



ADVANTEX

Advantex Announces Fiscal 2022 First Quarter Results

Toronto, November 25, 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 three months ended September 30, 2021.

Highlights of financial results for three months ended September 30, 2021 compared to three months ended September 30, 2020:

	September 2021	September 2020	Inc./Dec)	Inc./Dec)
	\$	\$	\$	%
Revenues	\$ 373,297	\$ 311,772	\$ 61,525	19.7%
Direct expenses				
Costs of loyalty rewards, and marketing in connection with Advantex's merchant based loyalty program	\$ 138,171	\$ 61,717	\$ 76,454	
Expense for provision against delinquent accounts	\$ 1,466	\$ 28,727	\$ (27,261)	
Gross profit	\$ 233,660	\$ 221,328	\$ 12,332	5.6%
Selling and General & Administrative expenses	\$ 349,506	\$ 309,862	\$ 39,644	
(Loss) from operations before depreciation, amortization and interest	\$ (115,846)	\$ (88,534)	\$ 27,312	30.8%
Stated interest expense - loan payable, and 9% non convertible debentures payable	\$ 244,207	\$ 246,841	\$ (2,634)	
(Loss) from operations before depreciation, amortization, non cash interest and non cash items	\$ (360,053)	\$ (335,375)	\$ 24,678	7.4%
Interest - Lease	\$ 2,172	\$ 3,960	\$ (1,788)	
Interest expense - Accretion charges, restructuring bonus and amortization of transaction costs related to 9% non convertible debentures payable	\$ 194,183	\$ 158,113	\$ 36,070	
Depreciation of right of use asset	\$ -	\$ 11,373	\$ (11,373)	
Net (loss) and comprehensive (loss)	\$ (556,408)	\$ (508,821)	\$ 47,587	9.4%

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 months ended September 30, 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	September 30, 2021	June 30, 2021
		\$	\$
Assets			
Current assets			
Cash		\$ 635,402	\$ 82,606
Accounts receivable		101,476	93,090
Transaction credits	5	2,880,956	1,726,663
Prepaid expenses and sundry assets		45,673	43,675
		\$ 3,663,507	\$ 1,946,034
Total assets		\$ 3,663,507	\$ 1,946,034
Liabilities			
Current liabilities			
Loan payable	6	\$ 3,399,073	\$ 2,387,439
Lease liability	15	67,432	71,910
Loan	16	60,000	60,000
Accounts payable and accrued liabilities		2,720,464	2,731,158
		\$ 6,246,969	\$ 5,250,507
Non-current liabilities			
9% non convertible debentures payable	7	\$ 5,582,348	\$ 4,694,885
Lease liability	15	-	12,769
		\$ 5,582,348	\$ 4,707,654
Total liabilities		\$ 11,829,317	\$ 9,958,161
Shareholders' deficiency			
Share capital	8	\$ 24,530,555	\$ 24,530,555
Contributed surplus		7,767,445	7,364,720
Accumulated other comprehensive loss		(47,383)	(47,383)
Deficit		(40,416,427)	(39,860,019)
Total deficiency		\$ (8,165,810)	\$ (8,012,127)
Total liabilities and deficiency		\$ 3,663,507	\$ 1,946,034

Going concern (note 2) and 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, 2021 and 2020
(expressed in Canadian dollars)

	Note	2021	2020
		\$	\$
Revenues	14		
Marketing activities		\$ 197,468	\$ 112,958
Interest income		175,829	198,814
		\$ 373,297	\$ 311,772
Direct expenses	13/14	139,637	90,444
		233,660	221,328
Operating expenses			
Selling and marketing	13/14	147,898	147,165
General and administrative	13/14	201,608	162,697
(Loss) from operations before depreciation, amortization and interest		(115,846)	(88,534)
Stated interest expense - loan payable, and 9% non convertible debentures payable	6/7	244,207	246,841
Interest - Lease	15	2,172	3,960
Non-cash interest expense - accretion charges, restructuring bonus and amortization of transaction costs related to 9% non convertible debentures payable	7	194,183	158,113
Depreciation of right of use asset	15	-	11,373
Net (loss) and comprehensive (loss)		\$ (556,408)	\$ (508,821)
(Loss) per share			
Basic and Diluted	12	\$ -	\$ -

