

CURRENCY EXCHANGE INTERNATIONAL, CORP.

Condensed Interim Consolidated Financial Statements
For the three-month periods ended January 31, 2022 and 2021
(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) "Alan Stratton"
Alan Stratton
Interim Chief Financial Officer

Orlando, Florida
March 15, 2022

CURRENCY EXCHANGE INTERNATIONAL, CORP.
Condensed Interim Consolidated Statements of Financial Position
January 31, 2022 and 2021
(Expressed in U.S. Dollars)
(Unaudited)

	ASSETS	
	January 31, 2022	October 31, 2021
Current assets	\$	\$
Cash (Note 5)	95,596,326	66,527,690
Accounts receivable (Note 13)	14,140,184	16,521,370
Restricted cash held in escrow (Note 6)	2,662,886	1,696,600
Forward and option contracts (Note 14)	260,231	461,487
Income taxes receivable	444,018	869,136
Other current assets (Note 19)	5,264,481	4,634,491
Total current assets	118,368,126	90,710,774
Property and equipment (Note 7)	443,698	514,729
Intangible assets (Note 8)	4,995,006	5,243,300
Goodwill (Note 8)	2,250,026	2,275,463
Other assets	124,002	126,176
Right-of-use assets (Note 9)	3,021,456	3,440,059
Net deferred tax asset	94,912	214,686
Total assets	129,297,226	102,525,187
	LIABILITIES AND EQUITY	
Current liabilities		
Line of credit (Note 11)	9,987,678	4,037,468
Accounts payable	40,893,042	26,641,692
Holding accounts	11,524,434	5,535,804
Accrued expenses	2,616,500	2,701,860
Contract liability	238,250	281,581
Contingent consideration (Note 12)	360,090	369,830
Lease liabilities (Note 9)	1,200,456	1,261,660
Total current liabilities	66,820,450	40,829,895
Long term liabilities		
Lease liabilities (Note 9)	2,344,751	2,812,012
Other long term liabilities	799,028	867,481
Total long term liabilities	3,143,779	3,679,493
Total liabilities	69,964,229	44,509,388
Equity		
Share capital	6,414,936	6,414,936
Equity reserves	30,400,791	30,868,533
Retained earnings	22,517,270	20,732,330
Total equity	59,332,997	58,015,799
Total liabilities and equity	129,297,226	102,525,187

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

CURRENCY EXCHANGE INTERNATIONAL, CORP.
Condensed Interim Consolidated Statements of Operations and Comprehensive Income (Loss)
Three-month periods ended January 31, 2022 and 2021
(Expressed in U.S. Dollars)
(Unaudited)

	Three-months ended		
	January 31, 2022	January 31, 2021	
Revenues	\$	\$	
Commissions revenue	11,774,331	4,723,982	
Fee revenue	687,916	365,447	
Total revenues (Note 4)	12,462,247	5,089,429	
Operating expenses (Note 17)	9,350,879	6,404,580	
Net operating income (loss)	3,111,368	(1,315,151)	
Other income (loss)			
Interest revenue	2,625	2,023	
Government grants (Note 2)	-	179,036	
Other income (expense)	12,422	(1,239)	
Total other income	15,047	179,820	
Earnings before interest, taxes, depreciation, and amortization	3,126,415	(1,135,331)	
Interest expense (Note 11)	227,657	80,287	
Interest on lease liabilities (Note 9)	25,678	65,688	
Depreciation and amortization	385,088	410,013	
Depreciation of right-of-use-assets (Note 9)	444,369	426,284	
Restructuring expenses and impairment loss (Note 21)		-	
Income (loss) before income taxes	2,043,622	(2,117,603)	
Income tax expense (recovery)	538,623	(396,499)	
Net income (loss) for the period	1,504,999	(1,721,104)	
Other comprehensive income (loss), after tax			
Net income (loss) for the period	1,504,999	(1,721,104)	
Items that may subsequently be reclassified to profit or loss			
Exchange differences on translating foreign operations	(291,755)	398,407	
Total other comprehensive income (loss)	1,213,244	(1,322,697)	
Earnings (loss) per share (Note 16)			
	-basic	\$0.23	(\$0.27)
	-diluted	\$0.23	(\$0.27)
Weighted average number of common shares outstanding (Note 16)			
	-basic	6,414,936	6,414,936
	-diluted	6,479,276	6,414,936

