



ADVANTEX

NEWS RELEASE

For Immediate Release

Advantex Announces Partial Revocation Order Failure-to-File Cease Trade Order and Financing

Toronto, February 25, 2021 – Advantex Marketing International Inc. (CSE: ADX) (“**Advantex**”), a leader in the merchant cash advance and loyalty marketing products for merchants, announced today that the Ontario Securities Commission (“**OSC**”) has issued an order dated February 25, 2021 partially revoking (the “**Partial Revocation Order**”) the failure-to-file cease trade order issued against Advantex on November 1, 2019 (the “**FFCTO**”) for failing to file certain outstanding continuous disclosure documents in a timely manner.

The Company applied for the Partial Revocation Order to complete a financing (the “**Financing**”) whereby, through its managed accounts and principals, Generation IACP Inc. (“**GIACP**”) and Generation PMCA Corp. (“**GPMCA**” and together with GIACP, “**Generation**”) will subscribe for \$200,000 of senior secured non-convertible debentures of Advantex bearing interest at 9% *per annum* and maturing on December 31, 2025 (“**New Debentures**”) and Kelly Ambrose (“**Ambrose**”), Advantex’s President and Chief Executive Officer and a director, will subscribe for \$50,000 of the New Debentures. The New Debentures are on the same terms and rank *pari passu* with the senior secured non-convertible debentures (“**Existing Debentures**”) bearing interest at 9% *per annum* and maturing on December 31, 2021. The FFCTO continues to apply in all other respects. The New Debentures will be acquired for investment purposes only and each of Generation and Ambrose reserves the right to acquire additional or dispose of securities of Advantex depending on market conditions once the FFCTO has been revoked. The Financing is expected to be completed on or around March 2, 2021.

The proceeds of the Financing will be used to pay for: (i) the preparation and filing of the outstanding continuous disclosure documents and late filing fees with the applicable regulatory authorities; (ii) legal expenses incurred in connection with the Partial Revocation Order, the revocation of the FFCTO and the Financing; (iii) operational and general administrative expenses; (iv) payment of accounts payable incurred in the ordinary course of business; and (v) partial funding of its Merchant Cash Advance business as public health restrictions are gradually eased in Canada. Once those filings have been completed, the Company will apply for a full revocation of the FFCTO.

Prior to completion of the Financing, each investor will receive a copy of the FFCTO and of the Partial Revocation Order and provide an acknowledgement to Advantex that all of the Advantex’s securities, including the New Debentures issued in connection with the Financing, will remain subject to the FFCTO until such order is fully revoked, and that the granting of the Partial Revocation Order by the OSC does not guarantee the issuance of a full revocation order in the future. In addition, in accordance with applicable securities legislation, the New Debentures issued pursuant to the Financing are subject to a hold period for four month and a day from the date of their issuance.

Advantex previously obtained the requisite consents from the holders of the Existing Debentures to complete the Financing.

As the Financing constitutes a related party transaction pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”), Advantex relied on the financial hardship exemption from both the formal valuation and minority approval requirements of such instrument.

Considering the serious financial difficulties of Advantex, the material financial risk undertaken by Generation and Ambrose in the circumstances as well as the lack of available financing alternatives while the FFCTO is in effect and the adverse effects of the Covid-19 pandemic on its business, Advantex’s independent directors unanimously determined that the Financing will improve the financial position of Advantex and enable it to continue operating while the public health situation improves and restrictions on its participant merchants are progressively eased throughout Canada, and that the terms of the Financing are reasonable in the circumstances. The independent directors also determined that the structure of the Financing should allow Advantex to obtain a full revocation of the FFCTO while continuing to operations and maintaining its client base. Mr. Ambrose recused himself from all Board of directors discussions respecting the Financing and abstained from voting on this matter. There are no prior valuations that have been made in the prior 24 months in respect of Advantex that relates or is otherwise relevant to the Financing, the existence of which is known after reasonable inquiry of Advantex and its directors and senior officers. The independent directors also determined that, since a portion of the proceeds from the Financing will be used for the preparation and filing of the outstanding continuous disclosure documents and late filing fees with the applicable regulatory authorities as well as seeking a full revocation of the FFCTO, it is necessary and reasonable in the circumstances to complete the Financing and issue this press release and related material change report less than 21 days prior to the completion of the Financing as permitted under paragraph 5.2 (2) of MI 61-101.

Further to the press release issued by Advantex on December 24, 2020 and considering the regulatory complications and delays related to the financing initially proposed to the shareholders for approval, Advantex, Generation and Ambrose have decided not to pursue this financing at this time. Instead, the independent directors of Advantex, Generation and Ambrose have agreed that the issuance of the New Debentures in order to enable Advantex to continue operating while it works to obtain a full revocation of the FFCTO will enable Advantex to canvass and consider other financing alternatives at the same time. The independent directors and management of Advantex are aware that, considering the FFCTO and the serious financial difficulties facing Advantex, there is no guarantee that other financing alternatives will be available to Advantex once the FFCTO has been revoked or at all.

About Advantex Marketing International Inc.

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

Forward-Looking Information

This news release contains “forward-looking statements” within the meaning of applicable securities laws relating to the future business and operations of Advantex. Actual results and developments may differ materially from those contemplated by these statements. The business

and operations of Advantex described herein is dependent on a number of factors and is subject to a number of risks and uncertainties. Factors that could cause actual results to differ material include, but are not limited to, changes in Advantex's economic and competitive conditions including but not limited to the industry sectors in which Advantex operates.

The statements in this news release are made of the date of this release. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made and Advantex undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable law.

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