK FACTORS

RISKS PARTICULAR TO OUR BUSINESS

You should carefully consider the risk factors set forth below as well as the other information contained in or incorporated by reference into this Annual Report on Form 10-K before investing in our common stock. Any of the following risks could materially and adversely affect our business, financial condition or results of operations. In such a case, you may lose all or part of your investment. The risks described below are not the only risks facing us. Additional risks and uncertainties not currently known to us or those we currently view to be immaterial may also materially adversely affect our business, financial condition or results of operations. The future trading price of shares of our common stock will be affected by the performance of our business relative to, among other things, competition, market conditions and general economic and industry conditions.

Risks Related to our Business

COVID-19 or other health crises may adversely affect our business.

The COVID-19 pandemic continues to have widespread implications and while we see improvements in the broader economy, it is difficult to predict how COVID-19 will impact the overall economy in the future. Many countries have begun the process of vaccinating their residents against COVID-19. However, the large scale and challenging logistics of distributing the vaccines, as well as uncertainty over the efficacy of the vaccines against new variants of the virus, may impact the economy as well as our operations in the future. Our results for the fiscal year 2021 showed encouraging recovery as we navigate through this unique environment. While we are seeing positive results despite the current COVID-19 environment, there remains uncertainty regarding how COVID-19 will impact the Company's results in the future.

The effect of the COVID-19 pandemic may last for a significant period of time and may continue to adversely affect our business, results of operations and financial condition even after the COVID-19 outbreak has subsided. The extent to which the COVID-19 pandemic impacts us will depend on numerous evolving factors and future developments that we are not able to predict, including the duration and scope of the pandemic; governmental, business, and individuals' actions in response to the pandemic; and the impact on economic activity including the possibility of recession or financial market instability. These factors may adversely impact consumer, business, and government spending as well as customers' ability to pay for our services on an ongoing basis. This uncertainty also affects management's accounting estimates and assumptions, which could result in greater variability in a variety of areas that depend on these estimates and assumptions, including receivables and forward-looking guidance.

We need to maintain and expand our existing strategic operating partner network to increase revenues.

We sell our services through Company-owned locations operating under the Radiant brands and through a network of independently owned strategic operating partners throughout North America operating under the Airgroup, Adcom, DBA and Service by Air brands. For the years ended June 30, 2021 and 2020, approximately 52% and 55% of our consolidated net revenues (this is a non-GAAP measure, see further discussion and reconciliation to a GAAP measure in Item 7) was derived through our strategic operating partners. We believe our strategic operating partners will remain a critical component to our success for the foreseeable future. Although the terms of our strategic operating partner agreements vary widely, they generally cover the manner and amount of payments, the services to be performed, the length of the contract, and provide us with certain protections such as strategic operating partner-funded reserves against potential bad debts, indemnification obligations, and in certain instances include a personal guaranty of the independent owner(s) of the strategic operating partners. Certain of our strategic operating partner agreements are for defined terms, while others are subject to "evergreen" terms, or contain automatic renewal provisions or are at-will on a month-to-month basis. Regardless of stated term, in most situations the agreements can be terminated by the strategic operating partner with prior notice. As certain agreements expire, there can be no assurance that we will be able to enter into new agreements that provide for the same terms and economics as those previously agreed upon, if at all. Thus, we are subject to the risk of strategic operating partner terminations and the failure or refusal of certain of our strategic operating partners to renew their existing agreements. This risk is often accentuated upon the acquisition of a new agency-based network. We have a number of customers and strategic operating partner locations with significant volume and stature; however, no single customer or strategic operating partner location represents more than 10% of our consolidated revenue. We cannot be certain that we will be able to maintain and expand our existing strategic operating partner relationships or enter into new strategic operating partner relationships, or that new or renewed strategic operating partner relationships will be available on commercially reasonable terms. If we are unable to maintain and expand our existing strategic operating partner relationships, renew existing strategic operating partner relationships, or enter into new strategic operating partner relationships, we may lose customers, customer introductions and co-marketing benefits, and our operating results may be negatively impacted. We may also be restricted from growing in certain territories or with certain customers, except through our strategic operating partners.

If our strategic operating partners fail to maintain adequate reserves against unpaid customer invoices, or if we are unable to offset against commissions earned and payable by us to our strategic operating partners for unpaid customer invoices, our results of operations and financial condition may be adversely affected.

We derive a substantial portion of our revenue pursuant to agreements with strategic operating partners operating under our various brands. Under these agreements, each individual strategic operating partner is responsible for some or all of the collection of amounts due from customers being serviced by such strategic operating partner. Certain of our strategic operating partners are required to maintain a security deposit with us to be used to fund those customer accounts ultimately not collected by us. We charge each of the strategic operating partners for any accounts receivable aged beyond 90 days. If the strategic operating partner's deposit with us has been depleted, an amount will be owed to us by our strategic operating partner. Based on legacy contracts assumed upon acquisition, some strategic operating partners are not required to maintain a security deposit, however, they are still responsible for deficits and their strategic operating partner agreements provide that we may withhold all or a portion of future commissions payable to the strategic operating partner in satisfaction of any deficit. As of June 30, 2021, approximately \$1.0 million was owed to us by our strategic operating partners. To the extent any of these strategic operating partners cease operations or are otherwise unable to replenish these deficit accounts, we would be at risk of loss for any such amount. We include such amounts in the allowance for doubtful accounts when it is probable the amounts owed will not be collected.

Failure to comply with obligations as an "indirect air carrier" could result in penalties and fines and limit our ability to ship freight.

We are regulated, among other things, as "indirect air carriers" by the Transportation Security Administration of the Department of Homeland Security. These agencies provide requirements, guidance and, in some cases, administer licensing requirements and processes applicable to the freight forwarding industry. We monitor our compliance and the compliance of our subsidiaries with such agency requirements. We rely on our strategic operating partners to monitor their own compliance, except when we are notified of a violation, when we may become involved. Failure to comply with these requirements, policies and procedures could result in penalties and fines. To date, a limited number of our strategic operating partners have been out of compliance with the "indirect air carrier" regulations, resulting in fines to us, which we attempt to collect from the strategic operating partners. There is no assurance that additional violations will not take place, which could result in penalties or fines or, in the extreme case, limits on our ability to ship freight.

Our business will be seriously harmed if we fail to develop, implement, maintain, upgrade, enhance, protect and integrate information technology systems.

We rely heavily on our information technology systems to efficiently run our business, and they are a key component of our growth strategy. To keep pace with changing technologies and customer demands, we must correctly interpret and address market trends and enhance the features and functionality of our technology platform in response to these trends, which may lead to significant ongoing software development or licensing costs. We may be unable to accurately determine the needs of our customers and strategic operating partners and the trends in the transportation services industry, or to design or license and implement the appropriate features and functionality of our technology platform in a timely and cost-effective manner, which could result in decreased demand for our services and a corresponding decrease in our revenues. Despite testing, external and internal risks, such as malware, insecure coding, "Acts of God," data leakage and human error pose a direct threat to our information technology systems and operations. We may also be subject to cybersecurity attacks and other intentional hacking. Any failure to identify and address such defects or errors or prevent a cyber-attack could result in service interruptions, operational difficulties, loss of revenues or market share, liability to customers or others, diversion of resources, injury to our reputation and increased service and maintenance costs. Addressing such issues could prove to be impossible or very costly and responding to resulting claims or liability could similarly involve substantial cost. We must maintain and enhance the reliability and speed of our information technology systems to remain competitive and effectively handle higher volumes of freight through our network and the various service modes we offer. If our information technology systems are unable to manage additional volume for our operations as our business grows, or if such systems are not suited to manage the various service modes we offer or businesses we acquire, our service levels and operating efficiency could decline. We expect customers and strategic operating partners to continue to demand more sophisticated, fully integrated information systems from their supply chain services providers. If we fail to hire and retain qualified personnel to implement, protect and maintain our information technology systems or if we fail to upgrade our systems to meet our customers' and strategic operating partners' demands, our business and results of operations could be seriously harmed. This could result in a loss of customers or a decline in the volume of freight we receive from customers.

In addition, acquired companies will need to be integrated with our information technology systems, which may cause additional training or licensing cost, along with potential delays and disruption. In such event, our revenue, financial results and ability to operate profitably could be negatively impacted. The challenges associated with integration of our acquisitions may increase these risks.

Our management information and financial reporting systems are spread across diverse platforms and geographies.

The growth of our business through acquisitions has resulted in our reliance on the accounting, business information, and other computer systems of these acquired entities to capture and transmit information concerning customer orders, carrier payment, payroll, and other critical business data. We continue to make progress towards migrating our various legacy operating and accounting systems to a new singular SAP-based system. As long as an acquired business remains on another information technology system, we face additional manual calculations, training costs, delays, and an increased possibility of inaccuracies in the data we use to manage our business and report our financial results. Any delay in compiling, assessing, and reporting information could adversely impact our business, our ability to timely react to changes in volumes, prices, or other trends, or to take actions to comply with financial covenants, all of which could negatively impact our stock price.

We depend on third-party carriers to transport our customers' cargo.

We rely on commercial airfreight carriers and air charter operators, ocean freight carriers, trucking companies, major U.S. railroads, other transportation companies, draymen and longshoremens for the movement of our customers' cargo. Consequently, our ability to provide services for our customers could be adversely impacted by, among other things: shortages in available cargo capacity; changes by carriers and transportation companies in policies and practices such as scheduling, pricing, payment terms and frequency of service, increases in the cost of fuel, taxes and labor, changes in the financial stability or operating capabilities of carriers, and other factors not within our control. Reductions in airfreight or ocean freight capacity could negatively impact our yields. Material interruptions in service or stoppages in transportation, whether caused by strike, work stoppage, lock-out, slowdown or otherwise, could adversely impact our business, results of operations and financial condition.

In addition, any determination that our third-party carriers have violated laws and regulations could seriously damage our reputation and brands, resulting in diminished revenue and profit and increased operating costs.

Our profitability depends on our ability to effectively manage our cost structure as we grow the business.

We have increased, and intend to further increase, our revenue through organic growth, adding strategic operating partners, and acquisitions. We believe that certain of our costs, such as those related to information technology, physical locations, senior management, and sales and general operations, and excluding non-cash amortization, should grow more slowly than our net revenue, which would lead to improved cash flow margins over time. Historically, our cash flow margins have fluctuated, and have not always improved as we have grown. To the extent we fail to manage our costs, including purchased transportation, strategic operating partner commissions, personnel expenses, and sales and general expenses, our profitability may not improve or may decrease. This could adversely impact our business, results of operation, financial condition, and the trading price of our common stock.

Our business is subject to seasonal trends.

Historically, our operating results have been subject to seasonal trends when measured on a quarterly basis. Our first and fourth fiscal quarters are traditionally weaker compared with our second and third fiscal quarters. As a result, our quarterly operating results are likely to continue to fluctuate. This trend is dependent on numerous factors, including the markets in which we operate, holiday seasons, climate, economic conditions and numerous other factors. A substantial portion of our revenue is derived from customers in industries whose shipping patterns are tied closely to consumer demand, which can sometimes be difficult to predict or are based on just-in-time production schedules. Therefore, our revenue is, to a large degree, affected by factors that are outside of our control. There can be no assurance that our historic operating patterns will continue in future periods as we cannot influence or forecast many of these factors.

Comparisons of our operating results from period to period are not necessarily meaningful and should not be relied upon as an indicator of future performance.

Our operating results have fluctuated in the past and likely will continue to fluctuate in the future because of a variety of factors, many of which are beyond our control. A substantial portion of our revenue is derived from customers in industries whose shipping patterns are tied closely to economic trends and consumer demand that can be difficult to predict or are based on just-in-time production schedules. Because our quarterly revenues and operating results vary significantly, comparisons of our results from period to period are not necessarily meaningful and should not be relied upon as an indicator of future performance. Additionally, the timing of acquisitions, as well as the revenue and expenses of the acquired operations, the transaction expenses, amortization of intangible assets, and interest expense associated with acquisitions can make our operating results from period to period difficult to compare. Accordingly, there can be no assurance that our historical operating patterns will continue in future periods or that comparisons to prior periods will be meaningful.

Economic recessions and other factors that reduce freight volumes could have a material adverse impact on our business.

The transportation industry historically has experienced cyclical fluctuations in financial results due to economic recession, downturns in business cycles of our customers, interest rate fluctuations and other economic factors beyond our control. Deterioration in the economic environment subjects our business to various risks that may have a material impact on our operating results and cause us to not reach our long-term growth goals, and which may include the following:

- a reduction in overall freight volumes in the marketplace reduces our opportunities for growth. In addition, if a downturn in our customers' business cycles causes a reduction in the volume of freight shipped by those customers, our operating results could be adversely affected;
- some of our customers may face economic difficulties and may not be able to pay us, and some may go out of business. In addition, some customers may not pay us as quickly as they have in the past, causing our working capital needs to increase;
- a significant number of our transportation providers may go out of business and we may be unable to secure sufficient equipment or other transportation services to meet our commitments to our customers; and
- we may not be able to appropriately adjust our expenses to changing market demands. In order to maintain high variability in our business model, it is necessary to adjust staffing levels to changing market demands. In periods of rapid change, it is more difficult to match our staffing level to our business needs. In addition, we have other primarily variable expenses that are fixed for a period of time, and we may not be able to adequately adjust them in a period of rapid change in market demand.

Higher carrier prices may result in decreased net revenues.

Carriers can be expected to charge higher prices if market conditions warrant, or to cover higher operating expenses. Our net revenues and income from operations may decrease if we are unable to increase our pricing to our customers. Increased demand for truckload services and pending changes in regulations may reduce available capacity and increase carrier pricing.

We face intense competition in the freight forwarding, freight brokerage, logistics and supply chain management industry.

The freight forwarding, freight brokerage, logistics and supply chain management industry is intensely competitive and is expected to remain so for the foreseeable future. We face competition from a number of companies, including many that have significantly greater financial, technical and marketing resources. Customers increasingly are turning to competitive bidding processes, in which they solicit bids from a number of competitors, including competitors that are larger than us. Increased competition may lead to revenue reductions, reduced profit margins, or a loss of market share, any one of which could harm our business. There are many factors that could impair our profitability, including the following:

- competition with other transportation services companies, some of which have a broader coverage network, a wider range of services, more fully developed information technology systems and greater capital resources than we do;
- reduction by our competitors of their rates to gain business, especially during times of declining growth rates in the economy, which reductions may limit our ability to maintain or increase rates, maintain our operating margins or maintain significant growth in our business;
- shift in the business of shippers to asset-based trucking companies that also offer brokerage services in order to secure access to those companies' trucking capacity, particularly in times of tight industry-wide capacity;
- solicitation by shippers of bids from multiple transportation providers for their shipping needs and the resulting depression of freight rates or loss of business to competitors; and
- establishment by our competitors of cooperative relationships to increase their ability to address shipper needs.

Our industry is consolidating and if we cannot gain sufficient market presence, we may not be able to compete successfully against larger companies in our industry.

There currently is a trend within our industry towards consolidation of the niche players into larger companies that are attempting to increase global operations through the acquisition of regional and local freight forwarders, brokers, and other freight logistics providers. If we cannot gain sufficient market presence or otherwise establish a successful strategy in our industry, we may not be able to compete successfully against larger companies in our industry.

If we are not able to limit our liability for customers' claims for loss or damage to their goods through contract terms and limit our exposure through the purchase of insurance, we could be required to pay large amounts to our customers as compensation for their claims and our results of operations could be materially adversely affected.

In our freight forwarding operations, we have liability under law to our customers for loss or damage to their goods. We attempt to limit our exposure through release limits, indemnification by the air, ocean, and ground carriers that transport the freight, and insurance. Moreover, because a freight forwarder relationship to an airline or ocean carrier is that of a shipper to a carrier, the airline or ocean carrier generally assumes the same responsibility to us as we assume to our customers. When we act in the capacity of an authorized agent for an air or ocean carrier, the carrier, rather than us, assumes liability for the safe delivery of the customer's cargo to its ultimate destination, unless due to our own errors and omissions. However, these efforts may prove unsuccessful and we may be liable for loss and damage to the goods.

In addition to legal liability, from time to time customers exert economic pressure when the underlying carrier fails to cover the costs of loss or damage. We have, from time to time, made payments to our customers for claims related to our services and may make such payments in the future. Should we experience an increase in the number or size of such claims or an increase in liability pursuant to claims or unfavorable resolutions of claims, our results could be adversely affected.

There can be no assurance that our insurance coverage will provide us with adequate coverage for such claims or that the maximum amounts for which we are liable in connection with our services will not change in the future or exceed our insurance levels. As with every insurance policy, there are limits, exclusions and deductibles that apply, and we could be subject to claims for which insurance coverage may be inadequate or even disputed and such claims could adversely impact our financial condition and results of operations. In addition, significant increases in insurance costs could reduce our profitability.

We may be subject to claims arising from transportation of freight by the carriers with which we contract.

We use the services of thousands of transportation companies in connection with our transportation operations. From time to time, the drivers employed and engaged by the carriers we contract with are involved in accidents, which may result in death or serious personal injuries. The resulting types and/or amounts of damages may be excluded from or exceed the amount of insurance coverage maintained by the contracted carrier. Although these drivers are not our employees and all of these drivers are employees, owner-operators, or independent contractors working for carriers, from time to time, claims may be asserted against us for their actions, or for our actions in retaining them. Claims against us may exceed the amount of our insurance coverage or may not be covered by insurance at all. A material increase in the frequency or severity of accidents, liability claims or workers' compensation claims, or unfavorable resolutions of claims could materially and adversely affect our operating results. In addition, significant increases in insurance costs or the inability to purchase insurance as a result of these claims could reduce our profitability. Our involvement in the transportation of certain goods, including but not limited to hazardous materials, could also increase our exposure in the event one of our contracted carriers is involved in an accident resulting in injuries or contamination.

We are subject to various claims and lawsuits that could result in significant expenditures.

Our business exposes us to claims and litigation related to damage to cargo, labor and employment practices (including wage-and-hour, employment classification of independent contractor drivers, sales representatives, brokerage agents and other individuals, and other federal and state claims), personal injury, property damage, business practices, environmental liability and other matters. We carry insurance to cover most exposures, subject to specific coverage exceptions, aggregate limits, and self-insured retentions that we negotiate from time to time. However, not all claims are covered, and there can be no assurance that our coverage limits will be adequate to cover all amounts in dispute. To the extent we experience claims that are uninsured, exceed our coverage limits, or involve significant aggregate use of our self-insured retention amounts, the expenses could have a material adverse effect on our business, results of operations, financial condition or cash flows, particularly in the quarter in which the amounts are accrued. In addition, in the future, we may be subject to higher insurance premiums or increase our self-insured retention amounts, which could increase our overall costs or the volatility of claims expense.

Our failure to comply with, or the costs of complying with, government regulation could negatively affect our results of operation.

Our business is subject to evolving, complex and increasing regulation by national and international sources. Regulatory changes could affect the economics of our industry by requiring changes in operating practices or influencing the demand for, and the costs of providing, services to customers. Future regulation and our failure to comply with any applicable regulations could have a material adverse effect on our business.

The motor carriers we contract with are subject to increasingly restrictive laws protecting the environment, including those relating to climate change, which could directly or indirectly have a material adverse effect on our business.

Future and existing environmental regulatory requirements could adversely affect operations and increase operating expenses, which in turn could increase our purchased transportation costs. If we are unable to pass such costs along to our customers, our business could be materially and adversely affected. Even without any new legislation or regulation, increased public concern regarding greenhouse gases emitted by transportation carriers could harm the reputations of companies operating in the transportation logistics industries and shift consumer demand toward more locally sourced products and away from our services.

If we are unable to maintain our brand images and corporate reputation, our business may suffer.

Our success depends in part on our ability to maintain the image of the Radiant, Radiant Canada, Clipper, Airgroup, Adcom, DBA and Service by Air brands and our reputation for providing excellent service to our customers. Service quality issues, actual or perceived, even when false or unfounded, could tarnish the image of our brand and may cause customers to use other freight-forwarding companies. Damage to our reputation and loss of brand equity could reduce demand for our services and thus have an adverse effect on our business, financial position and results of operations, and could require additional resources to rebuild our reputation and restore the value of our brands.

Issues related to the intellectual property rights on which our business depends, whether related to our failure to enforce our own rights or infringement claims brought by others, could have a material adverse effect on our business, financial condition and results of operations.

We use both internally developed and purchased technology in conducting our business. Whether internally developed or purchased, it is possible that the user of these technologies could be claimed to infringe upon or violate the intellectual property rights of third parties. In the event that a claim is made against us by a third-party for the infringement of intellectual property rights, any settlement or adverse judgment against us either in the form of increased costs of licensing or a cease and desist order in using the technology could have an adverse effect on us and our results of operations.

We also rely on a combination of intellectual property rights, including copyrights, trademarks, domain names, trade secrets, intellectual property licenses and other contractual rights, to establish and protect our intellectual property and technology. Any of our owned or licensed intellectual property rights could be challenged, invalidated, circumvented, infringed or misappropriated; our trade secrets and other confidential information could be disclosed in an unauthorized manner to third-parties or we may fail to secure the rights to intellectual property developed by our employees, contractors and others. Given our international operations, we seek to register our trademarks and other intellectual property domestically and internationally. The laws of certain foreign countries may not protect trademarks to the same extent as do the laws of the United States. Efforts to enforce our intellectual property rights may be time consuming and costly, distract management's attention and resources and ultimately be unsuccessful. Moreover, our failure to develop and properly manage new intellectual property could adversely affect our market positions and business opportunities.

Our failure to obtain, maintain and enforce our intellectual property rights could therefore have a material adverse effect on our business, financial condition and results of operations.

We may not successfully manage our growth.

We intend to grow rapidly and substantially, including by expanding our internal resources, by making acquisitions and entering into new markets. We may experience difficulties and higher-than-expected expenses in executing this strategy as a result of unfamiliarity with new markets and change in revenue and business models.

Our growth will place a significant strain on our management, operational and financial resources. We will need to continually improve existing procedures and controls as well as implement new transaction processing, operational and financial systems, and procedures and controls to expand, train and manage our employee base. Our working capital needs will increase substantially as our operations grow. Failure to manage growth effectively, or obtain necessary working capital, could have a material adverse effect on our business, results of operations, cash flows, stock price and financial condition.

Our loans and credit facilities contain financial covenants that may limit current availability and impose ongoing operational limitations and risk of compliance.

