



ADVANTEX

Advantex Announces Fiscal 2021 First Quarter Results

Toronto, March 31, 2021 -- – Advantex Marketing International Inc. (CSE: ADX) (“Advantex”), a leader in the merchant cash advance and loyalty marketing products for merchants, announced its results for the three months ended September 30, 2020.

Highlights of financial results for three months ended September 30, 2020 compared to three months ended September 30, 2019:

	September 2020	September 2019	Inc./Dec)	Inc./Dec)
	\$	\$	\$	%
Revenues	\$ 311,772	\$ 799,043	\$ (487,271)	-61.0%
Direct expenses				
Cost of cardholder rewards and marketing in connection with merchant based loyalty program	\$ 61,717	\$ 97,764	\$ (36,047)	
Expense for provision against delinquent accounts	\$ 28,727	\$ 66,126	\$ (37,399)	
Gross profit	\$ 221,328	\$ 635,153	\$ (413,825)	-65.2%
Selling and General & Administrative expenses	\$ 309,862	\$ 597,239	\$ (287,377)	
Earnings/(loss) from operations before depreciation, amortization and interest	\$ (88,534)	\$ 37,914	\$ (126,448)	-333.5%
Stated interest expense - loan payable, and debentures	\$ 246,841	\$ 401,197	\$ (154,356)	
(Loss) from operations before depreciation, amortization, non cash interest and non cash items	\$ (335,375)	\$ (363,283)	\$ (27,908)	-7.7%
Interest - Lease	\$ 3,960	\$ 4,976	\$ (1,016)	
Interest expense - Accretion charges, restructuring bonus and amortization of transaction costs related to non-convertible debentures payable	\$ 158,113	\$ 140,634	\$ 17,479	
Depreciation of right of use asset	\$ 11,373	\$ 16,334	\$ (4,961)	
Depreciation of property, plant and equipment	\$ -	\$ 8,760	\$ (8,760)	
Net (loss) and comprehensive (loss)	\$ (508,821)	\$ (533,987)	\$ (25,166)	-4.7%
Fuller details available in the Consolidated Financial Statements and MD&A available under Advantex's profile on www.sedar.com				

The above tabulation is a non-GAAP presentation and is provided to assist readers in understanding Advantex’s financial performance. The information is extracted from consolidated financial statements for three months ended September 30, 2020.

About Advantex:

Advantex provides working capital to merchants. Advantex also provides specialized marketing programs that enable members of Aeroplan to earn Aeroplan points at participating merchants.

Advantex shares trade on the Canadian Securities Exchange under the symbol ADX.

For more information go to Advantex’s profile on www.sedar.com

For further information please contact:

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Advantex Marketing International Inc.
Consolidated Statements of Financial Position (unaudited)
(expressed in Canadian dollars)

	Note	At September 30, 2020	At June 30, 2020
		\$	\$
Assets			
Current assets			
Cash		\$ 56,799	\$ 166,601
Accounts receivable		113,572	118,901
Transaction credits	5	3,190,042	3,923,917
Prepaid expenses and sundry assets		<u>52,687</u>	<u>58,781</u>
		\$ 3,413,100	\$ 4,268,200
Non-current assets			
Right of use asset	15	<u>\$ 87,189</u>	<u>\$ 98,562</u>
		\$ 87,189	\$ 98,562
Total assets		\$ 3,500,289	\$ 4,366,762
Liabilities			
Current liabilities			
Loan payable	6	\$ 3,661,636	\$ 4,369,006
Lease liability		66,240	64,452
Loan	16	40,000	40,000
Accounts payable and accrued liabilities		2,441,536	2,364,759
9% Non convertible debentures payable	7	<u>6,899,975</u>	<u>6,611,576</u>
		\$ 13,109,387	\$ 13,449,793
Non-current Liabilities			
Lease liability	15	<u>\$ 67,433</u>	<u>\$ 84,679</u>
		\$ 67,433	\$ 84,679
Shareholders' deficiency			
Share capital	8	\$ 24,530,555	\$ 24,530,555
Contributed surplus		4,117,170	4,117,170
Accumulated other comprehensive loss		(47,383)	(47,383)
Deficit		<u>(38,276,873)</u>	<u>(37,768,052)</u>
Total deficiency		\$ (9,676,531)	\$ (9,167,710)
Total liabilities and deficiency		\$ 3,500,289	\$ 4,366,762

Going concern (note 2), Commitments and contingencies (note 11)

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

Approved by the Board

Director: Signed "Marc Lavine"
Marc Lavine

Director: Signed "Kelly Ambrose"
Kelly Ambrose

Advantex Marketing International Inc.
Consolidated Statements of Loss and Comprehensive Loss (unaudited)
For the three months ended September 30, 2020 and 2019
(expressed in Canadian dollars)

