CURRENCY EXCHANGE INTERNATIONAL, CORP.

Condensed Interim Consolidated Financial Statements
For the three-month periods ended January 31, 2021 and 2020
(Expressed in U.S. Dollars)
(Unaudited)

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Management's Responsibility for the Condensed Interim Consolidated Financial Statements

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

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

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

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

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

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

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

Orlando, Florida
March 15, 2021

CURRENCY EXCHANGE INTERNATIONAL, CORP.
Condensed Interim Consolidated Statements of Financial Position
January 31, 2021 and October 31, 2020
(Expressed in U.S. Dollars)
(Unaudited)

ASSETS

	January 31, 2021	October 31, 2020
Current assets	$	$
Cash (Note 6)	57,144,411	59,311,553
Accounts receivable (Note 14)	4,356,127	5,911,363
Restricted cash held in escrow (Note 7)	2,898,991	2,963,474
Forward and option contracts (Note 15)	-	92,447
Income taxes receivable	1,994,090	1,829,664
Other current assets (Note 20)	1,290,333	1,110,812
Total current assets	**67,683,952**	**71,219,313**
Property and equipment (Note 8)	791,163	873,643
Intangible assets (Note 9)	5,864,344	5,938,900
Goodwill (Note 9)	2,245,538	2,207,733
Other assets	103,430	103,187
Right-of-use assets (Note 10)	4,251,201	4,389,091
Net deferred tax asset	1,414,440	1,026,651
Total assets	**82,354,068**	**85,758,518**

LIABILITIES AND EQUITY

	January 31, 2021	October 31, 2020
Current liabilities		
Line of credit (Note 12)	6,951,892	3,305,605
Accounts payable	6,270,743	13,095,188
Holding accounts	3,424,974	1,595,365
Accrued expenses	1,541,852	2,519,167
Contract liability	142,921	163,901
Income taxes payable	-	-
Loss provision (Note 21)	703,415	675,000
Forward and option contracts (Note 15)	50,538	-
Contingent consideration (Note 4)	374,807	359,666
Lease liabilities (Note 10)	1,732,272	1,749,727
Total current liabilities	**21,193,414**	**23,463,619**
Long-term liabilities		
Contingent consideration (Note 4)	358,371	343,894
Lease liabilities (Note 10)	3,299,023	3,455,107
Other long-term liabilities	463,823	266,163
Total long-term liabilities	**4,121,217**	**4,065,164**
Total liabilities	**25,314,631**	**27,528,783**
Equity		
Share capital	6,414,936	6,414,936
Equity reserves	30,498,488	29,967,681
Retained earnings	20,126,013	21,847,118
Total equity	**57,039,437**	**58,229,735**
Total liabilities and equity	**82,354,068**	**85,758,518**

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 (Loss) Income
Three-month periods ended January 31, 2021 and 2020
(Expressed in U.S. Dollars)
(Unaudited)

	Three-months ended	
	January 31, 2021	**January 31, 2020**
Revenues	$	$
Commissions revenue	4,723,982	9,243,914
Fee revenue	365,447	630,375
Total revenues (Note 5)	5,089,429	9,874,289
Operating expenses (Note 18)	6,404,580	8,711,359
Net operating (loss) income	**(1,315,151)**	**1,162,930**
Other (loss) income		
Interest revenue	2,023	5,869
Government grants (Note 2)	179,036	-
Other expenses	(1,239)	-
(Loss) Earnings before interest, taxes, depreciation and amortization	**(1,135,331)**	**1,168,799**
Interest expense (Note 12)	80,287	138,202
Interest on lease liabilities	65,688	73,956
Depreciation and amortization	410,013	386,882
Depreciation of right-of-use-assets	426,284	518,017
(Loss) Income before income taxes	**(2,117,603)**	**51,742**
Income tax recovery	(396,499)	(107,532)
Net (loss) income for the period	**(1,721,104)**	**159,274**
Other comprehensive (loss) income, after tax		
Net (loss) income for the period	(1,721,104)	159,274
Items that may subsequently be reclassified to profit or loss		
Exchange differences on translating foreign operations	398,407	(80,446)
Total other comprehensive (loss) income	**(1,322,697)**	**78,828**
(Loss) earnings per share (Note 17)		
-basic	($0.27)	$0.02
-diluted	($0.27)	$0.02
Weighted average number of common shares outstanding (Note 17)		
-basic	6,414,936	6,413,065
-diluted	6,414,936	6,415,098