We currently maintain (i) a USD\$150.0 million revolving credit facility (the “Revolving Credit Facility”) with Bank of America Securities, Inc. as sole book runner and sole lead arranger, Bank of Montreal Chicago Branch, as lender and syndication agent, MUFG Union Bank, N.A as lender and documentation agent and Bank of America, N. A., KeyBank National Association and Washington Federal Bank, National Association as lenders (such named lenders are collectively referred to herein as “Lenders”), pursuant to a Credit Agreement dated as of March 13, 2020, (ii) a CAD\$29.0 million senior secured Canadian term loan from Fiera Private Debt Fund IV LP (“FPD IV” formerly, Integrated Private Debt Fund IV LP) pursuant to a CAD\$29,000,000 Credit Facilities Loan Agreement (the “FPD IV Loan Agreement”), and (iii) a CAD\$10.0 million senior secured Canadian term loan from Fiera Private Debt Fund V LP (“FPD V” formerly, Integrated Private Debt Fund V LP) pursuant to a CAD\$10,000,000 Credit Facilities Loan Agreement (the “FPD V Loan Agreement” and, together with the FPD IV Loan Agreement, the “FPD Loan Agreements”). Repayment of the foregoing credit facilities is secured by our assets and the assets of our subsidiaries, including, without limitation, all of the capital stock of our subsidiaries.

For general borrowings under the Revolving Credit Facility, the Company is subject to the maximum consolidated leverage ratio of 3.00 and minimum consolidated fixed charge coverage ratio of 1.25. Additional minimum availability requirements and financial covenants apply in the event the Company seeks to use advances under the Revolving Credit Facility to pursue acquisitions or repurchase its common stock.

Our compliance with the financial covenants of our credit facilities is particularly important given the materiality of such facilities to our day-to-day operations and overall acquisition strategy. If we fail to comply with these covenants and are unable to secure a waiver or other relief, our financial condition would be materially weakened and our ability to fund day-to-day operations would be materially and adversely affected. Accordingly, we employ EBITDA and adjusted EBITDA as management tools to measure our historical financial performance and as a benchmark for future financial flexibility.

We may operate with a significant amount of indebtedness, which is secured by substantially all of our assets and subject to variable interest rates and restrictive covenants.

Substantial indebtedness could have adverse consequences, such as:

- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness with our lenders, which could reduce the availability of our cash flow to fund future operating capital, capital expenditures, acquisitions and other general corporate purposes;
- expose us to the risk of increased interest rates, as a substantial portion of our borrowings are at variable rates of interest;
- require us to sell assets to reduce indebtedness or influence our decisions about whether to do so;
- increase our vulnerability to general adverse economic and industry conditions;
- limit our flexibility in planning for, or reacting to, changes in our business and our industry;
- restrict us from making strategic acquisitions, buying assets or pursuing business opportunities; and
- limit, along with the financial and other restrictive covenants in our indebtedness, among other things, our ability to borrow additional funds.

In addition, violating covenants in these agreements could have a material adverse effect on our business, financial condition and results of operations. Consequences if the violations are not cured or waived could include substantially increasing our cost of borrowing, restricting our future operations, termination of our lenders’ commitments to supply us with further funds, cross defaults to other obligations, or acceleration of our obligations. If some or all of our obligations are accelerated, we may not be able to fully repay them.

Dependence on key personnel.

For the foreseeable future, our success will depend largely on the continued services of our Founder, Chairman and Chief Executive Officer, Bohn H. Crain, as well as certain of our other key executives and executives of our acquired businesses because of their collective industry knowledge, marketing skills and relationships with vendors, customers and strategic operating partners. Should any of these individuals leave us, we could have difficulty replacing them with qualified individuals and it could have a material adverse effect on our future results of operations.

Our results of operations could vary as a result of the methods, estimates, and judgments that we use in applying our accounting policies.

The methods, estimates, and judgments that we use in applying our accounting policies have a significant impact on our results of operations (see “Critical Accounting Policies” in Part II, Item 7 of this report). Such methods, estimates, and judgments are, by their nature, subject to substantial risks, uncertainties, and assumptions, and factors may arise over time that lead us to change our methods, estimates, and judgments. Changes in those methods, estimates, and judgments could significantly affect our results of operations.

Terrorist attacks and other acts of violence, anti-terrorism measures or war may affect our operations and our profitability.

As a result of the potential for terrorist attacks, federal, state and municipal authorities have implemented and continue to follow various security measures, including checkpoints and travel restrictions on large trucks. Such measures may reduce the productivity of our independent contractors and transportation providers or increase the costs associated with their operations, which we could be forced to bear. For example, security measures imposed at bridges, tunnels, border crossings and other points on key trucking routes may cause delays and increase the non-driving time of our independent contractors and transportation providers, which could have an adverse effect on our results of operations. We also have higher costs due to mandated security screening of air cargo traveling on passenger airlines and ocean freight. War, risk of war, or a terrorist attack also may have an adverse effect on the economy. A decline in economic activity could adversely affect our revenues or restrict our future growth. Instability in the financial markets as a result of terrorism or war also could impact our ability to raise capital. In addition, the insurance premiums charged for some or all of the coverage currently maintained by us could increase dramatically or such coverage could be unavailable in the future.

We intend to continue growing our international operations and will become increasingly subject to variations in the international trade market.

We provide services to customers engaged in international commerce and intend to grow our international business in the coming years. For the years ended June 30, 2021 and 2020, international transportation revenue accounted for 43% and 40% of our net revenues, respectively. International transportation revenue is defined as any shipment with an initiation or destination point outside of the United States. All factors that affect international trade have the potential to expand or contract our international business and impact our operating results. For example, international trade is influenced by, among other things:

- currency exchange rates and currency control regulations;
- interest rate fluctuations;
- changes in governmental policies, such as taxation, quota restrictions, tariffs, other forms of trade barriers and/or restrictions and trade accords;
- changes in and application of international and domestic customs, trade and security regulations;
- wars, strikes, civil unrest, acts of terrorism, and other conflicts, such as the conflict that has led to the imposition of economic sanctions by the United States and the European Union against Russia;
- natural disasters and pandemics;
- changes in consumer attitudes regarding goods made in countries other than their own;
- changes in availability of credit;
- economic conditions in other countries and regions;
- changes in supply chain design including those resulting from near shoring, widening and deepening of canals, and port congestion or disruption;
- changes in the price and readily available quantities of oil and other petroleum-related products; and
- increased global concerns regarding environmental sustainability.

If any of the foregoing factors have a negative effect on the international trade market, we could suffer a decrease in our international business, which could have a material adverse effect on our results of operations and financial condition.

In connection with our international business, we are subject to certain foreign regulatory requirements, and any failure to comply with these requirements could be detrimental to our business.

We provide services in parts of the world where common business practices could constitute violations of the anticorruption laws, rules, regulations and decrees of the United States, including the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and of all other countries in which we conduct business; as well as trade control laws, or laws, regulations and Executive Orders imposing embargoes and sanctions; and anti-boycott laws and regulations. Compliance with these laws, rules, regulations and decrees is dependent on our employees, subcontractors, consultants, agents, third-party brokers and customers, whose individual actions could violate these laws, rules, regulations and decrees. Failure to comply could result in substantial penalties, damages to our reputation and restrictions on our ability to conduct business. In addition, any investigation or litigation related to such violations may require significant management time and could cause us to incur extensive legal and related costs, all of which may have a material adverse effect on our results of operations and operating cash flows.

International operations expose us to currency exchange risk, and we cannot predict the effect of future exchange rate fluctuations on our business and operating results.

We generate a significant portion of revenues from our international operations, including a substantial amount in Canada. During the year ended June 30, 2021, approximately 43% of our net revenues were generated from international operations. Our international operations are sensitive to currency exchange risks. We have currency exposure arising from both sales and purchases denominated in foreign currencies, as well as intercompany transactions. Significant changes in exchange rates between foreign currencies in which we transact business and the U.S. dollar may adversely affect our results of operations and financial condition. Historically, we have not entered into any hedging activities, and, to the extent that we continue not to do so in the future, we may be vulnerable to the effects of currency exchange-rate fluctuations.

In addition, our international operations also expose us to currency fluctuations as we translate the financial statements of our foreign operations to the U.S. dollar. There can be no guarantee that the effect of currency fluctuations will not be material in the future.

Ineffective internal controls could impact our business and operating results as well as our public reporting and stock price.

We have grown rapidly and face additional challenges of disparate systems and geographically dispersed management. Our internal controls over financial reporting and disclosure are strained at times due to COVID-19, acquisitions, and other corporate development activities.

Our internal control over financial reporting may not prevent or detect misstatements because of its inherent limitations, including the possibility of human error, the circumvention or overriding of controls, or fraud. Effective internal controls are necessary for us to provide reliable and accurate financial statements and to effectively prevent fraud. As further described in Part II Item 9A “Controls and Procedures” of this Annual Report, management has concluded that our disclosure controls and procedures were not effective as of June 30, 2021 because of material weaknesses in internal control over financial reporting related to the following:

- (i) Our controls with respect to the recording and processing of revenue as currently designed lack the level of precision necessary to ensure the completeness and accuracy of revenue.
- (ii) Our controls with respect to the calculation of operating partner commissions as currently designed lack the level of precision necessary to ensure the completeness and accuracy of operating partner commissions.

We are currently working on the remediation of these material weaknesses.

We cannot be certain that we will be able to prevent future significant deficiencies or material weaknesses. Any remediation efforts additionally may require us to incur unanticipated costs for various professional fees and services. If we fail to maintain the adequacy of our internal controls, including any failure to implement required new or improved controls, or if we experience difficulties in their implementation, our business and operating results could be harmed, and we could fail to meet our financial reporting obligations. Material inaccuracies in our financial statements would decrease the reliability of our financial reporting, which could adversely affect our business and reduce our stock price.

Risks related to our receipt of PPP funding.

In response to the COVID-19 pandemic and the resulting impact on our current and future operations we applied for funds under the Paycheck Protection Program (the “PPP”). In April of 2020 we were approved for the amount of \$5.9 million, which we received in May 2020. The PPP loan application required us to certify, among other things, that the current economic uncertainty made the PPP loan request necessary to support our ongoing operations. While we made this certification in good faith, the certification does not contain any objective criteria and is subject to interpretation. In early 2020, the Small Business Administration provided guidance that it would be unlikely that a public company with substantial market value and access to capital markets would be able to make the required certification in good faith, and such company should be prepared to demonstrate to the Small Business Administration, upon request, the basis for its certification. Further, the Secretary of the Treasury and the Small Business Administration Administrator announced that the government will conduct a full audit of all PPP loans of more than \$2 million for which the borrower applies for forgiveness. While we believe we have satisfied all eligibility requirements for the PPP loans, there is a risk that we may be deemed to have been ineligible to receive the PPP loans or in violation of any of the laws or governmental regulations that apply to us in connection with the PPP loans; we may be required to repay the PPP loans in their entirety and we could be subject to additional penalties. The Company applied for forgiveness during the year and received forgiveness during the current fiscal year.

Risks Related to our Acquisition Strategy

There is a scarcity of and competition for acquisition opportunities.

There are a limited number of operating companies available for acquisition that we deem to be desirable targets. In addition, there is a very high level of competition among companies seeking to acquire these operating companies. We are and will continue to be a very minor participant in the business of seeking acquisitions of these types of companies. A large number of established and well-financed entities are active in acquiring interests in companies that we may find to be desirable acquisition candidates. Many of these entities have significantly greater financial resources, technical expertise and managerial capabilities than us. Consequently, we will be at a competitive disadvantage in negotiating and executing possible acquisitions of these businesses. Even if we are able to successfully compete with these entities, this competition may affect the terms of completed transactions and, as a result, we may pay more or receive less favorable terms than we expected for potential acquisitions. We may not be able to identify operating companies that complement our strategy, and even if we identify a company that complements our strategy, we may be unable to complete an acquisition of such a company for many reasons, including:

- failure to agree on the terms necessary for a transaction, such as the purchase price;
- incompatibility between our operational strategies or management philosophies with those of the potential acquiree;
- competition from other acquirers of operating companies;
- lack of sufficient capital to acquire a profitable logistics company;
- unwillingness of a potential acquiree to agree to subordinate any future payment of earn-outs or promissory notes to the payments due to our lenders; and
- unwillingness of a potential acquiree to work with our management.

Risks related to acquisition financing.

We have a limited amount of financial resources and our ability to make additional acquisitions without securing additional financing from outside sources is limited. In order to continue to pursue our acquisition strategy, we may be required to obtain additional financing. We may obtain such financing through a combination of traditional debt financing or the placement of debt and equity securities. We may finance some portion of our future acquisitions by either issuing equity or by using shares of our common stock for all or a portion of the purchase price for such businesses. In the event that our common stock does not attain or maintain a sufficient market value, or potential acquisition candidates are otherwise unwilling to accept our common stock as part of the purchase price for the sale of their businesses, we may be required to use more of our cash resources, if available, in order to maintain our acquisition program. If we do not have sufficient cash resources, we will not be able to complete acquisitions and our growth could be limited unless we are able to obtain additional capital through debt or equity financings. The terms of our credit facility require that we obtain the consent of our lenders prior to securing additional debt financing. There could be circumstances in which our ability to obtain additional debt financing could be constrained if we are unable to secure such consent.

Our credit facilities place certain limits on the acquisitions we may make.

Under the terms of our credit facilities, we may be required to obtain the consent of each of our lenders prior to making any additional acquisitions.

We are permitted to make additional acquisitions without the consent of the lenders only if certain conditions are satisfied. These conditions include the following: (i) no default shall have occurred or would result from such acquisition, (ii) the property acquired is used or useful in the same or a similar line of business as Radiant's, (iii) in the case of an acquisition of the equity interests, the board of directors of the target business shall have duly approved such Acquisition, (iv) we shall be in compliance with the financial covenants after giving effect to such acquisition and the consolidated leverage ratio shall be less than 3.25 to 1.00 for acquisitions valued above \$25 million and 2.75 to 1.00 for any other acquisitions, (v) the representations and warranties made by Radiant in each loan document shall be true and correct, (vi) if such transaction involves the purchase of an interest in a partnership between Radiant as a general partner and entities unaffiliated with the borrower as the other partners, such transaction shall be effected by having such equity interest acquired by a corporate holding company directly or indirectly wholly owned by Radiant newly formed for the sole purpose of effecting such transaction, and (vii) immediately after giving effect to such acquisition, there shall be at least \$25 million of availability under the Revolving Credit Facility.

In the event we are not able to satisfy the conditions of our credit facilities in connection with a proposed acquisition, we must either forego the acquisition, obtain the consent of the lenders, or retire the credit facility. This may prevent us from completing acquisitions that we determine are desirable from a business perspective and limit or slow our ability to achieve the critical mass we need to achieve our strategic objectives.

To the extent we make any material acquisitions, our earnings will be adversely affected by non-cash charges relating to the amortization of intangible assets, which may cause our stock price to decline.

Under applicable accounting standards, purchasers are required to allocate the total consideration paid in a business combination to the identified acquired assets and liabilities based on their fair values at the time of acquisition. The excess of the consideration paid to acquire a business over the fair value of the identifiable tangible assets acquired must be allocated among identifiable intangible assets including goodwill. The amount allocated to goodwill is not subject to amortization. However, it is tested at least annually for impairment. The amount allocated to identifiable intangible assets, such as customer relationships and the like, is amortized over the life of these intangible assets. We expect that this will subject us to periodic charges against our earnings to the extent of the amortization incurred for that period. Because our business strategy focuses, in part, on growth through acquisitions, our future earnings will be subject to greater non-cash amortization charges than a company whose earnings are derived solely from organic growth. As a result, we will experience an increase in non-cash charges related to the amortization of intangible assets acquired in our acquisitions. Our financial statements will show that our intangible assets are diminishing in value, even if the acquired businesses are increasing (or not diminishing) in value. Because of this discrepancy, we believe our EBITDA, a measure of financial performance that does not conform to generally accepted accounting principles ("GAAP") of the United States, provides a meaningful measure of our financial performance. However, the investment community generally measures a public company's performance by its net income. Further, the financial covenants of our credit facility adjust EBITDA to exclude costs related to share-based compensation and other non-cash charges. Thus, we believe that EBITDA and adjusted EBITDA provide a meaningful measure of our financial performance. If the investment community elects to place more emphasis on net income, the future price of our common stock could be adversely affected.

We are not obligated to follow any particular criteria or standards for identifying acquisition candidates.

Other than as required under the credit facility, we are not obligated to follow any particular operating, financial, geographic or other criteria in evaluating candidates for potential acquisitions or business combinations. We will determine the purchase price and other terms and conditions of acquisitions. Our stockholders will not have the opportunity to evaluate the relevant economic, financial and other information that our management team will use and consider in deciding whether or not to enter into a particular transaction.

We may be required to incur a significant amount of indebtedness in order to successfully implement our acquisition strategy.

Subject to the restrictions contained under our current credit facilities, we may be required to incur a significant amount of indebtedness in order to complete future acquisitions. If we are not able to generate sufficient cash flow from the operations of acquired businesses to make scheduled payments of principal and interest on the indebtedness, then we will be required to use our capital for such payments. This will restrict our ability to make additional acquisitions. We may also be forced to sell an acquired business in order to satisfy indebtedness. We cannot be certain that we will be able to operate profitably once we incur this indebtedness or that we will be able to generate a sufficient amount of proceeds from the ultimate disposition of such acquired businesses to repay the indebtedness incurred to make these acquisitions.

We may experience difficulties in integrating the operations, personnel and assets of acquired businesses that may disrupt our business, dilute stockholder value and adversely affect our operating results.

A core component of our business plan is to acquire businesses and assets in the transportation and logistics industry. There can be no assurance that we will be able to identify, acquire or profitably manage businesses or successfully integrate acquired businesses into the Company without substantial costs, delays or other operational or financial problems. Such acquisitions also involve numerous operational risks, including:

- difficulties in integrating operations, technologies, services and personnel;
- the diversion of financial and management resources from existing operations;
- the risk of entering new markets;
- the potential loss of existing or acquired strategic operating partners following an acquisition;
- the potential loss of key employees following an acquisition and the associated risk of competitive efforts from such departed personnel;
- possible legal disputes with the acquired company following an acquisition; and
- the inability to generate sufficient revenue to offset acquisition or investment costs.

As a result, if we fail to properly evaluate and execute any acquisitions or investments, our business and prospects may be seriously harmed.

In certain acquisitions, we may recognize non-cash gains or losses on changes in fair value of contingent consideration. We include contingent consideration based on future financial performance as a portion of the purchase price of certain acquisitions. To the extent that an acquired operation underperforms relative to anticipated earnings levels, we are able to set-off certain levels of future unpaid purchase price for such acquired operations. This will result in the recognition of a non-cash gain on the change in fair value of contingent consideration. In the alternative, to the extent an acquired operation outperforms anticipated earnings levels, we will recognize a non-cash expense on the change in fair value of contingent consideration. These non-cash gains and expenses may have a material impact on our financial results, and the impact could be opposite to the underlying results of the acquired operation.

Not every acquisition is structured utilizing contingent consideration. Our 2015 acquisitions of Radiant Canada and SBA and our 2017 acquisition of Lomas were structured without using contingent consideration. We will be unable to reduce the purchase price of these entities if they underperform relative to anticipated earnings levels.

Claims against us or other liabilities we incur relating to any acquisition or business combination may necessitate our seeking claims against the seller for which the seller may not indemnify us or that may exceed the seller's indemnification obligations.

There may be liabilities we assume in any acquisition or business combination that we did not discover or underestimated in the course of performing our due diligence investigation. A seller will normally have indemnification obligations to us under an acquisition or merger agreement, but these obligations will be subject to financial limitations, such as general deductibles and a cap, as well as time limitations. There can be no assurance that our right to indemnification from any seller will be enforceable, collectible or sufficient in amount, scope or duration to fully offset the amount of any undiscovered or underestimated liabilities. Any such liabilities, individually or in the aggregate, could have a material adverse effect on our business, results of operations or financial condition.

We may face competition from parties who sell us their businesses and from professionals who cease working for us.

In connection with our acquisitions, we generally obtain non-solicitation agreements from the professionals we hire, as well as non-competition agreements from senior managers and professionals. The agreements prohibit such individuals from competing with us during the term of their employment and for a fixed period afterwards and seeking to solicit our employees or clients. In some cases, but not all, we may obtain non-competition or non-solicitation agreements from parties who sell us their business or assets. Certain activities may be carved out of or otherwise may not be prohibited by these arrangements. We cannot assure that one or more of the parties from whom we acquire assets or a business or who do not join us or leave our employment will not compete with us or solicit our employees or clients in the future. Even if ultimately resolved in our favor, any litigation associated with the non-competition or non-solicitation agreements could be time consuming, costly and distract management's focus from locating suitable acquisition candidates and operating our business. Moreover, states and foreign jurisdictions may interpret restrictions on competition narrowly and in favor of employees.

Therefore, certain restrictions on competition or solicitation may be unenforceable. In addition, we may not pursue legal remedies if we determine that preserving cooperation and a professional relationship with the former employee or his clients, or other concerns, outweigh the benefits of any possible legal recourse or the likelihood of success does not justify the costs of pursuing a legal remedy. Such persons, because they have worked for us or a business that we acquire, may be able to compete more effectively with us, or be more successful in soliciting our employees and clients, than unaffiliated third parties.

Risks Related to our Common Stock

The market price of our common stock may fluctuate significantly, and this may make it difficult for you to resell our common stock at times or at prices you find attractive.

The market price of our common stock may fluctuate significantly as a result of a number of factors, many of which are outside our control. The current market price of our common stock may not be indicative of future market prices. Fluctuations may occur in response to the other risk factors listed in this prospectus supplement and for many other reasons, including:

- actual or anticipated variations in earnings, financial or operating performance or liquidity, including those resulting from the seasonality of our business;
- our financial performance or the performance of our competitors and similar companies;
- the public's reaction to our press releases, other public announcements and filings with the SEC;
- changes in estimates of our performance or recommendations by securities analysts;
- failure to meet securities analysts' quarterly and annual projections;
- the impact of new federal or state regulations;
- changes in accounting standards, policies, guidance, interpretations or principles;
- the introduction of new services by us or our competitors;
- the arrival or departure of key personnel;
- acquisitions, strategic alliances or joint ventures involving us or our competitors;
- technological innovations or other trends in our industry;
- news affecting our customers;
- operating and stock performance of other companies deemed to be peers;
- regulatory or labor conditions applicable to us, our industry or the industries we serve;
- market conditions in our industry, the industries we serve, the financial markets and the economy as a whole;
- changes in our capital structure; and
- sales of our common stock by us or members of our management team.

In addition, the stock market historically has experienced significant price and volume fluctuations. These fluctuations are often unrelated to the operating performance of a particular company. These broad market fluctuations may cause declines in the market price of our common stock.

Volatility in the market price of our common stock may make it difficult for you to resell shares of our common stock when you want or at attractive prices. In addition, when the market price of a company's common stock drops significantly, stockholders often institute securities class action lawsuits against the Company. A lawsuit against us could cause us to incur substantial costs, including settlement costs or awards for legal damages, and could divert the time and attention of our management and other resources.

Provisions of our certificate of incorporation, bylaws and Delaware law may make a contested takeover more difficult.

