CURRENCY EXCHANGE INTERNATIONAL, CORP.

Condensed Interim Consolidated Financial Statements
For the three-month periods ended January 31, 2020 and 2019
(Expressed in U.S. Dollars)
(Unaudited)

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Management's Responsibility for the Condensed Interim Consolidated Financial Statements

The accompanying unaudited condensed interim consolidated financial statements of Currency Exchange International, Corp. (the "**Company**") are the responsibility of management and the Board of Directors.

The unaudited condensed interim consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the unaudited condensed interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 - Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide it with sufficient knowledge to support management's representations that it has exercised reasonable diligence that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the unaudited condensed interim consolidated financial statements and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of, and for the periods presented by, the unaudited condensed interim consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed interim consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(signed) *"Randolph Pinna"*
Randolph Pinna
President and Chief Executive Officer

(signed) *"Stephen Fitzpatrick"*
Stephen Fitzpatrick
Chief Financial Officer

Orlando, Florida
March 11, 2020

CURRENCY EXCHANGE INTERNATIONAL, CORP.
Condensed Interim Consolidated Statements of Financial Position
January 31, 2020 and October 31, 2019
(Expressed in U.S. Dollars)
(Unaudited)

ASSETS

	January 31, 2020	October 31, 2019
Current assets	$	$
Cash (Note 7)	71,318,452	62,873,873
Accounts receivable (Note 15)	22,682,114	10,543,252
Restricted cash held in escrow (Note 8)	614,465	644,657
Forward and option contracts (Note 16)	147,562	1,735
Other current assets (Note 21)	1,030,682	1,270,103
Total current assets	95,793,275	75,333,620
Property and equipment (Note 9)	1,447,797	1,552,941
Intangible assets (Note 10)	3,801,268	3,910,749
Goodwill (Note 10)	1,238,319	1,238,319
Other assets	104,185	101,686
Right-of-use assets (Note 11)	5,236,696	-
Net deferred tax asset	697,679	592,401
Total assets	108,319,219	82,729,716
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	22,805,842	12,583,741
Contract liability	298,406	266,392
Lease liabilities (Note11)	1,741,083	-
Line of credit (Note 13)	10,858,621	472,736
Accrued expenses	1,875,223	2,767,711
Income taxes payable	313,401	310,099
Total current liabilities	37,892,576	16,400,679
Long term liabilities		
Lease liabilities (Note 11)	4,103,013	-
Total long-term liabilities	4,103,013	-
Total liabilities	41,995,589	16,400,679
Equity		
Share capital	6,414,936	6,414,936
Equity reserves	29,381,602	29,204,576
Retained earnings	30,527,092	30,709,525
Total equity	66,323,630	66,329,037
Total liabilities and equity	108,319,219	82,729,716

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

CURRENCY EXCHANGE INTERNATIONAL, CORP.
Condensed Interim Consolidated Statements of Operations and Comprehensive Loss
Three-month periods ended January 31, 2020 and 2019
(Expressed in U.S. Dollars)
(Unaudited)

	Three-months ended	
	January 31, 2020	**January 31, 2019**
Revenues	$	$
Commissions revenue	9,243,914	7,947,371
Fee revenue	630,375	504,300
Total revenues (Note 6)	9,874,289	8,451,671
Operating expenses (Note 19)	8,711,359	8,180,261
Net operating income	1,162,930	271,410
Interest revenue	5,869	1,460
Gain on sale of assets	-	1,976
Earnings before interest, taxes, depreciation and amortization	1,168,799	274,846
Interest expense (Note 13)	138,202	119,778
Interest on lease liabilities (Note 11)	73,956	-
Depreciation and amortization	386,882	380,919
Depreciation of right-of-use assets (Note 11)	518,017	-
Income (loss) before income taxes	51,742	(225,851)
Income tax benefit	(107,532)	(53,040)
Net income (loss) for the period	159,274	(172,811)
Other comprehensive income, after tax		
Net income (loss) for the period	159,274	(172,811)
Items that may subsequently be reclassified to profit or loss		
Exchange differences on translating foreign operations	(80,446)	(27,228)
Total other comprehensive gain (loss), after tax	78,828	(200,038)
Earnings per share (Note 18)		
-basic	$0.02	($0.03)
-diluted	$0.02	($0.03)
Weighted average number of common shares outstanding (Note 18)		
-basic	6,413,065	6,306,450
-diluted	6,415,098	6,329,649

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

CURRENCY EXCHANGE INTERNATIONAL, CORP.
Condensed Interim Consolidated Statements of Changes in Equity
Three-month periods ended January 31, 2020 and 2019
(Expressed in U.S Dollars)
(Unaudited)

