CURRENCY EXCHANGE INTERNATIONAL, CORP.

Condensed Interim Consolidated Financial Statements
For the three-and nine-month periods ended July 31, 2022 and 2021
(Expressed in U.S. Dollars)
(Unaudited)

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Management's Responsibility for the Condensed Interim Consolidated Financial Statements

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

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

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

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

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

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

(signed) *"Alan Stratton"*
Alan Stratton
Interim Chief Financial Officer

Orlando, Florida
September 13, 2022

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

ASSETS	July 31, 2022	October 31, 2021
Current assets	$	$
Cash (Note 5)	114,343,663	66,527,690
Accounts receivable (Note 13)	23,066,927	16,521,370
Restricted cash held in escrow (Note 6)	2,495,661	1,696,600
Forward and option contracts (Note 14)	182,973	461,487
Income taxes receivable	-	869,136
Other current assets (Note 19)	4,848,013	4,634,491
Total current assets	**144,937,237**	**90,710,774**
Property and equipment (Note 7)	494,152	514,729
Intangible assets (Note 8)	4,585,645	5,243,300
Goodwill (Note 8)	2,243,674	2,275,463
Other assets	123,868	126,176
Right-of-use assets (Note 9)	2,898,792	3,440,059
Net deferred tax asset	473,648	214,686
Total assets	**155,757,016**	**102,525,187**
LIABILITIES AND EQUITY		
Current liabilities		
Lines of credit (Note 11)	30,703,538	4,037,468
Accounts payable	39,105,604	26,641,692
Holding accounts	10,100,531	5,535,804
Accrued expenses	4,052,628	2,701,860
Contract liability	230,940	281,581
Income taxes payable	1,549,378	-
Contingent consideration	-	369,830
Lease liabilities (Note 9)	916,310	1,261,660
Total current liabilities	**86,658,929**	**40,829,895**
Long term liabilities		
Lease liabilities (Note 9)	2,433,443	2,812,012
Other long-term liabilities	1,066,263	867,481
Total long-term liabilities	**3,499,706**	**3,679,493**
Total liabilities	**90,158,635**	**44,509,388**
Equity		
Share capital	6,424,140	6,414,936
Equity reserves	30,758,615	30,868,533
Retained earnings	28,415,626	20,732,330
Total equity	**65,598,381**	**58,015,799**
Total liabilities and equity	**155,757,016**	**102,525,187**

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

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

	Nine-months ended		Three-months ended	
	July 31, 2022	July 31, 2021	July 31, 2022	July 31, 2021
Revenues	$	$	$	$
Commissions revenue	44,035,380	19,108,527	19,650,630	8,176,273
Fee revenue	2,446,707	1,331,240	1,010,794	553,510
Total revenues (Note 4)	**46,482,087**	**20,439,767**	**20,661,424**	**8,729,783**
Operating expenses (Note 17)	33,160,375	21,265,042	13,339,834	7,681,892
Net operating income (loss)	**13,321,712**	**(825,275)**	**7,321,590**	**1,047,891**
Other income (loss)				
Interest revenue	66,390	26,847	60,676	8,426
Government grants (Note 2)	-	675,990	-	23,833
Revaluation of contingent consideration	(37,985)	(18,989)	(37,985)	(18,989)
Provision for loss	-	(112,299)	-	-
Restructuring expenses and impairment loss	(1,848)	(96,711)	(70)	5,832
Other income (expense)	37,406	(1,560)	12,441	(4,195)
Total other income	**63,963**	**473,278**	**35,062**	**14,907**
Income (losses) before interest, taxes, depreciation and amortization	**13,385,675**	**(351,997)**	**7,356,652**	**1,062,798**
Interest expense (Note 11)	855,473	292,755	430,091	161,122
Interest on lease liabilities (Note 9)	104,481	162,329	38,916	51,503
Depreciation and amortization	1,111,007	1,246,910	358,357	420,233
Depreciation of right-of-use-assets (Note 9)	1,300,787	1,253,122	413,500	412,036
Income (loss) before income taxes	**10,013,927**	**(3,307,113)**	**6,115,788**	**17,904**
Income tax expense (recovery)	2,614,680	(541,066)	1,529,980	138,151
Net income (loss) for the period	**7,399,247**	**(2,766,047)**	**4,585,808**	**(120,247)**
Other comprehensive income (loss), after tax				
Net income (loss) for the period	7,399,247	(2,766,047)	4,585,808	(120,247)
Items that may subsequently be reclassified to profit or loss				
Exchange differences on translating foreign operations	(155,036)	345,190	87,801	858,173
Total other comprehensive income (loss)	**7,244,211**	**(2,420,857)**	**4,673,609**	**737,926**
Earnings (loss) per share (Note 16)				
-basic	$1.15	($0.43)	$0.71	($0.02)
-diluted	$1.13	($0.43)	$0.70	($0.02)
Weighted average number of common shares outstanding (Note 16)				
-basic	6,424,140	6,414,936	6,424,140	6,414,936
-diluted	6,562,021	6,414,936	6,562,021	6,414,936

