CURRENCY EXCHANGE INTERNATIONAL, CORP.

Condensed Interim Consolidated Financial Statements
For the three-and nine-month periods ended July 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
September 9, 2020

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

ASSETS

	July 31, 2020	October 31, 2019
Current assets	$	$
Cash (Note 7)	70,660,528	62,873,873
Accounts receivable (Note 15)	7,026,352	10,543,252
Restricted cash held in escrow (Note 8)	705,951	644,657
Forward and option contracts (Note 16)	-	1,735
Income taxes receivable	459,853	-
Other current assets (Note 21)	1,088,028	1,270,103
Total current assets	**79,940,712**	**75,333,619**
Property and equipment (Note 9)	1,149,674	1,552,941
Intangible assets (Note 10)	6,981,062	3,910,749
Goodwill (Note 10)	1,384,305	1,238,319
Other assets	104,187	101,686
Right-of-use assets (Note 11)	4,991,843	-
Net deferred tax asset	1,554,178	592,403
Total assets	**96,105,961**	**82,729,716**

LIABILITIES AND EQUITY

	July 31, 2020	October 31, 2019
Current liabilities		
Accounts payable	7,670,391	12,583,741
Contract liability	79,687	266,392
Lease liabilities (Note 11)	1,724,852	-
Forward and option contracts (Note 16)	68,602	-
Lines of credit (Note 13)	18,639,266	472,736
Accrued expenses	1,655,158	2,767,711
Contingent consideration (Note 5)	357,358	-
Income taxes payable	-	310,099
Total current liabilities	**30,195,314**	**16,400,679**
Long term liabilities		
Lease liabilities (Note 11)	3,946,956	-
Contingent consideration (Note 5)	365,107	-
Other long-term liabilities	135,786	-
Total long-term liabilities	**4,447,849**	**-**
Total liabilities	**34,643,163**	**16,400,679**
Equity		
Share capital	6,414,936	6,414,936
Equity reserves	29,735,111	29,204,576
Retained earnings	25,312,751	30,709,525
Total equity	**61,462,798**	**66,329,037**
Total liabilities and equity	**96,105,961**	**82,729,716**

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

	Nine-months ended		Three-months ended	
	July 31, 2020	July 31, 2019	July 31, 2020	July 31, 2019
Revenues	$	$	$	$
Commissions revenue	18,726,597	28,530,996	3,552,620	11,664,354
Fee revenue	1,350,909	1,783,967	327,253	738,129
Total revenues (Note 6)	20,077,506	30,314,963	3,879,873	12,402,483
Operating expenses (Note 19)	23,224,049	26,026,363	5,872,990	9,466,585
Net operating (loss) income	(3,146,543)	4,288,600	(1,993,117)	2,935,898
Other income				
Interest income	9,382	13,479	500	7,734
Government grant income (Note 2)	417,715	-	417,715	-
Gain on sale of assets	-	1,975	-	-
(Loss) Earnings before interest, taxes, depreciation and amortization	(2,719,446)	4,304,054	(1,574,902)	2,943,632
Interest expense (Note 13)	427,734	257,212	140,429	70,336
Interest on lease liabilities (Note 11)	210,540	-	65,780	-
Depreciation and amortization	1,141,340	995,416	370,858	259,962
Depreciation of right-of-use-assets (Note 11)	1,506,979	-	470,523	-
(Loss) Income before income taxes	(6,006,038)	3,051,426	(2,622,492)	2,613,334
Income tax (benefit) expense	(947,642)	896,101	(347,772)	792,567
Net (Loss) income for the period	(5,058,396)	2,155,325	(2,274,720)	1,820,767
Other comprehensive (loss) income, after tax				
Net (loss) income for the period	(5,058,396)	2,155,325	(2,274,720)	1,820,767
Items that may subsequently be reclassified to profit or loss				
Exchange differences on translating foreign operations	(331,794)	(21,104)	(658,927)	370,622
Total other comprehensive (loss) income	(5,390,190)	2,134,221	(2,933,647)	2,191,389
(Loss) earnings per share (Note 18)				
-basic	($0.79)	$0.34	($0.35)	$0.28
-diluted	($0.79)	$0.34	($0.35)	$0.28
Weighted average number of common shares outstanding (Note 18)				
-basic	6,414,936	6,412,083	6,414,936	6,414,091
-diluted	6,414,936	6,421,237	6,414,936	6,419,708

