



ADVANTEX

Advantex Announces Fiscal 2020 Results

Toronto, March 31, 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, 2020.

Highlights of financial results for twelve months ended June 30, 2020 compared to twelve months ended June 30, 2019:

	Fiscal 2020	Fiscal 2019	Inc./Dec)	Inc./Dec)
	\$	\$	\$	%
Revenues	\$ 2,609,542	\$ 6,100,530	\$ (3,490,988)	-57.2%
Direct expenses				
Cost of cardholder rewards and marketing in connection with merchant based loyalty programs	\$ 387,027	\$ 1,279,228	\$ (892,201)	
Expense for provision against delinquent accounts	\$ 1,022,015	\$ 287,646	\$ 734,369	
Gross profit	\$ 1,200,500	\$ 4,533,656	\$ (3,333,156)	-73.5%
Selling and General & Administrative expenses	\$ 2,065,763	\$ 3,570,588	\$ (1,504,825)	
Earnings/(loss) from operations before depreciation, amortization and interest	\$ (865,263)	\$ 963,068	\$ (1,828,331)	-189.8%
Stated interest expense - loan payable, and debentures	\$ 1,319,950	\$ 1,297,092	\$ 22,858	
(Loss) from operations before depreciation, amortization, non cash interest and non cash items	\$ (2,185,213)	\$ (334,024)	\$ 1,851,189	554.2%
Interest - Lease	\$ 19,904	\$ -	\$ 19,904	
Interest expense - Accretion charges, restructuring bonus and amortization of transaction costs related to non-convertible debentures payable	\$ 598,733	\$ 547,998	\$ 50,735	
Depreciation of right of use asset	\$ 65,336	\$ -	\$ 65,336	
Depreciation of property, plant and equipment	\$ 15,210	\$ 29,923	\$ (14,713)	
Impairment of right of use asset	\$ 43,000	\$ -	\$ 43,000	
Net (loss) and comprehensive (loss)	\$ (2,927,396)	\$ (911,945)	\$ 2,015,451	221.0%
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, 2020.

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, 2020	June 30, 2019
		\$	\$
Assets			
Current assets			
Cash		\$ 166,601	\$ 119,636
Accounts receivable	11 a	118,901	110,630
Transaction credits	11 a	3,923,917	9,473,999
Prepaid expenses and sundry assets		58,781	52,232
		<u>\$ 4,268,200</u>	<u>\$ 9,756,497</u>
Non-current assets			
Right of use asset	18	\$ 98,562	\$ -
Property, plant and equipment	5	-	15,255
		<u>\$ 98,562</u>	<u>\$ 15,255</u>
Total assets		\$ 4,366,762	\$ 9,771,752
Liabilities			
Current liabilities			
Loan payable	6	\$ 4,369,006	\$ 8,416,076
Lease liability	18	64,452	-
Loan	19	40,000	-
Accounts payable and accrued liabilities		2,364,759	2,255,205
9% Non convertible debentures payable	7	6,611,576	5,367,573
		<u>\$ 13,449,793</u>	<u>\$ 16,038,854</u>
Non-current liabilities			
Lease liability	18	\$ 84,679	\$ -
		<u>\$ 84,679</u>	<u>\$ -</u>
Total liabilities		\$ 13,534,472	\$ 16,038,854
Shareholders' deficiency			
Share capital	8	\$ 24,530,555	\$ 24,530,555
Contributed surplus		4,117,170	4,090,382
Accumulated other comprehensive loss		(47,383)	(47,383)
Deficit		(37,768,052)	(34,840,656)
Total deficiency		\$ (9,167,710)	\$ (6,267,102)
Total liabilities and deficiency		\$ 4,366,762	\$ 9,771,752

Going concern (note 2), Commitments and contingencies (note 13)

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, 2020 and 2019
(expressed in Canadian dollars)