	Share Capital		Equity Reserves				Retained Earnings	Total Equity
	Shares	Amount	Share premium	Accumulated Other Comprehensive Income (Loss)	Stock Options		Amount	Amount
	#	$	$	$	#	$	$	$
Balance at November 1, 2019	6,414,936	6,414,936	32,588,617	(5,591,093)	708,366	2,207,052	30,709,525	66,329,037
Stock based compensation (Note 17)	-	-	-	-	-	257,473	-	257,473
Loss on foreign currency translation	-	-	-	(80,447)	-	-	-	(80,447)
Adjustment from the adoption of IFRS 16	-	-	-	-	-	-	(341,707)	(341,707)
Net income	-	-	-	-	-	-	159,274	159,274
Balance, January 31, 2020	6,414,936	6,414,936	32,588,617	(5,671,540)	708,366	2,464,525	30,527,092	66,323,630
Balance at November 1, 2018	6,407,667	6,407,667	32,427,578	(5,489,393)	424,495	1,591,280	27,784,805	62,721,937
Stock based compensation (Note 17)	-	-	-	-	4,127	296,495	-	296,495
Issue of share capital and share premium on exercise of stock options (Note 17)	6,424	6,424	100,563	-	(16,750)	(63,270)	-	43,717
Forfeited options (Note 17)	-	-	-	-	(26,088)	(183,120)	-	(183,120)
Loss on foreign currency translation	-	-	-	(27,228)	-	-	-	(27,228)
Net income	-	-	-	-	-	-	(172,811)	(172,811)
Balance, January 31, 2019	6,414,091	6,414,091	32,528,141	(5,516,621)	385,784	1,641,385	27,611,994	62,678,990

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

CURRENCY EXCHANGE INTERNATIONAL, CORP.
Condensed Interim Consolidated Statements of Cash Flows
Three-month periods ended January 31, 2020 and 2019
(Expressed in U.S. Dollars)
(Unaudited)

	Three-months ended	
	January 31, 2020	**January 31, 2019**
Cash flows from operating activities	**$**	**$**
Net income (loss)	159,274	(172,811)
Adjustments to reconcile net income (loss) to net cash flows from operating activities		
Depreciation and amortization	386,882	380,919
Depreciation of right-of-use assets	518,017	-
Stock based compensation	257,473	113,376
Change in forward and option contract positions (Note 16)	(146,022)	(19,450)
Gain on disposal of assets	-	(1,976)
Deferred taxes	(107,393)	(9,908)
Increase (decrease) in cash due to change in:		
Accounts receivable	(12,195,479)	(9,637,421)
Restricted cash held in escrow	30,191	492,516
Other assets	235,211	91,141
Contract liability	32,509	-
Accounts payable, holding and prepayment accounts, accrued expenses, and income taxes payable	9,655,226	311,133
Net cash flows from operating activities	(1,174,111)	(8,452,481)
Cash flows from investing activities		
Purchase of property and equipment	(82,316)	(462,949)
Purchase of intangible assets	(94,441)	(78,627)
Proceeds from sale of asset	-	15,012
Net cash outflow from investing activities	(176,757)	(526,564)
Cash flows from financing activities		
Net proceeds from exercise of stock options (Note 17)	-	43,734
Repayment of lease liabilities	(600,380)	-
Interest on lease liabilities	73,956	-
Net borrowing on line of credit (Note 13)	10,390,004	8,420,805
Net cash flows from financing activities	9,863,580	8,464,539
Net change in cash	8,512,712	(514,506)
Cash, beginning of period	62,873,873	56,402,979
Exchange difference on foreign operations	(68,134)	(48,664)
Cash, end of period	71,318,452	55,839,809

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period for income taxes	-	-
Cash paid during the period for interest	138,202	119,778
Cash received during the year for interest	5,869	1,460

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

1. Nature of Operations and Basis of Presentation

Nature of operations

Currency Exchange International, Corp. (the "**Company**") was originally incorporated under the name Currency Exchange International, Inc. under the Florida Business Corporation Act on April 7, 1998. The Company changed its name to Currency Exchange International, Corp. on October 19, 2007 and commenced its current business operations at that time. The Company is a public corporation whose shares are listed and posted for trading on the Toronto Stock Exchange ("**TSX**") under the symbol "CXI," and the over the counter market ("**OTCBB**") in the United States under the symbol "CURN". The Company operates as a money service business and provides currency exchange, wire transfer, and cheque cashing services from its locations in the United States and Canada. The Company maintains a head office and five vaults as well as 46 branch locations. The Company's registered head office is located at 6675 Westwood Boulevard, Suite 300, Orlando, Florida, 32821, United States of America. The Company's wholly owned Canadian Subsidiary, Exchange Bank of Canada ("**EBC**") is a non-deposit taking, non-lending financial institution engaged in foreign exchange services and is registered as a Schedule 1 bank.

Basis of presentation

The presentation currency of the Company's consolidated financial statements is the U.S. Dollar. The accounting policies set out in Note 2 have been applied consistently to all periods presented in these condensed interim consolidated financial statements. These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which are stated at their fair value: financial instruments classified as fair value through profit or loss ("**FVTPL**"), foreign currency forward and option contracts and share-based payment plans. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These condensed interim consolidated financial statements were authorized for issue and approved by the Board of Directors on March 11, 2020.

2. Accounting Policies

Principles of consolidation

The condensed interim consolidated financial statements comprise the financial statements of the Company and its wholly-owned subsidiaries, EBC, a Schedule 1 bank in Canada, and eZforex.com, Inc. ("eZforex"), a Texas based money service business. Subsidiaries are entities over which the Company has control, where control is defined as the power to govern financial and operating policies of an entity so as to obtain benefit from its activities. Subsidiaries are fully consolidated from the date control is transferred to the Company, and are de-consolidated from the date control ceases. All material intercompany transactions are eliminated on consolidation.

