



ADVANTEX

Advantex Announces Fiscal 2022 Third Quarter Results

Toronto, May 19, 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 nine months ended March 31, 2022.

Highlights of financial results for three and nine months ended March 31, 2022 compared to the corresponding periods in the previous year are as follows:

	Three months ended March 31			Nine months ended March 31		
	March 2022	March 2021	Inc./Dec	March 2022	March 2021	Inc./Dec
	\$	\$	\$	\$	\$	\$
Revenues	\$ 452,103	\$ 240,651	\$ 211,452	\$ 1,192,596	\$ 939,349	\$ 253,247
Direct expenses						
Costs of loyalty rewards, and marketing in connection with Advantex's merchant based loyalty program	\$ 83,286	\$ 55,284	\$ 28,002	\$ 296,402	\$ 239,134	\$ 57,268
Expense for provision against delinquent accounts, credit/collection expense	\$ 652	\$ 1,978	\$ (1,326)	\$ 6,575	\$ 74,720	\$ (68,145)
Gross profit	\$ 368,165	\$ 183,389	\$ 184,776	\$ 889,619	\$ 625,495	\$ 264,124
Selling and General & Administrative expenses	\$ 419,553	\$ 498,872	\$ (79,319)	\$ 1,330,324	\$ 1,391,583	\$ (61,259)
Federal Covid wage and rent subsidies	\$ (29,632)	\$ (132,585)	\$ (102,953)	\$ (139,753)	\$ (385,086)	\$ (245,333)
(Loss) from operations before depreciation, amortization and interest	\$ (21,756)	\$ (182,898)	\$ (161,142)	\$ (300,952)	\$ (381,002)	\$ (80,050)
Stated interest expense - loan payable, and 9% non convertible debentures payable	\$ 338,629	\$ 205,250	\$ 133,379	\$ 906,277	\$ 677,215	\$ 229,062
(Loss) from operations before depreciation, amortization, non cash interest and non cash items	\$ (360,385)	\$ (388,148)	\$ (27,763)	\$ (1,207,229)	\$ (1,058,217)	\$ 149,012
Interest - Lease	\$ 1,201	\$ 3,090	\$ (1,889)	\$ 5,065	\$ 10,582	\$ (5,517)
Interest expense - Accretion charges, restructuring bonus and amortization of transaction costs related to 9% non convertible debentures payable	\$ 199,920	\$ 132,141	\$ 67,779	\$ 588,405	\$ 449,793	\$ 138,612
Depreciation of right of use asset	\$ -	\$ 11,372	\$ (11,372)	\$ -	\$ 34,118	\$ (34,118)
Net (loss) and comprehensive (loss)	\$ (561,507)	\$ (534,751)	\$ 26,756	\$ (1,800,699)	\$ (1,552,710)	\$ 247,989

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 nine months ended March 31, 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

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

	Note	March 31, 2022	June 30, 2021
		\$	\$
Assets			
Current assets			
Cash		\$ 93,593	\$ 82,606
Accounts receivable		49,955	93,090
Transaction credits	5	4,492,442	1,726,663
Prepaid expenses and sundry assets		41,590	43,675
		<u>\$ 4,677,580</u>	<u>\$ 1,946,034</u>
Total assets		\$ 4,677,580	\$ 1,946,034
Liabilities			
Current liabilities			
Loan payable	6	\$ 4,833,893	\$ 2,387,439
Lease liability	15	31,489	71,910
Loan	16	60,000	60,000
Accounts payable and accrued liabilities		2,645,760	2,731,158
9% non convertible debentures payable	7	6,472,274	-
		<u>\$ 14,043,416</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		\$ 14,043,416	\$ 9,958,161
Shareholders' deficiency			
Share capital	8	\$ 24,530,555	\$ 24,530,555
Contributed surplus		7,811,710	7,364,720
Accumulated other comprehensive loss		(47,383)	(47,383)
Deficit		(41,660,718)	(39,860,019)
Total deficiency		\$ (9,365,836)	\$ (8,012,127)
Total liabilities and deficiency		\$ 4,677,580	\$ 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 nine months ended March 31, 2022 and 2021
(expressed in Canadian dollars)

