Currency Exchange International, Corp.

Condensed Interim Consolidated Financial Statements

For the Three-Month Periods Ended January 31, 2023 and 2022
(Expressed in U.S. Dollars)
(Unaudited)

CURRENCY EXCHANGE
INTERNATIONAL

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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) *"Gerhard Barnard"*
Gerhard Barnard
Group Chief Financial Officer

Orlando, Florida
March 15, 2023

Condensed Interim Consolidated Statements of Financial Position

As of January 31, 2023 and October 31, 2022
(Expressed in U.S Dollars)
(Unaudited)

	January 31, 2023	October 31, 2022
ASSETS		
Current assets	$	$
Cash (Note 5)	98,482,227	88,559,268
Restricted cash held in escrow (Note 6)	1,753,182	3,803,129
Accounts receivable (Note 13)	16,306,816	14,273,528
Forward and option contract assets (Note 14)	892,844	911,443
Income taxes receivable	583,860	-
Other current assets (Note 19)	1,431,929	4,891,291
Total current assets	**119,450,858**	**112,438,659**
Property and equipment (Note 7)	799,990	711,447
Right-of-use assets (Note 9)	4,408,410	4,095,509
Intangible assets (Note 8)	4,108,033	4,282,626
Goodwill (Note 8)	2,208,509	2,187,445
Deferred tax asset, net	1,976,026	1,692,004
Other assets	121,142	121,142
Total assets	**133,072,968**	**125,528,832**
LIABILITIES AND EQUITY		
Current liabilities		
Lines of credit (Note 11)	24,072,046	5,929,847
Accounts payable	16,917,857	27,839,239
Accrued expenses	4,067,875	4,933,897
Holding accounts	9,564,581	9,137,046
Deferred revenues	615,651	507,887
Income taxes payable	-	2,166,087
Lease liabilities (Note 9)	1,761,998	1,545,777
Total current liabilities	**57,000,008**	**52,059,780**
Long-term liabilities		
Lease liabilities (Note 9)	3,087,612	2,985,282
Other long-term liabilities	1,536,616	1,178,261
Total long-term liabilities	**4,624,228**	**4,163,543**
Total liabilities	**61,624,236**	**56,223,323**
Equity		
Share capital (Note 15)	6,435,790	6,429,489
Equity reserves	30,907,989	30,360,566
Retained earnings	34,104,953	32,515,454
Total equity	**71,448,732**	**69,305,509**
Total liabilities and equity	**133,072,968**	**125,528,832**

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

Condensed Interim Consolidated Statements of Income and Comprehensive Income

For the three-month periods ended January 31, 2023 and 2022
(Expressed in U.S. Dollars)
(Unaudited)

	January 31, 2023	January 31, 2022
Revenues	$	$
Commissions revenue	15,383,828	11,762,366
Fee revenue	1,084,574	687,916
Total revenues (Note 4)	**16,468,402**	**12,450,282**
Operating expenses (Note 17)	13,734,243	9,338,914
Net operating income	**2,734,159**	**3,111,368**
Other income (loss)		
Interest revenue	131,211	2,625
Loss on sale of asset	(46,774)	-
Other income (expense), net	11,874	12,422
Total other income	**96,311**	**15,047**
Earnings before interest, taxes, depreciation, and amortization	**2,830,470**	**3,126,415**
Interest expense (Note 11)	354,769	227,657
Interest on lease liabilities (Note 9)	48,680	25,678
Depreciation and amortization	361,188	385,088
Depreciation of right-of-use assets (Note 9)	478,748	444,369
Income before income taxes	**1,587,085**	**2,043,623**
Income tax (recovery) expense	(2,414)	538,624
Net income for the period	**1,589,499**	**1,504,999**
Other comprehensive income, after tax		
Net income for the period	1,589,499	1,504,999
Items that may subsequently be reclassified to profit or loss		
Exchange differences on translating foreign operations	512,980	(291,738)
Total other comprehensive income	**2,102,479**	**1,213,261**
Earnings per share (Note 16)		
- Basic	$0.25	$0.23
- Diluted	$0.24	$0.23
Weighted average number of common shares outstanding (Note 16)		
- Basic	6,435,790	6,414,936
- Diluted	6,642,168	6,479,276

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

Condensed Interim Consolidated Statements of Changes in Equity

For the three-month periods ended January 31, 2023 and 2022
(Expressed in U.S Dollars)
(Unaudited)

	Share Capital		Equity Reserves				Retained Earnings	Total Equity
	Shares	Amount	Share premium	Accumulated Other Comprehensive Loss	Stock Options		Amount	Amount
	#	$	$	$	#	$	$	$
Balance at November 1, 2022	**6,429,489**	**6,429,489**	**32,698,075**	**(6,244,766)**	**820,762**	**3,907,257**	**32,515,454**	**69,305,509**
Stock-based compensation (Note 15)	-	-	-	-	-	31,013	-	31,013
Issue of share capital and share premium on the exercise of stock options	6,301	6,301	74,414	-	(23,107)	(70,984)	-	9,731
Gain on foreign currency translation	-	-	-	512,980	-	-	-	512,980
Net income	-	-	-	-	-	-	1,589,499	1,589,499
Balance at January 31, 2023	**6,435,790**	**6,435,790**	**32,772,489**	**(5,731,786)**	**797,655**	**3,867,286**	**34,104,953**	**71,448,732**
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	-	-	-	-	-	98,532	-	98,532
Forfeited, expired, and canceled options	-	-	-	-	(67,119)	(274,536)	279,941	5,405
Loss on foreign currency translation	-	-	-	(291,738)	-	-	-	(291,738)
Net income	-	-	-	-	-	-	1,504,999	1,504,999
Balance at 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**

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

Condensed Interim Consolidated Statements of Cash Flows

For the three-month periods ended January 31, 2023 and 2022
(Expressed in U.S. Dollars)
(Unaudited)