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

CURRENCY EXCHANGE INTERNATIONAL, CORP.
Condensed Interim Consolidated Statements of Changes in Equity
Three-month periods ended January 31, 2021 and 2020
(Expressed in U.S Dollars)
(Unaudited)

	Share Capital		Equity Reserves				Retained Earnings	Total Equity
	Shares	Amount	Share premium	Accumulated Other Comprehensive Income (Loss)	Stock Options		Amount	Amount
	#	$	$	$	#	$	$	$
Balance at November 1, 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 16)	-	-	-	-	6,304	132,400	-	132,400
Loss on foreign currency translation	-	-	-	398,407	-	-	-	398,407
Net loss	-	-	-	-	-	-	(1,721,103)	(1,721,103)
Balance, January 31, 2021	**6,414,936**	**6,414,936**	**32,588,617**	**(5,467,249)**	**739,107**	**3,377,120**	**20,126,015**	**57,039,439**
Balance at November 1, 2019	6,414,936	6,414,936	32,588,617	(5,591,093)	708,366	2,207,052	30,709,525	66,329,037
Stock based compensation (Note 16)	-	-	-	-	-	257,473	-	257,473
Loss on foreign currency translation	-	-	-	(80,447)	-	-	-	(80,447)
Adjustment from the adoption of IFRS 16	-	-	-	-	-	-	(341,707)	(341,707)
Net income	-	-	-	-	-	-	159,274	159,274
Balance, January 31, 2020	**6,414,936**	**6,414,936**	**32,588,617**	**(5,671,540)**	**708,366**	**2,464,525**	**30,527,092**	**66,323,630**

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

CURRENCY EXCHANGE INTERNATIONAL, CORP.
Condensed Interim Consolidated Statements of Cash Flows
Three-month periods ended January 31, 2021 and 2020
(Expressed in U.S. Dollars)
(Unaudited)

	Three-months ended	
	January 31, 2021	**January 31, 2020**
Cash flows from operating activities	**$**	**$**
Net income	(1,721,103)	159,274
Adjustments to reconcile net income to net cash flows from operating activities		
Depreciation and amortization	410,013	386,882
Depreciation of right-of-use assets	426,284	518,017
Stock based compensation	132,400	257,473
Change in forward and option contract positions (Note 15)	144,382	(146,022)
Loss (Gain) on disposal, impairment of assets and leases	1,221	-
Deferred taxes	(378,472)	(107,393)
Increase (decrease) in cash due to change in:		
Accounts receivable	1,594,123	(12,195,479)
Restricted cash held in escrow	163,667	30,191
Income taxes receivable	(159,749)	-
Other assets	(157,883)	235,211
Contract Liability	(43,690)	32,509
Accounts payable, accrued expenses, deposits and income taxes payable	(6,156,041)	9,655,226
Net cash flows from operating activities	**(5,744,848)**	**(1,174,111)**
Cash flows from investing activities		
Purchase of property and equipment	(29,167)	(82,316)
Purchase of intangible assets	(95,382)	(94,441)
Net cash outflow from investing activities	**(124,549)**	**(176,757)**
Cash flows from financing activities		
Repayment of leasing liabilities	(533,831)	(600,380)
Interest on leasing liabilities	57,904	73,956
Net borrowing on line of credit	3,526,799	10,390,004
Net cash flows from financing activities	**3,050,872**	**9,863,580**
Net change in cash	(2,818,525)	8,512,712
Cash, beginning of period	59,311,553	62,873,873
Exchange difference on foreign operations	651,383	(68,134)
Cash, end of period	**57,144,411**	**71,318,452**
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period for income taxes	192,690	-
Cash paid during the period for interest	145,975	138,202
Cash received during the year for interest	2,023	5,869

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 5 vaults as well as 35 branch locations (see Note 10), and 262 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 registered as 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 in the annual audited 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, 2021.

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.

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, including IFRIC 23 *Uncertainty Over Income Tax Treatments*, and have been excluded.

Future Accounting Pronouncements

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

- Amendments to References to Conceptual Framework in IFRS Standards;
- Definition of a Business (Amendments to IFRS 3);
- Definition of Material (Amendments to IAS 1 and IAS 8); 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. Through January 31, 2021 EBC qualified for $150,296 in grants under the program, of which $146,457 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. Through January 31, 2021 EBC qualified for $28,741 which was a receivable as of the reporting date. There are no obligations, commitments or conditions associated with the programs that could create a requirement to repay all or a part of the grants. The grant revenue has been recognized by the Company separately as other income within the 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 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, 2020. 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. Acquisition

Denarius Financial Group Inc.