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
Nine-month periods ended July 31, 2022 and 2021
(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, 2021	6,414,936	6,414,936	32,588,617	(5,281,780)	813,677	3,561,696	20,732,330	58,015,799
Stock based compensation (Note 15)	-	-	-	-	24,493	258,221	-	258,221
Forfeited and cancelled options (Note 15)	-	-	-	-	(67,118)	(274,536)	284,049	9,513
Issue of share capital and share premium on exercise options (Note 15)	9,204	9,204	73,674	-	(9,204)	(12,241)	-	70,637
Loss on foreign currency translation	-	-	-	(155,036)	-	-	-	(155,036)
Net income	-	-	-	-	-	-	7,399,247	7,399,247
Balance, July 31, 2022	**6,424,140**	**6,424,140**	**32,662,291**	**(5,436,816)**	**761,848**	**3,533,140**	**28,415,626**	**65,598,381**
Balance at November 1, 2020	6,414,936	6,414,936	32,588,617	(5,865,656)	732,803	3,244,720	21,847,118	58,229,735
Stock based compensation (Note 15)	-	-	-	-	6,304	737,716	-	737,716
Reclass of RSU/DSU to stock-based compensation from salaries expense	-	-	-	-	-	(294,521)	-	(294,521)
Forfeited and cancelled options	-	-	-	-	(60,098)	50,732	16,896	67,628
Gain on foreign currency translation	-	-	-	345,190	-	-	-	345,190
Net losses	-	-	-	-	-	-	(2,766,047)	(2,766,047)
Balance, July 31, 2021	**6,414,936**	**6,414,936**	**32,588,617**	**(5,520,466)**	**679,009**	**3,738,647**	**19,097,967**	**56,319,701**

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
Nine-month periods ended July 31, 2022, and 2021
(Expressed in U.S. Dollars)
(Unaudited)

	Nine-months ended	
	July 31, 2022	**July 31, 2021**
Cash flows from operating activities	**$**	**$**
Net income (loss)	7,399,247	(2,766,047)
Adjustments to reconcile net income to net cash flows from operating activities		
Depreciation and amortization	1,111,007	1,246,910
Depreciation of right-of-use assets	1,300,787	1,253,122
Stock based compensation	835,557	737,716
Change in forward and option contract positions (Note 14)	275,496	85,135
Loss on disposal, impairment of assets and leases	1,848	110,745
Deferred taxes	(424,620)	(79,432)
Increase (decrease) in cash due to change in:		
Accounts receivable	(6,911,256)	(7,855,835)
Restricted cash held in escrow	(856,919)	(970,026)
Income taxes receivable	931,541	(438,856)
Other assets	(233,241)	(11,303)
Other long-term liabilities	-	114,325
Contract liability	(48,545)	640,447
Accounts payable, accrued expenses and other liabilities	20,538,351	(163,380)
Net cash from (used in) operating activities	**23,919,253**	**(8,096,479)**
Cash flows from investing activities		
Purchase of property and equipment	(257,110)	(59,262)
Purchase of intangible assets	(263,813)	(203,728)
Net cash from (used in) investing activities	**(520,923)**	**(262,990)**
Cash flows from financing activities		
Proceeds from exercise of stock options (Note 15)	73,674	-
Repayment of leasing liabilities	(1,514,695)	(1,516,844)
Interest on leasing liabilities	104,437	161,715
Net borrowing on lines of credit (Note 11)	26,821,893	7,313,553
Net cash from (used in) financing activities	**25,485,309**	**5,958,424**
Net change in cash	48,883,639	(2,401,045)
Cash, beginning of period	66,527,690	59,311,553
Exchange difference on foreign operations	(1,067,666)	795,906
Cash, end of period	**114,343,663**	**57,706,414**
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period for income taxes	1,940,152	-
Cash paid during the period for interest	959,954	455,084
Cash received during the year for interest	66,390	26,847

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 36 branch locations (see Note 9), and 320 employees. The Company's registered head office is located at 6675 Westwood Boulevard, Suite 300, Orlando, Florida, 32821, United States of America. The Company's wholly-owned Canadian Subsidiary, Exchange Bank of Canada ("**EBC**") is a non-deposit taking, non-lending "Schedule 1" bank engaged in foreign exchange services.

Basis of presentation

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

Statement of compliance

The condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"). These 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, 2021.

These condensed interim consolidated financial statements were authorized for issue and approved by the Board of Directors on September 13, 2022.