Recently adopted accounting standards

Certain pronouncements were issued by the IASB or International Financial Reporting Interpretations Committee ("**IFRIC**"). Many are not applicable or do not have a significant impact to the Company and have been excluded.

2. Accounting Policies (continued)

In 2020, the Company has adopted new guidance for the recognition of leases (see Note 3). The new Standard has been applied using the modified retrospective approach, with the cumulative effect of adoption as at November 1, 2019 being recognized as a single adjustment to retained earnings. Accordingly, the Company is not required to present a third statement of financial position as at that date.

Future Accounting Pronouncements

Certain pronouncements were issued by the IASB or International Financial Reporting Interpretations Committee ("**IFRIC**"). Many are not applicable or do not have a significant impact to the Company and have been excluded. The following amended standards and interpretations have not yet been adopted and are not expected to have a significant impact on the Company's condensed interim consolidated financial statements:

- Amendments to References to Conceptual Framework in IFRS Standards.
- Definition of a Business (Amendments to IFRS 3).
- Definition of Material (Amendments to IAS 1 and IAS 8).
- IFRS 17 Insurance Contracts.
- IFRIC 23 Uncertainty Over Income Tax Treatments.

3. IFRS 16 'Leases'

IFRS 16 'Leases' replaces IAS 17 'Leases' along with three Interpretations (IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC 15 'Operating Leases-Incentives' and SIC 27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease').

The adoption of this new Standard has resulted in the Company recognizing a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or leases having substantive substitution rights.

The new Standard has been applied using the modified retrospective approach, with the cumulative effect of adopting IFRS 16 being recognized in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated.

The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of IFRS 16, being November 1, 2019. At this date, the Company has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of IFRS 16.

On transition, for leases of low-value assets the Company has applied the optional exemptions to not recognize right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

(Expressed in U.S. Dollars)

3. IFRS 16 'Leases' (continued)

On transition to IFRS 16 the weighted average incremental borrowing rate applied to all lease liabilities recognized under IFRS 16 was 5.0%.

The Company has applied historical experience in determining the estimated lease terms when considering options to extend and terminate leases.

The following is a reconciliation of the financial statement line items from IAS 17 to IFRS 16 at November 1, 2019:

	Carrying Amount at October 31,2019	Remeasurement	IFRS 16 carrying amount at November 1, 2019
	$	$	$
Right-of-use-assets	-	5,481,031	5,481,031
Lease liabilities	-	(6,092,927)	(6,092,927)
Total	-	(611,896)	(611,896)

The following is a reconciliation of total operating lease commitments at October 31, 2019 to the lease liabilities recognized at November 1, 2019:

Total operating lease commitments disclosed at October 31, 2019		**6,306,225**
Recognition exemptions:		
Leases with substantive substitution rights	(1,795,241)	
Leases with remaining lease term of less than 12 months	(149,864)	
Variable lease payments not recognized	(2,223,340)	
Other minor adjustments relating to commitment disclosers	-	
		(4,168,444)
Reasonably certain extension options		5,062,692
Operating lease liabilities before discounting		7,200,473
Discounted using incremental borrowing rate		(1,054,857)
Operating lease liabilities		6,145,616
Foreign currency translation		(52,689)
Total Lease liabilities recognized under IFRS 16 at November 1, 2019		**6,092,927**

Additional information with respect to the IFRS 16 changes can be found in note 11.

4. Significant management judgment in applying accounting policies and estimation uncertainty

When preparing the condensed interim consolidated financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgments, estimates and assumptions applied in the condensed interim consolidated financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Company's last annual consolidated financial statements for the year ended October 31, 2019. The only exceptions are the estimate of income taxes, which are determined in the condensed interim consolidated financial statements using the estimated average annual affective income tax rate applied to the pre-tax income of the interim period.

(Expressed in U.S. Dollars)

5. Acquisition

On September 6, 2019 the Company completed a share acquisition of eZforex. The Company acquired 100% of the issued and outstanding shares of eZforex in exchange for cash consideration of $4,180,993. The acquisition is a business combination accounted for using the acquisition method in accordance with IFRS 3 *Business Combinations*. Assets assumed in the acquisition have been recorded at their fair values as at the date of acquisition. The excess of the consideration transferred over the fair value of the assets acquired has been included in goodwill.

The acquisition is expected to contribute to the profitability of the Company through key customer contracts acquired and synergies identified and expected to be realized in the elimination of redundant expenditures including staff and overheads. In determining the fair market value of the assets acquired, synergies are not factored in in order to assess a fair market participant value. As a result, goodwill was created which represents the synergistic benefits to be realized by the Company starting immediately following acquisition. The goodwill acquired is not expected to be deductible for tax purposes.