On July 29, 2020 the Company's wholly-owned subsidiary, Exchange Bank of Canada ("EBC"), acquired certain assets of Denarius Financial Group Inc. ("DFG"), which were determined to meet the definition of a business in accordance with IFRS 3 *Business Combinations*.

EBC paid $2,748,290 (CAD 3,660,000) in cash on closing, and EBC's parent company Currency Exchange International ("CXI") issued 18,000 fully vested stock options to the shareholders of the vendor on the date of acquisition. In addition, there are two contingent payments of up to a maximum of $375,432 (CAD 500,000) each and payable on the first and second anniversary after closing. The additional payments will be based on the amount of revenue generated from the customer trading relationships acquired. The Company has estimated the likelihood of future revenues to determine the estimated contingent consideration. Management had estimated these payments for the first and second anniversary at $343,894 (CAD 457,998) and $359,666 (CAD 479,003) respectively, for total contingent consideration of $727,130 (CAD 968,392). The Company allocated this contingent consideration to customer trading relationships.

An increase (decrease) in the estimate of the amount of revenue generated from the customer trading relationships acquired of +/- 10% would not affect the fair value of the contingent consideration. Contingent consideration was reassessed at the end of the reporting period and the initial estimate was still determined to be management's best estimate of the Company's obligation. Changes in contingent consideration noted on the statements of financial position are a result of foreign exchange fluctuations.

Assets assumed in the acquisition have been recorded at their fair values as at the date of acquisition. The Company completed its measurement process once the necessary information was obtained and finalized the purchase price allocation as at October 31, 2020.

(Expressed in U.S. Dollars)

4. Acquisition (continued)

The final purchase price of the DFG acquisition was $3,483,615 (CAD 4,639,481), with the final allocation of the purchase consideration to the net assets acquired as follows:

	USD	CAD
Final PPA allocation		
Net tangible asset	5,158	6,872
Trade name	37,543	50,000
Unpatented technology	10,512	14,000
Customer relationships	2,230,522	2,970,609
Non-compete agreements	301,847	402,000
Implied goodwill	898,033	1,196,000
Balance at October 31, 2020	3,483,615	4,639,481
Final Purchase Consideration		
Cash	2,748,290	3,660,000
Stock Options	31,765	42,480
Contingent Consideration	359,666	479,003
Contingent Consideration - long term	343,894	457,998
Balance at October 31, 2020	3,483,615	4,639,481

The Company recorded expenses of $172,801 (CAD 230,136) in legal and other professional fees in the three-month period ended July 31, 2020 to complete this transaction.

5. 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, 2021	3,674,144	1,415,284	5,089,429
Three-months ended January 31, 2020	8,001,040	1,873,249	9,874,289

Revenues by Product Line

	Banknotes	Payments	Total
Three-months ended January 31, 2021	3,441,585	1,647,844	5,089,429
Three-months ended January 31, 2020	8,970,949	903,340	9,874,289

(Expressed in U.S. Dollars)

5. Segments (continued)

	At January 31, 2021			At October 31, 2020		
Assets	**United States**	**Canada**	**Total**	**United States**	**Canada**	**Total**
	$	$	$	$	$	$
Cash	26,417,397	30,727,014	57,144,411	39,322,593	19,988,960	59,311,553
Accounts receivable	2,302,600	2,053,527	4,356,127	5,187,707	723,656	5,911,363
Restricted cash held in escrow	583,819	2,315,172	2,898,991	581,693	2,381,781	2,963,474
Other current assets	847,640	442,693	1,290,333	572,830	537,982	1,110,812
Property and equipment	376,234	414,929	791,163	430,284	443,359	873,643
Intangible assets	3,210,038	2,654,306	5,864,344	3,307,050	2,631,850	5,938,900
Goodwill	1,309,701	935,837	2,245,538	1,309,700	898,033	2,207,733
Other assets	103,430	-	103,430	103,187	-	103,187
Forward and option contracts	-	-	-	55,232	37,215	92,447
Right-of-use assets	2,186,206	2,064,995	4,251,201	2,358,751	2,030,340	4,389,091
Income taxes receivable	1,994,090	-	1,994,090	1,829,664	-	1,829,664
Net deferred tax asset	1,183,778	230,662	1,414,440	805,307	221,344	1,026,651
Total assets	**40,514,933**	**41,839,135**	**82,354,068**	**55,863,998**	**29,894,520**	**85,758,518**