2. Accounting Policies

Principles of consolidation

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

2. Accounting Policies (continued)

Recently adopted accounting standards

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

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

Future Accounting Pronouncements

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

- Amendments to References to Conceptual Framework in IFRS Standards
- Annual Improvements to IFRS Standards 2018-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Deferred Tax related to Assets and Liabilities from a Single Transaction
- 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. For the three-and nine-month periods ended July 31, 2022, EBC qualified for $Nil and $Nil, respectively ($20,257, and $570,704 for the three-and nine-month periods ended July 31, 2021) in grants under the program, of which $Nil was a receivable as of the reporting date ($107,472 as of October 31, 2021). 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. For the three-and nine-month periods ended July 31, 2022, EBC qualified for $Nil and $Nil, respectively ($3,576, and $105,286 for the three-and nine-month periods ended July 31, 2021), of which $Nil was a receivable as of the reporting date ($18,692 as of October 31, 2021).

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

(Expressed in U.S. Dollars)

2. Accounting Policies (continued)

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 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.

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

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

The judgments, estimates and assumptions applied in the condensed interim consolidated financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Company's last annual consolidated financial statements for the year ended October 31, 2021. The only exceptions are the estimate of income taxes, which are determined in the condensed interim consolidated financial statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

4. Business segments

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

Revenues by Geography

	United States	Canada	Total
Nine-months ended July 31, 2022	$34,862,661	$11,619,426	$46,482,087
Nine-months ended July 31, 2021	$15,345,428	$5,094,339	$20,439,767
	United States	**Canada**	**Total**
Three-months ended July 31, 2022	$15,842,581	$4,818,843	$20,661,424
Three-months ended July 31, 2021	$6,134,663	$2,595,120	$8,729,783

Revenues by Product Line

	Banknotes	Payments	Total
Nine-months ended July 31, 2022	$37,475,880	$9,006,207	$46,482,087
Nine-months ended July 31, 2021	$14,964,499	$5,475,268	$20,439,767
	Banknotes	**Payments**	**Total**
Three-months ended July 31, 2022	$17,019,039	$3,642,385	$20,661,424
Three-months ended July 31, 2021	$6,520,271	$2,209,512	$8,729,783

(Expressed in U.S. Dollars)

4. Business segments (continued)

	At July 31, 2022			At October 31, 2021		
Assets	**United States**	**Canada**	**Total**	**United States**	**Canada**	**Total**
	$	$	$	$	$	$
Cash	73,396,263	40,947,400	114,343,663	34,608,888	31,918,802	66,527,690
Accounts receivable	9,609,594	13,457,333	23,066,927	5,996,032	10,525,338	16,521,370
Restricted cash held in escrow	133,738	2,361,923	2,495,661	81,579	1,615,021	1,696,600
Other current assets	4,094,469	753,544	4,848,013	3,988,541	645,950	4,634,491
Property and equipment	321,014	173,138	494,152	236,515	278,214	514,729
Intangible assets	2,465,591	2,120,054	4,585,645	2,777,604	2,465,696	5,243,300
Goodwill	1,309,700	933,974	2,243,674	1,309,701	965,762	2,275,463
Other assets	123,801	67	123,868	125,902	274	126,176
Forward and option contracts	107,428	75,545	182,973	366,962	94,525	461,487
Right-of-use assets	1,160,004	1,738,788	2,898,792	1,475,613	1,964,446	3,440,059
Income taxes receivable	-	-	-	869,136	-	869,136
Net deferred tax asset	243,445	230,203	473,648	(23,351)	238,037	214,686
Total assets	**92,965,047**	**62,791,969**	**155,757,016**	**51,813,122**	**50,712,065**	**102,525,187**

5. Cash

Included within cash of $114,343,663 at July 31, 2022 (October 31, 2021 - $66,527,690) are the following balances:

	At July 31, 2022	**At October 31, 2021**
	$	$
Cash held in transit, vaults, tills and consignment locations	81,337,181	44,183,677
Cash deposited in bank accounts in jurisdictions in which the Company operates	33,006,482	22,344,013
Total	114,343,663	66,527,690

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 July 31, 2022 the Company had cash collateral balances of $2,495,661 (October 31, 2021 - $1,696,600), represented by $133,738 (October 31, 2021 - $81,579) being held as collateral on forward contracts and $2,361,923 (October 31, 2021 - $1,615,021) 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:

Cost	Vehicles $	Computer equipment $	Furniture and equipment $	Leasehold improvements $	Total $
Balance, October 31, 2020	65,974	766,503	1,066,960	2,709,690	4,609,127
Additions	-	13,985	46,339	54,847	115,171
Disposals	(17,723)	-	(1,061)	(87,339)	(106,123)
Net exchange differences	-	12,191	26,856	52,585	91,632
Balance, October 31, 2021	48,251	792,679	1,139,094	2,729,783	4,709,807
Additions	-	-	61,129	175,729	236,858
Net exchange differences	-	(5,866)	(12,605)	(4,487)	(22,958)
Balance, July 31, 2022	**48,251**	**786,813**	**1,187,618**	**2,901,025**	**4,923,707**

