



ADVANTEX

Advantex Announces Fiscal 2023 First Quarter Results

Toronto, November 29, 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 three months ended September 30, 2022.

Highlights of financial results for three months ended September 30, 2022 compared to three months ended September 30, 2021:

	September 2022	September 2021	Inc./Dec)
Revenues	\$ 584,837	\$ 373,297	\$ 211,540
Direct expenses			
Costs of loyalty rewards, and marketing in connection with Advantex's merchant based loyalty program	\$ 164,996	\$ 138,171	\$ 26,825
Expense for provision against delinquent accounts, credit/collection expense	\$ 6,180	\$ 1,466	\$ 4,714
Gross profit	\$ 413,661	\$ 233,660	\$ 180,001
Selling and General & administrative expenses	\$ 421,020	\$ 450,506	\$ (29,487)
Federal Covid-19 wage and rent subsidies	\$ (1,888)	\$ (101,000)	\$ (99,113)
(Loss) from operations before depreciation, amortization and interest	\$ (5,471)	\$ (115,846)	\$ (110,375)
Stated interest expense - loan payable, and 9% non convertible debentures payable	\$ 314,077	\$ 244,207	\$ 69,870
(Loss) from operations before depreciation, amortization, non cash interest and non cash items	\$ (319,548)	\$ (360,053)	\$ (40,505)
Interest - Lease	\$ 180	\$ 2,172	\$ (1,992)
Non-cash interest expense - accretion charges, restructuring bonus and amortization of transaction costs related to 9% non convertible debentures payable	\$ 211,676	\$ 194,183	\$ 17,493
Net (loss) and comprehensive (loss)	\$ (531,404)	\$ (556,408)	\$ (25,004)

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, 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

For further information please contact:

Mukesh Sabharwal

Vice-President and Chief Financial Officer

Tel: 416-560-5173

Email: Mukesh.Sabharwal@advantex.com

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

	Note	September 30, 2022	June 30, 2022
		\$	\$
Assets			
Current assets			
Cash		\$ 156,938	\$ 93,185
Accounts receivable		73,103	83,320
Transaction credits	5	1,639,763	3,312,268
Prepaid expenses and sundry assets		1,589	41,589
		<u>\$ 1,871,393</u>	<u>\$ 3,530,362</u>
Total assets		\$ 1,871,393	\$ 3,530,362
Liabilities			
Current liabilities			
Loan payable	6	\$ 2,420,240	\$ 4,019,685
Lease liability	15	-	12,768
Loan	16	60,000	60,000
Accounts payable and accrued liabilities		2,896,743	2,825,914
		<u>\$ 5,376,983</u>	<u>\$ 6,918,367</u>
Non-current liabilities			
9% non convertible debentures payable	7	\$ 7,367,697	\$ 6,953,878
		<u>\$ 7,367,697</u>	<u>\$ 6,953,878</u>
Total liabilities		\$ 12,744,680	\$ 13,872,245
Shareholders' deficiency			
Share capital	8	\$ 24,530,555	\$ 24,530,555
Contributed surplus		7,742,802	7,742,802
Accumulated other comprehensive loss		(47,383)	(47,383)
Deficit		(43,099,261)	(42,567,857)
Total deficiency		\$ (10,873,287)	\$ (10,341,883)
Total liabilities and deficiency		\$ 1,871,393	\$ 3,530,362

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, 2022 and 2021
(expressed in Canadian dollars)

	Note	2022	2021
		\$	\$
Revenues	14		
Marketing activities		\$ 216,577	\$ 197,468
Interest income		<u>368,260</u>	<u>175,829</u>
		\$ 584,837	\$ 373,297
Direct expenses	13/14	<u>171,176</u>	<u>139,637</u>
		413,661	233,660
Operating expenses			
Selling and marketing	13/14	134,747	147,898
General and administrative	13/14	<u>284,385</u>	<u>201,608</u>
(Loss) from operations before depreciation, amortization and interest		(5,471)	(115,846)
Stated interest expense - loan payable, and 9% non convertible debentures payable	6/7	314,077	244,207
Interest - Lease	15	180	2,172
Non-cash interest expense - accretion charges, restructuring bonus and amortization of transaction costs related to 9% non convertible debentures payable	7	<u>211,676</u>	<u>194,183</u>
Net (loss) and comprehensive (loss)		\$ (531,404)	\$ (556,408)
(Loss) per share			
Basic and Diluted	12	\$ (0.00)	\$ (0.01)

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Advantex Marketing International Inc.
Consolidated Statements of Changes in Shareholders' Deficiency (unaudited)
For the three months ended September 30, 2022 and 2021
(expressed in Canadian dollars)

	Class A preference shares	Common shares	Contributed surplus	Accumulated other comprehen - sive loss	Deficit	Total
	\$	\$	\$	\$	\$	\$
Balance at 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 at September 30, 2021	\$ 3,815	\$ 24,526,740	\$ 7,767,445	\$ (47,383)	\$ (40,416,427)	\$ (8,165,810)
Balance at July 1, 2022	\$ 3,815	\$ 24,526,740	\$ 7,742,802	\$ (47,383)	\$ (42,567,857)	\$ (10,341,883)
Net (loss) and comprehensive (loss)	-	-	-	-	(531,404)	(531,404)
Balance at September 30, 2022	\$ 3,815	\$ 24,526,740	\$ 7,742,802	\$ (47,383)	\$ (43,099,261)	\$ (10,873,287)

The accompanying notes are an integral part of these consolidated financial statements

Advantex Marketing International Inc.
Consolidated Statements of Cash Flow (unaudited)
For the three months ended September 30, 2022 and 2021
(expressed in Canadian dollars)

	Note	2022	2021
		\$	\$
Operational activities			
Net (loss) for the period		\$ (531,404)	\$ (556,408)
Adjustments for:			
Accrued and unpaid 9% non convertible debentures payable interest	7	202,143	173,506
Interest - Lease	15	180	2,172
Accretion charge - 9% non convertible debentures payable	7	187,360	173,944
Restructuring bonus - 9% non convertible debentures payable	7	19,304	18,749
Amortization of transaction costs - 9% non convertible debentures payable	7	<u>5,012</u>	<u>1,490</u>
		(117,405)	(186,547)
Changes in items of working capital			
Accounts receivable		10,217	(8,386)
Transaction credits		1,672,505	(1,154,293)
Prepaid expenses and sundry assets		40,000	(1,998)
Accounts payable and accrued liabilities		<u>70,829</u>	<u>(10,694)</u>
		1,793,551	(1,175,371)
Net cash generated/(used) - operating activities		\$ 1,676,146	\$ (1,361,918)
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	15	(12,948)	(19,419)
Proceeds of loan payable	6	628,452	2,190,551
(Repayment) of loan payable		<u>(2,227,897)</u>	<u>(1,178,917)</u>
Net cash generated/(used) - financing activities		\$ (1,612,393)	\$ 1,914,714
Increase in cash during the period		\$ 63,753	\$ 552,796
Cash at beginning of the period		<u>93,185</u>	<u>82,606</u>
Cash at end of the period		\$ 156,938	\$ 635,402
Additional information			
Interest paid		\$ 111,934	\$ 70,701

The accompanying notes are an integral part of these consolidated financial statements