6. Cash

Included within cash of $57,144,411 at January 31, 2021 (October 31, 2020 - $59,311,553) are the following balances:

	At January 31, 2021	At October 31, 2020
	$	$
Cash held in transit, vaults, tills and consignment locations	41,473,777	34,340,751
Cash deposited in bank accounts in jurisdictions in which the Company operates	15,670,634	24,970,802
Total	57,144,411	59,311,553

7. 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 new credit facility with Desjardins Group (see Note 12). At January 31, 2021 the Company had cash collateral balances of $2,898,991 (October 31, 2020 - $2,963,474), represented by $1,334,046 (October 31, 2020 - $1,461,747) being held as collateral on forward contracts and $1,564,945 (October 31, 2020 - $1,501,727) 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)

8. Property and Equipment

Property and equipment consisted of the following:

	Vehicles	Computer equipment	Furniture and equipment	Leasehold improvements	Total
Cost	$	$	$	$	$
Balance, October 31, 2019	65,974	735,348	1,039,295	2,898,803	4,739,420
Additions	2,628	32,801	32,375	63,762	131,566
Disposals	(2,628)	-	(654)	(244,504)	(247,786)
Net exchange differences	-	(1,646)	(4,055)	(8,372)	(14,073)
Balance, October 31, 2020	65,974	766,503	1,066,960	2,709,690	4,609,127
Additions	-	10,726	-	18,441	29,167
Disposals	-	-	(1,061)	(73,185)	(74,246)
Net exchange differences	-	6,794	14,990	29,351	51,135
Balance, January 31, 2021	**65,974**	**784,023**	**1,080,889**	**2,684,297**	**4,615,182**
	Vehicles	**Computer equipment**	**Furniture and equipment**	**Leasehold improvements**	**Total**
Depreciation	$	$	$	$	$
Balance, October 31, 2019	44,808	397,004	803,033	1,941,634	3,186,479
Additions	12,321	159,338	132,977	368,376	673,012
Impairment of asset	-	-	-	120,926	120,926
Disposals	(872)	-	(496)	(232,603)	(233,671)
Net exchange differences	(7)	(1,085)	(7,434)	(2,436)	(10,962)
Balance, October 31, 2020	56,250	555,257	928,080	2,195,897	3,735,484
Additions	2,861	37,194	25,081	64,862	129,998
Disposals	-	-	(1,105)	(85,470)	(86,575)
Net exchange differences	-	5,034	12,877	27,202	45,113
Balance, January 31, 2021	**59,111**	**597,485**	**964,933**	**2,202,491**	**3,824,020**
	Vehicles	**Computer equipment**	**Furniture and equipment**	**Leasehold improvements**	**Total**
Carrying amounts	$	$	$	$	$
Balance, October 31, 2020	9,724	211,246	138,880	513,793	873,643
Balance, January 31, 2021	**6,863**	**186,538**	**115,956**	**481,806**	**791,163**

In the three-month period ended January 31, 2021, the Company disposed of certain leasehold improvement assets that relate to retail locations that were closed during the period. These locations were included in the restructuring and impairment provisions that the Company recorded in its fiscal year ended October 31, 2020 (see note 21 in audited consolidated financial statements).

(Expressed in U.S. Dollars)

9. Goodwill and Intangible Assets

Intangible assets comprise the Company's internally developed software ("**CEIFX**") and its related modules as well as software and customer trading relationships acquired through an asset purchase transaction as well as the purchase of eZforex (*see Note 5 in the audited consolidated financial statements at October 31, 2020*) and DFG (*see Note 4).* Amortization for intangibles is computed on an individual basis over the estimated useful life using the straight-line method as follows:

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

Cost	Internally developed software	Acquired software	Customer trading relationships	Trade Name, Non-Compete & Unpatented Tech Cost	Goodwill	Total
	$	$	$	$	$	$
Balance, October 31, 2019	2,767,814	573,161	5,198,283	670,000	1,238,319	10,447,578
Additions	396,489	1,435	2,216,211	347,657	963,652	3,925,441
Net exchange differences	(3,202)	-	14,311	2,245	5,762	19,116
Balance, October 31, 2020	3,161,101	574,596	7,428,805	1,019,902	2,207,733	14,392,135
Additions	95,382	-	-	-	-	95,382
Net exchange differences	11,714	-	93,897	14,730	37,805	158,146
Balance, January 31, 2021	**3,268,197**	**574,596**	**7,522,702**	**1,034,632**	**2,245,538**	**14,645,665**