	January 31, 2023	January 31, 2022
Cash flows from operating activities	$	$
Net income	**1,589,499**	**1,504,999**
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	361,188	385,088
Depreciation of right-of-use	478,748	444,369
Stock-based compensation	677,155	198,000
Loss on disposal, impairment of assets, and leases	46,774	-
Increase (decrease) in cash due to change in:		
Accounts receivable	(1,904,290)	2,121,106
Restricted cash held in escrow	2,111,775	(1,013,669)
Change in forward and option contract assets	31,774	199,237
Income taxes receivable	(2,749,946)	442,023
Other assets	3,106,074	(645,040)
Net deferred tax assets	(469,241)	(44,318)
Deferred revenues	105,523	50,330
Accounts payable, accrued expenses, and other liabilities	(11,709,110)	20,997,247
Net cash (outflows) inflows from operating activities	**(8,324,077)**	**24,639,372**
Cash flows from investing activities		
Purchase of property and equipment	(126,790)	(54,207)
Purchase of intangible assets	(97,085)	(96,504)
Net cash outflows from investing activities	**(223,875)**	**(150,711)**
Cash outflows from financing activities		
Proceeds from exercise of stock options (Note 15)	11,724	-
Repayment of leasing liabilities	(532,827)	(494,509)
Interest on leasing liabilities	48,680	25,678
Net borrowing on lines of credit	18,043,912	6,085,638
Net cash flows from financing activities	**17,571,489**	**5,616,807**
Net change in cash	**9,023,537**	**30,105,468**
Cash, beginning of period	88,559,268	66,527,690
Exchange difference on foreign operations	899,422	(1,036,832)
Cash, end of period	**98,482,227**	**95,596,326**

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period for income taxes	3,240,000	-
Cash paid during the period for interest	350,820	253,335
Cash received during the period for interest	131,211	2,625

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

1. Nature of Operations and Basis of Presentation

Nature of Operations

Currency Exchange International, Corp. (the Company) was originally incorporated under the name Currency Exchange International, Inc. under the Florida Business Corporation Act on April 7, 1998. The Company changed its name to Currency Exchange International, Corp. on October 19, 2007 and commenced its current business operations at that time. The Company is a public corporation whose shares are listed and posted for trading on the Toronto Stock Exchange (TSX) under the symbol "CXI" and the over-the-counter market (OTCBB) in the United States under the symbol "CURN." The Company operates as a money service 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 4 main vaults (one of which is temporarily closed) as well as 38 branch locations and 363 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), specifically, the provision under IAS 34 – Interim Financial Reporting (IAS 34). These unaudited condensed interim consolidated financial statements do not include all disclosures required by IFRS for annual consolidated financial statements and, accordingly, should be read in conjunction with the Company's audited consolidated financial statements for the year ended October 31,2022.

These condensed interim consolidated financial statements were authorized for issue and approved by the board of directors on March 15, 2023.

Comparative Figures

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

2. Summary of Significant Accounting Policies

Recently Adopted Accounting Standards and Future Accounting Pronouncements

Certain pronouncements were issued by the IASB or International Financial Reporting Interpretations Committee (IFRIC) and have been adopted in the current period or are applicable for future periods. None of these pronouncements have, or are expected to have, a significant impact on the Company.

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 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.

Cash

Cash includes, but is not limited to local and foreign currencies:

- held in tills and vaults;
- in transit;
- at customer locations on consignment;
- in branches or distribution centers; and
- in bank accounts.

Foreign cash is recorded at fair value based on foreign exchange rates as at January 31, 2023 and October 31, 2022, respectively.

Accounts Receivable

Trade accounts receivable are stated net of an allowance for doubtful accounts. Accounts receivable balances consist primarily of bulk currency trades with a settlement cycle of 24 to 48 hours. The amount of accounts receivable varies widely from period to period due to the volume of activity and timing differences. The Company applies a simplified approach in accounting for the allowance for doubtful accounts based on lifetime expected credit losses in accordance with IFRS 9, *Financial Instruments* (IFRS 9). These consider the potential for default during the life of the financial instrument and are the expected shortfalls in contractual cash flows. To estimate the expected shortfall, the Company considers specific customers, historical information, external indicators, and forward-looking information. There is minimal counter-party risk as the majority of the Company's receivables reside with banks, money service business customers, and other financial institutions. The Company has longstanding relationships with most of its customers and has a strong repayment history. The Company does not accrue interest on past due receivables. Management determined that the allowance for doubtful accounts was $Nil as of January 31, 2023 and October 31, 2022.

Revenue Recognition

IFRS 15, *Revenue from Contracts with Customers* (IFRS 15) provides a comprehensive framework for the recognition, measurement, and disclosure of revenue from contracts with customers. To determine whether to recognize revenue, the Company follows a five-step process whereby the Company: (i) identifies the contract with the customer; (ii) identifies the performance obligations; (iii) determines the transaction price; (iv) allocates the transaction price to the performance obligations; and (v) recognizes revenue when or as performance obligations are satisfied.

Commission revenues are the difference (spread) between the cost and the selling price of foreign currency products, including banknotes, wire payments, cheque collections and draft issuances (foreign currency margin) and commissions paid on the sale and purchase of currencies. The amount of this spread is based on competitive conditions and the convenience and value-added services offered. These revenue contracts are short term in nature and generally have a single performance obligation. Revenue is recognized when each transaction occurs, the performance obligation is satisfied, the currency is delivered, or at the end of each reporting period when revaluations of foreign exchange positions take place. For contracts whose performance obligations are not satisfied (or partially not satisfied) amounts as such are not recognized in the statements of income and comprehensive income and are recorded in the statements of financial position as deferred revenues until the performance obligation is satisfied.

Fee income includes fees collected on cheque cashing, wire transfers, cheque collections, and currency exchange transactions. These revenue contracts are short term in nature and generally have a single performance obligation with revenue being recognized when the transaction occurs, the performance obligation is satisfied, and when the currency is delivered.

Foreign Currency Translation

Transactions denominated in foreign currencies are translated at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the condensed interim consolidated statements of financial position date are translated at rates as at that date. The functional currency of EBC is the Canadian Dollar and the functional currency of the Company and eZforex is the United States Dollar.

In situations where the functional currency is not the same as the presentation currency, foreign currency-denominated assets and liabilities are translated to their presentation currency equivalents using foreign exchange rates in effect at the consolidated statements of financial position date. Revenues and expenses are translated at average rates of exchange during the period. Exchange gains or losses arising from the consolidation of the Canadian subsidiary are included in accumulated other comprehensive income. On disposal of a foreign operation, the related cumulative translation differences recognized in equity reserves are reclassified to profit or loss and are recognized as part of the gain or loss on disposal.