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Advantex Marketing International Inc.
Consolidated Statements of Changes in Shareholders' Deficiency (unaudited)
For the three months ended September 30, 2021 and 2020
(expressed in Canadian dollars)

	Class A preference shares	Common shares	Contributed surplus	Accumulated other comprehen - sive loss	Deficit	Total
	\$	\$	\$	\$	\$	\$
Balance - July 1, 2020	\$ 3,815	\$ 24,526,740	\$ 4,117,170	\$ (47,383)	\$ (37,768,052)	\$ (9,167,710)
Net (loss) and comprehensive (loss)	-	-	-	-	(508,821)	(508,821)
Balance - September 30, 2020	<u>\$ 3,815</u>	<u>\$ 24,526,740</u>	<u>\$ 4,117,170</u>	<u>\$ (47,383)</u>	<u>\$ (38,276,873)</u>	<u>\$ (9,676,531)</u>
Balance - July 1, 2021	\$ 3,815	\$ 24,526,740	\$ 7,364,720	\$ (47,383)	\$ (39,860,019)	\$ (8,012,127)
Issuance of 9% non convertible debentures payable (note 7)	-	-	402,725	-	-	402,725
Net (loss) and comprehensive (loss)	-	-	-	-	(556,408)	(556,408)
Balance - September 30, 2021	<u>\$ 3,815</u>	<u>\$ 24,526,740</u>	<u>\$ 7,767,445</u>	<u>\$ (47,383)</u>	<u>\$ (40,416,427)</u>	<u>\$ (8,165,810)</u>

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Advantex Marketing International Inc.
Consolidated Statements of Cash Flow (unaudited)
For the three months ended September 30, 2021 and 2020
(expressed in Canadian dollars)

	Note	2021	2020
		\$	\$
Operational activities			
Net (loss) for the period		\$ (556,408)	\$ (508,821)
Adjustments for:			
Accrued and unpaid 9% non convertible debentures payable interest	7	173,506	130,286
Interest - Lease	15	2,172	3,960
Depreciation of right of use asset	15	-	11,373
Accretion charge - 9% non convertible debentures payable	7	173,944	86,488
Restructuring bonus - 9% non convertible debentures payable	7	18,749	66,928
Amortization of transaction costs - 9% non convertible debentures payable	7	<u>1,490</u>	<u>4,697</u>
		(186,547)	(205,089)
Changes in items of working capital			
Accounts receivable		(8,386)	5,329
Transaction credits		(1,154,293)	733,875
Prepaid expenses and sundry assets		(1,998)	6,094
Accounts payable and accrued liabilities		<u>(10,694)</u>	<u>76,777</u>
		(1,175,371)	822,075
Net cash (used)/generated - operating activities		\$ (1,361,918)	\$ 616,986
Financing activities			
Gross proceeds - 9% non convertible debentures payable	7	\$ 1,000,000	\$ -
Transaction costs - 9% non convertible debentures payable	7	(77,501)	-
Payment for lease		(19,419)	(19,418)
Increase/(Decrease) of loan payable	6	<u>1,011,634</u>	<u>(707,370)</u>
Net cash generated/(used) - financing activities		\$ 1,914,714	\$ (726,788)
Increase/(Decrease) in cash during the period		\$ 552,796	\$ (109,802)
Cash at beginning of the period		<u>82,606</u>	<u>166,601</u>
Cash at end of the period		\$ 635,402	\$ 56,799
Additional information			
Interest paid		\$ 70,701	\$ 116,555
Cash		<u>\$ 635,402</u>	<u>\$ 56,799</u>

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