Advantex Announces Fiscal 2026 Financial Results

Toronto, Ontario – October 28, 2026 – Advantex Marketing International Inc. (CSE: ADX) ("Advantex" or the "Company") today announced its financial results for the fiscal year ended June 30, 2026. All results are reported under International Financial Reporting Standards ("IFRS") and in Canadian dollars, unless otherwise specified.

Key Financial Highlights:

- **Total Revenue increased 35.8% to $5.75 million** in Fiscal 2026, from $4.24 million in Fiscal 2025, driven by 55.2% growth in Merchant Cash Advance (MCA) program revenue and 12.7% growth in Aeroplan marketing revenue.
- **Gross Profit increased 14.5% to $3.46 million** from $3.02 million, although higher direct expenses, particularly credit and collection costs, reduced margins.
- **Gross Margins** declined to **75.1%** for the MCA program (from 92.9%) and 35.4% for the Aeroplan program (from 45.4%). MCA provisions for delinquent accounts and credit and collection expenses increased to $890,251 from $149,748.
- **Income from operations before cash and non-cash interest expenses** was **$1.26 million**, compared with $1.31 million in Fiscal 2025, a decrease of 3.5%.
- **Net Loss** increased to **$2.94 million**, compared with $2.63 million in Fiscal 2025, reflecting higher credit-related, operating and financing expenses despite revenue growth.
- **Selling and Marketing Expenses** increased to **$0.60 million** from $0.49 million.
- **General and Administrative Expenses** increased to **$1.59 million** from $1.22 million.

Operational Highlights:

- **MCA portfolio expanded**, with transaction credits, net of provisions for delinquent accounts, increasing 13.2% to **$8.92 million** at June 30, 2026 (June 30, 2025 – $7.87 million). Credit performance weakened during the year, leading to increased provisions and collection expenses.
- **AI-Enhanced Underwriting:** During Fiscal 2026, the Company completed a comprehensive overhaul of its MCA underwriting process, incorporating artificial intelligence to analyze banking information, credit information, and tax information collected from prospective merchants. The enhanced process integrates multiple sources of financial and credit information to support more consistent, data-driven credit assessments, streamline underwriting and accelerate financing decisions. The initiative is intended to strengthen credit risk management while improving the Company's ability to efficiently process merchant applications as origination volumes grow.
- **Aeroplan marketing revenue increased 12.7% to $2.18 million**. The Company's Aeroplan reseller agreement remains in effect through August 2028, subject to its terms.
- In December 2025, holders of the Company's 9% non-convertible debentures approved amendments extending maturity to December 31, 2027 and deferring certain interest payments. The extinguishment accounting resulted in a $4.07 million shareholder contribution recognized in contributed surplus. A subsequent March 2026 modification resulted in a further $43,717 contribution. These amounts were not recognized in net income.

Funding and Capital Structure:

- In October 2025, Advantex Dining Corporation entered into a receivables purchase agreement with a new funder providing an initial $10 million of MCA funding capacity, with potential expansion to $20 million subject to the agreement's terms. The Company continues to service funded receivables and retains first-loss credit exposure.
- In January 2026, Accord Financial Inc. gave notice of non-renewal of its existing credit facility, which terminated July 31, 2026. New MCA originations transitioned to the receivables purchase agreement. Subsequent to year-end, the Company extended the maturity of its 12% debentures to December 15, 2027 and raised an additional $250,000 in 12% debenture financing.

Outlook:

For Fiscal 2027, Advantex is focused on improving underwriting and collections, managing credit losses, strengthening Aeroplan program profitability and using its funding capacity prudently. While demand for working capital among independent merchants provides opportunities, funding availability, merchant repayment performance, operating cash requirements and broader economic uncertainty remain significant challenges. At June 30, 2026, the Company had a working capital deficiency of approximately $3.76 million and shareholders' deficiency of approximately $15.14 million. The audited financial statements disclose material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

“Fiscal 2026 marked an important transition for Advantex, with the establishment of a new MCA funding arrangement, continued revenue growth and a complete modernization of our underwriting process,” said Kelly Ambrose, President and CEO of Advantex. “By incorporating AI-assisted analysis of banking, credit bureau and tax information, we have strengthened the tools available to our underwriting team and improved our ability to evaluate merchant applications efficiently. While higher credit costs affected our financial results this year, we believe these investments, together with our focus on collections and disciplined originations, position us to build a more sustainable and scalable MCA business.”

The Company's consolidated financial statements and management's discussion and analysis for Fiscal 2026 are available through its filings on SEDAR+ (www.sedarplus.ca).

About Advantex:

Advantex is a leading provider of merchant cash advance services to small independent merchants across Canada. The Company also operates a partnership with Aeroplan, offering businesses the opportunity to provide Aeroplan points to their customers. Advantex is listed on the Canadian Securities Exchange under the symbol ADX.

Forward-Looking Information:

This news release contains certain "forward-looking information" within the meaning of applicable securities legislation. Forward-looking information includes, but is not limited to, the Company’s future financial performance, business strategy, future financing, and its ability to meet obligations and achieve operational goals. The forward-looking information is based on current expectations and assumptions made by management in light of its experience and perception of historical trends, current conditions, and expected future developments. Forward-looking information is subject to known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially from those anticipated or implied by such forward-looking information. These risks include, but are not limited to, general economic conditions, interest rates, inflation, the ability to raise additional financing, and risks related to the Company’s business and operations.

The Company undertakes no obligation to update forward-looking information, except as required by law. Readers are encouraged to consult the Company's public filings for a full discussion of risks and uncertainties related to forward-looking information.

For more information, please contact:

Santhosh Kumar
Chief Financial Officer
Advantex Marketing International Inc.
Tel: 416-560-5173
Email: Santhosh.Kumar@advantex.com