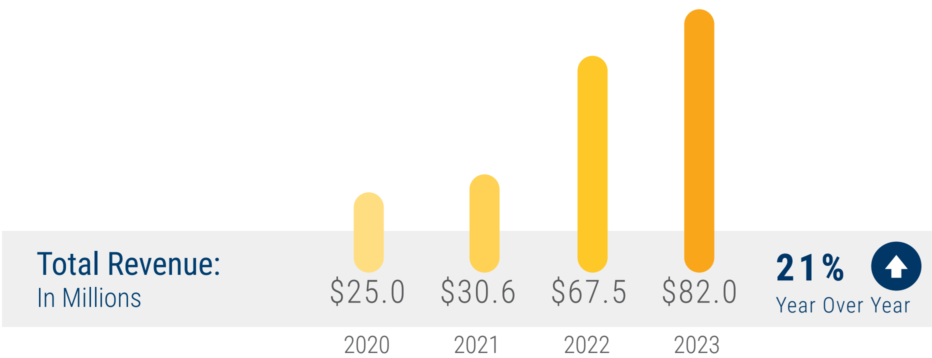
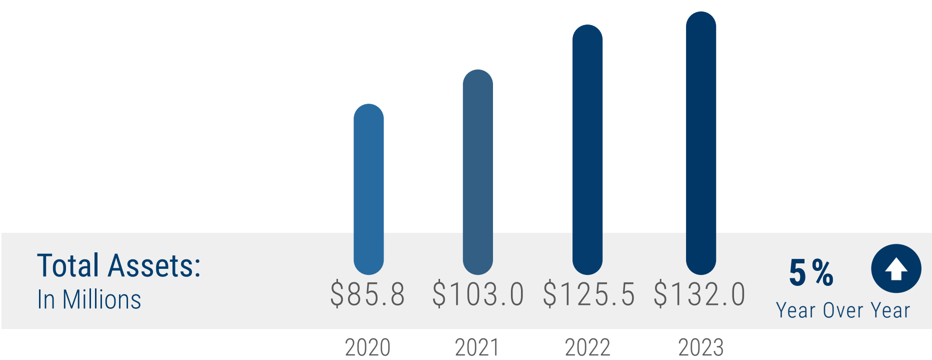
CURRENCY EXCHANGE
INTERNATIONAL

ANNUAL REPORT 2023

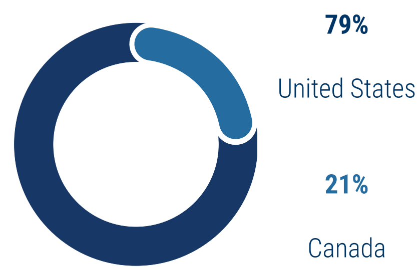
Financial Highlights



Revenue by Business Segment



Revenue by Geography



All amounts in this report are stated in USD and are based on fiscal year end unless otherwise noted.

Corporate Customers and Transacting Locations

	2020	2021	2022	2023
Company-Owned Branch Locations	35	35	37	38
States OnlineFX Operates In	22	31	38	40
Airport Agent Locations	7	18	23	45
Non-Airport Agent Locations	47	62	161	235
Wholesale Company Relationships*	1,667	2,481	2,586	2,658
Transacting Locations*	14,787	15,202	22,170	22,551

*These numbers show the companies and locations that transacted within the period specified.

Shareholder's Equity

$ millions

October 31, 2020	$58.2
October 31, 2021	$58.0
October 31, 2022	$69.3
October 31, 2023	$79.2

Quarterly Stock Price (TSX:CXI)

TSX stock prices are quoted in Cdn$

Q1 (Ended 1/31/2023)	$25.18
Q2 (Ended 4/30/2023)	$25.49
Q3 (Ended 7/31/2023)	$26.40
Q4 (Ended 10/31/2023)	$20.50

Key Ratios

	2022	2023
Earnings Per Share	$1.83	$1.59
Return On Assets	9.4%	7.7%
Return On Equity	17.0%	12.9%
Operating Margin	27.7%	22.9%

Dear CXI Shareholders, Clients, Employees, and Friends, I am pleased to present the progress and achievements of Currency Exchange International, Corp. for our year ended October 31, 2023.

Randolph W. Pinna
President and Chief Executive Officer

Fiscal year 2023 was marked by significant achievements for the CXI group. CXI generated remarkable growth with record revenues during the fiscal year and advanced its strategic priorities. Established in 2020, our strategic priorities have strengthened our competitive position each of the past four years. Again, our priorities have been reconfirmed and refined. This has enabled accountability and agility when making key investments within our infrastructure and product development, resulting in significant returns in business unit performance. Our strategic plan has prioritized revenue diversification through innovative solutions that expand our market share and improve the return on capital deployed. The accomplishments of CXI are a testament to our passionate employees' commitment, skill, and ability to execute for our customers and shareholders. This year's strong performance across our business units is sustainable and foundational to CXI's future growth.

