



ADVANTEX

Advantex Announces Fiscal 2022 Second Quarter Results

Toronto, February 28, 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 and six months ended December 31, 2021.

Highlights of financial results for three and six months ended December 31, 2021 compared to the corresponding periods in the previous year are as follows:

	Three months ended December 31			Six months ended December 31		
	December 2021	December 2020	Inc./Dec	December 2021	December 2020	Inc./Dec
	\$	\$	\$	\$	\$	\$
Revenues	\$ 367,196	\$ 386,926	\$ (19,730)	\$ 740,493	\$ 698,698	\$ 41,795
Direct expenses						
Costs of loyalty rewards, and marketing in connection with Advantex's merchant based loyalty program	\$ 74,945	\$ 122,133	\$ (47,188)	\$ 213,116	\$ 183,850	\$ 29,266
Expense for provision against delinquent accounts, credit/collection expense	\$ 4,457	\$ 44,015	\$ (39,558)	\$ 5,923	\$ 72,742	\$ (66,819)
Gross profit	\$ 287,794	\$ 220,778	\$ 67,016	\$ 521,454	\$ 442,106	\$ 79,348
Selling and General & Administrative expenses	\$ 451,144	\$ 330,348	\$ 120,796	\$ 800,650	\$ 640,210	\$ 160,440
(Loss) from operations before depreciation, amortization and interest	\$ (163,350)	\$ (109,570)	\$ 53,780	\$ (279,196)	\$ (198,104)	\$ 81,092
Stated interest expense - loan payable, and 9% non convertible debentures payable	\$ 323,441	\$ 225,124	\$ 98,317	\$ 567,648	\$ 471,965	\$ 95,683
(Loss) from operations before depreciation, amortization, non cash interest and non cash items	\$ (486,791)	\$ (334,694)	\$ 152,097	\$ (846,844)	\$ (670,069)	\$ 176,775
Interest - Lease	\$ 1,692	\$ 3,532	\$ (1,840)	\$ 3,864	\$ 7,492	\$ (3,628)
Interest expense - Accretion charges, restructuring bonus and amortization of transaction costs related to 9% non convertible debentures payable	\$ 194,302	\$ 159,539	\$ 34,763	\$ 388,485	\$ 317,652	\$ 70,833
Depreciation of right of use asset	\$ -	\$ 11,373	\$ (11,373)	\$ -	\$ 22,746	\$ (22,746)
Net (loss) and comprehensive (loss)	\$ (682,785)	\$ (509,138)	\$ 173,647	\$ (1,239,193)	\$ (1,017,959)	\$ 221,234
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 and six months ended December 31, 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

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

	Note	December 31, 2021	June 30, 2021
		\$	\$
Assets			
Current assets			
Cash		\$ 148,148	\$ 82,606
Accounts receivable		53,209	93,090
Transaction credits	5	4,869,486	1,726,663
Prepaid expenses and sundry assets		44,258	43,675
		<u>\$ 5,115,101</u>	<u>\$ 1,946,034</u>
Total assets		\$ 5,115,101	\$ 1,946,034
Liabilities			
Current liabilities			
Loan payable	6	\$ 5,250,429	\$ 2,387,439
Lease liability	15	49,706	71,910
Loan	16	60,000	60,000
Accounts payable and accrued liabilities		2,627,856	2,731,158
9% non convertible debentures payable	7	5,975,705	-
		<u>\$ 13,963,696</u>	<u>\$ 5,250,507</u>
Non-current liabilities			
9% non convertible debentures payable	7	\$ -	\$ 4,694,885
Lease liability	15	-	12,769
		<u>\$ -</u>	<u>\$ 4,707,654</u>
Total liabilities		\$ 13,963,696	\$ 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		(41,099,212)	(39,860,019)
Total deficiency		\$ (8,848,595)	\$ (8,012,127)
Total liabilities and deficiency		\$ 5,115,101	\$ 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 and six months ended December 31, 2021 and 2020
(expressed in Canadian dollars)

