



# ADVANTE X

## Advantex Announces Fiscal 2022 Results

**Toronto, October 20, 2022** -- – 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, 2022.

Highlights of financial results for twelve months ended June 30, 2022 compared to twelve months ended June 30, 2021 are as follows:

	<u>Fiscal 2022</u>	<u>Fiscal 2021</u>
<b>Revenues</b>	<b>\$ 1,739,697</b>	<b>\$ 1,229,880</b>
Direct expenses		
Costs of loyalty rewards, and marketing in connection with Advantex's merchant based loyalty program	\$ 416,483	\$ 293,167
Expense for provision against delinquent accounts, credit/collection expense	\$ 325,326	\$ 75,483
<b>Gross profit</b>	<b>\$ 997,888</b>	<b>\$ 861,230</b>
Selling and General & administrative expenses	\$ 1,802,346	\$ 1,833,766
Federal Covid-19 wage and rent subsidies	\$ (152,032)	\$ (548,022)
<b>(Loss) from operations before depreciation, amortization and interest</b>	<b>\$ (652,426)</b>	<b>\$ (424,514)</b>
Stated interest expense - loan payable, and 9% non convertible debentures payable	\$ 1,250,694	\$ 910,874
<b>(Loss) from operations before depreciation, amortization, non cash interest and non cash items</b>	<b>\$ (1,903,120)</b>	<b>\$ (1,335,388)</b>
Interest - Lease	\$ 5,760	\$ 13,219
Non-cash interest expense - accretion charges, restructuring bonus and amortization of transaction costs related to 9% non-convertible debentures payable	\$ 798,958	\$ 644,798
Depreciation of right of use asset	\$ -	\$ 45,490
Impairment of right of use asset	\$ -	\$ 53,072
<b>Net (loss) and comprehensive (loss)</b>	<b>\$ (2,707,838)</b>	<b>\$ (2,091,967)</b>
Fuller details available in the Consolidated Financial Statements and MD&A available under Advantex's profile on <a href="http://www.sedar.com">www.sedar.com</a>		

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, 2022.

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

**For further information please contact:**

Mukesh Sabharwal

Vice-President and Chief Financial Officer

Tel: 416-560-5173

Email: [Mukesh.Sabharwal@advantex.com](mailto:Mukesh.Sabharwal@advantex.com)

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

	Note	June 30, 2022	June 30, 2021
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash		\$ 93,185	\$ 82,606
Accounts receivable	10 a	83,320	93,090
Transaction credits	10 a	3,312,268	1,726,663
Prepaid expenses and sundry assets		<u>41,589</u>	<u>43,675</u>
		<b>\$ 3,530,362</b>	<b>\$ 1,946,034</b>
<b>Total assets</b>		<b>\$ 3,530,362</b>	<b>\$ 1,946,034</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Loan payable	5	\$ 4,019,685	\$ 2,387,439
Lease liability	17	12,768	71,910
Loan	18	60,000	60,000
Accounts payable and accrued liabilities		<u>2,825,914</u>	<u>2,731,158</u>
		<b>\$ 6,918,367</b>	<b>\$ 5,250,507</b>
<b>Non-current liabilities</b>			
9% non convertible debentures payable	6	\$ 6,953,878	\$ 4,694,885
Lease liability	17	<u>-</u>	<u>12,769</u>
		<b>\$ 6,953,878</b>	<b>\$ 4,707,654</b>
<b>Total liabilities</b>		<b>\$ 13,872,245</b>	<b>\$ 9,958,161</b>
<b>Shareholders' deficiency</b>			
Share capital	7	\$ 24,530,555	\$ 24,530,555
Contributed surplus		7,742,802	7,364,720
Accumulated other comprehensive loss		(47,383)	(47,383)
Deficit		<u>(42,567,857)</u>	<u>(39,860,019)</u>
<b>Total deficiency</b>		<b>\$ (10,341,883)</b>	<b>\$ (8,012,127)</b>
<b>Total liabilities and deficiency</b>		<b>\$ 3,530,362</b>	<b>\$ 1,946,034</b>