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-and nine-month periods ended July 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)	-	-	-	-	47,955	778,806	-	778,806
Forfeited and cancelled options (Note 17)	-	-	-	-	(250,610)	51,758	-	51,758
Acquisition of DFG (Note 5 and Note 17)	-	-	-	-	-	31,765		31,765
Loss on foreign currency translation	-	-	-	(331,794)	-	-	-	(331,794)
Adjustment from the adoption of IFRS 16	-	-	-	-	-	-	(338,378)	(338,378)
Net loss	-	-	-	-	-	-	(5,058,396)	(5,058,396)
Balance, July 31, 2020	6,414,936	6,414,936	32,588,617	(5,922,887)	505,711	3,069,381	25,312,751	61,462,798
Balance at November 1, 2018	6,407,667	6,407,667		(5,489,393)	424,495	1,591,280	27,784,805	62,721,937
Stock based compensation (Note 14)	-	-		-	21,473	731,194	-	731,194
Issue of share capital and share premium on exercise of stock options (Note 16)	6,424	6,424		-	(16,750)	(63,270)	-	43,717
Forfeited options (Note 16)	-	-	-	-	(26,088)	(183,120)	-	(183,120)
Loss on foreign currency translation	-	-	-	(21,104)	-	-	-	(21,104)
Net income	-	-	-	-	-	-	2,155,325	2,155,325
Balance, July 31, 2019	6,414,091	6,414,091	32,528,141	(5,510,497)	403,130	2,076,084	29,940,130	65,447,949

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
Nine-month periods ended July 31, 2020 and 2019
(Expressed in U.S. Dollars)
(Unaudited)

	Nine-months ended	
	July 31, 2020	**July 31, 2019**
Cash flows from operating activities	**$**	**$**
Net (loss) income	(5,058,396)	2,155,325
Adjustments to reconcile net income to net cash flows from operating activities		
Depreciation and amortization	1,141,340	995,416
Depreciation of right-of-use assets	1,506,979	-
Stock based compensation	830,564	548,074
Change in forward and option contract positions (Note 16)	70,106	(650,030)
Gain on disposal of assets	-	(1,975)
Deferred taxes	(965,854)	(319,442)
Increase (decrease) in cash due to change in:		
Accounts receivable	3,405,612	(1,046,259)
Restricted cash held in escrow	(61,294)	1,415,292
Income taxes receivable	81,023	(228,159)
Other assets	175,306	230,949
Contract Liability	(185,710)	-
Accounts payable, accrued expenses, deposits and income taxes payable	(6,513,977)	3,061,819
Net cash flows from operating activities	(5,574,301)	6,161,010
Cash flows from investing activities		
Purchase of property and equipment	(125,476)	(1,014,367)
Purchase of intangible assets	(361,604)	(312,802)
DFG Acquisition, net of cash acquired (Note 5)	(3,484,684)	-
Contingent liabilities	722,465	-
Proceeds from sale of asset	-	15,012
Net cash outflow from investing activities	(3,249,299)	(1,312,157)
Cash flows from financing activities		
Proceeds from exercise of stock options (Note 17)	-	43,734
Repayment of leasing liabilities	(1,718,607)	-
Interest on leasing liabilities	210,365	-
Net borrowing on line of credit (Note 13)	18,154,844	3,021,427
Net cash flows from financing activities	16,646,602	3,065,161
Net change in cash	7,823,002	7,914,013
Cash, beginning of period	62,873,873	56,402,979
Exchange difference on foreign operations	(36,347)	70,889
Cash, end of period	70,660,528	64,387,882
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period for income taxes	1,422,518	1,178,587
Cash paid during the period for interest	638,274	257,212
Cash received during the year for interest	9,382	13,479

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 43 branch locations (see Note 12). 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, contingent consideration 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 September 9, 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.