The allocation of the purchase consideration and the fair value of net assets acquired is as follows:

Net working capital, including cash	$954,377
Computer software	90,000
Trade name	470,000
Customer trading relationships	1,910,000
Non-compete agreements	200,000
Deferred tax liability	(681,703)
Goodwill	1,238,319
Consideration paid	$4,180,993

6. Segments

The Company operates in the United States and Canada. The Company's revenue from external customers and information about its assets by geographical location and product line are detailed below:

Revenues by Geography

	United States	Canada	Total
Three months ended January 31, 2020	8,001,040	1,873,249	9,874,289
Three months ended January 31, 2019	7,012,450	1,439,221	8,451,671

Revenues by Product Line

	Banknotes	Payments	Total
Three months ended January 31, 2020	8,970,949	903,340	9,874,289
Three months ended January 31, 2019	7,882,833	568,838	8,451,671

(Expressed in U.S. Dollars)

6. Segments (continued)

	At January 31, 2020			At October 31, 2019		
Assets	**United States**	**Canada**	**Total**	**United States**	**Canada**	**Total**
	$	$	$	$	$	$
Cash	38,715,787	32,402,665	71,118,452	37,760,599	25,113,274	62,873,873
Accounts receivable	12,268,381	10,413,733	22,682,114	4,961,794	5,581,458	10,543,252
Restricted cash held in escrow	614,465	-	614,465	644,657	-	644,657
Forward and option contract assets	111,300	36,262	147,562	-10,379	12,114	1,735
Other current assets	720,555	310,127	1,030,682	1,001,960	268,143	1,270,103
Property and equipment	847,235	600,562	1,447,797	904,475	648,466	1,552,941
Intangible assets	3,596,696	204,573	3,801,268	3,692,019	218,730	3,910,749
Goodwill	1,238,319	-	1,238,319	1,238,319	-	1,238,319
Other assets	104,185	-	104,185	101,686	-	101,686
ROU lease assets	2,888,458	2,348,237	5,236,695	-	-	-
Net deferred tax asset	308,754	388,924	697,679	368,399	224,002	592,401
Total assets	61,614,135	46,705,083	108,319,219	50,663,529	32,066,187	82,729,716

7. Cash

Included within cash of $71,318,452 at January 31, 2020 (October 31, 2019 - $62,873,873) are the following balances:

	At January 31, 2020	At October 31, 2019
	$	$
Cash held in transit, vaults, tills and consignment locations	61,648,928	49,714,265
Cash deposited in bank accounts in jurisdictions in which the Company operates	9,669,524	13,159,608
Total	71,318,452	62,873,873

8. Restricted Cash Held in Escrow

Certain of the Company's secured transactions and derivative contracts require the Company to post cash collateral or maintain minimum cash balances in escrow. The foreign currency forward contracts can be closed immediately resulting in the collateral being liquidated. The Company had cash collateral amounts of $614,465 at January 31, 2020 (October 31, 2019 - $644,657).

(Expressed in U.S. Dollars)

9. Property and Equipment

Property and equipment consisted of the following:

Cost	**Vehicles** $	**Computer equipment** $	**Furniture and equipment** $	**Leasehold improvements** $	**Total** $
Balance, October 31, 2018	81,239	408,305	859,348	2,213,576	3,562,468
Additions	17,723	326,611	179,542	681,561	1,205,437
Disposals	(32,988)	-	-	-	(32,988)
Net exchange differences	-	432	405	3,666	4,503
Balance, October 31, 2019	65,974	735,348	1,039,295	2,898,803	4,739,420
Additions	-	6,571	33,389	42,355	82,316
Disposals	-	-	-	-	-
Net exchange differences	-	(843)	(1,986)	(3,892)	(6,721)
Balance, January 31, 2020	65,974	741,076	1,070,699	2,937,266	4,815,015

Depreciation	**Vehicles** $	**Computer equipment** $	**Furniture and equipment** $	**Leasehold improvements** $	**Total** $
Balance, October 31, 2018	51,287	292,432	633,436	1,594,939	2,572,094
Additions	13,473	104,306	169,055	345,953	632,787
Disposals	(19,952)	-	-	-	(19,952)
Net exchange differences	-	266	542	742	1,551
Balance, October 31, 2019	44,808	397,004	803,033	1,941,635	3,186,480
Additions	2,861	39,542	39,346	102,354	184,103
Disposals	-	-	-	-	-
Net exchange differences	-	(484)	(1,419)	(1,463)	(3,366)
Balance, January 31, 2020	47,669	436,063	840,960	2,042,526	3,367,217

Carrying amounts	**Vehicles** $	**Computer equipment** $	**Furniture and equipment** $	**Leasehold improvements** $	**Total** $
Balance, October 31, 2019	21,166	338,344	236,261	957,168	1,552,941
Balance, January 31, 2020	18,306	305,014	229,738	894,740	1,447,797

(Expressed in U.S. Dollars)

10. Goodwill and Intangible Assets

Intangible assets are comprised of the Company's internally developed software ("**CEIFX**") and its related modules as well as software and customer trading relationships acquired through an asset purchase transaction as well as the purchase of eZforex (Note 5). Amortization for intangibles is computed on an individual basis over the estimated useful life using the straight-line method as follows:

Internally developed software	5 years
Acquired software	2 years
Customer trading relationships	5-10 years
Tradename & Non-compete agreements	5 years

Cost	Internally developed software $	Acquired software $	Customer trading relationships $	Trade Name & Non-Compete $	Goodwill $	Total $
Balance, October 31, 2018	2,241,771	480,000	3,288,283	-	-	6,010,054
Additions	526,260	93,161	1,910,000	670,000	1,238,319	4,437,740
Net exchange differences	(217)	-	-	-	-	(217)
Balance, October 31, 2019	2,767,814	573,161	5,198,283	670,000	1,238,319	10,447,577
Additions	93,702	739	-	-	-	94,441
Net exchange differences	(1,517)	-	-	-	-	(1,517)
Balance, January 31, 2020	2,859,999	573,900	5,198,283	670,000	1,238,319	10,540,501