Certain provisions of our certificate of incorporation, bylaws and the General Corporation Law of the State of Delaware (“DGCL”) could deter a change in our management or render more difficult an attempt to obtain control of us, even if such a proposal is favored by a majority of our stockholders. For example, we are subject to the provisions of the DGCL that prohibit a public Delaware corporation from engaging in a broad range of business combinations with a person who, together with affiliates and associates, owns 15% or more of such corporation’s outstanding voting shares (an “interested stockholder”) for three years after the person became an interested stockholder, unless the business combination is approved in a prescribed manner. Our certificate of incorporation provides that directors may only be removed for cause by the affirmative vote of 75% of our outstanding shares and that amendments to our bylaws require the affirmative vote of holders of two-thirds of our outstanding shares. Our certificate of incorporation also includes undesignated preferred stock, which may enable our board of directors to discourage an attempt to obtain control of us by means of a tender offer, proxy contest, merger or otherwise. Finally, our bylaws include an advance notice procedure for stockholders to nominate directors or submit proposals at a stockholders meeting.

Our Founder, Chairman and Chief Executive Officer controls a large portion of our common stock and has substantial control over us, which could limit other stockholders’ ability to influence the outcome of key transactions, including changes of control.

Under applicable SEC rules, our Founder, Chairman and Chief Executive Officer, Bohn H. Crain, beneficially owns approximately 20% of our outstanding common stock as of June 30, 2021. Accordingly, Mr. Crain can exert substantial influence over our management and affairs and matters requiring stockholder approval, including the election of directors and the approval of significant corporate transactions, such as mergers, consolidations or the sale of substantially all of our assets. Consequently, this concentration of ownership may have the effect of delaying or preventing a change of control, including a merger, consolidation, or other business combination involving us, or discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control, even if that change of control would benefit our other stockholders. Further, this concentration of share ownership may adversely affect the trading price for our common stock because investors may perceive disadvantages in owning stock in companies with concentrated stockholders.

Trading in our common stock has been limited.

Although our common stock is traded on the NYSE American, it is traded not as frequently as compared to the volume of trading activity associated with larger companies whose shares trade on the larger national exchanges. Because of this limited liquidity, stockholders may be unable to sell their shares at the prices or volumes they desire. The trading price of our shares may from time to time fluctuate widely. The trading price may be affected by a number of factors including events described in the risk factors set forth in this report as well as our operating results, financial condition, announcements, general conditions in the industry and the financial markets, and other events or factors. In recent years, broad stock market indices, in general, and smaller capitalization companies, in particular, have experienced substantial price fluctuations. In a volatile market, we may experience wide fluctuations in the market price of our common stock. These fluctuations may have a negative effect on the market price of our common stock.

The influx of additional shares of our common stock onto the market may create downward pressure on the trading price of our common stock.

We have completed many acquisitions that often include the issuance of additional shares pursuant to the purchase agreements. In addition, we may issue additional shares in connection with such acquisitions upon the achievement of certain earn-out thresholds or in connection with future acquisitions as part of the purchase consideration. The availability of additional shares for sale to the public under Rule 144 of the Securities Act of 1933, as amended (the “Securities Act”) and sale of such shares in public markets could have an adverse effect on the market price of our common stock. Such an adverse effect on the market price would make it more difficult for us to sell our equity securities in the future at prices we deem appropriate or to use our shares as currency for future acquisitions, which will make it more difficult to execute our acquisition strategy.

The issuance of additional shares may result in additional dilution to our existing stockholders.

At any time, we may make private offerings of our securities. We have issued, and may be required to issue, additional shares of common stock or common stock equivalents in payment of the purchase price of businesses we have acquired. This will have the effect of further increasing the number of shares outstanding. In connection with future acquisitions, we may undertake the issuance of more shares of common stock without notice to our then existing stockholders. We may also issue additional shares in order to, among other things, compensate employees or consultants or for other valid business reasons in the discretion of our board of directors, which could result in diluting the interests of our existing stockholders.

The exercise or conversion of our outstanding options, or other convertible securities or any derivative securities we issue in the future will result in the dilution of the ownership interests of our existing stockholders and may create downward pressure on the trading price of our common stock. We are currently authorized to issue 100 million shares of common stock. As of September 1, 2021, we had 49,919,062 outstanding shares of common stock. As of September 1, 2021, we may in the future issue up to 1,412,889 additional shares of our common stock upon exercise of existing stock options.

We may issue shares of preferred stock with greater rights than our common stock.

Our certificate of incorporation authorizes our board of directors to issue shares of preferred stock and to determine the price and other terms for those shares without the approval of our stockholders. Any such preferred stock we may issue in the future could rank ahead of our common stock in many ways, including in terms of dividends, liquidation rights, and voting rights.

As we do not anticipate paying dividends on our common stock, investors in our shares of common stock will not receive any dividend income.

We have not paid any cash dividends on our common stock since our inception and we do not anticipate paying cash dividends on our common stock in the foreseeable future. Any dividends that we may pay in the future will be at the discretion of our board of directors, and will depend on our future earnings, any applicable regulatory considerations, our financial requirements and other similarly unpredictable factors. Our ability to pay dividends on our common stock is further limited by the terms of our credit facilities. Accordingly, investors seeking dividend income should not purchase our common stock.

If securities or industry analysts do not publish research about our business, or publish negative reports about our business, our stock price and trading volume could decline.

The trading market for our common stock, to some extent, depends on the research and reports that securities or industry analysts publish about our business. We do not have any control over these analysts. If one or more of the analysts who cover us downgrade our shares or lower their opinion of our shares, our share price may decline. If one or more of these analysts ceases coverage of our business or fails to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our share price or trading volume to decline.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our principal executive offices are located in Renton, Washington. Our network is comprised of over 100 operating locations, including the following Company-owned offices and warehouses operating from the following leased locations:

United States:

- Tempe, Arizona
- Carson, California
- Woodridge, Illinois
- Hebron, Kentucky
- Louisville, Kentucky
- Taylor, Michigan
- Mendota Heights, Minnesota
- Edison, New Jersey
- Jamaica, New York
- Woodbury, New York
- Portland, Oregon
- Folcroft, Pennsylvania
- Middletown, Pennsylvania
- Pittsburgh, Pennsylvania
- Argyle, Texas
- Laredo, Texas
- McAllen, Texas
- Alexandria, Virginia

Canada:

- Calgary, Alberta
- Delta, British Columbia
- Bolton, Ontario
- Brampton, Ontario
- Mississauga, Ontario
- Laval, Québec

We believe our current offices and warehouses are adequately covered by insurance and are sufficient to support our operations for the foreseeable future.

ITEM 3. LEGAL PROCEEDINGS

The information set forth in *Legal Proceedings* of Note 15 - Commitments and Contingencies in the notes to the audited consolidated financial statements in Item 8 of this Form 10-K is incorporated by reference.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common stock trades on the NYSE American under the symbol “RLGT.”

Holdings

As of September 1, 2021, the number of stockholders of record of our common stock was 76. This figure does not include a greater number of beneficial holders of our common stock, whose shares are held of record by banks, brokers and other financial institutions.

Dividend Policy

We have never declared or paid cash dividends on our common stock. In addition, we and our subsidiaries are subject to certain restrictions on declaring dividends under our existing credit facilities. We currently do not anticipate declaring or paying any cash dividends in the foreseeable future on our common stock. Any future determination to declare cash dividends on our common stock will be made at the discretion of our board of directors, subject to applicable laws and contractual restrictions, and will depend on our financial condition, results of operations, capital requirements, general business conditions and other factors that our board of directors may deem relevant.

Unregistered Sales of Equity Securities and Use of Proceeds

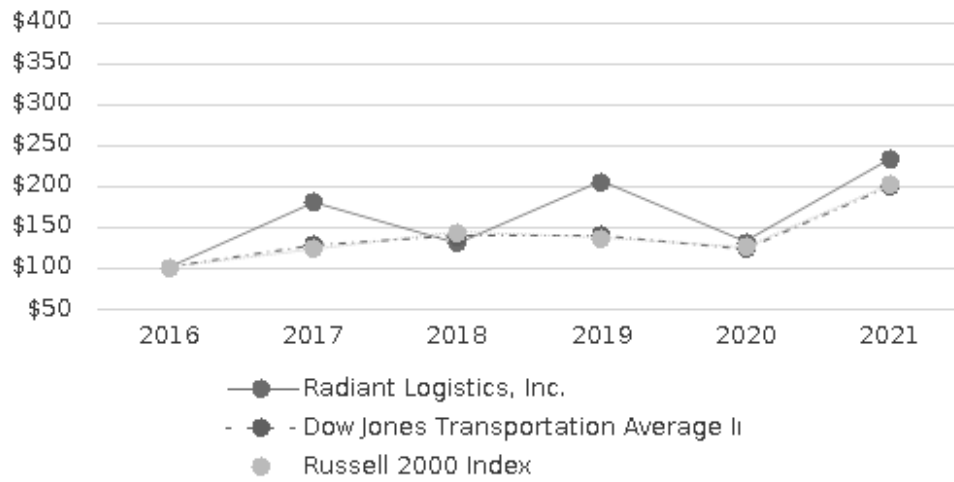
In March 2018, the Company’s board of directors authorized the repurchase of up to 5,000,000 shares of the Company’s common stock through December 31, 2019. On February 4, 2020, the Company announced that its board of directors had approved the renewal of the repurchase program through December 31, 2021. Under this repurchase program the Company purchased the following shares of common stock during the three months ended June 30, 2021. As of June 30, 2021, future repurchases of up to 4,098,184 shares were available in the share repurchase program.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares That May Yet Be Purchased Under the Plans or Programs
April 1 - 30, 2021	—	—	—	—
May 1 - 31, 2021	—	—	—	—
June 1 - 30, 2021	268,969	7.10	268,969	—
Total	268,969	\$ 7.10	268,969	—

Comparative Stock Performance

The graph below compares the cumulative total stockholder return on our common stock with the Russell 2000 Index and the Dow Jones Transportation Average Index, which is a SIC code 4731 line-of-business index, for the last five years. S&P Dow Jones Indices LLC prepared the line-of-business index. The graph assumes \$100 is invested in our common stock, the Russell 2000 Index, and the line-of-business index on June 30, 2016. The comparisons in the graph below are based on historical data and are not intended to forecast the possible future performance of our common stock. The information in the graph below shall be deemed “furnished” and not “filed” for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section.

	Investment value as of June 30,					
	2016	2017	2018	2019	2020	2021
Radiant Logistics, Inc.	\$ 100	\$ 179	\$ 130	\$ 205	\$ 131	\$ 231
Dow Jones Transportation Average Index	100	128	138	140	123	199
Russell 2000 Index	100	123	143	136	125	201



ITEM 6. SELECTED FINANCIAL DATA

Not applicable.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and result of operations should be read in conjunction with the consolidated financial statements and the related notes and other information included elsewhere in this report.

Overview

We operate as a third-party logistics company, providing multi-modal transportation and logistics services primarily in the United States and Canada. We service a large and diversified account base consisting of consumer goods, food and beverage, manufacturing and retail customers, which we support from an extensive network of operating locations across North America as well as an integrated international service partner network located in other key markets around the globe. We provide these services through a multi-brand network, which includes over 100 operating locations, which includes a number of independent agents, who we also refer to as our "strategic operating partners" that operated exclusively on our behalf as well as approximately 20 Company-owned offices. As a third-party logistics company, we have a vast carrier network of asset-based transportation companies, including motor carriers, railroads, airlines and ocean lines in our carrier network. We believe shippers value our services because we are able to objectively arrange the most efficient and cost-effective means, type and provider of transportation service without undue influence caused by the ownership of transportation assets. In addition, our minimal investment in physical assets affords us the opportunity for a higher return on invested capital and net cash flows than our asset-based competitors.

Through our operating locations across North America, we offer domestic, international air and ocean freight forwarding services and freight brokerage services, including truckload services, LTL services, and intermodal services, which is the movement of freight in trailers or containers by combination of truck and rail. Our primary business operations involve arranging the shipment, on behalf of our customers, of materials, products, equipment and other goods that are generally larger than shipments handled by integrated carriers of primarily small parcels, such as FedEx, DHL and UPS. Our services include arranging and monitoring all aspects of material flow activity utilizing advanced information technology systems. We also provide other value-added logistics services, including MM&D and CHB solutions to complement our core transportation service offering.

The Company expects to grow its business organically and by completing acquisitions of other companies with complementary geographical and logistics service offerings. The Company's organic growth strategy will continue to focus on strengthening existing and expanding new customer relationships leveraging the benefit of the Company's truck brokerage and intermodal service offerings, while continuing its efforts on the organic build-out of the Company's network of strategic operating partner locations. In addition, as the Company continues to grow and scale its business, the Company believes that it is creating density in its trade lanes, which creates opportunities for the Company to more efficiently source and manage its transportation capacity.

In addition to its focus on organic growth, the Company will continue to search for acquisition candidates that bring critical mass from a geographic and purchasing power standpoint, along with providing complementary service offerings to the current platform. As the Company continues to grow and scale its business, it also remains focused on leveraging its back-office infrastructure and technology systems to drive productivity improvement across the organization.

COVID-19

The COVID-19 pandemic continues to have widespread implications and while we see improvements in the broader economy, it is difficult to predict how COVID-19 will impact the overall economy in the future. Many countries have begun the process of vaccinating their residents against COVID-19. However, the large scale and challenging logistics of distributing the vaccines, as well as uncertainty over the efficacy of the vaccines against new variants of the virus, may impact the economy as well as our operations in the future. Our results for the fiscal year 2021 showed encouraging recovery as we navigate through this unique environment. While we are seeing positive results despite the current COVID-19 environment, there remains uncertainty regarding how COVID-19 will impact the Company's results in the future.

The effect of the COVID-19 pandemic may last for a significant period of time and may continue to adversely affect our business, results of operations and financial condition even after the COVID-19 outbreak has subsided. The extent to which the COVID-19 pandemic impacts us will depend on numerous evolving factors and future developments that we are not able to predict, including the duration and scope of the pandemic; governmental, business, and individuals' actions in response to the pandemic; and the impact on economic activity including the possibility of recession or financial market instability. These factors may adversely impact consumer, business, and government spending as well as customers' ability to pay for our services on an ongoing basis. This uncertainty also affects management's accounting estimates and assumptions, which could result in greater variability in a variety of areas that depend on these estimates and assumptions, including receivables and forward-looking guidance.

Performance Metrics

Our principal source of income is derived from freight forwarding and freight brokerage services we provide to our customers. As a third-party logistics provider, we arrange for the shipment of our customers' freight from point of origin to point of destination. Generally, we quote our customers a turnkey cost for the movement of their freight. Our price quote will often depend upon the customer's time-definite needs (first day through fifth day delivery), special handling needs (heavy equipment, delicate items, environmentally sensitive goods, electronic components, etc.), and the means of transport (motor carrier, air, ocean or rail). In turn, we assume the responsibility for arranging and paying for the underlying means of transportation.

Our transportation revenue represents the total dollar value of services we sell to our customers. Our cost of transportation includes direct costs of transportation, including motor carrier, air, ocean, and rail services. Our net transportation revenue (gross transportation revenue less the direct cost of transportation) is the primary indicator of our ability to source, add value and resell services provided by third parties, and is considered by management to be a key performance measure. In addition, management believes measuring its operating costs as a function of net transportation revenue provides a useful metric, as our ability to control costs as a function of net transportation revenue directly impacts operating earnings.

Our operating results will be affected as acquisitions occur. Since all acquisitions are made using the acquisition method of accounting for business combinations, our financial statements will only include the results of operations and cash flows of acquired companies for periods subsequent to the date of acquisition.

Net revenues, a non-GAAP financial measure, is our total revenue minus our total cost of transportation and other services (excluding depreciation and amortization, which are reported separately) and net margin is net revenues as a percentage of our total revenue. We believe that these provide investors meaningful information to understand our results of operations and the ability to analyze financial and business trends on a period-to-period basis.

Our GAAP-based net income will be affected by non-cash charges relating to the amortization of customer related intangible assets and other intangible assets attributable to completed acquisitions. Under applicable accounting standards, purchasers are required to allocate the total consideration in a business combination to the identified assets acquired and liabilities assumed based on their fair values at the time of acquisition. The excess of the consideration paid over the fair value of the identifiable net assets acquired is to be allocated to goodwill, which is tested at least annually for impairment. Applicable accounting standards require that we separately account for and value certain identifiable intangible assets based on the unique facts and circumstances of each acquisition. As a result of our acquisition strategy, our net income will include material non-cash charges relating to the amortization of customer related intangible assets and other intangible assets acquired in our acquisitions. Although these charges may increase as we complete more acquisitions, we believe we will be growing the value of our intangible assets (e.g. customer relationships). Thus, we believe that earnings before interest, taxes, depreciation and amortization, or EBITDA, is a useful financial measure for investors because it eliminates the effect of these non-cash costs and provides an important metric for our business.

EBITDA is a non-GAAP measure of income and does not include the effects of preferred stock dividends, interest, and taxes, and excludes the "non-cash" effects of depreciation and amortization on long-term assets. Companies have some discretion as to which elements of depreciation and amortization are excluded in the EBITDA calculation. We exclude all depreciation charges related to property, technology, and equipment and all amortization charges (including amortization of leasehold improvements). We then further adjust EBITDA to exclude changes in fair value of contingent consideration, expenses specifically attributable to acquisitions, transition and lease termination costs, foreign currency transaction gains and losses, share-based compensation expense, litigation expenses unrelated to our core operations, and other non-cash charges. While management considers EBITDA and adjusted EBITDA useful in analyzing our results, it is not intended to replace any presentation included in our consolidated financial statements.

Our operating results are also subject to seasonal trends when measured on a quarterly basis. The impact of seasonality on our business will depend on numerous factors, including the markets in which we operate, holiday seasons, consumer demand, and economic conditions. Since our revenue is largely derived from customers whose shipments are dependent upon consumer demand and just-in-time production schedules, the timing of our revenue is often beyond our control. Factors such as shifting demand for retail goods and/or manufacturing production delays could unexpectedly affect the timing of our revenue. As we increase the scale of our operations, seasonal trends in one area of our business may be offset to an extent by opposite trends in another area. We cannot accurately predict the timing of these factors, nor can we accurately estimate the impact of any particular factor, and thus we can give no assurance any historical seasonal patterns will continue in future periods.

Critical Accounting Policies

Accounting policies, methods and estimates are an integral part of the consolidated financial statements prepared by management and are based upon management's current judgments. These judgments are normally based on knowledge and experience regarding past and current events and assumptions about future events. Certain accounting policies, methods and estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ from management's current judgments. While there are a number of accounting policies, methods and estimates that affect our financial statements, the areas that are particularly significant include revenue recognition; accruals for the cost of purchased transportation; the fair value of acquired assets and liabilities; fair value of contingent consideration; and the assessment of the recoverability of long-lived assets, goodwill and intangible assets.

We perform an annual impairment test for goodwill as of April 1 of each year unless events or circumstances indicate impairment may have occurred before that time. We assess qualitative factors to determine whether it is more-likely-than-not that the fair value of the reporting unit is less than the carrying amount. After assessing qualitative factors, if further testing is necessary, we would determine the fair value of each reporting unit and compare the fair value to the reporting unit's carrying amount.

Intangible assets consist of customer related intangible assets, trade names and trademarks, and non-compete agreements arising from our acquisitions. Customer related intangible assets are amortized using the straight-line method over a period of up to ten years, trademarks and trade names are amortized using the straight-line method over 15 years, and non-compete agreements are amortized using the straight-line method over the term of the underlying agreements.

We review long-lived assets to be held-and-used for impairment whenever events or changes in circumstances indicate the carrying amount of the assets may not be recoverable. If the sum of the undiscounted expected future cash flows over the remaining useful life of a long-lived asset is less than its carrying amount, the asset is considered to be impaired. Impairment losses are measured as the amount by which the carrying amount of the asset exceeds the fair value of the asset. When fair values are not available, we estimate fair value using the expected future cash flows discounted at a rate commensurate with the risks associated with the recovery of the asset. Assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell.

As a non-asset-based carrier, we do not generally own transportation assets. We do, however, own certain trailers and refrigerated trailers that we use in our business. We generate the majority of our air and ocean freight forwarding and freight brokerage revenues by purchasing transportation services from direct (asset-based) carriers and reselling those services to our customers. Freight forwarding revenues related to shipments where we issue a House Airway Bill or a House Ocean Bill of Lading are recognized over the transit period as customers' goods move from origin to destination. Costs related to the shipments are also recognized at this same time based upon anticipated margins, contractual arrangements with direct carriers, and other known factors. The estimates are routinely monitored and compared to actual invoiced costs. The estimates are adjusted as deemed necessary by us to reflect differences between the original accruals and actual costs of purchased transportation. All other revenue, including revenue from other value-added services including freight brokerage services, customs brokerage services and warehousing and fulfillment services, is recognized upon completion of the service.

The Company has contingent obligations to transfer cash payments and equity shares to former shareholders of acquired operations in conjunction with certain acquisitions if specified operating results and financial objectives are met over the next four fiscal years. The Company uses projected future financial results based on recent and historical data to value the anticipated future earn-out payments. To calculate fair value, the future earn-out payments were then discounted using Level 3 inputs.

Results of Operations

Fiscal year ended June 30, 2021, compared to fiscal year ended June 30, 2020

The following table summarizes revenues, cost of transportation and other services, and net revenues by reportable operating segments for the fiscal years ended June 30, 2021 and 2020:

(In thousands)	Year Ended June 30, 2021				Year Ended June 30, 2020			
	United States	Canada	Corporate/ Eliminations	Total	United States	Canada	Corporate/ Eliminations	Total
Revenues								
Transportation	\$ 761,898	\$ 97,418	\$ (489)	\$ 858,827	\$ 745,097	\$ 80,090	\$ (671)	\$ 824,516
Value-added services	8,887	21,410	—	30,297	14,142	16,539	—	30,681
	<u>770,785</u>	<u>118,828</u>	<u>(489)</u>	<u>889,124</u>	<u>759,239</u>	<u>96,629</u>	<u>(671)</u>	<u>855,197</u>
Cost of transportation and other services								
Transportation	577,731	80,715	(489)	657,957	569,557	65,249	(671)	634,135
Value-added services	6,003	4,339	—	10,342	9,203	2,486	—	11,689
	<u>583,734</u>	<u>85,054</u>	<u>(489)</u>	<u>668,299</u>	<u>578,760</u>	<u>67,735</u>	<u>(671)</u>	<u>645,824</u>
Net revenues ⁽¹⁾								
Transportation	184,167	16,703	—	200,870	175,540	14,841	—	190,381
Value-added services	2,884	17,071	—	19,955	4,939	14,053	—	18,992
	<u>\$ 187,051</u>	<u>\$ 33,774</u>	<u>\$ —</u>	<u>\$ 220,825</u>	<u>\$ 180,479</u>	<u>\$ 28,894</u>	<u>\$ —</u>	<u>\$ 209,373</u>
Net margin								
Transportation	24.2%	17.1%	N/A	23.4%	23.6%	18.5%	N/A	23.1%
Value-added services	32.5%	79.7%	N/A	65.9%	34.9%	85.0%	N/A	61.9%

⁽¹⁾ Net revenues are revenues net of cost of transportation and other services.