Amortization	Internally developed software	Acquired software	Customer trading relationships	Trade Name, Non-Compete & Unpatented Tech Cost	Goodwill	Total
	$	$	$	$	$	$
Balance, October 31, 2019	1,470,227	486,750	3,321,733	19,800	-	5,298,510
Amortization	533,110	45,000	236,000	134,000	-	948,110
Net exchange differences	(2,800)	919	358	405	-	(1,118)
Balance, October 31, 2020	2,000,537	532,669	3,558,091	154,205	-	6,245,502
Amortization	176,265	11,250	59,000	33,500	-	280,015
Net exchange differences	903	919	5,053	3,391	-	10,265
Balance, January 31, 2021	**2,177,705**	**544,838**	**3,622,144**	**191,096**	**-**	**6,535,783**

Carrying amounts	Internally developed software	Acquired software	Customer trading relationships	Trade Name, Non-Compete & Unpatented Tech Cost	Goodwill	Total
	$	$	$	$	$	$
Balance, October 31, 2020	1,160,564	41,927	3,870,714	865,697	2,207,733	8,146,633
Balance, January 31, 2021	**1,090,492**	**29,758**	**3,900,558**	**843,536**	**2,245,538**	**8,109,882**

(Expressed in U.S. Dollars)

10. Leases

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

	January 31, 2021	October 31, 2020
	$	$
Current lease liabilities	1,732,272	1,749,727
Non-current lease liabilities	3,299,023	3,455,107
Total	5,031,295	5,204,834

The Company has leases for corporate offices as well as its retail store locations. With the exception of short-term leases and leases of low-value underlying assets, each lease, meeting the definition under IFRS 16, is reflected on the statements of financial position as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of Company sales) are excluded from the initial measurement of the lease liability and asset. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see Note 8).

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	3 years	3	1	-	-	-
Corporate offices	12	0-13 years	3	5	-	-	-
Retail store locations	18	0-6 years	2	1	-	-	1
Total	**31**	**0-13 years**	**2**	**7**	**0**	**0**	**1**

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

	Within 1 Year	1-2 years	2-3 years	3-4 years	4-5 years	After 5 Years	Total
Lease payments	1,915,820	950,239	520,907	417,404	389,640	1,643,880	5,837,890
Finance charges	183,669	129,391	105,196	89,729	75,317	223,293	806,595
Net present values	1,732,151	820,848	415,711	327,675	314,323	1,420,587	5,031,295

(Expressed in U.S. Dollars)

10. 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, 2021	**January 31, 2020**
	$	$
Leases with substantial substitution rights	117,633	179,724
Short-term leases	32,974	62,367
Variable lease payments	97,922	163,402
Total	**248,529**	**405,493**

At January 31, 2021, the Company was committed to short-term leases and the total commitment at that date was $32,974.

Total cash outflow for leases for the three-month ended January 31, 2021 was $533,821.

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

	Carrying Amount	**Depreciation Expense**	**Impairment**
	$	$	$
Equipment	4,350	384	-
Corporate offices	2,399,329	140,799	-
Retail store locations	1,847,522	285,101	-
Total right-of-use assets	**4,251,201**	**426,284**	**-**

11. 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.

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

The Company implemented a number of measures since the pandemic was declared. Those comprise the closing of 12 branch locations, partially offset by the opening of 1 location in the three-month period ended January 31, 2021, resulting in a 24% reduction of retail locations to 35 at January 31, 2021 from 46 at January 31, 2020. In addition, the Company has reduced its net employee population by 98, to 262 at January 31, 2021 from 361 at March 11, 2020. The Company also closed one vault in the three-month period ended April 30, 2020 due to the low volume of demand for banknotes, which has remained closed at January 31, 2020.

Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions (see 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.

12. 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, 2021 – 2.13% (October 31, 2020 – 2.15%)). At January 31, 2021, the balance outstanding was $6,540,904 (October 31, 2020 - $Nil).