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CURRENCY EXCHANGE INTERNATIONAL, CORP.
Condensed Interim Consolidated Statements of Changes in Equity
Three-month periods ended January 31, 2022 and 2021
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	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, 2021	6,414,936	6,414,936	32,588,617	(5,281,780)	813,677	3,561,696	20,732,330	58,015,799
Stock based compensation (Note 15)	-	-	-	-	-	98,532	-	98,532
Forfeited, expired, and cancelled options (Note 15)	-	-	-	-	(67,119)	(274,536)	279,941	5,405
Gain on foreign currency translation	-	-	-	(291,738)	-	-	-	(291,738)
Net income	-	-	-	-	-	-	1,504,999	1,504,999
Balance, January 31, 2022	6,414,936	6,414,936	32,588,617	(5,573,518)	746,558	3,385,692	22,517,270	59,332,997
Balance at November 1, 2020	6,414,936	6,414,936	32,588,617	(5,865,656)	732,803	3,244,720	21,847,118	58,229,735
Stock based compensation (Note 15)	-	-	-	-	6,304	132,400	-	132,400
Forfeited, expired and cancelled options (Note 15)	-	-	-	-	-	-	-	-
Loss on foreign currency translation	-	-	-	398,407	-	-	-	398,407
Net loss	-	-	-	-	-	-	(1,721,104)	(1,721,104)
Balance, January 31, 2021	6,414,936	6,414,936	32,588,617	(5,467,249)	739,107	3,377,120	20,126,014	57,039,438

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CURRENCY EXCHANGE INTERNATIONAL, CORP.
Condensed Interim Consolidated Statements of Cash Flows
Three-month periods ended January 31, 2022 and 2021
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	Three-months ended	
	January 31, 2022	January 31, 2021
Cash flows from operating activities	\$	\$
Net income (loss)	1,504,999	(1,721,104)
Adjustments to reconcile net income to net cash flows from operating activities		
Depreciation and amortization	385,088	410,013
Depreciation of right-of-use assets	444,369	426,284
Stock based compensation	198,000	132,400
Change in forward and option contract positions (Note 14)	199,237	144,382
Deferred taxes	(44,318)	(378,472)
Increase (decrease) in cash due to change in:		
Accounts receivable	2,121,106	1,594,123
Restricted cash held in escrow	(1,013,669)	163,667
Income taxes receivable	442,023	(159,749)
Other assets	(645,040)	(157,883)
Contract liability	50,330	(43,690)
Accounts payable, accrued expenses, deposits, and income taxes payable	20,997,247	(6,154,820)
Net cash flows from operating activities	24,639,372	(5,744,849)
Cash flows from investing activities		
Purchase of property and equipment	(54,207)	(29,167)
Purchase of intangible assets	(96,503)	(95,382)
Net cash outflow from investing activities	(150,711)	(124,549)
Cash flows from financing activities		
Repayment of leasing liabilities	(494,509)	(533,831)
Interest on leasing liabilities	25,664	57,904
Net borrowing on line of credit (Note 11)	6,085,652	3,526,799
Net cash flows from financing activities	5,616,807	3,050,872
Net change in cash	30,105,468	(2,818,525)
Cash, beginning of period	66,527,690	59,311,553
Exchange difference on foreign operations	(1,036,832)	651,383
Cash, end of period	95,596,326	57,144,412
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period for income taxes	-	192,690
Cash paid during the period for interest	253,335	145,975
Cash received during the year for interest	2,625	2,023

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Notes to the Condensed Interim Consolidated Financial Statements
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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 and payments business that 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 5 vaults as well as 36 branch locations (see Note 9), and 267 employees. 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 "Schedule 1" bank engaged in foreign exchange services.

Basis of presentation

The presentation currency of the Company's condensed interim consolidated financial statements is the U.S. Dollar. The accounting policies set out in Note 2 of the condensed interim consolidated financial statements 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.

Statement of compliance

The condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**").

These condensed interim consolidated financial statements were authorized for issue and approved by the Board of Directors on March 15, 2022.

