



# ADVANTEX

## **Advantex Announces Fiscal 2024 First Quarter Results**

### **Acceleration of significant improvements in operational financial metrics**

- Revenues from core activity – Merchant Cash Advance program – increased \$157,429 (42.7%) to \$525,689.
- Advantex Revenues increased \$163,341 (27.9%) to \$748,178.
- Gross Profit increased \$174,126 (42.1%) to \$587,787.
- Flat SG&A. \$411,282 versus \$419,132.
- Earnings from operations before depreciation, amortization and interest of \$176,505. Versus Loss of \$5,471. Improvement of \$181,976.
- Decrease in Loss from operations before non-cash expenses. Reduction of \$32,399 (10.1%) to \$287,149.

**Toronto, November 28, 2023** -- – 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, 2023.

Improvements continue the trend from fiscal year ended June 30, 2023, and reflect execution of strategies identified and implemented during the previous fiscal year. The goal is to re-build Advantex business levels, initially to pre-pandemic levels and then to capitalize on a strengthening economy to achieve growth.

The results of the progress, to date, to re-build the business are evident in double digit increases in revenues and gross profit. Earnings from operations before depreciation, amortization and interest is a reversal of the Loss in the same period previous period. Improvements achieved while keeping SG&A in check.

Advantex carries a higher debt load to support re-build of its business and for general corporate purposes. Furthermore, there was increase in the interest rate on loan payable consequent to increase in prime rate. The impact of the foregoing two factors is reflected in higher cash interest cost. Despite increase in cash interest costs there is a commendable decrease in Loss from operations before non-cash expenses of 10.1%.

The above improvement in Loss from operations before non-cash expenses (10.1%) is masked by increase in non-cash expenses. Increase in non-cash expenses is primarily on account of accretion charges which reflect outcome of prescribed accounting connected to the non-convertible debentures.

Highlights are provided in the tabulation in this news release comparing three months ended September 30, 2023, with three months ended September 30, 2022.

	September 2023	September 2022	Inc./ (Dec)
	\$	\$	\$
<b>Revenues</b>			
Merchant Cash Advance ("MCA") program	\$ 525,689	\$ 368,260	\$ 157,429
Reseller-Aeroplan program-Loyalty marketing	\$ 222,489	\$ 216,577	\$ 5,912
	<b>\$ 748,178</b>	<b>\$ 584,837</b>	<b>\$ 163,341</b>
<b>Gross profit</b>	<b>\$ 587,787</b>	<b>\$ 413,661</b>	<b>\$ 174,126</b>
Selling and General & administrative expenses	\$ 411,282	\$ 419,132	\$ (7,850)
<b>Earnings/(Loss) from operations before depreciation, amortization and interest</b>	<b>\$ 176,505</b>	<b>\$ (5,471)</b>	<b>\$ 181,976</b>
Stated interest expense - loan payable, 9% non-convertible debentures payable, and 12% non-convertible debentures payable	\$ 463,654	\$ 314,077	\$ 149,577
<b>(Loss) from operations before non-cash expenses</b>	<b>\$ (287,149)</b>	<b>\$ (319,548)</b>	<b>\$ (32,399)</b>
Non-cash interest expense - 1) accretion charges and restructuring bonus respecting 9% non-convertible debentures payable, 2) amortization of transaction costs respecting 9% non-convertible debentures payable and 12% non-convertible debentures payable, and 3) interest on lease	\$ 262,805	\$ 211,856	\$ 50,949
<b>Net (loss) and comprehensive (loss)</b>	<b>\$ (549,954)</b>	<b>\$ (531,404)</b>	<b>\$ 18,550</b>

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 interim consolidated financial statements for three months ended September 30, 2023.

### 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)

### Forward-Looking Information

This news release contains "forward-looking statements" within the meaning of applicable securities laws relating to the future business and operations of Advantex. Actual results and developments may differ materially from those contemplated by these statements. The business and operations of Advantex described herein is dependent on a number of factors and is subject to a number of risks and uncertainties. Factors that could cause actual results to differ material include, but are not limited to, changes in Advantex's economic and competitive conditions including but not limited to the industry sectors in which Advantex operates.

The statements in this news release are made of the date of this release. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made and Advantex undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable law.

**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, 2023	June 30, 2023
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash		\$ 239,897	\$ 340,427
Accounts receivable		60,779	84,917
Transaction credits	5	6,018,216	5,641,940
Prepaid expenses and sundry assets		1,416	1,416
		<u>\$ 6,320,308</u>	<u>\$ 6,068,700</u>
<b>Total assets</b>		<b>\$ 6,320,308</b>	<b>\$ 6,068,700</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Loan payable	6	\$ 6,285,729	\$ 5,992,287
Loan	16	60,000	60,000
Accounts payable and accrued liabilities		3,836,014	3,590,699
		<u>\$ 10,181,743</u>	<u>\$ 9,642,986</u>
<b>Non-current liabilities</b>			
9% non-convertible debentures payable	7	\$ 9,026,482	\$ 8,765,806
12% non-convertible debentures payable	8	289,284	278,136
Deferred fair value adjustment on 12% non-convertible debentures payable		82,974	91,993
		<u>\$ 9,398,740</u>	<u>\$ 9,135,935</u>
<b>Total liabilities</b>		<b>\$ 19,580,483</b>	<b>\$ 18,778,921</b>
<b>Shareholders' deficiency</b>			
Share capital	9	\$ 24,530,555	\$ 24,530,555
Contributed surplus		7,901,617	7,901,617
Accumulated other comprehensive loss		(47,383)	(47,383)
Deficit		(45,644,964)	(45,095,010)
<b>Total deficiency</b>		<b>\$ (13,260,175)</b>	<b>\$ (12,710,221)</b>
<b>Total liabilities and deficiency</b>		<b>\$ 6,320,308</b>	<b>\$ 6,068,700</b>

