



# ADVANTEX

## Advantex Announces Fiscal 2021 Results

**Toronto, October 28, 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 twelve months ended June 30, 2021.

Highlights of financial results for twelve months ended June 30, 2021 compared to twelve months ended June 30, 2020:

	<u>Fiscal 2021</u>	<u>Fiscal 2020</u>	<u>Inc./Dec</u>	<u>Inc./Dec</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>%</u>
<b>Revenues</b>	<b>\$ 1,229,880</b>	<b>\$ 2,609,542</b>	<b>\$ (1,379,662)</b>	<b>-52.9%</b>
Direct expenses				
Costs of loyalty rewards, and marketing in connection with Advantex's merchant based loyalty program	\$ 293,167	\$ 387,027	\$ (93,860)	
Expense for provision against delinquent accounts	\$ 75,483	\$ 1,022,015	\$ (946,532)	
<b>Gross profit</b>	<b>\$ 861,230</b>	<b>\$ 1,200,500</b>	<b>\$ (339,270)</b>	<b>-28.3%</b>
Selling and General & Administrative expenses	\$ 1,285,744	\$ 2,065,763	\$ (780,019)	
<b>(Loss) from operations before depreciation, amortization and interest</b>	<b>\$ (424,514)</b>	<b>\$ (865,263)</b>	<b>\$ (440,749)</b>	<b>-50.9%</b>
Stated interest expense - loan payable, and 9% non convertible debentures payable	\$ 910,874	\$ 1,319,950	\$ (409,076)	
<b>(Loss) from operations before depreciation, amortization, non cash interest and non cash items</b>	<b>\$ (1,335,388)</b>	<b>\$ (2,185,213)</b>	<b>\$ (849,825)</b>	<b>-38.9%</b>
Interest - Lease	\$ 13,219	\$ 19,904	\$ (6,685)	
Interest expense - Accretion charges, restructuring bonus and amortization of transaction costs related to 9% non convertible debentures payable	\$ 644,798	\$ 598,733	\$ 46,065	
Depreciation of right of use asset	\$ 45,490	\$ 65,336	\$ (19,846)	
Depreciation of property, plant and equipment	\$ -	\$ 15,210	\$ (15,210)	
Impairment of right of use asset	\$ 53,072	\$ 43,000	\$ 10,072	
<b>Net (loss) and comprehensive (loss)</b>	<b>\$ (2,091,967)</b>	<b>\$ (2,927,396)</b>	<b>\$ (835,429)</b>	<b>-28.5%</b>
Fuller details available in the Consolidated Financial Statements and MD&A available under Advantex's profile on <a href="http://www.sedar.com">www.sedar.com</a>				

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 twelve months ended June 30, 2021.

### 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](http://www.sedar.com)

**For further information please contact:**

Mukesh Sabharwal

Vice-President and Chief Financial Officer

Tel: 416-560-5173

Email: [Mukesh.Sabharwal@advantex.com](mailto:Mukesh.Sabharwal@advantex.com)

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

	Note	June 30, 2021	June 30, 2020
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash		\$ 82,606	\$ 166,601
Accounts receivable	10 a	93,090	118,901
Transaction credits	10 a	1,726,663	3,923,917
Prepaid expenses and sundry assets		43,675	58,781
		<u>\$ 1,946,034</u>	<u>\$ 4,268,200</u>
<b>Non-current assets</b>			
Right of use asset	17	\$ -	\$ 98,562
		<u>\$ -</u>	<u>\$ 98,562</u>
<b>Total assets</b>		<b>\$ 1,946,034</b>	<b>\$ 4,366,762</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Loan payable	5	\$ 2,387,439	\$ 4,369,006
Lease liability	17	71,910	64,452
Loan	18	60,000	40,000
Accounts payable and accrued liabilities		2,731,158	2,364,759
9% non convertible debentures payable	6	-	6,611,576
		<u>\$ 5,250,507</u>	<u>\$ 13,449,793</u>
<b>Non-current liabilities</b>			
9% non convertible debentures payable	6	4,694,885	-
Lease liability	17	\$ 12,769	\$ 84,679
		<u>\$ 4,707,654</u>	<u>\$ 84,679</u>
<b>Total liabilities</b>		<b>\$ 9,958,161</b>	<b>\$ 13,534,472</b>
<b>Shareholders' deficiency</b>			
Share capital	7	\$ 24,530,555	\$ 24,530,555
Contributed surplus		7,364,720	4,117,170
Accumulated other comprehensive loss		(47,383)	(47,383)
Deficit		(39,860,019)	(37,768,052)
<b>Total deficiency</b>		<b>\$ (8,012,127)</b>	<b>\$ (9,167,710)</b>
<b>Total liabilities and deficiency</b>		<b>\$ 1,946,034</b>	<b>\$ 4,366,762</b>

**Going concern (note 2a) and Commitments and contingencies (note 12)**

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)  
For the years ended June 30, 2021 and 2020  
(expressed in Canadian dollars)

