



# ADVANTEX

## NEWS RELEASE

For Immediate Release

### **Advantex Announces Business Update**

**Toronto, March 24, 2022** – Advantex Marketing International Inc. (CSE: ADX) (“**Advantex**”), a leader in the merchant cash advance and loyalty marketing products for merchants, is pleased to announce 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 announces 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 announces 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.

An early warning report prepared pursuant to the requirements of National Instrument 62-103 - *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues* by SOL Global has been filed on SEDAR at [www.sedar.com](http://www.sedar.com) under the Advantex profile. To obtain more information or to obtain a copy of the early warning report to be filed in respect of this news release, please contact Mr. Randall Abramson or Mr. Hebert Abramson at the contact details noted below:

For Randall Abramson or Generation:

Randall Abramson  
22 St. Clair Avenue East, 18th Floor, Toronto, ON, M4T 2S3  
Tel: 416-361-1498

For Herbert Abramson:

Herbert Abramson  
22 St. Clair Avenue East, 18th Floor, Toronto, ON, M4T 2S3  
Tel: 416-361-1498

### **About Advantex Marketing International Inc.**

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](http://www.sedar.com).

### **Forward-Looking Information**

*This news release contains "forward-looking statements" within the meaning of applicable securities laws relating to the future business and operations of Advantex. Actual results and developments may differ materially from those contemplated by these statements. The business and operations of Advantex described herein is dependent on a number of factors and is subject to a number of risks and uncertainties. Factors that could cause actual results to differ material include, but are not limited to, changes in Advantex's economic and competitive conditions including but not limited to the industry sectors in which Advantex operates.*

*The statements in this news release are made of the date of this release. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made and Advantex undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable law.*

For further information please contact:

For Advantex

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