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.

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2. Accounting Policies (continued)

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 therefore been excluded:

- Amendments to References to Conceptual Framework in IFRS Standards;
- Definition of a Business (Amendments to IFRS 3); and
- Definition of Material (Amendments to IAS 1 and IAS 8)

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;
- Annual Improvements to IFRS Standards 2018-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1);
- Deferred Tax related to Assets and Liabilities from a Single Transaction; and
- IFRS 17 Insurance Contracts.

Comparative figures

Certain comparative figures have been reclassified to conform to the presentation in the current period.

Accounting for government grants and assistance

The Canada Emergency Wage Subsidy (“CEWS”) program became effective for periods beginning on March 15, 2020 to support organizations that have been significantly impacted by the COVID-19 pandemic. Under this program, EBC received a subsidy of up to 75% of qualified employees’ wages in each qualifying four-week period that it met certain tests for revenue reduction. In the three-months ended January 31, 2022, EBC qualified for \$Nil (Year-ended October 31, 2021 - \$657,117) in grants under the program, of which \$Nil (October 30, 2021 - \$107,472) was a receivable as of the reporting date. The Canada Emergency Rent Subsidy (“CERS”) program became effective for periods beginning on September 27, 2020. Under this program, EBC received a subsidy for up to 68% of qualified rent expenses. In the three-months ended January 31, 2022, EBC qualified for \$Nil (Year-ended October 31, 2021 - \$120,315), of which \$Nil (October 31, 2021 - \$18,692) which was a receivable as of the reporting date.

The grant revenue has been recognized by the Company separately as other income, “government grants,” within the consolidated statement of operations.

Share-based payments

The Company’s Deferred Share Unit (“DSU”) Plan and Restricted Stock Unit (“RSU”) Plan (collectively the “Plans”) allow certain employees and directors to receive restricted and deferred share units (“Units”) of the Company. The Units are cash-settled only and are therefore classified as a financial liability. The Units are

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2. Accounting Policies (continued)

measured at the fair value of the Company's equity instruments at the grant date as a financial liability in the condensed interim consolidated statement of financial position. The fair value determined at the grant date of the cash-settled share-based payments is expensed on a straight-line basis over the period during which the employees and directors become unconditionally entitled to the instrument. At the end of each reporting period, the Company revises its estimate of the Unit's liability based on the fair value of the Company's equity instruments. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the liability.

3. 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, 2021. The only exceptions are the estimate of income taxes, which are determined in the condensed interim consolidated financial statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

4. 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

	<u>United States</u>	<u>Canada</u>	<u>Total</u>
Three-months ended January 31, 2022	8,958,683	3,503,564	12,462,247
Three-months ended January 31, 2021	3,674,144	1,415,285	5,089,429

Revenues by Product Line

	<u>Banknotes</u>	<u>Payments</u>	<u>Total</u>
Three-months ended January 31, 2022	10,295,955	2,166,292	12,462,247
Three-months ended January 31, 2021	3,441,585	1,647,844	5,089,429

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4. Segments (continued)

Assets	At January 31, 2022			At October 31, 2021		
	United States	Canada	Total	United States	Canada	Total
	\$	\$	\$	\$	\$	\$
Cash	57,319,764	38,276,562	95,596,326	34,608,888	31,918,802	66,527,690
Accounts receivable	7,462,688	6,677,496	14,140,184	5,996,032	10,525,338	16,521,370
Restricted cash held in escrow	81,157	2,581,729	2,662,886	81,579	1,615,021	1,696,600
Other current assets	4,593,125	671,356	5,264,481	3,988,541	645,950	4,634,491
Property and equipment	210,451	233,247	443,698	236,515	278,214	514,729
Intangible assets	2,683,013	2,311,993	4,995,006	2,777,604	2,465,696	5,243,300
Goodwill	1,309,701	940,325	2,250,026	1,309,701	965,762	2,275,463
Other assets	123,802	200	124,002	125,902	274	126,176
Forward and option contracts	266,212	(5,981)	260,231	366,962	94,525	461,487
Right-of-use assets	1,162,782	1,858,674	3,021,456	1,475,613	1,964,446	3,440,059
Income taxes receivable	444,018	-	444,018	869,136	-	869,136
Net deferred tax asset	(136,856)	231,768	94,912	(23,351)	238,037	214,686
Total assets	75,519,857	53,777,369	129,297,226	51,813,122	50,712,065	102,525,187

5. Cash

Included within cash of \$95,596,326 at January 31, 2022 (October 31, 2021 - \$66,527,690) are the following balances.