	Note	3 months ended March 31		9 months ended March 31	
		2022	2021	2022	2021
		\$	\$	\$	\$
Revenues	14				
Marketing activities		\$ 114,953	\$ 90,013	\$ 404,020	\$ 397,093
Interest income		337,150	150,638	788,576	542,256
		<u>\$ 452,103</u>	<u>\$ 240,651</u>	<u>\$ 1,192,596</u>	<u>\$ 939,349</u>
Direct expenses	13/14	83,938	57,262	302,977	313,854
		368,165	183,389	889,619	625,495
Operating expenses					
Selling and marketing	13/14	182,396	166,728	483,470	423,688
General and administrative	13/14	207,525	199,559	707,101	582,809
(Loss) from operations before depreciation, amortization and interest		(21,756)	(182,898)	(300,952)	(381,002)
Stated interest expense - loan payable, and 9% non convertible debentures payable	6/7	338,629	205,250	906,277	677,215
Interest - Lease	15	1,201	3,090	5,065	10,582
Non-cash interest expense - accretion charges, restructuring bonus and amortization of transaction costs related to 9% non convertible debentures payable	7	199,920	132,141	588,405	449,793
Depreciation of right of use asset	15	-	11,372	-	34,118
Net (loss) and comprehensive (loss)		\$ (561,507)	\$ (534,751)	\$ (1,800,699)	\$ (1,552,710)
(Loss) per share					
Basic and Diluted	12	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)

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

Advantex Marketing International Inc.
Consolidated Statements of Changes in Shareholders' Deficiency (unaudited)
For the three and nine months ended March 31, 2022 and 2021
(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)
Recording of contributed surplus - 9% Non convertible debentures payable	-	-	3,033,105	-	-	3,033,105
Net (loss) and comprehensive (loss)	-	-	-	-	(1,552,710)	(1,552,710)
Balance - March 31, 2021	<u>\$ 3,815</u>	<u>\$ 24,526,740</u>	<u>\$ 7,150,275</u>	<u>\$ (47,383)</u>	<u>\$ (39,320,762)</u>	<u>\$ (7,687,315)</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)	-	-	446,990	-	-	446,990
Net (loss) and comprehensive (loss)	-	-	-	-	(1,800,699)	(1,800,699)
Balance - March 31, 2022	<u>\$ 3,815</u>	<u>\$ 24,526,740</u>	<u>\$ 7,811,710</u>	<u>\$ (47,383)</u>	<u>\$ (41,660,718)</u>	<u>\$ (9,365,836)</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 nine months ended March 31, 2022 and 2021
(expressed in Canadian dollars)

	Note	2022	2021
		\$	\$
Operational activities			
Net (loss) for the period		\$ (1,800,699)	\$ (1,552,710)
Adjustments for:			
Accrued and unpaid 9% non convertible debentures payable interest	7	571,590	394,243
Interest - Lease	15	5,065	10,582
Depreciation of right of use asset	15	-	34,118
Accretion charge - 9% non convertible debentures payable	7	524,215	248,797
Restructuring bonus - 9% non convertible debentures payable	7	53,759	187,689
Amortization of transaction costs - 9% non convertible debentures payable	7	<u>10,431</u>	<u>13,307</u>
		(635,639)	(663,974)
Changes in items of working capital			
Accounts receivable		43,135	40,347
Transaction credits		(2,765,779)	1,831,135
Prepaid expenses and sundry assets		2,085	12,410
Accounts payable and accrued liabilities		<u>(85,398)</u>	<u>218,063</u>
		(2,805,957)	2,101,955
Net cash (used)/generated - operating activities		\$ (3,441,596)	\$ 1,437,981
Financing activities			
Gross proceeds - 9% non convertible debentures payable	7	\$ 1,150,000	\$ 250,000
Transaction costs - 9% non convertible debentures payable	7	(85,616)	(62,925)
Proceeds from loan - Canada Emergency Business Account		-	20,000
Payment for lease		(58,255)	(58,253)
Increase/(Decrease) of loan payable	6	<u>2,446,454</u>	<u>(1,649,224)</u>
Net cash generated/(used) - financing activities		\$ 3,452,583	\$ (1,500,402)
Increase/(Decrease) in cash during the period			
Cash at beginning of the period		<u>82,606</u>	<u>166,601</u>
Cash at end of the period		\$ <u>93,593</u>	\$ <u>104,180</u>
Additional information			
Interest paid		\$ 334,687	\$ 282,972
Cash		<u>\$ 93,593</u>	<u>\$ 104,180</u>

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