Foreign Currency Forward and Option Contracts

The Company enters into foreign currency forward and option contracts on a daily basis to manage exposure to forward contracts executed with clients in the payments product line and mitigate the risk of fluctuations in exchange rates of its holdings of major currencies in banknotes.

Foreign currency forward and option contracts are recognized on the Company's consolidated statements of financial position when the Company becomes a party to the contractual provisions of the instrument. The instrument is derecognized from the consolidated statements of financial position when the contractual rights or obligations arising when the instrument expires or are extinguished.

Forward currency contracts are recognized at fair value and changes in the fair value are included in revenues in the consolidated statements of income and comprehensive income and are recorded as either contract asset or contract liability at the end of the reporting period.

Property and Equipment

Property and equipment are initially recorded at its cost and depreciated over its estimated useful life. Cost includes expenditures which are directly attributable to bringing the asset into working condition for its intended use. Depreciation is calculated on a straight-line basis, as follows:

- Vehicles 3 years
- Computer equipment 3 years
- Furniture and equipment 3 years
- Leasehold improvements The lesser of the lease term or useful life

When parts of an asset have different useful lives, depreciation is calculated on each separate part. In determining the useful lives of the component parts, the Company considers both the physical condition of the parts as well as technological life limitations. Estimates of remaining useful lives and residual values are reviewed annually. Changes in estimates are accounted for prospectively.

Goodwill and Intangible Assets

Goodwill, representing the excess of the purchase price over the fair value of the net assets acquired in a business combination, is carried at its original value based on the acquisition, less impairment losses determined subsequent to the acquisition.

Intangible assets are comprised of the Company's internally developed software (CXIFX) and its related modules, as well as software and customer trading relationships acquired through business combinations or asset purchase transactions.

Costs that are directly attributable to a project's development phase are recognized as intangible assets, provided they have met the following recognition requirements:

- the development costs can be measured reliably;
- the project is technically and commercially feasible;
- the Company intends to and has sufficient resources to complete the project;
- the Company has the ability to use or sell the software; and
- the software will generate probable future economic benefits.

Development costs not meeting these criteria for capitalization are expensed as incurred.

Amortization for intangibles is computed on an individual basis over the estimated economic life using the straight-line method as follows:

- Internally developed software 5 years
- Acquired software 2 years
- Customer trading relationships 5 –10 years
- Trade name, non-competition agreements 5 years

Residual values and useful lives are reviewed at each reporting date.

Business Combinations

Business combinations are accounted for by applying the acquisition method. The acquisition method involves the recognition of the acquiree's identifiable assets and liabilities, including contingent liabilities, regardless of whether they were recorded in the financial statements prior to acquisition. The acquiree's identifiable assets and liabilities that meet the conditions for recognition under IFRS 3, *Business Combinations* (IFRS 3) are recognized at their fair value at the acquisition date.

The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value. Transaction costs related to the acquisition are expensed as they are incurred.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is determined to be a financial asset or liability will be recognized in accordance with IFRS 9, at FVTPL. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Goodwill arising on acquisition is recognized as an asset that represents the excess of acquisition cost over the fair value of the Company's share of the identifiable net assets of the acquiree on the date of the acquisition. Any excess of identifiable net assets over the acquisition cost is recognized in net income immediately after acquisition.

Where goodwill forms part of a cash-generating unit (CGU), and part of the operation within that unit is disposed of, it is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair value of the operation disposed of and the portion of the CGU retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that time.

The measurement period may be up to one year from the acquisition date. Upon conclusion of the measurement period or final determination of the values of assets acquired and liabilities assumed, whichever occurs first, any subsequent adjustments are recorded to income within the consolidated statements of income and comprehensive income.

For a given acquisition, the Company may identify certain pre-acquisition contingencies as of the acquisition date and may extend its review and evaluation of these pre-acquisition contingencies throughout the measurement period to obtain sufficient information to assess these contingencies as part of acquisition accounting, as applicable.

Impairment Testing of Goodwill; Other Intangible Assets; and Property and Equipment

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (CGUs). As a result, some assets are tested individually for impairment, and some are tested at the CGU level. Goodwill is allocated to those CGUs that are expected to benefit from synergies of a related business combination and represent the lowest level within the Company at which management monitors goodwill. CGUs to which goodwill has been allocated are tested for impairment at least annually. All other individual assets or CGUs are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's (or CGU's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each CGU and determine a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget and are adjusted as necessary to exclude the effects of future reorganizations and asset enhancements. Discount factors are determined individually for each CGU and reflect current market assessments of the Time Value of Money (TVM) and asset-specific risk factors. Impairment losses for CGUs first reduce the carrying amount of any goodwill allocated to that CGU. Any remaining impairment loss is charged pro rata to the other assets in the CGU. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment loss is reversed if the asset's or CGU's recoverable amount exceeds it carrying amount.

Provisions

Provisions are recognized when, (a) the Company has a present obligation (legal or constructive) as a result of a past event, and (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the condensed interim consolidated statements of income and comprehensive income, net of any reimbursement. If the effect of the TVM is material, provisions are discounted using a current pretax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

No liability is recognized if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

Provisions for legal disputes, onerous contracts, or other claims are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. The timing or amount of the outflow may still be uncertain.

Restructuring provisions are recognized only if a detailed formal plan for the restructuring exists and management has either communicated the plan's main features to those affected or started implementation. Provisions are not recognized for future operating losses.

Holding Accounts

Holding accounts represent funds received from customers that are held in the transactional currency of the customer, who has the unilateral right to transfer out or convert the funds at any time. Amounts are initially measured at fair value, net of any transaction costs directly attributable to the issuance of the financial instrument.

Holding accounts are subsequently measured at amortized cost, using the effective interest rate method.

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 measured at the fair value of the Company's equity instruments at the grant date as a financial liability in the consolidated statements 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.

Financial Instruments

Financial assets and financial liabilities are recognized on the consolidated statements of financial position when the Company becomes a party to the contractual provisions of the financial instrument. The Company is required to initially recognize all of its financial assets and liabilities, including derivatives and embedded derivatives in certain contracts, at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, canceled, or expired.