	At January 31, 2022	At October 31, 2021
	\$	\$
Cash held in transit, vaults, tills, and consignment locations	70,406,604	45,883,163
Cash deposited in bank accounts in jurisdictions in which the Company operates	25,189,722	20,644,526
Total	95,596,326	66,527,690

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6. 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 has also been required to post the collateral associated with its credit facility with Desjardins Group (see Note 11). At January 31, 2022 the Company had cash collateral balances of \$2,662,886 (October 31, 2021 - \$1,696,600), represented by \$1,090,435 (October 31, 2021 - \$81,613) being held as collateral on forward contracts and \$1,572,451 (October 31, 2021 - \$1,614,987) being held on collateral on the Desjardins credit facility. These balances are reflected as restricted cash held in escrow in the condensed interim consolidated statements of financial position.

7. Property and Equipment

Property and equipment consist of the following:

	Vehicles	Computer equipment	Furniture and equipment	Leasehold improvements	Total
Cost	\$	\$	\$	\$	\$
Balance, October 31, 2020	65,974	766,503	1,066,960	2,709,690	4,609,127
Additions	-	13,985	46,339	54,847	115,171
Disposals	(17,723)	-	(1,061)	(87,339)	(106,123)
Net exchange differences	-	12,191	26,856	52,585	91,632
Balance, October 31, 2021	48,251	792,679	1,139,094	2,729,783	4,709,807
Additions	-	-	8,852	32,087	40,939
Disposals	-	-	-	-	-
Net exchange differences	-	(4,694)	(10,086)	(19,764)	(34,544)
Balance, January 31, 2022	48,251	787,985	1,137,860	2,742,106	4,716,202
Depreciation	\$	\$	\$	\$	\$
Balance, October 31, 2020	56,250	555,257	928,080	2,195,897	3,735,484
Additions	6,276	138,691	96,705	258,501	500,173
Disposals	(14,277)	-	(1,105)	(98,823)	(114,205)
Net exchange differences	2	9,465	23,642	40,517	73,626
Balance, October 31, 2021	48,251	703,413	1,047,322	2,396,092	4,195,078
Additions	-	28,492	17,827	58,496	104,815
Disposals	-	-	-	-	-
Net exchange differences	-	(4,274)	(9,849)	(13,266)	(27,389)
Balance, January 31, 2022	48,251	727,631	1,055,300	2,441,322	4,272,504
Carrying amounts	\$	\$	\$	\$	\$
Balance, October 31, 2021	-	89,266	91,772	333,691	514,729
Balance, January 31, 2022	-	60,354	82,560	300,784	443,698

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8. Goodwill and Intangible Assets

Intangible assets comprise the Company's internally developed software ("CXIFX") 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 (see Note 5 in the consolidated financial statements at October 31, 2021) and Denarius Financial Group (see Note 4 in the consolidated financial statements at October 31, 2021)). 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

	Internally developed software	Acquired software	Customer trading relationships	Trade Name, Non-Compete & Unpatented Tech Cost	Goodwill	Total
Cost	\$	\$	\$	\$	\$	\$
Balance, October 31, 2020	3,161,101	574,596	7,428,805	1,019,902	207,733	14,392,137
Additions	260,525	-	-	-	-	260,525
Net exchange differences	20,986	-	168,226	26,390	67,730	283,332
Balance, October 31, 2021	3,442,612	574,596	7,597,031	1,046,292	2,275,463	14,935,994
Additions	96,503	-	-	-	-	96,503
Net exchange differences	(7,882)	-	(63,180)	(9,911)	(25,437)	(106,410)
Balance, January 31, 2022	3,531,233	574,596	7,533,851	1,036,381	2,250,026	14,926,087

