



**CURRENCY EXCHANGE**  
**INTERNATIONAL**

## **Currency Exchange International Announces Financial Results for the Three-Month Period Ended January 31, 2021**

**March 15, 2021**

**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 ended January 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](http://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, “CXI met its internal expectations with respect to both revenue and net loss in Q1. We are pleased with our progress in executing against a number of key initiatives in our strategic plan that was approved by our Board in October of last year. Our payments segment in Exchange Bank of Canada is experiencing significant growth, catalyzed by the acquisition last summer, and complemented by the addition of several new client relationship managers since. We are only beginning to penetrate what is a very large addressable market in corporate payments. The Company has also been successful at developing relationships with international financial institutions, representing an expansion of revenues for EBC beyond the Canadian market. In the U.S. market, we have continued our strategy of integrating our foreign exchange solution with third-party payments platforms, which will provide access to over 1,500 additional prospective clients. Increasing our market share of U.S. financial institutions is central to our strategy. We are cautiously optimistic that the mass vaccination efforts should allow governments to begin relaxing measures that inhibit international travel in the months ahead. CXI continues to maintain strong liquidity and is well-capitalized to continue in the face of the challenges presented by the ongoing pandemic.”

### **Corporate and Operational Highlights:**

- Since January 31, 2020, the Company has added 658 new active customer relationships comprising 968 locations, of which 304 relationships representing 580 locations were added in the United States and 354 relationships representing 388 locations were added in Canada. Of the Canadian figure, 244 or 69% of the new customer relationships were attributable to the acquisition on July 29, 2020.
- In the three-months ending January 31, 2021, Exchange Bank of Canada added 76 new corporate payments clients that are engaged in international trade. This business is driven by general economic trade and conditions rather than travel and tourism; hence it has been less affected by the COVID-19 pandemic than the Company’s core banknote business.
- In the three-months ending January 31, 2021, the Company has increased its penetration of the financial institution market in the United States with the addition of 64 new clients, representing 121 locations. The Company can onboard 20 – 30 new clients each month through a virtual support model.
- The Company had a net negative operating cash flow, excluding the impact of working capital changes in the quarter of approximately \$1.5M, or \$0.5M per month, consistent with the three-months ending October 31, 2020. The liquidity position is strong, with \$57M in unrestricted cash.

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

- ❖ Revenue decreased 48% or \$4.8 million to \$5.1 million for the three-month period ended January 31, 2021, as the ongoing pandemic caused a decline in the banknotes segment of 62%, partially offset by an increase in the payments segment of 82%;
- ❖ A net operating loss of \$1.3 million in the three-month period ended January 31, 2021 compared to \$1.2 million in net operating income for the three-month period ended January 31, 2020. Operating expenses declined by 26%, in part due to previous restructuring actions and other cost reduction efforts that have mitigated a significant amount of the revenue decline;
- ❖ Other income included \$0.2M from government grants for the three-month period ended January 31, 2021;
- ❖ A net loss of \$1.7 million in the three-month period ended January 31, 2021 compared to a net profit of \$0.2 million for the three-month period ended January 31, 2020;
- ❖ A net loss per share of (\$0.27) on a basic and fully diluted basis for the three-month period ended January 31, 2021, compared to earnings per share of \$0.02 in the three-month period ended January 31, 2020; and
- ❖ The Company had \$67.7M in current assets and \$57M in net equity at January 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, and January 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) \$
1/31/2021	5,089,429	(1,315,151)	(1,721,103)	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
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

### Conference Call

The Company plans to host a conference call on **March 16, 2021 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: 7124486**

## **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](http://www.ceifx.com) ("CXIFX"), 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](http://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 Year Ended October 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.*