Depreciation	Vehicles $	Computer equipment $	Furniture and equipment $	Leasehold improvements $	Total $
Balance, October 31, 2020	56,250	555,257	928,080	2,195,897	3,735,484
Additions	6,276	138,691	96,705	258,501	500,173
Disposals	(14,277)	-	(1,105)	(98,823)	(114,205)
Net exchange differences	2	9,465	23,642	40,517	73,626
Balance, October 31, 2021	48,251	703,413	1,047,322	2,396,092	4,195,078
Additions	-	68,624	40,509	160,011	269,144
Net exchange differences	-	(5,385)	(12,348)	(16,934)	(34,667)
Balance, July 31, 2022	**48,251**	**766,652**	**1,075,483**	**2,539,169**	**4,429,555**

Carrying amounts	Vehicles $	Computer equipment $	Furniture and equipment $	Leasehold improvements $	Total $
Balance, October 31, 2021	**-**	**89,266**	**91,772**	**333,691**	**514,729**
Balance, July 31, 2022	**-**	**20,161**	**112,135**	**361,856**	**494,152**

8. Goodwill and Intangible Assets

Intangible assets comprise the Company's internally developed software ("**CXIFX**") and its related modules as well as software and customer trading relationships acquired through an asset purchase transaction as well as the purchase of eZforex and Denarius Financial Group. 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

(Expressed in U.S. Dollars)

8. Goodwill and Intangible Assets (continued)

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

Cost	Internally developed software $	Acquired software $	Customer trading relationships $	Trade Name, Non-Compete & Unpatented Tech Cost $	Goodwill $	Total $
Balance, October 31, 2020	3,161,101	574,596	7,428,805	1,019,902	2,207,733	14,392,137
Additions	260,525	-	-	-	-	260,525
Net exchange differences	20,986	-	168,226	26,390	67,730	283,332
Balance, October 31, 2021	3,442,612	574,596	7,597,031	1,046,292	2,275,463	14,935,994
Additions	263,813	-	-	-	-	263,813
Net exchange differences	(9,852)	-	(78,956)	(12,386)	(31,789)	(132,983)
Balance, July 31, 2022	**3,696,573**	**574,596**	**7,518,075**	**1,033,906**	**2,243,674**	**15,066,824**

Amortization	Internally developed software $	Acquired software $	Customer trading relationships $	Trade Name, Non-Compete & Unpatented Tech Cost $	Goodwill $	Total $
Balance, October 31, 2020	2,000,537	532,671	3,558,091	154,205	-	6,245,504
Amortization	459,099	38,250	295,982	355,621	-	1,148,952
Net exchange differences	(10,535)	917	22,688	9,705	-	22,775
Balance, October 31, 2021	2,449,101	571,838	3,876,761	519,531	-	7,417,231
Amortization	353,160	-	221,987	266,716	-	841,863
Net exchange differences	(17,904)	686	(2,101)	(2,270)	-	(21,589)
Balance, July 31, 2022	**2,784,357**	**572,524**	**4,096,647**	**783,977**	**-**	**8,237,505**

Carrying amounts	Internally developed software $	Acquired software $	Customer trading relationships $	Trade Name, Non-Compete & Unpatented Tech Cost $	Goodwill $	Total $
Balance, October 31, 2021	**993,511**	**2,758**	**3,720,270**	**526,761**	**2,275,463**	**7,518,763**
Balance, July 31, 2022	**912,216**	**2,072**	**3,421,428**	**249,929**	**2,243,674**	**6,829,319**

9. Leases

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

	July 31, 2022	October 31, 2021
	$	**$**
Current lease liabilities	916,310	1,261,660
Non-current lease liabilities	2,433,443	2,812,012
Total	3,349,753	4,073,672

The Company has leases for corporate offices as well as its retail store locations. With the exception of short-term leases and leases of low-value underlying assets, each lease, meeting the definition under IFRS 16, is reflected on the condensed interim consolidated statements of financial position as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of Company sales) are excluded from the initial measurement of the lease liability and asset. The Company classifies its right-of-use assets in a consistent manner to its property and equipment (see Note 7).

