ADVANTEX

Letter to Shareholders for the fiscal year ended June 30, 2023

Dear Shareholders,

I am pleased to report that Advantex had a very productive year.

Improvements in financial performance reflected execution of strategies identified and implemented during the previous fiscal year. The goal was to re-build Advantex business levels, initially to pre-pandemic levels and then to capitalize on a strengthening economy to achieve double digit growth. Advantex raised $1.0 million capital, enabling funds to be put towards accelerating the re-build of its merchant cash advance portfolio, which is Advantex's core activity. Our Loyalty marketing program benefited from an increase in spending on marketing by businesses and a rebound in travel, post the pandemic. The outcome was evident in a double digit increase in revenues of 21.3% and gross profit, prior to one-off write back of direct costs, of 50.8%. Impressively, save for one off Selling, General & Administrative expenses ("SG&A"), SG&A was reduced because of key initiatives, including closure of the corporate office. As a result, Loss from operations before depreciation, amortization and interest, and one-off direct costs & SG&A was sharply down by 79.0%. Furthermore, despite increase in interest costs reflecting higher debt levels to support the business and higher interest rate on loan payable because of sharp increases in the prime rate, there was a commendable decrease of 20.1% in Loss from operations before one-off direct costs & SG&A, and non-cash expenses. This improvement of 20.1.% was partially offset by increases in non-cash expenses and one-off direct costs & SG&A. Increase in non-cash expenses was primarily on account of accretion charges which reflect outcome of prescribed accounting connected to the non-convertible debentures.

Support from our business partners was critical to our success this past year. As a follow up to investment in the previous fiscal year the principal holders of 9% non-convertible debentures invested additional capital. Improving our financial performance enabled us to secure incremental capital by issuing 12% non-convertible debentures to a non-related party. Together, these funds enabled Advantex to continue to grow its merchant cash advance program.
Additional support came from the provider of the loan payable, who reduced the interest rate it charges on the loan payable facility beginning September 2023. Finally, and significantly, we renewed our agreement with Aeroplan, in September 2023, for an additional five year term expiring in August 2028. All this progress would not have been possible without the support of our staff and the Board of Directors.

There is reason to be cautiously optimistic about Advantex's future. My optimism comes from working with the most talented, dedicated and experienced people in our industry, as well as, knowing that the market size for our products is large and accessible. Caution comes from the current inflationary and high interest environment and uncertainty in Advantex's ability to raise the capital which is required to maintain and expand our merchant cash advance program. Growth of our merchant cash advance program is the path first to financial stability and then to prosperity.

Thank you for your support. I wish you the best for coming twelve months.

"Kelly E. Ambrose"
Kelly E. Ambrose
President and CEO
October 30, 2023

ADVANTEX® MARKETING INTERNATIONAL INC.
Management's Discussion and Analysis of Operating Results
For the fiscal years ended June 30, 2023 and 2022

This management's discussion and analysis has been prepared based on information available to Advantex Marketing International Inc. ("Advantex" or "the company") as at October 30, 2023. Management's Discussion and Analysis ("MD&A") is a narrative explanation to enable the reader to assess material changes in the financial condition and results of operations of the company during the twelve months ended June 30, 2023, compared to the twelve months ended June 30, 2022. This MD&A should be read in conjunction with the company's audited consolidated financial statements and the related notes for the twelve months ended June 30, 2023, and which are available on www.sedar.com. All dollar amounts are stated in Canadian Dollars, which is the company's presentation and functional currency, unless otherwise noted. Some dollar amounts have been rounded and may not tie directly to the audited consolidated financial statements.

Overall Performance

Advantex is an aggregator of independent merchants, and currently provides merchant cash advance ("MCA") and loyalty marketing services to its community of merchants. MCA program meets working capital needs of merchants. It is the core business of the company. Loyalty marketing provides merchants an economic way to market their establishments to about 8 million consumers. Loyalty marketing services are delivered through its re-seller relationship with Aeroplan loyalty program owned by Air-Canada.

The company's merchants operate across Canada in diverse business segments: restaurants; independent inns, resorts and selected hotels; spas; retailers of men's and ladies fashion, footwear and accessories; florists and garden centres; health and beauty centres; gift stores; and home décor, many of which are leaders in their respective business segment.

In the MCA program the company provides merchants with working capital through pre-purchase, at a discount, of merchants' future cash flows and company earns its revenue, per contract terms, as it collects against the pre-purchased receivables. The amount collected against the pre-purchased receivables less of revenue is applied to reduce the working capital advances. The balance of working capital advances given to the merchants, less of provision for delinquent accounts, is the transaction credits on the consolidated statement of financial position.

In the loyalty marketing program, the company is a re-seller of aeroplan points. Participating merchants are able to leverage a powerful currency – aeroplan points - to market their business, specific products and services to the Aeroplan membership which is able to accelerate earning aeroplan points. Advantex earns its revenue from selling aeroplan points, at an agreed price per aeroplan point.

While year ended June 30, 2022 ("Fiscal 2022") was shaped by gradual re-build of the two programs following the end of public health restrictions and infusion of capital ($1,150,000), year ended June 30, 2023 ("Fiscal 2023") saw an acceleration in re-build of the two programs. The acceleration with respect to MCA program was facilitated by additional infusion of capital ($1,000,000). Loyalty marketing program benefited from increase in spending on marketing activities by businesses and rebound in travel post pandemic.

The key events of Fiscal 2023 and Fiscal 2022 and their outcomes on the financial performance are discussed in this Section.

<u>Capital raise</u>

In Fiscal 2022 the company raised capital to address the erosion of working capital and its continuity. The raise of $1.0 million and $150,000 in September 2021 and March 2022 respectively was by way of 9% non-convertible debentures payable ("9% 2025 debentures") (additional detail in Section 9% Non-Convertible Debentures Payable). The two capital raises were related party transactions (Section Related Party Transactions) where the purchasers were led by the existing primary shareholder and primary holder of 9% 2025 debentures.

In Fiscal 2023 the company raised a total of $1.0 million. In January 2023 a $600,000 capital infusion from related parties (Section Related Party Transactions) by issuance of 9% 2025 debentures (additional detail in Section 9% Non-Convertible Debentures Payable). In April 2023 the company issued $400,000 12% non-convertible debentures payable ("12% debentures") (additional detail in Section 12% Non-Convertible Debentures Payable) to a party at arm's length to the company.

The net proceeds of raises in Fiscal 2022 and Fiscal 2023 were used to stabilize the company's financial position, fund re-build of its MCA business and for general corporate purposes.

The re-build of the MCA program is evident in the MCA program revenues, and the transaction credits. This is illustrated in the tabulation. Re-building of MCA program – to pre pandemic level – is partially but significantly complete.

	Fiscal 2023	Fiscal 2022	Fiscal 2021
	$	$	$
Revenues	$ 1,440,458	$ 1,167,998	$ 745,781
Transaction credits net of provision for delinquent accounts	$ 5,641,940	$ 3,312,268	$ 1,726,663

Re-building of MCA program – to pre pandemic level – is partially but significantly complete when we compare the transaction credits net of provision for delinquent accounts at June 30, 2023 of $5,641,940 and at December 31, 2019 of $6,821,914.

Support of shareholders and holders of 9% 2025 debentures

In Fiscal 2022 - at the August 2021 special meeting of shareholders - the shareholders approved resolutions that enabled close of the September 2021 capital raise. An aggregate of $1.150 million - described above in Capital raise – was invested by holders of 9% 2025 debentures. In June 2022 further support was extended by holders of 9% 2025 debentures by way of waiver of financial covenant defaults, re-set of certain financial covenants and deferral of interest payment falling due in September 2022 (additional detail in Section 9% Non-Convertible Debentures Payable).

In Fiscal 2023 an additional $600,000 – described above in Capital raise – was invested by holders of 9% 2025 debentures. Holders of 9% 2025 debentures continued their support by agreeing in March 2023 to defer interest payments falling due in March 23, and re-set of certain financial covenants in June 2023. (additional detail in Section 9% Non-Convertible Debentures Payable). Post Fiscal 2023, in September 2023, holders of 9% 2025 debentures agreed in September 2023 to defer interest payments falling due in September 2023.

Agreements with other partners

Accord Financial Inc. ("Accord"). Accord provides a line of credit facility that is available to the company only for acquisition of transaction credits under its MCA program (additional details available in Section Loan Payable). This relationship enabled the company to re-build its MCA program. During Fiscal 2022 – in March 2022 - the company and Accord agreed 1) to extend the term of their agreement to July 31, 2024, and 2) a payment plan for the company to re-pay the overdraft facility by July 31, 2024. During Fiscal 2023 the company was current with overdraft facility re-payment

Aeroplan Inc. (“Aeroplan”). Under this agreement the company operated as a reseller of aeroplan points. During Fiscal 2022 and Fiscal 2023 the company and Aeroplan continued to work together under extensions to the original agreement. Post Fiscal 2023 – in September 2023 – the company and Aeroplan renewed their agreement for a five-year term expiring August 2028.

12% debentures. In April 2023 the company issued $400,000 12% debentures (additional detail in Section 12% Non-Convertible Debentures Payable) maturing October 2025. This capital raise enabled the company to continue to re-build of its MCA business.

Financial Outcome

Significant improvement in key metrics which are tabulated hereunder:

	Fiscal 2023	Fiscal 2022	Inc./(Dec)	Inc./(Dec)
	$	$	$	%
Revenues	$ 2,110,719	$ 1,739,697	$ 371,022	21.3%
Gross Profit prior to one-off write-back of direct costs	$ 1,504,576	$ 997,888	$ 506,688	50.8%
(Loss) from operations before depreciation, amortization and interest, and prior to one-off direct costs & SG&A	$ (176,296)	$ (839,523)	$ (663,227)	-79.0%
(Loss) prior to one-off direct costs & SG&A and non-cash expenses	$ (1,669,329)	$ (2,090,217)	$ (420,888)	-20.1%

The financial performance is discussed in detail in later Sections in this document.

Outlook

The company believes its core business - MCA program - is a growth industry because institutional lenders are not focused on meeting working capital needs of independent merchants, even more so because of after-shock of the pandemic and the currently prevailing economic uncertainties. There are several competitors in the MCA space, but the company believes its strategy of transparent and competitive pricing give it an ability to grow its MCA portfolio if it has access to growth capital.

The loyalty marketing program the company provides is dependent on its agreement with Aeroplan. Operating this program gives the company a significant secondary business line and an advantage over competition in the MCA space. A five-year renewal of the agreement expiring August 2028 was signed in September 2023.

The journey that started in Fiscal 2022 to re-build the company to pre-pandemic level and beyond by capturing a slice of the potential market for its products continued during Fiscal 2023 with encouraging progress during Fiscal 2023.

There is reason to be cautiously optimistic about the company’s future. The optimism comes from market size for the company’s products and its experience of working in the market. Caution comes from uncertainty in the company’s ability to raise capital which is required to maintain and expand its MCA program. Growth of MCA from Fiscal 2023 level is the path first to continue journey to financial stability and then to prosperity. Additional risk factor is the current inflationary and high interest environment and its fallout on the economy which in turn could adversely impact business and consumer confidence and the company’s MCA and loyalty marketing programs.

Twelve months ended June 30, 2023

Fiscal 2023 saw an acceleration in re-build of the MCA and Loyalty marketing programs. The acceleration with respect to MCA program was facilitated by additional infusion of capital ($1,000,000). Loyalty marketing program benefited from increase in spending on marketing activities by businesses.

The financial highlights for Fiscal 2023 compared to Fiscal 2022 are summarized in the tabulation.

	Fiscal 2023	Fiscal 2022	Inc./(Dec)	Inc./(Dec)
	$	$	$	%
Revenues				
MCA program	1,440,458	1,167,998	272,460	23.3%
Aeroplan program	670,261	571,699	98,562	17.2%
	$ 2,110,719	**$ 1,739,697**	**$ 371,022**	**21.3%**
Gross Profit				
MCA program	1,315,275	842,672	472,603	56.1%
Aeroplan program, prior to one-off write-back of direct costs	189,301	155,216	34,085	118.2%
	$ 1,504,576	**$ 997,888**	**$ 506,688**	**50.8%**
Expenses				
Selling, General & Administrative ("SG&A") - Regular	1,680,872	1,837,411	(156,539)	-8.5%
(Loss) from operations before depreciation, amortization and interest, and prior to one-off direct costs & SG&A	**$ (176,296)**	**$ (839,523)**	**$ (663,227)**	**-79.0%**
Interest - Loan payable	611,010	476,961	134,049	
Interest - 9% 2025 debentures	872,689	773,733	98,956	
Interest - 12% debentures	9,334	-	9,334	
(Loss) prior to one-off direct costs & SG&A and non-cash expenses	**$ (1,669,329)**	**$ (2,090,217)**	**$ (420,888)**	**-20.1%**
Direct costs. One-off write-back of a portion of marketing cost provision created in prior years which is no longer required	(149,450)	-	(149,450)	
One-off SG&A				
Severance	77,400	-	77,400	
Write-back of Vacation pay	-	(35,063)	(35,063)	
Federal pandemic subsidies	(1,888)	(152,034)	(150,146)	
(Loss) prior to non-cash expenses	**$ (1,595,391)**	**$ (1,903,120)**	**$ (307,729)**	**-16.2%**
Non-cash interest expense - 1) accretion charges, restructuring bonus related to 9% debentures, 2) amortization of transaction costs related to 9% 2025 debentures and 12% debentures, and 3) interest on lease	$ (931,762)	$ (804,718)	$ 127,044	
Net (loss) and comprehensive (loss)	**$ (2,527,153)**	**$ (2,707,838)**	**$ (180,685)**	**-6.7%**

Income Statement – Fiscal 2022 compared to Fiscal 2021

Revenues. Fiscal 2023 and Fiscal 2022 reflect gradual re-build of the MCA program after capital raise in both fiscal years, and gradual re-development of the Loyalty marketing program ("Aeroplan program"). The 21.3% increase of $371,022 in Fiscal 2023 revenues to $2,110,719 reflects improvement of 23.3% in MCA program revenues of $272,460 and the 17.2% increase of $98,562 in Aeroplan program revenues.

Gross profit. Fiscal 2023 reflects a lower expense for provision for delinquencies against MCA program transaction credits (Fiscal 2023 $113,040 vs Fiscal 2022 $318,000). An outcome of a more stable business environment in Fiscal 2023 vs Fiscal 2022 which was during the pandemic period. Fiscal 2023 Aeroplan program direct costs reflect write-back of $149,450, representing a portion of marketing cost provision created in prior years which is no longer required. These two factors were the primary reason for increase of company's gross margin (Fiscal 2023 78.4% vs Fiscal 2022 57.4%). Higher gross margin and higher revenues result in 65.8% increase of $656,138 in Fiscal 2023 gross profit to $1,654,026. Increase of 56.1% in Fiscal 2023 MCA program gross profit of $472,603 to $1,315,275 reflects increase in revenues and increase in gross margin. Aeroplan program gross profit was higher 118.2% higher ($183,535) at $338,751 reflecting the increase in revenues and gross margin (Fiscal 2023 50.5% vs Fiscal 2022 27.1%).

Selling expenses were $85,298 lower, a decrease of 13.4% to $551,182 compared to Fiscal 2022. In both Fiscal years, to offset some of the financial impact of pandemic, since April 1, 2020, sales staff received 85% of their pre pandemic remuneration. Fiscal 2023 reflects lower headcount and temporary lay-offs vs Fiscal 2022, resulting in savings of $51,069. In addition, there was no web marketing expense in Fiscal 2023 (Fiscal 2022 $31,275).

General & Administrative ("G&A"). The below tabulation illustrates comparison of Fiscal 2023 vs Fiscal 2022.

	Fiscal 2023	Fiscal 2022	Inc./(Dec)	Inc./(Dec)
	$	$	$	%
Regular G&A	1,129,690	1,200,931	(71,241)	-5.9%
Staff severance	77,400	-	77,400	
Extinguishment of vacation pay	-	(35,063)	(35,063)	
Federal pandemic subsidies	(1,888)	(152,034)	(150,146)	
Total	$ 1,205,202	$ 1,013,834	$ 191,368	18.9%

Loss from operations before depreciation, amortization and interest. The above are reflected in Fiscal 2023 loss from operations before depreciation, amortization and interest of $102,358, which is $550,068 lower vs $652,426 for Fiscal 2022.

The stated interest cost comprised:

a. interest paid on the line of credit provided by Accord which was $134,049 higher in Fiscal 2023 (Fiscal 2023 $611,010 vs Fiscal 2021 $476,961). The interest rate charged on this line of credit from September 2021 is 8.80% (9.05% until August 2021) + prime rate of a certain Canadian Bank. The increase in interest cost during Fiscal 2023 reflects 1) higher activity level in Fiscal 2023 on the MCA program leading to higher utilization of the line of credit and 2) higher interest rate due to the increase in prime rates during Fiscal 2023;
b. interest payable to 9% 2025 debentures. The increase in Fiscal 2023 cost of $98,956 (Fiscal 2023 $872,689 vs Fiscal 2022 $773,733) reflects 1) higher principal outstanding during Fiscal 2023 consequent to the capital raise in January 2023 together with full year impact in Fiscal 2023 of capital raise during Fiscal 2022, and 2) higher interest payable, on unpaid interest and deferred interest, of $201,883 in Fiscal 2023 vs $154,465 in Fiscal 2022. The interest payable in Fiscal 2023 and Fiscal 2022 was not paid. The company secured agreement of holders of 9% 2025 debentures agreed to defer the interest payments; and
c. interest of $9,334 in Fiscal 2023 with respect to 12% debentures issued in April 2023.

The non-cash interest cost in Fiscal 2023 at $931,762 was $127,042 higher vs Fiscal 2022. The increase primarily is on account of 9% 2025 debentures and comprises 1) accretion charges arising on the attribution of fair value to debentures between debt and equity of $810,924 vs $710,452 in Fiscal 2022 and 2) restructuring bonus which for Fiscal 2023 was $95,216 vs $73,063 for Fiscal 2022.

The above factors are reflected in a marginally lower net loss. Fiscal 2023 $2,527,153 vs Fiscal 2022 $2,707,838.

Balance Sheet – Fiscal 2023 compared to Fiscal 2022

Transaction credits, which represent balance due of working capital advanced to merchants, net of provision for delinquent accounts, are about 93.0% of total assets at June 30, 2023 compared to 93.8% at June 30, 2022. Transaction credits, net of provision for delinquent accounts, at June 30, 2023 of $5,641,940 is $2,329,672 higher vs June 30, 2022. Fiscal 2023 – Reflects continuation of process, commenced in Fiscal 2022, at an accelerated rate to rebuild MCA program facilitated by additional infusion of capital ($1,000,000). Fiscal 2022 – Reflects start of process to re-build of MCA program back to pre-pandemic level. This process coincided with the gradual easing of pandemic public health restrictions during Fiscal 2022 and the capital raise ($1,150,000). The provision for delinquent transaction credits at June 30, 2023 amounts to $1,492,892 vs $1,379,853 at June 30, 2022.

Loan payable of $5,992,287 at June 30, 2023 was $1,972,602 higher compared to $4,019,685 at June 30, 2022. The loan payable is used exclusively to fund transaction credits deployed with merchants. The company funds 10% of each dollar of transaction credit and the loan payable funds the balance 90%. The company back-stops all delinquencies. To support the company during pandemic Accord provided company with a working capital overdraft. The loan payable balance at June 30, 2023 and June 30, 2022 includes amounts payable under the working capital overdraft provided by Accord (Fiscal 2023 $325,000 vs Fiscal 2022 $493,000). The loan payable balance at June 30, 2023 and June 30, 2022 (net of working capital overdraft) reflects the change in transaction credits (grossed up for provision for delinquent accounts over and above actual delinquent accounts) at the end of the two periods. Section Loan Payable.

9% 2025 debentures at June 30, 2023 reflect the 1) additional $600,000 issued in January 2023 and the accounting reflecting attribution of fair value to debt and equity, and 2) increase in accrued and unpaid interest. 9% 2025 debentures at June 30, 2022 reflect the 1) additional $1.0 million and $150,000 issued in September 2021 and March 2022 respectively and the accounting reflecting attribution of fair value to debt and equity, and 2) increase in accrued and unpaid interest. At June 30, 2023 the principal balance outstanding is $7,759,000 compared to $7,159,000 at June 30, 2022. The company does not have the ability to pay interest. For additional details see Section 9% Non-Convertible Debentures Payable.

