



CURRENCY EXCHANGE
INTERNATIONAL

Currency Exchange International Announces Financial Results for the Three-Month Period and Fiscal Year Ended October 31, 2021

January 27, 2022

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 months and year ended October 31, 2021 (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, “2021 was a transformational year for CXI. We executed well against each pillar of our strategy. Our corporate payments segment has exceeded our growth expectations, and we are very pleased with the acquisition that was completed on July 29, 2020. We have also grown our presence in the international marketplace for banknotes, and Exchange Bank of Canada’s new relationship with the Federal Reserve will enable further growth in that space. These two pillars are designed to diversify our reliance on the domestic trade in foreign currencies, which is largely dependent on international travel. However, we continue to increase our penetration in the domestic market that is helping to mitigate the reduction in consumer demand. As a result of our efforts, CXI is much better positioned to achieve a return to profitability in spite of the challenges caused by the ongoing pandemic. I am very proud of the significant effort put in by our dedicated employees at CXI as we navigated a very challenging period.”

Corporate and Operational Highlights for the year ended October 31, 2021:

- During the year ended October 31, 2021, the Company added 1,220 new customer relationships comprising 2,421 locations, of which 708 relationships representing 1,837 locations were added in the United States and 512 relationships representing 584 locations were added in Canada. In addition, 296 clients acquired pursuant to the business acquisition completed on July 29, 2020 as announced on June 30, 2020, have transacted during the year.
- The Company made significant progress in its objective to return to profitability, driving positive operating cash flow for the year and positive operating leverage in the second half of the year, and limiting capital erosion by accessing government subsidies designed to protect jobs in companies that have been significantly impacted by the COVID-19 pandemic.
- Customer acquisition drove growth in the international payments segment in Canada, as Exchange Bank of Canada transacted with 699 clients in the year, up from 247 in the prior year.
- The Company entered into an agreement to integrate its proprietary CXIFX platform with Jack Henry’s core banking platform. The technological integration is largely complete, and it has entered the testing phase with select clients. Once complete, the integration will increase the Company’s addressable market by approximately 1,100 financial institutions in the United States.
- Through its subsidiary, Exchange Bank of Canada, began transacting with the Federal Reserve Bank of New York (FRBNY) as a participant in its foreign bank international cash services program, that was announced on August 16, 2021.

Financial Highlights for the Three-month Period Ended October 31, 2021 compared to the Three-month Period Ended October 31, 2020:

- ❖ Revenue increased 102% or \$5.0 million to \$10.0 million for the three-month period ended October 31, 2021 as compared to \$4.9 million in the three-months ending October 31, 2020. The Banknote segment accounted for \$7.9 million of the revenue, an increase of 104% over the prior year. The Payments segment represented \$2.1 million of the revenue, an increase of 93% over the prior year;
- ❖ The Company generated net operating income of \$0.8 million for the three-month period ended October 31, 2021 as compared to a net operating loss of \$1.8 million in the same period in the prior year;
- ❖ The Company recognized \$3.5 million in government grant assistance in the three-month period ended October 31, 2021, an increase of \$3.2 million from the same period in the prior year. The increase was attributable to the employee retention credit in the United States that subsidizes employee wages and healthcare premiums. The majority of the credit relates to the period from January 1, 2021 through September 30, 2021;
- ❖ A net income of \$1.6 million in the three-month period ended October 31, 2021 compared to a net loss of \$3.3 million for the three-month period ended October 31, 2020;
- ❖ Earnings per share of \$0.25 on a basic and fully diluted basis for the three-month period ended October 31, 2021, compared to net loss per share of (\$0.51) in the three-month period ended October 31, 2020; and

Financial Highlights for the fiscal year Ended October 31, 2021 compared to the fiscal year Ended October 31, 2020:

- ❖ The Company grew its revenue 21% in 2021 to \$30.3 million, up from \$25.0 million in the year ended October 31, 2020. Payments accounted for \$4.0 million of the growth, with that segment representing a 24% share of revenue;
- ❖ A marginal net operating loss of \$50 thousand in the year ended October 31, 2021 compared to a net operating loss of \$4.0 million for the year ended October 31, 2020. This reflects revenue growth outpacing operating expense growth at a rate of 4.7:1;
- ❖ Other income and expenses in year ended October 31, 2021 included \$4.2 million in government grants, as the Company recognized \$3.4 million for the employee retention credit in the United States and \$0.8 million for wage and rent subsidies in Canada;
- ❖ A net loss of \$1.1 million in the year ended October 31, 2021 compared to a net loss of \$8.5 million for the year ended October 31, 2020;
- ❖ A net loss per share of (\$0.18) on a basic and fully diluted basis for the year ended October 31, 2021, compared to net loss per share of (\$1.33) in the year ended October 31, 2020.
- ❖ The Company generated positive cash flow from operating activities, excluding the impact of working capital changes and including the repayment of lease liabilities of \$2.7 million in the year ending October 31, 2021 versus negative operating cash flow of \$5.8 million in the prior year.
- ❖ The Company has strong liquidity and capital positions, with \$90.7 million in current assets and \$58.0 million in net equity at October 31, 2021.

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, July 31, 2020, October 31, 2020, January 31, 2021, April 30, 2021, July 31, 2021, and October 31, 2021 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) \$
10/31/2021	9,967,107	776,345	1,634,364	102,525,187	58,015,799	0.25
7/31/2021	8,633,413	1,047,889	(120,246)	92,962,398	56,319,701	(0.02)
4/30/2021	6,573,570	558,010	(924,691)	79,856,635	56,520,124	(0.14)
1/31/2021	5,089,429	(1,315,151)	(1,721,104)	82,354,069	57,039,436	(0.27)
10/31/2020	4,935,917	(1,852,195)	(3,465,632)	85,758,517	58,229,735	(0.54)
7/31/2020	3,879,873	(1,993,117)	(2,274,719)	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

Conference Call

The Company plans to host a conference call on **Friday, January 28, 2022 at 8:30 A M (EDT)**. To participate in or listen to the call, please dial the appropriate number:

- **Toll Free: 1-855-336-7594**
- **Conference ID Number: 7154614**

About Currency Exchange International, Corp.

Currency Exchange International is in the business of providing comprehensive foreign exchange technology and processing services for banks, credit unions, businesses, and consumers in the United States and select clients globally. Primary products and services include the exchange of foreign currencies, wire transfer payments, Global EFTs, and foreign cheque clearing. Wholesale customers are served through its proprietary FX software applications delivered on its web-based interface, www.cxifx.com (“CXIFX”), its related APIs with core banking platforms, and through personal relationship managers. Consumers are served through Company-owned retail branches, agent retail branches, and its e-commerce platform order.ceifx.com (“OnlineFX”).

The Company’s wholly-owned Canadian subsidiary, Exchange Bank of Canada, based in Toronto, Canada, provides foreign exchange and international payment services in Canada and select international foreign jurisdictions. Customers are served through the use of its proprietary software, www.ebcfx.com (“EBCFX”), related APIs to core banking platforms, and personal relationship managers.

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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 Year Ended October 31, 2021. 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.