(Expressed in U.S. Dollars)

9. Leases (continued)

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	1 years	1	1	-	-	-
Corporate offices	11	1-11 years	3	5	-	-	-
Retail store locations	19	0-6 years	1	2	-	-	1
Total	**31**	**0-11 years**	**1**	**8**	**-**	**-**	**1**

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

	Within 1 Year	1-2 years	2-3 years	3-4 years	4-5 years	After 5 Years	Total
Lease payments	959,904	753,619	375,662	351,229	310,621	1,064,913	3,815,948
Finance charges	43,594	95,420	77,858	65,024	52,679	131,619	466,194
Net present values	916,310	658,199	297,804	286,205	257,942	933,294	3,349,754

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

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

	Nine-months ended		Three-months ended	
	July 31, 2022	July 31, 2021	July 31, 2022	July 31, 2021
	$	$	$	$
Leases with substantial substitution rights	378,294	345,438	129,308	117,292
Short-term leases	90,574	91,027	27,197	29,093
Variable lease payments	310,765	298,718	158,531	119,060
Total	**779,633**	**735,183**	**315,036**	**265,445**

(Expressed in U.S. Dollars)

9. Leases (continued)

At July 31, 2022, the Company was committed to short-term leases and the total commitment at that date was $90,574 (July 31, 2021 - $91,027).

Total cash outflow for leases for nine-month periods ended July 31, 2022 was $1,514,695 (July 31, 2021 - $1,516,844).

During the nine-months ended July 31, 2022, various of the Company's leases were modified with respect to rent abatements and changes to the lease term. These were accounted for as lease modifications in accordance with IFRS 16. The impact on the condensed interim consolidated statements of operations and comprehensive income for the three-month period ended January 31, 2022 was the recognition of $19,133 in rent abatements related to prior periods as well as $100,517 in adjustments to rent previously recorded on certain leases that were modified as a result of the settlement agreement. During the three-months ended July 31, 2022, there were no Company's leases modified with respect to rent abatements and changes to the lease term.

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

	Carrying Amount	Depreciation Expense
	$	$
Equipment	2,140	1,167
Corporate offices	1,884,482	426,887
Retail store locations	1,012,170	872,733
Total right-of-use assets	**2,898,792**	**1,300,787**

10. Seasonality of Operations and Impact of Global Pandemic

Seasonality is reflected in the timing of when foreign currencies are in greater or lower demand. In a normal operating year there is some seasonality to the Company's operations with higher commissions generally from March until September and lower commissions from October to February. This coincides with peak tourism seasons in North America when there are generally more travelers entering and leaving the United States and Canada.

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

Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions (Note 2). While the Company continues to operate, it is not possible to reliably estimate the duration and severity of these consequences as well as their impact on the financial position and results of future periods.

11. Lines of Credit

The Company maintains 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 June 15, 2024). The credit line is secured against the Company's cash and other assets. The Amended and Restated Credit Agreement bears interest at 1 month SOFR plus 2.5% (at July 31, 2022 – 4.12% (October 31, 2021 – 2.58%)). At July 31, 2022, the balance outstanding was $17,894,393 (October 31, 2021 - $Nil).

On October 19, 2020, the Company's wholly-owned Canadian subsidiary, EBC, established a fully collateralized revolving line of credit with Desjardins Group ("Desjardins") with a limit of CAD 2,000,000 ($1,561,829), being secured against cash collateral of CAD 2,000,000 ($1,561,829). The line of credit bears interest at CAD prime rate plus 0.25% (at July 31, 2022- 3.20% (October 31, 2021 – 2.45%)). At July 31, 2022, the balance outstanding was $Nil (October 31, 2021 - $Nil)

On July 18, 2022, the Company bifurcated its $20,000,000 USD Revolving Credit Facility with a private lender through an Amended and Restated Revolving Loan Agreement, whereby $10,000,000 of this line has been moved from EBC to the Company. The facility is guaranteed by the Company and is subordinated to the Company's and EBC's obligations to its primary lenders. The facility is used for working capital purposes and for daily operational activity. The credit facility has a limit of $10,000,000 USD for each the Company and EBC, with a term of three years (maturity date April 7, 2025), however, the facility may be terminated on 90-days' notice by either party. It bears interest at 6% per annum and has a standby charge of $1,500 USD per month if total interest in the month is less than $20,000 USD. The total outstanding balance for the group at July 31, 2022 was $12,809,145 (October 31, 2021 – $4,037,468).

Interest expense relates to interest payments on lines of credit. Interest expense for the three-and nine-month periods ended July 31, 2022 was $430,091 and $855,473 (July 31, 2021 - $161,122 and $292,755).

12. Fair Value Measurement of Financial Instruments

IFRS 9 requires that financial statements include certain disclosures about the fair value of financial instruments as set out in IFRS 13 and IFRS 7. These disclosures include the classification of fair values within a three-Level hierarchy. The three Levels are defined based on the observation of significant inputs to the measurement, as follows:

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

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

There were no transfers between Level 1 and Level 2 during the three-and nine-month periods ended July 31, 2022 and the year ended October 31, 2021. The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value.