Classification and Measurement of Financial Assets

IFRS 9 provides guidance on the classification and measurement of financial assets and prescribes an Expected Credit Loss (ECL) model for the impairment of financial assets. IFRS 9 also contains requirements on the application of a hedging model to align hedge accounting more closely with entities' risk management activities.

IFRS 9 includes a classification and measurement approach for financial assets that considers the business model in which the assets are managed and their cash flow characteristics. Subsequent to initial recognition, financial assets are not reclassified unless the Company adopts changes in its business model for managing those assets. Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories: amortized cost; Fair Value Through Profit or Loss (FVTPL); or Fair Value Through Other Comprehensive Income (FVTOCI).

Classification and Measurement of Financial Liabilities

Subsequent to initial recognition, financial liabilities are measured at amortized cost using the effective interest method, except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recorded in the condensed interim consolidated statements of income and comprehensive income.

The Company's financial assets and liabilities are classified and measured as follows:

• Cash	Fair value through profit or loss
• Accounts receivable	Amortized cost
• Restricted cash held in escrow	Amortized cost
• Forward and option contract assets	Fair value through profit or loss
• Accounts payable	Amortized cost
• Holding accounts	Amortized cost
• Contract asset/(liability)	Amortized cost
• Lines of credit	Amortized cost
• Contingent consideration	Fair value through profit or loss

Transaction costs, other than those related to financial instruments classified as FVTPL or FVTOCI, which are expensed as incurred are added to, or deducted from, the fair value of the financial asset or financial liability, as appropriate, on initial recognition and amortized using the effective interest method.

Financial Instruments Recorded At Fair Value

Financial instruments recorded at fair value in the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- 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; and
- Level 3—unobservable inputs for the asset or liability.

Derivative Financial Instruments and Hedge Accounting

Derivative financial instruments are accounted for at FVTPL, except for derivatives designated as hedging instruments in cash flow hedge relationships, of which the Company has none.

Impairment of Financial Assets

IFRS 9's impairment requirements use the Expected Credit Loss (ECL) model uses forward-looking information to recognize expected credit losses. Instruments within the scope of IFRS 9 includes loans and other debt-type financial assets measured at amortized cost and FVOCI, trade receivables, contract assets recognized and measured under IFRS 15, and loan commitments and some financial guarantee contracts that are not measured at FVTPL.

Under IFRS 9, the Company considers a wider range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable projections that impact the collectability of the future cash flows of the instrument.

Leases

At the inception of a lease contract, the Company assesses whether the contract is or contains a lease. A contract is, or contains, a lease if the contract conveys that right of control of the use of an identified asset for a period of time in exchange for consideration. In assessing whether a contract conveys the right to control the use of an identified asset, the Company assess whether: (i) the contract involves the use of an identified asset; (ii) the Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period, and/or; (iii) the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site in which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term plus expected renewal options which are available to the Company. In addition, the right-of-use asset is reduced by impairment losses, if any identified, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that have not been paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability may be compromised of: (i) fixed payments; (ii) variable lease payments that depend on an index rate, initially measured using the index as the commencement date; (iii) amounts expected to be payable under a residual value guarantee; (iv) the exercise price under purchase option that the Company is reasonably certain to exercise; (v) lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and (vi) penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use has been reduced to zero. The Company recognizes a depreciation charge for the right-of-use assets and interest expense on lease liabilities in the condensed interim consolidated statements of income and comprehensive income. Lease payments for short-term leases and for leases of low-value assets that are not included in the measurement of the lease ability are classified as cash flows from operating activities.

Accounts Receivable

The Company applies a simplified approach in accounting for the loss allowance for receivables and contract assets as lifetime expected credit losses. These consider the potential for default during the life of the financial instrument and are the expected shortfalls in contractual cash flows. To estimate the expected shortfall, the Company considers specific customers, historical information, external indicators, and forward-looking information.

Earnings per Share

The Company presents basic and diluted earnings per share data for its common shares, calculated by dividing the earnings attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined by adjusting the earnings attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive warrants and options outstanding that may add to the total number of common shares.

Income Taxes

Current income tax assets and liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the consolidated statements of financial position date.

Deferred income taxes are calculated using the liability method on temporary differences. Tax losses available to be carried forward as well as other income tax credits are assessed for recognition as deferred tax assets.

Deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted at the condensed interim consolidated statements of financial position date. This provision is not discounted. Deferred tax liabilities are generally recognized in full, although Income Taxes (IAS 12) specifies limited exemptions. Deferred tax assets are recognized to the extent that it is probable that they will be able to be offset against future taxable income.

Management bases its assessment of the probability of future taxable income on the Company's latest approved forecasts, which are adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The specific tax rules in the numerous jurisdictions in which the Company operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, that deferred tax asset is recognized in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on specific facts and circumstances.

Changes in deferred tax assets and liabilities are recognized as a component of tax expense in the condensed interim consolidated statements of income and comprehensive income, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

3. Significant Management Judgment in Applying Accounting Policies and Estimation Uncertainty

When preparing condensed interim consolidated financial statements, management undertakes several judgments, estimates, and assumptions about the 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 January 31, 2023 and with particular respect to the analysis of potential impairment of the Company's assets, including goodwill, and its ability to continue as a going concern.

Significant Management Judgment

The following are significant management judgments in applying the accounting policies of the Company and have the most significant effect on the consolidated financial statements:

Carrying Value of Internally Developed Software

The Company makes significant judgments about the value of its proprietary software, CXIFX. Once the scope of a project is deemed technologically feasible, the Company capitalizes costs incurred for the planning, development, and testing phases of modules developed within its software. Subsequent to the completion of the software development cycle, each module is amortized over its estimated useful economic life, which has been assessed as a period of five years. Costs relating to software maintenance, regular software updates, and minor software customizations are expensed as incurred. The Company reviews completed software modules within CXIFX for impairment on an ongoing basis.