Amortization	Internally developed software $	Acquired software $	Customer trading relationships $	Trade Name & Non-Compete $	Goodwill $	Total $
Balance, October 31, 2018	1,090,916	480,000	3,014,260	-	-	4,585,176
Amortization	378,823	6,750	292,098	19,800	-	697,471
Net exchange differences	488	-	15,375	-	-	15,863
Balance, October 31, 2019	1,470,227	486,750	3,321,733	19,800	-	5,298,510
Amortization	98,784	11,496	59,000	33,500	-	202,780
Net exchange differences	(376)	-	-	-	-	(376)
Balance, January 31, 2020	1,568,635	498,246	3,380,733	53,300	-	5,500,914

Carrying amounts	Internally developed software $	Acquired software $	Customer trading relationships $	Trade Name & Non-Compete $	Goodwill	Total $
Balance, October 31. 2019	1,297,588	86,411	1,876,550	650,200	1,238,319	5,149,068
Balance, January 31, 2020	1,291,364	75,654	1,817,550	616,700	1,238,319	5,039,587

(Expressed in U.S. Dollars)

11. Leases

Lease liabilities are presented in the statement of financial position as follows:

	January 31, 2020	January 31, 2019
	$	$
Current lease liabilities	1,741,083	-
Non-current lease liabilities	4,103,013	-
Total	5,844,096	-

The Company has leases for corporate offices as well as its retail store locations. With the exception of short-term leases and leases of low-value underlying assets, each lease, meeting the definition under IFRS 16, is reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of Company sales) are excluded from the initial measurement of the lease liability and asset. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see Note 9).

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantial termination fee. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over corporate offices and retail store locations, the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognized on balance sheet:

Right-of-use asset	No of right-of-use assets leased	Range of remaining term	Average remaining lease term	No of leases with extension options	No of lease with options to purchase	No of leases with variable payments linked to an index	No of leases with termination options
Corporate offices	12	0-14 years	2	5	-	-	-
Retail store locations	20	0-7 years	5	1	-	-	1
Total	**32**	**0-14 years**	**3**	**6**	**0**	**0**	**1**

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at January 31, 2020 were as follows:

	Within 1 Year	1-2 years	2-3 years	3-4 years	4-5 years	After 5 Years	Total
Lease payments	1,978,527	1,604,549	630,753	401,361	319,680	1,911,933	6,846,803
Finance charges	242,446	164,167	117,077	98,866	86,189	293,962	1,002,707
Net present values	1,736,081	1,440,382	513,676	302,495	233,491	1,617,971	5,844,096

(Expressed in U.S. Dollars)

11. Leases (continued)

The Company has elected not to recognize a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. In addition, the Company has not recognized a right-of-use asset or lease liability with respect to leases identified where the lessor was determined to have substantive substitution rights. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognized as lease liabilities and are expensed as incurred.

The expense relating to payments not included in the measurement of the lease liability is as follows:

	January 31, 2020	January 31, 2019
	$	$
Leases with substantive substitution rights	179,724	
Short-term leases	62,367	-
Variable lease payments	163,402	-
Total	405,493	-

At January 31, 2020, the Company was committed to short-term leases and the total commitment at that date was $105,462.

Total cash outflow for leases for the three-months ended January 31, 2020 was $600,380.

Additional information on the right-of-use assets by class of assets is as follows:

	Carrying Amount	Depreciation Expense	Impairment
	$	$	$
Corporate offices	3,021,056	44,184	-
Retail store locations	2,215,640	473,833	-
Total right-of-use assets	5,236,696	518,017	-

12. Seasonality of Operations

Seasonality is reflected in the timing of when foreign currencies are in greater or lower demand. In a normal operating year there is some seasonality to the Company's operations with higher commissions generally from March until September and lower commissions 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.

13. Lines of Credit

The Company maintains a line of credit to meet borrowing needs during peak business periods. The Company has a revolving line of credit with BMO Harris Bank, N.A. which was increased in July of 2018 to $20,000,000. The credit line is secured against the Company’s cash and other non-cash assets. The line of credit bears interest at Libor plus 2.0% (at January 31, 2020 – 1.67% (2019 – 2.3%)). At January 31, 2020, the balance outstanding was $10,103,997 (October 31, 2019 - $Nil).

(Expressed in U.S. Dollars)

13. Lines of Credit (continued)

In April of 2017, the Company's wholly-owned Canadian subsidiary, EBC, established a CDN$3,000,000 revolving line of credit with Bank of Montreal which was increased in June of 2018 to CDN$6,000,000 ($4,534,119) being secured against cash assets held in its vaults. The line of credit bears interest at CDN prime plus 0.5% [at January 31, 2020 – 3.95% (2019 – 3.95%)]. At January 31, 2020, the balance outstanding was $754,624 (October 31, 2019 - $472,736).

Interest expense relates to interest payments on lines of credit. Interest expense for the three-month period ended January 31, 2020 was $138,202 (January 31, 2019 - $119,778).

14. Fair Value Measurement of Financial Instruments

IAS 34 requires that interim financial statements include certain disclosures about the fair value of financial instruments as set out in IFRS 13 and IFRS 7. These disclosures include the classification of fair values within a three-Level hierarchy. The three Levels are defined based on the observation of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

The fair value determination is the estimated amount that the Company would receive to sell a financial asset or pay to transfer a financial liability in an orderly transaction between market participants at the measurement date.