	Internally developed software	Acquired software	Customer trading relationships	Trade Name, Non-Compete & Unpatented Tech Cost	Goodwill	Total
Amortization	\$	\$	\$	\$	\$	\$
Balance, October 31, 2020	2,000,537	532,671	3,558,091	154,205	-	6,245,504
Amortization	459,099	38,250	295,982	355,621	-	1,148,952
Net exchange differences	(10,535)	919	22,688	9,703	-	22,775
Balance, October 31, 2021	2,449,101	571,840	3,876,761	519,529	-	7,417,231
Amortization	117,373	-	73,996	88,905	-	280,274
Net exchange differences	(9,302)	226	(4,685)	(2,689)	-	(16,450)
Balance, January 31, 2022	2,557,172	572,066	3,946,072	605,745	-	7,681,055

	Internally developed software	Acquired software	Customer trading relationships	Trade Name, Non-Compete & Unpatented Tech Cost	Goodwill	Total
Carrying amounts	\$	\$	\$	\$	\$	\$
Balance, October 31, 2021	993,511	2,758	3,720,270	526,763	2,275,463	7,518,763
Balance, January 31, 2022	974,061	2,530	3,587,779	430,636	2,250,026	7,245,032

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9. Leases

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

	<u>January 31, 2022</u>	<u>October 31, 2021</u>
	\$	\$
Current lease liabilities	1,200,456	1,261,660
Non-current lease liabilities	2,344,751	2,812,012
Total	3,545,207	4,073,672

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 condensed interim consolidated 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 7).

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	2 years	2	1	-	-	-
Corporate offices	11	1-12 years	3	5	-	-	-
Retail store locations	18	0-4 years	1	1	-	-	1
Total	30	0-12 years	2	7	-	-	1

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at January 31, 2022 were as follows:

	Within 1 Year	1-2 years	2-3 years	3-4 years	4-5 years	After 5 Years	Total
Lease payments	1,301,004	503,061	359,359	346,907	303,506	1,340,875	4,154,712
Finance charges	100,548	104,856	88,251	75,687	63,426	176,738	609,506
Net present values	<u>1,200,456</u>	<u>398,205</u>	<u>271,108</u>	<u>271,220</u>	<u>240,080</u>	<u>1,164,137</u>	<u>3,545,206</u>

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9. 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:

	Three-months ended	
	January 31, 2022	January 31, 2021
	\$	\$
Leases with substantial substitution rights	128,419	117,633
Short-term leases	31,158	32,974
Variable lease payments	7,063	97,922
Total	166,640	248,529

At January 31, 2022, the Company was committed to short-term leases and the total commitment at that date was \$31,158 (January 31, 2021 - \$32,974)

Total cash outflow for leases for three-month periods ended January 31, 2022 was \$494,509 (January 31, 2021 - \$533,821).

During the three-months ended January 31, 2022 various of the Company's leases were modified with respect to rent abatements and changes to the lease term. These were accounted for as lease modifications in accordance with IFRS 16. The impact on the condensed interim consolidated financial statements was the recognition of \$19,133 in rent abatements related to prior periods as well as \$100,517 in adjustments to rent previously recorded on certain leases that were modified as a result of the settlement agreement.

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

	Carrying Amount	Depreciation Expense
	\$	\$
Equipment	2,893	398
Corporate offices	2,189,881	144,000
Retail store locations	828,682	299,971
Total right-of-use assets	3,021,456	444,369

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10. 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 officially declared COVID-19, the disease caused by a novel coronavirus ("COVID-19"), 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 (Note 2). 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.

11. 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. with a limit of \$20,000,000. The credit line is secured against the Company's cash and other assets. The line of credit bears interest at LIBOR plus 2.0% (at January 31, 2022 – 2.60% (October 31, 2021 – 2.59%)). At January 31, 2022, the balance outstanding was \$Nil (October 31, 2021 - \$Nil).