12% debentures. Issued April 2023. Principal $400,000. For additional details see Section 12% Non-Convertible Debentures Payable.

Results of Operations

	Fiscal 2023	Fiscal 2022
	$	$
Revenue	**$ 2,110,719**	**$ 1,739,697**
Costs of loyalty rewards, and marketing in connection as Reseller of Aeroplan program	331,510	416,483
Expense for provision against delinquent accounts, credit/collection expense - MCA program	125,183	325,326
Gross profit	**$ 1,654,026**	**$ 997,888**
Selling and General & Administrative		
Regular	1,754,496	1,498,280
Federal pandemic wage and rent subsidies	1,888	152,034
(Loss) from operations before depreciation, amortization, interest	**$ (102,358)**	**$ (652,426)**
Cash interest on loan payable and debentures	1,493,033	1,250,694
(Loss) from operations before depreciation, amortization, non-cash interest, and other non cash expenses	**$ (1,595,391)**	**$ (1,903,120)**
Non cash interest expense on 9% debentures - accretion, performance bonus, amortization of transaction costs	929,641	798,958
Non-cash interest expense - amortization of transaction costs related to 12% non-convertible debentures	1,944	-
Interest - Lease	177	5,760
Non-cash interest expense - accretion charges related to 12% non-convertible debentures payable	6,788	-
Non-cash interest expense - accretion of deferred gain related to 12% non-convertible debentures payable	(6,788)	-
Net (loss) and comprehensive (loss)	**$ (2,527,153)**	**$ (2,707,838)**
Basic and Diluted (loss) per share	**$ (0.01)**	**$ (0.01)**

Extract from the Statement of Financial Position

	At June 30, 2023	At June 30, 2022	Increase/ (Decrease)
	$	$	$
Current assets	$ 6,068,700	$ 3,530,362	$ 2,538,338
Total assets	$ 6,068,700	$ 3,530,362	$ 2,538,338
Shareholders' deficiency	$ (12,710,221)	$ (10,341,883)	$ 2,368,338

The change in current assets primarily reflects increase in transaction credits, net of provision for delinquent accounts, of $2,329,672.

Transaction credits, which represent balance due of working capital advanced to merchants, net of provision for delinquent accounts, are about 93.0% of total assets at June 30, 2023 compared to 93.8% at June 30, 2022. Transaction credits, net of provision for delinquent accounts, at June 30, 2023 of $5,641,940 is $2,329,672 higher vs June 30, 2022. Fiscal 2023 – Reflects continuation of process, commenced in Fiscal 2022, at an accelerated rate to rebuild MCA program facilitated by additional infusion of capital. Fiscal 2022 – Reflects start of process to re-build of MCA program back to pre-pandemic level. This process coincided with the gradual easing of pandemic public health restrictions during Fiscal 2022 and the capital raise. The provision for delinquent transaction credits at June 30, 2023 amounts to $1,492,892 vs $1,379,853 at June 30, 2022.

The change in the total assets reflects increase in the current assets.

On the current liabilities side, the main change is on account of loan payable. Loan payable of $5,992,287 at June 30, 2023 was $1,972,602 higher compared to $4,019,685 at June 30, 2022. Loan payable supports 90% investment in transaction credits. The loan payable balance at June 30, 2023 and June 30, 2022 includes amounts payable under the working capital overdraft provided by Accord (Fiscal 2023 $325,000 vs Fiscal 2022 $493,000). The loan payable balance at June 30, 2023 and June 30, 2022 (net of working capital overdraft) reflects the change in transaction credits (grossed up for provision for delinquent accounts over and above actual delinquent accounts) at the end of the two periods.

With respect to long term liabilities:

9% 2025 debentures. At June 30, 2023 the principal balance outstanding is $7,759,000 compared to $7,159,000 at June 30, 2022. June 30, 2023 reflects the 1) additional $600,000 issued in January 2023 and the accounting reflecting attribution of fair value to debt and equity, and 2) increase in accrued and unpaid interest. 9% 2025 debentures at June 30, 2022 reflect the 1) additional $1.0 million and $150,000 issued in September 2021 and March 2022 respectively and the accounting reflecting attribution of fair value to debt and equity, and 2) increase in accrued and unpaid interest.

- 12% debentures. Issued April 2023. Principal $400,000.

The movement in the shareholders' deficit reflects net loss during Fiscal 2023 and recording of contributed surplus-upon the issuance of 9% 2025 debentures (see Section 9% Non-Convertible Debentures Payable).

Extracts from the Statement of Cash Flow

	Fiscal 2023	Fiscal 2022	Change
	$	$	$
Net (loss)	$ (2,527,153)	$ (2,707,838)	$ 180,685
Adjustments for non cash expenses	1,813,785	1,578,451	235,334
(Loss) after adjustments for non cash expenses	$ (713,368)	$ (1,129,387)	$ 416,019
Changes in working capital	$ (1,946,520)	$ (1,478,993)	$ (467,527)
Net cash (used) - operating activities	$ (2,659,888)	$ (2,608,380)	(51,508)
Net cash generated - financing activities	$ 2,907,131	$ 2,618,959	$ 288,172
Increase in cash during the year	$ 247,242	$ 10,579	$ 236,663
Cash at start of year	$ 93,185	$ 82,606	$ 10,579
Cash at end of year	$ 340,427	$ 93,185	$ 247,242

Adjustments for non-cash expenses. A significant item for Fiscal 2023 and Fiscal 2022 is accrued and unpaid interest on 9% 2025 debentures (Fiscal 2023 $872,689 vs Fiscal 2022 $773,733). Furthermore, Fiscal 2023 reflects charges for Accretion and Restructuring bonus respecting 9% 2025 debentures are $906,140 (Fiscal 2022 $783,515).

Changes in working capital. Transaction credits, accounts receivable, accounts payable and accrued liabilities and other working capital items. The significant item during both fiscal periods is transaction credits. Transaction credits, which represent balance due of working capital advanced to merchants, net of provision for delinquent accounts, are about 93.0% of total assets at June 30, 2023 compared to 93.8% at June 30, 2022. Transaction credits, net of provision for delinquent accounts, at June 30, 2023 of $5,641,940 is $2,329,672 higher vs June 30, 2022. Fiscal 2023 – Reflects continuation of process, commenced in Fiscal 2022, at an accelerated rate to rebuild MCA program facilitated by additional infusion of capital ($1,000,000). Fiscal 2022 – Reflects start of process to re-build of MCA program back to pre-pandemic level. This process coincided with the gradual easing of pandemic public health restrictions during Fiscal 2022 and the capital raise ($1,150,000). The provision for delinquent transaction credits at June 30, 2023 amounts to $1,492,892 vs $1,379,853 at June 30, 2022.

From time to time the company enters into payment plans to settle its amounts due.

Financing activities.

These comprise:

- Loan payable of $5,992,287 at June 30, 2023 was $1,972,602 higher compared to $4,019,685 at June 30, 2022. The loan payable is used exclusively to fund transaction credits deployed with merchants. The company funds 10% of each dollar of transaction credit and the loan payable funds the balance 90%. The company back-stops all delinquencies. To support the company during pandemic Accord provided company with a working capital overdraft. The loan payable balance at June 30, 2023 and June 30, 2022 includes amounts payable under the working capital overdraft provided by Accord (Fiscal 2023 $325,000 vs Fiscal 2022 $493,000). The loan payable balance at June 30, 2023 and June 30, 2022 (net of working capital overdraft) reflects the change in transaction credits (grossed up for provision for delinquent accounts over and above actual delinquent accounts) at the end of the two periods. Agreement with Accord expires July 2024. See Section Loan Payable and Economic Dependence;

- 9% 2025 debentures at June 30, 2023 reflect the 1) additional $600,000 issued in January 2023 and the accounting reflecting attribution of fair value to debt and equity, and 2) increase in accrued and unpaid interest. 9% 2025 debentures at June 30, 2022 reflect the 1) additional $1.0 million and $150,000 issued in September 2021 and March 2022 respectively and the accounting reflecting attribution of fair value to debt and equity, and 2) increase in accrued and unpaid interest. At June 30, 2023 the principal balance outstanding is $7,759,000 compared to $7,159,000 at June 30, 2022. The company does not have the ability to pay interest. 9% 2025 debentures mature December 2025. For additional details see Section 9% non-Convertible Debentures Payable and Economic Dependence; and

- 12% debentures. Issued April 2023. Principal $400,000. 12% debentures mature October 2025. For additional details see Section 12% Non-Convertible Debentures Payable.

Investing activities. The company is frugal with capital expenditures given its financial situation. By the fourth quarter of Fiscal 2023 the company completed move of its entire IT infrastructure into the cloud. The company does not expect significant capital expenditures in the next twelve months.

The presentations in Results of Operations section are not set out in accordance with International Financial Reporting Standards ("IFRS"). The presentations are extracts from the audited consolidated financial statements for the fiscal year ended June 30, 2023, and have been included to provide additional analysis for the reader.

Revenue

The company's revenues were derived from merchants participating in the MCA program, and the Aeroplan program which the company has been operating for about a decade.

In the MCA program the company provides merchants with working capital through pre-purchase, at a discount, of merchants' future cash flows and company earns its revenue, per contract terms, as it collects against the pre-purchased cash flows. The amount collected against the pre-purchased cash flows less of revenue is applied to reduce the working capital advances. The balance of working capital advances given to the merchants, less of provision for delinquent accounts, is the transaction credits on the consolidated statement of financial position.

The Aeroplan program. Here the company is a re-seller. The company sells aeroplan points to merchants who are small and mid-sized retailers and service providers. Revenue is recognized, at the agreed price per aeroplan point, when the participating merchant issues aeroplan points to an Aeroplan member completing a qualifying transaction at the merchant.

The drivers for revenues from the MCA program are primarily the amount of working capital advances deployed with merchants, the discount at which future cash flows are purchased from merchants, followed by number of participating merchants.

The revenues from the Aeroplan program reflects the number of participating merchants, traffic of Aeroplan members completing purchases at participating merchants, the level of engagement of participating merchants in the program and mix of merchants issuing aeroplan points.

The revenue trends are provided in the tabulation.

MCA program

Fiscal 2023 and Fiscal 2022 reflect gradual re-build of the MCA program after capital raise in both fiscal years.

	Fiscal 2023	Fiscal 2022
Transaction credits (net of provision for delinquent accounts)		
At start of year	$ 3,312,268	$ 1,726,663
At end of year	$ 5,641,940	$ 3,312,268
# of merchants		
At start of year	124	80
At end of year	146	124

Aeroplan program

Fiscal 2023 and Fiscal 2022 reflect gradual re-development of Aeroplan program. The process was facilitated from increase in spending on marketing activities by businesses and rebound in travel post pandemic.

Average number of merchants about 100 during Fiscal 2023 and 100 during Fiscal 2022.

Direct Expenses

The MCA direct expenses are provision for delinquencies (Fiscal 2023 $113,040 vs Fiscal 2022 $318,000), and credit and collection expense (Fiscal 2023 $12,143 vs Fiscal 2022 $7,326) against transaction credits.

In the Aeroplan program, direct expenses are primarily costs of aeroplan points which the company purchases from Aeroplan. Other costs include cost of marketing and advertising on behalf of merchants and provision against receivables. Fiscal 2023 reflects $149,450 write-back of a portion of marketing cost provision created in prior years which is no longer required.

	Fiscal 2023	Fiscal 2022	Inc./(Dec)	Inc./(Dec)
	$	$	$	%
Revenues				
MCA program	1,440,458	1,167,998	272,460	23.3%
Aeroplan program	670,261	571,699	98,562	17.2%
	$ 2,110,719	**$ 1,739,697**	**$ 371,022**	**21.3%**
Direct expenses				
MCA program	125,183	325,326	(200,143)	-159.9%
Aeroplan program	331,510	416,483	(84,973)	-20.4%
	$ 456,693	**$ 741,809**	**$ (285,116)**	**-38.4%**

MCA program

While the company believes it has adequate provision for delinquencies as at June 30, 2023, the after effects of the pandemic and the prevailing inflationary and high interest environment are a significant risk factor when assessing the collectability of transaction credits.

The methodology for estimating the provision for delinquencies against transaction credits is discussed in this document in Credit Risk under section Critical Accounting Estimates.

The company monitored credit risk along above methodology during Fiscal 2023 and Fiscal 2022.

Aeroplan program

Fiscal 2023 reflects $149,450 write-back of a portion of marketing cost provision created in prior years which is no longer required. Excluding this write-back direct cost relative to revenues is primarily attributable to the mix of gross margins the company earns from transacting merchants.

Excluding the write-back the movement in direct expenses is tracking movement in revenues.

	Fiscal 2023	Fiscal 2022	Inc./(Dec)	Inc./(Dec)
	$	$	$	%
Revenue	670,261	571,699	98,562	17.2%
	$ 670,261	$ 571,699	$ 98,562	17.2%
Direct expenses				
Consumer rewards	480,960	416,483	64,477	15.5%
Write-back of a portion of marketing cost provision created in prior years which is no longer required	(149,450)	-	(149,450)	
	$ 331,510	$ 416,483	$ (84,973)	-20.4%

Gross Profit

Increase in Fiscal 2023 gross profit vs Fiscal 2022 reflects increase in revenues and higher gross margins. Revenues and direct costs are discussed above in respective Sections.

Gross profit tabulation:

	Fiscal 2023	Fiscal 2022	Inc./(Dec)	Inc./(Dec)
	$	$	$	%
MCA program	1,315,275	842,672	472,603	56.1%
Aeroplan program	338,751	155,216	183,535	118.2%
	$ 1,654,026	**$ 997,888**	**$ 656,138**	65.8%
Company gross margin	78.4%	57.4%		
MCA program gross margin	91.3%	72.1%		
Aeroplan gross margin	50.5%	27.1%		

Selling Expenses

Selling expenses include expenses arising from remuneration of sales staff, and other selling activities. The significant component is cost – remuneration and travel/cell - of the sales staff.

During Fiscal 2023 and Fiscal 2022 the company's sales force was common to MCA and Aeroplan programs.

Remuneration/expenses of sales staff are the primary selling expenses.

In both Fiscal years to offset some of the financial impact of pandemic, since April 1, 2020, sales staff received 85% of their pre pandemic remuneration. Fiscal 2023 reflects lower headcount and temporary lay-offs vs Fiscal 2022, resulting in savings of $51,069. In addition, there was no web marketing expense in Fiscal 2023 (Fiscal 2022 $31,275).

The cost assistance in Fiscal 2022 (Fiscal 2023 $nil) from federal wage subsidy programs for sales and administration staff is reflected in G&A (Section G&A).

	Fiscal 2023	Fiscal 2022	Inc./(Dec)	Inc./(Dec)
	$	$	$	%
Revenues				
MCA program	1,440,458	1,167,998	272,460	23.3%
Aeroplan program	670,261	571,699	98,562	17.2%
	$ 2,110,719	**$ 1,739,697**	**$ 371,022**	**21.3%**
Selling expenses				
Remuneration/expenses of sales staff - MCA	477,600	528,669	(51,069)	
Remuneration/expenses of staff - Aeroplan	68,740	66,653	2,087	
Web marketing for MCA program	-	31,275	(31,275)	
All other	4,842	9,883	(5,041)	
	$ 551,182	**$ 636,480**	**$ (85,298)**	**-13.4%**
Remuneration/expenses as % of selling expenses	86.7%	83.1%		

General and Administrative Expenses ("G&A")

G&A expenses include compensation for all non-sales staff, professional fees, head office premises costs, shareholder and public relations costs, office overheads, capital and income taxes, and foreign exchange gains/(losses).

	Fiscal 2023	Fiscal 2022	Inc./(Dec)	Inc./(Dec)
	$	$	$	%
Revenues	**$ 2,110,719**	**$ 1,739,697**	**$ 371,022**	**21.3%**
G&A				
Compensation for non-sales staff	708,066	755,223	(47,158)	
Extinguishment of part of vacation pay dues of CEO and CFO	-	(35,063)	(35,063)	
Staff severance	77,400	-	77,400	
Directors fees	65,004	65,002	2	
Wage subsidy - for sales and non-sales staff	-	(125,010)	(125,010)	
Rent subsidy	(1,888)	(27,024)	(25,136)	
All other G&A expenses	356,619	380,706	(24,086)	
	$ 1,205,202	**$ 1,013,834**	**$ 191,368**	**18.9%**
G&A Excluding: wage and rent subsidies, extinguishment of part of vacation pay, and severance	1,129,690	1,200,931	(71,241)	**-5.9%**

Both Fiscal years reflect administration staff including management receiving, since April 1, 2020, 85% of their pre pandemic remuneration. The cost saving measure was implemented to address some of the financial impact of the pandemic on the company.

The CEO and CFO were issued 10,018,037 common shares in lieu of a part of their vacation dues ($35,063) in Fiscal 2022 (September 2021).

With respect to the wage subsidy, Fiscal 2022 reflects funds from Canada Emergency Wage Subsidy and the Hardest Hit Business Recovery Program (“HHBRP”) for sales and administration staff.

Fiscal 2022 also reflects rent subsidy from HHBRP.

During Fiscal 2022 the company sub-let effective November 1, 2021 a part of its head office for a monthly rent of $6,000. The sub-let was on a month-to-month basis and ended June 30, 2022. The company’s lease for head office expired August 31, 2022.

Interest Expense

Tabulation:

	Fiscal 2023	Fiscal 2022	Inc./(Dec)
	$	$	$
Stated ("Cash") interest expense			
Loan payable	611,010	476,961	134,049
9% debentures coupon	670,805	619,268	51,537
9% debentures interest on unpaid interest	201,883	154,465	47,418
12% debentures coupon	9,334	-	9,334
	$ 1,493,032	$ 1,250,694	$ 242,338
Non-cash interest expense			
Accretion charge on 9% non convertible debentures payable	810,924	710,452	100,472
Restructuring bonus on 9% non convertible debentures payable	95,216	73,063	22,153
Amortization of transaction costs on 9% non-convertible debentures payable and 12% non-convertible debentures payable	25,445	15,443	10,002
Non-cash interest expense - accretion charges related to 12% non-convertible debentures payable	6,788	-	6,788
Non-cash interest expense - accretion of deferred gain related to 12% non-convertible debentures payable	(6,788)	-	(6,788)
	$ 931,585	$ 798,958	$ 132,627
Total interest expense	**$ 2,424,617**	**$ 2,049,652**	**$ 374,965**

Stated interest

(i) interest paid on the line of credit provided by Accord which was higher in Fiscal 2023. The interest rate charged on this line of credit from September 2021 is 8.80% (9.05% until August 2021) + prime rate of a certain Canadian Bank. The increase in interest cost during Fiscal 2023 reflects 1) higher activity level in Fiscal 2023 on the MCA program leading to higher utilization of the line of credit and 2) higher interest rate due to the increase in prime rates during Fiscal 2023;

(ii) interest payable to 9% 2025 debentures. The increase in Fiscal 2023 cost reflects 1) higher principal outstanding during Fiscal 2023 consequent to the capital raise in January 2023 together with full year impact in Fiscal 2023 of capital raise during Fiscal 2022, and 2) higher interest payable, on unpaid interest and deferred interest, of $201,883 in Fiscal 2023 vs $154,465 in Fiscal 2022. The interest payable in Fiscal 2023 and Fiscal 2022 was not paid. The company secured agreement of holders of 9% 2025 debentures to defer the interest payments; and

(iii) interest of $9,334 in Fiscal 2023 is with respect to 12% debentures issued in April 2023.

Non-cash interest expense

The non-cash interest cost in Fiscal 2023 at $931,585 was $132,627 higher vs Fiscal 2022. The increase primarily is on account of 9% 2025 debentures and comprises 1) accretion charges arising on the attribution of fair value to debentures between debt and equity and 2) restructuring bonus. and these increases partially reflect issuance of additional 9% 2025 debentures in January 2023.

