



CURRENCY EXCHANGE
INTERNATIONAL

Currency Exchange International Announces Financial Results for the Three- and Six- Month Period Ended April 30, 2020

June 11, 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 six-month periods ended April 30, 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. As a result of measures to curtail COVID-19, the Company closed all of its retail locations on or around March 24, 2020, and they remained closed at April 30, 2020 with the majority of the retail employees furloughed. In addition, many of its commercial customers have been impacted by the pandemic, resulting in reduced demand for banknotes. 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 second quarter of 2020 was a tale of two contrasting stories. The first half continued the strong performance that was demonstrated in Q1, coupled with a complete reversal of fortune in the second half as the impact of the novel coronavirus impacted strongly and swiftly. As a result of the travel restrictions and stay-at-home orders, CXI suffered a dramatic decline in the demand to exchange foreign banknotes. While some of our retail locations have recently reopened, we face a period of uncertainty before a return to pre-crisis volumes. Accordingly, we have implemented cost reduction actions and are planning a sustainable path forward as we look out to the next fiscal year and beyond. CXI has a strong capital base and sufficient liquidity to allow us to weather this storm as we reposition the business for the new normal that lies ahead. Our payments business continues to grow and we expect it to become a larger proportion of our revenue in the future. We believe that CXI will emerge as a leader in the industry as weaker competitors fade away and more financial institutions seek us out to become their solution provider because of our unique set of capabilities.”

Financial Highlights for the Three-month Period Ended April 30, 2020 compared to the Three-month Period Ended April 30, 2019:

- ❖ During the three-month period ended April 30, 2020, transactional banknote activity between the Company and its customers decreased 51% to 132,000 transactions from 267,000 for the three-month period ended April 30, 2019. Since April 30, 2019, the Company has added 588 new customer relationships comprising 2,837 locations, of which 553 relationships representing 2,766 transacting locations were added in the United States and 35 relationships representing 71 locations were added in Canada;
- ❖ Revenue decreased 33% or \$3.1 million to \$6.3 million for the three-month period ended April 30, 2020, as the Company shut all of its retail branch locations on or around March 24th and many of its wholesale clients did the same in the wake of the coronavirus shutdowns;
- ❖ Net operating loss of \$2.3 million in the three-month period ended April 30, 2020 compared to \$1.1 million in net income the three-month period ended April 30, 2019. Normalizing for the adoption of IFRS 16 on November 1, 2019, the net operating loss would have been \$3.0 million in the three-month period ended April 30, 2020;
- ❖ The net operating loss included a provision for loss of a receivable in the amount of \$1.0 million owed by a customer which filed for bankruptcy protection;
- ❖ Net loss of \$3 million in the three-month period ended April 30, 2020 as compared to a net profit of \$0.5 million for the three-month period ended April 30, 2019; and

- ❖ Net loss per share of (\$0.47) on a basic and fully diluted basis for the three-month period ended April 30, 2020, versus earnings per share of \$0.08 in the three-month period ended April 30, 2019.

Financial Highlights for the Six-month Period Ended April 30, 2020 compared to the Six-month Period Ended April 30, 2019:

- ❖ During the six-month period ended April 30, 2020, transactional activity between the Company and its customers decreased 20% to 396,000 transactions from 494,000 for the six-month period ended April 30, 2019;
- ❖ Revenues decreased 10% or \$1.7 million to \$16.2 million for the six-month period ended April 30, 2020;
- ❖ Net operating loss of \$1.2 million in the six-month period ended April 30, 2020 (includes provision for loss of a receivable noted above) as compared to \$1.4 million net income for the six-month period ended April 30, 2019;
- ❖ Net loss of \$2.8 million in the six-month period ended April 30, 2020 as compared to net income of \$0.3 million for the six-month period ended April 30, 2019; and
- ❖ Net loss per share of (\$0.44) on a basic and fully diluted basis for the six-month period ended April 30, 2020, versus earnings per share of \$0.05 in the six-month period ended April 30, 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 period ending April 30, 2020 is not indicative of typical seasonality.

Selected Financial Data

Three-months ending	Revenue \$	Net operating income \$	Net income (loss) \$	Total assets \$	Total equity \$	Earnings (loss) per share (diluted) \$
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
7/31/2018	11,537,280	3,533,642	2,407,522	86,860,274	61,629,104	0.37

Conference Call

The Company plans to host a conference call on **June 12, 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:** 8189763

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 six-month period ended April 30, 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.