



ADVANTEX

Advantex Announces Fiscal 2021 Third Quarter Results

Toronto, May 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 the three and nine months ended March 31, 2021.

Highlights of financial results for three and nine months ended March 31, 2021 compared to three and nine months ended March 31, 2020:

	Three months		Nine months		Three months	Nine months
	March 2021	March 2020	March 2021	March 2020	Inc./Dec)	Inc./Dec)
	\$	\$	\$	\$	\$	\$
Revenues	\$ 240,651	\$ 741,963	\$ 939,349	\$ 2,431,942	\$ (501,312)	\$ (1,492,593)
Direct expenses	\$ 57,262	\$ 692,893	\$ 313,854	\$ 1,100,914	\$ (635,631)	\$ (787,060)
Gross profit	\$ 183,389	\$ 49,070	\$ 625,495	\$ 1,331,028	\$ 134,319	\$ (705,533)
Selling and General & Administrative expenses	\$ 366,287	\$ 606,461	\$ 1,006,497	\$ 1,850,484	\$ (240,174)	\$ (843,987)
(Loss) from operations before depreciation, amortization and interest	\$ (182,898)	\$ (557,391)	\$ (381,002)	\$ (519,456)	\$ (374,493)	\$ (138,454)
Stated interest expense - Loan payable, and 9% Non convertible debentures payable	\$ 205,250	\$ 301,059	\$ 677,215	\$ 1,059,413	\$ (95,809)	\$ (382,198)
(Loss) from operations before depreciation, amortization, non cash interest and non cash items	\$ (388,148)	\$ (858,450)	\$ (1,058,217)	\$ (1,578,869)	\$ (470,302)	\$ (520,652)
Interest expense - Accretion charges, Restructuring bonus and Amortization of transaction costs related to 9% Non-convertible debentures payable	\$ 132,141	\$ 154,595	\$ 449,793	\$ 442,753	\$ (22,454)	\$ 7,040
Interest - Lease	\$ 3,090	\$ 4,976	\$ 10,582	\$ 14,929	\$ (1,886)	\$ (4,347)
Depreciation of right of use asset	\$ 11,372	\$ 16,333	\$ 34,118	\$ 49,001	\$ (4,961)	\$ (14,883)
Depreciation of property, plant and equipment	\$ -	\$ 629	\$ -	\$ 15,210	\$ (629)	\$ (15,210)
Net (loss) and comprehensive (loss)	\$ (534,751)	\$ (1,034,983)	\$ (1,552,710)	\$ (2,100,762)	\$ (500,232)	\$ (548,052)
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 three and nine months ended March 31, 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 (unaudited)
(expresses in Canadian dollars)

	Note	At March 31, 2021	At June 30, 2020
		\$	\$
Assets			
Current assets			
Cash		\$ 104,180	\$ 166,601
Accounts receivable		78,554	118,901
Transaction credits	5	2,092,782	3,923,917
Prepaid expenses and sundry assets		46,371	58,781
		<u>\$ 2,321,887</u>	<u>\$ 4,268,200</u>
Non-current assets			
Right of use asset	15	\$ 64,444	\$ 98,562
		<u>\$ 64,444</u>	<u>\$ 98,562</u>
Total assets		\$ 2,386,331	\$ 4,366,762
Liabilities			
Current liabilities			
Loan payable	6	\$ 2,719,782	\$ 4,369,006
Lease liability		69,967	64,452
Loan	16	60,000	40,000
Accounts payable and accrued liabilities		2,582,822	2,364,759
9% Non convertible debentures payable	7	-	6,611,576
		<u>\$ 5,432,571</u>	<u>\$ 13,449,793</u>
Non-current Liabilities			
9% Non convertible debentures payable	7	\$ 4,609,582	\$ -
Lease liability	15	31,493	84,679
		<u>\$ 4,641,075</u>	<u>\$ 84,679</u>
Shareholders' deficiency			
Share capital	8	\$ 24,530,555	\$ 24,530,555
Contributed surplus		7,150,275	4,117,170
Accumulated other comprehensive loss		(47,383)	(47,383)
Deficit		(39,320,762)	(37,768,052)
Total deficiency		\$ (7,687,315)	\$ (9,167,710)
Total liabilities and deficiency		\$ 2,386,331	\$ 4,366,762

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)
(expressed in Canadian dollars)