In June 2020, the International Accounting Standards Board ("IASB") published an amendment 'COVID-19 Related Rent Concessions (amendment to IFRS 16)' (the "amendment"). The amendment adds a practical expedient to IFRS 16 which provides relief for lessees in assessing whether specific COVID-19 rent concessions are considered to be lease modifications. Instead, if this practical expedient is applied, these rent concessions are treated as if they are not lease modifications. The Company has adopted this amendment for the three-and nine-month periods ended July 31, 2020 (see Note 3 and Note 11)

Accounting for government grants and assistance

The Canada Emergency Wage Subsidy ("CEWS") program was announced on March 27, 2020 to support organizations that have been significantly impacted by the COVID-19 pandemic. Under this program, EBC can receive a subsidy for up to 75% of qualified employees' wages provided that it meets certain tests for revenue reduction during each qualifying four-week period. Through July 31, 2020 EBC qualified for $417,715 in grants under the program, of which $109,946 was a receivable as of the reporting date. There are no obligations, commitments or conditions associated with the grant that could create a requirement to repay all or a part of the grant. The grant revenue has been recognized by the Company separately as other income within the statement of operations.

Through July 31, 2020 the Company qualified for $135,786 in the Social Security tax deferral. Under sections 2302(a)(1) and (a)(2) of the Coronavirus Aid, Relief and Economic Security Act (CARES), employers may defer deposits of the employer's share of Social Security tax due during the "payroll tax deferral period" and payments of the tax imposed on wages paid during that period. The payroll tax deferral period commenced on March 27, 2020 and ends December 31, 2020. Repayment of the deferred amount is not required prior to December 31, 2021 and therefore is classified in 'other long-term liabilities.'

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; and
- IFRIC 23 Uncertainty Over Income Tax Treatments.

(Expressed in U.S. Dollars)

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.

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)

(Expressed in U.S. Dollars)

3. IFRS 16 'Leases' (continued)

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, have been updated based on information at July 31, 2020 and with particular respect to the analysis of potential impairment of the Company's assets and its ability to continue as a going concern.

The only changes from the annual consolidated financial statements at October 31, 2019 is in respect of:

i. the estimate of future income tax benefits, which have been determined in the condensed interim consolidated financial statements using the estimated average annual effective income tax rate applied to the pre-tax loss of the interim period for the entity's U.S. operations only. The entity has not recorded a future income tax benefit on losses incurred in its Canadian subsidiary during the interim period based on insufficient evidence to support the probability of future taxable income against which to offset the losses, in accordance with IAS 12; and

ii. the estimation uncertainty related to the fair value of the net asset acquired and purchase consideration related to DFG.

(Expressed in U.S. Dollars)

5. Acquisitions

eZforex.com, Inc.

On September 6, 2019 the Company completed a share acquisition of eZforex.com, Inc. ("eZforex"). The Company acquired 100% of the issued and outstanding shares of eZforex in exchange for cash consideration of $4,180,993.

The Company determined that this acquisition met the definition of a business and accounted for the transaction as a business combination using the acquisition method of accounting 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

Denarius Financial Group Inc.

On July 29, 2020 the Company's wholly-owned subsidiary, Exchange Bank of Canada, acquired certain assets of Denarius Financial Group Inc. ("DFG"), a payments business operating in the province of Quebec for approximately 22 years. The Company determined that this acquisition met the definition of a business and accounted for the transaction as a business combination under the acquisition method of accounting in accordance with IFRS 3 *Business Combinations*. The assets that EBC acquired included a total of approximately 450 corporate customers that are engaged in international payments. 9 employees were retained and employed in EBC's Montreal Office. EBC paid $2,730,528 (CAD3,660,000) in cash on closing, and issued 18,000 fully vested stock options to the shareholders of the vendor on the date of acquisition. In addition, there are two contingent payments of up to a maximum of $373,023 (CAD500,000) each and payable on the first and second anniversary after closing. The additional payments will be based on the amount of revenue generated from the customer trading relationships acquired. The Company has estimated the likelihood of future revenues to determine the estimated contingent consideration. Management has estimated these payments for the first and second anniversary at $365,107 (CAD489,389) and $357,358 (CAD479,003) respectively, for total contingent consideration of $722,465 (CAD968,392). The Company allocated this contingent consideration to customer trading relationships. An increase (decrease) in the estimate of the amount of revenue generated from the customer trading relationships acquired of +/- 10% would not affect the fair value of the contingent consideration.