Income Taxes and Recoverability of Potential Deferred Tax Assets

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, intercompany allocations in accordance with its transfer pricing policy, expected timing of reversals of existing temporary differences, and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are (1) within the Company's control, (2) feasible, and (3) within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

Impairment of Financial Assets

All financial assets except for those at FVTPL are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Impairment of Non-financial Assets

In the determination of carrying values and impairment charges, management looks at the higher of the recoverable amount or fair value less costs of disposal and at objective evidence for a significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period. The Company reviews property and equipment and intangible assets for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Goodwill is tested for impairment at least annually and at other times when such indicators exist.

Estimation Uncertainty

Estimates and underlying assumptions are reviewed on an ongoing basis. Information about estimates and assumptions that have the most significant effect on recognition and measurements of assets, liabilities, income, and expenses is provided below. Actual results may be substantially different.

Share-Based Payments

Management determines the overall expense for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. The determination of the most appropriate valuation model is dependent on the terms and conditions of the grant. Assumptions are made and judgments are used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates, future employee stock option exercise behaviors, and corporate performance. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 15. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Depreciation and Amortization Expenses

The Company's property and equipment and intangible assets are depreciated and amortized over their estimated useful economic lives. Useful lives are based upon management's best estimates of the length of time that the assets will generate revenue, which is reviewed at least annually for appropriateness. Changes to these estimates can result in variations in the amounts charged for depreciation or amortization and in the assets' carrying amounts.

Fair Value Measurement

Management uses valuation techniques to determine the fair value of certain financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as much as possible, but these data are not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm’s length transaction at the reporting date.

Contingencies

The Company is subject to contingencies that are not recognized as liabilities because they are either:

- possible obligations that have yet to be confirmed whether the Company has a present obligation that could lead to an outflow of resources embodying economic benefits; or
- present obligations that do not meet recognition criteria because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a sufficiently reliable estimate of the amount of the obligation cannot be made.

(Expressed in U.S. Dollars)

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

	United States	Canada	Total
Three-months ended January 31, 2023	**11,565,595**	**4,902,807**	**16,468,402**
Three-months ended January 31, 2022	9,171,355	3,278,927	12,450,282

Revenues by Product Line

	Banknotes	Payments	Total
Three-months ended January 31, 2023	**13,001,261**	**3,467,141**	**16,468,402**
Three-months ended January 31, 2022	10,283,991	2,166,291	12,450,282

	January 31, 2023			October 31, 2022		
	United States	Canada	Total	United States	Canada	Total
Assets	$	$	$	$	$	$
Cash	50,114,660	48,367,567	98,482,227	58,269,740	30,289,528	88,559,268
Restricted cash held in escrow	-	1,753,182	1,753,182	135,515	3,667,614	3,803,129
Accounts receivable	10,700,678	5,606,138	16,306,816	9,023,859	5,249,669	14,273,528
Forward and option contracts	265,214	627,630	892,844	443,102	468,341	911,443
Income taxes receivable	583,860	-	583,860	-	-	-
Other current assets	962,604	469,325	1,431,929	4,414,263	477,028	4,891,291
Property and equipment	667,113	132,877	799,990	553,559	157,888	711,447
Right-of-use assets	2,838,378	1,570,032	4,408,410	2,511,838	1,583,671	4,095,509
Intangible assets	2,265,686	1,842,347	4,108,033	2,366,446	1,916,180	4,282,626
Goodwill	1,309,700	898,809	2,208,509	1,309,700	877,745	2,187,445
Deferred tax asset, net	600,148	1,375,878	1,976,026	259,796	1,432,208	1,692,004
Other assets	121,142	-	121,142	121,142	-	121,142
Total assets	**70,429,183**	**62,643,785**	**133,072,968**	**79,408,960**	**46,119,872**	**125,528,832**

(Expressed in U.S. Dollars)

5. Cash

Included within cash of $98,482,227 at January 31, 2023 (October 31, 2022 - $88,559,268) are the following cash balances:

	January 31, 2023	October 31, 2022
	$	$
Cash held in transit, vaults, tills, and consignment locations	60,874,305	61,436,163
Cash deposited in bank accounts in jurisdictions in which the Company operates	37,607,922	27,123,105
Total	**98,482,227**	**88,559,268**

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, 2023, the Company had cash collateral balances of $1,753,182 (October 31, 2022 - $3,803,129), represented by $250,126 (October 31, 2022 - $2,335,299) being held as collateral on forward contracts and $1,503,056 (October 31, 2022 - $1,467,830) 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.

(Expressed in U.S. Dollars)

7. Property and Equipment

Property and equipment for the period consist of the following:

	Vehicles	Computer equipment	Furniture and equipment	Leasehold improvements	Total
Cost	$	$	$	$	$
Balance, October 31, 2021	48,251	792,679	1,139,094	2,729,783	4,709,807
Additions	-	29,190	72,613	461,816	563,619
Items moved to intangible assets	-	(229,722)	-	-	(229,722)
Net exchange differences	-	(14,460)	(36,602)	(68,892)	(119,954)
Balance, October 31, 2022	48,251	577,687	1,175,105	3,122,707	4,923,750
Additions	50,037	22,542	11,003	93,246	176,828
Net exchange differences	-	3,491	9,048	16,611	29,150
Balance, January 31, 2023	**98,288**	**603,720**	**1,195,156**	**3,232,564**	**5,129,728**

	Vehicles	Computer equipment	Furniture and equipment	Leasehold improvements	Total
Depreciation	$	$	$	$	$
Balance, October 31, 2021	48,251	703,413	1,047,323	2,396,091	4,195,078
Items moved to intangible assets	-	(175,912)	-	-	(175,912)
Additions	-	19,911	18,988	154,238	193,137
Balance, October 31, 2022	48,251	547,412	1,066,311	2,550,329	4,212,303
Additions	2,780	3,902	12,980	72,034	91,696
Net exchange differences	-	3,419	8,382	13,938	25,739
Balance, January 31, 2023	**51,031**	**554,733**	**1,087,673**	**2,636,301**	**4,329,738**

	Vehicles	Computer equipment	Furniture and equipment	Leasehold improvements	Total
Carrying amounts	$	$	$	$	$
Balance, October 31, 2022	**-**	**30,275**	**108,794**	**572,378**	**711,447**
Balance, January 31, 2023	**47,257**	**48,987**	**107,483**	**596,263**	**799,990**

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 various business combinations.