On October 19, 2020, the Company's wholly-owned Canadian subsidiary, EBC, established a fully collateralized revolving line of credit with Desjardins Group ("Desjardins") with a limit of CAD 2,000,000 (\$1,572,451), being secured against cash collateral of CAD 2,000,000 (\$1,572,451). The line of credit bears interest at CAD prime rate plus 0.25% (at January 31, 2022- 2.70% (October 31, 2021 – 2.70%)). At January 31, 2022, the balance outstanding was \$Nil (October 31, 2020 - \$Nil)

On April 7, 2021, EBC entered into a Revolving Credit Facility with a private lender. The facility is guaranteed by the Company and is subordinated to the Company's and EBC's obligations to its primary lenders. The facility will be used for working capital purposes of daily operational activity. The credit facility has a limit of \$10,000,000 USD, with the option to increase the limit by mutual consent to \$20,000,000, with a term of three years (maturity date April 7, 2024). It bears interest at 6% per annum, and has a standby charge of \$1,500 USD per month if total interest in the month is less than \$20,000 USD. At January 31, 2022, the balance outstanding was CAD 12,709,500 (\$9,987,678) (October 31, 2021 – CAD 5,000,000 (\$4,037,468))

Interest expense relates to interest payments on lines of credit. Interest expense for the three-month period ended January 31, 2022 was \$227,657 (January 31, 2021 - \$80,287).

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12. Fair Value Measurement of Financial Instruments

IFRS 9 requires that 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, 2022 and the year ended October 31, 2021. The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value.

	At January 31, 2022			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets				
Cash	95,596,326	-	-	95,596,326
Forward and option contract assets	-	260,231	-	260,231
Total assets	95,596,326	260,231	-	95,856,557
Financial liabilities				
Contingent consideration	-	-	360,090	360,090
Restricted and deferred share units	-	576,301	-	576,301
Total liabilities	-	576,301	360,090	936,391
	At October 31, 2021			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets				
Cash	66,527,690	-	-	66,527,690
Forward and option contract assets	-	461,487	-	461,487
Total assets	66,527,690	461,487	-	66,989,177
Financial liabilities				
Contingent consideration	-	-	369,830	369,830
Restricted and deferred share units	-	644,635	-	644,635
Total liabilities	-	644,635	369,830	1,014,465

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, 2022 and October 31, 2021.

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12. Fair Value Measurement of Financial Instruments (continued)

Forward and option contract positions, and Restricted and Deferred share units (Level 2)

The Restricted and Deferred share units are valued using a volume-weighted average price for the five days that precede the date of grant. The cost of the awards is recorded on a straight-line basis over the vesting period. At each reporting date, the vested portion of the awards are remeasured at the current fair value using the same approach as at initial recognition (see Note 15).

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 Denarius Financial Group business combination, 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 October 31, 2021 (see Note 4 of consolidated audited financial statements ended October 31, 2021). The fair value estimate of future cash outflows is \$751,887 at October 31, 2021. The first portion of contingent consideration was paid on July 31, 2021, in accordance with the agreement with Denarius Financial Group. As a result, the Company recorded a loss of \$18,989 associated with the fair value revaluation with respect to this payment. Furthermore, the second portion of the contingent consideration was reclassified from short to long-term liability on the statements of financial position. This reflects management's best estimate of a retention rate of key acquired customers in year 1 and in year 2 (see Note 5 in the consolidated audited financial statements ended October 31, 2021).

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;
- Holding accounts;
- Lines of credit; and
- Contract asset(liability)

13. 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.

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13. Risk Management (continued)

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. Accounts receivable balances were higher than at October 31, 2021 due to the steady increase in activity and operations, resulting in an increase in accounts receivable of \$2,381,186 from October 31, 2021 to January 31, 2022. 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.

A breakdown of accounts receivable by category is below:

Customer type	At January 31, 2022	At October 31, 2021
	\$	\$
Domestic and international financial institutions	12,752,454	14,128,422
Money service businesses	1,183,667	2,138,098
Other	204,063	254,850
Total	14,140,184	16,521,370

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.

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13. Risk Management (continued)

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, 2022 was approximately \$6,328,255 (October 31, 2021 - \$5,359,377). The amount of currency that is unhedged and that is not pegged to the U.S. Dollar is approximately \$2,917,085 (October 31, 2020- \$2,182,767). 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 +\$58,000/- \$58,000 (October 31, 2021 gain/loss of approximately +\$44,000/- \$44,000).

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, 2022, 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 11.