**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, 2022 and 2021  
(expressed in Canadian dollars)

	Note	2022	2021
		\$	\$
<b>Revenues</b>	16		
Marketing activities		\$ 571,699	\$ 484,099
Interest income		<u>1,167,998</u>	<u>745,781</u>
		<b>1,739,697</b>	<b>1,229,880</b>
Direct expenses	15/16	<u>741,809</u>	<u>368,650</u>
		997,888	861,230
<b>Operating expenses</b>			
Selling and marketing	15/16	569,827	496,853
General and administrative	15/16	<u>1,080,487</u>	<u>788,891</u>
<b>(Loss) from operations before depreciation, amortization and interest</b>		<b>(652,426)</b>	<b>(424,514)</b>
Stated interest expense - loan payable, and 9% non convertible debentures payable	5/6	1,250,694	910,874
Interest - Lease	17	5,760	13,219
Non-cash interest expense - accretion charges, restructuring bonus and amortization of transaction costs related to 9% non-convertible debentures payable	6	798,958	644,798
Depreciation of right of use asset	17	-	45,490
Impairment of right of use asset	17	<u>-</u>	<u>53,072</u>
<b>Net (loss) and comprehensive (loss)</b>		<b>\$ (2,707,838)</b>	<b>\$ (2,091,967)</b>
<b>(Loss) per share</b>			
Basic and Diluted	14	\$ (0.01)	\$ (0.07)

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, 2022 and June 30, 2021  
(expressed in Canadian dollars)

	Class A preference shares	Common shares	Contributed surplus	Accumulated other comprehen - sive loss	Deficit	Total
	\$	\$	\$	\$	\$	\$
<b>Balance - July 1, 2020</b>	\$ 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)
<b>Balance - June 30, 2021</b>	<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>
<b>Balance - July 1, 2021</b>	\$ 3,815	\$ 24,526,740	\$ 7,364,720	\$ (47,383)	\$ (39,860,019)	\$ (8,012,127)
Issuance of 9% non convertible debentures payable (note 6)	-	-	378,082	-	-	378,082
Net (loss) and comprehensive (loss)	-	-	-	-	(2,707,838)	(2,707,838)
<b>Balance - June 30, 2022</b>	<u>\$ 3,815</u>	<u>\$ 24,526,740</u>	<u>\$ 7,742,802</u>	<u>\$ (47,383)</u>	<u>\$ (42,567,857)</u>	<u>\$ (10,341,883)</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, 2022 and 2021  
(expressed in Canadian dollars)

	Note	June 30, 2022	June 30, 2021
		\$	\$
<b>Operational activities</b>			
Net (loss) for the year		\$ (2,707,838)	\$ (2,091,967)
Adjustments for:			
Accrued and unpaid 9% non convertible debentures payable interest	6	773,733	554,888
Interest - Lease	17	5,760	13,219
Depreciation of right of use asset	17	-	45,490
Impairment of right of use asset	17	-	53,072
Accretion charge - 9% non convertible debentures payable	6	710,452	453,036
Restructuring bonus - 9% non convertible debentures payable	6	73,063	178,455
Amortization of transaction costs - 9% non convertible debentures payable	6	<u>15,443</u>	<u>13,307</u>
		(1,129,387)	(780,500)
Changes in items of working capital			
Accounts receivable		9,770	25,811
Transaction credits		(1,585,605)	2,197,254
Prepaid expenses and sundry assets		2,086	15,106
Accounts payable and accrued liabilities		<u>94,756</u>	<u>366,399</u>
		(1,478,993)	2,604,570
<b>Net cash (used)/generated - operating activities</b>		<b>\$ (2,608,380)</b>	<b>\$ 1,824,070</b>
<b>Financing activities</b>			
Gross proceeds - 9% non convertibles debentures payable	6	\$ 1,150,000	\$ 250,000
Transaction costs - 9% non convertible debentures payable	6	(85,616)	(118,827)
Loan - Canada Emergency Bank Account		-	20,000
Payment for lease		(77,671)	(77,671)
Proceeds of loan payable	5	8,868,861	2,389,750
(Repayment) of loan payable		<u>(7,236,615)</u>	<u>(4,371,317)</u>
<b>Net cash generated/(used) - financing activities</b>		<b>\$ 2,618,959</b>	<b>\$ (1,908,065)</b>
<b>Increase/(Decrease) in cash during the year</b>		<b>\$ 10,579</b>	<b>\$ (83,995)</b>
Cash at beginning of the year		<u>82,606</u>	<u>166,601</u>
<b>Cash at end of the year</b>		<b>\$ 93,185</b>	<b>\$ 82,606</b>
<b>Additional information</b>			
Interest paid		\$ 476,961	\$ 355,986

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