(Expressed in U.S. Dollars)

Goodwill and intangible assets for the period consist of the following:

	Internally developed software	Acquired software	Customer trading relationships	Trade name, non-compete & unpatented tech cost	Goodwill	Total
Cost	$	$	$	$	$	$
Balance, October 31, 2021	3,442,612	574,596	7,597,031	1,046,292	2,275,463	14,935,994
Additions	327,357	-	-	-	-	327,357
Items moved from property and equipment	-	229,722	-	-	-	229,722
Net exchange differences	(2,221)	-	(218,618)	(34,295)	(88,018)	(343,152)
Balance, October 31, 2022	3,767,748	804,318	7,378,413	1,011,997	2,187,445	15,149,921
Additions	77,085	20,000	-	-	-	97,085
Disposals	-	(254,199)	-	-	-	(254,199)
Net exchange differences	-	3,626	52,320	8,208	21,064	85,218
Balance, January 31, 2023	**3,844,833**	**573,745**	**7,430,733**	**1,020,205**	**2,208,509**	**15,078,025**

	Internally developed software	Acquired software	Customer trading relationships	Trade name, non-compete & unpatented tech cost	Goodwill	Total
Amortization	$	$	$	$	$	$
Balance, October 31, 2022	2,449,101	571,838	3,876,761	519,531	-	7,417,231
Items moved from property and equipment	-	175,912	-	-	-	175,912
Amortization	654,117	1,810	426,685	180,900	-	1,263,512
Net exchange differences	(293,831)	(891)	216,816	(98,899)	-	(176,805)
Balance, October 31, 2022	2,809,387	748,669	4,520,262	601,532	-	8,679,850
Amortization	87,755	2,235	126,583	52,919	-	269,492
Disposals	-	(207,596)	-	-	-	(207,596)
Net exchange differences	-	19,737	-	-	-	19,737
Balance, January 31, 2023	**2,897,142**	**563,045**	**4,646,845**	**654,451**	**-**	**8,761,483**

	Internally developed software	Acquired software	Customer trading relationships	Trade name, non-compete & unpatented tech cost	Goodwill	Total
Carrying amounts	$	$	$	$	$	$
Balance, October 31, 2022	**958,361**	**55,649**	**2,858,151**	**410,465**	**2,187,445**	**6,470,071**
Balance, January 31, 2023	**947,691**	**10,700**	**2,783,888**	**365,754**	**2,208,509**	**6,316,542**

(Expressed in U.S. Dollars)

9. Right-of-use assets and lease liabilities

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

	January 31, 2023	October 31, 2022
	$	$
Current lease liabilities	1,761,998	1,545,777
Non-current lease liabilities	3,087,612	2,985,282
Total	**4,849,610**	**4,531,059**

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 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 canceled 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 the type of right-of-use asset recognized on the statements of financial position:

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	1 years	1	1	-	-	-
Corporate offices	9	0–11 years	3	5	-	-	-
Retail store locations	24	0–5 years	2	2	-	-	1
Total	**34**	**0–11 years**	**2**	**8**	**-**	**-**	**1**

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at January 31, 2023 were as follows:

	Within 1 Year	1–2 years	2–3 years	3–4 years	4–5 years	After 5 Years	Total
Lease payments	1,931,756	1,323,400	506,887	365,181	368,337	931,106	**5,426,667**
Finance charges	169,758	110,176	77,323	62,604	47,824	109,372	**577,057**
Net present values	**1,761,998**	**1,213,224**	**429,564**	**302,577**	**320,513**	**821,734**	**4,849,610**

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.

(Expressed in U.S. Dollars)

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

	January 31, 2023	January 31, 2022
	$	$
Leases with substantial substitution rights	136,936	128,419
Short-term leases	25,928	31,158
Variable lease payments	193,746	7,063
Total	**356,610**	**166,640**

At January 31, 2023, the Company was committed to short-term leases and the total commitment at that date was $25,928 (January 31, 2022 - $31,158).

The total cash outflow for leases for the three-month periods ended January 31, 2023, was $771,246 (2022, $494,509). For the three-month period ended January 31, 2023, the Company incurred interest expense on lease liabilities in the amount of $48,680 (2022, $25,677) and recognized as interest expense on lease liabilities in the condensed interim consolidated statements of income and comprehensive income.

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

	Three-month period ended January 31, 2023		
	Carrying Amount	Depreciation Expense	Impairment
	$	$	$
Equipment	1,352	348	-
Corporate offices	2,056,801	157,104	-
Retail store locations	2,350,257	321,296	-
Total right-of-use assets	**4,408,410**	**478,748**	**-**

	Three-month period ended January 31, 2022		
	Carrying Amount	Depreciation Expense	Impairment
	$	$	$
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**	**-**

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 which 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 and it is not possible to reliably estimate their duration and severity, as well as their impact on the financial position and results of future periods.

11. Lines of Credit

The Company maintains lines of credit to meet borrowing needs during peak business periods. On June 15, 2022, the Company entered into an Amended and Restated Credit Agreement with BMO Harris Bank, N.A. The Amended and Restated Credit Agreement increased the revolving line of credit limit from $20,000,000 to $30,000,000 and provides an accordion feature for up to an additional $10,000,000 with the lender's approval. The Amended and Restated Credit Agreement provides a term of two years (maturity date on June 15, 2024). The Amended and Restated Credit Agreement was updated on September 13, 2022, to reflect the exercised accordion feature, which increased the line of credit to $40,000,000, and a reduced margin spread in the borrowing rate by 0.25bp. The credit line is secured against the Company's cash and other assets. The Amended and Restated Credit Agreement bears interest at one month Secured Overnight Financing Rate (SOFR) plus 2.25%. At January 31, 2023, the balance outstanding was $16,556,922 (October 31, 2022, $5,929,847).

