



CURRENCY EXCHANGE
INTERNATIONAL

Currency Exchange International Announces Financial Results for the Three- and Nine-Month Period Ended July 31, 2020

September 9, 2020

Toronto, Canada – Currency Exchange International, Corp. (the “Company”) (TSX: CXI; OTCBB: CURN), announces its financial results and management's discussion and analysis (“MD&A”) for the three- and nine-month periods ended July 31, 2020 (all figures are in U.S. dollars except where otherwise indicated). The complete financial statements and MD&A can be found on the Company's SEDAR profile at www.sedar.com.

On March 11, 2020 the World Health Organization (“WHO”) officially declared COVID-19, the disease caused by a novel coronavirus, a pandemic. Measures enacted to curtail COVID-19 by various governments have significantly impacted travel and tourism, and therefore the demand for foreign currencies. The Company has experienced a material decline in revenue as a result. While the Company continues to operate, it is not possible to reliably estimate the duration and severity of these consequences as well as their impact on the financial position and results of future periods.

Randolph Pinna, CEO of the Company, stated “The third quarter of 2020 was one of the most challenging periods in the history of the Company in terms of the unprecedented decline in revenue. Despite this, CXI’s subsidiary, Exchange Bank of Canada (“EBC”), successfully closed on its acquisition of a Quebec-based payments company that has operated for over 22 years. This business advances EBC’s footprint in the Canadian payments market and will enable growth in the months ahead for the bank. While it is expected that the demand for banknotes will take an extended time to recover to pre-crisis levels, the CXI financial group is firmly committed to this space. We have already seen some competitors leave the North American market, which has provided an opportunity to gain market share. This will accelerate the group’s return to profitability as demand for travel recovers. CXI has been through challenging periods in the past and proven its resilience. It’s a testament to the exceptional pool of talent, technology, global relationships and customers that have been the hallmarks of CXI’s success.”

Financial Highlights for the Three-month Period Ended July 31, 2020 compared to the Three-month Period Ended July 31, 2019:

- ❖ Revenue decreased 69% or \$8.5 million to \$3.9 million for the three-month period ended July 31, 2020, due to a pandemic-induced decline in the banknotes segment of 73%, partially offset by an increase in the payments segment of 13%;
- ❖ A net operating loss of \$2.0 million in the three-month period ended July 31, 2020 compared to \$2.9 million in net operating income for the three-month period ended July 31, 2019. Operating expenses declined by 38%, mitigating a significant amount of the revenue decline. Normalizing for the adoption of IFRS 16 on November 1, 2019, the net operating loss would have been \$2.6 million in the three-month period ended July 31, 2020;
- ❖ Other income includes non-repayable government wage subsidies of \$0.4M for the three-month period ended July 31, 2020;
- ❖ A net loss of \$2.3 million in the three-month period ended July 31, 2020 compared to a net profit of \$1.8 million for the three-month period ended July 31, 2019; and
- ❖ A net loss per share of (\$0.35) on a basic and fully diluted basis for the three-month period ended July 31, 2020, compared to earnings per share of \$0.28 in the three-month period ended July 31, 2019.

Financial Highlights for the Nine-month Period Ended July 31, 2020 compared to the Nine-month Period Ended July 31, 2019:

- ❖ Revenue decreased 34% or \$10.2 million to \$20.1 million for the nine-month period ended July 31, 2020, as growth in the payments segment of 21% was outpaced by a 38% decrease in the banknote segment as demand for banknotes was impacted by a steep decline in travel due to the pandemic;
- ❖ A net operating loss of \$3.1 million in the nine-month period ended July 31, 2020 compared to \$4.3 million net operating income for the nine-month period ended July 31, 2019;
- ❖ A net loss of \$5.1 million in the nine-month period ended July 31, 2020 compared to net income of \$2.2 million for the nine-month period ended July 31, 2019; and
- ❖ A net loss per share of (\$0.79) on a basic and fully diluted basis for the nine-month period ended July 31, 2020, compared to earnings per share of \$0.34 in the nine-month period ended July 31, 2019.