There were no transfers between Level 1 and Level 2 during the three-month period ended January 31, 2020 and the year ended October 31, 2019. The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value.

	At January 31, 2020			
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Financial assets				
Cash	71,318,452	-	-	71,318,452
Forward and option contract assets	-	147,562	-	147,562
Total Assets	71,318,452	147,562	-	71,466,014

	At October 31, 2019			
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Financial assets				
Cash	62,873,873	-	-	62,873,873
Forward and option contract assets	-	1,735	-	1,735
Total Assets	62,873,873	1,735	-	62,875,608

Cash (Level 1)

The Company's cash balances consisting of local and foreign currency notes held in tills, vaults, bank accounts, and in transit are based upon foreign exchange rates quoted in active markets as of January 31, 2020 and October 31, 2019.

14. Fair Value Measurement of Financial Instruments (continued

Forward and option contract positions (Level 2)

The Company’s forward contract positions are not traded in active markets. The fair value of these instruments has been determined using observable forward exchange rates. The effects of non-observable inputs are not significant for foreign contract positions.

Due to their short-term nature, the carrying value of the following financial instruments approximates their fair value at the balance sheet date:

- Accounts receivable
- Restricted cash held in escrow
- Accounts payable and accrued expenses
- Line of credit
- Contract liability

15. Risk Management

The Company's activities expose it to a variety of financial risks: credit risk, foreign currency risk, interest rate risk, and liquidity risk. The Company's risk management policies are designed to minimize the potential adverse effects on the Company's financial performance.

Financial risk management is carried out by the Chief Financial Officer (“**CFO**”) under policies approved by senior management and the Board of Directors. Policies are in place to evaluate and monitor risk and in some cases, prescribe that the Company hedge its financial risks.

The analysis below presents information about the Company's exposure to each of these financial risks arising from financial instruments and the Company's objectives, policies and processes for measuring and managing these risks.

Credit Risk

Credit risk is the risk of financial loss associated with counterparty’s inability to fulfill its payment obligations. The Company’s credit risk is primarily attributable to cash in bank accounts, accounts receivable and forward contracts from hedging counterparties.

All banking relationships are negotiated by senior management. The Company maintains accounts in high quality financial institutions. At various times, the Company's bank balances exceed insured limits.

The credit risk associated with accounts receivable is limited, as the Company's receivables consist primarily of bulk currency trades with a settlement cycle of 24 to 48 hours. There is minimal counterparty risk as the majority of the Company's receivables reside with banks, money service business customers and other financial institutions. The company has longstanding relationships with most of its money service business customers and has a strong repayment history. For the purpose of risk control, the customers are grouped as follows: domestic and international banks, money service businesses, and other customers. Credit limits are established for each customer, whereby the credit limit represents the maximum open amount without requiring payments in advance. These limits are reviewed regularly by senior management. Due to seasonality, amounts in accounts receivable are usually at their highest during peak periods.

(Expressed in U.S. Dollars)

15. Risk Management (continued)

A breakdown of accounts receivable by category is below:

	At January 31, 2020	At October 31, 2019
Customer type	**$**	**$**
Domestic and international banks	9,767,098	2,575,497
Money service businesses	12,460,816	7,274,152
Other	454,200	693,603
Total	22,682,114	10,543,252

The maximum exposure to credit risk is represented by the carrying amount of each financial asset on the statement of financial position. There are no commitments that could increase this exposure to more than the carrying amount.

Foreign Currency Risk

The volatility of the Company's foreign currency holdings may increase as a result of the political and financial environment of the corresponding issuing country. Several currencies have limited exchange rate exposure as they are pegged to the U.S. Dollar, the reporting currency of the Company. Management believes its exposure to foreign currency fluctuations is mitigated by the short-term nature and rapid turnover of its foreign currency inventory, as well as the use in certain instances of forward contracts to offset these fluctuations. Due to their nature, some minor and exotic foreign currencies cannot be hedged or are too cost prohibitive to hedge.

In order to mitigate the risks associated with holding these foreign currencies, the Company assigns wider bid/ask spreads and maintains specific inventory targets to minimize the impact of exchange rate fluctuations. These targets are reviewed regularly and are increased or decreased to accommodate demand within acceptable risk tolerances. The amount of unhedged inventory held in tills, vaults and in transit at January 31, 2020 was approximately $8,585,000 (October 31, 2019 **-** $$6,860,000). The amount of currency that is unhedged and that is not pegged to the U.S. Dollar is approximately $6,793,000 (October 31, 2019- $5,464,000). A 2% increase/reduction in the market price for the aggregate of the Company's unhedged/un-pegged foreign currencies would result in an exchange gain/loss of approximately +$136,000/-$136,000 (October 31, 2019 gain/loss of approximately +$109,000/-$109,000).

On a consolidated basis, the Company is also exposed to foreign currency fluctuations between the U.S. Dollar and the Canadian Dollar, being the functional currency of its Canadian subsidiary. The Company does not hedge its net investment in its Canadian subsidiary and the related foreign currency translation of its earnings.

