



ADVANTEX

NEWS RELEASE

For Immediate Release

Advantex Announces Second Tranche of Debenture Financing

Toronto, September 10, 2021 – Advantex Marketing International Inc. (CSE: ADX) (“**Advantex**”), a leader in the merchant cash advance and loyalty marketing products for merchants, is pleased to announce that it has closed the second tranche of its senior secured non-convertible debentures for gross proceeds of \$1,000,000 (the “**Financing**”). The Financing was approved by Advantex shareholders at Advantex’s special meeting of shareholders on August 26, 2021 (the “**Meeting**”).

Through its managed accounts and principals, Generation IACP Inc., an investment dealer (“**GIACP**”) and Generation PMCA Corp., a portfolio manager (“**GPMCA**” and together with GIACP, “**Generation**”) subscribed for \$975,000 of the senior secured non-convertible debentures of Advantex (“**New Debentures**”) and Kelly Ambrose (“**Mr. Ambrose**”), Advantex’s President and Chief Executive Officer and a director, subscribed for \$25,000 of the New Debentures. The New Debentures are on the same terms and rank *pari passu* with the \$250,000 of senior secured non-convertible debentures issued on March 15, 2021 (“**Existing Debentures**”), bear interest at 9% *per annum* and mature on December 31, 2025. Subscribers of both the New Debentures and the Existing Debentures will be issued 4,475 common shares in the capital of Advantex (the “**Common Shares**”) for each dollar of Existing Debenture and New Debenture subscribed for. In addition, Mukesh Sabharwal, CFO of Advantex will be issued 125,000,000 Common Shares as a retention bonus and 3,429,384 Common Shares in lieu of a portion of the vacation pay owed to Mr. Sabharwal and Mr. Ambrose will be issued 325,000,000 Common Shares as a retention bonus and 6,588,653 Common Shares in lieu of a portion of the vacation pay owed to Mr. Ambrose (the “**Compensation Issuances**”). The Compensation Issuances were approved by the Advantex shareholders at the Meeting.

The proceeds of the Financing will be used to stabilize Advantex’s financial position, fund its Merchant Cash Advance business and for general corporate purposes.

As the Financing and the Compensation Issuances constitute 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 the formal valuation approval requirements of such instrument. Pursuant to the minority shareholder approval requirements of MI 61-101, the votes attached to Common Shares held by Generation, Mr. Ambrose, Messrs. Sabharwal, Marc B. Lavine and David Moscovitz and their respective associates were excluded from voting on the approval of the Financing and the Compensation Issuances. Based on information provided to the Company, the votes attached to an aggregate of 588,796,889 Common Shares were excluded from voting on the approval of the Financing and the Compensation Issuances. Pursuant to MI 61-101, the resolution approving the Financing and the Compensation Issuances was approved by 96.5% votes cast by the disinterested shareholders.

Considering the serious financial difficulties of Advantex, the material financial risk undertaken by Generation and Mr. Ambrose in the circumstances as well as the lack of available financing alternatives 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. 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 independent directors also determined that, since a portion of the proceeds from the Financing will be used for stabilizing Advantex's financial position, 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.

Meeting Results

The following is a summary of the results of the Meeting held on August 26, 2021. Shareholders holding 619,683,768 Common Shares, representing 70.5% of the 878,948,414 Common Shares outstanding at the time of the meeting were in attendance in person or represented by proxy.

Resolution	Majority Vote	Minority Vote
Authorizing the issuance of Common Shares pursuant to the Financing and the Compensation Issuances	For: 99.8% Against: 0.2%	For: 96.5% Against: 3.5%
Authorizing the consolidation of all the issued and outstanding Common Shares of Advantex	For: 99.8% Against: 0.2%	N/A
Authorizing that the maximum number of Common Shares of Advantex which may be made subject to issuance under restricted share units granted under the restricted share unit plan of Advantex be increased from 32,000,000 to 412,000,000	For: 99.5% Against: 0.5%	N/A

Early Warning Reports

Mr. Randall Abramson announces that his ownership percentage of the outstanding Common Shares of Advantex has increased from 1.2% to 32.3% due to the acquisition by private placement from the Company on September 7, 2021 of 2,228,550,000 Common Shares, received as bonus shares on the acquisition of \$441,794 principal amount of New Debentures and \$56,206 principal amount of Existing Debentures. Together with 10,824,400 Common Shares held by him before the acquisition, he now holds 2,239,374,400 Common Shares, representing 32.3% of the 6,932,716,451 issued and outstanding Common Shares of Advantex ("**Outstanding Shares**").

Randall Abramson is President, CEO, portfolio manager, and controlling shareholder of each of GIACP and GPMCA. Generation also acquired by private placement from the Company on September 7, 2021 an aggregate of 1,910,825,000 Common Shares for accounts fully managed

by GIACP and GPMCA in their capacity as portfolio manager, received as bonus shares on the acquisition of \$337,097 principal amount of New Debentures and \$89,903 principal amount of Existing Debentures. Together with 307,704,452 Common Shares held by managed accounts of GIACP and GPMCA before the acquisition (representing 35.0% of the then outstanding Common Shares), Generation now exercises control or direction over 2,218,529,452 Common Shares, representing 32.0% of the Outstanding Shares.

Accordingly, combining his personal holdings with those of Generation's managed accounts, Randall Abramson now beneficially owns or exercises control or direction over an aggregate of 4,457,903,852 Common Shares, representing 64.3% of the Outstanding Shares.

Mr. Herbert Abramson also announces that his ownership percentage of the outstanding Common Shares of the Company has increased from 1.3% to 16.3% due to the acquisition by private placement from the Company on September 7, 2021 of 1,118,750,000 Common Shares, received as bonus shares on the acquisition of \$196,109 principal amount of New Debentures and \$53,891 principal amount of Existing Debentures. Together with 11,560,814 Common Shares held by him before the acquisition, he now holds 1,130,310,814 Common Shares, representing 16.3% of the Outstanding Shares.

Mr. Ambrose also announces that his ownership percentage of the outstanding Common Shares of the Company has increased from 10.9% to 11.0% due to the acquisition by private placement from the Company on September 7, 2021 of 335,625,000 Common Shares, received as bonus shares on the acquisition of \$25,000 principal amount of New Debentures and \$50,000 principal amount of Existing Debentures. Together with 95,523,818 Common Shares held by him before the acquisition and 331,588,653 Common Shares issued to him as Compensation Issuances he now holds 762,737,471 Common Shares, representing 11.0% of the Outstanding Shares.

Randall Abramson, Generation, Herbert Abramson and Mr. Ambrose each acquired the Common Shares for investment purposes and may make further acquisitions or dispositions of securities of Advantex depending on market conditions and other relevant factors.

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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