



CURRENCY EXCHANGE
INTERNATIONAL

Currency Exchange International Announces Financial Results for the Three-Month Period Ended April 30, 2021 and Adoption of Advance Notice By-Law

June 10, 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 and six-months ended April 30, 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, “Q2 marked a milestone in the pandemic for the Company. CXI’s trailing twelve-month revenue was higher in Q2 than in the previous quarter ended January 31, 2021. This inflection point also coincided in the same quarter that saw the group’s consolidated net revenue being higher than it was in the comparative period a year ago. While the improvement is seemingly small relative to CXI’s pre-pandemic revenue, it is important to note that it is mostly not as a result of a recovery in travel and tourism based demand for foreign currencies, but rather due to the execution of our strategic plan and the diligent effort by our employees to diversify our revenue base while becoming more efficient in process and cost control. Significant progress has been made in growing our international payments business, as well as strengthening our position in the global banknote trade. While we continue to pursue this strategy, we are optimistic that we are now on the precipice of a recovery in international travel. There are tangible indicators that the vaccines have proven effective at combatting the coronavirus, allowing some countries to relax regulations that restrict global mobility. The European Union is now opening up travel to vaccinated travelers and we anticipate that the border between Canada and the U.S. is likely to re-open sometime this summer. We are taking a conservative approach in our expectations on the recovery as it pertains to revenue and maintain a focus on returning to profitability.”

Corporate and Operational Highlights:

- Since April 30, 2020, the Company has added 768 new customer relationships comprising 1,196 locations, of which 274 relationships representing 608 locations were added in the U.S. and 494 relationships representing 588 locations were added in Canada. Approximately one-half of the new customer relationships in Canada were added pursuant to the business acquisition completed on July 29, 2020 as announced on June 30, 2020.
- Exchange Bank of Canada continued its growth in the international payments segment in Canada, initiating trades with 210 new corporate clients, enabling it to more than double its payment revenue over the same quarter in the prior year.
- In the three-months ending April 30, 2021, the Company has further increased its penetration in the financial institution market in the U.S. with the addition of 42 new clients (106 for fiscal year 2021), representing 112 (233 for fiscal year 2021) locations.
- The Company increased its penetration in the global banknote market with the addition of a European-based financial institution client.
- The Company had a net negative operating cash flow, excluding the impact of working capital changes in the quarter of approximately \$0.5 million, or \$0.2 million per month, which indicates a progressive reduction in operating cash outflow since October 31, 2020. The liquidity position is strong with \$54M in unrestricted cash.

Financial Highlights for the Three-month Period Ended April 30, 2021 compared to the Three-month Period Ended April 30, 2020:

- ❖ Revenue increased 4% or \$0.3 million to \$6.6 million for the three-month period ended April 30, 2021. This represents an inflection point for the Company, as the revenue in the prior year period included revenue prior to the declaration of the COVID-19 pandemic on March 11, 2020. While revenue between the two periods is relatively consistent, the operating expenses as a percentage of revenue has improved, demonstrating progression towards the Company's goal of returning to positive operating leverage. This reflects the positive impact from the restructuring actions taken in 2020 to re-size the business;
- ❖ A net operating loss of \$0.6 million in the three-month period ended April 30, 2021 compared to \$2.3 million in net operating income for the three-month period ended April 30, 2020. Operating expenses declined by 17%, 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 \$0.5 million from government grants for the three-month period ended April 30, 2021;
- ❖ A net loss of \$0.9 million in the three-month period ended April 30, 2021 compared to a net loss of \$2.9 million for the three-month period ended April 30, 2020;
- ❖ A net loss per share of (\$0.14) on a basic and fully diluted basis for the three-month period ended April 30, 2021, compared to net loss per share of (\$0.46) in the three-month period ended April 30, 2020; and
- ❖ The Company had \$65.8 million in current assets and \$56.5 million in net equity at April 30, 2021.

Financial Highlights for the Six-month Period Ended April 30, 2021 compared to the Six-month Period Ended April 30, 2020:

- ❖ Revenue for the six-month period ended April 30, 2021 declined by 28% over the same period in the prior year. The decline reflects the unprecedented impact that COVID-19 pandemic-related travel restrictions have had on consumer demand for banknotes. The decline in the U.S. also reflects the reduction in retail branch locations, which decreased by 24% to 35 locations at April 30, 2021, from 46 at April 30, 2020;
- ❖ A net operating loss of \$1.9 million in the six-month period ended April 30, 2021 compared to a net operating loss of \$1.2 million for the six-month period ended April 30, 2020. This is reflective of the reduction in revenue from year-to-year due to the ongoing pandemic. However, this is offset by a decline in operating expenses of 22% for the same period;
- ❖ Other income included \$0.7 million from government grants for the six-month period ended April 30, 2021;
- ❖ A net loss of \$2.7 million in the six-month period ended April 30, 2021 compared to a net loss of \$2.8 million for the six-month period ended April 30, 2020; and
- ❖ A net loss per share of (\$0.41) on a basic and fully diluted basis for the six-month period ended April 30, 2021, compared to net loss per share of (\$0.43) in the six-month period ended April 30, 2020.

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 U.S. 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, and April 30, 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) \$ |
|---------------------|---------------|-----------------------------------|-------------------------|--------------------|--------------------|---|
| 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 | (1,303,410) | (2,942,948) | 99,263,039 | 62,965,874 | (0.46) |
| 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 |

Adoption of Advance Notice Bylaw:

The Company also announced that the Company's board of directors (the "Board") has adopted an advance notice bylaw (the "Advance Notice Bylaw"), which establishes a framework for advance notice of shareholder proposals and nominations of directors by shareholders of the Company. The adoption of the Advance Notice Bylaw is intended to:

- ❖ Facilitate an orderly and efficient annual general or special meeting process;
- ❖ Ensure that all shareholders receive adequate notice of shareholder proposals and director nominations and sufficient information regarding all proposals and director nominees; and
- ❖ Allow shareholders to register an informed vote after having been afforded reasonable time for appropriate deliberation.

The Advance Notice Bylaw, among other things, fixes a deadline by which holders of record of common shares of the Company must submit shareholder proposals and director nominations to the Company prior to any annual meeting of shareholders and sets out the required information that must be included in the notice to the Company. No person will be eligible for election as a director of the Company unless nominated in accordance with the Advance Notice Bylaw. This same requirement applies to shareholder proposals.

To be timely, a shareholder's notice must be delivered to the Secretary at the principal executive offices of the Company not later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is more than thirty (30) days before or more than 70 days after such anniversary date, notice by the shareholder to be timely must be so delivered (A) no earlier than the close of business on the 120th day prior to such annual meeting and (B) no later than the close of business on the later of the 90th day prior to such annual meeting or the close of business on the 10th day following the day on which public announcement of the date of such meeting is first made by the Company.

The Advance Notice Bylaw is now in effect and the Company intends to seek shareholder approval to ratify the amendment to the Company's bylaws to include the Advance Notice Bylaw at the Company's next annual general meeting of shareholders ("AGM"). A summary of the Advance Notice Bylaw will be contained in the information circular to be prepared for the 2021 AGM and mailed to the Company's shareholders. A copy of the Advance Notice Bylaw is available on SEDAR.

Conference Call

The Company plans to host a conference call on **June 11, 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: 8388766**

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.cxifx.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.

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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.