Transportation revenue was \$858.8 million and \$824.5 million for the years ended June 30, 2021 and 2020, respectively. The increase of \$34.3 million, or 4.2%, is primarily attributable to increased volume with certain customers offset by lower disaster relief project work enjoyed in the prior year. Net transportation revenue was \$200.9 million and \$190.4 million for the years ended June 30, 2021 and 2020, respectively. Net transportation revenue margins increased slightly from 23.1% to 23.4%, primarily due to a significant decrease in the current year of low margin disaster relief project work, somewhat offset by surcharges on certain trade lanes due to the tightness of capacity as well as general shifts in product mix.

Value added services revenue was \$30.3 million and \$30.7 million for the years ended June 30, 2021 and 2020, respectively. The decrease of \$0.4 million, or 1.3%, is primarily attributable to slowdown in our contract logistics and custom brokerage services offerings. Net value added services revenue was \$20.0 million for the year ended June 30, 2021, compared to \$19.0 million for the comparable prior year period. Net value added services revenue margins increased from 61.9% to 65.9%, primarily due to lower personnel and warehousing costs as a percentage of revenue.

The following table provides a reconciliation for the fiscal years ended June 30, 2021 and 2020 of net revenues to gross profit, the most directly comparable GAAP measure:

(In thousands)	Year Ended June 30,	
	2021	2020
Reconciliation of net revenues to GAAP gross profit		
Revenues	\$ 889,124	\$ 855,197
Cost of transportation and other services (exclusive of depreciation and amortization, shown separately below)	(668,299)	(645,824)
Depreciation and amortization	(11,986)	(12,056)
GAAP gross profit	\$ 208,839	\$ 197,317
Depreciation and amortization	11,986	12,056
Net revenues	<u>\$ 220,825</u>	<u>\$ 209,373</u>
GAAP gross margin (GAAP gross profit as a percentage of revenues)	<u>23.5%</u>	<u>23.1%</u>
Net margin (net revenues as a percentage of revenues)	<u>24.8%</u>	<u>24.5%</u>

The following table compares consolidated statements of comprehensive income data by reportable operating segments for the fiscal years ended June 30, 2021 and 2020:

(In thousands)	Year Ended June 30, 2021				Year Ended June 30, 2020			
	United States	Canada	Corporate/ Eliminations	Total	United States	Canada	Corporate/ Eliminations	Total
Net revenues ⁽¹⁾	\$ 187,051	\$ 33,774	\$ —	\$ 220,825	\$ 180,479	\$ 28,894	\$ —	\$ 209,373
Operating expenses:								
Operating partner commissions	94,040	—	—	94,040	85,821	—	—	85,821
Personnel costs	38,135	13,441	3,802	55,378	41,426	12,880	3,373	57,679
Selling, general and administrative expenses	15,690	5,765	2,979	24,434	19,953	5,528	4,067	29,548
Depreciation and amortization	3,929	2,586	10,127	16,642	4,300	2,001	10,270	16,571
Transition, lease termination, and other costs	—	—	—	—	474	26	—	500
Change in fair value of contingent consideration	—	—	4,350	4,350	—	—	1,752	1,752
Total operating expenses	151,794	21,792	21,258	194,844	151,974	20,435	19,462	191,871
Income (loss) from operations	35,257	11,982	(21,258)	25,981	28,505	8,459	(19,462)	17,502
Other income (expense)	676	(162)	2,863	3,377	216	30	(2,227)	(1,981)
Income (loss) before income taxes	35,933	11,820	(18,395)	29,358	28,721	8,489	(21,689)	15,521
Income tax expense	—	—	(5,896)	(5,896)	—	—	(3,157)	(3,157)
Net income (loss)	35,933	11,820	(24,291)	23,462	28,721	8,489	(24,846)	12,364
Less: net income attributable to non-controlling interest	(519)	—	—	(519)	(1,823)	—	—	(1,823)
Net income (loss) attributable to Radiant Logistics, Inc.	\$ 35,414	\$ 11,820	\$ (24,291)	\$ 22,943	\$ 26,898	\$ 8,489	\$ (24,846)	\$ 10,541

Operating expenses as a percent of net revenues ⁽¹⁾ :	Year Ended June 30, 2021				Year Ended June 30, 2020			
	United States	Canada	Corporate/ Eliminations	Total	United States	Canada	Corporate/ Eliminations	Total
Operating partner commissions	50.3%	0.0%	N/A	42.6%	47.6%	0.0%	N/A	41.0%
Personnel costs	20.4%	39.8%	N/A	25.1%	23.0%	44.6%	N/A	27.5%
Selling, general and administrative expenses	8.4%	17.1%	N/A	11.1%	11.1%	19.1%	N/A	14.1%
Depreciation and amortization	2.1%	7.7%	N/A	7.5%	2.4%	6.9%	N/A	7.9%

⁽¹⁾ Net revenues are revenues net of cost of transportation and other services.

Operating partner commissions increased \$8.2 million, or 9.6%, to \$94.0 million for the year ended June 30, 2021. The increase is primarily due to increased net revenues from operating partners. As a percentage of net revenues, operating partner commissions increased 160 basis points to 42.6% from 41.0% for the years ended June 30, 2021 and 2020, respectively, primarily due to significantly lower disaster relief project work, which resulted in smaller operating partner commission payments in the year ended June 30, 2020.

Personnel costs decreased \$2.3 million, or 4.0%, to \$55.4 million for the year ended June 30, 2021. The decrease is primarily due to temporary work force reductions and temporary compensation reductions as a result of management response to COVID-19, particularly for the first two quarters of the year. As a percentage of net revenues, personnel costs decreased 247 basis points to 25.1% from 27.5% for the years ended June 30, 2021 and 2020, respectively.

Selling, general and administrative (“SG&A”) expenses decreased \$5.1 million, or 17.3%, to \$24.4 million for the year ended June 30, 2021. The decrease is primarily attributable to decreased bad debt expense, claims, professional services and travel. As a percentage of net revenues, SG&A decreased 305 basis points to 11.1% from 14.1% for the years ended June 30, 2021 and 2020, respectively.

Depreciation and amortization costs remained around \$16.6 million for both years ended June 30, 2021 and 2020. As a percentage of net revenues, depreciation and amortization decreased 38 basis points to 7.5% from 7.9% for the years ended June 30, 2021 and 2020, respectively.

The transition, lease termination, and other costs increased \$0.5 million for the year ended June 30, 2020.

Change in fair value of contingent consideration was a loss of \$4.4 million for the year ended June 30, 2021, compared to a loss of \$1.8 million for the year ended June 30, 2020. The change in each year is attributable to a change in management’s estimates of future earn-out payments through the remainder of the respective earn-out periods.

Net other income (expenses) increased by \$5.4 million, or 270.5%, to net other income of \$3.4 million for the year ended June 30, 2021 primarily due to gain on the forgiveness of the PPP loans offered under the CARES Act as a result of the COVID-19 pandemic.

Our change in net income is driven principally by increased net revenues, partially offset by increased operating expenses and increased income taxes compared to the prior year.

Our future financial results may be impacted by amortization of intangible assets resulting from acquisitions as well as gains or losses from changes in fair value of contingent consideration that are difficult to predict.

The following table provides a reconciliation for the fiscal years ended June 30, 2021 and 2020 of adjusted EBITDA to net income (loss), the most directly comparable GAAP measure:

(In thousands)	Year Ended June 30, 2021				Year Ended June 30, 2020			
	United States	Canada	Corporate/ Eliminations	Total	United States	Canada	Corporate/ Eliminations	Total
Net income (loss) attributable to Radiant Logistics, Inc.	\$ 35,414	\$ 11,820	\$ (24,291)	\$ 22,943	\$ 26,898	\$ 8,489	\$ (24,846)	\$ 10,541
Income tax expense	—	—	5,896	5,896	—	—	3,157	3,157
Depreciation and amortization	3,929	2,586	10,127	16,642	4,300	2,001	10,270	16,571
Net interest expense	—	—	2,531	2,531	—	—	2,826	2,826
EBITDA	39,343	14,406	(5,737)	48,012	31,198	10,490	(8,593)	33,095
Share-based compensation	378	218	475	1,071	894	212	557	1,663
Change in fair value of contingent consideration	—	—	4,350	4,350	—	—	1,752	1,752
Acquisition related costs	—	—	42	42	—	—	577	577
Litigation costs	—	—	535	535	—	—	1,061	1,061
Gain on litigation settlement, net	—	—	(25)	(25)	—	—	—	—
Transition, lease termination, and other costs	—	—	—	—	560	26	—	586
Change in fair value of interest rate swap contracts	—	—	594	594	—	—	(600)	(600)
Gain on forgiveness of debt	—	—	(5,987)	(5,987)	—	—	—	—
Foreign currency transaction loss (gain)	(179)	368	—	189	155	(30)	—	125
Adjusted EBITDA	\$ 39,542	\$ 14,992	\$ (5,753)	\$ 48,781	\$ 32,807	\$ 10,698	\$ (5,246)	\$ 38,259
Adjusted EBITDA as a % of net revenues ⁽¹⁾	21.1%	44.4%	N/A	22.1%	18.2%	37.0%	N/A	18.3%

(1) Net revenues are revenues net of cost of transportation and other services.

Adjusted EBITDA increased \$10.5 million, or 27.5% to \$48.8 million for the year ended June 30, 2021.

Liquidity and Capital Resources

Generally, our primary sources of liquidity are cash generated from operating activities and borrowings under our Revolving Credit Facility, as described below. These sources also fund a portion of our capital expenditures and contractual contingent consideration obligations. Adapting to COVID-19, we have curtailed mergers and acquisitions activities and suspended the stock buy-back program through our third fiscal quarter, but reinitiated the stock buy-back program starting in the fourth quarter of the fiscal year ended June 30, 2021. Our level of cash and financing capabilities along with cash flows from operations have historically been sufficient to meet our operating and capital needs. As of June 30, 2021, we have \$13.7 million in cash on hand to serve as adequate working capital.

Fiscal year ended June 30, 2021 compared to fiscal year ended June 30, 2020

Net cash provided by operating activities were \$14.1 million and \$29.9 million for the fiscal years ended June 30, 2021 and 2020, respectively. The cash provided primarily consisted of net income adjusted for depreciation and amortization and changes in accounts payable and accounts receivable. Compared to the prior fiscal year, cash provided by operating activities decreased mainly due to increased accounts receivable balance from customers and partially offset by increased payables to vendors.

Net cash used for investing activities were \$11.1 million and \$14.1 million for the years ended June 30, 2021 and 2020, respectively. The primary uses of cash were for acquisition and purchases of technology and equipment. Cash paid for acquisitions was \$9.2 million for the fiscal year ended June 30, 2020. Cash paid for purchases of technology and equipment were \$11.4 million and \$5.2 million for the years ended June 30, 2021 and 2020, respectively.

Net cash used for financing activities was \$23.7 million and net cash provided by financing activities was \$12.3 million for the fiscal years ended June 30, 2021 and 2020, respectively. Gross proceeds from the credit facility was \$6.4 million and gross repayments from the credit facility was \$21.4 million during the fiscal year ended June 30, 2021. Gross proceeds from the credit facility was \$586.3 million and gross repayments to the credit facility was \$570.1 million for the fiscal year ended June 30, 2020. Proceeds from the PPP loans was \$5.9 million received during the fiscal year ended June 30, 2020. Payments of debt issuance costs was \$1.9 million for the fiscal year ended June 30, 2020. Repayments of notes payable and finance lease liability were \$4.7 million and \$4.3 million for the fiscal years ended June 30, 2021 and 2020, respectively. Repurchases of common stock were \$1.9 million and \$2.5 million for the fiscal years ended June 30, 2021 and 2020, respectively. Payments of contingent consideration was \$2.0 million for the year ended June 30, 2021. Distributions to non-controlling interest were \$1.0 million and \$1.3 million for the fiscal years ended June 30, 2021 and 2020, respectively. Proceeds from employees' exercise of stock options were \$1.4 million and \$0.6 million for the fiscal years ended June 30, 2021 and 2020, respectively. Payments of employee tax withholdings related to vesting of restricted stock awards were \$0.3 million for each of the fiscal years ended June 30, 2021 and 2020. Payments of employee tax withholdings related to the cashless exercise of stock option were \$0.2 million for each of the fiscal years ended June 30, 2021 and 2020.

Working Capital

We believe that our current working capital, anticipated cash flow from operations, and access to financing through the Revolving Credit Facility are adequate for funding existing operations for the next twelve months.

Acquisitions

Below are descriptions of recent acquisitions in the last two fiscal years.

On February 7, 2020 the Company acquired the assets and operations of two of its Adcom agency locations: Alexandria, Virginia based Friedway Enterprises, Inc. ("Friedway") and Pittsburgh, Pennsylvania based CIC2, Inc. ("CIC2"). The acquired agencies are expected to strengthen and diversify Radiant's network of Company-owned operations and will continue to provide a full range of hyper-care domestic and international transportation and logistics service to customers in medical device, high-tech and trade-show industries. As consideration for the acquisition, the Company paid \$9.2 million in cash upon closing and issued 45,086 shares of common stock recorded at fair value, and the seller is entitled to additional contingent consideration payable in subsequent periods based on future performance of the acquired operation. The maximum contingent consideration payable is \$10 million.

Technology

A primary component of our business strategy is to provide robust and advanced technology offerings to our customers, while providing advanced technology to our operations, strategic operating partners and management. To accomplish this, we will continuously develop and enhance our technology platform to align with current and future business requirements. During the year ended June 30, 2021, we spent approximately \$2.1 million on technology enhancements and software systems in order to increase our operating efficiency and improve technology offerings. We intend to spend in excess of \$3.5 million during the fiscal year ended June 30, 2022 in order to continue enhancing our technology platform, which we expect will include elements focused on customer facing, vendor facing, and user facing tools and systems that will be integrated into our existing platform and support our continued growth.

Revolving Credit Facility

The Company entered into a \$150 million syndicated, revolving credit facility (the "Revolving Credit Facility") pursuant to a Credit Agreement dated as of March 13, 2020. On June 30, 2021, the borrowings outstanding on the Revolving Credit Facility was \$15 million. The Revolving Credit Facility was entered into with Bank of America Securities, Inc. as sole book runner and sole lead arranger, Bank of Montreal Chicago Branch, as lender and syndication agent, MUFG Union Bank, N.A as lender and documentation agent and Bank of America, N. A., KeyBank National Association and Washington Federal Bank, National Association as lenders (such named lenders are collectively referred to herein as "Lenders"). This replaces the Company's \$75 million facility dated June 14, 2017.

The Revolving Credit Facility has a term of five years, matures on March 13, 2025, and is collateralized by a first-priority security interest in the accounts receivable and other assets of the Company. Borrowings under the Revolving Credit Facility accrue interest (at the Company's option), at the Lenders' base rate plus 1.00% or LIBOR plus 2.00% and can be subsequently adjusted based on the Company's consolidated leverage ratio under the facility at the Lenders' base rate plus 1.00% to 1.75% or LIBOR plus 2.00% to 2.75%.

The Revolving Credit Facility includes a \$50 million accordion feature to support future acquisition opportunities. For general borrowings under the Revolving Credit Facility, the Company is subject to the maximum consolidated leverage ratio of 3.00 and minimum consolidated fixed charge coverage ratio of 1.25. Additional minimum availability requirements and financial covenants apply in the event the Company seeks to use advances under the Revolving Credit Facility to pursue acquisitions or repurchase its common stock.

In conjunction with the Revolving Credit Facility, Radiant entered into two interest rate swap contracts. On March 20, 2020, and effective April 17, 2020, Radiant entered into an interest rate swap contract with Bank of America to trade variable interest cash inflows at one-month LIBOR for a \$20 million notional amount, for fixed interest cash outflows at 0.635%. On April 1, 2020, and effective April 2, 2020, Radiant entered into an interest rate swap contract with Bank of America to trade the variable interest cash inflows at one-month LIBOR for a \$10 million notional amount, for fixed interest cash outflows at 0.5865%. Both interest rate swap contracts mature and terminate on March 13, 2025.

Senior Secured Loan

On April 2, 2015, Radiant Canada obtained a CAD\$29.0 million senior secured Canadian term loan from Fiera Private Debt Fund IV LP (“FPD IV” formerly, Integrated Private Debt Fund IV LP) pursuant to a CAD\$29,000,000 Credit Facilities Loan Agreement (the “FPD IV Loan Agreement”). The Company and its U.S. and Canadian subsidiaries are guarantors of the Radiant Canada obligations thereunder. The loan matures on April 1, 2024 and accrues interest at a rate of 6.65% per annum. We made interest-only payments for the first twelve months and blended principal and interest payments through maturity. In connection with the loan, we paid an amount equal to five months of interest payments into a debt service reserve account controlled by FPD IV.

In connection with our acquisition of Lomas, Radiant Canada obtained a CAD\$10.0 million senior secured Canadian term loan from Fiera Private Debt Fund V LP (“FPD V” formerly, Integrated Private Debt Fund V LP) pursuant to a CAD\$10,000,000 Credit Facilities Loan Agreement (the “FPD V Loan Agreement,” and together with the FPD IV Loan Agreement, the “FPD Loan Agreements”). The Company and its U.S. and Canadian subsidiaries are guarantors of the Radiant Canada obligations thereunder. The loan matures on June 1, 2024 and accrues interest at a rate of 6.65% per annum. The loan repayment consists of monthly blended principal and interest payments.

The loans may be prepaid in whole at any time upon providing at least 30 days prior written notice and paying the difference between (i) the present value of the loan interest and the principal payments foregone discounted at the Government of Canada Bond Yield for the term from the date of prepayment to the maturity date and (ii) the face value of the principal amount being prepaid.

For additional information regarding our indebtedness, see Note 8 to the consolidated financial statements.

Paycheck Protection Program Loans

On May 4, 2020, the Company received loan proceeds of \$5.9 million pursuant to the Paycheck Protection Program (the “PPP”) under the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). The application for these funds required the Company to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operations of the Company. This certification further required the Company to take into account our current business activity and our ability to access other sources of liquidity sufficient to support ongoing operations in a manner that is not significantly detrimental to the business. On April 28, 2020, the Secretary of the U.S. Department of the Treasury stated that the Small Business Administration will perform a full review of any PPP loan over \$2 million before forgiving the loan. The certification made by the Company did not contain any objective criteria and is subject to interpretation. Despite the good-faith belief that given the Company’s circumstances all eligibility requirements for the PPP loans were satisfied, if it is later determined that the Company had violated any applicable laws or regulations or it is otherwise determined the Company was ineligible to receive the PPP loans, it may be required to repay the PPP loans in its entirety and/or be subject to additional penalties.

The term of the Company’s PPP loans was two years. The annual interest rate on the PPP loans was 1% and no payments of principal or interest would have been due until the conclusion of the deferral period. The deferral period would end on the earlier of (i) the date that Small Business Administration remits the loan forgiveness amount to the lender, or (ii) if the loan were not forgiven, ten months after the end of the 24-week loan forgiveness covered period. Under the terms of the PPP loans, all or a portion of the principal could be forgiven if the loan proceeds were used for qualifying expenses as described in the CARES Act, such as payroll costs, benefits, rent, and utilities. The PPP loan was recognized on the Company’s June 30, 2020 consolidated balance sheet as notes payable and was derecognized when forgiven during the year ended June 30, 2021.

As of June 30, 2021, all PPP loans totaling \$5.9 million were forgiven, including \$0.06 million of interest previously accrued.

Off Balance Sheet Arrangements

As of June 30, 2021, we did not have any relationships with unconsolidated entities or financial partners, such as entities often referred to as structured finance or special purpose entities, which had been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. As such, we are not materially exposed to any financing, liquidity, market or credit risk that could arise if we had engaged in such relationships.

Recent Accounting Guidance

The recent accounting guidance is discussed in Note 2 to the consolidated financial statements contained in this report.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a smaller reporting company, the Company is not required to provide the information called for by this Item 7A.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

Shareholders and Board of Directors

Radiant Logistics, Inc.

Renton, Washington

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Radiant Logistics, Inc. (the “Company”) as of June 30, 2021 and 2020, the related consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at June 30, 2021 and 2020, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the Company's internal control over financial reporting as of June 30, 2021, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) and our report dated September 20, 2021 expressed an adverse opinion thereon.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing separate opinions on the critical audit matter or on the accounts or disclosures to which it relates.

Goodwill

As described in Notes 3 and 7 to the consolidated financial statements, the Company's consolidated goodwill balance was \$72.6 million as of June 30, 2021. The Company performs goodwill impairment testing annually as of April 1, or more frequently if events or circumstances indicate the carrying value of a reporting unit that includes goodwill might exceed the fair value of that reporting unit. The Company estimates the fair value of each reporting unit based on a combination of an income approach, that utilizes discounted cash flows specific to each reporting unit, and a market approach, that considers guideline public company market multiples.

We identified the determination of the fair value of each reporting unit included in the Company's annual goodwill impairment test as a critical audit matter. The key assumptions utilized by management in the determination of the fair value under the income approach include projected revenue growth rates, profit margins, operating expenses, terminal value and discount rates for each of the Company's reporting units. The key assumptions utilized by management in the determination of the fair value under the market approach include the selection of guideline public companies utilized. Changes to these assumptions can have a significant impact on the fair value of each reporting unit. Auditing management's valuation methods and assumptions utilized in estimating the fair value of the reporting units involved especially challenging and subjective auditor judgment due to the nature and extent of audit effort required to address this matter, including the extent of specialized skill or knowledge needed.

The primary procedures we performed to address this critical audit matter included:

- Testing the design and operating effectiveness of controls relating to management's goodwill impairment tests, including management's review of the key assumptions and judgments used in determining the valuation methodology for the measurement of the fair value of each reporting unit.
- Evaluating management's ability to forecast cash flows and the reasonableness of management's assumptions used to develop cash flow forecasts and projections by comparing them to prior period forecasts, historical operating performance, internal and external communications made by the Company, and forecasted information included in industry reports.
- Testing the accuracy and completeness of the data used by management to develop its projections.
- Utilizing personnel with specialized knowledge and skill of valuation techniques to assist in: (i) evaluating the methodologies used by management to determine the fair value of each reporting unit including the weighting of the income and market approaches; (ii) assessing the underlying projections by comparing key assumptions to historical levels and guideline public companies; (iii) evaluating the reasonableness of assumptions used in the income and market approaches including discount rates, terminal values, present value factors, market multiples, and the control premium; and (iv) testing the mathematical accuracy of the Company's calculations.