Net (Loss)

Highlights of Fiscal 2023 compared to Fiscal 2022 are tabulated:

	Fiscal 2023	Fiscal 2022	Inc./(Dec)
	$	$	$
Revenues	$ 2,110,719	$ 1,739,697	$ 371,022
Gross profit	$ 1,654,026	$ 997,888	$ 656,138
Earnings (loss) from operations before depreciation, amortization and interest	$ (102,358)	$ (652,426)	$ 550,068
Net (loss) and Comprehensive (loss)	$ (2,527,153)	$ (2,707,838)	$ (180,685)
Basic and Diluted loss per share	$ (0.01)	$ (0.01)	

The detailed analysis of the above tabulated items is provided in Sections Twelve months ended June 30, 2023 - *Income Statement – Fiscal 2023 compared to Fiscal 2022,* and in Sections Revenue, Direct Expenses, Gross Profit, Selling Expenses, G&A, Interest Expense in this document.

Working Capital and Liquidity Management

	Fiscal 2023	Fiscal 2022
	$	$
Funds available to expand MCA program (Transaction credits on the balance sheet) and meet working capital needs		
Net (loss)	$ (2,527,153)	$ (2,707,838)
Adjustments for non-cash expenses	1,813,785	1,578,451
(Loss) after adjustment for non-cash expenses	(713,368)	(1,129,387)
Cash balances at start of the period	93,185	82,606
Increase in loan payable	1,972,601	1,632,246
Net proceeds from raise of 9% 2025 debentures	579,290	1,064,384
Net proceeds from raise of 12% debentures	368,185	-
Increase/(Decrease) in accounts receivable	(1,597)	9,770
	$ 2,298,295	**$ 1,659,619**
Utilization of funds		
Cash balances at end of periods	$ 340,427	$ 93,185
Increase in transaction credits	2,329,672	1,585,605
(Increase) in accounts payable and accrued liabilities	(344,576)	(94,756)
Changes in all other working capital items	(40,173)	(2,086)
Change in other financing items	12,945	77,671
	$ 2,298,295	**$ 1,659,619**

Working Capital Movement during Fiscal 2023 and Fiscal 2022

Adjustments for non-cash expenses. A significant item for Fiscal 2023 and Fiscal 2022 is accrued and unpaid interest on 9% 2025 debentures (Fiscal 2023 $872,689 vs Fiscal 2022 $773,733). Furthermore, Fiscal 2023 reflects charges for Accretion and Restructuring bonus respecting 9% 2025 debentures are $906,140 (Fiscal 2022 $783,515).

Changes in working capital. Transaction credits, accounts receivable, accounts payable and accrued liabilities and other working capital items. The significant item during both fiscal periods is transaction credits. Transaction credits, which represent balance due of working capital advanced to merchants, net of provision for delinquent accounts, are about 93.0% of total assets at June 30, 2023 compared to 93.8% at June 30, 2022. Transaction credits, net of provision for delinquent accounts, at June 30, 2023 of $5,641,940 is $2,329,672 higher vs June 30, 2022. Fiscal 2023 – Reflects continuation of process, commenced in Fiscal 2022, at an accelerated rate to rebuild MCA program facilitated by additional infusion of capital ($1,000,000). Fiscal 2022 – Reflects start of process to re-build of MCA program back to pre-pandemic level. This process coincided with the gradual easing of pandemic public health restrictions during Fiscal 2022 and the capital raise ($1,150,000). The provision for delinquent transaction credits at June 30, 2023 amounts to $1,492,892 vs $1,379,853 at June 30, 2022.

From time to time the company enters into payment plans to settle its amounts due.

Financing activities.

These comprise:

- Loan payable of $5,992,287 at June 30, 2023 was $1,972,602 higher compared to $4,019,685 at June 30, 2022. The loan payable is used exclusively to fund transaction credits deployed with merchants. The company funds 10% of each dollar of transaction credit and the loan payable funds the balance 90%. The company back-stops all delinquencies. To support the company during pandemic Accord provided company with a working capital overdraft. The loan payable balance at June 30, 2023 and June 30, 2022 includes amounts payable under the working capital overdraft provided by Accord (Fiscal 2023 $325,000 vs Fiscal 2022 $493,000). The loan payable balance at June 30, 2023 and June 30, 2022 (net of working capital overdraft) reflects the change in transaction credits (grossed up for provision for delinquent accounts over and above actual delinquent accounts) at the end of the two periods. Agreement with Accord expires July 2024. See Section Loan Payable and Economic Dependence;

- 9% 2025 debentures at June 30, 2023 reflect the 1) additional $600,000 issued in January 2023 and the accounting reflecting attribution of fair value to debt and equity, and 2) increase in accrued and unpaid interest. 9% 2025 debentures at June 30, 2022 reflect the 1) additional $1.0 million and $150,000 issued in September 2021 and March 2022 respectively and the accounting reflecting attribution of fair value to debt and equity, and 2) increase in accrued and unpaid interest. At June 30, 2023 the principal balance outstanding is $7,759,000 compared to $7,159,000 at June 30, 2022. The company does not have the ability to pay interest. 9% 2025 debentures mature December 2025. For additional details see Section 9% non-Convertible Debentures Payable and Economic Dependence; and

- 12% debentures. Issued April 2023. Principal $400,000. 12% debentures mature October 2025. For additional details see Section 12% Non-Convertible Debentures Payable.

Investing activities. The company is frugal with capital expenditures given its financial situation. By the fourth quarter of Fiscal 2023 the company completed move of its entire IT infrastructure into the cloud. The company does not expect significant capital expenditures in the next twelve months.

From time to time the company negotiates payment plans with suppliers. The company does not have the wherewithal to re-pay its legacy suppliers i.e., those providing services connected to CIBC/TD program which ended in fiscal year ended June 30, 2019. It will have to reach settlement accommodation with these suppliers. Of the suppliers critical to its current operations the company has a payment plan with 1) Aeroplan with respect to arrears as at April 2021. The payment plan ended December 2022 when the company satisfied its obligations under the payment plan, and 2) Accord to settle the overdraft facility portion of the loan payable by July 2024. This payment plan commenced October 2021 and as of date hereof it is current with its payment obligations.

Cash balances at the end of periods reflect cash (used) by operations [(loss) after adjustment for non-cash expenses – see above tabulation], payments of accounts payable, collection of transaction credits, deployment of advances with merchants, raise of funds by way of 9% 2025 debentures and 12% debentures, and usage for general corporate purposes.

The company's operations are funded by debt – loan payable,9% 2025 debentures and 12% debentures (Sections Loan Payable, 9% Non-Convertible Debentures Payable, 12% Non-Convertible Debentures Payable). The company's future success is dependent on financial stability in order to retain its existing relationships with Aeroplan, Accord and holders of 9% 2025 debentures (Section Economic Dependence), and access to additional working capital in the form of debt and or equity.

The capital the company raised in Fiscal 2022 and Fiscal 2023 was used to stabilize its financial position, fund its MCA business and for general corporate purposes. However, the pace at which it was able to expand its MCA portfolio was dependent on the return of merchant business confidence and the availability of funds – after use to stabilize its financial position and for general corporate purposes - from the money raised in Fiscal 2022 and Fiscal 2023 to expand MCA portfolio. The return of merchant business confidence and the company's ability to raise growth capital are matters of uncertainty given the prevailing economic environment. The growth of company's MCA portfolio from level at June 30, 2023 is essential to bring financial stability.

At the end of June 2023, the company is in need of capital to maintain its current MCA program activity level, to continue to re-build its MCA program to pre pandemic level, and continue operations.

As of June, 2023 the company does not have any off-balance sheet financing arrangements.

Going Concern

The consolidated financial statements for years ended June 30, 2023 and June 30, 2022 ("CFS") have been prepared in accordance with accounting principles applicable to a going concern, which contemplates that the company will be able to realize its assets and settle its liabilities as they come due during the normal course of operations for the foreseeable future. When a company is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, the entity is required to disclose those uncertainties.

The company has a shareholders' deficiency of $12,710,221 and negative working capital of $3,574,286 as at June 30, 2023. During the year ended June 30, 2022 the company closed two financings (note 6 to CFS), $1.0 million in September 2021 and $150,000 in March 2022. In January 2023 the company closed a financing of $600,000 (note 6) followed by a financing in April 2023 of $400,000 (note 7 to CFS). The continuing negative effects of the pandemic, and the prevailing inflationary and increasing interest rate environment have created a more highly uncertain economic environment. More so for small independent businesses operating in the hospitality segment, especially restaurants. The company's customers are primarily small independent restaurants. Consequently, there is uncertainty surrounding the company's ability in the foreseeable future to generate cash flows sufficient to meet its operational needs and meet its obligations on due dates. Failure to meet obligations on due dates may lead to company being unable to continue operations due to: denial by suppliers of products and services; loss of access to a) loan payable (note 5 to CFS) which supports the company's merchant cash advance program, and b) general working capital provided by 9% 2025 debentures (note 6 to CFS) and 12% debentures (note 7 to CFS); and inability to access alternative economically viable sources to replace existing capital. These material uncertainties cast significant doubt on the company's ability to continue as a going concern.

These consolidated financial statements do not include any adjustments or disclosures that may result from the company's ability to continue as a going concern. If the going concern assumption were not appropriate for these consolidated financial statements, adjustments may be necessary in the carrying values of assets and liabilities and the reported expenses and balance sheet classifications; and such adjustments could be material.

Contractual Obligations

Contractual obligations as at June 30, 2023 were due as follow:

		Total	Less than 1 year	1 to 3 years	4 to 5 years
		$	$	$	$
Loan payable		$ 5,992,287	$ 5,992,287	$ -	$ -
9% debentures		7,759,000	-	7,759,000	-
12% debentures		400,000	-	400,000	-
Canada Emergency Business Account		60,000	-	60,000	-
		$ 14,211,287	**$ 5,992,287**	**$ 8,219,000**	**$ -**

In addition,

1. there is a contractual obligation to holders of 9% 2025 payable for interest of: a) $1,150,383 payable for the period December 16, 2018 to March 14, 2021, as holders of 9% 2025 debentures b) $3,906,665 for the period March 15, 2021 to December 31, 2025 as holders of 9% 2025 debentures, and c) interest on interest of $715,835. The company also has a liability of restructuring bonus for $1,396,620 to the holders of the 9% 2025 debentures payable on maturity. The features of 9% 2025 debentures are described in Section 9% Non- Convertible Debentures Payable;
2. there is a contractual obligation to holders of 12% debentures payable for interest of $118,882.

Loan Payable

The loan payable is a line of credit facility provided by Accord Financial Inc. ("Accord") and was established in December 2007.

The loan payable has a limit of $8.5 million and is only available to the company for acquisition of transaction credits under its MCA and Aeroplan programs. As security, Accord has first charge to all amounts due from establishments funded from the loan payable.

Due to the pandemic restrictions and their impact on the company's business, Accord allowed the company to defer payment of interest from March 2020 to June 2020. Subsequent to June 30, 2020, Accord provided the company an overdraft facility of $460,000. This facility was increased by $75,000 in June 2022, to be paid back by middle of September 2022 and the company repaid the $75,000 by due date. This is a general working capital facility and is a carve-out from the loan payable limit of $8.5 million. The interest rate is similar to the loan payable. As of June 30, 2023, the company has utilized $325,540 from this overdraft facility (June 30, 2022 $492,750).

In September 2021 the company and Accord agreed to: 1) extend the term of their agreement, which was due to end in December 2021, to June 30, 2022, 2) amend, effective September 1, 2021, the interest rate to the prime rate of a certain Canadian bank plus 8.80% from prime rate of a certain Canadian bank plus 9.05%, and 3) the overdraft facility would be repayable by the company in equal monthly instalments between January 2022 and June 2022.

In December 2021 Accord deferred the start of the re-payment of the overdraft facility to April 1, 2022.

In March 2022 the company and Accord agreed to: 1) extend the term of their agreement, which was due to end June 30, 2022, to July 31, 2024, and 2) a payment plan for the company to re-pay the overdraft facility by July 31, 2024. The agreement is subject to automatic renewal after July 31, 2024 for periods of one year unless terminated by either party by giving 180 days written notice prior to end of the term.

Accord funds 90% of each dollar of transaction credits acquired by the company and the company funds 10%. The company is responsible for all delinquencies on amounts due from establishments funded from the loan payable.

The loan payable is repayable on demand to Accord pursuant to an event of default defined in the agreement.

The company had utilized $6.0 million (which includes the amount due under the overdraft facility) of the loan payable at June 30, 2023 (at June 30, 2022 $4.0 million which includes the amount due under the overdraft facility).

In August 2023 Accord amended effective September 1, 2023 interest rate on loan payable. The amended interest rate is the prime rate of a certain Canadian bank plus 8.0%.

9% Non-Convertible Debentures Payable

The company received agreement of the 9% debentures holders to extend their maturity date from December 31, 2021 to December 31, 2025. The 9% debentures were issued as 5,759 units (5,559 units in December 2017 and 200 units in October 2019) consisting of principal amount of $5,759,000 and 623,377,196 common shares of the company. Effective March 15, 2021 the 9% debentures were replaced by 9% 2025 debentures on a dollar-for-dollar basis with respect to the principal amount, restructuring bonus, and interest rate as such terms are defined in the 9% debentures.

The company closed a $250,000 financing on March 15, 2021 by way of senior secured non-convertible debentures ("9% 2025 debentures"). The 9% 2025 debentures were issued on the same terms and rank pari passu with existing 9% Non-convertible debentures payable ("9% debentures") bearing interest at 9% per annum and maturing on December 31, 2025. The financing was a related party transaction.

The unpaid interest from December 16, 2018 until March 14, 2021 on the 9% debentures together with interest on interest are due on maturity of 9% 2025 debentures. An additional feature of the 9% 2025 debentures is that the first-year interest is deferred and is payable in eight equal instalments, with each instalment being added to each semi-annual interest payment payable after the first year through December 31, 2025, and the interest on interest will be added in the final interest payment.

On September 7, 2021 the company issued 9% 2025 debentures for gross proceeds of $1.0 million. The financing was a related party transaction (see Section Related Party Transactions in this document). In September 2021, the purchasers of 9% 2025 debentures - $250,000 in March 2021 and $1.0 million in September 2021 - received common shares. The common shares were determined to have nil value.

On March 24, 2022 the company issued 9% 2025 debentures for gross proceeds of $150,000. The financing was a related party transaction (see Section Related Party Transactions in this document). In March 2022, the purchasers of 9% 2025 debenture received common shares as part of the transaction. The common shares were determined to have nil value.

On January 5, 2023, the company issued 9% 2025 debentures for gross proceeds of $600,000. The financing was a related party transaction (see Section Related Party Transactions in this document). In January 2023, the purchasers of 9% 2025 debenture received common shares as part of the transaction. The common shares were determined to have nil value.

The 9% 2025 debentures are secured by a general security interest over the assets of the company and its subsidiaries. The 9% 2025 debentures require the company to meet financial covenants. The company was in compliance with financial covenants at September 30, 2021, September 30, 2022, June 30, 2022, December 31, 2022, and March 31, 2023. On June 26, 2022 the company received waiver of the events of default with respect to financial covenants at December 31, 2021 and March 31, 2022. In addition, the company received agreement of the debenture holders to defer the payment of interest payable September 15, 2022, and re-set financial covenants for quarters ended June 30, 2022 until June 30, 2023. On March 14, 2023, the company received agreement of the debenture holders to defer the payment of interest payable March 15, 2023, and for it to be payable in six equal instalments, with each instalment being added to the interest payments due on September 15, 2023, March 15, 2024, September 15, 2024, March 15, 2025, September 15, 2025, and December 31, 2025. On June 26, 2023 the company received agreement of the debenture holders to re-set the financial covenants at June 30, 2023 and September 30, 2023. The company was in compliance with the re-set financial covenants at June 30, 2023.

If the company were to breach a financial covenant or were unable to pay its debts as they came due, it would be in default under the 9% 2025 debentures agreement and, as a result, the 9% 2025 debentures holders would have the right to waive the event of default, demand immediate payment of the 9% 2025 debentures in full or modify the terms and conditions of the 9% 2025 debentures including key terms such as repayment terms, interest rates and security. If the company is unable to secure alternative financing to repay the 9% 2025 debentures in the event that the debenture holders demand immediate payment, the 9% 2025 debentures holders would have the right to realize upon a part or all of the security held by them.

The 9% 2025 debentures are stated on the statement of financial position at fair value of debentures plus primarily the accretion charges and accrued and unpaid interest.

The principal amount of the 9% 2025 debentures at June 30, 2023 is $7,759,000 (June 30, 2022 $7,159,000).

12% Non-Convertible Debentures Payable

In January 2023 the company issued 400 units of 12% non-convertible debentures payable ("12% debentures") as a debt instrument.

The 12% debentures bear interest at 12% per annum payable semi-annually, mature October 10, 2025, and rank pari passu on security with the 9% 2025 debentures. There was no issuance of common shares of the company to the purchaser of 12% debentures. This transaction was with a non-related party which is at arm's length with the company. The company secured the requisite approval of 9% 2025 debentures to issue the 12% debentures.

Selected Annual and Quarterly Information

The following financial data has been derived from the company's annual audited consolidated financial statements for the past three fiscal years ended June 30, 2023, June 30, 2022, and June 30, 2021 ("Fiscal 2021").

(In millions of dollars except per share amounts)			
	Fiscal 2023	Fiscal 2022	Fiscal 2021
	$	$	$
Revenues	2.1	1.7	1.2
Net (loss)	(2.5)	(2.7)	(2.1)
Loss per share - Basic and Diluted *	(0.01)	(0.01)	(0.01)
Total assets	6.1	3.5	1.9
Current liabilities	9.6	6.9	5.3
Long-term liabilities	9.1	7.0	4.7
No cash dividend declared per common share			
* Share consolidated Fiscal 2022. To bring comparability assumed share consolidation completed July 1, 2020, start of Fiscal 2021			

Working capital represented by current assets less current liabilities as at June 30 for the past three fiscal years was:

	Fiscal 2023	Fiscal 2022	Fiscal 2021
		$	$
Working capital	(3,574,286)	(3,388,005)	(3,304,473)

Composition of total assets is tabulated:

Composition of total assets is tabulated			
	Fiscal 2023	Fiscal 2022	Fiscal 2021
		$	$
Cash and cash equivalents	340,000	93,000	83,000
Accounts receivable	85,000	83,000	93,000
Transaction credits	5,642,000	3,312,000	1,727,000
Prepaid expenses and sundry assets	1,000	42,000	44,000
	6,068,000	3,530,000	1,947,000

Transaction credits are the significant asset – 93.0% Fiscal 2023; 93.8% Fiscal 2022; and 88.7% Fiscal 2021.

The transactions credits are stated net of provision for delinquent accounts.

Fiscal 2023. Fiscal 2023 – Reflects continuation of process, commenced in Fiscal 2022, at an accelerated rate to rebuild MCA program facilitated by additional infusion of capital ($1,000,000 in January 2023).

Fiscal 2022. Coinciding with the gradual easing of Covid-19 pandemic public health restrictions during Fiscal 2022 and the capital raise of $1.150 m ($1.0 million in September 2021 and $150,000 in March 2022) the company started to re-build its MCA portfolio. This is reflected as transaction credits, net of provision for delinquent accounts, of $3,312,268 as at June 30, 2022 and is the reason for the increase in transaction credits.

Fiscal 2021. The decrease in transaction credits vs. Fiscal 2020 is an outcome of covid-19 pandemic. Although during March 2021 the company started to deploy a part of the proceeds raised in March 2021 as working capital advances to select merchants the amounts were not significant. Throughout Fiscal 2021 and during the fourth quarter of Fiscal 2020 the company did not give any significant additional working capital advances to merchants - both on account of its diminished working capital availability and the credit environment – leading to reduction in transaction credits.

The company's transaction credits are funded by its loan payable, 9% 2025 debentures, and from Fiscal 2023 12% debentures. Loan payable carries a first charge against the merchant transaction credits funded by its proceeds. The 9% 2025 debentures and 12% debentures have a general security agreement over the assets of the company and its subsidiaries. Additional details are available under Sections Loan payable, 9% Non-Convertible Debentures Payable and 12% Non-Convertible Debentures Payable in this document.

Please refer to the Section Results of Operations in this document for an analysis of Fiscal 2023 and Fiscal 2022.