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 ended January 31, 2022 would have been approximately +\$10,400/- \$10,400 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 January 31, 2022 and determined that it is sufficient to meet its financial obligations despite the reduction in revenue related to the COVID-19 pandemic.

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13. Risk Management (continued)

The following are non-derivative contractual financial liabilities:

Non-derivative financial liabilities	At January 31, 2021		This fiscal year	Future fiscal years
	Carrying amount	Estimated contractual amount		
	\$	\$	\$	\$
Accounts payable	40,893,042	40,893,042	40,893,042	\$Nil
Holding Accounts	11,524,434	11,524,434	11,524,434	\$Nil
Line of credit	9,987,678	9,987,678	9,987,678	\$Nil
Contingent consideration	360,090	360,090	\$Nil	360,090

Non-derivative financial liabilities	At October 31, 2021		Next fiscal year	Future fiscal years
	Carrying amount	Estimated contractual amount		
	\$	\$	\$	\$
Accounts payable	26,641,692	26,641,692	26,641,692	\$Nil
Holding Accounts	5,535,804	5,535,804	5,535,804	\$Nil
Line of credit	4,037,468	4,037,468	4,037,468	\$Nil
Contingent consideration	369,830	369,830	\$Nil	369,830

The Company had available unused lines of credit amounting to \$21,584,773 at January 31, 2022 (October 31, 2021 - \$27,577,509).

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 January 31, 2022	At October 31, 2021
	\$	\$
Current assets	118,368,126	90,710,774
Current liabilities	(66,820,450)	(40,829,895)
Working capital	51,547,676	49,880,879

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.

14. 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 in the condensed interim consolidated statements of operations and other comprehensive (loss) income. The Company's management strategy is to reduce the risk of fluctuations associated with foreign exchange rate changes.

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14. Foreign Currency Forward and Option Contracts (continued)

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, 2022 was \$260,231 (October 31, 2021 - \$461,487).

At January 31, 2022 the Company had cash collateral balances related to forward contracts being held of \$1,090,435 (October 31, 2021 - \$81,613). They are reflected as restricted cash held in escrow in the condensed interim consolidated statements of financial position (see Note 6).

15. Equity

Share Capital

The authorized share capital consists of 100,000,000 common shares. The common shares have a par value of \$1.00. There were no options exercised during the current and prior fiscal year.

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 January 31, 2022 and the respective changes during the periods are summarized as follows:

	Number of options #	Weighted average price CDN\$
Outstanding at October 31, 2021	813,677	14.01
Forfeited/Cancelled/Expired	(67,118)	17.61
Outstanding at January 31, 2022	746,559	14.64

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15. Equity (continued)

The following options are outstanding and exercisable at January 31, 2022:

Grant Date	Exercise price (CAD\$)	Number outstanding	Average remaining contractual life (years)	Number exercisable
4-Mar-19	25.83	43,316	2.09	28,877
4-Jun-19	17.36	5,837	2.34	5,837
23-Oct-19	17.36	72,376	2.73	72,376
23-Oct-19	17.36	176,924	2.73	100,673
24-Jun-20	12.74	29,955	3.40	24,898
29-Jul-20	10.83	18,000	3.49	18,000
29-Oct-20	10.83	7,032	3.75	7,032
29-Oct-20	10.83	252,147	3.75	56,535
28-Dec-20	9.31	2,431	3.91	810
28-Jan-21	11.02	3,873	3.99	1,291
28-Oct-21	14.35	134,668	4.74	-
Total		<u>746,559</u>		<u>316,329</u>
Weighted Average	14.64			

In the period ended January 31, 2022, 88,074 stock options expired that related to grantees whose employment had terminated with the Company. The Company recorded a recovery of \$279,941 in Retained Earnings for stock-based compensation that had been recognized in prior periods associated with the forfeited stock options.

Restricted Stock Unit and Deferred Stock Unit Plans

On November 1, 2021 the Company made its secondary grants under the Deferred Share Unit "DSU" Plan and Restricted Stock Unit "RSU" Plan (collectively the "Plans"). The Company granted 29,872 RSU and 20,533 DSU awards in the amount of \$376,250 and \$240,000 respectively. The Company recorded expenses of \$94,046 related to RSU and DSU awards in the three-month period ended January 31, 2022 as part of stock-based compensation. The amounts related to the vested portions of granted RSU and DSU awards are recorded within other long-term liabilities in the condensed interim consolidated statements of financial position. The awards that may be granted under each of the Plans can be realized in cash only and may not be converted into common shares of the Company. The Units awarded are issued based upon the market value equal to the price of the Company's stock price as at the date of the grant and vest over a one-year or three-year period.