/s/ BDO USA, LLP

We have served as the Company's auditor since 2019.

Seattle, Washington

September 20, 2021

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Shareholders and Board of Directors
Radiant Logistics, Inc.
Renton, Washington

Opinion on Internal Control over Financial Reporting

We have audited Radiant Logistics, Inc.'s (the "Company's") internal control over financial reporting as of June 30, 2021, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO criteria"). In our opinion, the Company did not maintain, in all material respects, effective internal control over financial reporting as of June 30, 2021, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated balance sheets of the Company as of June 30, 2021 and 2020, and the related consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended, and the related notes (collectively referred to as the "consolidated financial statements") and our report dated September 20, 2021 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying "Item 9A, Controls and Procedures". Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit of internal control over financial reporting in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. Material weaknesses regarding management's failure to design and maintain controls over (1) revenue, and (2) operating partner commissions have been identified and described in management's assessment. These material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the 2021 consolidated financial statements, and this report does not affect our report dated September 20, 2021 on those consolidated financial statements.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ BDO USA, LLP

Seattle, Washington

September 20, 2021

RADIANT LOGISTICS, INC.
Consolidated Balance Sheets

(In thousands, except share and per share data)	June 30,	
	2021	2020
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 13,696	\$ 34,841
Accounts receivable, net of allowance of \$1,489 and \$1,990, respectively	117,349	71,838
Contract assets	27,753	16,312
Income tax receivable	—	780
Prepaid expenses and other current assets	17,512	16,817
Total current assets	<u>176,310</u>	<u>140,588</u>
Property, technology, and equipment, net	24,151	18,712
Goodwill	72,582	72,199
Intangible assets, net	41,404	51,192
Operating lease right-of-use assets	39,022	12,580
Deposits and other assets	3,772	4,769
Total other long-term assets	<u>156,780</u>	<u>140,740</u>
Total assets	<u>\$ 357,241</u>	<u>\$ 300,040</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 87,941	\$ 65,003
Operating partner commissions payable	13,779	9,131
Accrued expenses	6,801	6,538
Income tax payable	2,713	—
Current portion of notes payable	4,446	3,800
Current portion of operating lease liability	6,989	6,121
Current portion of finance lease liability	743	688
Current portion of contingent consideration	2,600	2,127
Other current liabilities	345	308
Total current liabilities	<u>126,357</u>	<u>93,716</u>
Notes payable, net of current portion	24,000	48,091
Operating lease liability, net of current portion	34,899	7,192
Finance lease liability, net of current portion	1,809	2,476
Contingent consideration, net of current portion	4,663	2,813
Deferred income taxes	4,021	7,484
Other long-term liabilities	89	93
Total long-term liabilities	<u>69,481</u>	<u>68,149</u>
Total liabilities	<u>195,838</u>	<u>161,865</u>
Commitments and contingencies (Note 15)		
Equity:		
Common stock, \$0.001 par value, 100,000,000 shares authorized; 50,832,205 and 50,188,486 shares issued, and 49,930,389 and 49,555,639 shares outstanding, respectively	32	32
Additional paid-in capital	104,228	102,214
Treasury stock, at cost, 901,816 and 632,847 shares, respectively	(4,658)	(2,749)
Retained earnings	60,367	37,424
Accumulated other comprehensive income	1,141	445
Total Radiant Logistics, Inc. stockholders' equity	<u>161,110</u>	<u>137,366</u>
Non-controlling interest	293	809
Total equity	<u>161,403</u>	<u>138,175</u>
Total liabilities and equity	<u>\$ 357,241</u>	<u>\$ 300,040</u>

The accompanying notes are an integral part of these consolidated financial statements.

RADIANT LOGISTICS, INC.
Consolidated Statements of Comprehensive Income

(In thousands, except share and per share data)	Year Ended June 30,	
	2021	2020
Revenues	\$ 889,124	\$ 855,197
Operating expenses:		
Cost of transportation and other services	668,299	645,824
Operating partner commissions	94,040	85,821
Personnel costs	55,378	57,679
Selling, general and administrative expenses	24,434	29,548
Depreciation and amortization	16,642	16,571
Transition, lease termination, and other costs	—	500
Change in fair value of contingent consideration	4,350	1,752
Total operating expenses	863,143	837,695
Income from operations	25,981	17,502
Other income (expense):		
Interest income	18	59
Interest expense	(2,549)	(2,885)
Foreign currency transaction loss	(189)	(125)
Change in fair value of interest rate swap contracts	(594)	600
Gain on forgiveness of debt	5,987	—
Other	704	370
Total other income (expense)	3,377	(1,981)
Income before income taxes	29,358	15,521
Income tax expense	(5,896)	(3,157)
Net income	23,462	12,364
Less: net income attributable to non-controlling interest	(519)	(1,823)
Net income attributable to Radiant Logistics, Inc.	\$ 22,943	\$ 10,541
Other comprehensive income:		
Foreign currency translation gain	696	258
Comprehensive income	\$ 24,158	\$ 12,622
Income per share:		
Basic	\$ 0.46	\$ 0.21
Diluted	\$ 0.45	\$ 0.21
Weighted average common shares outstanding:		
Basic	49,890,945	49,600,506
Diluted	51,208,295	51,091,799

The accompanying notes are an integral part of these consolidated financial statements.

RADIANT LOGISTICS, INC.
Consolidated Statements of Changes in Equity

(In thousands, except share and per share data)	RADIANT LOGISTICS, INC. STOCKHOLDERS' EQUITY									
	Common Stock		Additional Paid-in	Treasury	Retained	Accumulated Other Comprehensive	Total Radiant Logistics, Inc. Stockholders'	Non- Controlling	Total	
	Shares	Amount	Capital	Stock	Earnings	Income	Equity	Interest	Equity	
Balance as of June 30, 2019	49,586,464	\$ 31	\$ 100,186	\$ (253)	\$ 26,883	\$ 187	\$ 127,034	\$ 246	\$ 127,280	
Issuance of common stock to shareholders of acquired business	45,086	—	250	—	—	—	250	—	250	
Repurchase of common stock	(541,049)	—	—	(2,496)	—	—	(2,496)	—	(2,496)	
Issuance of common stock upon vesting of restricted stock awards, net of taxes withheld and paid	176,730	—	(326)	—	—	—	(326)	—	(326)	
Issuance of common stock upon exercise of stock options, net of taxes withheld and paid	288,408	1	441	—	—	—	442	—	442	
Distribution to non-controlling interest	—	—	—	—	—	—	—	(1,260)	(1,260)	
Share-based compensation	—	—	1,663	—	—	—	1,663	—	1,663	
Net income	—	—	—	—	10,541	—	10,541	1,823	12,364	
Other comprehensive income	—	—	—	—	—	258	258	—	258	
Balance as of June 30, 2020	49,555,639	\$ 32	\$ 102,214	\$ (2,749)	\$ 37,424	\$ 445	\$ 137,366	\$ 809	\$ 138,175	
Repurchase of common stock	(268,969)	—	—	(1,909)	—	—	(1,909)	—	(1,909)	
Issuance of common stock upon vesting of restricted stock awards, net of taxes withheld and paid	155,046	—	(334)	—	—	—	(334)	—	(334)	
Issuance of common stock upon exercise of stock options, net of taxes withheld and paid	488,673	—	1,277	—	—	—	1,277	—	1,277	
Distribution to non-controlling interest	—	—	—	—	—	—	—	(1,035)	(1,035)	
Share-based compensation	—	—	1,071	—	—	—	1,071	—	1,071	
Net income	—	—	—	—	22,943	—	22,943	519	23,462	
Other comprehensive income	—	—	—	—	—	696	696	—	696	
Balance as of June 30, 2021	49,930,389	\$ 32	\$ 104,228	\$ (4,658)	\$ 60,367	\$ 1,141	\$ 161,110	\$ 293	\$ 161,403	

The accompanying notes are an integral part of these consolidated financial statements.

RADIANT LOGISTICS, INC.
Consolidated Statements of Cash Flows

(In thousands)	Year Ended June 30,	
	2021	2020
OPERATING ACTIVITIES:		
Net income	\$ 23,462	\$ 12,364
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Share-based compensation	1,071	1,663
Amortization of intangible assets	10,120	10,259
Depreciation and amortization of property, technology, and equipment	6,522	6,312
Deferred income tax benefit	(3,392)	(411)
Amortization of debt issuance costs	522	305
Change in fair value of contingent consideration	4,350	1,752
Gain on forgiveness of debt	(5,987)	—
Other	(695)	499
CHANGES IN OPERATING ASSETS AND LIABILITIES:		
Accounts receivable	(43,495)	20,605
Contract assets	(11,392)	1,428
Income tax receivable/payable	3,578	(266)
Prepaid expenses, deposits, and other assets	7,672	(2,983)
Accounts payable	24,078	(9,618)
Operating partner commissions payable	4,648	(3,768)
Accrued and other liabilities	(6,962)	(7,981)
Payment of contingent consideration	—	(280)
Net cash provided by operating activities	14,100	29,880
INVESTING ACTIVITIES:		
Payments to acquire businesses	—	(9,150)
Purchases of property, technology, and equipment	(11,431)	(5,175)
Proceeds from sale of property, technology, and equipment	358	182
Net cash used for investing activities	(11,073)	(14,143)
FINANCING ACTIVITIES:		
Proceeds from revolving credit facility	6,371	586,316
Repayment of revolving credit facility	(21,371)	(570,105)
Proceeds from notes payable	—	5,925
Payments of debt issuance costs	—	(1,878)
Repayments of notes payable and finance lease liability	(4,721)	(4,281)
Repurchases of common stock	(1,909)	(2,496)
Payments of contingent consideration	(2,027)	(47)
Distribution to non-controlling interest	(1,035)	(1,260)
Proceeds from exercise of stock options	1,446	625
Payments of employee tax withholdings related to vesting of restricted stock awards	(334)	(326)
Payments of employee tax withholdings related to cashless exercise of stock options	(169)	(184)
Net cash provided by (used for) financing activities	(23,749)	12,289
Effect of exchange rate changes on cash and cash equivalents	(423)	1,395
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(21,145)	29,421
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	34,841	5,420
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 13,696	\$ 34,841
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Income taxes paid	\$ 6,520	\$ 3,852
Interest paid	\$ 2,021	\$ 2,626

The accompanying notes are an integral part of these consolidated financial statements.

RADIANT LOGISTICS, INC.
Consolidated Statements of Cash Flows (continued)

Supplemental disclosure of non-cash investing and financing activities:

During the twelve months ended June 30, 2021, Paycheck Protection Program (the “PPP”) Loans totaling \$5,925 were forgiven, including \$62 of interest previously accrued.

In February 2020, the Company issued 45,086 shares of common stock at fair value in satisfaction of \$250 of consideration towards the acquisition of Friedway Enterprises, Inc. and CIC2, Inc.

The accompanying notes are an integral part of these consolidated financial statements.

RADIANT LOGISTICS, INC.
Notes to the Consolidated Financial Statements
(Dollars in thousands, except share and per share data)

NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS

Radiant Logistics, Inc. and its consolidated subsidiaries (the “Company”, “we” or “us”), operates as a third-party logistics company, providing multi-modal transportation and logistics services primarily in the United States and Canada. We service a large and diversified account base consisting of consumer goods, food and beverage, manufacturing and retail customers, which we support from an extensive network of operating locations across North America as well as an integrated international service partner network located in other key markets around the globe. We provide these services through a multi-brand network, which includes over 100 operating locations, including a number of independent agents, who we also refer to as our “strategic operating partners” that operate exclusively on our behalf including approximately 20 Company-owned offices. As a third-party logistics company, we have a vast carrier network of asset-based transportation companies, including motor carriers, railroads, airlines and ocean lines in our carrier network.

Through its operating locations across North America, the Company offers domestic and international air and ocean freight forwarding services and freight brokerage services, including truckload services, less than truckload services, and intermodal services, which is the movement of freight in trailers or containers by combination of truck and rail. The Company’s primary transportation services involve arranging shipments, on behalf of its customers, of materials, products, equipment and other goods that are generally larger than shipments handled by integrated carriers of primarily small parcels, such as FedEx, DHL and UPS, including arranging and monitoring all aspects of material flow activity utilizing advanced information technology systems. We also provide other value-added logistics services including materials management and distribution services (collectively, “Materials Management and Distribution” or “MM&D” services), and customs house brokerage (“CHB”) services to complement our core transportation service offering.

The COVID-19 pandemic continues to have widespread implications and while we see improvements in the broader economy, it is difficult to predict how COVID-19 will impact the overall economy in the future. Many countries have begun the process of vaccinating their residents against COVID-19. However, the large scale and challenging logistics of distributing the vaccines, as well as uncertainty over the efficacy of the vaccines against new variants of the virus, may impact the economy as well as our operations in the future. While we are seeing positive results despite the current COVID-19 environment, there remains uncertainty regarding how COVID-19 will impact the Company's results in the future.

Due to the unprecedented and evolving nature of the COVID-19 pandemic, many of our estimates and assumptions required increased judgment and carry a higher degree of variability and volatility. As events continue to evolve and additional information becomes available, our estimates may change materially in future periods.

NOTE 2 - RECENT ACCOUNTING GUIDANCE

Recent Accounting Guidance Not Yet Adopted

In March 2020, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2020-04, *Reference Rate Reform (Topic 848)* and subsequent amendments to the initial guidance: ASU 2021-01, which provides temporary optional expedients and exceptions to the current guidance on contract modifications to ease the financial reporting burdens related to the expected market transition from London Interbank Offered Rate (LIBOR) and other interbank offered rates to alternative reference rates. The amendments are effective as of March 12, 2020 and applies to contract modifications made before December 31, 2022. As of June 30, 2021, the Company has not utilized any of the expedients discussed within this ASU, however, it continues to assess its agreements to determine if LIBOR is included and if the expedients would be utilized through the allowed period of December 31, 2022.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* and subsequent amendments to the initial guidance: ASU 2018-19, 2019-04, 2019-05, and 2020-03 (collectively, Topic 326). Topic 326 requires measurement and recognition of expected credit losses for financial assets held. Topic 326 is effective for the Company in the first quarter of fiscal year 2024. The Company is currently evaluating the impact of the standard on its consolidated financial statements and disclosures.

Recently Adopted Accounting Guidance

In August 2018, the FASB issued ASU 2018-15 (Subtopic 350-40), *Intangibles—Goodwill and Other—Internal-Use Software—Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That is a Service Contract*. This ASU aligns the accounting for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the accounting for implementation costs incurred to develop or obtain internal-use software. The Company adopted this standard on July 1, 2020. The adoption of this standard did not have a material impact on the Company's consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*, which modifies the disclosure requirements on fair value measurements. The Company adopted this standard on July 1, 2020. The adoption of this standard did not have a material impact on the Company's consolidated financial statements.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Principles of Consolidation

The consolidated financial statements include the accounts of Radiant Logistics, Inc. and its wholly-owned subsidiaries as well as a single variable interest entity, Radiant Logistics Partners, LLC (“RLP”), which is 40% owned by Radiant Global Logistics, Inc. (“RGL”) and 60% owned by Radiant Capital Partners, LLC (“RCP”, see Note 11), an entity owned by the Company’s Chief Executive Officer. All significant intercompany balances and transactions have been eliminated.

Non-controlling interest in the consolidated balance sheets represents RCP’s proportionate share of equity in RLP. Net income (loss) of non-wholly owned consolidated subsidiaries or variable interest entities is allocated to the Company and the holder(s) of the non-controlling interest in proportion to their percentage ownership.

b) Use of Estimates

The preparation of financial statements and related disclosures in accordance with accounting principles generally accepted in the United States (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results reported in future periods may be based upon amounts that could differ from these estimates due to the inherent uncertainty involved in making estimates and risks and uncertainties, including uncertainty in the current economic environment due to COVID-19.

c) Cash and Cash Equivalents

The Company maintains its cash in bank deposit accounts that, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. Cash equivalents consist of highly liquid investments with original maturities of three months or less.

d) Accounts Receivable

The Company’s receivables are recorded when billed and represent amounts owed by third-party customers, as well as amounts owed by strategic operating partners. The carrying value of the Company’s receivables, net of the allowance for doubtful accounts, represents their estimated net realizable value. The Company evaluates the collectability of accounts receivable on a customer-by-customer basis. The Company records an allowance for doubtful accounts to reduce the net recognized receivable to an amount the Company believes will be reasonably collected. The allowance for doubtful accounts is determined from the analysis of the aging of the accounts receivable, historical experience and knowledge of specific customers.

The Company derives a substantial portion of its revenue through independently owned strategic operating partner locations operating under various Company brands. Each strategic operating partner is responsible for some or all of the collection of the accounts related to the underlying customers being serviced by such strategic operating partner. To facilitate this arrangement, based on contractual agreements, certain strategic operating partners are required to maintain a bad debt reserve in the form of a security deposit with the Company. The Company charges each strategic operating partner’s bad debt reserve account for any accounts receivable aged beyond 90 days along with any other amounts owed to the Company by strategic operating partners. However, the bad debt reserve account may carry a deficit balance when amounts charged to this reserve account exceed amounts otherwise available. In these circumstances, a deficit bad debt reserve account is recognized as a receivable in the Company’s financial statements. Some strategic operating partners are not required to establish a bad debt reserve; however, they are still responsible to make up for any deficits and the Company may withhold all or a portion of future commissions payable to the strategic operating partner to satisfy any deficit balance. As of June 30, 2021, a number of the Company’s strategic operating partners have a deficit balance in their bad debt reserve accounts. The Company expects to replenish these funds through the future business operations of these strategic operating partners or as their customers satisfy the amounts payable to the Company. However, to the extent any of these strategic operating partners were to cease operations or otherwise be unable to replenish these deficit accounts, the Company would be at risk of loss for any such amounts and generally would reserve for them.

e) Property, Technology, and Equipment

Property, technology, and equipment is stated at cost, less accumulated depreciation and amortization. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the related assets. Upon retirement or other disposition of these assets, the cost and related accumulated depreciation or amortization are removed from the accounts and the resulting gain or loss, if any, is reflected in other income or expense. Expenditures for maintenance, repairs and renewals of minor items are expensed as incurred. Major renewals and improvements are capitalized.

f) Goodwill

Goodwill represents the excess acquisition cost of an acquired entity over the estimated fair values assigned to the net tangible and identifiable intangible assets acquired. The Company performs its annual goodwill impairment test as of April 1 of each year or more frequently if facts or circumstances indicate that the carrying amount may not be recoverable. Based on the most recent annual impairment test, there was no impairment.

An entity has the option to perform a qualitative assessment to determine whether it is more-likely-than-not that the fair value of the reporting unit is less than its carrying amount prior to performing a quantitative impairment test. The qualitative assessment evaluates various factors, such as macro-economic conditions, industry and market conditions, cost factors, relevant events and financial trends that may impact the fair value of the reporting unit. If it is determined that the estimated fair value of the reporting unit is more-likely-than-not less than its carrying amount, including goodwill, a quantitative assessment is required. Otherwise, no further analysis is required.

If a quantitative assessment is performed, a reporting unit's fair value is compared to its carrying value. A reporting unit's fair value is determined based upon consideration of various valuation methodologies, including the income approach, which utilizes projected future cash flows discounted at rates commensurate with the risks involved, and multiples of current and future earnings, and market approach, which utilizes a selection of guideline public companies. If the fair value of a reporting unit is less than its carrying amount, an impairment charge is recognized for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized cannot exceed the total amount of goodwill allocated to that reporting unit.

As of June 30, 2021, management believes there are no indications of impairment.

g) Long-Lived Assets

Long-lived assets, such as property, technology, and equipment, and definite-lived intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of the assets may not be recoverable. If circumstances require a long-lived asset or asset group to be tested for possible impairment, the Company compares the undiscounted expected future cash flows to be generated by that asset or asset group to its carrying amount. If the carrying amount of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment charge is recognized to the extent the carrying amount of the asset or asset group exceeds the fair value. Fair values of long-lived assets are determined through various techniques, such as applying probability weighted, expected present value calculations to the estimated future cash flows using assumptions a market participant would utilize or through the use of a third-party independent appraiser or valuation specialist. No impairment losses of long-lived assets were recorded during the years ended June 30, 2021 and 2020.

Intangible assets consist of customer related intangible assets, trade names and trademarks, and non-compete agreements arising from the Company's acquisitions. Customer related intangible assets are amortized using the straight-line method over a period of up to ten years, trademarks and trade names are amortized using the straight-line method over 15 years, and non-compete agreements are amortized using the straight-line method over the term of the underlying agreements.

h) Business Combinations

The Company accounts for business acquisitions using the acquisition method as required by FASB ASC Topic 805, *Business Combinations*. The assets acquired and liabilities assumed in business combinations, including identifiable intangible assets, are recorded based upon their estimated fair values as of the acquisition date. The excess of the purchase price over the estimated fair value of the net tangible and identifiable intangible assets acquired is recorded as goodwill. Acquisition expenses are expensed as incurred. While the Company uses its best estimates and assumptions to accurately value assets acquired and liabilities assumed as of the acquisition date, the estimates are inherently uncertain and subject to refinement.

The fair values of intangible assets are generally estimated using a discounted cash flow approach with Level 3 inputs. The estimate of fair value of an intangible asset is equal to the present value of the incremental after-tax cash flows (excess earnings) attributable solely to the intangible asset over its remaining useful life. To estimate fair value, the Company generally uses risk-adjusted cash flows discounted at rates considered appropriate given the inherent risks associated with each type of asset. The Company believes the level and timing of cash flows appropriately reflects market participant assumptions.

For acquisitions that involve contingent consideration, the Company records a liability equal to the fair value of the contingent consideration obligation as of the acquisition date. The Company determines the acquisition date fair value of the contingent consideration based on the likelihood of paying the additional consideration. The fair value is generally estimated using projected future operating results and the corresponding future earn-out payments that can be earned upon the achievement of specified operating objectives and financial results by acquired companies using Level 3 inputs and the amounts are then discounted to present value. These liabilities are measured quarterly at fair value, and any change in the fair value of the contingent consideration liability is recognized in the consolidated statements of comprehensive income. Amounts are generally due annually on November 1st, and 90 days following the quarter of the final earn-out period of each respective acquisition.

During the measurement period, which may be up to one year from the acquisition date, the Company records adjustments to the assets acquired and liabilities assumed with the corresponding adjustment to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recognized in the consolidated statements of comprehensive income.

i) Revenue Recognition

The Company's revenues are primarily from transportation services, which includes providing for the arrangement of freight, both domestically and internationally, through modes of transportations such as air freight, ocean freight, truckload, less than truckload and intermodal. The Company generates its transportation services revenue by purchasing transportation from direct carriers and reselling those services to its customers.