(Expressed in U.S. Dollars)

12. Fair Value Measurement of Financial Instruments (continued)

At July 31, 2022	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets				
Cash	114,343,663	-	-	114,343,663
Forward and option contract assets	-	182,973	-	182,973
Total assets	**114,343,663**	**182,973**	**-**	**114,526,636**
Financial liabilities				
Restricted and deferred share units	-	1,061,969	-	1,061,969
Total liabilities	**-**	**1,061,969**	**-**	**1,061,969**

At October 31, 2021	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets				
Cash	66,527,690	-	-	66,527,690
Forward and option contract assets	-	461,487	-	461,487
Total assets	**66,527,690**	**461,487**	**-**	**66,989,177**
Financial liabilities				
Contingent consideration	-	-	369,830	369,830
Restricted and deferred share units		644,635	-	644,635
Total liabilities	**-**	**644,635**	**369,830**	**1,014,465**

Cash (Level 1)

The Company’s cash balances consisting of local and foreign currency notes held in tills, vaults, bank accounts, and in transit are based upon foreign exchange rates quoted in active markets as of July 31, 2022 and October 31, 2021.

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

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

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

12. Fair Value Measurement of Financial Instruments (continued)

Contingent consideration (Level 3)

The fair value of contingent consideration, related to the Denarius Financial Group business combination, is estimated based on the amount of revenue generated from the acquired customer trading relationships. The significant input for the fair value estimate is management's estimate of revenues from acquired customers to continue transacting with the Company (*for information about the sensitivity of the fair value measurement to the changes in the input at October 31, 2021, see Note 4 of consolidated audited financial statements ended October 31, 2021).* The fair value estimate of future cash outflows is $751,887 at October 31, 2021. The first portion of contingent consideration was fully earned on July 31, 2021 and the second portion of the contingent consideration was earned on July 31, 2022, in accordance with the agreement with Denarius Financial Group. As a result, the Company recorded a loss of $32,993 associated with the fair value revaluation with respect to this payment for the three and nine months-ended July 31, 2022 (2021: $18,989). (*see Note 5 in the consolidated audited financial statements ended October 31, 2021).*

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

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

13. Risk Management

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

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

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

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.

(Expressed in U.S. Dollars)

13. Risk Management (continued)

Credit Risk

Due to seasonality, amounts in accounts receivable are usually at their highest during peak periods. Accounts receivable balances were higher than as at October 31, 2021 due to the steady increase in activity and operations, resulting in an increase in accounts receivable of $6,545,557 from October 31, 2021 to July 31, 2022. The Company has longstanding relationships with most of its money service business customers and has a strong repayment history.

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

A breakdown of accounts receivable by category is below:

Customer type	At July 31, 2022 $	At October 31, 2021 $
Domestic and international financial institutions	15,577,523	14,128,422
Money service businesses	5,151,693	2,138,098
Other	2,337,711	254,850
Total	**23,066,927**	**16,521,370**

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

Foreign Currency Risk

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

In order to mitigate the risks associated with holding these foreign currencies, the Company assigns wider bid/ask spreads and maintains specific inventory targets to minimize the impact of exchange rate fluctuations. These targets are reviewed regularly and are increased or decreased to accommodate demand within acceptable risk tolerances. The amount of unhedged inventory held in tills, vaults and in transit at July 31, 2022 was approximately $5,937,433 (October 31, 2021 - $5,359,377). The amount of currency that is unhedged and that is not pegged to the U.S. Dollar is approximately $4,712,423 (October 31, 2021- $2,182,767). A 2% increase/reduction in the market price for the aggregate of the Company's unhedged/un-pegged foreign currencies would result in an exchange gain/loss of approximately +$94,000/-$94,000 (October 31, 2021 gain/loss of approximately +$44,000/-$44,000).

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

(Expressed in U.S. Dollars)

13. Risk Management (continued)

Interest Rate Risk

At July 31, 2022, the Company had access to interest bearing financial instruments in cash, short term accounts payable and lines of credit. A significant amount of the Company's cash is held as foreign currency bank notes in tills and vaults. These amounts are not subject to interest rate risk. Cash held in some of the Company's accounts are interest bearing; however, since prevailing interest rates are low there is minimal interest rate risk. Borrowings bear interest at variable rates. Cash and borrowings issued at variable rates expose the Company to cash flow interest rate risk. For the interest rate profile of the Company's interest-bearing financial liabilities, refer to Note 11.

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

If interest rates had been 50 basis points higher/lower with all other variables held constant, after tax profit for the three-and nine-month period ended July 31, 2022 would have been approximately +$6,600/-$6,600 higher/lower as a result of credit lines held at variable interest rates.

Liquidity Risk

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

The CFO informs the Chief Executive Officer, the Board of Directors, and the Audit Committee of capital and liquidity issues as they occur in accordance with established policies and guidelines. The Company targets to have a cash reserve or credit lines greater than 15% of the Company's prior year's revenues. Management has assessed the Company's cash position at July 31, 2022 and determined that it is sufficient to meet its financial obligations.

