



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>
Revenues	\$ 1,229,880	\$ 2,609,542	\$ (1,379,662)	-52.9%
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)	
Gross profit	\$ 861,230	\$ 1,200,500	\$ (339,270)	-28.3%
Selling and General & Administrative expenses	\$ 1,285,744	\$ 2,065,763	\$ (780,019)	
(Loss) from operations before depreciation, amortization and interest	\$ (424,514)	\$ (865,263)	\$ (440,749)	-50.9%
Stated interest expense - loan payable, and 9% non convertible debentures payable	\$ 910,874	\$ 1,319,950	\$ (409,076)	
(Loss) from operations before depreciation, amortization, non cash interest and non cash items	\$ (1,335,388)	\$ (2,185,213)	\$ (849,825)	-38.9%
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	
Net (loss) and comprehensive (loss)	\$ (2,091,967)	\$ (2,927,396)	\$ (835,429)	-28.5%
Fuller details available in the Consolidated Financial Statements and MD&A available under Advantex's profile on www.sedar.com				

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

For further information please contact:

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

	Note	June 30, 2021	June 30, 2020
		\$	\$
Assets			
Current assets			
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
		\$ 1,946,034	\$ 4,268,200
Non-current assets			
Right of use asset	17	\$ -	\$ 98,562
		\$ -	\$ 98,562
Total assets		\$ 1,946,034	\$ 4,366,762
Liabilities			
Current liabilities			
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
		\$ 5,250,507	\$ 13,449,793
Non-current liabilities			
9% non convertible debentures payable	6	4,694,885	-
Lease liability	17	\$ 12,769	\$ 84,679
		\$ 4,707,654	\$ 84,679
Total liabilities		\$ 9,958,161	\$ 13,534,472
Shareholders' deficiency			
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)
Total deficiency		\$ (8,012,127)	\$ (9,167,710)
Total liabilities and deficiency		\$ 1,946,034	\$ 4,366,762

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
		\$	\$
Revenues	16		
Marketing activities		\$ 484,099	\$ 718,690
Interest income		<u>745,781</u>	<u>1,890,852</u>
		1,229,880	\$ 2,609,542
Direct expenses	15/16	<u>368,650</u>	<u>1,409,042</u>
		861,230	1,200,500
Operating expenses			
Selling and marketing	15/16	496,853	718,267
General and administrative	15/16	<u>788,891</u>	<u>1,347,496</u>
(Loss) from operations before depreciation, amortization and interest		(424,514)	(865,263)
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>
Net (loss) and comprehensive (loss)		\$ (2,091,967)	\$ (2,927,396)
(Loss) per share			
Basic and Diluted	14	\$ -	\$ -

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

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
	\$	\$	\$	\$	\$	\$
Balance - July 1, 2019	\$ 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)
Balance - June 30, 2020	<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>
Balance - July 1, 2020	\$ 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)
Balance - June 30, 2021	<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
		\$	\$
Operational activities			
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
Net cash generated - operating activities		\$ 1,824,070	\$ 3,972,409
Financing activities			
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>
Net cash (used) - financing activities		\$ (1,908,065)	\$ (3,925,444)
Increase/(Decrease) in cash during the year		\$ (83,995)	\$ 46,965
Cash at beginning of the year		<u>166,601</u>	<u>119,636</u>
Cash at end of the year		\$ 82,606	\$ 166,601
Additional information			
Interest paid		\$ 355,986	\$ 807,189
Cash		<u>\$ 82,606</u>	<u>\$ 166,601</u>

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