	Note	2021	2020
		\$	\$
<b>Revenues</b>	16		
Marketing activities		\$ 484,099	\$ 718,690
Interest income		<u>745,781</u>	<u>1,890,852</u>
		<b>1,229,880</b>	<b>\$ 2,609,542</b>
Direct expenses	15/16	<u>368,650</u>	<u>1,409,042</u>
		861,230	1,200,500
<b>Operating expenses</b>			
Selling and marketing	15/16	496,853	718,267
General and administrative	15/16	<u>788,891</u>	<u>1,347,496</u>
<b>(Loss) from operations before depreciation, amortization and interest</b>		<b>(424,514)</b>	<b>(865,263)</b>
Stated interest expense - loan payable, and 9% non convertible debentures payable	5/6	910,874	1,319,950
Interest - Lease	17	13,219	19,904
Non-cash interest expense - accretion charges, restructuring bonus and amortization of transaction costs related to 9% non convertible debentures payable	6	644,798	598,733
Depreciation of right of use asset	17	45,490	65,336
Depreciation of property, plant and equipment	4	-	15,210
Impairment of right of use asset	17	<u>53,072</u>	<u>43,000</u>
<b>Net (loss) and comprehensive (loss)</b>		<b>\$ (2,091,967)</b>	<b>\$ (2,927,396)</b>
<b>(Loss) per share</b>			
Basic and Diluted	14	\$ -	\$ -

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Advantex Marketing International Inc.  
Consolidated Statements of Changes in Shareholders' Deficiency  
For the years ended June 30, 2021 and June 30, 2020  
(expressed in Canadian dollars)

	Class A preference shares	Common shares	Contributed surplus	Accumulated other comprehen - sive loss	Deficit	Total
	\$	\$	\$	\$	\$	\$
<b>Balance - July 1, 2019</b>	\$ 3,815	\$ 24,526,740	\$ 4,090,382	\$ (47,383)	\$ (34,840,656)	\$ (6,267,102)
Issuance of 9% non convertible debentures payable (note 6)	-	-	26,788	-	-	26,788
Net (loss) and comprehensive (loss)	-	-	-	-	(2,927,396)	(2,927,396)
<b>Balance - June 30, 2020</b>	<u>\$ 3,815</u>	<u>\$ 24,526,740</u>	<u>\$ 4,117,170</u>	<u>\$ (47,383)</u>	<u>\$ (37,768,052)</u>	<u>\$ (9,167,710)</u>
<b>Balance - July 1, 2020</b>	\$ 3,815	\$ 24,526,740	\$ 4,117,170	\$ (47,383)	\$ (37,768,052)	\$ (9,167,710)
Issuance of 9% non convertible debentures payable (note 6)	-	-	3,247,550	-	-	3,247,550
Net (loss) and comprehensive (loss)	-	-	-	-	(2,091,967)	(2,091,967)
<b>Balance - June 30, 2021</b>	<u>\$ 3,815</u>	<u>\$ 24,526,740</u>	<u>\$ 7,364,720</u>	<u>\$ (47,383)</u>	<u>\$ (39,860,019)</u>	<u>\$ (8,012,127)</u>

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

Advantex Marketing International Inc.  
Consolidated Statements of Cash Flow  
For the years ended June 30, 2021 and 2020  
(expressed in Canadian dollars)

	Note	June 30, 2021	June 30, 2020
		\$	\$
<b>Operational activities</b>			
Net (loss) for the year		\$ (2,091,967)	\$ (2,927,396)
Adjustments for:			
Accrued and unpaid 9% non convertible debentures payable interest	6	554,888	512,761
Interest - Lease	17	13,219	19,904
Depreciation of right of use asset	17	45,490	65,336
Depreciation of property, plant and equipment	4	-	15,210
Impairment of right of use asset	17	53,072	43,000
Loss on disposal of property, plant & equipment		-	45
Accretion charge - 9% non convertible debentures payable	6	453,036	327,181
Restructuring bonus - 9% non convertible debentures payable	6	178,455	259,028
Amortization of transaction costs - 9% non convertible debentures payable	6	<u>13,307</u>	<u>12,524</u>
		(780,500)	(1,672,407)
Changes in items of working capital			
Accounts receivable		25,811	(8,271)
Transaction credits		2,197,254	5,550,082
Prepaid expenses and sundry assets		15,106	(6,549)
Accounts payable and accrued liabilities		<u>366,399</u>	<u>109,554</u>
		2,604,570	5,644,816
<b>Net cash generated - operating activities</b>		<b>\$ 1,824,070</b>	<b>\$ 3,972,409</b>
<b>Financing activities</b>			
Gross proceeds - 9% non convertible debentures payable	6	\$ 250,000	\$ 200,000
Transaction costs - 9% non convertible debentures payable	6	(118,827)	(40,703)
Payment for lease		(77,671)	(77,671)
Proceeds from loan - Canada Emergency Business Account	18	20,000	40,000
(Decrease) of loan payable	5	<u>(1,981,567)</u>	<u>(4,047,070)</u>
<b>Net cash (used) - financing activities</b>		<b>\$ (1,908,065)</b>	<b>\$ (3,925,444)</b>
<b>Increase/(Decrease) in cash during the year</b>		<b>\$ (83,995)</b>	<b>\$ 46,965</b>
Cash at beginning of the year		<u>166,601</u>	<u>119,636</u>
<b>Cash at end of the year</b>		<b>\$ 82,606</b>	<b>\$ 166,601</b>
<b>Additional information</b>			
Interest paid		\$ 355,986	\$ 807,189
Cash		<u>\$ 82,606</u>	<u>\$ 166,601</u>

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