Fiscal 2022 compared to Fiscal 2021

The results for Fiscal 2022 and Fiscal 2021 were:

		Fiscal 2022	Fiscal 2021
Net (loss) and Comprehensive (loss)		$ (2,707,838)	$ (2,927,396)

Operational highlights of Fiscal 2022 compared to Fiscal 2021 (in millions of dollars):

	Revenues	Gross profit	SG&A	(Loss) from operations before depreciation, amortization and interest	Stated and Non cash interest	Net profit/(loss)
	$	$	$	$	$	$
Fiscal 2022	1.7	1.0	1.7	(0.7)	2.0	(2.7)
Fiscal 2021	1.2	0.9	1.3	(0.4)	1.7	(2.1)

Income Statement – Fiscal 2022 compared to Fiscal 2021

Revenues. Both Fiscal 2022 and Fiscal 2021 reflect impact of Covid-19. In addition, Fiscal 2022 reflects gradual re-build of the MCA program after capital raise in September 2021 and March 2022, and gradual re-development of the Aeroplan program. The 41.5% increase of $509,817 in revenues to $1,739,697 reflects improvement of 56.6% in MCA program revenues of $422,217 and the 18.1% increase of $87,600 in Aeroplan program revenues.

Gross profit. Fiscal 2022 reflects a higher expense for provision for delinquencies against MCA program transaction credits (Fiscal 2022 $318,000 vs Fiscal 2021 $67,500). An outcome of Covid-19. This was the primary reason for compression of company's gross margin (Fiscal 2022 57.4% vs Fiscal 2021 70.0%) and consequently the 15.9% increase of $136,658 in Fiscal 2022 gross profit to $997,888. Increase of 25.7% in Fiscal 2022 MCA program gross profit of $172,374 to $842,672 reflects increase in revenues partially offset by increase in direct costs. Aeroplan program gross profit was lower 18.7% lower ($35,716) at $155,216 reflecting the increase in revenues offset by decline in gross margin (Fiscal 2022 27.1% vs Fiscal 2021 39.4%).

Selling expenses were $72,974 higher, an increase of 14.7% to $569,827 compared to Fiscal 2021. In both Fiscal years to offset some of the financial impact of Covid-19, since April 1, 2020, sales staff are receiving 85% of their pre pandemic remuneration. Web marketing of website promoting MCA program cost the company $31,275 in Fiscal 2022 (Fiscal 2021 $nil), and Fiscal 2021 reflects more temporary layoffs of sales staff.

General & Administrative ("G&A"). In both periods the administration staff including management, since April 1, 2020, are receiving 85% of their pre pandemic remuneration. G&A reflects federal wage and rent subsidies for Fiscal 2022 of $152,033 vs Fiscal 2021 $548,021. In addition, the company in partnership with its landlord availed federal rent relief since the start of the program until its termination in September 30, 2020. Controlling for the federal subsidies and other one-time adjustments, the underlying G&A was $69,329 lower in Fiscal 2022 (Fiscal 2022 $1,267,583 vs Fiscal 2021 $1,336,912). The reported G&A, which reflects federal subsidies and other one-time adjustments, for Fiscal 2022 was $1,080,487 vs Fiscal 2021 $788,891, and increase of $291,596.

Loss from operations before depreciation, amortization and interest. The above are reflected in Fiscal 2022 loss from operations before depreciation, amortization and interest of $652,426 vs $424,514 for Fiscal 2021.

The stated interest cost comprised:

> interest paid on the line of credit provided by Accord which was $120,975 higher in Fiscal 2022 (Fiscal 2022 $476,961 vs Fiscal 2021 $355,986). The interest rate from September 2021 is 8.80% (9.05% until August 2021) + prime rate of a certain Canadian Bank. The increase in interest cost reflects higher activity level in Fiscal 2022 on the MCA program leading to higher utilization of the line of credit with the lower interest rate from September 2021 offset by the increase in prime rates since March 2022
> interest payable to 9% 2025 debentures. The increase in Fiscal 2022 cost of $218,845 (Fiscal 2022 $773,733 vs Fiscal 2021 $554,888) reflects the higher principal outstanding during Fiscal 2022 consequent to the capital raise in September 2021 and March 2022, full year impact of capital raise in March 2021, and interest payable on unpaid interest and deferred interest. Fiscal 2021 reflects increase in principal outstanding from capital raise in March 2021 and interest payable on unpaid interest. The interest in Fiscal 2022 and Fiscal 2021 was not paid. The holders of 9% 2025 debentures agreed to defer the interest payments.

The non-cash interest on 9% 2025 debentures – comprising accretion charges arising on the attribution of fair value to debentures between debt and equity, restructuring bonus and amortization of transaction costs – are $154,160 higher in Fiscal 2022 (Fiscal $798,958 vs Fiscal 2021 $644,798) reflecting the amendment of terms in March 2021 and capital raises of March 2021, September 2021, and March 2022. Other non-cash expenses, an outcome of accounting for the head office lease, were $106,021 lower in Fiscal 2022 (Fiscal 2022 $5,760 vs Fiscal 2021 $111,781) primarily reflecting complete write-off of right of use asset ($53,072) in Fiscal 2021.

The above factors are reflected in a higher net loss. Fiscal 2022 $2,707,838 vs Fiscal 2021 $2,091,967.

Balance Sheet – Fiscal 2022 compared to Fiscal 2021

Transaction credits, which represent balance due of working capital advanced to merchants, net of provision for delinquent accounts, are about 93.8% of total assets at June 30, 2022 compared to 88.7% at June 30, 2021. Transaction credits, net of provision for delinquent accounts, at June 30, 2022 is $1,585,605 higher vs June 30, 2021. Coinciding with the gradual easing of Covid-19 pandemic public health restrictions during Fiscal 2022 and the capital raise of $1.150 m ($1.0 m in September 2021 and $150 k in March 2022) the company started to re-build its MCA portfolio. This is reflected as transaction credits, net of provision for delinquent accounts, of $3,312,268 as at June 30, 2022. Coinciding with the commencement of Covid-19 driven public health restrictions in March 2020 the company's merchants – many of whom operate in the non-essential sectors – were either mandated by the law to close operations or operate with restrictions. While the company reduced the collections from merchants so as not to stress the merchants' cash flows it also did not give significant additional advances – both on account of diminished working capital availability and the credit environment. Furthermore, the Covid-19 pandemic called for additional reserves for potential delinquencies. These factors led to decline in transaction credits, net of provision for delinquent accounts, standing at $1,726,663 at June 30, 2021. The provision for delinquent transaction credits at June 30, 2022 amounts to $1,379,853 vs $1,061,295 at June 30, 2021.

Loan payable of $4,019,685 at June 30, 2022 was $1,632,246 higher compared to $2,387,439 at June 30, 2021. The loan payable is used exclusively to fund transaction credits deployed with merchants. The company funds 10% of each dollar of transaction credit and the loan payable funds the balance 90%. The company back-stops all delinquencies. To support the company during Covid-19 pandemic Accord provided company with a working capital overdraft. The loan payable balance at June 30, 2022 and June 30, 2021 includes amounts payable under the working capital overdraft provided by Accord (Fiscal 2022 $493,000 vs Fiscal 2021 $454,000). The loan payable balance at June 30, 2022 and June 30, 2021 (net of working capital overdraft) reflects the change in transaction credits (grossed up for provision for delinquent accounts over and above actual delinquent accounts) at the end of the two periods. Section Loan Payable.

The 9% debenture at June 30, 2022 reflects the additional $1.0 million and $150,000 issued in September 2021 and March 2022 and the attribution of fair value to debt and equity arising from the two issuances. Principal balance of 9% 2025 debentures payable at June 30, 2022 $7,159,000, debt portion on statement of financial position $6,953,878. The 9% debenture at June 30, 2021 reflects the additional $250,000 issued in March 2021 and the attribution of fair value to debt and equity arising from this issuance and extension in March 2021 of maturity date of 9% non-convertible debentures payable from December 31, 2021 to December 31, 2025. Principal balance of 9% 2025 debentures payable at June 30, 2021 $6,009,000, debt portion on statement of financial position $4,694,885. The debt portion at the end of the two fiscal periods reflects accrued and unpaid interest. The company does not have the ability to pay the interest. Section 9% non-convertible debentures payable.

Cash and Working capital movement during Fiscal 2022 vs 2021

- Extracts from the Statement of Cash Flow

	Fiscal 2022	Fiscal 2021	Change
	$	$	$
Net (loss)	$ (2,707,838)	$ (2,091,967)	$ (615,871)
Adjustments for non cash expenses	1,578,451	1,311,467	266,984
(Loss) after adjustments for non cash expenses	$ (1,129,387)	$ (780,500)	$ (348,887)
Changes in working capital	(1,478,993)	2,604,570	(4,083,563)
Net cash generated from/(used in) financing activities	2,618,959	(1,908,065)	4,527,024
Net cash generated from/(used in) operations	$ 10,579	$ (83,995)	$ 94,574
Increase/(Decrease) in cash	10,579	(83,995)	$ 94,574
Cash at start of year	$ 82,606	$ 166,601	$ (83,995)
Cash at end of year	$ 93,185	$ 82,606	$ 10,579

Adjustments for non-cash expenses. A significant item for Fiscal 2022 and Fiscal 2021 is accrued and unpaid interest on 9% 2025 debentures (Fiscal 2022 $773,733 vs. Fiscal 2021 $554,888). Furthermore, Fiscal 2022 charges for Accretion and Restructuring bonus respecting 9% 2025 debentures are $783,515 (Fiscal 2021 $631,491).

Changes in working capital. Transaction credits, accounts receivable, accounts payable and accrued liabilities and other working capital items. The significant item during both fiscal periods is transaction credits – Fiscal 2022 increase of $1,585,605 vs Fiscal 2021 decrease of $2,197,254. Coinciding with the gradual easing of Covid-19 pandemic public health restrictions during Fiscal 2022 and the capital raise of $1.150 m ($1.0 m in September 2021 and $150 k in March 2022) the company started to re-build its MCA portfolio. This is reflected as transaction credits, net of provision for delinquent accounts, of $3,312,268 as at June 30, 2022 and is the reason for the increase in transaction credits. During Fiscal 2021 – a period of heightened public health restrictions - while the company reduced the collections from merchants so as not to stress the merchants' cash flows it also did not give significant additional advances – both on account of diminished working capital availability and the credit environment leading to reduction, net of provision for delinquent accounts, in transaction credits. The provision for delinquent transaction credits at June 30, 2022 amounts to $1,379,853 vs $1,061,295 at June 30, 2021.

From time to time the company enters into payment plans to settle its amounts due. The company has arrears with respect to amounts due to Aeroplan. The company primarily fell into arrears on account of Covid-19. A payment plan was established in April 2021, and it ends in December 2022. As of date hereof the company is current with the payment plan obligations.

Financing activities. During Fiscal 2022 the primary change was: a) the increase of $1,632,246 in loan payable which is primarily due to above noted increase in transaction credits, and b) raise of gross proceeds of $1,150,000 through issuance of 9% 2025 debentures in September 2021 and March 2022. Furthermore, the loan payable balance during Fiscal 2022 also includes amounts payable under the working capital overdraft provided by Accord to support the company during the Covid-19 pandemic (June 30, 2022 $493,000). During Fiscal 2021 the primary change was: a) the decrease of $1,981,567 in loan payable which is primarily due to above noted decrease in transaction credits, and b) raise of gross proceeds of $250,000 through issuance of 9% 2025 debentures in March 2021. Furthermore, the loan payable balance during Fiscal 2021 includes amounts payable under the working capital overdraft provided by Accord to support the company during the Covid-19 pandemic (June 30, 2021 $454,000).

Investing activities. The company is frugal with capital expenditures given its financial situation. The company plans to continue a gradual move of its entire IT infrastructure into the cloud. The company does not expect significant capital expenditures in the next twelve months.

The presentations in Results of Operations section are not set out in accordance with International Financial Reporting Standards ("IFRS"). The presentations are extracts from the audited consolidated financial *statements for the fiscal year ended June 30, 2022, and have been included to provide additional analysis for the reader.*

Summary of Quarterly Results

In millions of dollars, except per share amounts						
Fiscal 2023						
		Q1	Q2	Q3	Q4	Total
		Sep 30, 2022	Dec 31, 2022	Mar 31, 2023	Jun 30, 2023	
		$	$	$	$	$
Revenues		0.6	0.4	0.5	0.6	2.1
% of annual revenues		28.6%	19.0%	23.8%	28.6%	100.0%
Net (loss)		(0.5)	(0.6)	(0.7)	(0.7)	(2.5)
(Loss) per share - Basic and Diluted		-	-	-	-	(0.01)
Fiscal 2022						
		Q1	Q2	Q3	Q4	Total
		Sep 30, 2021	Dec 31, 2021	Mar 31, 2022	Jun 30, 2022	
		$	$	$	$	$
Revenues		0.4	0.4	0.5	0.5	1.8
% of annual revenues		22.2%	22.2%	27.8%	27.8%	100.0%
Net (loss)		(0.5)	(0.7)	(0.6)	(0.9)	(2.7)
(Loss) per share - Basic and Diluted		-	-	-	-	(0.01)

Fiscal 2023 reflects continuation of process to re-build the business following capital raise in January 2023, April 2023 and opening up of the economy post pandemic in the context of uncertainty due to inflation and high interest rates. Fiscal 2022 reflects impact of pandemic and re-build of business following raise of capital in September 2021 and March 2022.

Fourth Quarter of Fiscal 2023 (Q4 F2023) vs. Fourth Quarter of Fiscal 2022 (Q4 F2022)

Overview

While Fiscal 2022 was shaped by gradual re-build of the two programs following the gradual end of public health restrictions and infusion of capital ($1,150,000), year ended June 30, 2023 (“Fiscal 2023”) saw an acceleration in re-build of the two programs. The acceleration with respect to MCA program was facilitated by additional infusion of capital ($1,000,000). Loyalty marketing program benefited from increase in spending on marketing activities by businesses and rebound in travel post pandemic.

Q4 F2023 and Q4 F2022 reflect the trends of Fiscal 2023 and Fiscal 2022.

Q4 F2023. Aeroplan program direct expenses reflect $149,450 write-back of a portion of marketing cost provision created in prior years which is no longer required.

Tabulation of financial performance - Q4 F2023 vs. Q4 F2022

F2023					
		MCA program	Aeroplan program	Corporate	Total
		$	$	$	$
Revenues		416,128	141,994	-	558,122
Direct expenses		114,594	(44,675)	-	69,919
Gross profit		301,534	186,669	-	488,203
Gross margin		72.5%	131.5%		87.5%
Selling & marketing					126,103
General & administrative					330,643
(Loss) from operations before depreciation, amortization and interest					31,456
Stated interest					440,457
Interest - Lease					(3)
Accretion charges, restructuring bonus, amortization of transaction costs					255,441
Net loss					(664,439)

F2022					
		MCA program	Aeroplan program	Corporate	Total
		$	$	$	$
Revenues		379,422	167,679	-	547,101
Direct expenses		318,751	120,081	-	438,832
Gross profit		60,671	47,598	-	108,269
Gross margin		16.0%	28.4%		19.8%
Selling & marketing					153,010
General & administrative					306,733
(Loss) from operations before depreciation, amortization and interest					(351,474)
Stated interest					344,417
Interest - Lease					695
Accretion charges, restructuring bonus, amortization of transaction costs					210,553
Net loss					(907,139)

Capital Resources

The company did not incur material capital expenditures or enter into any material equipment leases during the two periods under review. By the fourth quarter of Fiscal 2023 the company completed move of its entire IT infrastructure into the cloud. The company does not expect significant capital expenditures in the next twelve months.

Critical Accounting Estimates

The preparation of the company's consolidated financial statements, in accordance with IFRS, requires the company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the interim and annual consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

The company's significant accounting policies are disclosed in note 3 to the audited consolidated financial statements for year ended June 30, 2023.

Contingent liabilities

From time to time, the company is party to legal proceedings arising out of the normal course of business. The results of these litigations cannot be predicted with certainty, and management is of the opinion that the outcome of these types of proceedings is generally not determinable. Any loss resulting from these proceedings will be charged to operations in the period the loss is determined.

Going concern

The company assesses the going concern assumption on a quarterly basis. In assessing whether the going concern assumption is appropriate, management considers all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. The company has prepared a financial forecast based on its expectation regarding impact of the pandemic and its interplay with uncertain economic environment in the foreseeable future, market for its programs, its ability to expand its existing MCA and Aeroplan programs, renewal of its agreement with Aeroplan, ability to reach and fulfil settlement accommodation with suppliers, continued access to existing sources of debt, ability to access additional sources of working capital in the form of either debt or equity to stabilize its financial situation and support growth of its core business, the MCA program.

The company's audited consolidated financial statements for year ended June 30, 2023 carry a going concern note (Note 2a). The note is also carried in the Section Working Capital and Liquidity Management in this document.

Financial instruments – fair value

The carrying value of accounts receivable, transaction credits, accounts payable and accrued liabilities, loan payable approximate their fair values due to the short-term maturity of these instruments.

A significant amount of estimation was applied in evaluation of the initial fair value of the 9% 2025 debentures and 12% non-convertible debentures payable. Estimates applied by management in the determination of fair value are reflective of the company's overall cost of equity capital. The key input in the determination of fair value is derived from comparable companies discount rate.

Credit risk

Credit risk is the risk of financial loss to the company if a customer fails to meet its contractual obligations. The company, in the normal course of business, is exposed to credit risk on its accounts receivable and transaction credits from customers.

Transaction credits are net of applicable allowance, which is established based on specific credit risk associated with the customer and other relevant information.

Under the MCA product, the company acquires the rights to receive future cash flows, associated with future business activity, at a discount from participating establishments ("transaction credits"). Under the MCA program the transaction credits are estimated to be fully extinguishable within 365 days. Until these transaction credits have been extinguished through collections from participating merchants there is a credit risk.

The evaluation of collectability of transaction credits is done on an individual customer basis. For specifically identified transaction credit balances that are impaired an expected loss is estimated. The amount of the estimates is determined based on the status of the customer and the company's historical experience on recoveries.

Due to the uncertainties created by pandemic, for period ended June 30, 2022, for the unimpaired transaction credits the company estimated loss based on historical loss rate. Due to the uncertainties created by the inflationary and high interest environment, for period ended December 31, 2022, for the unimpaired transaction credits the company estimated loss based on historical loss rate supplemented by a forecast loss rate. With the economic situation being less uncertain during subsequent period ended June 30, 2023, for unimpaired transaction credits the company estimated loss based on historical loss rate.

The historical loss rate is based on the losses experienced over the seven-year period prior to start of the pandemic, during and post pandemic. Location of the merchant business, past and current payment history, current economic activity levels, are the inputs into the forecast loss ratio.

The company collects its dues through pre-authorized debits. The company's past experience is that recurring rejections of payments by a merchant – unless due to administration or clerical oversight and rapidly rectified - is the likely indication of the merchant not being able to operate, pay the company's dues leading to a credit loss. The risk management processes of the company in determining the expected credit losses review: a) the unimpaired portfolio for merchants with recurring rejections, b) reason(s) for the rejection(s) and the timeline within which satisfactorily resolved, c) location of the merchant and number of years in business, and d) likelihood of continuation of business for the period until the dues are paid to the company.

During year ended June 30, 2022 the pandemic restrictions impacted economic activity. and hence the evaluation of collectability of transaction credits. During year ended June 30, 2023 the inflationary and increasing interest rate environment impacted economic activity. Hence in both years there is some estimation in evaluation of collectability in future periods.

Recoveries are only recorded when objective verifiable evidence supports the change in the original provision.

The maximum exposure to credit risk is the balance, net of provision for impaired accounts, of the transaction credits, and accounts receivable.

The accounts receivable, transaction credits, and the allowance is as follows:

	June 30, 2023	June 30, 2022
	$	$
Transaction credits	$ 7,134,832	$ 4,692,121
Accounts receivable	89,302	87,705
Allowance	(1,497,277)	(1,384,238)
Per Consolidated statement of financial position	**$ 5,726,857**	**$ 3,395,588**
Maximum exposure to credit risk	**$ 5,726,857**	**$ 3,395,588**

The transaction credits that are considered impaired and the related allowance is as follows:

	June 30, 2023	June 30, 2022
	$	$
Impaired transaction credits	$ 1,262,909	$ 1,246,397
Allowance	(1,262,909)	(1,246,397)
Impaired transaction credits not allowed for	**$ -**	**$ -**
The company carries a general allowance towards transaction credits. This allowance is the historical loss ratio	$ 229,984	$ 133,456

Stock Options

The company has a stock option plan for directors, officers, employees and consultants. The stock options are non-assignable, the stock option price is to be fixed by the Board of Directors, term of the stock options may not exceed five years and payment for the optioned shares is required to be made in full on the exercise of the stock options. All stock options are equity settled. The stock options are subject to various vesting provisions, determined by the Board of Directors, ranging from immediately to four years.

