

# FORM 7

## MONTHLY PROGRESS REPORT

Name of CNSX Issuer: Advantex Marketing International Inc. (the “Issuer” or the “Company”).

Trading Symbol: ADX

Number of Outstanding Listed Securities: 782,299,614

Date: For the month of August 2018

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the CNSX Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the CNSX.ca website.

This report is intended to keep investors and the market informed of the Issuer’s on-going business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the CNSX Policies. The discussion in this report must be factual, balanced and non-promotional.

### **General Instructions**

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

### **Report on Business**

1. Provide a general overview and discussion of the development of the Issuer’s business and operations over the previous month. Where the Issuer was inactive disclose this fact.

The Company is a leader in the marketing services industry. The Company develops and manages merchant based loyalty programs for its Affinity partners Canadian Imperial Bank of Commerce (“CIBC”), Toronto Dominion Bank (“TD”), Aimia Canada Inc. (“Aimia”) and Caesars Entertainment Corporation (“Caesars”).

The programs the Company operates in partnership with CIBC and TD (“CIBC/TD program”), Aimia (“Aeroplan program”) and Caesars (“Caesars program”) enable holders of designated CIBC credit cards, TD aero credit cards, Aimia’s Aeroplan and Caesars Total Rewards members (holders and members together “consumers”) to accelerate earning frequent flyer miles and/or other rewards (“consumer rewards”) on completing purchases at participating merchants.

Under the umbrella of each program, the Company markets participating merchants to consumers and on behalf of the merchants issues consumer rewards, provides merchants with business intelligence connected to the spending behaviour of consumers, and at its sole discretion provides merchants with working capital by the pre-purchase of their future sales.

On a combined basis, Advantex has contractual marketing access to millions of Canadians with above-average personal and household income.

The Company earns revenue from merchants participating in its CIBC/TD program, in the form of an agreed marketing fee, for every purchase completed using a CIBC and TD aero credit card at their establishments. The Company earns its revenue in the Aeroplan program from selling consumer rewards, at an agreed price per consumer reward, to participating merchants. Merchants participating in the Caesars program pay an agreed monthly participation fee.

The Company’s merchant partner base operates in diverse business segments: restaurants; golf courses; independent inns, resorts and selected hotels; spas; retailers of men’s and ladies fashion, footwear and accessories; retailers of sporting goods; florists and garden centres; health and beauty centres; dry cleaners; gift stores; and home décor, many of which are leaders in their respective business segment.

At the end of August 2018 there were about 975 merchants participating in the Company’s programs.

Though merchant count is a key driver of revenues from the programs, revenues from the CIBC/TD program are also dependent on the penetration of CIBC credit cards; TD aero credit cards; economic environment; mix of merchants in terms of their volume of CIBC and TD credit card transactions; and merchant participation levels in the Advance Purchase Marketing (“APM”) and Marketing Only products because the fees that a merchant would pay for participation in APM is higher compared to Marketing Only. Revenues from the Aeroplan program reflect the number of participating merchants, traffic of aeroplan members completing purchases at participating merchants and level of engagement of participating merchants in the program. The revenues from the Caesars program are dependent on the number of participating merchants. The Company’s revenues are also reflective of seasonal consumer behaviour. A fuller detail on the Company’s programs and revenues is available in its annual and interim filings available under the Company’s profile on [www.sedar.com](http://www.sedar.com).

2. Provide a general overview and discussion of the activities of management.

Management were focused on increasing merchant participation.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

No change during August 2018.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

No change during August 2018.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

No change during August 2018.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

No change during August 2018.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provides details of the relationship.

No change during August 2018.

8. Describe the acquisition of new customers or loss of customers.

This is described in response to question 1.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

Not applicable to the Company's activities.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

One hire and two leavers from the Sales organization.

11. Report on any labour disputes and resolutions of those disputes if applicable.

Not applicable – None.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

From time to time, the Company is party to legal proceedings arising out of the normal course of business. The results of these litigations cannot be predicted with certainty, and the Company is of the opinion that the outcome of these types of proceedings is generally not determinable.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

The Company's annual and quarterly filings, available under the Company's profile on [www.sedar.com](http://www.sedar.com), provide fuller details on the Company's line of credit, and its non-convertible debentures.

14. Provide details of any securities issued and options or warrants granted.

None during August 2018.

15. Provide details of any loans to or by Related Persons.  
None during August 2018.
16. Provide details of any changes in directors, officers or committee members.  
None during August 2018.
17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.  
Those noted under "General Risks and Uncertainties", "Economic Dependence", and "Working Capital and Liquidity Management" in the Company's MD&A for the three and nine months ended March 31, 2018, which is available under the Company's profile on [www.sedar.com](http://www.sedar.com).

### **Certificate Of Compliance**

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: September 5, 2018.

Mukesh Sabharwal  
Name of Director or Senior  
Officer

"Mukesh Sabharwal"  
Signature

Vice - President and CFO  
Official Capacity

<b>Issuer Details</b> Name of Issuer	For Month End	Date of Report YY/MM/DD
Advantex Marketing International Inc.	August 2018	2018/09/05
Issuer Address  600 Alden Road, Suite 606		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Markham, Ontario, L3R 0E7	(905) 946 2984	(905) 470 9557
Contact Name	Contact Position	Contact Telephone No.
Mukesh Sabharwal	Vice - President and CFO	905 946 2958
Contact Email Address Mukesh.sabharwal@advantex.com	Web Site Address www.advantex.com	