(Expressed in U.S. Dollars)

5. Acquisitions (continued)

Assets assumed in the acquisition have been recorded at their fair values as at the date of acquisition. Due to the timing of this acquisition, these amounts are provisional and subject to change. The Company will finalize these amounts as it obtains the information necessary to complete the measurement process. Any changes resulting from facts and circumstances that existed as of the acquisition date may result in retrospective adjustments to the provisional amounts recognized at the acquisition date. These changes could be significant. The Company will finalize these amounts no later than one year from the acquisition date.

This transaction met the criteria of an acquisition of a business under IFRS 3. The allocation of the purchase consideration and the fair value of net assets acquired is as follows:

	USD	CAD
Net tangible asset	$5,125	$6,872
Trade name	37,302	50,000
Unpatented technology	10,445	14,000
Customer relationships	3,133,393	4,200,000
Non-compete agreements	223,814	300,000
Goodwill	74,605	100,000
Total Assets acquired	3,484,684	4,670,872
Cash	$2,730,527	$3,660,000
Stock Options	31,692	42,480
Contingent Consideration	357,358	479,003
Contingent Consideration - long term	365,107	489,389
Total Consideration	3,484,684	4,670,872

The Company recorded expenses of $168,361 (CAD225,671) in legal and other professional fees to complete the transaction.

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
Nine-months ended July 31, 2020	15,567,870	4,509,636	20,077,506
Nine-months ended July 31, 2019	25,573,160	4,741,803	30,314,963

	United States	Canada	Total
Three-months ended July 31, 2020	3,210,059	669,814	3,879,873
Three-months ended July 31, 2019	10,619,903	1,782,580	12,402,483

(Expressed in U.S. Dollars)

6. Segments (continued)

Revenues by Product Line

	Banknotes	Payments	Total
Nine-months ended July 31, 2020	17,734,639	2,342,867	20,077,506
Nine-months ended July 31, 2019	28,380,583	1,934,380	30,314,963

	Banknotes	Payments	Total
Three-months ended July 31, 2020	3,169,501	710,372	3,879,873
Three-months ended July 31, 2019	11,771,540	630,943	12,402,483

	At July 31, 2020			At October 31, 2019		
Assets	**United States**	**Canada**	**Total**	**United States**	**Canada**	**Total**
	$	$	$	$	$	$
Cash	54,205,367	16,455,161	70,660,528	37,760,599	25,113,274	62,873,873
Accounts receivable	2,602,064	4,424,288	7,026,352	4,961,794	5,581,458	10,543,252
Restricted cash held in escrow	705,951	-	705,951	644,657	-	644,657
Forward and option contracts	-	-	-	(10,379)	12,114	1,735
Other current assets	758,002	330,026	1,088,028	1,001,960	268,143	1,270,103
Property and equipment	653,872	495,802	1,149,674	904,475	648,466	1,552,941
Intangible assets	3,399,717	3,581,348	6,981,065	3,692,019	218,730	3,910,749
Goodwill	1,309,700	74,605	1,384,305	1,238,319	-	1,238,319
Other assets	104,184	-	104,184	101,686	-	101,686
Right-of-use assets	2,776,470	2,215,373	4,991,843	-	-	-
Income taxes receivable	459,853	-	459,853	-	-	-
Net deferred tax asset	1,334,254	219,924	1,554,178	368,399	224,002	592,401
Total assets	**68,309,434**	**27,796,527**	**96,105,961**	**50,663,529**	**32,066,187**	**82,729,716**

7. Cash

Included within cash of $70,660,528 at July 31, 2020 (October 31, 2019 - $62,873,873) are the following balances:

	At July 31, 2020	At October 31, 2019
	$	$
Cash held in transit, vaults, tills and consignment locations	25,729,492	49,714,265
Cash deposited in bank accounts in jurisdictions in which the Company operates	44,931,036	13,159,608
Total	70,660,528	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 $705,951 at July 31, 2020 (October 31, 2019 - $644,657).