	Note	Three months ended March 31		Nine months ended March 31	
		2021	2020	2021	2020
		\$	\$	\$	\$
	18		Amended		Amended
Revenues	14				
Marketing activities		\$ 90,013	\$ 216,843	\$ 397,093	\$ 633,506
Interest income		150,638	525,120	542,256	1,798,436
		\$ 240,651	\$ 741,963	\$ 939,349	\$ 2,431,942
Direct expenses	13/14	57,262	692,893	313,854	1,100,914
		183,389	49,070	625,495	1,331,028
Operating expenses					
Selling and marketing	13/14	166,728	203,848	423,688	582,546
General and administrative	13/14	199,559	402,613	582,809	1,267,938
(Loss) from operations before depreciation, amortization and interest		(182,898)	(557,391)	(381,002)	(519,456)
Stated interest expense - loan payable, and debentures	6/7	205,250	301,059	677,215	1,059,413
Interest - Lease	15	3,090	4,976	10,582	14,929
Non-cash interest expense (accretion charges), restructuring bonus and amortization of transaction costs	7	132,141	154,595	449,793	442,753
Depreciation of right of use asset	15	11,372	16,333	34,118	49,001
Depreciation of property, plant and equipment		-	629	-	15,210
Net (loss) and comprehensive (loss)		\$ (534,751)	\$ (1,034,983)	\$ (1,552,710)	\$ (2,100,762)
(Loss) per share					
Basic and Diluted	12	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)

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Advantex Marketing International Inc.
Consolidated Statements of Changes in Shareholders' Deficiency (unaudited)
(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)
Reported at December 31, 2019 as adjustment to deficit on account of adoption of IFRS 16 Leases at July 1, 2019	-	-	-	-	(35,218)	(35,218)
Reported Net (loss) and comprehensive (loss)	-	-	-	-	(2,085,639)	(2,085,639)
Reported as balance at March 31, 2020	3,815	24,526,740	4,090,382	(47,383)	(36,961,513)	(8,387,959)
Adjustments on account of amendments made at year end June 30, 2020 to initial computations on adoption of IFRS 16 Leases at July 1, 2019, and initial recording on issuance of \$200,000 9% Non convertible debentures payable in October 2019						
Reversal of adjustment made to deficit at July 1, 2019 - IFRS 16 Leases	-	-	-	-	35,218	35,218
Recording of contributed surplus - 9% Non convertible debentures payable	-	-	26,788	-	-	26,788
Increase in Reported Net (loss) and comprehensive (loss)	-	-	-	-	(15,122)	(15,122)
Amended Balance - March 31, 2020	\$ 3,815	\$ 24,526,740	\$ 4,117,170	\$ (47,383)	\$ (36,941,417)	\$ (8,341,075)
Balance - July 1, 2020	\$ 3,815	\$ 24,526,740	\$ 4,117,170	\$ (47,383)	\$ (37,768,052)	\$ (9,167,710)
Recording of contributed surplus - 9% Non convertible debentures payable	-	-	3,033,105	-	-	3,033,105
Net (loss) and comprehensive (loss)	-	-	-	-	(1,552,710)	(1,552,710)
Balance - March 31, 2021	\$ 3,815	\$ 24,526,740	\$ 7,150,275	\$ (47,383)	\$ (39,320,762)	\$ (7,687,315)

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Advantex Marketing International Inc.
Consolidated Statements of Cash Flow (unaudited)
(expresses in Canadian dollars)

	Note	Nine months ended March 31, 2021	Nine months ended March 31, 2020
		\$	\$
	18		Amended
Operational activities			
Net (loss) for the period		\$ (1,552,710)	\$ (2,100,762)
Adjustments for:			
Accrued and unpaid interest - 9% Non convertible debentures payable		394,243	383,891
Interest - Lease	15	10,582	14,929
Depreciation of right of use asset	15	34,118	49,001
Depreciation of property, plant and equipment		-	15,210
Loss on disposal of property, plant & equipment		-	45
Accretion charge - 9% Non convertible debentures payable	7	248,797	242,098
Restructuring bonus - 9 % Non convertible debentures payable	7	187,689	192,827
Amortization of transaction costs - 9% Non convertible debentures payable	7	<u>13,307</u>	<u>7,828</u>
		(663,974)	(1,194,933)
Changes in items of working capital			
Accounts receivable		40,347	19,301
Transaction credits		1,831,135	4,715,015
Prepaid expenses and sundry assets		12,410	(8,851)
Accounts payable and accrued liabilities		<u>218,063</u>	<u>89,608</u>
		2,101,955	4,815,073
Net cash provided by operating activities		\$ 1,437,981	\$ 3,620,140
Financing activities			
Payment for lease	15	\$ (58,253)	\$ (58,253)
Gross proceeds - 9% Non convertible debentures payable	7	250,000	200,000
Transaction costs - 9% Non convertible debentures payable	7	(62,925)	(40,703)
Proceeds from loan - Canada Emergency Business Account		20,000	-
(Decrease) of Loan payable	6	<u>(1,649,224)</u>	<u>(3,626,308)</u>
Net cash (used in) financing activities		\$ (1,500,402)	\$ (3,525,264)
(Decrease)/Increase in cash during the period		\$ (62,421)	\$ 94,876
Cash at beginning of period		<u>166,601</u>	<u>119,636</u>
Cash at end of period		\$ 104,180	\$ 214,512
Additional information			
Interest paid		\$ 282,972	\$ 623,091
Cash		\$ 104,180	\$ 214,512

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