The number of employee stock options issuable per the company's stock option plan is 556,285.

There were no stock options outstanding during the years ended June 30, 2023 and 2022.

There was no stock based compensation expense during Fiscal 2023 and Fiscal 2022.

Restricted Share Unit Plan

On December 18, 2017, the Board of Directors ("Board") authorized the creation of a restricted share unit plan (the "RSU Plan"),pursuant to which the Board may grant restricted share units (the "RSUs") to eligible persons where the a) maximum number of common shares of the company which may be made subject to issuance under RSUs granted under the RSU Plan was established, and b) eligible persons are directors, officers, employees and consultants of the company designated by the Board.

On August 26, 2021 at a special meeting of the shareholders the company received approval from its shareholders to increase the maximum number of common shares of the company which may be made subject to issuance under RSUs granted under the RSU Plan.

The maximum number of common shares of the company which may be made subject to issuance under RSUs granted under the RSU Plan is 13,733,333.

The company has not granted any RSUs under the RSU plan as at June 30, 2023 and 2022.

Outstanding Share Data

<u>Issued and outstanding common shares</u>

	Number of shares	$
No par value. At June 30, 2022	**253,392,507**	**$ 24,526,740**
No par value. Issuance in January 2023	12,000,000	-
Adjustment to opening balance following clean up post share consolidation of May 22	(2,417)	-
No par value. At June 30, 2023	**265,390,090**	**$ 24,526,740**

In January 2023 the company issued common shares to purchasers of 9% 2025 debentures. Details provided in Section Related Party Transactions.

Potentially Dilutive Securities

As of date hereof, there are no potentially dilutive securities exercisable into common shares of the company.

Related Party Transactions

9% 2025 debentures

Related parties were issued units of 9% debentures on terms and conditions applicable to other recipients of 9% debentures. Effective March 15, 2021 the 9% debentures held by all debenture holders were replaced by 9% 2025 debentures on a dollar-for-dollar basis with respect to the principal amount, restructuring bonus, and interest rate as such terms are defined in the 9% debentures.

On March 15, 2021, the company closed a $250,000 financing by way of 9% 2025 debentures. Through managed accounts and principals, related parties Generation IACP Inc. and Generation PMCA Corp. purchased $200,000, and Kelly Ambrose, the company's President and Chief Executive Officer and a director purchased $50,000 of the 9% 2025 debentures.

On September 7, 2021, the company closed a $1.0 million financing by way of 9% 2025 debentures. Through managed accounts and principals, related parties Generation IACP Inc. and Generation PMCA Corp. purchased $975,000, and Kelly Ambrose, the company's President and Chief Executive Officer and a director purchased $25,000 of the 9% 2025 debentures.

On March 24, 2022, the company closed a $150,000 financing by way of 9% 2025 debentures. Related parties, principals of Generation IACP Inc. and Generation PMCA Corp. purchased $150,000 of the 9% 2025 debentures.

On January 5, 2023, the company closed a $600,000 financing by way of 9% 2025 debentures. Related parties, principals of Generation IACP Inc. and Generation PMCA Corp., purchased $600,000 of the 9% 2025 debentures.

9% debentures and 9% 2025 debentures are described in Section 9% Non-Convertible Debentures Payable.

Common shares

On September 7, 2021 the company issued common shares. The common shares disclosed hereunder reflect conversion at consolidation ratio used in the share consolidation completed in June 2022.

a. For purchase of $200,000 and $975,000 9% 2025 debentures on March 15, 2021 and September 7, 2021 respectively the company issued 175,270,833 common shares to managed accounts and principals of Generation IACP Inc. and Generation PMCA Corp. For purchase of $50,000 and $25,000 9% 2025 debentures on March 15, 2021 and September 7, 2021 respectively the company issued 11,187,500 common shares to Kelly Ambrose the company's President and Chief Executive Officer;

b. Kelly Ambrose, the company's President and Chief Executive Officer was issued 10,833,333 common shares as a retention bonus and 219,621 common shares in lieu of a portion of vacation pay due to him; and

c. Mukesh Sabharwal, the company's Vice President and Chief Financial Officer was issued 4,166,667 common shares as a retention bonus and 114,312 common shares in lieu of a portion of vacation pay due to him.

On March 24, 2022 for purchase of $150,000 9% 2025 debentures the company issued 22,375,000 common shares to the principals of Generation IACP Inc. and Generation PMCA Corp.

On January 5, 2023 for purchase of $600,000 9% 2025 debentures the company issued 12,000,000 common shares to the principals of Generation IACP Inc. and Generation PMCA Corp.

The holdings of 9% 2025 debentures and common shares by related parties are summarized below:

	June 30, 2023		June 30, 2022	
	9% 2025 debentures	Common shares	9% 2025 debentures	Common shares
Director, Chief Executive Officer - K. Ambrose	$ 575,000	25,424,582	$ 575,000	25,424,582
Director - M. Lavine	500,000	2,450,494	500,000	2,450,494
Director - D. Moscovitz	9,000	38,966	9,000	38,966
Chief Financial Officer - M. Sabharwal	115,000	5,197,599	115,000	5,197,599
R. Abramson, GIACP, GPMCA (a)	3,464,680	156,505,045	3,543,650	158,137,414
Herbert Abramson (b)	731,000	54,864,527	431,000	48,864,527
	$ 5,394,680	244,481,213	$ 5,173,650	240,113,582
Total issued and outstanding 9% 2025 debentures and common shares	$ 7,759,000	265,390,090	$ 7,159,000	253,392,507
% held by parties in tabulation	69.5%	92.1%	72.3%	94.8%

(a) Randall Abramson ("R. Abramson"), along with Generation IACP Inc. ("GIACP") and Generation PMCA Corp. ("GPMCA") in their capacity as portfolio managers on behalf of their respective fully managed accounts, beneficially own (directly or indirectly) or exercise control or direction over, in aggregate, the above securities of the company. R. Abramson indirectly controls both GIACP and GPMCA and is a portfolio manager of both firms

(b) Herbert Abramson, Chairman and a portfolio manager of both GIACP and GPMCA, beneficially owns the securities of the company

Economic Dependence

The company has two business units. Its core business is MCA program and the secondary business is operating as a re-seller of aeroplan points as part of Aeroplan program.

While both programs are dependent on the continuity of the support of the 9% 2025 debentures and 12% debentures which are the source of general working capital, the MCA program is dependent on the support of asset-based lenders, such as Accord, which provide the financing enabling the company to fund up to 90% of each $ of merchant cash advance.

The 9% 2025 debentures are secured by a general security interest over the assets of the company and its subsidiaries. The 9% 2025 debentures mature December 31, 2025. If the company were to breach a financial covenant or were unable to pay its debts as they came due, it would be in default under the 9% 2025 debentures agreement and, as a result, the 9% 2025 debentures holders would have the right to waive the event of default, demand immediate payment of the 9% 2025 debentures in full or modify the terms and conditions of the 9% 2025 debentures including key terms such as repayment terms, interest rates and security. If the company is unable to secure alternative financing to repay the 9% 2025 debentures, the 9% 2025 debentures holders would have the right to realize upon a part or all of the security held by them. In March 2023 the company received agreement of the debenture holders to defer the payment of interest due in March 2023. In June 2023 the company received agreement of the debenture holders to re-set the financial covenants. In September 2023 the company received agreement of the debenture holders to defer the payment of interest due in September 2023. The company has a 20-year relationship with the principal holders of the 9% 2025 debentures and the principal holders invested $1,925,000 through 9% 2025 debentures in the company since March 2021. The most recent investment was of $600,000 in January 2023. Section Related Party Transactions.

The 12% debentures were issued in April 2023 and mature 10, 2025. The 12% debentures rank pari passu on security with the 9% 2025 debentures. This is a new partnership.

In March 2022 the company and Accord agreed to: 1) extend the term of their loan payable agreement, which was due to end June 30, 2022, to July 31, 2024, and 2) a payment plan for the company to re-pay the general working capital overdraft facility – provided to enable the company to cope with the adverse impacts of Covid-19 - by July 31, 2024. The agreement is subject to automatic renewal after July 31, 2024 for periods of one year unless terminated by either party by giving 180 days written notice prior to end of the term. The loan payable is repayable on demand to Accord pursuant to an event of default defined in the agreement. The company's a partnership with Accord is since 2007.

The Aeroplan program is dependent on agreement with Aeroplan. The original five-year term of the agreement ended April 30, 2019, had been through several extensions and in September 2023 was renewed for a five-year term ending August 31, 2028. The agreement can be terminated by Aeroplan under certain circumstances, one of which is if the company is in arrears on its payment obligations to Aeroplan. As of date hereof the company is current on its payment obligations. The agreement can be terminated by AC under certain conditions during its term. The company's partnership with Aeroplan is from 2010.

General Risks and Uncertainties

The company has a going concern issue as explained in Section Working Capital and Liquidity Management in this document.

As explained in the Section Economic Dependence the company's operations are funded by debt – loan payable and 9% 2025 debentures, 12% debentures (Sections Loan Payable, 9% Non-Convertible Debentures Payable, and 12% Non-Convertible Debentures Payable). The loan payable agreement term ends July 31, 2024. The 9% 2025 debentures mature December 31, 2025. The 12% debentures mature October 10, 2024. The company's secondary business of re-seller of aeroplan points depends on its agreement with Aeroplan. The risks connected to the continuity of the three sources of debt and agreement with Aeroplan are explained in Section Economic Dependence.

The pandemic created additional uncertainty to the company's business continuity. The uncertainty stems from unknown duration and quantum of the aftereffects of the pandemic – which currently are manifesting in inflationary and rising interest rate environment - on the economy in general, and the company and company's merchants in particular. This may adversely affect the company's: collection of accounts receivable and transaction credits; revenues, cash flows and liquidity; ability to meet obligations on due dates; ability to retain relationships with Accord, holders of 9% 2025 debentures; 12% debentures; renew agreement with Aeroplan; ability to attract growth capital in the form of either debt or equity; and continuity as a going concern.

To continue its current operations and fund growth, the company requires continued access to its existing levels of debt and obtain access to additional working capital in the form of debt and or equity.

The company needs to fund growth of MCA program beyond where the MCA portfolio is as of the date hereof. The MCA portfolio works on a co-funding formula which requires the company to fund 10% of each $ of merchant cash advance and a loan payable facility to fund the balance. However, for access to a loan payable facility in excess of the current $8.5 million provided by Accord the company needs to put in higher % as cofund. The company has limited ability to fund and consequently retain the MCA portfolio at June 30, 2023, 2023 levels using the current Accord loan payable facility. The retention of June 30, 2023 level of MCA portfolio and thereafter growth of MCA portfolio is essential to the company being able to initially break-even and then generate surplus cash from its operating activities and move towards financial stability and being able to meet its obligations to 9% 2025 debenture holders, 12% debentures and other critical suppliers. General market conditions; the financial status of the company in terms of its profitability, cash flows and strength of its consolidated balance sheet, general security interest held by 9% 2025 debentures over the assets of the company and its subsidiaries may eliminate or limit access to existing sources of debt, and / or may limit access to additional financing and / or alternative funding to replace existing debt, or the terms of accessible debt may be uneconomic and this could materially and adversely affect the company.

The loan payable facility limit is $8.5 million and as at June 30, 2023 the company has utilized $6.0 million. This limitation would be an impediment to growth of MCA program unless the limit is increased by Accord and or the company can secure an additional source at economic terms and conditions.

If the company is not successful in raising additional debt financing and or equity, its ability to retain and expand its MCA program and increase revenue may be impeded, resulting in reduced growth in cash flows from operations. This could affect the company's liquidity and working capital position, and ability to continue as a going concern.

The company has certain business risks linked to the collection of its transaction credits. Under the MCA program the company acquires the rights to cash flow, from future business activity, at a discount from participating merchants ("transaction credits" on consolidated statement of financial position). The majority of the transaction credits are estimated to be fully extinguishable within 365 days. Until these transaction credits have been extinguished through collections from participating merchants there is a credit risk. The evaluation of collectability of transaction credits requires making assumptions and estimates which are explained under Credit risk in Section Critical Accounting Estimates. Actual results could differ materially from the estimates. Adverse recovery outcome could have a material effect on the company's cash flows, its credit environment, its attractiveness as a borrower and its ability to access existing or additional or alternative debt or debt at economic terms and this could materially and adversely affect the company.

The company's activities are funded by three sources of debt. The 9% 2025 debentures and 12% debentures have a fixed interest rate, and loan payable which carries a floating interest rate. While the company is not exposed to interest rate risk on account of 9% 2025 debentures and 12% debentures, its future cash flows and profitability are exposed to interest risk from the floating interest rate payable, calculated as prime rate of a certain Canadian bank plus 8.80%, effective September 1, 2021 on loan payable. The current inflationary and resulting interest rate environment has heightened this risk to the company's future cash flows and profitability. While the company does not use derivative instruments to reduce its exposure to interest rate risk, it believes it may be able to pass on, to merchants participating in its programs, a portion of a significant adverse interest rate movement on its loan payable. During year ended June 30, 2023 the company incurred interest expense of $611,010 on utilization of loan payable. Had the interest rate been 10% higher during year ended June 30, 2023 the interest cost would be approximately $61,000 higher.

The company believes the MCA business is a growth industry because institutional lenders are not focused on independent merchants, the engines of significant economic activity. There are several competitors in the MCA space. Currently there is no legislation governing the MCA business. The company believes the transparency of its pricing and its go-to market strategy give it an ability to grow its MCA portfolio if it has access to growth capital. Competition, regulation, and the as yet undeterminable adverse impact of pandemic and inflationary environment on economic activity however carry the possibility of adversely affecting the company's ability to expand its MCA program and this in turn could have a material effect on its revenue, costs, cash flows and profitability.

The company's operations are dependent on the abilities, experience and efforts of its management and highly skilled workforce. While the company has entered into employment agreements with key management personnel and other employees, and each of these agreements includes confidentiality and non-competition clauses, the business prospects of the company could be adversely affected if any of these people were unable or unwilling to continue their employment with the company.

The Aeroplan program the company operates is its secondary line of business and is dependent on its agreement with Aeroplan, operator of Aeroplan Loyalty Program owned by Air-Canada.

Under the Aeroplan program the company operates as a re-seller for Aeroplan and is dependent upon ongoing consumer interest in accumulating frequent flyer miles for the purpose of obtaining reward air travel on Air-Canada. Due to the rising cost of travel and the security difficulties being experienced by the airline industry overall, and in general the continuous devaluation of frequent flyer miles, there is a risk that the underlying frequent flyer currency used in this program could become unavailable to the company, or that consumer interest in accumulating these awards could decline. This, in turn, may result in difficulties in acquiring and retaining merchants and may adversely affect the company's revenue and direct costs.

Through its operation as re-seller for Aeroplan the company provides loyalty marketing services to retail organizations and, in more general terms, the company could be considered competitive with other advertising and promotional programs for a portion of a client's total marketing budget. If client promotional spending levels decrease, this could have a material adverse effect on the company's revenue. In addition, there are additional operators of either loyalty programs or merchant cash advance in Canada, targeting the same merchant base as the company. The company believes its substantial client equity, proprietary systems, provide a strong platform for the company to compete effectively and respond to competition in Canada.

In addition to those risk factors noted above and risk factors noted in the Working Capital and Liquidity Management Section, the financial condition and profitability of the company is also subject to a number of additional risk factors including: state of the economy, its ability to negotiate settlement accommodation with its suppliers and changes in taxation regulations.

In the ordinary course of business, the company is subject to ongoing audits by tax authorities. While the company believes that its tax filing positions are appropriate and supportable, from time to time, certain matters are reviewed and challenged by the tax authorities. The company regularly reviews the potential for adverse outcomes in respect of tax matters and believes that any ultimate disposition of a reassessment will not have a material adverse impact on its liquidity, consolidated financial position or results of operations due to adequate provisioning for these tax matters. Should an outcome materially differ from existing provisions, the company's effective tax rate, its earnings, and its liquidity and working capital position could be affected positively or negatively in the period in which matters are resolved.

Forward-Looking Information

This Management's Discussion and Analysis contains certain "forward-looking information". All information, other than information comprised of historical fact, that addresses activities, events or developments that the company believes, expects or anticipates will or may occur in the future constitutes forward-looking information. Forward-looking information is typically identified by words such as: anticipate, believe, expect, goal, intend, plan, will, may, should, could and other similar expressions. Such forward-looking information relates to, without limitation, information regarding the company's: belief MCA is growth industry; belief in its ability to maintain and grow its MCA program, in a competitive environment, upon availability of capital; ability to raise growth capital; expectation of growth capital required and the timing of its raise; expectation of financial stability from expansion of MCA program; expectation of timing of achieving financial stability; expectation of financial impact of pandemic on economic activity, company's customers and the company; expectation of being able to meet its payment plans, including with respect to the working capital overdraft facility with Accord; expectation of capital expenditures required to operate the business in the next twelve months; expectation of adequacy of reserve created for delinquent transaction credits; belief it has the ability to manage delinquencies consequent to pandemic, inflationary and high interest environment, and during growth mode; belief drivers of revenues across all programs are those set out in the Revenue Section; belief it may be able to pass on a portion of any significant adverse interest rate movement on its loan payable to merchants; belief Aeroplan program gives it a competitive advantage in MCA space; expectation of negotiating economic settlement accommodation with its suppliers; belief it has support of its staff; belief in the appropriateness of its tax filings; and other information regarding financial and business prospects and financial outlook is forward-looking information.

Forward-looking information reflects the current expectations or beliefs of the company based on information currently available to the company, including certain assumptions and expectations of Management. With respect to the forward-looking information contained in this Management Discussion and Analysis, the company has made assumptions regarding, among other things, continued support from its provider of loan payable, and holders of 9% 2025 debentures and 12% debentures; securing agreement to defer interest payments and re-set financial covenants from holders of 9% 2025 debentures; securing waiver of defaults from holders of 9% 2025 debentures; meeting payment plan with respect to the working capital overdraft facility advanced by Accord; its ability to access additional working capital in the form of debt (including loan payable facility) and or equity to meet operational needs and to support the growth of the MCA program and the company; its expectation to timely raise growth capital; its ability to manage risks connected to collection of transaction credits; current and future economic and market conditions and the impact of same on its business; ongoing consumer interest in accumulating frequent flyer miles; the size of the market for its programs; its ability to expand and grow its programs; future introductions of regulations to MCA; future business levels, and the cost structure, capital expenditures and working capital required to operate at those levels; future interest rates; impact of pandemic, inflationary and interest rate environment on Canadian economy, company's merchants and company's business prospects; and the appropriateness of its tax filing position.

Forward-looking information is subject to a number of risks, uncertainties and assumptions that may cause the actual results of the company to differ materially from those discussed in the forward-looking information, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on the company. Factors that could cause actual results or events to differ materially from current expectations include, among other things, those listed under "Working Capital and Liquidity Management", "Economic Dependence" and "General Risks and Uncertainties" in this Management Discussion and Analysis.

Disclosure Controls and Procedures, and Internal Controls Over Financial Reporting

Management is responsible for external reporting. The company maintains appropriate processes to ensure that relevant and reliable financial information is produced.

Additional Information

Additional information relating to the company is available at www.sedar.com, and may also be obtained by request by telephone or facsimile or at the company's website at www.advantex.com.

ADVANTEX MARKETING INTERNATIONAL INC.
CONSOLIDATED FINANCIAL STATEMENTS
For the years ended June 30, 2023, and June 30, 2022

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

To Our Shareholders:

The accompanying consolidated financial statements have been prepared by management and approved by the Board of Directors of Advantex Marketing International Inc. ("company"). Management is responsible for the information and representations contained in these consolidated financial statements and other sections of the Annual Report for year ended June 30, 2023.

The company maintains appropriate processes to ensure that relevant and reliable financial information is produced. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) using the accounting policies described therein. The significant accounting policies which management believes are appropriate for the company are described in note 3 to the consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements and overseeing management's performance of its financial reporting responsibilities. An Audit Committee, majority of whose members are non-management Directors, is appointed by the Board. The Audit Committee reviews the consolidated financial statements, adequacy and internal controls, the audit process and financial reporting with management and the external auditors. The Audit Committee reports to the Directors prior to the approval of the audited consolidated financial statements for publication.

