



# ADVANTEX

## Advantex Announces Fiscal 2020 First Quarter Results

**Toronto, May 21, 2020** -- – Advantex Marketing International Inc. (CSE: ADX) (“Advantex”), a leader in the merchant cash advance and loyalty marketing products for merchants, announced its results for the three months ended September 30, 2019.

Highlights of financial results.

	<u>3 months</u> <u>ended</u> <u>September 30,</u> <u>2019</u>	<u>3 months</u> <u>ended</u> <u>September 30,</u> <u>2018</u>
	\$	\$
Revenues	\$ 799,043	\$ 1,846,134
Gross profit	\$ 635,153	\$ 1,401,623
Earnings from operations before depreciation, amortization and interest	\$ 57,424	\$ 396,087
Profit (Loss) from operations before depreciation, amortization and non cash interest	\$ (343,774)	\$ 116,876
Net loss and Comprehensive loss	\$ (532,406)	\$ (24,747)

Fuller details available in the Consolidated Financial Statements and MD&A available under Advantex's profile on [www.sedar.com](http://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 three months ended September 30, 2019.

### About Advantex:

Advantex provides working capital to merchants. Advantex also provides specialized marketing programs that enable members of Aeroplan to earn frequent-flyer miles 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](http://www.sedar.com)

### For further information please contact:

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

	Note	At September 30, 2019	At June 30, 2019
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		\$ 73,417	\$ 119,636
Accounts receivable		81,822	110,630
Transaction credits	5	8,049,951	9,473,999
Prepaid expenses and sundry assets		49,298	52,232
		<u>\$ 8,254,488</u>	<u>\$ 9,756,497</u>
<b>Non-current assets</b>			
Right of use asset	15	\$ 316,520	\$ 345,294
Property, plant and equipment		6,450	15,255
		<u>\$ 322,970</u>	<u>\$ 360,549</u>
<b>Total assets</b>		<b>\$ 8,577,458</b>	<b>\$ 10,117,046</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Loan payable	6	\$ 7,237,721	\$ 8,416,076
Lease liability		116,985	113,854
Accounts payable and accrued liabilities		2,585,831	2,526,829
9% Non-convertibles debentures payable	7	5,236,583	5,095,949
		<u>\$ 15,177,121</u>	<u>\$ 16,152,708</u>
<b>Non-current Liabilities</b>			
Lease liability	15	\$ 235,064	\$ 266,658
		<u>\$ 235,064</u>	<u>\$ 266,658</u>
<b>Shareholders' deficiency</b>			
Share capital	8	\$ 24,530,555	\$ 24,530,555
Contributed surplus		4,090,382	4,090,382
Accumulated other comprehensive loss		(47,383)	(47,383)
Deficit	15	(35,408,280)	(34,875,874)
<b>Total deficiency</b>		<b>\$ (6,834,726)</b>	<b>\$ (6,302,320)</b>
<b>Total liabilities and deficiency</b>		<b>\$ 8,577,458</b>	<b>\$ 10,117,046</b>

**Going concern (note 2), Commitments and contingencies (note 11)**

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 (unaudited)  
For the three months ended September 30, 2019 and 2018  
(expressed in Canadian dollars)

	Note	2019	2018
		\$	\$
<b>Revenues</b>	14		
Marketing activities		\$ 179,583	1,545,389
Interest income		619,460	300,745
		<b>\$ 799,043</b>	<b>\$ 1,846,134</b>
Direct expenses	13/14	163,890	444,511
		635,153	1,401,623
<b>Operating expenses</b>			
Selling and marketing	13/14	187,863	467,419
General and administrative	13/14	389,867	538,117
<b>Earnings from operations before depreciation, amortization and interest</b>		<b>57,424</b>	<b>396,087</b>
Interest expense:			
Stated interest expense - loan payable, and debentures	6/7	401,197	279,211
Interest - Lease	15	10,464	-
Non-cash interest expense (accretion charges) and restructuring bonus related to debentures	7	140,634	135,675
		(494,871)	(18,799)
Depreciation - Right of use asset	15	28,775	-
Depreciation of property, plant and equipment, and amortization of intangible assets		8,760	5,948
<b>Net loss and comprehensive loss</b>		<b>\$ (532,406)</b>	<b>\$ (24,747)</b>
<b>Loss per share</b>			
Basic and Diluted	12	\$ (0.00)	\$ (0.00)