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 ($1,467,800) being secured against cash collateral of CAD 2,000,000 ($1,467,800). The line of credit bears interest at the Canadian prime rate and plus 0.25%. At January 31, 2023, the balance outstanding was $Nil (October 31, 2022, $Nil)

On April 7, 2021, EBC entered into a $20,000,000 USD Revolving Credit Facility (RCF) with a private lender. On July 18, 2022, EBC amended this facility through an Amended and Restated Revolving Loan Agreement, whereby $10,000,000 of this facility was moved from EBC to CXI. On January 19, 2023, the Company entered into Moratorium Agreement ("CXI facility") where the Company will not utilize the $10,000,000 without prior written consent from the lender. Additionally, the Company will not incur any standby charges or fees during the period of Moratorium. Pursuant to the January 19, 2023 amended agreement, the interest rate on the $10,000,000 facility granted to EBC increased from 6% to a floating rate with floor of 8%, with a standby charge of $1,500 USD per month if the total interest in the month is less than $20,000 USD. The entire $20,000,000 facility is guaranteed by the Company and is subordinated to the Company's and EBC's obligations to primary lenders. These facilities are used for working capital purposes and for daily operational activity and have a term of three years (maturity date January 19 ,2026); however, these facilities may be terminated on 90-days' notice by either party. The total outstanding balance for the group at January 31, 2023, was $7,515,124 (October 31, 2022, $Nil).

Interest expense relates to interest payments on lines of credit. Interest expense for the three-month periods ended January 31, 2023 was $354,769 (January 31, 2022, $227,657).

12. Fair Value Measurement of Financial Instruments

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, 2023. The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value.

(Expressed in U.S. Dollars)

January 31, 2023

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Financial assets				
Cash	98,482,227	-	-	98,482,227
Forward and option contract assets	-	892,844	-	892,844
Total assets	**98,482,227**	**892,844**	**-**	**99,375,071**
Financial liabilities				
Other long-term liabilities	-	1,532,483	-	1,532,483
Total liabilities	**-**	**1,532,483**	**-**	**1,532,483**

October 31, 2022

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Financial assets				
Cash	88,559,268	-	-	88,559,268
Forward and option contract assets	-	911,443	-	911,443
Total assets	**88,559,268**	**911,443**	**-**	**89,470,711**
Financial liabilities				
Other long-term liabilities	-	1,174,226	-	1,174,226
Total liabilities	**-**	**1,174,226**	**-**	**1,174,226**

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, 2023 and October 31, 2022.

Forward and Option Contract Positions, and Long-term liability from Restricted and Deferred Share Units (Level 2)

Other long-term liabilities include the Company's liability for restricted and deferred share unit awards which 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.

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

(Expressed in U.S. Dollars)

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.

Credit Risk

Credit risk is the risk of financial loss associated with the 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.

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:

	At January 31, 2023	At October 31, 2022
Customer type	$	$
Domestic and international banks	10,863,176	7,823,948
Money-service businesses	3,312,527	5,227,752
Other	2,131,113	1,221,828
Total	**16,306,816**	**14,273,528**

The maximum exposure to credit risk is represented by the carrying amount of each financial asset on the statements 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 a 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. Foreign currency exposure, in the form of exchange gains and losses arising from normal trading activities and business operations are included in operating expenses for the period.

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 on January 31, 2023, was approximately $7,480,909 (October 31, 2022, $5,520,430). The amount of currency that is unhedged and that is not pegged to the U.S. Dollar is approximately $5,976,916 (October 31, 2022, $4,594,080). 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 +$120,000/-$120,000 (October 31, 2022 gain/loss of approximately +$92,000/-$92,000).

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, 2023, the Company had access to interest-bearing financial instruments in cash and lines of credit. A significant amount of the Company's cash is held as foreign currency bank notes in tills and its own vaults. These amounts are not subject to interest rate risk. Cash held in some of the Company's accounts are interest-bearing. The Company is subject to a small amount of cash flow interest rate risk from the Borrowings on its lines of credit; however, as Borrowings have remained steady and within policy limits, this risk is low. Borrowings bear interest at variable rates. Currently, the interest rate exposure is unhedged. For the interest rate profile of the Company's interest-bearing financial liabilities, refer to Note 11.

If interest rates had been 50 basis points higher/lower with all other variables held constant, after-tax profit for the three-month period ended January 31, 2023 would have been approximately +$20,000/-$20,000 higher/lower as a result of credit lines held at variable interest rates.

Liquidity Risk

Liquidity Risk is the risk of the Company incurring losses resulting from the inability to meet payment obligations in a timely manner when they become due or from being unable to do so at a sustainable cost. To effectively manage liquidity risk, the Company has implemented preventative risk monitoring measures, including setting a Liquidity Risk Ratio target of 120% or greater, which measures the proportion of unencumbered highly liquid assets to short-term net cash outflows, and setting a minimum liquidity balance requirement of total available cash or undrawn lines of credit to be greater than $4,000,000 notional daily. As required, the Treasurer and CFO report any liquidity issues to the Chief Executive Officer (CEO), Chief Risk Officer (CRO), and the audit committee in accordance with established policies and guidelines. Management has assessed the Company's cash position at January 31, 2023 and determined that it is sufficient to meet its financial obligations.

(Expressed in U.S. Dollars)

The following are non-derivative contractual financial liabilities:

January 31, 2023

Non-derivative financial liabilities	Carrying amount	Estimated contractual amount	This fiscal year	Future fiscal years
	$	$	$	$
Accounts payable	16,917,857	16,917,857	16,917,857	Nil
Holding accounts	9,564,581	9,564,581	9,564,581	Nil
Lines of credit	24,072,046	24,072,046	24,072,046	Nil

October 31, 2022

Non-derivative financial liabilities	Carrying amount	Estimated contractual amount	This fiscal year	Future fiscal years
	$	$	$	$
Accounts payable	27,839,239	27,839,239	27,839,239	Nil
Holding accounts	9,137,046	9,137,046	9,137,046	Nil
Lines of credit	5,929,847	5,929,847	5,929,847	Nil

The Company had available unused lines of credit amounting to $27,430,979 at January 31, 2023 (October 31, 2022, $55,538,042).

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.

	January 31, 2023	October 31, 2022
	$	$
Current assets	119,450,858	112,438,659
Current liabilities	(57,000,008)	(52,059,780)
Working capital	**62,450,850**	**60,378,879**

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 purchases 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 operating expenses in the condensed interim consolidated statements of income and 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.

(Expressed in U.S. Dollars)

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 $892,844 (October 31, 2022, $911,443).