**Going concern (note 2) 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 (unaudited)  
For the three months ended September 30, 2023 and 2022  
(expressed in Canadian dollars)

	Note	2023	2022
		\$	\$
<b>Revenues</b>	15		
Marketing activities		\$ 222,489	\$ 216,577
Interest income		<u>525,689</u>	<u>368,260</u>
		<b>\$ 748,178</b>	<b>\$ 584,837</b>
Direct expenses	14/15	<u>160,391</u>	<u>171,176</u>
		587,787	413,661
<b>Operating expenses</b>			
Selling and marketing	14/15	138,176	134,747
General and administrative	14/15	<u>273,106</u>	<u>284,385</u>
<b>Earnings/(Loss) from operations before depreciation, amortization and interest</b>		<b>176,505</b>	<b>(5,471)</b>
Stated interest expense			
Loan payable	6	226,388	111,934
9% non-convertible debentures payable	7	225,266	202,143
12% non-convertible debentures payable	8	12,000	-
Interest - Lease		-	180
Non-cash interest expense - accretion charges, restructuring bonus and amortization of transaction costs related to 9% non-convertible debentures payable	7	260,676	211,676
Non-cash interest expense - amortization of transaction costs related to 12% non-convertible debentures	8	2,129	-
Non-cash interest expense - accretion charges related to 12% non-convertible debentures payable	8	9,019	-
Non-cash interest expense - accretion of deferred gain related to 12% non-convertible debentures payable	8	<u>(9,019)</u>	<u>-</u>
<b>Net (loss) and comprehensive (loss)</b>		<b>\$ (549,954)</b>	<b>\$ (531,404)</b>
<b>(Loss) per share</b>			
Basic and Diluted		\$ (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 months ended September 30, 2023 and 2022  
 (expressed in Canadian dollars)

	Class A preference shares	Common shares	Contributed surplus	Accumulated other comprehen - sive loss	Deficit	Total
	₤	₤	₤	₤	₤	₤
<b>Balance at July 1, 2022</b>	\$ 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)
<b>Balance at September 30, 2022</b>	<u>\$ 3,815</u>	<u>\$ 24,526,740</u>	<u>\$ 7,742,802</u>	<u>\$ (47,383)</u>	<u>\$ (43,099,261)</u>	<u>\$ (10,873,287)</u>
<b>Balance at July 1, 2023</b>	\$ 3,815	\$ 24,526,740	\$ 7,901,617	\$ (47,383)	\$ (45,095,010)	\$ (12,710,221)
Net (loss) and comprehensive (loss)	-	-	-	-	(549,954)	(549,954)
<b>Balance at September 30, 2023</b>	<u>\$ 3,815</u>	<u>\$ 24,526,740</u>	<u>\$ 7,901,617</u>	<u>\$ (47,383)</u>	<u>\$ (45,644,964)</u>	<u>\$ (13,260,175)</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 months ended September 30, 2023 and 2022  
(expressed in Canadian dollars)

	Note	2023	2022
		\$	\$
<b>Operational activities</b>			
Net (loss) for the period		\$ (549,954)	\$ (531,404)
Adjustments for:			
Accrued and unpaid 9% non-convertible debentures payable interest - current and non-current payable	7	225,266	202,143
Accrued and unpaid 12% non-convertible debentures payable interest - current payable	8	12,000	-
Interest - Lease		-	180
Accretion charge - 9% non-convertible debentures payable	7	225,634	187,360
Restructuring bonus - 9% non-convertible debentures payable	7	28,303	19,304
Amortization of transaction costs - 9% non-convertible debentures payable	7	6,739	5,012
Amortization of transaction costs - 12% non-convertible debentures payable	8	2,129	-
Non-cash interest expense - accretion charges related to 12% non-convertible debentures payable	8	9,019	-
Non-cash interest expense - accretion of deferred gain related to 12% non-convertible debentures payable	8	(9,019)	-
		(49,883)	(117,405)
Changes in items of working capital			
Accounts receivable		24,138	10,217
Transaction credits		(376,276)	1,672,505
Prepaid expenses and sundry assets		-	40,000
Accounts payable and accrued liabilities excluding current portion of accrued and unpaid interest on 9% non-convertible debentures payable and 12% non-convertible debentures payable		8,049	70,829
		(344,089)	1,793,551
<b>Net cash generated/(used) - operating activities</b>		<b>\$ (393,972)</b>	<b>\$ 1,676,146</b>
<b>Financing activities</b>			
Payment for lease		-	(12,948)
Proceeds of loan payable	6	3,297,789	628,452
(Repayment) of loan payable	6	(3,004,347)	(2,227,897)
<b>Net cash generated/(used) - financing activities</b>		<b>\$ 293,442</b>	<b>\$ (1,612,393)</b>
<b>Increase/(Decrease) in cash during the period</b>		<b>\$ (100,530)</b>	<b>\$ 63,753</b>
Cash at beginning of the period		340,427	93,185
<b>Cash at end of the period</b>		<b>\$ 239,897</b>	<b>\$ 156,938</b>
<b>Additional information</b>			
Interest paid		\$ 226,388	\$ 111,934

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