BDO Canada LLP, the company's external auditors, audited the consolidated financial statements in accordance with Canadian generally accepted auditing standards to enable them to express their opinion on the consolidated financial statements.

(Signed) – "Kelly Ambrose"

Kelly E. Ambrose
President and Chief Executive Officer

(Signed) - "Mukesh Sabharwal"

Mukesh Sabharwal
V.P. and Chief Financial Officer

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BDO Canada LLP
60 Columbia Way, Suite 300
Markham ON L3R 0C9 Canada

Independent Auditor's Report

To the Shareholders of Advantex Marketing International Inc.

Opinion

We have audited the consolidated financial statements of Advantex Marketing International Inc. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at June 30, 2023 and 2022, and the consolidated statements of (loss) and comprehensive (loss), changes in shareholders' deficiency and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2a in the consolidated financial statements, which indicates that the Group has a shareholders' deficiency of $12,710,221 and negative working capital of $3,3574,286 as at June 30. As stated in Note 2a, these events or conditions, along with other matters as set forth in Note 2a, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Initial valuation of debentures

Description of the key audit matter

During the year, certain debentures were issued for total proceeds of $1,000,000 bearing stated interest rates that were determined by management to be below fair value rates. Some debentures were issued to related parties.
Refer to Notes 6 and 7 of the consolidated financial statements.

The initial measurement of debentures, which also impacts subsequent recognition, is a key audit matter due to the judgement and estimation uncertainty involved in the key inputs used in the valuation technique and the sensitivity of the initial fair value to changes in the significant assumptions. The key inputs used in determining the fair value is the discount rate which is derived from comparable companies.

How the key audit matter was addressed in the audit

Our audit approach included the following audit procedures, among others:

- Reviewing management's assessment of fair value and inputs used against discount rate ranges independently developed from publicly available data sets, along with consideration of comparable Company metrics, involving our internal valuation professionals;
- Challenging management's assumptions and performing additional sensitivity analysis; and
- Reviewing the adequacy of management's disclosures in the consolidated financial statements related to the estimates.

Other Information

Management is responsible for the other information. The other information comprises the information, included in the Management's Discussion and Analysis of Operating Results for the fiscal years ended June 30, 2023 and 2022.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management's Discussion and Analysis of Operating Results prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

The Annual Report for the year ended June 30, 2023 is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Groups's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Peter Matutat.

(singed) BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Markham, Ontario
October 30, 2023

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

	Note	June 30, 2023	June 30, 2022
		$	$
Assets			
Current assets			
Cash		$ 340,427	$ 93,185
Accounts receivable	11 a	84,917	83,320
Transaction credits	11 a	5,641,940	3,312,268
Prepaid expenses and sundry assets		1,416	41,589
		$ 6,068,700	**$ 3,530,362**
Total assets		**$ 6,068,700**	**$ 3,530,362**
Liabilities			
Current liabilities			
Loan payable	5	$ 5,992,287	$ 4,019,685
Lease liability	18	-	12,768
Loan	19	60,000	60,000
Accounts payable and accrued liabilities		3,590,699	2,825,914
		$ 9,642,986	**$ 6,918,367**
Non-current liabilities			
9% non-convertible debentures payable	6	$ 8,765,806	$ 6,953,878
12% non-convertible debentures payable	7	278,136	-
Deferred fair value adjustment on 12% non-convertible debentures payable	7	91,993	-
		$ 9,135,935	**$ 6,953,878**
Total liabilities		**$ 18,778,921**	**$ 13,872,245**
Shareholders' deficiency			
Share capital	8	$ 24,530,555	$ 24,530,555
Contributed surplus		7,901,617	7,742,802
Accumulated other comprehensive loss		(47,383)	(47,383)
Deficit		(45,095,010)	(42,567,857)
Total deficiency		**$ (12,710,221)**	**$ (10,341,883)**
Total liabilities and deficiency		**$ 6,068,700**	**$ 3,530,362**

Going concern (note 2a) and Commitments and contingencies (note 13)

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)
For the years ended June 30, 2023 and 2022
(expressed in Canadian dollars)

	Note	2023	2022
		$	$
Revenues	17		
Marketing activities		$ 670,261	$ 571,699
Interest income		1,440,458	1,167,998
		2,110,719	**1,739,697**
Direct expenses	16/17	456,693	741,809
		1,654,026	997,888
Operating expenses			
Selling and marketing	16/17	551,182	636,480
General and administrative	16/17	1,205,202	1,013,834
(Loss) from operations before depreciation, amortization and interest		**(102,358)**	**(652,426)**
Stated interest expense			
Loan payable	5	611,010	476,961
9% non-convertible debentures payable	6	872,689	773,733
12% non-convertible debentures payable	7	9,334	-
Interest - Lease	18	177	5,760
Non-cash interest expense - accretion charges, restructuring bonus and amortization of transaction costs related to 9% non-convertible debentures payable	6	929,641	798,958
Non-cash interest expense - amortization of transaction costs related to 12% non-convertible debentures	7	1,944	-
Non-cash interest expense - accretion charges related to 12% non-convertible debentures payable	7	6,788	-
Non-cash interest expense - accretion of deferred gain related to 12% non-convertible debentures payable	7	(6,788)	-
Net (loss) and comprehensive (loss)		**$ (2,527,153)**	**$ (2,707,838)**
(Loss) per share			
Basic and Diluted	15	$ **(0.01)**	$ **(0.01)**

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

Advantex Marketing International Inc.
Consolidated Statements of Changes in Shareholders' Deficiency
For the years ended June 30, 2023 and June 30, 2022
(expressed in Canadian dollars)

	Class A preference shares	Common shares	Contributed surplus	Accumulated other comprehen - sive loss	Deficit	Total
	$	$	$	$	$	$
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	-	-	378,082	-	-	378,082
Net (loss) and comprehensive (loss)	-	-	-	-	(2,707,838)	(2,707,838)
Balance - June 30, 2022	**$ 3,815**	**$ 24,526,740**	**$ 7,742,802**	**$ (47,383)**	**$ (42,567,857)**	**$ (10,341,883)**
Balance - July 1, 2022	**$ 3,815**	**$ 24,526,740**	**$ 7,742,802**	**$ (47,383)**	**$ (42,567,857)**	**$ (10,341,883)**
Issuance of 9% non-convertible debentures	-	-	158,815	-	-	158,815
Net (loss) and comprehensive (loss)	-	-	-	-	(2,527,153)	(2,527,153)
Balance - June 30, 2023	**$ 3,815**	**$ 24,526,740**	**$ 7,901,617**	**$ (47,383)**	**$ (45,095,010)**	**$ (12,710,221)**

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

Advantex Marketing International Inc.
Consolidated Statements of Cash Flow
For the years ended June 30, 2023 and 2022
(expressed in Canadian dollars)

	Note	June 30, 2023 $	June 30, 2022 $
Operational activities			
Net (loss) for the year		$ (2,527,153)	$ (2,707,838)
Adjustments for:			
Accrued and unpaid 9% non-convertible debentures payable interest - current and non-current payable	6	872,689	773,733
Accrued and unpaid 12% non-convertible debentures payable interest - current payable	7	9,334	-
Interest - Lease	18	177	5,760
Accretion charge - 9% non-convertible debentures payable	6	810,924	710,452
Restructuring bonus - 9% non-convertible debentures payable	6	95,216	73,063
Amortization of transaction costs - 9% non-convertible debentures payable	6	23,501	15,443
Amortization of transaction costs - 12% non-convertible debentures payable	7	1,944	-
Non-cash interest expense - accretion charges related to 12% non-convertible debentures payable	7	6,788	-
Non-cash interest expense - accretion of deferred gain related to 12% non-convertible debentures payable	7	(6,788)	-
		(713,368)	(1,129,387)
Changes in items of working capital			
Accounts receivable		(1,597)	9,770
Transaction credits		(2,329,672)	(1,585,605)
Prepaid expenses and sundry assets		40,173	2,086
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		344,576	94,756
		(1,946,520)	(1,478,993)
Net cash (used) - operating activities		**$ (2,659,888)**	**$ (2,608,380)**
Financing activities			
Gross proceeds - 9% non-convertibles debentures payable	6	$ 600,000	$ 1,150,000
Transaction costs - 9% non-convertible debentures payable	6	(20,710)	(85,616)
Gross proceeds - 12% non-convertibles debentures payable	7	400,000	-
Transaction costs - 12% non-convertible debentures payable	7	(31,815)	-
Payment for lease		(12,945)	(77,671)
Proceeds of loan payable	5	10,235,989	8,868,861
(Repayment) of loan payable		(8,263,388)	(7,236,615)
Net cash generated - financing activities		**$ 2,907,131**	**$ 2,618,959**
Increase in cash during the year		**$ 247,242**	**$ 10,579**
Cash at beginning of the year		93,185	82,606
Cash at end of the year		**$ 340,427**	**$ 93,185**
Additional information			
Interest paid		$ 611,010	$ 476,961

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

1 General information

Advantex Marketing International Inc. and its subsidiaries (together the company or Advantex) is a public company with common shares listed on the Canadian Securities Exchange (trading symbol ADX).

During years ended June 30, 2023 and 2022 the company's core business was its merchant cash advance program. Under this program, the company provides merchants with working capital through the pre-purchase, at a discount, of merchants' future cash flows.

The company also has an agreement with Aeroplan Inc. owned by Air Canada ("AC") to operate as a re-seller of aeroplan points to merchants. Aeroplan members are eligible to earn aeroplan points on purchases at merchants who acquire aeroplan points from the company. The original five-year term of the agreement ended April 30, 2019, has been through several extensions and in September 2023 was renewed for a five-year term ending August 31, 2028. The agreement can be terminated by AC under certain conditions during its term.

The company's segment reporting is provided in note 17.

Advantex is incorporated and domiciled in Canada. Until August 31, 2022 the address of its registered office was Suite 606, 600 Alden Road, Markham, Ontario, L3R 0E7, and thereafter is 100 King Street West, Suite 1600, Toronto, Ontario, M5X 1G5.

2a Going concern

These consolidated financial statements have been prepared in accordance with accounting principles applicable to a going concern, which contemplates that the company will be able to realize its assets and settle its liabilities as they come due during the normal course of operations for the foreseeable future. When a company is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, the entity is required to disclose those uncertainties.

The company has a shareholders' deficiency of $12,710,221 and negative working capital of $3,574,286 as at June 30, 2023. During the year ended June 30, 2022 the company closed two financings (note 6), $1.0 million in September 2021 and $150,000 in March 2022. In January 2023 the company closed a financing of $600,000 (note 6) followed by a financing in April 2023 of $400,000 (note 7). The continuing negative effects of the pandemic, and the prevailing inflationary and increasing interest rate environment have created a more highly uncertain economic environment. More so for small independent businesses operating in the hospitality segment, especially restaurants. The company's customers are primarily small independent restaurants. Consequently, there is uncertainty surrounding the company's ability in the foreseeable future to generate cash flows sufficient to meet its operational needs and meet its obligations on due dates. Failure to meet obligations on due dates may lead to company being unable to continue operations due to: denial by suppliers of products and services; loss of access to a) loan payable (note 5) which supports the company's merchant cash advance program, and b) general working capital provided by 9% 2025 debentures (note 6) and 12% debentures (note 7); and inability to access alternative economically viable sources to replace existing capital. These material uncertainties cast significant doubt on the company's ability to continue as a going concern.

These consolidated financial statements do not include any adjustments or disclosures that may result from the company's ability to continue as a going concern. If the going concern assumption were not appropriate for these consolidated financial statements, adjustments may be necessary in the carrying values of assets and liabilities and the reported expenses and balance sheet classifications; and such adjustments could be material.

2b Basis of preparation

Statement of Compliance
These consolidated financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements and related notes have been reviewed by the company's audit committee and approved by the company Board of Directors on October 30, 2023.

Basis of measurement
The consolidated financial statements have been prepared under the historical cost convention.

Basis of consolidation
The financial statements of the company consolidate the accounts of Advantex and its wholly owned subsidiaries including Advantex Dining Corporation, Advantex Marketing Corporation, Advantex Marketing International Inc. (US), Advantex Marketing International (Maryland) Inc., 1600011 Ontario Limited, Advantex Systems Limited Partnership, Advantex GP Inc. and Advantex Smartadvance Inc.

All intercompany transactions, balances and unrealized gains and losses from intercompany transactions are eliminated on consolidation.

Significant Accounting Judgements and Estimates
The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. These significant estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.
Significant estimates used in the preparation of these consolidated financial statements include but are not limited to the recoverability of transaction credits and determining the initial fair value of the 9% non-convertible debentures payable and 12% non-convertible debentures payable.

Transaction credits
The company reviews transaction credits quarterly for indication of the amounts that might be impaired. Estimation is applied in determining allowance for transaction credits, which is established based on the specific credit risk associated with the customer and other relevant information.

The net realizable amount of transaction credits is disclosed in note 11 a.

9% Non-convertible debentures payable ("9% debentures" and "9% 2025 debentures")
A significant amount of estimation was applied to the evaluation of the initial fair value of the $7,159,000 9% 2025 debentures in fiscal 2022 and $600,000 in current fiscal year. Estimates applied by management in the determination of fair value were reflective of the company's overall cost of equity capital. The key input in the determination of fair value is derived from comparable companies discount rates.

12% Non-convertible debentures payable ("12% debentures")
A significant amount of estimation was applied to the evaluation of the initial fair value of the $197,907 12% debentures in the current fiscal year. Estimates applied by management in the determination of fair value were reflective of the company's overall cost of equity capital. The key input in the determination of fair value is derived from comparable companies discount rates.

3 Summary of significant accounting policies

The significant policies used in the preparation of these consolidated financial statements are described below.

Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and

assessing the performance of the operating segments and has been identified as the Chief Executive Officer of the company. The company's operating segments are disclosed in note 17.

Foreign currency translation
(i) Functional and presentation currency

Items included in the financial statements of each consolidated entity in the Advantex group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Canadian dollars, which is the functional currency of each of the entities in the Advantex group.

(ii) Translation of transactions and balances

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate in effect at the consolidated statements of financial position date. Non-monetary assets and liabilities, expenses and other income arising from foreign currency transactions are translated at the approximate exchange rate in effect at the date of the transaction. Exchange gains or losses arising from the translation are included in the determination of income in the current year. The foreign currency gain for year ended June 30, 2023 is $253 (June 30, 2022 gain of $225).

Financial instruments
Financial assets and liabilities are recognized when the company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires.

Financial assets and liabilities are offset, and the net amount is reported in the consolidated statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Financial assets
All financial assets are initially recorded at fair value and designated upon inception into one of the following categories: amortized cost, fair value through profit or loss, or fair value through other comprehensive income. The company does not have any assets recorded at fair value profit or loss or through other comprehensive income.

Amortized cost
These assets arise principally from the provision of goods and services to customers, but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely the payments of principal and interest.

The company's financial assets measured at amortized cost comprise cash, accounts receivable and transaction credits.

Impairment provisions for transaction credits is determined based on the company's assessment of the collectability of outstanding accounts receivable and transaction credits using the simplified approach as prescribed by IFRS 9. The evaluation of collectability of transaction credits is done on an individual customer basis. For the unimpaired transaction credits the company estimates an expected loss based on historical loss rates. This forecast loss rate was based on the company's knowledge of its customers and its evaluation of the impact of the pandemic on individual customers' ability to operate. Recoveries are only recorded when objective verifiable evidence supports the change in the original provision.

Financial liabilities
The company's liabilities are classified as Other financial liabilities and include accounts payable and accrued liabilities, loans payable, 9% non-convertible debentures payable, 12% non-convertible debentures payable, and only for fiscal 2022 lease liability.

The loan payable, 9% non-convertible debentures payable and 12% non-convertible debentures payable are initially recognized at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortized cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position.

Transaction credits
Under the merchant cash advance ("MCA") product, the company acquires the rights to receive future cash flows, associated with future business activity, at a discount from participating establishments ("transaction credits"). These transaction credits are estimated to be fully extinguishable within 365 days.

Impairment of non-financial assets
Property, plant and equipment and right of use assets are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generated units or CGUs). The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGU). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The impairment loss, if any, is charged to the consolidated statements of income (loss) and comprehensive income (loss) in the year it arises. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Non-convertible debentures
9% non-convertible debentures payable
The 9% non-convertible debentures payable described in note 6 as 9% debentures were issued as units which included debt and common shares. As described in note 6 the 9% debentures were replaced in March 2021 with 9% 2025 debentures. In addition, the company issued $250,000 of 9% 2025 debentures in March 2021, $1,000,000 in September 2021, $150,000 in March 2022 and $600,000 in January 2023.

The proceeds received upon issue of the 9% 2025 debentures are allocated into their liability and equity components on initial recognition in accordance with IAS 32, Financial Instruments: Presentation. The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that does not include common shares. Subsequently, the debt component is accounted for as a financial liability measured at amortized cost until extinguished on maturity. The remainder of the proceeds is allocated to the contributed surplus within shareholders' deficiency. Due to the issuance being with direct shareholders who are related parties, the amount has been recorded to contributed surplus.

To the extent there are changes to the terms of the outstanding non-convertible debentures these changes may be recorded as a modification or an exchange of debt instruments. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability.

12% non-convertible debenture payable
The 12% non-convertible debentures payable described in note 7 were issued in April 2023. These 12% non-convertible debentures payable are debt instrument. The amount is initially recorded at fair value using a market rate of interest that would be payable on a similar debt instrument if issued at a market rate. The fair value difference is accounted for on a non-related party basis as a deferred gain which is subsequently recognized over time.

Provisions
Provisions for legal claims, where applicable, are recognized in other liabilities when the company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period and are discounted to present value where the effect is material. The company performs evaluations to identify onerous contracts and, where applicable, records provisions for such contracts.

Income taxes
Income tax comprises current and deferred tax. Income tax is recognized in the consolidated statement of income (loss) except to the extent that it relates to items recognized directly in other comprehensive income (loss) or directly in equity, in which case the income tax is also recognized directly in other comprehensive income (loss) or equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax is not recognized if it arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except, in the case of subsidiaries, where the timing of the reversal of the temporary difference is controlled by the company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the consolidated statement of financial position date and are expected to apply when the deferred tax asset is realized or liability is settled. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized.

Deferred income tax assets and liabilities are presented as non-current.

Revenue
Merchant Cash Advance ("MCA") program

Per the contract terms the company earns its revenue as it collects against the pre-purchased future cash flows. The collection is specified in the contract and could be either once or twice a week. Pursuant to IFRS 9 the company treats the revenue as interest income.

Aeroplan program (Marketing activities)

Revenue is recognized using the five-step model prescribed by IFRS 15.

Step 1: Identifying the contract

The company's contracts with participating merchants identify the terms, rights and obligations of each party, and payment terms. Before recognizing revenue the company reviews merchants' status to ensure that it is probable that the company will collect the consideration in exchange for the services as stated in the contract.

Step 2: Identifying performance obligations

The company sells aeroplan points to merchants and this gives merchants the ability to reward aeroplan points to their eligible customers.

Step 3: Identifying the transaction price

The contract identifies the price a merchant will pay for each aeroplan point.

Step 4: Allocating the transaction price to performance obligations

The company provides a single product.

Step 5: Recognizing revenue upon satisfaction of performance obligations

Per the contract terms the company earns its revenue when a customer earns an aeroplan point. Pre-paid points that are unearned at period end are included in accounts payable and accrued liabilities.

Share capital
Common shares, and preference shares are classified as equity. Incremental costs directly attributable to the issuance of common shares or preference shares are recognized as a deduction from equity. Share capital is described in note 8 to these consolidated financial statements.

Stock option plan
The company has a stock option plan which is described in note 9 a. The company uses the Black-Scholes option pricing model to determine the fair value of stock options and expenses the fair value over the estimated vesting periods. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. Compensation expense is recognized over the tranche's vesting period based on the number of awards expected to vest. Any consideration paid by employees or directors on the exercise of stock options is credited to share capital together with any previously recognized compensation expense in contributed surplus.

Restricted Share Unit Plan
The company has a restricted share unit plan which is described in note 9 b.