	Note	3 months ended December 31		6 months ended December 31	
		2021	2020	2021	2020
		\$	\$	\$	\$
Revenues	14				
Marketing activities		\$ 91,599	\$ 194,122	\$ 289,067	\$ 307,080
Interest income		<u>275,597</u>	<u>192,804</u>	<u>451,426</u>	<u>391,618</u>
		\$ 367,196	\$ 386,926	\$ 740,493	\$ 698,698
Direct expenses	13/14	<u>79,402</u>	<u>166,148</u>	<u>219,039</u>	<u>256,592</u>
		287,794	220,778	521,454	442,106
Operating expenses					
Selling and marketing	13/14	153,176	109,795	301,074	256,960
General and administrative	13/14	<u>297,968</u>	<u>220,553</u>	<u>499,576</u>	<u>383,250</u>
(Loss) from operations before depreciation, amortization and interest		(163,350)	(109,570)	(279,196)	(198,104)
Stated interest expense - loan payable, and 9% non convertible debentures payable	6/7	323,441	225,124	567,648	471,965
Interest - Lease	15	1,692	3,532	3,864	7,492
Non-cash interest expense - accretion charges, restructuring bonus and amortization of transaction costs related to 9% non convertible debentures payable	7	194,302	159,539	388,485	317,652
Depreciation of right of use asset	15	<u>-</u>	<u>11,373</u>	<u>-</u>	<u>22,746</u>
Net (loss) and comprehensive (loss)		\$ (682,785)	\$ (509,138)	\$ (1,239,193)	\$ (1,017,959)
(Loss) per share					
Basic and Diluted	12	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)

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Advantex Marketing International Inc.
Consolidated Statements of Changes in Shareholders' Deficiency (unaudited)
For the three and six months ended December 31, 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)	-	-	-	-	(1,017,959)	(1,017,959)
Balance - December 31, 2020	<u>\$ 3,815</u>	<u>\$ 24,526,740</u>	<u>\$ 4,117,170</u>	<u>\$ (47,383)</u>	<u>\$ (38,786,011)</u>	<u>\$ (10,185,669)</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)	-	-	-	-	(1,239,193)	(1,239,193)
Balance - December 31, 2021	<u>\$ 3,815</u>	<u>\$ 24,526,740</u>	<u>\$ 7,767,445</u>	<u>\$ (47,383)</u>	<u>\$ (41,099,212)</u>	<u>\$ (8,848,595)</u>

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 and six months ended December 31, 2021 and 2020
(expressed in Canadian dollars)

	Note	2021	2020
		\$	\$
Operational activities			
Net (loss) for the period		\$ (1,239,193)	\$ (1,017,959)
Adjustments for:			
Accrued and unpaid 9% non convertible debentures payable interest	7	372,561	260,571
Interest - Lease	15	3,864	7,492
Depreciation of right of use asset	15	-	22,746
Accretion charge - 9% non convertible debentures payable	7	346,271	174,404
Restructuring bonus - 9% non convertible debentures payable	7	36,254	133,855
Amortization of transaction costs - 9% non convertible debentures payable	7	<u>5,960</u>	<u>9,393</u>
		(474,283)	(409,499)
Changes in items of working capital			
Accounts receivable		39,881	(109,992)
Transaction credits		(3,142,823)	1,673,128
Prepaid expenses and sundry assets		(583)	1,398
Accounts payable and accrued liabilities		<u>(103,302)</u>	<u>261,902</u>
		(3,206,827)	1,826,436
Net cash (used)/generated - operating activities		\$ (3,681,110)	\$ 1,416,937
Financing activities			
Gross proceeds - 9% non convertible debentures payable	7	\$ 1,000,000	\$ -
Transaction costs - 9% non convertible debentures payable	7	(77,501)	-
Proceeds from loan - Canada Emergency Business Account		-	20,000
Payment for lease		(38,837)	(38,836)
Increase/(Decrease) of loan payable	6	<u>2,862,990</u>	<u>(1,525,117)</u>
Net cash generated/(used) - financing activities		\$ 3,746,652	\$ (1,543,953)
Increase/(Decrease) in cash during the period		\$ 65,542	\$ (127,016)
Cash at beginning of the period		<u>82,606</u>	<u>166,601</u>
Cash at end of the period		\$ 148,148	\$ 39,585
Additional information			
Interest paid		\$ 195,087	\$ 211,394
Cash		<u>\$ 148,148</u>	<u>\$ 39,585</u>

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