



**CURRENCY EXCHANGE**  
**INTERNATIONAL**

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

**September 13, 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 nine-months ended July 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, “We are pleased with the progress that CXI made in Q3 in spite of continued restrictions on international mobility due to the protracted pandemic. We were able to generate positive operating leverage and cash flow in the quarter despite revenue being 30% below the pre-pandemic peak. This reflects our persistent focus on executing against our strategy of increased penetration in the banknote market and significantly growing our group’s payments businesses while ensuring a more efficient operating environment. We are also honored that Exchange Bank of Canada now has a formal relationship with the Federal Reserve Bank of New York and its foreign bank international cash services program. It is a strategic advantage to be accepted into this program, and it is a key pillar to our Bank’s strategy of growing our global banknote business.”

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

- The Company had a net operating cash flow, excluding the impact of working capital changes in the quarter of approximately \$0.6 million, which marks the first quarter of positive cash flow since the COVID-19 pandemic began. The liquidity position is strong, with \$57.7 million in unrestricted cash holdings at July 31, 2021.
- Since July 31, 2020, the Company has added 959 new customer relationships comprising 1,649 locations, of which 579 relationships representing 1,223 locations were added in the United States and 380 relationships representing 426 locations were added in Canada. In addition, 222 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 has continued its growth in the international payments segment in Canada, initiating trades with 66 new corporate clients in the quarter (307 in fiscal 2021). The Company nearly tripled its payments revenue in the three-months ending July 31, 2021 versus the same period in the prior year as the acquisition completed on July 29, 2020 provided a platform to build from.
- In the three-months ending July 31, 2021, the Company has further increased its penetration of the financial institution market in the United States with the addition of 56 new clients (162 for fiscal year 2021), representing 122 locations (355 for fiscal year 2021). The Company has capacity to onboard 20 – 30 new clients each month and the anticipated integration of its proprietary solution with the Jack Henry platform by year’s end will increase the addressable market by some 1,100 financial institutions in the United States.
- Exchange Bank of Canada, the Company’s wholly owned subsidiary, has signed an agreement with the Federal Reserve Bank of New York (FRBNY) to become the second participant in the FRBNY’s Foreign Bank International Cash Services program, the approval of which was announced on August 16, 2021.

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

- ❖ Revenue increased 123% or \$4.8 million to \$8.6 million for the three-month period ended July 31, 2021. This was driven by strong growth in both the banknote and payments segments. The three-month period ended July 31, 2020 represented the nadir for demand since the declaration of the COVID-19 pandemic due to widespread restrictions on international travel;
- ❖ The Company generated net operating income of \$1.0 million for the three-month period ended July 31, 2021 as compared to a net operating loss of \$2.0 million in the same period in the prior year. This represents the first quarter of positive operating leverage since the declaration of the COVID-19 pandemic;
- ❖ Reliance on government assistance declined significantly as the Bank's revenue has largely recovered. Other income included less than \$0.1 million in government grants for the three-month period ended July 31, 2021 versus \$0.4 million in the same period in the prior year;
- ❖ A net loss of \$0.1 million in the three-month period ended July 31, 2021 compared to a net loss of \$2.3 million for the three-month period ended July 31, 2020;
- ❖ A net loss per share of (\$0.02) on a basic and fully diluted basis for the three-month period ended July 31, 2021, compared to net loss per share of (\$0.35) in the three-month period ended July 31, 2020; and
- ❖ The Company had \$79.6 million in current assets and \$56.3 million in net equity at July 31, 2021.

**Financial Highlights for the Nine-month Period Ended July 31, 2021 compared to the Nine-month Period Ended July 31, 2020:**

- ❖ Revenue for the nine-month period ended July 31, 2021 increased by 1%, or \$0.2 million over the same period in the prior year. While the result is coincidentally consistent, it isn't directly comparable as the COVID-19 pandemic was declared 132 days into the previous fiscal year, such that it contains approximately an equal mix of pre- and post-pandemic revenue at July 31, 2020;
- ❖ A net operating loss of \$0.8 million in the nine-month period ended July 31, 2021 compared to a net operating loss of \$2.1 million for the nine-month period ended July 31, 2020. This is reflective of a reduction in both fixed and variable operating expenses in part due to certain restructuring actions taken in the year ending October 31, 2020;
- ❖ Other income and expenses in the nine months ended July 31, 2021 included \$0.1 million for a loss provision related to a client bankruptcy, \$0.9 million lower than the same period in the prior year;
- ❖ A net loss of \$2.8 million in the nine-month period ended July 31, 2021 compared to a net loss of \$5.1 million for the nine-month period ended July 31, 2020;
- ❖ A net loss per share of (\$0.43) on a basic and fully diluted basis for the nine-month period ended July 31, 2021, compared to net loss per share of (\$0.79) in the nine-month period ended July 31, 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 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, and July 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) \$
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)
1/31/2020	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	(0.43)
01/31/2020	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

## Conference Call

The Company plans to host a conference call on **September 14, 2021 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: 4035795**

## 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).

## **Contact Information**

For further information please contact:

Bill Mitoulas

Investor Relations

(416) 479-9547

Email: [bill.mitoulas@cxifx.com](mailto:bill.mitoulas@cxifx.com)

Website: [www.ceifx.com](http://www.ceifx.com)

## **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.*