Earnings (loss) per share
Basic earnings per share ("EPS") is calculated by dividing the net income (loss) for the period attributable to equity owners of the company by the weighted average number of common shares outstanding during the period.

Diluted EPS is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. The number of shares included with respect to options, and similar instruments is computed using the treasury stock method. As at June 30, 2023 and 2022 the company did not have any outstanding stock options or restricted share grants.

Leases
At inception, the company assesses whether a contract is or contains a lease based on whether the contract conveys the right to control use of the asset for a period of time in exchange for consideration. The company allocates the consideration to each lease and non-lease component on the basis of their relative stand-alone prices.

The right of use asset and a lease liability are recognized at the lease commencement date. The right of use asset is initially measured at present value of lease payments adjusted for initial direct costs and incentives received. The right of use asset is depreciated over the lesser of the useful life of the asset or lease term, and is assessed for impairment on an annual basis. The lease term includes the renewal option or early termination if it is reasonably certain to be exercised.

The lease liability is initially measured at present value of lease payments to be made over the lease term and includes fixed payments and variable payments that depend on the terms of the lease. The cost of an option that is reasonably certain to be exercised by the company is included in the lease payments. In calculating the present value of the lease payments, the company uses the discount rate reflective of the borrowing rate for the asset and the company's financial condition. The lease liability is increased to reflect the accretion of interest and reduced to reflect lease payments made, and the carrying amount of the lease liability is re-measured for any lease modifications.

In computing the right of use asset and lease liability the company determines its fixed and variable payment obligations and uses a discount rate reflective of the borrowing rate for the asset and the company's financial condition.

The company has applied the practical expedient of excluding application of IFRS 16 with respect to leases where the lease term is 12 months or less or the underlying asset is of low value.

In fiscal 2023 and fiscal 2022, the lease accounting in these consolidated financial statements is with respect to the company's head office lease.

Recent accounting pronouncements not in effect
The below standards have been issued but are not yet effective for the financial period ended June 30, 2023, and accordingly, have not been applied in preparing the consolidated financial statements:

IFRS 17	Insurance Contracts
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IFRS 4	Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts'
Amendments to IFRS 9	Interest Rate Benchmark Reform
Amendments to IAS 16	Property, Plant and Equipment—Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts –Cost of Fulfilling a Contract
Annual Improvements to IFRS	Amendments to IFRS 1 First-time Adoption of International Financial
Standards 2018-2020 Cycle	Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture

The company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective and is currently analyzing them to determine their impact on the consolidated financial statements.

4 Property, plant and equipment

	Computer equipment $	Furniture & equipment $	Total $
Year ended June 30, 2022 and June 30, 2023			
Opening & closing net book value	$ -	$ -	$ -
At June 30, 2022 and June 30, 2023			
Cost	**$ 417,405**	**$ 160,026**	**$ 577,431**
Accumulated amortization	**$ 417,405**	**$ 160,026**	**$ 577,431**

5 Loan payable

	June 30, 2023 $	June 30, 2022 $
Balance at start of year	**$ 4,019,685**	**$ 2,387,439**
Increase in borrowing	1,972,602	1,632,246
Balance at end of year	**$ 5,992,287**	**$ 4,019,685**

The Loan payable is a line of credit facility provided by Accord Financial Inc. ("Accord") and was established in December 2007. The loan payable has a facility limit of $8.5 million and is only available to the company for acquisition of transaction credits. As security, Accord has first charge to all amounts due from establishments funded from the loan payable.

Due to pandemic restrictions and their impact on the company's business, Accord allowed the company to defer payment of interest from March 2020 to June 2020. Subsequent to June 30, 2020, Accord provided the company an overdraft facility of $460,000. This overdraft facility was increased by $75,000 in June 2022, to be paid back by middle of September 2022 and the company repaid the $75,000 by due date. The overdraft facility is a general working capital facility and is a carve-out from the loan payable limit of $8.5 million. The interest rate is similar to the loan payable. As of June 30, 2023, the company has utilized $325,540 from this overdraft facility (at June 30, 2022 $492,750).

In September 2021 the company and Accord agreed to: 1) extend the term of their agreement, which was due to end in December 2021, to June 30, 2022, 2) amend, effective September 1, 2021, the interest rate to the prime rate of a certain Canadian bank plus 8.80% from prime rate of a certain Canadian bank plus 9.05%, and 3) the overdraft facility would be repayable by the company in equal monthly instalments between January 2022 and June 2022.

In December 2021 Accord deferred the start of the re-payment of the overdraft facility to April 1, 2022.

In March 2022 the company and Accord agreed to: 1) extend the term of their agreement, which was due to end June 30, 2022, to July 31, 2024, and 2) a payment plan for Advantex to re-pay the overdraft facility by July 31, 2024. The agreement is subject to automatic renewal after July 31, 2024 for periods of one year unless terminated by either party by giving 180 days written notice prior to end of the term.

Accord funds 90% of each dollar of transaction credits acquired by the company and the company funds 10%. The company is responsible for all delinquencies on amounts due from establishments funded from the loan payable.

The loan payable is repayable on demand to Accord.

The interest cost during year ended June 30, 2023, was $611,010 (year ended June 30, 2022 $476,961).

Tabulation of re-payment of overdraft facility:

Accord overdraft facility	
12 months ended June 30, 2023	$ 105,000
12 months ended June 30, 2024 - Payment due July 2024	220,540
	$ 325,540

6 9% Non-convertible debentures payable

The company received agreement of the 9% debentures holders to extend their maturity date from December 31, 2021 to December 31, 2025. The 9% debentures were issued as 5,759 units (5,559 units in December 2017 and 200 units in October 2019) consisting of principal amount of $5,759,000 and 623,377,196 common shares of the company. Effective March 15, 2021 the 9% debentures were replaced by 9% 2025 debentures on a dollar for dollar basis with respect to the principal amount, restructuring bonus, and interest rate as such terms are defined in the 9% debentures.

The company closed a $250,000 financing on March 15, 2021 by way of senior secured non-convertible debentures ("9% 2025 debentures"). The 9% 2025 debentures were issued on the same terms and rank pari passu with existing 9% Non-convertible debentures payable ("9% debentures") bearing interest at 9% per annum and maturing on December 31, 2025. The financing was a related party transaction (note 10).

The unpaid interest from December 16, 2018 until March 14, 2021 on the 9% debentures together with interest on interest are due on maturity of 9% 2025 debentures. An additional feature of the 9% 2025 debentures is that the first-year interest is deferred and is payable in eight equal instalments, with each instalment being added to each semi-annual interest payment payable after the first year through December 31, 2025, and the interest on interest will be added in the final interest payment.

On September 7, 2021 the company issued 9% 2025 debentures for gross proceeds of $1.0 million. The financing was a related party transaction (note 11). As described in note 11, in September 2021, the purchasers of 9% 2025 debentures - $250,000 in March 2021 and $1.0 million in September 2021 - received common shares. The common shares were determined to have nil value.

On March 24, 2022 the company issued 9% 2025 debentures for gross proceeds of $150,000. The financing was a related party transaction (note 11). As described in note 11, in March 2022, the purchasers of 9% 2025 debenture received common shares. The common shares were determined to have nil value.

On January 5, 2023, the company issued 9% 2025 debentures for gross proceeds of $600,000. The financing was a related party transaction (note 11). As described in note 11, in January 2023, the purchasers of 9% 2025 debenture received common shares. The common shares were determined to have nil value.

The 9% 2025 debentures are secured by a general security interest over the assets of the company and its subsidiaries. The 9% 2025 debentures require the company to meet financial covenants. The company was in compliance with financial covenants at September 30, 2021, September 30, 2022, June 30, 2022, December 31, 2022, and March 31, 2023. On June 26, 2022 the company received waiver of the events of default with respect to financial covenants at December 31, 2021 and March 31, 2022. In addition, the company received agreement of the debenture holders to defer the payment of interest payable September 15, 2022, and re-set financial covenants for quarters ended June 30, 2022 until June 30, 2023. On March 14, 2023, the company received agreement of the debenture holders to defer the payment of interest payable March 15, 2023, and for it to be payable in six equal instalments, with each instalment being added to the interest payments due on September 15, 2023, March 15, 2024, September 15, 2024, March 15, 2025, September 15, 2025, and December 31, 2025. On June 26, 2023 the company received agreement of the debenture holders to re-set the financial covenants at June 30, 2023 and September 30, 2023. The company was in compliance with the re-set financial covenants at June 30, 2023.

If the company were to breach a financial covenant or were unable to pay its debts as they came due, it would be in default under the 9% 2025 debentures agreement and, as a result, the 9% 2025 debentures holders would have the right to waive the event of default, demand immediate payment of the 9% 2025 debentures in full or modify the terms and conditions of the 9% 2025 debentures including key terms such as repayment terms, interest rates and security. If the company is unable to secure alternative financing to repay the 9% 2025 debentures in the event that the debenture holders demand immediate payment, the 9% 2025 debentures holders would have the right to realize upon a part or all of the security held by them.

The fair value of the $1.0 million 9% 2025 debentures issued in September 2021 was determined to be $666,183 based on a discounted cash flow of the interest and principal obligations of the 9% 2025 debentures. As a result, $333,817 was recognized in the contributed surplus (consolidated statements of changes in shareholder deficiency for the year ended June 30, 2022). In addition, the company incurred $77,501 of transaction costs related to the transaction and these are being amortized to maturity date.

The fair value of the $150,000 9% 2025 debentures issued in March 2022 was determined to be $105,735 based on a discounted cash flow of the interest and principal obligations of the 9% 2025 debentures. As a result, $44,265 was recognized in the contributed surplus (consolidated statements of changes in shareholder deficiency for year ended June 30, 2022). In addition, the company incurred $8,115 of transaction costs related to the transaction and these are being amortized to maturity date.

The fair value of the $600,000 9% 2025 debentures issued in January 2023 was determined to be $441,185 based on a discounted cash flow of the interest and principal obligations of the 9% 2025 debentures. As a result, $158,815 has been recognized in the contributed surplus (consolidated statements of changes in shareholder deficiency for year ended June 30, 2023). In addition, the company incurred $20,710 of transaction costs related to the transaction and these are being amortized to maturity date.

Movement on 9% 2025 debentures is tabulated hereunder:

	Debt portion	Accrued and Unpaid interest	Total
	$	$	$
Balance at June 30, 2021	**$ 4,505,994**	**$ 188,891**	**$ 4,694,885**
Fair value of 9% 2025 debentures issued in September 2021	666,183	-	666,183
Transaction costs related to September 2021 raise	(77,501)	-	(77,501)
Fair value of 9% 2025 debentures issued in March 2022	105,735	-	105,735
Transaction costs related to March 2022 raise	(8,115)	-	(8,115)
Accretion charge for the period	710,452	-	710,452
Restructuring bonus for the period	73,063	-	73,063
Amortization of transaction costs for the period	15,443	-	15,443
Interest for the period	-	773,733	773,733
Balance at June 30, 2022	**$ 5,991,254**	**$ 962,624**	**$ 6,953,878**
Fair value of 9% 2025 debentures issued in January 2023	441,185	-	441,185
Transaction costs related to January 2023 raise	(20,710)	-	(20,710)
Accretion charge for the period	810,924	-	810,924
Restructuring bonus for the period	95,216	-	95,216
Amortization of transaction costs for the period	23,501	-	23,501
Interest for the period	-	872,689	872,689
Balance at June 30, 2023	**$ 7,341,370**	**$ 1,835,313**	**$ 9,176,683**

	Current liability. Included in Accounts payable and accrued liabilities	Non-current liability	Total
	Note 11 c		
Year ended June 30, 2023	$ 410,877	$ 8,765,806	$ 9,176,683
Year ended June 30, 2022	$ -	$ 6,953,878	$ 6,953,878

The interest costs are tabulated hereunder:

	Year ended June 30, 2023			Year ended June 30, 2022		
	Stated interest	Accretion charge	Restructuring bonu	Stated interest	Accretion charge	Restructuring bonu
	$	$	$	$	$	$
9% 2025 debentures	872,689	810,924	95,216	773,733	710,452	73,063
	$ 872,689	$ 810,924	$ 95,216	$ 773,733	$ 710,452	$ 73,063

In addition, year ended June 30, 2023 cost includes amortization of transaction costs ($23,501) compared to previous year ($15,443).

7 12% Non-convertible debentures payable

In April 2023 the company issued 400 units of 12% non-convertible debentures payable ("12% debentures") as a debt instrument.

The 12% debentures bear interest at 12% per annum payable semi annually, mature October 10, 2025, and rank pari passu on security with the 9% 2025 debentures. There was no issuance of common shares of the company to the purchaser of 12% debentures. This transaction was with a non-related party which is at arm's length with the company. The company secured the requisite approval of 9% 2025 debentures to issue the 12% debentures.

Movement on 12% debentures is tabulated:

	Debt	Accrued and unpaid interest	Deferred fair value adjustment	Total
	$	$	$	$
Principal	400,000	-	-	400,000
Transaction costs	(31,815)	-	-	(31,815)
Amortization of transaction costs for the period	1,944	-	-	1,944
Interest for the period	-	9,334	-	9,334
Fair value adjustment - initial recognition	-	-	(98,781)	(98,781)
Fair value adjustment - accretion	-	-	6,788	6,788
Balance at June 30, 2023	**$ 370,129**	**$ 9,334**	**$ (91,993)**	**$ 287,470**
Current liability. Note 11 c. Inlcuded in Accounts payable and accrued liability				$ 9,334
Non-current liability				$ 278,136
				$ 287,470

8 Share capital

The company completed a share consolidation on the basis of one (1) post-consolidation common share for every thirty (30) pre-consolidation common shares. The company's Board of Directors set May 29, 2022 as the effective date of the consolidation.

The number of common shares issuable under stock options plan, restricted share unit plan were adjusted on a pro rata basis, in accordance with the terms of such securities, based on the 30 to 1 share consolidation ratio.

(a) Authorized

Class A preference – 500,000 shares without par value, non-voting, non-participating, redeemable at the company's option (at an amount not exceeding the per-share stated capital amount and any dividends declared but not paid), 8% (of stated capital amount) non-cumulative dividend rate.

Class B preference – Unlimited number of shares, without par value, issuable in series with rights, privileges, restrictions and conditions determined by the Board of Directors at time of issue.

Class C preference - 125,000 shares without par value, non-voting, non-participating, redeemable at the option of either the holder or the company (at an amount not exceeding the per-share stated capital amount and any dividends declared but not paid), 8% (of stated capital amount) non-cumulative dividend rate.

Common – Unlimited number of shares without par value.

(b) Issued Class A preference shares

	Number of shares	$
No par value. At June 30, 2022 and 2023	461,887	$ 3,815

(c) Issued common shares

	Number of shares	$
No par value. At June 30, 2022	**253,392,507**	**$ 24,526,740**
No par value. Issuance in January 2023 (notes 6 and 9)	12,000,000	-
Adjustment to opening balance following clean up post share consolidation of May 22	(2,417)	-
No par value. At June 30, 2023	**265,390,090**	**$ 24,526,740**

9 Share-based payments

a. Employee stock options

The company has a stock option plan for directors, officers, employees and consultants. The stock options are non-assignable, the stock option price is to be fixed by the Board of Directors, term of the stock options may not exceed five years and payment for the optioned shares is required to be made in full on the exercise of the stock options. All stock options are equity settled. The stock options are subject to various vesting provisions, determined by the Board of Directors, ranging from immediately to four years.

The number of employee stock options issuable as at June 30, 2023 and June 30, 2022 per the company's stock option plan is 556,285.

There were no stock options outstanding during the years ended June 30, 2023 and 2022.

The company has recorded $nil of stock-based compensation expense during year ended June 30, 2023 and 2022.

b. Restricted Share Unit Plan

On December 18, 2017, the Board of Directors authorized the creation of a restricted share unit plan (the "RSU Plan"), pursuant to which the Board of Directors may grant restricted share units (the "RSUs") to eligible persons where the a) maximum number of common shares of the company which may be made subject to issuance under RSUs granted under the RSU Plan was established, and b) eligible persons are directors, officers, employees and consultants of the company designated by the Board of Directors. On August 26, 2021 at a special meeting of the shareholders the company received approval from its shareholders to increase the maximum number of common shares of the company which may be made subject to issuance under RSUs granted under the RSU Plan.

The company has not granted any RSUs under the RSU plan as at June 30, 2023 and 2022.

The maximum number of common shares of the company which may be made subject to issuance under RSUs granted under the RSU Plan is 13,733,333.

c. Potentially Dilutive Securities

No potentially dilutive securities exist as at June 30, 2023 and 2022.

10 Related party transactions

9% 2025 debentures

Related parties were issued units of 9% debentures on terms and conditions applicable to other recipients of 9% debentures. Effective March 15, 2021 the 9% debentures held by all debenture holders were replaced by 9% 2025 debentures on a dollar for dollar basis with respect to the principal amount, restructuring bonus, and interest rate as such terms are defined in the 9% debentures.

On March 15, 2021, the company closed a $250,000 financing by way of 9% 2025 debentures. Through managed accounts and principals, related parties Generation IACP Inc. and Generation PMCA Corp. purchased $200,000, and Kelly Ambrose, the company's President and Chief Executive Officer and a director purchased $50,000 of the 9% 2025 debentures.

On September 7, 2021, the company closed a $1.0 million financing by way of 9% 2025 debentures. Through managed accounts and principals, related parties Generation IACP Inc. and Generation PMCA Corp. purchased $975,000, and Kelly Ambrose, the company's President and Chief Executive Officer and a director purchased $25,000 of the 9% 2025 debentures.

On March 24, 2022, the company closed a $150,000 financing by way of 9% 2025 debentures. Related parties, principals of Generation IACP Inc. and Generation PMCA Corp., purchased $150,000 of the 9% 2025 debentures.

On January 5, 2023, the company closed a $600,000 financing by way of 9% 2025 debentures. Related parties, principals of Generation IACP Inc. and Generation PMCA Corp., purchased $600,000 of the 9% 2025 debentures.

9% debentures and 9% 2025 debentures are described in note 6.

Common shares

On September 7, 2021 the company issued common shares. The common shares disclosed hereunder reflect conversion at consolidation ratio used in the share consolidation completed in June 2022.

a. For purchase of $200,000 and $975,000 9% 2025 debentures on March 15, 2021 and September 7, 2021 respectively the company issued 175,270,833 common shares to managed accounts and principals of Generation IACP Inc. and Generation PMCA Corp. For purchase of $50,000 and $25,000 9% 2025 debentures on March 15, 2021 and September 7, 2021 respectively the company issued 11,187,500 common shares to Kelly Ambrose the company's President and Chief Executive Officer;

b. Kelly Ambrose, the company's President and Chief Executive Officer was issued 10,833,333 common shares as a retention bonus and 219,621 common shares in lieu of a portion of vacation pay due to him; and

c. Mukesh Sabharwal, the company's Vice President and Chief Financial Officer was issued 4,166,667 common shares as a retention bonus and 114,312 common shares in lieu of a portion of vacation pay due to him.

On March 24, 2022 for purchase of $150,000 9% 2025 debentures the company issued 22,375,000 common shares to the principals of Generation IACP Inc. and Generation PMCA Corp.

On January 5, 2023 for purchase of $600,000 9% 2025 debentures the company issued 12,000,000 common shares to the principals of Generation IACP Inc. and Generation PMCA Corp (notes 6 and 8).