Interest Rate Risk

At January 31, 2020, the Company had access to interest bearing financial instruments in cash, short term accounts payable and line of credit. A significant amount of the Company's cash is held as foreign currency bank notes in tills and vaults. These amounts are not subject to interest rate risk. Cash held in some of the Company’s accounts are interest bearing; however, since prevailing interest rates are low there is minimal interest rate risk. Borrowings bear interest at variable rates. Cash and borrowings issued at variable rates expose the Company to cash flow interest rate risk. For the interest rate profile of the Company's interest-bearing financial liabilities, refer to Note 13.

(Expressed in U.S. Dollars)

15. Risk Management (continued)

The Company manages interest rate risk in order to reduce the volatility of the financial results as a consequence of interest rate movements. For the decision whether new borrowings shall be arranged at a variable or fixed interest rate, senior management focuses on an internal long-term benchmark interest rate and considers the amount of cash currently held at a variable interest rate. Currently the interest rate exposure is un-hedged.

If interest rates had been 50 basis points higher/lower with all other variables held constant, after tax profit for the three-month period ended January 31, 2020 would have been approximately +$10,700/-$10,700 higher/lower as a result of credit lines held at variable interest rates.

Liquidity Risk

Liquidity Risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The CFO informs the Chief Executive Officer, the Board of Directors, and the Audit Committee of capital and liquidity issues as they occur in accordance with established policies and guidelines. The Company targets to have a cash reserve or credit lines greater than 15% of the Company's prior year's revenues.

The following are non-derivative contractual financial liabilities:

	At January 31, 2020			
Non-derivative financial liabilities	**Carrying amount**	**Estimated contractual amount**	**This fiscal year**	**Future fiscal years**
	$	**$**	**$**	**$**
Accounts payable	22,805,842	22,805,842	22,805,842	$Nil
Line of credit	10,858,621	10,858,621	10,858,621	$Nil
Accrued expenses	1,875,223	1,834,582	1,834,582	$Nil
Contract liability	298,406	298,406	$Nil	298,406
	At October 31, 2019			
Non-derivative financial liabilities	**Carrying amount**	**Estimated contractual amount**	**Next fiscal year**	**Future fiscal years**
	$	**$**	**$**	**$**
Accounts payable	12,583,741	12,583,741	12,583,741	$Nil
Line of credit	472,736	472,736	472,736	$Nil
Accrued expenses	2,767,711	2,437,831	2,437,831	$Nil
Contract liability	266,392	266,392	$Nil	266,392

The Company had available unused lines of credit amounting to $13,675,498 at January 31, 2020 (October 31, 2019 - $24,086,534).

Capital Management

The Company manages capital through its financial and operational forecasting processes. The Company defines working capital as total current assets less current liabilities. The Company reviews its working capital and forecasts its cash flows based on operating expenditures, and other investing and financing activities related to its daily operations.

(Expressed in U.S. Dollars)

15. Risk Management (continued)

	At January 31, 2020	At October 31, 2019
Current assets	95,793,275	75,333,620
Current liabilities	(37,892,576)	(16,400,679)
Working capital	57,900,699	58,932,941

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, obtaining loan financing, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

16. Foreign Currency Forward and Option Contracts

The Company enters into foreign currency forward and purchase put option contracts to mitigate the risk of fluctuations in the exchange rates of its holdings of major currencies. Changes in the fair value of the contracts and the corresponding gains or losses are recorded daily and are included in commission revenues on the consolidated statements of operations and other comprehensive income. The Company's management strategy is to reduce the risk of fluctuations associated with foreign exchange rate changes.

The foreign currency forward contracts can be closed immediately resulting in the collateral being liquidated. The foreign currency option contracts are held to maturity and are either exercised for a net gain or expire at no obligation to the Company.

The fair value of forward and option contracts, which represents the amount that would be received/(paid) by the Company if the forward contracts were terminated at January 31, 2020 was $147,562 (October 31, 2019 - $1,735).

At January 31, 2020 and October 31, 2019, approximately $614,465 and $644,657, respectively, were being held as collateral on these contracts and are reflected as restricted cash held in escrow in the consolidated statements of financial position. See Note 8.

17. Equity

Share Capital

The authorized share capital consists of 100,000,000 common shares. The common shares have a par value of $1.00. The options exercised during the current and prior periods are summarized as follows:

Period Exercised	Number of shares	USD value	CDN$ value
Q2 2018	-	-	-
Q3 2018	132,258	1,495,848	1,957,765
Q4 2018	11,981	211,740	280,767
Q1 2019	6,424	63,272	83,870
Q2 2019	-	-	-
Q3 2019	-	-	-
Q4 2019	845	61,316	84,212
Q1 2020	-	-	-

(Expressed in U.S. Dollars)

17. Equity (continued)

Stock options

The Company offers an incentive stock option plan which was established April 28, 2011, and was amended most recently October 20, 2017 (the "**Plan**"). The Plan is a rolling stock option plan, under which 10% of the outstanding shares at any given time are available for issuance thereunder. The purpose of the Plan is to promote the profitability and growth of the Company by facilitating the efforts of the Company to attract and retain directors, senior officers, employees, and management. Under the terms of the Plan, vesting under the Plan will occur 1/3 upon the first anniversary, 1/3 upon the second anniversary and 1/3 upon the third anniversary of the grant, and the options have a five-year term, unless otherwise specified by the Board of Directors.