(Expressed in U.S. Dollars)

9. Property and Equipment

Property and equipment consisted of the following:

	Vehicles	Computer equipment	Furniture and equipment	Leasehold improvements	Total
Cost	$	$	$	$	$
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	2,587	33,248	33,758	60,962	130,555
Disposals	-	-	-	-	-
Net exchange differences	24	(2,602)	(6,276)	(12,844)	(21,698)
Balance, July 31, 2020	**68,585**	**765,994**	**1,066,777**	**2,946,921**	**4,848,277**

	Vehicles	Computer equipment	Furniture and equipment	Leasehold improvements	Total
Depreciation	$	$	$	$	$
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	1,550
Balance, October 31, 2019	44,808	397,004	803,033	1,941,634	3,186,479
Additions	8,582	118,974	105,068	288,167	520,791
Disposals	-	-	-	-	-
Net exchange differences	-	(1,167)	(3,917)	(3,583)	(8,667)
Balance, July 31, 2020	**53,390**	**514,811**	**904,184**	**2,226,218**	**3,698,603**

	Vehicles	Computer equipment	Furniture and equipment	Leasehold improvements	Total
Carrying amounts	$	$	$	$	$
Balance, October 31, 2019	21,166	338,344	236,262	957,169	1,552,941
Balance, July 31, 2020	**15,195**	**251,183**	**162,593**	**720,703**	**1,149,674**

(Expressed in U.S. Dollars)

10. Goodwill and Intangible Assets

Intangible assets comprise 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 and DFG (see 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 & Unpatented tech cost	5 years

Cost	**Internally developed software** $	**Acquired software** $	**Customer trading relationships** $	**Trade Name, Non-Compete & Unpatented Tech Cost** $	**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	288,789	1,435	3,133,393	271,561	145,986	3,841,164
Net exchange differences	(5,009)	-	-	-	-	(5,009)
Balance, July 31, 2020	**3,051,594**	**574,596**	**8,331,676**	**941,561**	**1,384,305**	**14,283,732**

Amortization	**Internally developed software** $	**Acquired software** $	**Customer trading relationships** $	**Trade Name, Non-Compete & Unpatented Tech Cost** $	**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	309,299	33,750	177,000	100,500	-	620,549
Net exchange differences	(697)	-	-	-	-	(697)
Balance, July 31, 2020	**1,778,829**	**520,500**	**3,498,733**	**120,300**	**-**	**5,918,362**

Carrying amounts	**Internally developed software** $	**Acquired software** $	**Customer trading relationships** $	**Trade Name, Non-Compete & Unpatented Tech Cost** $	**Goodwill** $	**Total** $
Balance, October 31. 2019	1,297,587	86,411	1,876,550	650,200	1,238,319	5,149,068
Balance, July 31, 2020	**1,272,765**	**54,096**	**4,832,943**	**821,261**	**1,384,305**	**8,365,370**

(Expressed in U.S. Dollars)

11. Leases

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

	July 31, 2020	October 31, 2019
	$	$
Current lease liabilities	1,724,852	-
Non-current lease liabilities	3,946,956	-
Total	5,671,808	-

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 statements of financial position 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
Equipment	1	4 years	4	1	-	-	-
Corporate offices	12	0-13 years	4	5	-	-	-
Retail store locations	20	0-7 years	2	1	-	-	1
Total	**33**	**0-13 years**	**2**	**7**	**0**	**0**	**1**

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at July 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	1,942,692	1,297,051	605,300	468,074	429,055	1,853,422	6,595,594
Finance charges	217,979	149,595	117,312	99,525	84,101	255,274	923,786
Net present values	1,724,713	1,147,456	487,988	368,549	344,954	1,598,148	5,671,808

(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:

	Nine-months ended		Three-months ended	
	July 31, 2020	July 31, 2019	July 31, 2020	July 31, 2019
	$	$	$	$
Leases with substantial substitution rights	460,778	-	97,857	-
Short-term leases	148,841	-	40,098	-
Variable lease payments	214,634	-	(59,458)	-
Total	**824,253**	-	**78,497**	-

At July 31, 2020, the Company was committed to short-term leases and the total commitment at that date was $169,852. Through July 31, 2020 rent abatements of $288,850 were recorded as a reduction to rent expense in accordance with the practical expedient for lessees under IFRS 16, as they are a direct consequence of the COVID-19 pandemic. These abatements were related to certain retail locations that were required to close in response to state or local orders during the pandemic.