The holdings of 9% 2025 debentures and common shares by related parties are summarized below:

	June 30, 2023		June 30, 2022	
	9% 2025 debentures	Common shares	9% 2025 debentures	Common shares
Director, Chief Executive Officer - K. Ambrose	$ 575,000	25,424,582	$ 575,000	25,424,582
Director - M. Lavine	500,000	2,450,494	500,000	2,450,494
Director - D. Moscovitz	9,000	38,966	9,000	38,966
Chief Financial Officer - M. Sabharwal	115,000	5,197,599	115,000	5,197,599
R. Abramson, GIACP, GPMCA (a)	3,464,680	156,505,045	3,543,650	158,137,414
Herbert Abramson (b)	731,000	54,864,527	431,000	48,864,527
	$ 5,394,680	244,481,213	$ 5,173,650	240,113,582
Total issued and outstanding 9% 2025 debentures and common shares	$ 7,759,000	265,390,090	$ 7,159,000	253,392,507
% held by parties in tabulation	69.5%	92.1%	72.3%	94.8%
(a) Randall Abramson ("R. Abramson"), along with Generation IACP Inc. ("GIACP") and Generation PMCA Corp. ("GPMCA") in their capacity as portfolio managers on behalf of their respective fully managed accounts, beneficially own (directly or indirectly) or exercise control or direction over, in aggregate, the above securities of the company. R. Abramson indirectly controls both GIACP and GPMCA and is a portfolio manager of both firms				
(b) Herbert Abramson, Chairman and a portfolio manager of both GIACP and GPMCA, beneficially owns the securities of the company				

Key management includes the company's directors and members of the Executive Committee. The members of the Executive Committee are the Chief Executive Officer and Chief Financial Officer. Compensation awarded to key management included:

	Year ended June 30	
	2023	2022
Salaries, management bonuses and directors fees	$ 463,192	$ 463,192

11 Financial instruments

(a) Credit risk

Credit risk is the risk of financial loss to the company if a customer fails to meet its contractual obligations. The company, in the normal course of business, is exposed to credit risk on its accounts receivable and transaction credits from customers.

Accounts receivable and transaction credits are net of applicable allowance, which is established based on specific credit risk associated with the customer and other relevant information.

Under the merchant cash advance ("MCA") product, the company acquires the rights to receive future cash flows, associated with future business activity, at a discount from participating establishments ("transaction credits"). Under the MCA program the transaction credits are estimated to be fully extinguishable within 365 days. Until these transaction credits have been extinguished through collections from participating merchants there is a credit risk.

The evaluation of collectability of transaction credits is done on an individual customer basis. For specifically identified transaction credit balances that are impaired an expected loss is estimated. The amount of the estimates is determined based on the status of the customer and the company's historical experience on recoveries.

During year ended June 30, 2022 the economic uncertainties were the result of the pandemic. During year ended June 30, 2023 the economic uncertainties were the result of the inflationary and high interest environment. However, during both fiscal years the economic situation was less uncertain compared to the period of peak pandemic from March 2020 to September 2021. During year ended June 30, 2023 and June 30, 2022 for level 1 transaction credits the company estimated loss based on historical loss rate.

The historical loss rate is based on the losses experienced over the seven-year period prior to start of the pandemic, during and post pandemic. Location of the merchant business, past and current payment history, current economic activity levels, are the inputs into the forecast loss ratio.

The company collects its dues through pre-authorized debits. The company's past experience is that recurring rejections of payments by a merchant – unless due to administration or clerical oversight and rapidly rectified - is the likely indication of the merchant not being able to operate, pay the company's dues leading to a credit loss. The risk management processes of the company in determining the expected credit losses review: a) the unimpaired portfolio for merchants with recurring rejections, b) reason(s) for the rejection(s) and the timeline within which satisfactorily resolved, c) location of the merchant and number of years in business, and d) likelihood of continuation of business for the period until the dues are paid to the company.

During year ended June 30, 2022 the pandemic restrictions impacted economic activity. and hence the evaluation of collectability of transaction credits. During year ended June 30, 2023 the inflationary and increasing interest rate environment impacted economic activity. Hence in both years there is some estimation in evaluation of collectability in future periods.

Recoveries are only recorded when objective verifiable evidence supports the change in the original provision.

The maximum exposure to credit risk with respect to transaction credits and accounts receivable is the net balance of the transaction credits and accounts receivable.

The transaction credit balances and accounts receivable balances and the related allowance is as follows:

	June 30, 2023	June 30, 2022
	$	$
Transaction credits	$ 7,134,832	$ 4,692,121
Accounts receivable	89,302	87,705
Allowance	(1,497,277)	(1,384,238)
Per Consolidated statement of financial position	**$ 5,726,857**	**$ 3,395,588**
Maximum exposure to credit risk	**$ 5,726,857**	**$ 3,395,588**

The transaction credits that are considered impaired and the related allowance is as follows:

	June 30, 2023	June 30, 2022
	$	$
Impaired transaction credits	$ 1,262,909	$ 1,246,397
Allowance	(1,262,909)	(1,246,397)
Impaired transaction credits not allowed for	**$ -**	**$ -**
The company carries a general allowance towards transaction credits. This allowance is the historical loss ratio	$ 229,984	$ 133,456

Movement on allowance for impaired transaction credits:

	June 30, 2023	June 30, 2022
	$	$
Balance brought forward at start of year	**$ 1,379,853**	**$ 1,061,295**
Allowance created during the year	113,039	318,000
Impaired accounts adjusted against allowance	-	558
Balance carried forward at end of year	**$ 1,492,892**	**$ 1,379,853**

(b) Currency risk

Currency risk arises due to fluctuations in foreign currency rates.

The company carries nominal amounts of cash (USD $56 at June 30, 2023 and 2022) and accounts payables (USD 697 at June 30, 2023 and 2022).

(c) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company carries a going concern qualification – note 2a. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity when operational obligations, comprising payroll; accounts payable; interest payable; and capital expenditures, are due.

The company deploys available funds to merchants under its merchant cash advance product, which are disclosed as transaction credits on the consolidated statements of financial position.

The contractual maturities of the company's financial liabilities at June 30, 2023 are as follows:

	Total	Payable within 1 year	Payable after 1 year – 3 years
	$	$	$
Loan payable – (note 5)	5,992,287	5,992,287	-
Accounts payable and accrued liabilities excluding current portion of interest payable on 9% 2025 debentures and 12% debentures	3,170,488	3,170,488	-
9% 2025 debentures – face amount – maturing December 31, 2025 (note 6)	7,759,000	-	7,759,000
9% debentures interest for period December 16, 2018 to March 14, 2021	1,150,383	-	1,150,383
9% 2025 debentures cash interest (note 6)	3,906,665	410,877	3,495,788
9% 2025 debentures restructuring bonus (note 6)	1,396,620	-	1,396,620
12% debentures - face amount - maturing October 10, 2025 (note 7)	400,000	-	400,000
12% debentures cash interest (note 7)	118,882	48,000	70,882
Loan (Note 19)	60,000	-	60,000
Total	$ 23,954,325	$ 9,621,652	$ 14,332,673
In addition, interest on interest of $715,835 - on above 9% debentures unpaid interest of $1,150,383 and on interest due up-to March 15, 2023 of $1,243,219 but not paid on due date on 9% 2025 debentures is payable in instalments (note 7) - is due December 31, 2025 upon maturity of 9% 2025 debentures. The interest on interest of $715,835 is being expensed over the term of the 9% 2025 debentures and a corresponding liability created. The liability of such interest payable as at June 30, 2023 is $440,902			

The contractual maturities of the company's financial liabilities at June 30, 2022 are as follows:

	Total	Payable within 1 year	Payable after 1 year – 3 years
	$	$	$
Loan payable – (note 5)	4,019,685	4,019,685	-
Accounts payable and accrued liabilities	2,825,914	2,825,914	-
9% 2025 debentures – face amount – maturing December 31, 2025 (note 6)	7,159,000	-	7,159,000
9% debentures interest for period December 16, 2018 to March 14, 2021	1,150,383	-	1,150,383
9% 2025 debentures cash interest (note 6)	3,033,976	-	3,033,976
9% 2025 debentures restructuring bonus (note 6)	1,288,620	-	1,288,620
Loan (Note 19)	60,000	-	60,000
Lease (note 18)	12,768	12,768	-
Total	$ 19,550,346	$ 6,858,367	$ 12,691,979
In addition, interest on interest of $632,186 - on above 9% debentures unpaid interest of $1,150,383 and on first year interest due March 14, 2022 of $540,810 but not paid on due date as the first year interest on 9% 2025 debentures is payable in instalments (note 6) - is due December 31, 2025 upon maturity of 9% 2025 debentures. The interest on interest of $632,186 is being expensed over the term of the 9% 2025 debentures and a corresponding liability created. The liability of such interest payable as at June 30, 2022 is $239,018			

(d) Fair value

The company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The carrying value of cash, accounts receivable, transaction credits, accounts payable and accrued liabilities, loan and loan payable approximate their fair values due to the short-term maturity of these instruments.

The 9% debentures and 9% 2025 debentures were recognized at fair value on initial recording and are now reflected at amortized cost in the consolidated financial statements. A significant amount of estimation was applied in evaluation of the initial fair value of the 9% debentures and 9% 2025 debentures. Estimates applied by management in the determination of fair value are reflective of the company's overall cost of equity capital. The carrying value of the 9% debentures and 9% 2025 debentures approximate their fair value. The fair value is a level 3 determination.

In calculating the right of use asset and lease liability, the company's uses the discount rate reflective of the borrowing rate for the asset and the company's financial condition. The fair value of the right of use asset and lease liability is a level 3 determination.

(e) Interest rate risk

The company's activities are funded by two sources of debt; the 9% non-convertible debentures payable (note 6) and 12% non-convertible debentures (note 7) which have fixed interest rates, and the loan payable (note 5) which carries a floating interest rate. While the company is not exposed to interest rate risk on account of its 9% non-convertible debentures payable and 12% non-convertible debentures (note 7), its future cash flows are exposed to interest rate risk from the floating interest rate payable on its loan payable. The company does not use derivative instruments to reduce its exposure to interest rate risk.

Interest on loan payable is calculated daily on the amount outstanding on loan payable and charged monthly. The interest rate effective September 1, 2021 is the prime rate of a certain Canadian bank plus 8.80% (prime rate plus 9.05% up to August 31, 2021). During years ended Juen 30, 2022 and June 30, 2023 the prime rate was increased on several occasions by Bank of Canada. During the year ended June 30, 2023 the interest expense on loan payable was $611,010. Had the prime rate, during year ended June 30, 2023, been higher by 10% % the interest expense on loan payable would have been about $672,000, an approximate increase of $61,000.

12 Capital management

The company's objective is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. The company manages its Loan payable, 9% Non-convertible debentures payable, 12% Non-convertible debentures payable and Shareholder deficiency. The Board of Directors does not establish quantitative return on capital criteria for management, but rather promotes year over year sustainable growth in revenues and net income.

Tabulation of capital base

	At June 30, 2023	At June 30, 2022
	$	$
Loan payable – note 5	5,992,287	4,019,685
9% Non-convertible debentures – Principal – note 6	7,759,000	7,159,000
12% Non-convertible debentures payable – Principal – note 7	400,000	-
Loan – note 19	60,000	60,000
Share capital – note 8	24,530,555	24,530,555
Contributed surplus and deficit	(37,240,776)	(34,872,438)
	$1,501,066	$896,802

13 Commitments and contingencies

Legal matters - From time to time, the company is party to legal proceedings arising out of the normal course of business. The results of these litigations cannot be predicted with certainty, and management is of the opinion that the outcome of these types of proceedings is generally not determinable. Any loss resulting from these proceedings will be charged to operations in the period the loss is determined.

Taxation – The Inland Revenue Service ("IRS") assessed a penalty of USD 100,000 with respect to a US subsidiary for late filing of a return for fiscal year which commenced September 1, 2020 and ended August 31, 2021 with respect to certain foreign owned US corporations. The corporation in question is dormant since its year ended August 31, 2019. The company has lodged an appeal with the IRS citing the relief for late filing available with respect to fiscal year 2020 and other mitigating circumstances including the relief available under small corporation category.

14 Income taxes

Income tax recognized in Statement of (Loss) and Comprehensive (loss) are as follows:

	2023	**2022**
	$	**$**
Current income taxes	-	-
Deferred income taxes	-	-
	$-	$-

The average combined federal and provincial statutory income rate applicable to the company in Canada for 2023 and 2022 was 26.5% and in the USA for 2023 and 2022 was 21.0%.

Since the company does not have an income tax expense there is no reconciliation between the company's effective income tax rate and the combined statutory income tax rate.

The effective tax rate was $nil or 0%.

In assessing the ability to realize deferred income tax assets, the company considers whether it is more likely or not that some portion or all of the deferred income tax assets will be utilized in the foreseeable future. The ultimate realization of deferred income tax assets is dependent on the generation of future taxable income during the years in which those temporary differences become deductible. As at June 30, 2023, there is no certainty that such deferred income tax assets will be utilized and, therefore, such assets have not been recognized on the consolidated statements of financial position. The components of deferred income tax are as follows:

	2023 $	2022 $
Non-capital losses carried forward	4,958,000	4,818,000
Property, plant and equipment due to amortization	17,000	19,000
	$4,975,000	$4,837,000
Deferred income tax assets not recognized	$(4,975,000)	(4,837,000)
	$-	$-

As at June 30, 2023, the company has gross non-capital income tax losses of approximately $19,360,000 (2022 $18,923,000), which may be carried forward to reduce future income for income tax purposes. The benefit of these losses has not been recognized in these consolidated financial statements. These losses expire between 2023 and 2042, and are tabulated hereunder:

Year ending June 30, 2024	$ 1,934,000
Year ending June 30, 2025	$ 345,000
Year ending June 30, 2026 and thereafter	$17,081,000
	$19,360,000

15 Earnings (loss) per share

Basic EPS is calculated by dividing the net (loss) for the year attributable to equity owners of the company by the weighted average number of common shares outstanding during the period.

Diluted EPS is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. The number of shares included with respect to options, warrants and similar instruments is computed using the treasury stock method. Basic and Diluted EPS are tabulated.

	Year ended June 30, 2023	Year ended June 30, 2022
	$	$
Net (loss) and comprehensive (loss)	$ (2,527,153)	$ (2,707,838)
Basic and Diluted EPS		
Average number of issued post consolidation common shares during the period *	259,209,268	199,545,395
Basic EPS	**$ (0.01)**	**$ (0.01)**
* The company completed a share consolidation on the basis of one (1) post-consolidation common share for every thirty (30) pre-consolidation common shares. The company's board of directors set May 29, 2022 as the effective date of the consolidation. To enable a comparison the average number of issued common shares, in above tabulation, for year ended June 30, 2022 are stated as if the share consolidation had taken place on July 1, 2021. As additional information, the pre-consolidation issued and outstanding common shares were 7,603,966,451		
There are no potentially dilutive common shares outstanding at June 30, 2023 and 2022. Hence Diluted EPS not computed		

16 Nature of expenses

The company availed Federal pandemic relief measures which are explained in note 19. This was primarily during year ended June 30, 2022.

Sales and wages including travel reflects receipt of Canada's Federal wage subsidies of $Nil during year ended June 30, 2023 (2022 - $125,009).

Facilities, processing, and office expenses reflect receipt of Canada's Federal rent subsidies of $1,888 during year ended June 30, 2023 (2022 - $27,023).

		Year ended June 30, 2023	Year ended June 30, 2022
		$	$
Direct expenses			
Costs of loyalty rewards, and marketing in connection with the company's merchant based loyalty program		$ 480,960	$ 416,483
Write-back of a portion of marketing cost provision created in prior years in connection with company's merchant based loyalty program which is no longer required		(149,450)	-
Expense for provision against impaired accounts receivable and transaction credits		125,183	325,326
		$ 456,693	**$ 741,809**
Selling and Marketing, and General & Administrative			
Salaries and wages including travel		$ 1,406,665	$ 1,261,440
Professional fees		168,173	244,731
Facilities, processing, and office expenses		149,533	103,051
Other		32,013	41,092
		$ 1,756,384	**$ 1,650,314**

17 Segment reporting

The company's reportable segments include: (1) Merchant cash advance ("MCA") program and (2) Aeroplan program. Where applicable, corporate and other activities are reported separately as Corporate. All programs operated in Canada.

The above noted programs are described in Note 1.

The Chief Operating Decision Maker reviews the segment income statement. The segment assets and liabilities are not reviewed.

Financial information by reportable segment for period ended June 30, 2023 and 2022 is tabulated.

Year ended June 30, 2023				
	MCA program	Aeroplan program	Corporate	Total
	$	$	$	$
Revenues	1,440,458	670,261	-	2,110,719
Direct expenses	125,183	331,510	-	456,693
	1,315,275	338,751	-	1,654,026
Selling & marketing	376,154	175,028	-	551,182
General & administrative	822,489	382,713	-	1,205,202
(Loss) from operations before depreciation, amortization and interest	116,632	(218,990)	-	(102,358)
Stated Interest - loan payable	611,010	-	-	611,010
Stated Interest - 9% non-convertible debentures payable	595,566	277,123	-	872,689
Stated Interest - 12% non-convertible debentures payable	6,370	2,964	-	9,334
Interest - Lease	121	56	-	177
Non-cash interest - 9% non convertible debentures payable - accretion charges, restructuring bonus and amortization of transaction costs	634,433	295,208	-	929,641
Non-cash interest expense - 12% non-convertible debentures payable - amortization of transaction costs	1,327	617	-	1,944
Segment (loss)	$ (1,732,195)	$ (794,958)	$ -	$ (2,527,153)

Year ended June 30, 2022				
	MCA program	Aeroplan program	Corporate	Total
	$	$	$	$
Revenues	$ 1,167,998	$ 571,699	$ -	$ 1,739,697
Direct expenses	325,326	416,483	-	741,809
	842,672	155,216	-	997,888
Selling & marketing	427,320	209,120	-	636,480
General & administrative	680,667	333,167	-	1,013,834
(Loss) from operations before depreciation, amortization and interest	(265,315)	(387,071)	-	(652,426)
Stated Interest - loan payable	476,961	-	-	476,961
Stated Interest - 9% non-convertible debentures payable	519,468	254,265	-	773,733
Interest - Lease	3,866	1,894	-	5,760
Non-cash interest - 9% non convertible debentures payable - accretion charges, restructuring bonus and amortization of transaction costs	536,404	262,554	-	798,958
Segment (loss)	$ (1,802,014)	$ (905,784)	$ -	$ (2,707,838)

18 Lease

The company has adopted IFRS 16 from its accounting period beginning July 1, 2019 and the adoption is reflected in these financial statements. The adoption is with respect to the company's head office lease (note 1 and note 3) which expired August 31, 2022.

	Lease liability
	$
Balances at June 30, 2021	**$ 84,679**
Interest payments	5,760
Lease payments	(77,671)
Balances as at June 30, 2022	**$ 12,768**
Interest payments	177
Lease payments	(12,945)
Balances as at June 30, 2023	$ -
June 30, 2022	
Current	$ 12,768
June 30, 2023	
Current	$ -

The undiscounted lease liability at June 30, 2023 is $Nil.

19 Government subsidies

The company has availed Covid-19 pandemic relief measures.

Amount of $Nil received during year ended June 30, 2023 (2022 - $125,009) under the Canada's Federal wage subsidies (Canada Emergency Wage Subsidy and Hardest Hit Business Recovery Program) is reflected as a reduction of the salaries and wages expense disclosed in note 16.

Amount of $1,888 received during year ended June 30, 2023 (2022 - $27,023) under Canada's Federal rent subsidies (Canada Emergency Rent Subsidy and Hardest Hit Business Recovery Program) is reflected as a reduction of the facilities expense disclosed in note 16.

The company received $60,000 under the Canada Emergency Business Account. $20,000 of this loan of $60,000 is forgivable provided the loan is re-paid by January 18, 2024. There is no interest on the $60,000 loan provided it is re-paid by January 18, 2024. After that none of the loan would be forgiven and interest will begin to accrue at 5% per year. The loan including accrued interest would be due in full by December 31, 2026.

20 Subsequent events

In August 2023 Accord amended effective September 1, 2023 interest rate on loan payable. The amended interest rate is the prime rate of a certain Canadian bank plus 8.0% from prime rate of a certain Canadian bank plus 8.8%.

In September 2023 the company received agreement of the debenture holders to defer the payment of interest payable September 15, 2023, and for it to be payable in five equal instalments, with each instalment being added to the interest payments due on March 15, 2024, September 15, 2024, March 15, 2025, September 15, 2025, and December 31, 2025. As at year end these amount have been recorded as current liabilities and included in accounts payable and accrued liabilities.

In September 2023 the company signed a five-year renewal ending August 31, 2028 of its agreement with Aeroplan. The parties established their partnership in 2010.

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Kelly Ambrose. Chairman of the Board of Directors
Marc Lavine. Chairman of the Audit Committee
David Moscovitz. Chairman of the Compensation and Governance Committee

Senior Management:

Kelly Ambrose
President and Chief Executive Officer

Mukesh Sabharwal
VP and Chief Financial Officer

Listing:

Canadian Securities Exchange
Trading symbol ADX

Auditors:

BDO Canada LLP

Transfer Agent:

TSX Trust Company