The outstanding options at January 31, 2020 and the respective changes during the periods are summarized as follows:

	Number of options #	Weighted average price CDN$
Outstanding at October 31, 2018	424,495	27.42
Granted	354,410	17.80
Exercised	(7,269)	21.47
Cancelled through cashless exercise	(27,500)	17.19
Forfeited	(35,770)	30.08
Outstanding at October 31, 2019	708,366	22.93
Outstanding at January 31, 2020	708,366	22.93

The October 23, 2019 grant of 228,754 options was made outside of the Company's stock option plan, and in accordance with the policies of TSX is subject to approval by the shareholders and regulatory approval. The options granted pursuant to the October 23, 2019 grant of 228,754 options to employees of the Company cannot be exercised prior to receipt of such approvals. The shareholders of the Company will be asked to approve and ratify the October 23, 2019 grant of 228,754 options at the next meeting of shareholders called for March 25, 2020.

18. Earnings per Share

The calculation of earnings per share is presented below. Diluted earnings per share for the three-month period ended January 31, 2019 include all stock option grants with the exception of the options granted October 30, 2015, March 11, 2016, October 26, 2016, June 6, 2017, October 26, 2017, August 9, 2018, October 23, 2018, January 23, 2019, and March 4, 2019 as the strike price exceeded the average stock price for the period.

	Three-months ending	
	January 31, 2020	**January 31, 2019**
Basic		
Net (loss) income	$159,274	($172,811)
Weighted average number of shares outstanding	6,413,065	6,306,450
Basic (loss) earnings per share	$0.02	($0.03)
Diluted		
Net (loss) income	$159,274	($172,811)
Weighted average number of shares outstanding	6,415,098	6,329,649
	$0.02	($0.03)

(Expressed in U.S. Dollars)

19. Operating Expenses

	Three-months ended	
	January 31, 2020	January 31, 2019
	$	$
Salaries and benefits	4,898,521	4,568,520
Rent	405,493	885,649
Legal and professional	710,230	730,304
Postage and shipping	978,952	879,938
Stock based compensation	257,473	113,376
Travel and entertainment	194,829	182,902
Bank service charges	280,571	171,628
Software maintenance	316,989	286,992
Insurance	104,359	117,026
Other general and administrative	563,942	243,926
Operating expenses	8,711,359	8,180,261

20. Compensation of Key Management Personnel and Related Party Transactions

In accordance with IAS 24 *Related Party Disclosures*, key management personnel are those persons having authority and responsibility for planning, directing and controlling activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and other members of key management personnel during the three-month periods ended January 31, 2020 and 2019 was as follows:

	Three-months ended	
	January 31, 2020	January 31, 2019
	$	$
Short-term benefits	649,920	654,951
Post-employment benefits	32,305	23,444
Stock based compensation	256,913	106,896
	939,138	785,291

The Company incurred legal and professional fees in the aggregate of $45,900 for the three-month period ended January 31, 2020 (2019 - $84,900) charged by entities controlled by directors or officers of the Company.

The Company has clients that are considered related parties through two of its directors. The Company generated $38,274 in revenue from these client’s activities for the three-month period ended January 31, 2020 (2019 – $16,473). As at January 31, 2020, accounts receivable included $117,736 from related parties (2019 - $53,674).

On October 1, 2011, the Company entered into an employment agreement with the President and CEO of the Company. Such agreement contains clauses requiring additional payments of a minimum of $450,000 to be made upon the occurrence of certain events such as a change of control of the Company or termination for reasons other than cause. As the likelihood of a change of control of the Company is not determinable, the contingent payments have not been reflected in the interim consolidated financial statements.

(Expressed in U.S. Dollars)

20. Compensation of Key Management Personnel and Related Party Transactions (continued)

Advances between CXI and EBC are provided under a Revolving Line of Credit, renewed May 31, 2017; loans attract interest at LIBOR + 2%, are repayable on demand, and are unsecured. At January 31, 2020, the intercompany loan balance was $18,544,000 (October 31, 2019 - $11,250,000) and was eliminated upon consolidation.

Key management personnel and directors occasionally conduct transactions with the Company as individuals. Such transactions are immaterial individually and in total, including for the three-month periods ending January 31, 2020 and 2019, and are conducted pursuant to the Company's policies.

All transactions with related parties as noted above are carried out in the normal course of business and at prevailing market rates.

21. Other Current Assets

	At January 31, 2020	At October 31, 2019
	$	$
Prepaid rent	273,415	296,102
Prepaid computer software	116,977	175,517
Prepaid insurance	235,021	315,992
Prepaid advertising	14,583	20,833
Other current assets	390,686	461,659
Total	1,030,682	1,270,103

22. Potential Transaction

On July 9, 2018 the Company announced its wholly-owned subsidiary EBC has entered into a definitive agreement to acquire the assets of a business operating 22 years primarily in the province of Quebec from the private family owners who were advised by Laurentian Bank Securities. These assets include a total of approximately 400 corporate customers that are engaged in international payments. It is expected that approximately 10 employees will be retained and employed in EBC's new Montreal Office. The transaction is subject to regulatory approval and will not close until all approvals have been obtained.

23. Subsequent Events

The Company evaluated subsequent events through March 11, 2020, the date these condensed interim consolidated financial statements were issued. There were no material subsequent events that required recognition or additional disclosure in the financial statements