Total cash outflow for leases for the nine-months ended July 31, 2020 was $1,718,607.

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

	Carrying Amount	Depreciation Expense	Impairment
	$	$	$
Equipment	4,850	1,434	-
Corporate offices	2,731,513	447,611	-
Retail store locations	2,255,480	1,057,934	-
Total right-of-use assets	**4,991,843**	**1,506,979**	-

12. Seasonality of Operations and Impact of Global Pandemic

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.

On March 11, 2020 the World Health Organization (WHO) officially declared COVID-19, the disease caused by a novel coronavirus, a pandemic. The spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada and the United States of America, businesses have been forced to cease or limit operations for long or indefinite periods of time. Measures have been taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of nonessential services. These measures have triggered significant disruptions to business worldwide, resulting in reduced economic activity. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions (See Note 2 and Note 11).

12. Seasonality of Operations and Impact of Global Pandemic (continued)

The Company closed all of its retail locations on or around March 24, 2020, and began to re-open stores in May 2020. Certain locations that re-opened were subsequently closed again due to a resurgence of the coronavirus in their respective states. The Company elected to not to renew leases for two locations that expired during the three-month period ended July 31, 2020, and consolidated another two locations into one, reducing its total number of locations to 43. Of those, 13 locations remained closed at July 31, 2020 with their respective employees furloughed. In addition, many of the Company's commercial customers have been impacted by the pandemic, resulting in reduced demand for banknotes. The Company has also closed one vault temporarily due to the low volume of activity. 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.

13. Lines of Credit

On April 21, 2020 the Company received a loan in the amount of $2,397,000 from the Small Business Administration (SBA) under the CARES Act. The loan bears interest at 1% per annum and matures two years from the date of receipt, with no penalty for early payment. The loan may be forgiven if certain criteria are met. On May 14, 2020 the Company elected to make early repayment of the entire principal amount of the SBA loan for $2,398,506.31, including interest, thereby extinguishing all of its obligations under the CARES Act in respect of this loan.

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 July 31, 2020 – 2.172% (2019 – 2.38%)). At July 31, 2020, the balance outstanding was $15,963,934 (October 31, 2019 - $Nil).

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 July 31, 2020 – 2.95% (2019 – 4.45%)]. At July 31, 2020, the balance outstanding was $2,675,332 (October 31, 2019 - $472,736).

Interest expense relates to interest payments on lines of credit. Interest expense for the three-and nine-month period ended July 31, 2020 was $140,429 and $427,734 (July 31, 2019 - $70,336 and $257,212).

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.

(Expressed in U.S. Dollars)

14. Fair Value Measurement of Financial Instruments (continued)

There were no transfers between Level 1 and Level 2 during the three-and nine-month period ended July 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 July 31, 2020			
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Financial assets				
Cash	70,660,528	-	-	70,660,528
Total Assets	70,660,528	-	-	70,660,528
Financial liabilities				
Forward and option contract liabilities	-	68,602	-	68,602
Contingent consideration	-	-	722,465	722,465
Total liabilities	-	68,602	722,465	791,067

	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 July 31, 2020 and October 31, 2019.

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.

Contingent consideration (Level 3)

The fair value of contingent consideration, related to the DFG business combination described in Note 5, is estimated based on the amount of revenue generated from the acquired customer trading relationships. The significant input for the fair value estimate is management's estimate of revenues from acquired customers to continue transacting with the Company. For information about the sensitivity of the fair value measurement to the changes in the input at July 31, 2020, see Note 5. The fair value estimate of cash outflows is $2,730,528 at July 31, 2020. This reflects management's best estimate of a retention rate of key acquired customers in year 1 and in year 2.