On January 25, 2021, the Company's wholly-owned Canadian subsidiary, EBC, terminated its revolving line of credit with Bank of Montreal that had a limit of CAD 6,000,000 ($4,694,836). That line of credit bore interest at CAD prime plus 0.5% [at January 31, 2021 – 2.95% (October 31, 2020 – 2.95%)]. At January 31, 2021, the balance outstanding was $Nil (October 31, 2020 - $3,305,605). In its place, the Bank established a fully collateralized revolving line of credit with Desjardins Group ("Desjardins") on October 19, 2020 with a limit of CAD 2,000,000 ($1,564,945), being secured against cash collateral of CAD 2,000,000 ($1,564,945). The line of credit bears interest at CAD prime rate plus 0.25% (at January 31, 2021- 2.70% (October 31, 2020 – 2.70%)). At January 31, 2021, the balance outstanding was $410,988 (October 31, 2020 - $Nil)

Interest expense relates to interest payments on lines of credit. Interest expense for the three-month period ended January 31, 2021 was $80,287 (January 31, 2020 - $138,202).

13. Fair Value Measurement of Financial Instruments

IAS 34 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.

(Expressed in U.S. Dollars)

13. Fair Value Measurement of Financial Instruments (continued)

There were no transfers between Level 1 and Level 2 during the three-month period ended January 31, 2021 and the year ended October 31, 2020. The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value.

At January 31, 2021	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets				
Cash	57,144,411	-	-	57,144,411
Total assets	**57,144,411**		**-**	**57,144,411**
Financial liabilities				
Forward and option contract liabilities	-	50,538	-	50,538
Restricted and Deferred share units	-	87,597	-	87,597
Contingent consideration	-	-	733,178	733,178
Total liabilities	**-**	**138,135**	**733,178**	**871,313**

At October 31, 2020	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets				
Cash	59,311,553	-	-	59,311,553
Forward and option contract assets	-	92,447	-	92,447
Total Assets	**59,311,553**	**92,447**	**-**	**59,404,000**
Financial liabilities				
Contingent consideration			703,560	703,560
Total liabilities	**-**	**-**	**703,560**	**703,560**

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, 2021 and October 31, 2020.

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

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

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 16).

Contingent consideration (Level 3)

The fair value of contingent consideration, related to the DFG business, 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, 2020, see Note 4. The fair value estimate of future cash outflows is $733,178 at January 31, 2021. This reflects management's best estimate of a retention rate of key acquired customers in year 1 and in year 2.

13. Fair Value Measurement of Financial Instruments (continued)

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

- Accounts receivable;
- Restricted cash held in escrow;
- Accounts payable;
- Holding accounts;
- Lines of credit; and
- Contract liability

14. Risk Management

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

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

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

Credit Risk

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

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

The credit risk associated with accounts receivable is limited, as the Company's receivables consist primarily of bulk currency trades with a settlement cycle of 24 to 48 hours. The majority of the Company's receivables reside with banks, money service business customers and other financial institutions. Due to seasonality, amounts in accounts receivable are usually at their highest during peak periods. Accounts receivable balances are lower than normal at January 31, 2020 due to the reduction in activity caused by the ongoing pandemic. The Company has longstanding relationships with most of its money service business customers and has a strong repayment history, with one exception (see Note 21).

For the purpose of risk control, the customers are grouped as follows: domestic and international banks, money service businesses, and other customers. Credit limits are established for each customer, whereby the credit limit represents the maximum open amount without requiring payments in advance. These limits are reviewed regularly by senior management.

(Expressed in U.S. Dollars)

14. Risk Management (continued)

A breakdown of accounts receivable by category is below:

	At January 31, 2021	At October 31, 2020
Customer type	**$**	**$**
Domestic and international banks	3,370,797	2,923,202
Money service businesses	792,419	846,168
Other	192,911	2,141,993
Total	**4,356,127**	**5,911,363**

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

Foreign Currency Risk

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

In order to mitigate the risks associated with holding these foreign currencies, the Company assigns wider bid/ask spreads and maintains specific inventory targets to minimize the impact of exchange rate fluctuations. These targets are reviewed regularly and are increased or decreased to accommodate demand within acceptable risk tolerances. The amount of unhedged inventory held in tills, vaults and in transit at January 31, 2021 was approximately $7,165,000 (October 31, 2020 - $6,010,000). The amount of currency that is unhedged and that is not pegged to the U.S. Dollar is approximately $5,936,000 (October 31, 2020- $4,672,000). A 2% increase/reduction in the market price for the aggregate of the Company's unhedged/un-pegged foreign currencies would result in an exchange gain/loss of approximately +$119,000/-$119,000 (October 31, 2020 gain/loss of approximately +$93,000/-$93,000).

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, 2021, 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 12.

(Expressed in U.S. Dollars)

14. Risk Management (continued)

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

If interest rates had been 50 basis points higher/lower with all other variables held constant, after tax profit for the three-months ended January 31, 2021 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, 2021 and determined that it is sufficient to meet its financial obligations despite the reduction in revenue related to COVID-19.