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

Advantex Marketing International Inc.  
 Consolidated Statements of Changes in Shareholders' Deficiency (unaudited)  
 For the three months ended September 30, 2019 and 2018  
 (expressed in Canadian dollars)

	Class A preference shares	Common shares	Contributed surplus	Accumulated other comprehen- sive loss	Deficit	Total
	\$	\$	\$	\$	\$	\$
<b>Balance - July 1, 2018</b>	\$ 3,815	\$ 24,526,740	\$ 4,090,382	\$ (47,383)	\$ (33,928,711)	\$ (5,355,157)
Net loss and comprehensive loss	-	-	-	-	(24,747)	(24,747)
<b>Balance - September 30, 2018</b>	<u>\$ 3,815</u>	<u>\$ 24,526,740</u>	<u>\$ 4,090,382</u>	<u>\$ (47,383)</u>	<u>\$ (33,953,458)</u>	<u>\$ (5,379,904)</u>
<b>Balance - July 1, 2019</b>	\$ 3,815	\$ 24,526,740	\$ 4,090,382	\$ (47,383)	\$ (34,875,874)	\$ (6,302,320)
Net loss and comprehensive loss	-	-	-	-	(532,406)	(532,406)
<b>Balance - September 30, 2019</b>	<u>\$ 3,815</u>	<u>\$ 24,526,740</u>	<u>\$ 4,090,382</u>	<u>\$ (47,383)</u>	<u>\$ (35,408,280)</u>	<u>\$ (6,834,726)</u>

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

Advantex Marketing International Inc.  
Consolidated Statements of Cash Flow (unaudited)  
For the three months ended September 30, 2019 and 2018  
(expressed in Canadian dollars)

	Note	2019	2018
		\$	\$
<b>Operational activities</b>			
Net loss for the period		\$ (532,406)	\$ (24,747)
Adjustments for:			
Interest - Lease	15	10,464	-
Depreciation - Right of use asset	15	28,775	-
Depreciation of property, plant and equipment, and amortization of intangible assets		8,760	5,948
Accretion charge for debentures	7	78,053	73,094
Restructuring bonus for debentures	7	62,581	62,581
		(343,774)	116,876
Changes in items of working capital			
Accounts receivable		28,808	(43,743)
Transaction credits		1,424,048	(334,976)
Prepaid expenses and sundry assets		2,934	1,084
Accounts payable and accrued liabilities		59,002	(275,826)
		1,514,792	(653,461)
<b>Net cash generated by (used in) operating activities</b>		<b>\$ 1,171,019</b>	<b>\$ (536,585)</b>
<b>Investing activities</b>			
Payment for lease	15	\$ (38,928)	\$ -
Purchase of property, plant and equipment, and intangible assets		45	(2,810)
<b>Net cash (used in) investing activities</b>		<b>\$ (38,883)</b>	<b>\$ (2,810)</b>
<b>Financing activities</b>			
Utilization of loan payable	6	\$ (1,178,355)	\$ 206,096
<b>Net cash generated from financing activities</b>		<b>\$ (1,178,355)</b>	<b>\$ 206,096</b>
<b>(Decrease)/Increase in cash and cash equivalents during the period</b>		<b>\$ (46,219)</b>	<b>\$ (333,299)</b>
Cash and cash equivalents at beginning of the period		119,636	635,836
<b>Cash and cash equivalents at end of the period</b>		<b>\$ 73,417</b>	<b>\$ 302,537</b>
<b>Additional information</b>			
Interest paid		\$ 257,091	\$ 153,105
For purposes of the cash flow statement, cash comprises			
Cash		\$ 73,417	\$ 302,537

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