In general, each shipment transaction or service order constitutes a separate contract with the customer. A performance obligation is created once a customer agreement with an agreed upon transaction price exists. The transaction price is typically fixed and not contingent upon the occurrence or non-occurrence of any other event. The transaction price is generally due 30 to 45 days from the date of invoice. The Company's transportation transactions provide for the arrangement of the movement of freight to a customer's destination. The transportation services, including certain ancillary services, such as loading/unloading, freight insurance and customs clearance, that are provided to the customer represent a single performance obligation as these promises aren't distinct in the context of the contract. This performance obligation is satisfied over time and recognized in revenue upon the transfer of control of the services over the requisite transit period as the customer's goods move from origin to destination. The Company determines the period to recognize revenue in transit based upon the departure date and the delivery date, which may be estimated if delivery has not occurred as of the reporting date. Determination of the transit period and the percentage of completion of the shipment as of the reporting date requires management to make judgments that affect the timing of revenue recognition. The Company has determined that revenue recognition over the transit period provides a reasonable estimate of the transfer of services to its customers as it depicts the pattern of the Company's performance under the contracts with its customers.

The Company also provides materials management and distribution ("MM&D") services for its customers under contracts generally ranging from a few months to five years and include renewal provisions. These MM&D service contracts provide for inventory management, order fulfilment and warehousing of the Customer's product and arrangement of transportation of the customer's product. The Company's performance obligations are satisfied over time as the customers simultaneously receive and consume the services provided by the Company as they are performed. The transaction price is based on the consideration specified in the contract with the customer and contains fixed and variable consideration. In general, the fixed consideration component of a contract represents reimbursement for facility and equipment costs incurred to satisfy the performance obligation and is recognized on a straight-line basis over the term of the contract. The variable consideration component is comprised of cost reimbursement per unit pricing for time and pricing for materials used and is determined based on cost plus a mark-up for hours of services provided and materials used and is recognized over time based on the level of activity volume.

Other services include primarily customs house brokerage ("CHB") services sold on a standalone basis as a single performance obligation. The Company recognizes revenue from this performance obligation at a point in time, which is the completion of the services. Duties and taxes collected from the customer and paid to the customs agent on behalf of the customers are excluded from revenue.

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 since 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. Such transportation services revenue is presented on a gross basis in the consolidated statements of comprehensive income.

The Company had certain major customers. For the year ended June 30, 2021, there were no customer whose revenue individually represented 10% or more of consolidated revenues. For the year ended June 30, 2020, revenue from one customer of our U.S. operating segment represents \$126,913, or 14.8%, of the Company's consolidated revenues.

A summary of the Company's gross revenues disaggregated by major service lines and geographic markets (reportable segments), and timing of revenue recognition for the years ended June 30, 2021 and 2020, respectively, are as follows:

(In thousands)	Year Ended June 30, 2021			
	United States	Canada	Corporate/ Eliminations	Total
Major Service Lines:				
Transportation services	\$ 761,898	\$ 97,418	\$ (489)	\$ 858,827
Value-added services ⁽¹⁾	8,887	21,410	—	30,297
Total	\$ 770,785	\$ 118,828	\$ (489)	\$ 889,124
Timing of Revenue Recognition:				
Services transferred over time	\$ 768,421	\$ 118,828	\$ (489)	\$ 886,760
Services transferred at a point in time	2,364	—	—	2,364
Total	\$ 770,785	\$ 118,828	\$ (489)	\$ 889,124
Year Ended June 30, 2020				
(In thousands)	United States	Canada	Corporate/ Eliminations	Total
Major Service Lines:				
Transportation services	\$ 745,097	\$ 80,090	\$ (671)	\$ 824,516
Value-added services ⁽¹⁾	14,142	16,539	—	30,681
Total	\$ 759,239	\$ 96,629	\$ (671)	\$ 855,197
Timing of Revenue Recognition:				
Services transferred over time	\$ 756,521	\$ 96,629	\$ (671)	\$ 852,479
Services transferred at a point in time	2,718	—	—	2,718
Total	\$ 759,239	\$ 96,629	\$ (671)	\$ 855,197

⁽¹⁾ Value added services include MM&D, CHB, and other services.

Practical Expedients

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 transportation customers have an expected duration of one year or less.

For the performance obligation to transfer MM&D services in contracts with customers, revenue is recognized in the amount for which the Company has the right to invoice the customer, as this amount corresponds directly with the value provided to the customer for the Company's performance completed to date.

The Company also applies the practical expedient that permits the recognition of employee sales commissions related to transportation services as an expense when incurred since the amortization period of such costs is less than one year. These costs are included in the consolidated statements of comprehensive income.

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.

Operating Partner Commissions

The Company enters into contractual arrangements with independent agents that operate, on behalf of the Company, an office in a specific location that engages primarily in arranging, domestic and international, transportation services. In return, the independent agent is compensated through the payment of sales commissions, which are based on individual shipments. The Company accrues the independent agent's commission obligation ratably as the goods are transferred to the customer.

j) Defined Contribution Savings Plans

The Company has an employee savings plan under which the Company provides safe harbor matching contributions. For the years ended June 30, 2021 and 2020, the Company's contributions under the plan were \$1,347 and \$1,302, respectively.

k) Income Taxes

Income taxes are accounted for using the asset and liability method. Deferred tax assets are recognized for deductible temporary differences and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more-likely-than-not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

The Company records a liability for unrecognized tax benefits resulting from uncertain income tax positions taken or expected to be taken in an income tax return. Interest and penalties, if any, are recorded as a component of interest expense or other expense, respectively. Currently, the Company does not have any accruals for uncertain tax positions.

l) Share-Based Compensation

The Company grants restricted stock awards, restricted stock units and stock options to certain directors, officers and employees. The Company accounts for share-based compensation as equity awards such that compensation cost is measured at the grant date based on the fair value of the award and is expensed ratably over the vesting period. The fair value of restricted stock is the market price as of the grant date, and the fair value of each stock option grant is estimated as of the grant date using the Black-Scholes option pricing model. Determining the fair value of share-based awards at the grant date requires judgment about, among other things, stock volatility, the expected life of the award, and other inputs. The Company accounts for forfeitures as they occur. The Company issues new shares of common stock to satisfy exercises and vesting of awards granted under its stock plans. Share-based compensation expense is reflected in the consolidated statements of comprehensive income as part of personnel costs.

m) Basic and Diluted Income per Share Allocable to Common Stockholders

Basic income per common share is computed by dividing net income allocable to common stockholders by the weighted average number of common shares outstanding. Diluted income per common share is computed by dividing net income allocable to common stockholders by the weighted average number of common shares outstanding, plus the number of additional common shares that would have been outstanding if the potential common shares, such as restricted stock awards and stock options, had been issued and were considered dilutive.

n) Foreign Currency Translation

For the Company's foreign subsidiaries that prepare financial statements in currencies other than U.S. dollars, the local currency is the functional currency. All assets and liabilities are translated at year-end exchange rates and all income statement amounts are translated at the weighted average rates for the period. Translation adjustments are recorded in accumulated other comprehensive (loss) income. Gains and losses on transactions of monetary items denominated in a foreign currency are recognized in other income (expense) in the consolidated statements of comprehensive income.

o) Reclassifications of Previously Issued Financial Statements

Certain amounts for prior periods have been reclassified in the consolidated financial statements to conform to the current year presentation. There has been no impact on previously reported net income or shareholders' equity from such reclassifications.

p) Leases

The Company determines if an arrangement is a lease at inception. Assets and obligations related to operating leases are included in operating lease right-of-use ("ROU") assets; current portion of operating lease liability; and operating lease liability, net of current portion in our consolidated balance sheets. Assets and obligations related to finance leases are included in property, technology, and equipment, net; current portion of finance lease liability; and finance lease liability, net of current portion in our consolidated balance sheets.

ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the Company's leases do not provide an implicit rate, the incremental borrowing rate based on the information available at commencement date is used in determining the present value of lease payments. We use the implicit rate when readily determinable. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Annually, we perform an impairment analysis on ROU assets, and as of June 30, 2021, there was no material impairment to ROU assets.

The Company's agreements with lease and non-lease components, are all each accounted for as a single lease component. For leases with an initial term of twelve months or less, the Company elected the exemption from recording right of use assets and lease liabilities for all leases that qualify, and records rent expense on a straight-line basis over the lease term. Expenses for these short-term leases for the fiscal years ended June 30, 2021 and 2020 are immaterial.

Certain of our leases include variable payments, which may vary based upon changes in facts or circumstances after the start of the lease. We exclude variable payments from lease ROU assets and lease liabilities, to the extent not considered fixed, and instead expense as incurred. Variable lease costs for the fiscal years ended June 30, 2021 and 2020 are immaterial.

q) Derivatives

Derivative instruments are recognized as either assets or liabilities and measured at fair value. The accounting for changes in the fair value of a derivative depends on the intended use of the derivative and the resulting designation.

For derivative instruments designated as cash flow hedges, gains and losses are initially reported as a component of other comprehensive income and subsequently recognized in earnings with the corresponding hedged item. Gains and losses representing hedge components excluded from the assessment of effectiveness are recognized in earnings. As of June 30, 2021, the Company does not have any derivatives designated as hedges.

For derivative instruments that are not designated as hedges, gains and losses from changes in fair values are recognized in other income (expense) in the consolidated statements of comprehensive income.

NOTE 4 – EARNINGS PER SHARE

The computations of the numerator and denominator of basic and diluted income per share are as follows:

(In thousands, except share data)	Year Ended June 30,	
	2021	2020
Numerator:		
Net income attributable to Radiant Logistics, Inc.	\$ 22,943	\$ 10,541
Denominator:		
Weighted average common shares outstanding, basic	49,890,945	49,600,506
Dilutive effect of share-based awards	1,317,350	1,491,293
Weighted average common shares outstanding, diluted	51,208,295	51,091,799
Potentially dilutive common shares excluded	122,875	475,743

NOTE 5 – LEASES

The Company has operating and finance leases for office space, warehouse space, trailers and other equipment. Lease terms expire at various dates through April 2032 with options to renew for varying terms at the Company's sole discretion. The Company has not included these options to extend or terminate in its calculation of right-of-use assets or lease liabilities as it is not reasonably certain to exercise these options.

In February 2021, the Company commenced a new lease for warehouse space in Bolton, Ontario. The lease has a seven-year term ending in January 2028 replacing the Company's warehouse lease at Brampton, Ontario, which expired in March 2021.

In March 2021, the Company commenced a new lease for office space in Renton, Washington. The lease has an eleven-year term ending in April 2032 replacing office space leased at Bellevue, Washington, which expired in May 2021.

The components of lease expense were as follows:

(In thousands)	Year Ended June 30,	
	2021	2020
Operating:		
Operating lease cost	\$ 7,762	\$ 7,012
Financing:		
Amortization of leased assets	616	619
Interest on lease liabilities	137	170
Total finance lease cost	\$ 753	\$ 789

Supplemental cash flow information related to leases was as follows:

(In thousands)	Year Ended June 30,	
	2021	2020
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows arising from operating leases	\$ 7,455	\$ 7,393
Operating cash flows arising from finance leases	139	169
Financing cash flows arising from finance leases	716	675
Right-of-use assets obtained in exchange for new lease liabilities:		
Operating leases	\$ 33,089	\$ 3,341
Finance leases	38	28

Supplemental balance sheet information related to leases was as follows:

(In thousands)	June 30,	
	2021	2020
Operating lease:		
Operating lease right-of-use assets	\$ 39,022	\$ 12,580
Current portion of operating lease liability	6,989	6,121
Operating lease liability, net of current portion	34,899	7,192
Total operating lease liabilities	\$ 41,888	\$ 13,313
Finance lease:		
Property, technology, and equipment, net	\$ 2,663	\$ 3,254
Current portion of finance lease liability	743	688
Finance lease liability, net of current portion	1,809	2,476
Total finance lease liabilities	\$ 2,552	\$ 3,164
Weighted average remaining lease term:		
Operating leases	7.1 years	2.9 years
Finance leases	4.4 years	5.0 years
Weighted average discount rate:		
Operating leases	4.11%	3.22%
Finance leases	4.75%	4.52%

As of June 30, 2021, maturities of lease liabilities for each of the next five fiscal years ending June 30 and thereafter are as follows:

(In thousands)	Operating	Finance
2022	\$ 8,482	\$ 840
2023	7,246	648
2024	6,783	573
2025	6,859	541
2026	6,365	176
Thereafter	11,213	—
Total lease payments	46,948	2,778
Less imputed interest	(5,060)	(226)
Total lease liability	<u>\$ 41,888</u>	<u>\$ 2,552</u>

NOTE 6 – PROPERTY, TECHNOLOGY, AND EQUIPMENT

(In thousands)	Useful Life	June 30,	
		2021	2020
Computer software	3 - 5 years	\$ 23,967	\$ 21,884
Trailers and related equipment	3 - 15 years	6,902	6,733
Office and warehouse equipment	3 - 15 years	8,650	3,980
Leasehold improvements	⁽¹⁾	5,595	3,799
Computer equipment	3 - 5 years	3,885	3,054
Furniture and fixtures	3 - 15 years	1,720	1,017
		50,719	40,467
Less: accumulated depreciation and amortization		(26,568)	(21,755)
		<u>\$ 24,151</u>	<u>\$ 18,712</u>

⁽¹⁾ The cost is amortized over the shorter of the lease term or useful life.

Depreciation and amortization expenses related to property, technology, and equipment were \$6,522 and \$6,312 for the years ended June 30, 2021 and 2020, respectively. Computer software includes approximately \$568 and \$174 of software in development as of June 30, 2021 and 2020, respectively.

NOTE 7 – GOODWILL AND INTANGIBLE ASSETS

Goodwill

The table below reflects the changes in the carrying amounts of goodwill for the years ending June 30, 2021 and 2020:

(In thousands)	Total	
Balance as of June 30, 2019	\$	65,389
Acquisition		6,810
Balance as of June 30, 2020	\$	72,199
Foreign currency translation gain		383
Balance as of June 30, 2021	<u>\$</u>	<u>72,582</u>

At June 30, 2021, the Company had \$72,582 of goodwill; \$50,801 is attributable to the U.S. reporting unit, while \$21,781 is attributable to the Canadian reporting unit. The Company assesses goodwill for impairment annually as of April 1, or more frequently, if events and circumstances indicate impairment may have occurred.

We considered the uncertainties from COVID-19 as part of our determination as to whether any triggering events occurred in the period after the most recent annual assessment of goodwill for impairment dated April 1, 2021, which would indicate an impairment of goodwill is more likely than not. Based on our assessment, there were no triggering events identified that would have an adverse impact on our business; and therefore, no impairment was identified for our goodwill as of June 30, 2021.

As additional facts and circumstances evolve, we continue to observe and assess our reporting units particularly as a direct consequence of the circumstances surrounding COVID-19. To the extent new information becomes available that impacts our results of operations and financial condition, we expect to revise our projections accordingly as our estimates of future net after-tax cash flows are highly dependent upon certain assumptions, including, but not limited to, the amount and timing of the economic recovery globally and nationally.

Furthermore, the evaluation of impairment of goodwill requires the use of estimates about future operating results. Changes in forecasted operations can materially affect these estimates, which could materially affect our results of operations and financial condition. The estimates of expected future cash flows require significant judgment and are based on assumptions we determined to be reasonable; however, they are unpredictable and inherently uncertain, including, estimates of future growth rates, operating margins and assumptions about the overall economic climate as well as the competitive environment within which we operate. There can be no assurance that our estimates and assumptions made for purposes of our impairment assessments as of the time of evaluation will prove to be accurate predictions of the future, especially in light of the uncertainty surrounding the COVID-19 pandemic. If our assumptions regarding business plans, competitive environments, or anticipated growth rates are not correct, we may be required to record non-cash impairment charges in future periods, whether in connection with our normal review procedures periodically, or earlier, if an indicator of an impairment is present prior to such evaluation.

Intangible Assets

Intangible assets consisted of the following as of June 30, 2021 and 2020:

June 30, 2021				
(In thousands)	Weighted Average Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer related	4.2 years	\$ 102,713	\$ (70,490)	\$ 32,223
Trade names and trademarks	8.6 years	15,119	(6,349)	8,770
Covenants not to compete	3.4 years	1,433	(1,022)	411
		<u>\$ 119,265</u>	<u>\$ (77,861)</u>	<u>\$ 41,404</u>

June 30, 2020				
(In thousands)	Weighted Average Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer related	5.1 years	\$ 102,153	\$ (61,227)	\$ 40,926
Trade names and trademarks	9.6 years	14,977	(5,268)	9,709
Covenants not to compete	4.3 years	1,433	(876)	557
		<u>\$ 118,563</u>	<u>\$ (67,371)</u>	<u>\$ 51,192</u>

Total amortization expense amounted to \$10,120 and \$10,259 for the years ended June 30, 2021 and 2020, respectively. Future amortization expense for each of the next five fiscal years ending June 30 are as follows:

(In thousands)	
2022	\$ 9,555
2023	9,077
2024	8,701
2025	6,710
2026	1,926

NOTE 8 – NOTES PAYABLE

Notes payable consist of the following:

(In thousands)	June 30,	
	2021	2020
Revolving Credit Facility	\$ 15,000	\$ 30,000
Senior Secured Loans	13,690	16,302
Other debt	—	5,925
Unamortized debt issuance costs	(244)	(336)
Total notes payable	28,446	51,891
Less: current portion	(4,446)	(3,800)
Total notes payable, net of current portion	<u>\$ 24,000</u>	<u>\$ 48,091</u>

Future maturities of notes payable for each of the next five fiscal years ending June 30 are as follows:

(In thousands)	
2022	\$ 4,446
2023	4,751
2024	4,493
2025	15,000
	<u>\$ 28,690</u>

Revolving Credit Facility

The Company entered into a \$150,000 syndicated, revolving credit facility (the “Revolving Credit Facility”) pursuant to a Credit Agreement dated on March 13, 2020. The Revolving Credit Facility was entered into with Bank of America Securities, Inc. as sole book runner and sole lead arranger, Bank of Montreal Chicago Branch, as lender and syndication agent, MUFG Union Bank, N.A as lender and documentation agent and Bank of America, N. A., KeyBank National Association and Washington Federal Bank, National Association as lenders (such named lenders are collectively referred to herein as “Lenders”).

The Revolving Credit Facility has a term of five years, matures on March 13, 2025, and is collateralized by a first-priority security interest in the accounts receivable and other assets of the Company. Borrowings under the Revolving Credit Facility accrue interest (at the Company’s option), at the Lenders’ base rate plus 1.00% or LIBOR plus 2.00% and can be subsequently adjusted based on the Company’s consolidated leverage ratio under the facility at the Lenders’ base rate plus 1.00% to 1.75% or LIBOR plus 2.00% to 2.75%. As of June 30, 2021 and 2020, the interest rates used were 2.10% and 2.19%, respectively.

The Revolving Credit Facility includes a \$50,000 accordion feature to support future acquisition opportunities. For general borrowings under the Revolving Credit Facility, the Company is subject to the maximum consolidated leverage ratio of 3.00 and minimum consolidated fixed charge coverage ratio of 1.25. Additional minimum availability requirements and financial covenants apply in the event the Company seeks to use advances under the Revolving Credit Facility to pursue acquisitions or repurchase its common stock. As of June 30, 2021, the borrowings outstanding on the Revolving Credit Facility was \$15,000 and the Company was in compliance with all of its covenants.

Senior Secured Loans

In connection with the Company's acquisition of Radiant Canada (formerly, Wheels International Inc.), Radiant Canada obtained a CAD\$29,000 senior secured Canadian term loan from Fiera Private Debt Fund IV LP ("FPD IV" formerly, Integrated Private Debt Fund IV LP) pursuant to a CAD\$29,000 Credit Facilities Loan Agreement. The Company and its U.S. and Canadian subsidiaries are guarantors of the Radiant Canada obligations thereunder. The loan matures on April 1, 2024 and accrues interest at a rate of 6.65% per annum. The Company is required to maintain five months interest in a debt service reserve account to be controlled by FPD IV. The amount of approximately \$600 is recorded as deposits and other assets in the accompanying consolidated financial statements. The Company made interest-only payments for the first twelve months followed by monthly principal and interest payments of CAD\$390 that will be paid through maturity. As of June 30, 2021, \$9,733 was outstanding under this term loan.

In connection with the Company's acquisition of Lomas, Radiant Canada obtained a CAD\$10,000 senior secured Canadian term loan from Fiera Private Debt Fund V LP (formerly, Integrated Private Debt Fund V LP) pursuant to a CAD\$10,000 Credit Facilities Loan Agreement. The Company and its U.S. and Canadian subsidiaries are guarantors of the Radiant Canada obligations thereunder. The loan matures on June 1, 2024 and accrues interest at a fixed rate of 6.65% per annum. The loan repayment consists of monthly principal and interest payments of CAD\$149. As of June 30, 2021, \$3,957 was outstanding under this term loan.

The loans may be prepaid in whole at any time providing the Company gives at least 30 days prior written notice and pays the difference between (i) the present value of the loan interest and the principal payments foregone discounted at the Government of Canada Bond Yield for the term from the date of prepayment to the maturity date, and (ii) the face value of the principal amount being prepaid.

The covenants of the Revolving Credit Facility, described above, also apply to the FPD IV and FPD V term loans. As of June 30, 2021, the Company was in compliance with all of its covenants.

Paycheck Protection Program Loans

On May 4, 2020, the Company received loan proceeds of \$5,925 pursuant to the Paycheck Protection Program (the "PPP") under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). The application for these funds required the Company to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operations of the Company. This certification further required the Company to take into account our current business activity and our ability to access other sources of liquidity sufficient to support ongoing operations in a manner that is not significantly detrimental to the business. On April 28, 2020, the Secretary of the U.S. Department of the Treasury stated that the Small Business Administration will perform a full review of any PPP loan over \$2,000 before forgiving the loan. The certification made by the Company did not contain any objective criteria and is subject to interpretation. Despite the good-faith belief that given the Company's circumstances all eligibility requirements for the PPP loans were satisfied, if it is later determined that the Company had violated any applicable laws or regulations or it is otherwise determined the Company was ineligible to receive the PPP loans, it may be required to repay the PPP loans in its entirety and/or be subject to additional penalties.

The term of the Company's PPP loans was two years. The annual interest rate on the PPP loans was 1% and no payments of principal or interest would have been due until the conclusion of the deferral period. The deferral period would end on the earlier of (i) the date that Small Business Administration remits the loan forgiveness amount to the lender, or (ii) if the loan were not forgiven, ten months after the end of the 24-week loan forgiveness covered period. Under the terms of the PPP loans, all or a portion of the principal could be forgiven if the loan proceeds were used for qualifying expenses as described in the CARES Act, such as payroll costs, benefits, rent, and utilities. The PPP loan was recognized on the Company's June 30, 2020 consolidated balance sheet as notes payable and was derecognized when forgiven during the year ended June 30, 2021.