The following are non-derivative contractual financial liabilities:

	At January 31, 2021			
Non-derivative financial liabilities	**Carrying amount**	**Estimated contractual amount**	**This fiscal year**	**Future fiscal years**
	$	**$**	**$**	**$**
Accounts payable	6,270,743	6,270,743	6,270,743	$Nil
Holding Accounts	3,424,974	3,424,974	3,424,974	$Nil
Line of credit	6,951,892	6,951,892	6,951,892	$Nil
Accrued expenses	1,541,852	1,507,342	1,507,342	$Nil
Contingent consideration	733,178	733,178	$Nil	733,178
Contract liability	142,921	142,921	$Nil	142,921

	At October 31, 2020			
Non-derivative financial liabilities	**Carrying amount**	**Estimated contractual amount**	**Next fiscal year**	**Future fiscal years**
	$	**$**	**$**	**$**
Accounts payable	13,095,188	13,095,188	13,095,188	$Nil
Holding Accounts	1,595,365	1,595,365	1,595,365	$Nil
Line of credit	3,305,605	3,305,605	3,305,605	$Nil
Accrued expenses	2,519,167	2,467,453	2,467,453	$Nil
Contingent consideration	703,560	703,560	$Nil	703,560
Contract liability	163,901	163,901	$Nil	163,901

The Company had available unused lines of credit amounting to $14,613,053 at January 31, 2021 (October 31, 2020 - $22,701,303).

(Expressed in U.S. Dollars)

14. Risk Management (continued)

Capital Management

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

	At January 31, 2021	At October 31, 2020
Current assets	67,683,952	71,219,313
Current liabilities	(21,193,415)	(23,463,619)
Working capital	**46,490,537**	**47,755,694**

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.

15. 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 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.

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, 2021 was ($50,538) (October 31, 2020 - $92,447).

At January 31, 2021 the Company had cash collateral balances related to forward contracts being held of $1,334,046 (October 31, 2020 - $1,461,747). They are reflected as restricted cash held in escrow in the consolidated statements of financial position (see Note 7).

(Expressed in U.S. Dollars)

16. Equity

Share Capital

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

Period Exercised	Number of shares	USD value
Q2 2019	-	-
Q3 2019	-	-
Q4 2019	845	61,316
Q1 2020	-	-
Q2 2020	-	-
Q3 2020	-	-
Q4 2020	-	-
Q1 2021	-	-

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, 2021 and the respective changes during the periods are summarized as follows:

	Number of options \#	Weighted average price CAD$
Outstanding at October 31, 2020	732,803	14.01
Granted	6,304	10.36
Exercised	-	-
Forfeited/Cancelled/Expired	-	-
Outstanding at January 31, 2021	739,107	14.04

(Expressed in U.S. Dollars)

16. Equity (continued)

The following options are outstanding and exercisable at January 31, 2021:

Grant Date	Exercise price (CAD$)	Number outstanding	Average remaining contractual life (years)	Number exercisable
6-Jun-17	21.53	5,586	1.35	5,586
9-Aug-18	30.69	2,500	2.77	-
23-Jan-19	28.23	4,127	2.98	2,752
4-Mar-19	25.83	13,316	3.09	4,439
23-Oct-19	17.36	30,000	3.09	10,000
6-Apr-19	17.36	5,837	3.34	5,837
23-Oct-19	17.36	72,376	3.73	72,376
23-Oct-19	17.36	228,754	3.73	76,251
24-Jun-20	12.74	22,369	4.40	22,369
24-Jun-20	12.74	7,586	4.40	-
29-Jul-20	10.83	18,000	4.49	18,000
29-Oct-20	10.00	322,352	9.75	1,758
28-Dec-20	10.80	2,431	9.91	-
28-Jan-21	11.00	3,873	10.00	-
Total		739,107		219,368

On December 28, 2020 2,431 options were granted to an officer that surrendered options under the stock option exchange program that was announced on July 28, 2020. The replacement options have a weighted average exercise price of CAD10.36 and 10-year expiration date.

On January 28, 2021 3,873 options were granted to an officer which have a weighted average exercise price of CAD10.36 and 10-year expiration date.