The following are non-derivative contractual financial liabilities:

	At July 31, 2022			
Non-derivative financial liabilities	**Carrying amount**	**Estimated contractual amount**	**This fiscal year**	**Future fiscal years**
	$	**$**	**$**	**$**
Accounts payable	39,105,604	39,105,604	39,105,604	-
Holding Accounts	10,100,531	10,100,531	10,100,531	-
Line of credit	30,703,538	30,703,538	30,703,538	-
Contingent consideration	-	-	-	-
Contract liability	230,940	230,940	230,940	-

	At October 31, 2021			
Non-derivative financial liabilities	**Carrying amount**	**Estimated contractual amount**	**Next fiscal year**	**Future fiscal years**
	$	**$**	**$**	**$**
Accounts payable	26,641,692	26,641,692	26,641,692	-
Holding Accounts	5,535,804	5,535,804	5,535,804	-
Line of credit	4,037,468	4,037,468	4,037,468	-
Contingent consideration	369,830	369,830	369,830	-
Contract liability	281,581	281,581	281,581	-

(Expressed in U.S. Dollars)

13. Risk Management (continued)

The Company had available unused lines of credit amounting to $20,858,291 at July 31, 2022 (October 31, 2021 - $27,577,509).

Capital Management

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

	At July 31, 2022	At October 31, 2021
	$	$
Current assets	144,937,237	90,710,774
Current liabilities	(86,658,929)	(40,829,895)
Working capital	**58,278,308**	**49,880,879**

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

14. Foreign Currency Forward and Option Contracts

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

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

The fair value of forward and option contracts, which represents the amount that would be received/(paid) by the Company if the forward contracts were terminated at July 31, 2022 was $182,973 (October 31, 2021 - $461,487).

At July 31, 2022 the Company had cash collateral balances related to forward contracts being held of $133,738 (October 31, 2021 - $81,579). They are reflected as restricted cash held in escrow in the condensed interim consolidated statements of financial position (see Note 6).

(Expressed in U.S. Dollars)

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 July 31, 2022, the Company has 6,424,140 common shares outstanding.

Stock options

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

The outstanding options at July 31, 2022 and the respective changes during the periods are summarized as follows:

	Number of options	Weighted average price
	#	$
Outstanding at October 31, 2021	813,677	14.33
Granted	24,493	14.44
Exercised	(9,204)	13.63
Forfeited/Cancelled/Expired	(67,118)	14.24
Outstanding at July 31, 2022	761,848	15.55

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

Grant Date	Exercise price (CAD$)	Number outstanding	Average remaining contractual life (years)	Number exercisable
4-Mar-19	25.83	13,316	1.59	13,316
4-Mar-19	17.36	30,000	1.59	30,000
4-Jun-19	17.36	5,837	1.58	5,837
23-Oct-19	17.36	249,300	2.23	190,327
24-Jun-20	12.74	29,955	2.90	27,427
29-Jul-20	10.83	18,000	3.00	18,000
29-Oct-20	10.83	249,975	3.25	81,883
28-Dec-20	9.31	2,431	3.41	811
28-Jan-21	11.02	3,873	3.50	1,291
28-Oct-21	14.35	134,668	4.25	-
28-Apr-22	18.10	20,000	4.75	-
25-Jul-22	16.23	4,493	5.00	-
Total		**761,848**		**368,892**

15. Equity (continued)

In the nine-month period ended July 31, 2022, 67,118 stock options forfeited that related to grantees whose employment had terminated with the Company. The Company recorded a recovery of $284,049 in Retained Earnings for stock-based compensation that had been recognized in prior periods associated with the forfeited stock options.

On April 28, 2022, 20,000 options were granted to two employees which have a weighted average exercise price of CAD18.10 and 5-year expiration date.

On April 14, 2022 and April 26, 2022, 1,200 and 3,296 stock options were exercised respectively by two employees for total proceeds of $33,896 (CAD42,712).

On July 25, 2022, 4,493 options were granted to one employee which have a weighted average exercise price of CAD16.23 and 5-year expiration date.

On July 27, 2022, 4,708 stock options were exercised by an employee for total proceeds of $34,926.

Restricted Stock Unit and Deferred Stock Unit Plans

On November 1, 2021 the Company made its secondary grants under the Deferred Share Unit “DSU” Plan and Restricted Stock Unit “RSU” Plan (collectively the "Plans"). The Company granted 29,872 RSU and 20,533 DSU awards in the amount of $376,250 and $240,000 respectively. The Company recorded expenses of $579,714 related to RSU and DSU awards in the nine-month period ended July 31, 2022 as part of stock-based compensation. The amounts related to the vested portions of granted RSU and DSU awards are recorded within other long-term liabilities in the condensed interim consolidated statements of financial position. The awards that may be granted under each of the Plans can be realized in cash only and may not be converted into common shares of the Company. The Units awarded are issued based upon the market value equal to the price of the Company’s stock price as at the date of the grant and vest over a one-year or three-year period.