As of June 30, 2021, all PPP loans totaling \$5,925 were forgiven, including \$62 of interest previously accrued.

NOTE 9 – DERIVATIVES

All derivatives are recognized on the Company's consolidated balance sheets at their fair values and consist of interest rate swap contracts at June 30, 2021 and 2020. On March 20, 2020, and effective April 17, 2020, Radiant entered into an interest rate swap contract with Bank of America to trade variable interest cash inflows at one-month LIBOR for a \$20,000 notional amount, for fixed interest cash outflows at 0.635%. On April 1, 2020, and effective April 2, 2020, Radiant entered into an interest rate swap contract with Bank of America to trade the variable interest cash inflows at one-month LIBOR for a \$10,000 notional amount, for fixed interest cash outflows at 0.5865%. Both interest rate swap contracts mature and terminate on March 13, 2025.

The Company uses an interest rate swap for the management of interest rate risk exposure, as the interest rate swap effectively converts a portion of the Company's Revolving Credit Facility from a floating to a fixed rate. The interest rate swap is an agreement between the Company and Bank of America to pay, in the future, a fixed-rate payment in exchange for Bank of America paying the Company a variable payment. The net payment obligation is based on the notional amount of the swap contract and the prevailing market interest rates. The Company may terminate the swap contract prior to its expiration date, at which point a realized gain or loss would be recognized. The value of the Company's commitment would increase or decrease based primarily on the extent to which interest rates move against the rate fixed for each swap. As of June 30, 2021, the derivative instruments had a total notional amount of \$30,000 and a fair value of \$6 recognized in deposits and other assets in the consolidated balance sheet. As of June 30, 2020, the derivative instrument had a total notional amount of \$30,000 and a fair value of \$600 recorded in deposits and other assets on the consolidated balance sheet. Both interest rate swap contracts are not designated as hedges; gains and losses from changes in fair value are recognized in other income (expense) in the consolidated statements of comprehensive income. See Note 12 for discussion of fair value of the derivative instruments.

NOTE 10 – STOCKHOLDERS' EQUITY

The Company is authorized to issue 5,000,000 shares of preferred stock, par value at \$0.001 per share and 100,000,000 shares of common stock, \$0.001 per share. No shares of preferred stock are issued or outstanding at June 30, 2021 or 2020.

Common Stock

In March 2018, the Company's board of directors authorized the repurchase of up to 5,000,000 shares of the Company's common stock through December 31, 2019. On February 4, 2020, the Company announced that its board of directors had approved the renewal of the repurchase program through December 31, 2021. Under the stock repurchase program, the Company is authorized to repurchase, from time-to-time, shares of its outstanding common stock in the open market at prevailing market prices or through privately negotiated transactions as permitted by securities laws and other legal requirements. The program does not obligate the Company to repurchase any specific number of shares and could be suspended or terminated at any time without prior notice. Under this repurchase program, the Company purchased 268,969 shares of its common stock at an average cost of \$7.10 per share for an aggregate cost of \$1,909 during the fiscal year ended June 30, 2021. During the fiscal year ended June 30, 2020, the Company purchased 541,049 shares of its common stock at an average cost of \$4.61 per share for an aggregate cost of \$2,496.

NOTE 11 – VARIABLE INTEREST ENTITY AND RELATED PARTY TRANSACTIONS

RLP is owned 40% by RGL and 60% by RCP, a company for which the Chief Executive Officer of the Company is the sole member. RLP is a certified minority business enterprise that was formed for the purpose of providing the Company with a national accounts strategy to pursue corporate and government accounts with diversity initiatives. RCP's ownership interest entitles it to a majority of the profits and distributable cash, if any, generated by RLP. The operations of RLP are intended to provide certain benefits to the Company, including expanding the scope of services offered by the Company and participating in supplier diversity programs not otherwise available to the Company. In the course of evaluating and approving the ownership structure, operations and economics emanating from RLP, a committee consisting of the independent Board members of the Company, considered, among other factors, the significant benefits provided to the Company through association with a minority business enterprise, particularly as many of the Company's largest current and potential customers have a need for diversity offerings. In addition, the committee concluded that the economic relationship with RLP was on terms no less favorable to the Company than terms generally available from unaffiliated third parties.

Certain entities in which equity investors do not have the characteristics of a controlling financial interest or do not have the sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties are considered variable interest entities. The Company has power over significant activities of RLP including the fulfillment of its contracts and financing its operations. Additionally, the Company also pays expenses and collects receivables on behalf of RLP. Thus, the Company is the primary beneficiary, RLP qualifies as a variable interest entity, and RLP is consolidated in these consolidated financial statements.

RLP recorded profits of \$865 and \$3,039 for the years ended June 30, 2021 and 2020, respectively. RCP's distributable share was \$519 and \$1,823 for the years ended June 30, 2021 and 2020, respectively. The non-controlling interest recorded as a reduction of net income available to common stockholders in the consolidated statements of comprehensive income represents RCP's distributive share.

The following table summarizes the balance sheets of RLP:

(In thousands)	June 30,	
	2021	2020
ASSETS		
Accounts receivable - Radiant Global Logistics, Inc.	\$ 488	\$ 1,392
Prepaid expenses and other current assets	1	1
	<u>\$ 489</u>	<u>\$ 1,393</u>
LIABILITIES AND PARTNERS' CAPITAL		
Accrued expenses	\$ 2	\$ 45
Partners' capital	487	1,348
	<u>\$ 489</u>	<u>\$ 1,393</u>

NOTE 12 – FAIR VALUE MEASUREMENT

The accounting guidance for fair value, among other things, defines fair value, establishes a consistent framework for measuring fair value and expands disclosure for each major asset and liability category measured at fair value on either a recurring or nonrecurring basis. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the reporting date. The framework for measuring fair value consists of a three-level valuation hierarchy that prioritizes the inputs to valuation techniques used to measure fair value based upon whether such inputs are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions made by the reporting entity. In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities. Fair values determined by Level 2 inputs utilize observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related assets or liabilities. Fair values determined by Level 3 inputs are unobservable data points for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The fair value measurement level within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Assets and liabilities measured at fair value are based on one or more of the following three valuation techniques:

- Market approach: Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- Cost approach: Amount that would be required to replace the service capacity of an asset (replacement cost); and
- Income approach: Techniques to convert future amounts to a single present amount based upon market expectations, including present value techniques, option-pricing and excess earning models.

Items Measured at Fair Value on a Recurring Basis

The following table sets forth the Company's financial assets (liabilities) measured at fair value on a recurring basis:

(In thousands)	Fair Value Measurements as of June 30, 2021	
	Level 3	Total
Contingent consideration	\$ (7,263)	\$ (7,263)
Interest rate swap contracts (derivatives)	6	6
	Fair Value Measurements as of June 30, 2020	
	Level 3	Total
Contingent consideration	\$ (4,940)	\$ (4,940)
Interest rate swap contracts (derivatives)	600	600

The following table provides a reconciliation of the financial assets (liabilities) measured at fair value using significant unobservable inputs (Level 3):

(In thousands)	Contingent Consideration	Interest rate swap contracts (derivatives)
Balance as of June 30, 2019	\$ (375)	\$ —
Increase related to accounting for acquisitions	(3,140)	—
Contingent consideration paid	327	—
Change in fair value	(1,752)	600
Balance as of June 30, 2020	\$ (4,940)	\$ 600
Contingent consideration paid	2,027	—
Change in fair value	(4,350)	(594)
Balance as of June 30, 2021	<u>\$ (7,263)</u>	<u>\$ 6</u>

The Company has contingent obligations to transfer cash payments and equity shares to former shareholders of acquired operations in conjunction with certain acquisitions if specified operating results and financial objectives are met over the next three fiscal years. Contingent consideration is measured quarterly at fair value, and any change in the fair value of the contingent liability is included in the consolidated statements of comprehensive income. The change in the current period fair value is principally attributable to a net increase in management's estimates of future earn-out payments through the remainder of the earn-out periods.

The Company uses projected future financial results based on recent and historical data to value the anticipated future earn-out payments. To calculate fair value, the future earn-out payments were then discounted using Level 3 inputs. The Company has classified the contingent consideration as Level 3 due to the lack of relevant observable market data over fair value inputs. The Company believes the discount rate used to discount the earn-out payments reflects market participant assumptions. Changes in assumptions and operating results could have a significant impact on the earn-out amount, up to a maximum of \$8,473 through earn-out periods measured through January 2023, although there are no maximums on certain earn-out payments.

For contingent consideration the following table provides quantitative information about the significant unobservable inputs used in fair value measurement:

(In thousands)	Fair Value	Valuation Methodology	Unobservable Inputs
Contingent consideration	\$ (7,263)	Discounted cash flows	Actual and projected EBITDA over three-year earnout period Risk adjusted discount rate
			> \$9,000 18%

As discussed in Note 9, derivative instruments are carried at fair value on the consolidated balance sheets. Interest rate swap contracts are included in deposits and other assets.

Fair Value of Financial Instruments

The carrying values of the Company's cash equivalents, receivables, contract assets, accounts payable, commissions payable, accrued expenses, and the income tax receivable and payable approximate the fair values due to the relatively short maturities of these instruments. The carrying value of the Company's Revolving Credit Facility and notes payable would not differ significantly from fair value (based on Level 2 inputs) if recalculated based on current interest rates.

NOTE 13 – INCOME TAXES

The significant components of income tax expense (benefit) are as follows:

(In thousands)	Year ended June 30,	
	2021	2020
Current:		
Federal	\$ 4,852	\$ 1,587
State	1,731	614
Foreign	2,705	1,367
Total current	<u>9,288</u>	<u>3,568</u>
Deferred:		
Federal	(3,516)	(893)
State	(619)	(87)
Foreign	743	569
Total deferred	<u>(3,392)</u>	<u>(411)</u>
Total income tax expense	<u>\$ 5,896</u>	<u>\$ 3,157</u>

The following table reconciles income taxes based on the U.S. statutory tax rate to the Company's income tax expense:

(In thousands)	Year ended June 30,	
	2021	2020
Income tax expense at U.S. statutory rate (21%)	\$ 6,162	\$ 2,238
PPP loan forgiveness	(1,218)	—
Permanent differences	25	69
State income taxes, net of federal benefit	745	416
Foreign tax rate differential	891	291
GILTI & FDII	(425)	—
Stock compensation	(294)	(186)
Other, net	10	329
Total income tax expense	<u>\$ 5,896</u>	<u>\$ 3,157</u>

Significant components of deferred tax assets and liabilities are as follows:

(In thousands)	June 30,	
	2021	2020
Deferred tax assets (liabilities):		
Allowance for doubtful accounts	\$ 323	\$ 308
Accruals	842	509
Share-based compensation	1,209	1,321
Operating lease liabilities	11,049	1,779
Operating lease ROU asset	(10,541)	(1,660)
Property, technology, and equipment basis differences	(2,980)	(4,536)
Goodwill deductible for tax purposes	(492)	(781)
Intangible assets	(2,816)	(4,819)
Other, net	(615)	395
Net deferred tax liabilities	<u>\$ (4,021)</u>	<u>\$ (7,484)</u>

The Company's effective tax rate for the fiscal year ended June 30, 2021 is lower than the U.S. federal statutory rate primarily due to PPP loan forgiveness, benefit from foreign-derived intangible income and windfall benefit from exercise of stock options. The Company's effective tax rate for the fiscal year ended June 30, 2020 is higher than the U.S. federal statutory rate primarily due to state and foreign income taxes. The Company does not have any uncertain tax positions.

The Company and its wholly-owned U.S. subsidiaries file a consolidated Federal income tax return. The Company also files unitary or separate returns in various state, local and non-U.S. jurisdictions based on state, local and non-U.S. filing requirements. The Company was under examination by the U.S. Internal Revenue Service (the “IRS”) for the tax year ending June 30, 2018. In January 2021, the IRS issued a letter confirming that the audit was complete and there were no findings as a result. Tax years that remain subject to examination by the IRS are the years ended June 30, 2019, June 30, 2020 and June 30, 2021. Tax years that remain subject to examination by state authorities are the years ended June 30, 2017 through June 30, 2021. Tax years that remain subject to examination by non-U.S. authorities are the periods ended December 31, 2015 through June 30, 2021. Occasionally acquired entities have tax years that differ from the Company and are still open under the relevant statute of limitations and therefore are subject to potential adjustment.

During the fiscal year ended June 30, 2020, the Canadian Revenue Agency completed its examination of Radiant Global Logistics (Canada) Inc. for the tax period ending March 31, 2015. The examination resulted in an additional income tax of an immaterial amount, which was recorded during the fiscal year ended June 30, 2020.

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security (“CARES”) Act was enacted and signed into law. The CARES Act, among other things, includes tax provisions relating to refundable payroll tax credits, deferment of employer’s social security payments, net operating loss utilization and carryback periods, modifications to the net interest deduction limitations and technical corrections to tax depreciation methods for qualified improvement property (QIP). The Company did not pay income tax in most jurisdictions from funds recovered under the Paycheck Protection Program of the CARES Act in May of 2020 – see Note 8. Otherwise, the CARES Act did not have a material impact on the Company’s income tax provision for the years ended June 30, 2021 and 2020.

NOTE 14 – SHARE-BASED COMPENSATION

The Company has two stock-based plans: the 2005 Stock Incentive Plan and the 2012 Stock Option and Performance Award Plan. Each plan authorizes the granting of up to 5,000,000 shares of the Company’s common stock. The plans provide for the grant of stock options, stock appreciation rights, shares of restricted stock, restricted stock units, performance shares and performance units. Restricted stock awards and units are equivalent to one share of common stock and generally vest after three years. The Company does not plan to make additional grants under the 2005 Stock Incentive Plan.

Restricted Stock Awards

During the years ended June 30, 2021 and 2020, the Company recognized share-based compensation expense related to restricted stock awards of \$1,039 and \$1,168, respectively. As of June 30, 2021, the Company had approximately \$1,593 of total unrecognized share-based compensation cost for restricted stock awards. Such costs are expected to be recognized over a weighted average period of approximately 1.76 years.

The following table summarizes restricted stock award activity under the plans:

	Number of Units	Weighted Average Grant Date Fair Value
Unvested balance as of June 30, 2020	755,872	\$ 5.07
Vested	(213,326)	4.94
Granted	243,009	5.06
Forfeited	(80,974)	5.09
Unvested balance as of June 30, 2021	<u>704,581</u>	<u>\$ 5.10</u>

Stock Options

Stock options are granted at exercise prices equal to the fair value of the common stock at the date of the grant and have a term of ten years. Generally, grants under each plan vest 20% annually over a five-year period from the date of grant. For the years ended June 30, 2021 and 2020, the Company recognized share-based compensation expense related to stock options of \$32 and \$495, respectively. The aggregate intrinsic value of options exercised was \$1,920 and \$812, respectively for the years ended June 30, 2021 and 2020. As of June 30, 2021, the Company had approximately \$365 of total unrecognized share-based compensation cost for stock options. Such costs are expected to be recognized over a weighted average period of approximately 4.77 years.

The following table summarizes stock option activity under the plans:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value (In thousands)
Outstanding as of June 30, 2020	1,995,368	\$ 3.46	3.75	\$ 1,653
Granted	100,000	7.45	—	—
Exercised	(630,926)	3.48	—	1,920
Forfeited	(50,000)	3.37	—	—
Outstanding as of June 30, 2021	<u>1,414,442</u>	<u>\$ 3.73</u>	<u>3.56</u>	<u>\$ 4,573</u>
Exercisable as of June 30, 2021	<u>1,289,442</u>	<u>\$ 3.44</u>	<u>3.03</u>	<u>\$ 4,494</u>

For the year ended June 30, 2021 the weighted average fair value per share of stock options granted was \$3.53. There were no stock options granted during the year ended June 30, 2020. The fair value of each stock option grant is estimated as of the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	Year ended June 30, 2021
Risk-free interest rate	1.08%
Expected term	6.5 years
Expected volatility	47.50 - 47.97%
Expected dividend yield	0.00%

The following table summarizes outstanding and exercisable options by exercise price range as of June 30, 2021:

Exercise Prices	Outstanding Options				Exercisable Options			
	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value (In thousands)	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value (In thousands)
\$1.50 - \$1.99	194,357	\$ 1.88	1.96	\$ 981	194,357	\$ 1.88	1.96	\$ 981
\$2.00 - \$2.49	175,864	2.29	0.76	816	175,864	2.29	0.76	816
\$2.50 - \$2.99	50,000	2.75	2.67	209	50,000	2.75	2.67	209
\$3.00 - \$3.49	281,309	3.15	3.65	1,064	261,309	3.15	3.54	988
\$3.50 - \$3.99	110,000	3.76	4.38	349	110,000	3.76	4.38	349
\$4.00 - \$4.49	153,405	4.13	3.51	430	153,405	4.13	3.51	430
\$4.50 - \$4.99	258,095	4.58	3.64	607	258,095	4.58	3.64	607
\$5.00 - \$5.49	56,412	5.21	3.84	97	56,412	5.21	3.84	97
\$5.50 - \$5.99	—	—	—	—	—	—	—	—
\$6.00 - \$6.49	25,000	6.18	5.86	18	20,000	6.18	5.86	15
\$6.50 - \$6.99	10,000	6.77	4.08	2	10,000	6.77	4.08	2
\$7.00 - \$7.49	100,000	7.45	9.93	—	—	—	—	—
	<u>1,414,442</u>	<u>\$ 3.73</u>	<u>3.56</u>	<u>\$ 4,573</u>	<u>1,289,442</u>	<u>\$ 3.44</u>	<u>3.03</u>	<u>\$ 4,494</u>

NOTE 15 – COMMITMENTS AND CONTINGENCIES

Legal Proceedings

The Company is involved in various claims and legal actions arising in the ordinary course of business. The Company records accruals for estimated losses relating to claims and lawsuits when available information indicates that a loss is probable and the amount of the loss, or range of loss, can be reasonably estimated. Legal expenses are expensed as incurred. There are no potentially material legal proceedings as of June 30, 2021.

Contingent Consideration and Earn-out Payments

The Company's agreements with respect to previous acquisitions contain future consideration provisions, which provide for the selling equity owners to receive additional consideration if specified operating objectives and financial results are achieved in future periods. Earn-out payments are generally due annually on November 1st, and 90 days following the quarter of the final earn-out period for each respective acquisition.

The following table represents the estimated discounted earn-out payments to be paid in each of the following fiscal years ended June 30:

(In thousands)	2022	2023	2024	Total
Earn-out payments:				
Cash	\$ 2,600	\$ 1,941	\$ 2,722	\$ 7,263
Total estimated earn-out payments	<u>\$ 2,600</u>	<u>\$ 1,941</u>	<u>\$ 2,722</u>	<u>\$ 7,263</u>

NOTE 16 – OPERATING AND GEOGRAPHIC SEGMENT INFORMATION

Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision-maker or decision-making group in making decisions regarding allocation of resources and assessing performance. The Company's chief operating decision-maker is the Chief Executive Officer. The Company has two operating and reportable segments: United States and Canada.

The Company evaluates the performance of the segments primarily based on their respective revenues and income from operations. In addition, the Company includes the costs of the Company's executives, board of directors, professional services, such as legal and consulting, amortization of intangible assets, and certain other corporate costs associated with operating as a public company as Corporate.

As of and for Year Ended June 30, 2021
(In thousands)

	United States	Canada	Corporate/ Eliminations	Total
Revenues	\$ 770,785	\$ 118,828	\$ (489)	\$ 889,124
Income (loss) from operations	35,257	11,982	(21,258)	25,981
Other income (expense)	676	(162)	2,863	3,377
Income (loss) before income taxes	35,933	11,820	(18,395)	29,358
Depreciation and amortization	3,929	2,586	10,127	16,642
Total assets	290,912	66,329	—	357,241
Property, technology, and equipment, net	13,613	10,538	—	24,151
Goodwill	50,801	21,781	—	72,582

As of and for Year Ended June 30, 2020
(In thousands)

Revenues	\$ 759,239	\$ 96,629	\$ (671)	\$ 855,197
Income (loss) from operations	28,505	8,459	(19,462)	17,502
Other income (expense)	216	30	(2,227)	(1,981)
Income (loss) before income taxes	28,721	8,489	(21,689)	15,521
Depreciation and amortization	4,300	2,001	10,270	16,571
Total assets	273,457	26,583	—	300,040
Property, technology, and equipment, net	12,994	5,718	—	18,712
Goodwill	50,801	21,398	—	72,199

NOTE 17 - BUSINESS COMBINATION

On February 7, 2020 the Company acquired the assets and operations of two of its Adcom agency locations: Alexandria, Virginia based Friedway Enterprises, Inc. (“Friedway”) and Pittsburgh, Pennsylvania based CIC2, Inc. (“CIC2”) through its wholly-owned subsidiary, Radiant Global Logistics, Inc. Friedway and CIC2 continue to provide a full range of domestic and international services from the mid-Atlantic region operating under the Radiant brand. The acquired agencies are expected to strengthen and diversify Radiant’s network of Company-owned operations and continue to provide a full range of hyper-care domestic and international transportation and logistics service to customers in medical device, high-tech and trade-show industries. The goodwill recognized is attributable to expanded service lines and geographic footprint. The acquisitions of Friedway and CIC2 were accounted for as purchases of a business under ASC 805 Business Combinations.

As consideration for the acquisition, the Company paid \$9,150 in cash upon closing and issued 45,086 shares of common stock recorded at fair value, and the seller is entitled to additional contingent consideration payable in subsequent periods based on future performance of the acquired operation. The maximum contingent consideration payable is \$10,000. The Company has engaged valuation specialists to assist the Company with its estimate of the fair value of the contingent consideration using future projected earnings relative to the corresponding future earn-out payments. To calculate fair value, the future earn-out payments were then discounted using Level 3 inputs. The Company believes the rate used to discount the earn-out payments reflect market participant assumptions.

The fair values of the intangible assets were estimated by the Company with the assistance of valuation specialists. The fair value was estimated using a discounted cash flow approach with Level 3 inputs. Under this method, an intangible asset’s fair value is equal to the present value of the incremental after-tax cash flows (excess earnings) attributable solely to the intangible asset over its remaining useful life. To calculate fair value, the Company used risk-adjusted cash flows discounted at rates considered appropriate given the inherent risks associated with each type of asset. The Company believes the level and timing of cash flows appropriately reflect market participant assumptions. The goodwill is recorded in the U.S. operating segment and is expected to be deductible for income tax purposes over a period of 15 years.