Restricted Stock Unit and Deferred Stock Unit Plans

On November 1, 2020 the Company made its first grants under the Deferred Share Unit “DSU” Plan and Restricted Stock Unit “RSU” Plan (collectively the "Plans"). The Company granted RSU and DSU awards in the amount of $388,000 and $220,000 respectively. The Company recorded expenses of $87,597 related to RSU and DSU awards in the three-month period ended January 31, 2021. The amounts related to the vested portions of granted RSU and DSU awards are recorded within other long-term liabilities in the consolidated statement 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 awards have a three-year term, unless otherwise specified by the Board of Directors.

(Expressed in U.S. Dollars)

17. (Loss) earnings per Share

The calculation of earnings per share is presented below. Diluted earnings per share for the three-month periods ended January 31, 2021 include all stock option grants with the exception of the options granted October 30, 2015, March 11, 2016, October 26, 2016, June 6, 2017, October 26, 2017, August 9, 2018, October 23, 2018, January 23, 2019, March 4, 2019, June 4, 2019, October 23, 2019, June 24, 2020, June 29, 2020, October 29, 2019 and January 28, 2021 as the strike price exceeded the average stock price for the period.

	Three-months ending	
	January 31, 2021	**January 31, 2020**
Basic		
Net income	($1,721,103)	159,274
Weighted average number of shares outstanding	6,414,936	6,413,065
Basic earnings (loss) per share	($0.27)	$0.02
Diluted		
Net income	($1,721,103)	159,274
Weighted average number of shares outstanding	6,414,936	6,415,098
Diluted earnings (loss) per share	($0.27)	$0.02

18. 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 ending January 31, 2021 and 2020.

	Three-months ended	
	January 31, 2021	**January 31, 2020**
	$	$
Salaries and benefits	4,141,652	4,898,521
Rent	254,811	405,493
Legal and professional	452,390	710,230
Postage and shipping	397,374	978,952
Stock based compensation	132,400	257,473
Travel and entertainment	39,349	194,829
Bank service charges	325,185	280,571
Information technology	319,563	316,989
Losses and shortages	22,106	137,572
Insurance	169,425	104,359
Other general and administrative	150,325	426,370
Operating expenses	**6,404,580**	**8,711,359**

(Expressed in U.S. Dollars)

19. 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, 2021 and 2020 was as follows:

	Three-months ended	
	January 31, 2021	January 31, 2020
	$	$
Short-term benefits	725,169	649,920
Post-employment benefits	14,892	32,305
Stock based compensation	131,939	256,913
Restricted and Deferred share units	87,597	-
	959,597	**939,138**

The Company incurred legal and professional fees in the aggregate of $60,900 for the three-month period ended January 31, 2021 (2020 - $45,900) 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 $14,000 in revenue from these clients' activities for the three-month period ended January 31, 2021 (2020 – $38,274). As at January 31, 2021, accounts receivable included $85,403 from related parties (2020 - $117,736).

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, 2021, the intercompany loan balance was $19,819,000 (October 31, 2020 - $8,565,000) and was eliminated upon consolidation.

Key management personnel and directors occasionally conduct transactions with the Company as individuals. Such transactions are immaterial individually and in total including for the three-month periods ending January 31, 2021 and 2020, 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)

20. Other Current Assets

	January 31, 2020	At October 31, 2020
	$	$
Prepaid rent	231,738	248,682
Prepaid personnel	29,118	53,494
Prepaid computer software	130,373	101,786
Prepaid insurance	449,836	86,286
Prepaid advertising	14,584	20,833
Other current assets	434,684	599,731
Total	1,290,333	1,110,812

21. Loss provision and contingent liability

A wholesale customer of the Company that owed money filed a Notice of Intention to Make a Proposal to its creditors under the Bankruptcy and Insolvency Act (Canada) (“BIA”) on April 30, 2020. At April 30, 2020 the Company recorded a loss provision of $1,012,946 (CAD 1,424,000) for amounts owed to it by the customer. Such customer subsequently failed to make a proposal to its creditors and was automatically placed into Bankruptcy on June 30, 2020, resulting in the Company becoming an unsecured creditor of the bankrupt customer’s estate. Subsequent to September 9, 2020 the Trustee in Bankruptcy has claimed that three payments that the customer made to the Company in April 2020 that total $1,000,000 were made within 90 days of the date of bankruptcy, and therefore were preferential, in contravention of the BIA. At October 31, 2020 the Company recorded an additional provision of $675,000 (CAD 898,965) as a reasonable estimate of the expected future cash outflows with respect to this customer’s bankruptcy. As at March 15, 2021, no legal action has been commenced by the Trustee, and the estimated loss provision has not changed.

22. Subsequent events

The Company evaluated subsequent events through March 15, 2021 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.