At January 31, 2023 the Company had cash collateral balances related to forward contracts being held of $250,126 (October 31, 2022, $2,335,299). 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. As of January 31, 2023, the Company has 6,435,790 common shares outstanding (6,429,489 at October 31, 2022).

Stock Options

The Company offers an incentive stock option plan (the Plan) which was established April 28, 2011 and was amended most recently October 20, 2017. 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, 2023 and the respective changes during the periods are summarized as follows:

	Number of options	Weighted average price
	#	CDN$
Outstanding at October 31, 2022	**820,762**	**15.13**
Granted	-	
Exercised	(23,107)	17.36
Forfeited/canceled/expired	-	
Outstanding at January 31, 2023	**797,655**	**15.06**

(Expressed in U.S. Dollars)

The following options are outstanding and exercisable at January 31, 2023:

Grant Date	Exercise price (CAD$)	Number outstanding	Average remaining contractual life (years)	Number exercisable
4-Mar-19	$25.83	13,316	1.09	13,316
23-Oct-19	$17.36	30,000	1.73	30,000
23-Oct-19	$17.36	4,362	1.73	4,362
23-Oct-19	$17.36	207,939	1.73	207,939
24-Jun-20	$12.74	29,955	2.40	27,427
29-Jul-20	$10.83	18,000	2.49	18,000
29-Oct-20	$10.83	221,088	2.75	146,673
28-Jan-21	$11.02	3,873	2.99	2,582
28-Oct-21	$14.35	119,495	3.74	39,835
28-Apr-22	$18.10	20,000	4.24	-
25-Jul-22	$16.23	4,493	4.48	-
21-Sep-22	$18.93	5,748	4.64	-
31-Oct-22	$18.37	119,386	4.75	-
Total		**797,655**		**490,134**

During the three-month period ended January 31, 2023, there no stock option awards were granted. During the same period, a total number of 23,107 stock options were exercised for total proceeds of $11,724. The total number of shares issued was 6,301 and the rest was used to finance the cost of exercises by participants who elected to exercise their options without paying cash proceeds.

Restricted Stock Unit and Deferred Stock Unit Plans

On November 1, 2022, 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 37,664 RSU and 22,553 DSU awards in the amount of $500,995 and $300,000 respectively. On January 24, 2023, the Company granted 595 awards in the amount of $12,500. During the three-month period ended January 31, 2023, the Company recorded expenses of $646,142 related to RSU and DSU awards, 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 liability from these awards as of January 31, 2023 amounted to $1,532,483 ($1,174,226 as of October 31, 2022). 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 awards that may be granted under the plans for directors will vest on the date of grant. All the management awards have a three-year term, unless otherwise specified by the board of directors. The directors' awards cannot be redeemed until the director retires from the board.

In the three-month period ended January 31, 2023, the Company recorded expenses of $677,155 related to stock-based compensation out of which $31,013 was recognized for stock option grants and $646,142 was related to RSU and DSU awards (January 31, 2022 - $103,954 and $94,046, respectively).

(Expressed in U.S. Dollars)

16. Earnings per Share

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

	Three-month period ended January 31, 2023	Three-month periods ended January 31, 2022
	$	$
Basic		
Net profit	1,589,499	1,504,999
Weighted average number of shares outstanding	6,435,790	6,414,936
Basic earnings per share	0.25	0.23
Diluted		
Net profit	1,589,499	1,504,999
Weighted average number of shares outstanding	6,642,168	6,479,276
Diluted earnings per share	0.24	0.23

17. Operating Expenses

The table below identifies the composition of the nature and amounts included within the operating expenses presented in the consolidated statements of income and comprehensive income for the three-month periods ended January 31, 2023 and 2022.

	Three-month period ended January 31, 2023	Three-month period ended January 31, 2022
	$	$
Salaries and benefits	7,715,818	5,435,603
Postage and shipping	2,113,683	1,199,400
Legal and professional	1,117,145	715,367
Stock-based compensation	677,155	198,000
Information technology	565,375	474,609
Bank service charges	525,363	473,345
Losses and shortages	443,945	194,738
Rent	366,479	170,732
Insurance	227,497	193,921
Travel and entertainment	197,786	88,698
Foreign exchange gains	(505,335)	(10,348)
Other general and administrative	289,332	204,849
Operating expenses	**13,734,243**	**9,338,914**

(Expressed in U.S. Dollars)

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 periods ended January 31, 2023 and 2022 was as follows:

	Three-month period ended January 31, 2023	Three-month period ended January 31, 2022
	$	$
Short-term benefits	1,098,842	852,649
Post-employment benefits	45,427	20,007
Stock-based compensation	21,124	103,066
Restricted and deferred share units	646,142	94,046
Total	**1,811,535**	**1,069,768**

The Company incurred legal and professional fees in the aggregate of $42,049 for the three-month period ended January 31, 2023 (January 31, 2022, $36,709) 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 $58,502 in revenue from these clients' activities for the three-month period ended January 31, 2023 (January 31, 2022, $44,887). As at January 31, 2023, accounts receivable included $65,800 from related parties (January 31, 2022, $751,735).

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.

The Company supports EBC through a $20,000,000 revolving line of credit, renewed July 18, 2018, which attracts interest commensurate with interest charged on the Company's primary line of credit with BMO Harris N.A., are repayable on demand, and are unsecured. At January 31, 2023, the intercompany loan balance was $12,622,140 (January 31, 2022, $5,282,997) and was eliminated upon consolidation.

Key management personnel and directors occasionally conduct transactions with the Company as individuals. Such transactions are immaterial individually and in total including for the three-month periods ended January 31, 2023 and 2022 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.

(Expressed in U.S. Dollars)

19. Other Current Assets

	At January 31, 2023	At October 31, 2022
	$	$
Prepaid rent	6,001	7,261
Prepaid personnel	5,766	16,182
Prepaid computer software	466,432	458,642
Prepaid insurance	646,706	600,285
Prepaid advertising	16,252	26,881
Government grants	-	3,249,262
Other current assets	290,772	532,778
Total	**1,431,929**	**4,891,291**

20. Subsequent Events

The Company evaluated subsequent events through March 15, 2023, the date these condensed interim consolidated financial statements were issued.

There were no material subsequent events that required recognition or additional disclosure in the condensed interim consolidated financial statements.