The acquisition date fair value of the consideration transferred for the acquisitions consisted of the following:

(In thousands)		
Cash	\$	9,150
Common stock (45,086 common shares)		250
Contingent consideration, at fair value		3,140
	\$	<u>12,540</u>

The purchase price allocation for the acquisitions is as follows:

(In thousands)		
Prepaid expenses and other current assets	\$	16
Intangible assets		5,709
Deposits and other assets		8
Liabilities assumed		(3)
Total identifiable net assets		5,730
Goodwill		6,810
	\$	<u>12,540</u>

Intangible assets that were acquired and their respective useful lives are as follows:

(In thousands)	Amount	Useful Life
Customer related	\$ 5,150	8.5 years
Covenants not to compete	559	5 years
	<u>\$ 5,709</u>	

The results of operations for these acquired entities subsequent to the date of acquisition for the fiscal year ended June 30, 2020, were immaterial and thus not presented. The proforma results of operations as if the acquisition had occurred on the first day of each reporting period have not been presented because the operations of these above-mentioned acquisitions would not have been material to the consolidated financial statements.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports 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 management, including our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), as appropriate, to allow timely decisions regarding required disclosure.

An evaluation of the effectiveness of our "disclosure controls and procedures" (as such term is defined in Rules 13a-15(e) or 15d-15(e) of the Exchange Act as of June 30, 2021, was carried out by our management under the supervision and with the participation of our CEO and CFO. Based upon that evaluation, our CEO and CFO concluded that, as of June 30, 2021, our disclosure controls and procedures were not effective because of the material weaknesses in our internal control over financial reporting described below.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) of the Exchange Act. Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an assessment of the effectiveness of our internal control over financial reporting. In making this assessment, we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control — Integrated Framework (2013).

Our internal control system was designed 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 in the U.S. Our internal control over financial reporting includes those policies and procedures, which:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the U.S., and that receipts and expenditures of the Company are being made only in accordance with authorization of our management and directors; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Based on management's assessment based on the criteria of COSO, we concluded that, as of June 30, 2021, our internal control over financial reporting was not effective due to the following material weaknesses that existed as of June 30, 2021.

- The Company does not have effective internal controls over the recording and processing of revenues. Specifically, the controls as currently designed are not sufficient to prevent or detect a material misstatement in revenues as the design of the controls lacks the level of precision necessary to ensure the completeness and accuracy of revenue.
- The Company does not have effective internal controls over the calculation of operating partner commissions. Specifically, the controls as currently designed are not sufficient to prevent or detect a material misstatement in operating partner commissions as the design of the controls lacks the level of precision that ensures the completeness and accuracy of operating partner commissions.

A material weakness is a deficiency, or a combination of deficiencies in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim consolidated financial statements will not be prevented or detected on a timely basis. These material weaknesses did not result in material misstatements to the consolidated financial statements. However, these material weaknesses could result in misstatements that would result in a material misstatement of the consolidated financial statements that would not be prevented or detected.

BDO USA, LLP, an independent registered public accounting firm has issued an attestation report on our internal control over financial reporting, which is set forth on page 36 of this Annual Report on Form 10-K.

Remediation of Material Weaknesses

We are evaluating the material weaknesses and have considered plans for remediation to strengthen our internal controls over the recording of revenues and related to the calculation of operating partner commissions.

Changes in Internal Control Over Financial Reporting

Except for the material weaknesses described above, there have not been any other changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the fiscal quarter ended June 30, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required in response to this Item is incorporated herein by reference to the information contained under the captions entitled “Proposal No. 1 Election of Directors—Information about Director Nominees,” “Executive Officers,” and “Corporate Governance” in our definitive proxy statement for our 2021 Annual Meeting of Stockholders, (which we refer to as our “2021 Proxy Statement”).

Our Code of Business Conduct and Ethics, which applies to all of our directors, executive officers and employees, is available in the “About—Governance” section of our website located at www.radiantdelivers.com. In addition, printed copies of our Code of Business Conduct and Ethics are available upon written request to Attn: Human Resources, Radiant Logistics, Inc., Triton Towers Two, 700 S. Renton Village Place, Seventh Floor, Renton, Washington 98057. Any waiver of our Code of Business Conduct and Ethics for our employees may be made only by our CEO and, with respect to or director or executive officers, our Board of Directors and will be promptly disclosed as required by law and NYSE rules. We intend to satisfy the disclosure requirements of Item 5.05 of Form 8-K and applicable NYSE rules regarding amendments to or waivers from any provision of our Code of Business Conduct and Ethics by posting such information in the “About—Governance” section of our website located at www.radiantdelivers.com.

ITEM 11. EXECUTIVE COMPENSATION

The information required in response to this Item is incorporated herein by reference to the information contained under the captions entitled “Executive Compensation,” “Compensation Discussion and Analysis,” “Audit and Executive Oversight Committee Report” and “Director Compensation” in our 2021 Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required in response to this Item is incorporated herein by reference to the information contained under the caption entitled “Stock Ownership” and “Securities Authorized for Issuance under Equity Compensation Plans” in our 2021 Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

The information required in response to this Item is incorporated herein by reference to the information contained under the captions entitled “Certain Relationships and Related Party Transactions,” and “Corporate Governance—Director Independence” in our 2021 Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required in response to this Item is incorporated herein by reference to the information be contained under the captions entitled “Proposal No. 2: Ratification of Appointment of Independent Registered Public Accounting Firm—Audit, Audit-Related, Tax, and Other Fees” and “Proposal No. 2: Ratification of Appointment of Independent Registered Public Accounting Firm—Pre-Approval Policies and Procedures” in our 2021 Proxy Statement.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) *List of Documents Filed as part of this Report*

(1) *All Financial Statements and Supplemental Information*

The Company’s consolidated financial statements filed in this Annual Report on Form 10-K are included in Part II, Item 8.

(2) *Financial Statement Schedules*

Not applicable.

(3) *Exhibits*

The exhibits required by Item 601 of Regulation S-K are included under Item 15(b) below.

(b) Exhibits

Exhibit Number	Description	Filed/Furnished Herewith	Incorporated by Reference			
			Form	Period Ending	Exhibit Number	Filing Date
2.1	<u>Arrangement Agreement among Radiant Logistics, Inc., Radiant Global Logistics ULC and Wheels Group Inc.</u>		8-K		2.1	1/23/15
3.1 & 4.1	<u>Certificate of Incorporation</u>		SB-2		3.1	9/20/02
3.2 & 4.2	<u>Amendment to Registrant's Certificate of Incorporation (Certificate of Ownership and Merger Merging Radiant Logistics, Inc. into Golf Two, Inc. dated October 18, 2005)</u>		8-K		3.1	10/18/05
3.3 & 4.3	<u>Amended and Restated Bylaw of Radiant Logistics, Inc. (October 1, 2019)</u>		8-K		3.1	10/2/2019
3.4 & 4.4	<u>Certificate of Amendment of Certificate of Incorporation</u>		10-Q	12/31/12	3.1	2/12/13
10.1	<u>Executive Employment Agreement dated January 13, 2006 by and between Radiant Logistics, Inc. and Bohn H. Crain</u>		8-K		10.7	1/18/06
10.2	<u>Letter Agreement dated June 10, 2011; amending the Employment Agreement between Radiant Logistics, Inc. and Bohn H. Crain+</u>		8-K		10.1	6/10/11
10.3	<u>Employment Agreement dated May 14, 2012 by and between Radiant Logistics, Inc. and Todd Macomber+</u>		8-K		10.2	5/14/12
10.4	<u>Employment Agreement dated February 1, 2012 by and between Wheels Group Inc. and Tim Boyce+</u>		8-K		10.4	4/8/15
10.5	<u>Employment Agreement dated November 20, 2015 by and between Radiant Logistics, Inc. and Joseph Bento+</u>		10-K	6/30/16	10.5	9/13/16
10.6	<u>Employment Agreement dated February 2, 2015 by and between Radiant Logistics, Inc. and Arnold Goldstein+</u>		10-K	6/30/16	10.6	9/13/16
10.7	<u>Employment Agreement dated April 27, 2018 by and between Radiant Logistics, Inc. and John W. Sobba+</u>		8-K		10.1	5/11/18
10.8	<u>Operating Agreement of Radiant Logistics Partners, LLC dated June 28, 2006</u>		8-K		10.4	5/14/12
10.9	<u>Discretionary Management Incentive Compensation Plan effective July 1, 2012+</u>		8-K		10.5	5/14/12
10.10	<u>Radiant Logistics, Inc. 2012 Stock Option and Performance Award Plan+</u>		DEF 14 A		Annex A	10/9/12
10.11	<u>Form of Incentive Stock Option Award Agreement under the Radiant Logistics, Inc. 2012 Stock Option and Performance Award Plan+</u>		10-Q	12/31/12	10.5	2/12/13
10.12	<u>Form of Restricted Stock Award Agreement under the Radiant Logistics, Inc. 2012 Stock Option and Performance Award Plan+</u>		10-Q	12/31/12	10.7	2/12/13

10.13	<u>Form of SAR Award Agreement under the Radiant Logistics, Inc. 2012 Stock Option and Performance Award Plan+</u>	10-Q	12/31/12	10.8	2/12/13
10.14	<u>Form of Non-qualified Stock Option Award Agreement under the Radiant Logistics, Inc. 2012 Stock Option and Performance Award Plan+</u>	10-Q	9/30/16	10.1	11/9/16
10.15	<u>Form of Restricted Stock Unit Award Agreement under the Radiant Logistics, Inc. 2012 Stock Option and Performance Award Plan+</u>	10-Q	9/30/16	10.2	11/9/16
10.16	<u>Form of Non-qualified Stock Option Award Agreement (Director) under the Radiant Logistics, Inc. 2012 Stock Option and Performance Award Plan+</u>	10-Q	9/30/16	10.3	11/9/16
10.17	<u>Form of Restricted Stock Unit Award Agreement (Director) under the Radiant Logistics, Inc. 2012 Stock Option and Performance Award Plan+</u>	10-Q	9/30/16	10.4	11/9/16
10.18	<u>Form of Canadian Restricted Stock Unit Award Agreement under the Radiant Logistics, Inc. 2012 Stock Option and Performance Award Plan+</u>	10-Q	12/31/16	10.1	2/8/17
10.19	<u>Form of Canadian Non-qualified Stock Option Award Agreement under the Radiant Logistics, Inc. 2012 Stock Option and Performance Award Plan+</u>	10-Q	12/31/16	10.2	2/8/17
10.20	<u>Separation and Release Agreement, dated effective as of December 31, 2019, by and between Radiant Global Logistics, Inc. and Tim Boyce</u>	8-K		10.1	12/23/2019
10.21	<u>Independent Contractor Agreement, dated effective as of January 1, 2020, by and between Radiant Global Logistics, Inc. and Tim Boyce</u>	8-K		10.2	12/23/2019
10.22	<u>Credit Agreement, dated March 13, 2020, by and among Radiant Logistics, Inc., the Subsidiaries of the Borrower Party Hereto, and Bank of America, N.A., Bank of Montreal Chicago Branch, MUFG Union Bank, N.A., the Lenders Party Hereto, BofA Securities, Inc.</u>	8-K		10.1	3/19/2020
10.23	<u>\$29,000,000 Credit Facilities Amended and Restated Loan Agreement, dated March 13, 2020, by and among Radiant Global Logistics (Canada) Inc., 2062698 Ontario Inc., Clipper Exxpress Company, Radiant Logistics, Inc., Radiant Global Logistics, Inc., Radiant Transportation Services, Inc., Radiant Logistics Partners LLC, Adcom Express, Inc., DBA Distribution Services, Inc., International Freight Systems (of Oregon), Inc., Radiant Off-Shore Holdings LLC, Green Acquisition Company, Inc., On Time Express, Inc., Radiant Global Logistics (CA), Inc., Radiant Trade Services, Inc., Service By Air, Inc., Radiant Customs Services, Inc., and Fiera Private Debt Fund IV LP</u>	8-K		10.2	3/19/2020

10.24	<u>\$10,000,000 Credit Facility Amended and Restated Loan Agreement, dated March 13, 2020, by and among Radiant Global Logistics (Canada) Inc. and 2062698 Ontario Inc., Clipper Exxpress Company, Radiant Logistics, Inc., Radiant Global Logistics, Inc., Radiant Transportation Services, Inc., Radiant Logistics Partners LLC, Adcom Express, Inc., DBA Distribution Services, Inc., International Freight Systems (of Oregon), Inc., Radiant Off-Shore Holdings LLC, Green Acquisition Company, Inc., On Time Express, Inc., Radiant Global Logistics (CA), Inc., Radiant Trade Services, Inc., Service By Air, Inc., Radiant Customs Services, Inc., Highways & Skyways, Inc., and Fiera Private Debt Fund V LP</u>		8-K	10.3	3/19/2020
10.25	<u>First Lien Pari Passu Intercreditor Agreement, dated as of March 13, 2020, by and among Bank of America, M.A., Fiera Private Debt Fund IV LP and Fiera Private Debt Fund V LP, and acknowledged and agreed to by Radiant Logistics, Inc.</u>		8-K	10.4	3/19/2020
14.1	<u>Code of Business Conduct and Ethics+</u>		10-KSB	14.1	3/17/06
21.1	<u>Subsidiaries of the Registrant</u>	X			
23.1	<u>Consent of BDO USA, LLP</u>	X			
31.1	<u>Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>	X			
31.2	<u>Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>	X			
32.1	<u>Certification of Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>	X			
101.INS	Inline XBRL Instance	X			
101.SCH	Inline XBRL Taxonomy Extension Schema	X			
101.CAL	Inline XBRL Taxonomy Extension Calculation	X			
101.DEF	Inline XBRL Taxonomy Extension Definition	X			
101.LAB	Inline XBRL Taxonomy Extension Label	X			
101.PRE	Inline XBRL Taxonomy Extension Presentation	X			
104	Cover Page Interactive Data (embedded within the Inline XBRL document)	X			

+Compensatory plans or arrangements

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

RADIANT LOGISTICS, INC. (Registrant)

Date: September 20, 2021

By: /s/ Bohn H. Crain
Bohn H. Crain
Chief Executive Officer
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signatures</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Jack Edwards</u> Jack Edwards	Director	September 20, 2021
<u>/s/ Richard P. Palmieri</u> Richard P. Palmieri	Director	September 20, 2021
<u>/s/ Michael Gould</u> Michael Gould	Director	September 20, 2021
<u>/s/ Kristin Toth Smith</u> Kristin Toth Smith	Director	September 20, 2021
<u>/s/ Bohn H. Crain</u> Bohn H. Crain	Chairman and Chief Executive Officer (Principal Executive Officer)	September 20, 2021
<u>/s/ Todd E. Macomber</u> Todd E. Macomber	Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	September 20, 2021

**Subsidiaries of
Radiant Logistics, Inc.**

<u>Name of Subsidiary</u>	<u>State of Incorporation or Organization</u>
Radiant Global Logistics, Inc. (formerly Airgroup Corporation)	Washington
Radiant Logistics Partners LLC (40% owned by Radiant Global Logistics, Inc.)	Delaware
International Freight Systems (of Oregon), Inc.	Oregon
Highways & Skyways, Inc.	Kentucky
Adcom Express, Inc.	Minnesota
DBA Distribution Services, Inc.	New Jersey
Radiant Transportation Services, Inc. (formerly Radiant Logistics Global Services, Inc.)	Delaware
On Time Express, Inc.	Arizona
Clipper Exxpress Company	Delaware
Radiant Global Logistics (CA), Inc. (formerly Wheels MSM US, Inc.)	Delaware
Service By Air, Inc.	New York
Radiant Customs Services, Inc.	New York
Service By Air Limited	Prince Edward Island, Canada
Green Acquisition Company	Washington
Radiant Trade Services, Inc.	Washington
Radiant Off-Shore Holdings LLC	Washington
RGL Mexico LLC	Washington
Radiant Global Logistics (HK) Limited	Hong Kong
Radiant Global Logistics (MX) S. de R.L. de C.V.	Mexico
Radiant Global Logistics (Canada), Inc. (formerly Wheels International Inc.)	Ontario, Canada
2062698 Ontario Inc.	Ontario, Canada

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Radiant Logistics, Inc.
Renton, Washington

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-190683 and 333-179869) and Form S-3 (Nos. 333-228833, 333-203821, and 333-179868) of Radiant Logistics, Inc. of our reports dated September 20, 2021, relating to the consolidated financial statements, and the effectiveness of Radiant Logistics, Inc.'s internal control over financial reporting, which appear in this Form 10-K. Our report on the effectiveness of internal control over financial reporting expresses an adverse opinion on the effectiveness of Radiant Logistics, Inc.'s internal control over financial reporting as of June 30, 2021.

/S/ BDO USA, LLP

Seattle, Washington

September 20, 2021

Certification

Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Bohn H. Crain, certify that:

1. I have reviewed this annual report on Form 10-K of Radiant Logistics, 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 annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual 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. As a certifying officer, I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls 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 my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me 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 my 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 my 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;
 - (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. I have disclosed, based on my 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:
 - (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: September 20, 2021

By: /s/ Bohn H. Crain

Chief Executive Officer
(Principal Executive Officer)

Certification

Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Todd E. Macomber, certify that:

1. I have reviewed this annual report on Form 10-K of Radiant Logistics, 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 annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual 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. As a certifying officer, I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls 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 my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me 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 my 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 my 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;
 - (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. I have disclosed, based on my 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:
 - (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: September 20, 2021

By: /s/ Todd E. Macomber
Chief Financial Officer
(Principal Accounting Officer)

**Certifications Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002
(18 U.S.C. Section 1350)**

Pursuant to 18 U.S.C. Section 1350, each of the undersigned officers of Radiant Logistics, Inc. (the “Company”) hereby certifies that, to his knowledge, the Company’s Annual Report on Form 10-K for the period ended June 30, 2021 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: September 20, 2021

By: /s/ Bohn H. Crain
Bohn H. Crain
Chief Executive Officer
(Principal Executive Officer)

By: /s/ Todd E. Macomber
Todd E. Macomber
Chief Financial Officer
(Principal Accounting Officer)

Reconciliation of Non-GAAP Financial Measures

The table below is provided to reconcile certain financial disclosures in the letter to Shareholders, page 1.

(In thousands)

Year Ended June 30:	2021	2020	2019	2018	2017
Net income (loss) attributable to Radiant Logistics, Inc.	\$ 22,943	\$ 10,541	\$ 16,346	\$ 10,188	\$ 4,862
Income tax expense	5,896	3,157	4,800	73	3,673
Depreciation and amortization	16,642	16,571	15,209	14,389	12,349
Net interest expense	2,531	2,826	2,973	3,075	2,497
EBITDA	48,012	33,095	39,328	27,725	23,381
Share-based compensation	1,071	1,663	1,612	1,514	1,304
Change in fair value of contingent consideration	4,350	1,752	(1,207)	(1,176)	3,431
Acquisition related costs	42	577	316	239	944
Litigation costs	535	1,061	754	346	177
Gain on litigation settlement, net	(25)	—	—	—	—
Transition, lease termination, and other costs	—	586	117	176	580
Change in fair value of interest rate swap contracts	594	(600)	—	—	—
Gain on forgiveness of debt	(5,987)	—	—	—	—
Foreign currency transaction loss (gain)	189	125	(160)	8	(222)
MM&D start-up costs	—	—	—	410	—
Adjusted EBITDA	48,781	38,259	40,760	29,242	29,595
Transition costs	—	—	—	—	1,539
Normalized EBITDA	\$ 48,781	\$ 38,259	\$ 40,760	\$ 29,242	\$ 31,134

Our GAAP-based net income will be affected by non-cash charges relating to the amortization of customer-related intangible assets and other intangible assets attributable to completed acquisitions. Under applicable accounting standards, purchasers are required to allocate the total consideration in a business combination to the identified assets acquired and liabilities assumed based on their fair values at the time of acquisition. The excess of the consideration paid over the fair value of the identifiable net assets acquired is to be allocated to goodwill, which is tested at least annually for impairment. Applicable accounting standards require that we separately account for and value certain identifiable intangible assets based on the unique facts and circumstances of each acquisition. As a result of our acquisition strategy, our net income will include material non-cash charges relating to the amortization of customer related intangible assets and other intangible assets acquired in our acquisitions. Although these charges may increase as we complete more acquisitions, we believe we will be growing the value of our intangible assets (e.g., customer relationships). Thus, we believe that earnings before interest, taxes, depreciation and amortization, or EBITDA, is a useful financial measure for investors because it eliminates the effect of these non-cash costs and provides an important metric for our business.

EBITDA is a non-GAAP measure of income and does not include the effects of preferred stock dividends, interest and taxes, and excludes the “non-cash” effects of depreciation and amortization on long-term assets. Companies have some discretion as to which elements of depreciation and amortization are excluded in the EBITDA calculation. We exclude all depreciation charges related to technology and equipment, all amortization charges (including amortization of leasehold improvements), and other intangible assets. We then further adjust EBITDA to exclude changes in contingent consideration, expenses specifically attributable to acquisitions, severance and lease termination costs, foreign exchange gains and losses, extraordinary items, share-based compensation expense, non-recurring litigation expenses, and other non-cash charges. Adjusted EBITDA is then normalized by excluding non-recurring transition costs. While management considers EBITDA, adjusted EBITDA, and normalized adjusted EBITDA useful in analyzing our results, it is not intended to replace any presentation included in our consolidated financial statements.

CORPORATE HEADQUARTERS

Triton Towers Two
700 S. Renton Village Place
Seventh Floor
Renton, WA 98057
Tel: (800) 843-4784
www.radiantdelivers.com

ANNUAL MEETING

November 17, 2021
Corporate Headquarters

CORPORATE GOVERNANCE

Copies of the Company’s 2021 Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, Proxy Statement and this Annual Report are available online at <http://financials.radiantdelivers.com> or to shareholders without charge upon written request to our Secretary at the Company’s principal address or by calling (800) 843-4784.

In addition, on the Company’s Corporate Governance website at www.radiantdelivers.com/about, shareholders can view the Company’s

Corporate Governance Principles, the Audit and the Executive Oversight Committee Charter and the Company’s Code of Ethics. Copies of these documents are available to shareholders without charge upon written request to our Secretary at the Company’s principal address.

The Company is required to file as an Exhibit to its Form 10-K for each fiscal year certifications under the Sarbanes-Oxley Act signed by the Chief Executive Officer and the Chief Financial Officer. In addition, the Company is required to submit a certification signed by the Chief Executive Officer to the NYSE American within 30 days following the Annual Meeting of Shareholders. Copies of the certifications will be posted promptly upon filing.

COMMON STOCK

Listed on NYSE American
Symbol: RLGT

SHAREHOLDER RELATIONS CONTACT

Todd Macomber
Chief Financial Officer
(800) 843-4784

INVESTOR RELATIONS CONTACT

JP Deenihan
VP Marketing & Communications
communications@radiantdelivers.com
(800) 843-4784

STOCK TRANSFER AGENT

Questions regarding stock holdings, certificate placement/transfer and address changes should be directed to:

Broadridge Corporate Issuer Solutions, Inc.
1717 Arch Street
STE 1300
Philadelphia, PA 19103
(855) 418-5054

ONLINE ANNUAL REPORT

<http://radiantdelivers.com/about/financials>



It's the Network that DeliversSM

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