14. Fair Value Measurement of Financial Instruments (continued)

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
- Lines 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. The majority of the Company's receivables reside with banks, money service business customers and other financial institutions. Due to seasonality, amounts in accounts receivable are usually at their highest during peak periods. They are lower than normal at July 31, 2020 due to the reduction in activity caused by the pandemic. The company has longstanding relationships with most of its money service business customers and has a strong repayment history. However, one of the Company's wholesale customers filed for bankruptcy protection on April 29, 2020, resulting in a provision for loss for the receivable amount of $1,012,946 on April 30, 2020.

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.

(Expressed in U.S. Dollars)

15. Risk Management (continued)

A breakdown of accounts receivable by category is below:

	At July 31, 2020	At October 31, 2019
Customer type	**$**	**$**
Domestic and international banks	6,633,287	2,575,497
Money service businesses	257,803	7,274,152
Other	135,262	693,603
Total	**7,026,352**	**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 July 31, 2020 was approximately $4,070,000 (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 $3,049,000 (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 +$61,000/-$61,000 (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 July 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 July 31, 2020 would have been approximately +$16,400/-$16,400 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. Management has assessed the Company’s cash position at July 31, 2020 and determined that it is sufficient to meet its financial obligations despite the reduction in revenue related to COVID-19.

The following are non-derivative contractual financial liabilities:

At July 31, 2020

Non-derivative financial liabilities	Carrying amount	Estimated contractual amount	This fiscal year	Future fiscal years
	$	$	$	$
Accounts payable	7,670,391	7,670,391	7,670,391	$Nil
Line of credit	18,639,266	18,639,266	18,639,266	$Nil
Accrued expenses	1,655,158	1,599,650	1,599,650	$Nil
Contingent consideration	722,465	722,465	$Nil	722,465
Contract liability	79,687	79,687	$Nil	79,687

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 $5,837,010 at July 31, 2020 (October 31, 2019 - $24,086,534).

(Expressed in U.S. Dollars)

15. Risk Management (continued)

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.

	At July 31, 2020	At October 31, 2019
Current assets	79,940,712	75,333,619
Current liabilities	(30,195,314)	(16,400,679)
Working capital	49,745,398	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 July 31, 2020 was ($68,602) (October 31, 2019 - $1,735).

At July 31, 2020 and October 31, 2019, approximately $705,951 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.

(Expressed in U.S. Dollars)

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
Q4 2018	11,981	211,740
Q1 2019	6,424	63,272
Q2 2019	-	-
Q3 2019	-	-
Q4 2019	845	61,316
Q1 2020	-	-
Q2 2020	-	-
Q3 2020	-	-

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 for management 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, while vesting for directors under the plan will occur equally on a quarterly basis in the first year after the grant. All the options have a five-year term, unless otherwise specified by the Board of Directors.

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

	Number of options	Weighted average price
	#	CDN$
Outstanding at October 31, 2019	708,366	22.52
Granted	47,955	12.02
Exercised	-	-
Cancelled through cashless exercise	-	-
Forfeited/Cancelled	(250,610)	29.33
Outstanding at July 31, 2020	505,711	18.79

(Expressed in U.S. Dollars)

17. Equity (continued)

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 and was approved by the shareholders on March 25, 2020.

On June 24, 2020 grants totaling 22,369 options were made to several officers of the Company that voluntarily reduced their salaries from June 1, 2020 through August 31, 2020. The options were fully vested on the date of grant, and the amount of the stock-based compensation recorded is equivalent to the gross salary that was forfeited by the officers.

On July 28, 2020, the Company offered an option exchange program whereby holders of certain "underwater" options were given a limited opportunity to exchange such options for a significantly lower number of new options "the Option Exchange." The Option Exchange only applied to options granted to officers and directors on October 26, 2016, October 26, 2017, August 9, 2018 and October 23, 2018 who remained employed by the Company on the date that the Option Exchange was offered. Those who participated in the Option Exchange will receive one new option in exchange for every eight tendered. All of the eligible option holders elected to participate in the Option Exchange. As a result, 241,463 options to purchase common shares were cancelled on July 31, 2020. The replacement options may not be granted until 90 days has passed since the cancellation of the options exchanged, and must have an exercise price equivalent to the fair market value of the common shares at the date of grant. On July 31, 2020, the Company recorded stock-based compensation expense of $111,231 that related to the unvested portion of the cancelled options.

