

**Form 51-102F3**  
**Material Change Report**

**Item 1            Name and Address of Company**

Advantex Marketing International Inc. (the “**Company**” or “**Advantex**”)  
600 Alden Road  
Suite 606  
Markham, Ontario  
L3R 0E7

**Item 2            Date of Material Change**

March 24, 2022

**Item 3            News Release**

The News Release was disseminated through Newsfile and filed under the Company’s profile on SEDAR.

**Item 4            Summary of Material Change**

Advantex announced that it has closed a private placement of senior secured non-convertible debentures for gross proceeds of \$150,000 (“New Debentures”) and extended its loan agreement with Accord Financial Inc. (“Accord”) of 2007 (the “Loan Agreement”).

**Item 5.1          Full Description of Material Change**

Advantex announced that it has closed a private placement of senior secured non-convertible debentures for gross proceeds of \$150,000 (“New Debentures”) and extended its loan agreement with Accord Financial Inc. (“Accord”) of 2007 (the “Loan Agreement”).

New Debentures

The New Debentures are on the same terms and rank pari passu with the existing \$7,009,000 of senior secured non-convertible debentures (“Existing Debentures”) which bear interest at 9% per annum and mature on December 31, 2025. Subscribers of the New Debentures will be issued 4,475 common shares in the capital of Advantex (“Common Shares”) for each dollar of New Debenture subscribed for. The issuance of Common Shares is in the ratio approved by shareholders of Advantex in connection with the issuance of aggregate of \$1,250,000 of Existing Debentures issued in March and September 2021. The March 2021 and September 2021 transactions were with related parties as is the New Debentures transaction. The principals of Generation IACP Inc., an investment dealer and Generation PMCA Corp., a portfolio manager subscribed for \$150,000 of the New Debentures.

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

As the New Debentures 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 and minority shareholder approval requirements of such instrument. The Board of directors of Advantex unanimously determined that the New Debentures will improve the financial position of Advantex and that its

terms are reasonable in the circumstances. The issuance of New Debentures and Common Shares was approved by the Canadian Securities Exchange.

The securities issued are subject to a four-month hold period ending on July 25, 2022.

After given effect to this private placement the aggregate amount outstanding of non-convertible debentures (Existing Debentures and New Debentures) is \$7,159,000 and the issued and outstanding Common Shares is 7,603,966,451.

#### Accord Loan Agreement

Advantex extended the Loan Agreement with Accord until July 31, 2024.

Pursuant to the terms and conditions of the Loan Agreement, Accord provides a \$8.5 million line of credit facility to Advantex for the operation of its merchant cash advance program. The Loan Agreement is subject to automatic renewal thereafter for periods of one year unless terminated by either party upon 180 days written notice.

Accord had extended an overdraft facility to support Advantex during COVID-19 pandemic. The Loan Agreement establishes a payment plan for Advantex to re-pay the overdraft.

#### Early Warning Reports

Mr. Randall Abramson announced that his ownership percentage of the outstanding Common Shares has increased from 32.3% to 33.9% due to the acquisition by private placement from Advantex of 335,625,000 Common Shares, received as bonus shares on the acquisition of \$75,000 principal amount of New Debentures. Together with 2,239,374,400 Common Shares held by him before the acquisition, he now holds 2,574,999,400 Common Shares. Randall Abramson is President, CEO, portfolio manager, and controlling shareholder of each of Generation IACP Inc., an investment dealer ("GIACP") and Generation PMCA Corp., a portfolio manager ("GPMCA" and together with GIACP, "Generation"). 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 4,788,080,589 Common Shares, representing 63.0% of the Outstanding Shares.

Mr. Herbert Abramson also announced that his ownership percentage of the outstanding Common Shares has increased from 16.3% to 19.3% due to the acquisition by private placement from Advantex on March 24, 2022 of 335,625,000 Common Shares, received as bonus shares on the acquisition of \$75,000 principal amount of New Debentures. Together with 1,130,310,814 Common Shares held by him before the acquisition, he now holds 1,465,935,814 Common Shares, representing 19.3% of the Outstanding Shares.

#### **Item 6                      Reliance on Subsection 7.1(2) of National Instrument 51-102**

Not applicable.

#### **Item 7                      Omitted Information**

Not applicable.

**Item 8****Executive Officer**

Mukesh Sabharwal  
Vice-President and Chief Financial Officer  
Tel: 416-560-5173  
[Email: Mukesh.Sabharwal@advantex.com](mailto:Mukesh.Sabharwal@advantex.com)

**Item 9****Date of Report**

March 30, 2022.