The purpose of these Plans 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 Plans, vesting of the awards that may be granted under the Plans for management 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 awards that may be granted under the Plans for directors will occur equally on a quarterly basis in the first year after the grant. All the management awards have a three-year term, unless otherwise specified by the Board of Directors. The Directors' awards cannot be exercised until the Director retires from the Board.

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16. Earnings (Loss) per Share

The calculation of basic and diluted loss per share is presented below. Equity instruments that are anti-dilutive, such as various stock options granted, have not been included in the calculation of the weighted average number of shares outstanding.

	Three-months ended	
	January 31, 2022	January 31, 2021
Basic		
Net Income (Loss)	1,504,999	(1,721,104)
Weighted average number of shares outstanding	6,414,936	6,414,936
Basic earnings (loss) per share	\$0.23	(\$0.27)
Diluted		
Net Income (Loss)	\$1,504,999	(1,721,104)
Weighted average number of shares outstanding	6,479,276	6,414,936
Diluted earnings (loss) per share	\$0.23	(\$0.27)

17. Operating Expenses

The table below identifies the composition of the nature and amounts included within the operating expenses presented in the condensed interim consolidated statements of operations for the three-month period ended January 31, 2022 and 2021.

	Three-months ended	
	January 31, 2022	January 31, 2021
	\$	\$
Salaries and benefits	5,435,603	4,141,652
Rent	170,732	254,811
Legal and professional	715,367	452,390
Postage and shipping	1,199,400	397,374
Stock based compensation	198,000	132,400
Travel and entertainment	88,698	39,349
Bank service charges	473,345	325,185
Information technology	474,609	319,563
Losses and shortages	194,738	22,106
Insurance	193,921	169,425
Foreign exchange losses (gains)	1,615	(76,029)
Other general and administrative	204,851	226,354
Operating expenses	9,350,879	6,404,580

18. 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 period ended January 31, 2022 and 2021 was as follows:

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

	Three-months ended	
	January 31, 2022	January 31, 2021
	\$	\$
Short-term benefits	852,649	725,169
Post-employment benefits	20,007	14,892
Stock based compensation	103,066	131,939
Restricted and Deferred Share Units	94,046	87,597
	<u>1,069,768</u>	<u>959,597</u>

The Company incurred legal and professional fees in the aggregate of \$36,709 for the three-month period ended January 31, 2022 (January 31, 2021 – \$60,900) 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 \$44,887 in revenue from these clients' activities for the three-month period ended January 31, 2022 (2021 – \$14,000). As at January 31, 2022, accounts receivable included \$751,735 from related parties (2021 - \$85,403).

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 condensed interim consolidated financial statements.

Advances between CXI and EBC are provided under a \$20,000,000 Revolving Line of Credit, renewed July 1, 2018 loans attract interest at LIBOR + 2%, are repayable on demand, and are unsecured. At January 31, 2022, the intercompany loan balance was \$5,282,997 (October 31, 2021 - \$2,274,000) 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 period ending January 31, 2022 and 2021, 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.

CURRENCY EXCHANGE INTERNATIONAL, CORP.
Notes to the Condensed Interim Consolidated Financial Statements
Three-month periods ended January 31, 2022 and 2021
(Expressed in U.S. Dollars)
(Unaudited)

19. Other Current Assets

	<u>At January 31, 2022</u>	<u>At October 31, 2021</u>
	\$	\$
Prepaid rent	244,276	269,062
Prepaid personnel	2,099	27,786
Prepaid computer software	170,584	140,722
Prepaid insurance	548,559	39,314
Government grants receivable	3,400,190	3,502,067
Other current assets	898,773	655,540
Total	<u>5,264,481</u>	<u>4,634,491</u>

20. Subsequent events

The Company evaluated subsequent events through March 15, 2022 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.