18. Earnings per Share

The calculation of earnings per share is presented below. Diluted earnings per share for the three-and nine-month period ended July 31, 2020 include all stock option grants with the exception of the options granted October 30, 2015, October 26, 2016, October 26, 2017, August 9, 2018, October 23, 2018, January 23, 2019, March 4, 2019, and October 23, 2019 as the strike price exceeded the average stock price for the period.

	Nine-months ending		Three-months ending	
	July 31, 2020	July 31, 2019	July 31, 2020	July 31, 2019
Basic				
Net (loss) income	($5,058,397)	$2,155,325	($2,274,720)	$1,820,767
Weighted average number of shares outstanding	6,414,936	6,412,083	6,414,936	6,414,091
Basic (loss) earnings per share	($0.79)	$0.34	($0.35)	$0.28
Diluted				
Net (loss) income	($5,058,397)	$2,155,325	($2,274,720)	$1,820,767
Weighted average number of shares outstanding	6,414,936	6,421,237	6,414,936	6,419,708
Diluted (loss) earnings per share	($0.79)	$0.34	($0.35)	$0.28

(Expressed in U.S. Dollars)

19. Operating Expenses

	Nine-months ending		Three-months ended	
	July 31, 2020	**July 31, 2019**	**July 31, 2020**	**July 31, 2019**
	$	$	$	$
Salaries and benefits	13,090,115	13,471,553	3,488,996	4,570,480
Rent	846,913	2,789,298	86,928	974,881
Legal and professional	1,911,541	2,093,240	701,705	723,067
Postage and shipping	2,025,197	3,637,933	239,707	1,537,303
Stock based compensation	830,564	548,074	332,300	233,735
Travel and entertainment	337,883	497,315	33,533	165,036
Bank service charges	909,314	608,754	304,547	236,056
Software maintenance	962,677	812,201	265,897	278,414
Losses and shortages	283,173	344,101	87,481	242,728
Insurance	352,445	337,076	132,849	110,638
Bad debt expense	1,012,946	-	-	-
Other general and administrative	661,281	886,818	199,047	394,247
Operating expenses	**23,224,049**	**26,026,363**	**5,872,990**	**9,466,585**

The Bad debt expense of $1,012,946 relates to a provision recorded for a receivable from a wholesale customer that filed for bankruptcy on April 29, 2020. Rent expense was impacted by the adoption to IFRS 16 under the modified retrospective approach on November 1, 2019, and is not directly comparable to the nine-month period ended July 31, 2020 (see Note 15)

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-and nine-month periods ended July 31, 2020 and 2019 was as follows:

	Nine-months ended		Three-months ended	
	July 31, 2020	**July 31, 2019**	**July 31, 2020**	**July 31, 2019**
	$	$	$	$
Short-term benefits	2,183,673	1,846,295	713,749	607,861
Post-employment benefits	65,166	52,489	15,741	18,652
Stock based compensation	830,568	520,695	333,412	190,690
	3,079,407	2,419,479	1,062,902	817,203

The Company incurred legal and professional fees in the aggregate of $58,172 and $161,192 for the three- and nine-month period ended July 31, 2020 (2019 - $54,632 and $230,455) charged by entities controlled by directors or officers of the Company.

(Expressed in U.S. Dollars)

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

The Company has clients that are considered related parties through two of its directors. The Company generated $1,211 and $54,491 in revenue from these clients' activities for the three-and nine-month period ended July 31, 2020 (2019 – $92,627 and $116,958). As at July 31, 2020, accounts receivable included $57,714 from related parties (2019 - $105,197).

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.

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 July 31, 2020, the intercompany loan balance was $8,787,000 (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-and nine-month periods ending July 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 July 31, 2020	At October 31, 2019
	$	$
Prepaid rent	245,364	296,102
Prepaid personnel	80,822	-
Prepaid computer software	84,045	175,517
Prepaid insurance	132,725	315,992
Prepaid advertising	2,083	20,833
Other current assets	542,989	461,659
Total	**1,088,028**	**1,270,103**

22. Subsequent events

The Company evaluated subsequent events through September 9, 2020, the date these condensed interim consolidated financial statements were issued. There were no other material subsequent events that required recognition or additional disclosure in the financial statements