The purpose of these Plans is to promote the profitability and growth of the Company by facilitating the efforts of the Company to attract and retain directors, senior officers, employees, and management. Under the terms of the Plans, vesting of the awards that may be granted under the Plans for management will occur 1/3 upon the first anniversary, 1/3 upon the second anniversary and 1/3 upon the third anniversary of the grant, while 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 nine-month period ended July 31, 2022, the Company recorded expenses of $835,557 related to stock-based compensation out of which $255,843 was recognized for stock option grants and $579,714 was related to RSU and DSU awards.

(Expressed in U.S. Dollars)

16. Earnings (Loss) per Share

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

	Nine-months ended		Three-months ended	
	July 31, 2022	**July 31, 2021**	**July 31, 2022**	**July 31, 2021**
Basic				
	$		$	$
Net Profit (Loss)	7,399,247	(2,766,047)	4,585,808	(120,247)
Weighted average number of shares outstanding	6,424,140	6,414,936	6,424,140	6,414,936
Basic earnings (loss) per share	1.15	(0.43)	0.71	(0.02)
Diluted				
Net Profit (Loss)	7,399,247	(2,766,047)	4,585,808	(120,247)
Weighted average number of shares outstanding	6,562,021	6,414,936	6,562,021	6,414,936
Diluted earnings (loss) per share	1.13	(0.43)	0.70	(0.02)

17. Operating Expenses

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

	Nine-months ended		Three-months ended	
	July 31, 2022	**July 31, 2021**	**July 31, 2022**	**July 31, 2021**
	$	$	$	$
Salaries and benefits	18,234,522	12,773,624	6,921,851	4,523,839
Rent	801,797	728,608	319,781	258,908
Legal and professional	2,563,401	1,727,331	1,063,456	700,648
Postage and shipping	5,604,625	1,583,278	2,838,208	686,696
Stock based compensation	835,557	737,716	344,371	236,658
Travel and entertainment	371,706	153,208	182,570	61,278
Bank service charges	1,524,790	1,066,820	586,998	403,823
Information technology	1,366,506	1,028,165	443,177	362,167
Losses and shortages	422,015	54,122	156,888	22,928
Insurance	587,464	536,046	194,491	178,437
Foreign exchange losses	45,342	289,257	(40,206)	51,909
Other general and administrative	802,650	586,867	328,249	194,601
Operating expenses	**33,160,375**	**21,265,042**	**13,339,834**	**7,681,892**

(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-and nine-month periods ended July 31, 2022 and 2021 was as follows:

	Nine-months ended		Three-months ended	
	July 31, 2022	July 31, 2021	July 31, 2022	July 31, 2021
	$	$	$	$
Short-term benefits	2,556,520	1,384,425	868,087	725,169
Post-employment benefits	51,298	19,935	17,059	14,892
Stock based compensation	254,464	132,400	59,137	131,939
Restricted and Deferred Share Units	579,714	206,924	285,235	294,521
	3,441,996	**1,743,684**	**1,229,518**	**1,166,521**

The Company incurred legal and professional fees in the aggregate of $67,484 and $140,539 for the three- and nine-month periods ended July 31, 2022 (July 31, 2021 – $34,211 and $114,834) 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 $42,373 and $134,246 in revenue from these clients' activities for the three-and nine-month periods ended July 31, 2022 (July 31, 2021 – $46,783 and $69,772). As at July 31, 2022, accounts receivable included $407,368 from related parties (2021 - $57,714).

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 1, 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 July 31, 2022, the intercompany loan balance was $9,672,201 (October 31, 2021 - $2,274,185) and was eliminated upon consolidation.

Key management personnel and directors occasionally conduct transactions with the Company as individuals. Such transactions are immaterial individually and in total including for the three-and nine-month periods ending July 31, 2022 and 2021, and are conducted pursuant to the Company's policies.

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

(Expressed in U.S. Dollars)

19. Other Current Assets

	At July 31, 2022	At October 31, 2021
	$	$
Prepaid rent	7,380	269,062
Prepaid personnel	-	27,786
Prepaid computer software	315,718	140,722
Prepaid insurance	220,354	39,314
Prepaid advertising	13,676	-
Government grants receivable	3,253,263	3,502,067
Other current assets	1,037,622	655,540
Total	**4,848,013**	**4,634,491**

20. Subsequent events

The Company evaluated subsequent events through September 13, 2022, the date these condensed interim consolidated financial statements were issued.

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