As demonstrated in the table below, seasonality is reflected in the timing of when foreign currencies are in greater or lower demand. In a normal operating year there is seasonality to the Company's operations with higher revenues generated from March until September and lower revenues from October to February. This coincides with peak tourism seasons in North America when there are generally more travelers entering and leaving the United States and Canada. The coronavirus pandemic has significantly impacted the ability for people to travel, and therefore the three-month periods ending April 30, 2020 and July 31, 2020 are not indicative of typical seasonality.

Selected Financial Data

Three-months ending	Revenue	Net operating income (loss)	Net income (loss)	Total assets	Total equity	Earnings (loss) per share (diluted)
	\$	\$	\$	\$	\$	\$
7/31/2020	3,879,873	(1,993,117)	(2,274,720)	96,105,961	61,462,798	(0.35)
4/30/2020	6,323,344	(2,316,356)	(2,942,948)	99,263,039	62,965,874	(0.43)
1/31/2020	9,874,289	1,162,930	159,274	108,319,219	66,323,630	0.02
10/31/2019	11,469,079	1,863,442	769,393	82,729,714	66,329,035	0.13
7/31/2019	12,402,484	2,935,899	1,820,768	81,719,233	65,447,949	0.28
4/30/2019	9,460,809	1,081,292	507,370	82,267,884	63,022,825	0.08
1/31/2019	8,451,671	271,410	(172,811)	82,045,951	62,678,990	(0.03)
10/31/2018	10,270,234	1,724,576	995,967	73,267,274	62,721,937	0.17

Conference Call

The Company plans to host a conference call on **September 10, 2020 at 8:30 A M (EST)**. To participate in or listen to the call, please dial the appropriate number:

- **Toll Free:** 1-855-336-7594
- **Conference ID number:** 3132497

About Currency Exchange International, Corp.

The Company is in the business of providing a range of foreign exchange technology and processing services in North America. Primary products and services include the exchange of foreign currencies, wire transfer payments, Global EFTs, purchase and sale of foreign bank drafts and international travelers' cheques, and foreign cheque clearing. Related services include the licensing of proprietary FX software applications delivered on its web-based interface, www.ceifx.com ("CEIFX"), and licensing retail foreign currency operations to select companies in agreed locations.

The Company's wholly-owned Canadian subsidiary, Exchange Bank of Canada, based in Toronto, Canada, provides foreign exchange and international payment services to financial institutions and select corporate clients in Canada through the use of its proprietary software – www.ebcfx.com.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This press release includes forward-looking information within the meaning of applicable securities laws. This forward-looking information includes, or may be based upon, estimates, forecasts and statements as to management's expectations with respect to, among other things, demand and market outlook for wholesale and retail foreign currency exchange products and services, proposed entry into the Canadian financial services industry, future growth, the timing and scale of future business plans, results of operations, performance, and business prospects and opportunities. Forward-looking statements are identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "preliminary", "project", "will", "would", and similar terms and phrases, including references to assumptions.

Forward-looking information is based on the opinions and estimates of management at the date such information is provided, and on information available to management at such time. Forward-looking information involves significant risks, uncertainties and assumptions that could cause the Company's actual results, performance or achievements to differ materially from the results discussed or implied in such forward-looking information. Actual results may differ materially from results indicated in forward-looking information due to a number of factors including, without limitation, the competitive nature of the foreign exchange industry, the impact of COVID-19 coronavirus on factors relevant to the Company's business, currency exchange risks, the need for the Company to manage its planned growth, the effects of product development and the need for continued technological change, protection of the Company's proprietary rights, the effect of government regulation and compliance on the Company and the industry in which it operates, network security risks, the ability of the Company to maintain properly working systems, theft and risk of physical harm to personnel, reliance on key management personnel, global economic deterioration negatively impacting tourism, volatile securities markets impacting security pricing in a manner unrelated to operating performance and impeding access to capital or increasing the cost of capital as well as the factors identified throughout this press release and in the section entitled "Risks and Uncertainties" of the Company's Management's Discussion and Analysis for the nine-month period ended July 31, 2020. The forward-looking information contained in this press release represents management's expectations as of the date hereof (or as of the date such information is otherwise stated to be presented), and is subject to change after such date. The Company disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws.

The Toronto Stock Exchange does not accept responsibility for the adequacy or accuracy of this press release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained in this press release.