	Note	2020	2019
		\$	\$
	18		Amended
Revenues	14		
Marketing activities		\$ 112,958	179,583
Interest income		<u>198,814</u>	<u>619,460</u>
		\$ 311,772	\$ 799,043
Direct expenses	13/14	<u>90,444</u>	<u>163,890</u>
		221,328	635,153
Operating expenses			
Selling and marketing	13/14	147,165	187,863
General and administrative	13/14	<u>162,697</u>	<u>409,376</u>
Earnings/(loss) from operations before depreciation, amortization and interest		(88,534)	37,914
Stated interest expense - loan payable, and debentures	6/7	246,841	401,197
Interest - Lease	15	3,960	4,976
Non-cash interest expense (accretion charges), restructuring bonus and amortization of transaction costs related to non-convertible debentures payable	7	158,113	140,634
Depreciation of right of use asset	15	11,373	16,334
Depreciation of property, plant and equipment		<u>-</u>	<u>8,760</u>
Net (loss) and comprehensive (loss)		\$ (508,821)	\$ (533,987)
(Loss) per share			
Basic and Diluted	12	\$ (0.00)	\$ (0.00)

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

Advantex Marketing International Inc.
Consolidated Statements of Changes in Shareholders' Deficiency (unaudited)
For the three months ended September 30, 2020 and 2019
(expressed in Canadian dollars)

	Class A preference shares	Common shares	Contributed surplus	Accumulated other comprehen - sive loss	Deficit	Total
	₤	₤	₤	₤	₤	₤
Balance - July 1, 2019	\$ 3,815	\$ 24,526,740	\$ 4,090,382	\$ (47,383)	\$ (34,840,656)	\$ (6,267,102)
Reported at September 30, 2019 as adjustment to deficit on account of adoption of IFRS 16 Leases at July 1, 2019	-	-	-	-	(35,218)	(35,218)
Reported Net (loss) and comprehensive (loss)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(532,406)</u>	<u>(532,406)</u>
Reported as balance at September 30, 2019	3,815	24,526,740	4,090,382	(47,383)	(35,408,280)	(6,834,726)
Adjustments on account of amendments made at year end June 30, 2020 to initial computations on adoption of IFRS 16 Leases at July 1, 2019						
Reversal of adjustment made to deficit at July 1, 2019	-	-	-	-	35,218	35,218
Increase in Reported Net (loss) and comprehensive (loss)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,581)</u>	<u>(1,581)</u>
Amended Balance - September 30, 2019	\$ 3,815	\$ 24,526,740	\$ 4,090,382	\$ (47,383)	\$ (35,374,643)	\$ (6,801,089)
Balance - July 1, 2020	\$ 3,815	\$ 24,526,740	\$ 4,117,170	\$ (47,383)	\$ (37,768,052)	\$ (9,167,710)
Net (loss) and comprehensive (loss)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(508,821)</u>	<u>(508,821)</u>
Balance - September 30, 2020	\$ 3,815	\$ 24,526,740	\$ 4,117,170	\$ (47,383)	\$ (38,276,873)	\$ (9,676,531)

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

Advantex Marketing International Inc.
Consolidated Statements of Cash Flow (unaudited)
For the three months ended September 30, 2020 and 2019
(expressed in Canadian dollars)

	Note	2020	2019
		\$	\$
	18		Amended
Operational activities			
Net (loss) for the period		\$ (508,821)	\$ (533,987)
Adjustments for:			
Accrued and unpaid 9% debentures interest		130,286	126,106
Interest - Lease	15	3,960	4,976
Depreciation of right of use asset	15	11,373	16,334
Depreciation of property, plant and equipment		-	8,760
Loss on disposal of property, plant & equipment		-	45
Accretion charge - non-convertible debentures payable	7	86,488	78,053
Restructuring bonus - non-convertible debentures payable	7	66,928	62,581
Amortization of transaction costs - non-convertible debentures payable	7	4,697	-
		(205,089)	(237,132)
Changes in items of working capital			
Accounts receivable		5,329	28,808
Transaction credits		733,875	1,424,048
Prepaid expenses and sundry assets		6,094	2,934
Accounts payable and accrued liabilities		76,777	(67,104)
		822,075	1,388,686
Net cash generated by operating activities		\$ 616,986	\$ 1,151,554
Financing activities			
Payment for lease	15	\$ (19,418)	\$ (19,418)
(Decrease) of loan payable	6	(707,370)	(1,178,355)
Net cash (used in) financing activities		\$ (726,788)	\$ (1,197,773)
(Decrease) in cash during the period		\$ (109,802)	\$ (46,219)
Cash at beginning of the period		166,601	119,636
Cash at end of the period		\$ 56,799	\$ 73,417
Additional information			
Interest paid		\$ 116,555	\$ 275,091
Cash		\$ 56,799	\$ 73,417

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