	Note	2020	2019
		\$	\$
Revenues	17		
Marketing activities		\$ 718,690	\$ 4,710,413
Interest income		<u>1,890,852</u>	<u>1,390,117</u>
		2,609,542	\$ 6,100,530
Direct expenses	16/17	<u>1,409,042</u>	<u>1,566,874</u>
		1,200,500	4,533,656
Operating expenses			
Selling and marketing	16/17	718,267	1,329,303
General and administrative	16/17	<u>1,347,496</u>	<u>2,241,285</u>
Earnings/(loss) from operations before depreciation, amortization and interest		(865,263)	963,068
Stated interest expense - loan payable, and debentures	6/7	1,319,950	1,297,092
Interest - Lease	18	19,904	-
Non-cash interest expense (accretion charges), restructuring bonus and amortization of transaction costs related to non-convertible debentures payable	7	598,733	547,998
Depreciation of right of use asset	18	65,336	-
Depreciation of property, plant and equipment	5	15,210	29,923
Impairment of right of use asset	4/18	<u>43,000</u>	<u>-</u>
Net (loss) and comprehensive (loss)		\$ (2,927,396)	\$ (911,945)
(Loss) per share			
Basic and Diluted	15	\$ -	\$ -

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Advantex Marketing International Inc.
Consolidated Statements of Changes in Shareholders' Deficiency
For the years ended June 30, 2020 and June 30, 2019
(expressed in Canadian dollars)

	Class A preference shares	Common shares	Contributed surplus	Accumulated other comprehen - sive loss	Deficit	Total
	\$	\$	\$	\$	\$	\$
Balance - July 1, 2018	\$ 3,815	\$ 24,526,740	\$ 4,090,382	\$ (47,383)	\$ (33,928,711)	\$ (5,355,157)
Net (loss) and comprehensive (loss)	-	-	-	-	(911,945)	(911,945)
Balance - June 30, 2019	\$ 3,815	\$ 24,526,740	\$ 4,090,382	\$ (47,383)	\$ (34,840,656)	\$ (6,267,102)
Balance - July 1, 2019	\$ 3,815	\$ 24,526,740	\$ 4,090,382	\$ (47,383)	\$ (34,840,656)	\$ (6,267,102)
Issuance of non-convertible debentures payable (note 7)	-	-	26,788	-	-	26,788
Net (loss) and comprehensive (loss)	-	-	-	-	(2,927,396)	(2,927,396)
Balance - June 30, 2020	\$ 3,815	\$ 24,526,740	\$ 4,117,170	\$ (47,383)	\$ (37,768,052)	\$ (9,167,710)

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, 2020 and 2019
(expressed in Canadian dollars)

	Note	June 30, 2020	June 30, 2019
		\$	\$
Operational activities			
Net (loss) for the year		\$ (2,927,396)	\$ (911,945)
Adjustments for:			
Accrued and unpaid 9% debentures interest	7	512,761	271,624
Interest - Lease	18	19,904	-
Depreciation of right of use asset	18	65,336	-
Depreciation of property, plant and equipment	5	15,210	29,923
Impairment of right of use asset	4/18	43,000	-
Loss on disposal of property, plant & equipment		45	-
Accretion charge - non-convertible debentures payable	7	327,181	299,714
Restructuring bonus - non-convertible debentures payable	7	259,028	248,284
Amortization of transaction costs - non-convertible debentures payable	7	<u>12,524</u>	<u>-</u>
		(1,672,407)	(62,400)
Changes in items of working capital			
Accounts receivable		(8,271)	1,692
Transaction credits		5,550,082	(3,881,573)
Prepaid expenses and sundry assets		(6,549)	27,117
Accounts payable and accrued liabilities		<u>109,554</u>	<u>(588,513)</u>
		5,644,816	(4,441,277)
Net cash generated (used) - operating activities		\$ 3,972,409	\$ (4,503,677)
Investing activities			
Purchase of property, plant and equipment, and intangible assets		\$ <u>-</u>	<u>(1,209)</u>
Net cash (used) - investing activities		\$ -	\$ (1,209)
Financing activities			
Gross proceeds - non-convertibles debentures payable	7	\$ 200,000	\$ -
Transaction costs - non-convertible debentures payable	7	(40,703)	-
Payment for lease		(77,671)	-
Proceeds from loan - Canada Emergency Business Account	19	40,000	-
Increase/(Decrease) of loan payable	6	<u>(4,047,070)</u>	<u>3,988,686</u>
Net cash (used) generated - financing activities		\$ (3,925,444)	\$ 3,988,686
Increase/(Decrease) in cash during the year		\$ 46,965	\$ (516,200)
Cash at beginning of the year		<u>119,636</u>	<u>635,836</u>
Cash at end of the year		\$ <u>166,601</u>	\$ <u>119,636</u>
Additional information			
Interest paid		\$ 807,189	\$ 1,046,810
Cash		\$ <u>166,601</u>	\$ <u>119,636</u>

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