Sustainable Diversification

The macroeconomic backdrop for 2023 was disjointed in its impact on our business units. Rising interest rates and persistent inflation brought challenges to consumers and businesses. Additionally, the escalation in geopolitical crises brings a level of unknown to the global economy.

At the same time, international travel has been returning with vigor, especially with US outbound international travelers. The US National Travel and Tourism Office reported that US outbound international travel in October 2023 exceeded the monthly travel levels when compared to the same month in 2019 for the first time since travel restrictions were lifted. Consumers have repeatedly prioritized international travel in their budgets, and we continue to see their excitement to travel and experience the world growing.

In a year of global and economic crosswinds, CXI has completed nine profitable quarters in a row, and in 2023, each quarter was record revenue for that quarter. CXI has never had a stronger foundation for growth as it continues to capture more market share across its business units and win loyal clients with its innovative foreign exchange solutions and client-first approach to relationship building. The results in 2023 showed progress in both its banknote and payments businesses as the Company generated $82.0 million in total revenue for fiscal year 2023 compared to $67.5 million in 2022. The resulting $14.5 million increase in revenue was a 21% jump from the previous year.

CXI's revenue growth was primarily driven by a $12.6 million increase in revenue from its banknotes product line and a $1.9 million increase in its payments product line. However, CXI's revenue growth was accompanied by a corresponding increase in operating expenses. The increased operating expenses were due to investments in strategic initiatives, software infrastructure, and human resources. These investments support CXI's long-term growth objectives and have resulted in a more efficient operating environment.

CXI's payments business has two core models: servicing financial institutions in the US and Exchange Bank of Canada (EBC) servicing businesses in Canada. In fiscal year 2023, the payments business generated $14.3 million in revenue, up from $12.5 million in 2022, a 15% increase. After EBC led the way in payment product line growth for the past few years, CXI generated 76% of the payment product line growth in 2023. This increase is a direct result of our investments in banking integrations, enabling the Company to win multiple lines of business with our financial institution clients. The revenue growth in both product lines demonstrates the success of our diversification strategy and has been a significant factor in CXI's resilience.

EBC's payments business was a more challenging environment even as the number of payment clients and payments processed increased. Business clients have been affected by the higher interest rate environment. This impacted EBC's margin per payment and the number of payments businesses sent. As a result, winning new business has been even more critical to the product line's growth. Our team has made payment process enhancements that have streamlined client and internal operations. CXI will continue to scale the international payments business by investing in more system integrations and experienced, customer-centric traders.

EBC's banknotes product line experienced slower activity in 2023 than the previous year. The bank was challenged by the impact of the regional bank failures in the US on trades associated with its participation in the Federal Reserve's Foreign Bank International Cash

Message from the CEO

Services (FBICS) program. Through FBICS, EBC receives access to the Federal Reserve's International Cash Services (ICS) program. The US regional bank failures put significant impediments on onboarding new financial institutions around the world and limited the appetite for existing clients' trade volume as EBC requires prepayment for its trades. EBC is confident it has a resolution to overcome the perceived credit risk challenge this causes by opening a trust account with a large financial institution. With this solution, EBC will look to expand its onboarding of foreign financial institutions in North America, Europe, and South America through a rigorous country-by-country risk-based approach.

CXI continues to generate significant new business with its "One Provider. One Platform." strategic priority. The investments in system integrations have opened opportunities that were previously not accessible to the Company. Processing payments with financial institutions was the fastest growing payments product line, increasing by $6.9 million during 2023 when compared to 2022. The addressable bank and credit union market for our solutions is larger than ever, and we are seeing more existing banknote clients switch to CXI as their international payment provider. CXI's internal processes have also benefited from its system integrations as it can straight-through-process more payments, resulting in more automation and less intervention of people.

International Travel on the Rise

The international travel industry underwent significant changes during CXI's 2023 fiscal year. First, travel demand steadily improved from the beginning of the fiscal year to the end. The US National Travel and Tourism Office reported that 161.4 million people traveled to and from the US during CXI's 2023 fiscal year. This represents 91% of the travelers compared to 2019.

The US outbound traveler has rebounded the quickest with Europe, Mexico, and Japan being popular destinations. Japan was one of the last countries to remove travel restrictions, finally doing so in early 2023. Inbound international travelers to the US have been slower to recover but are progressing. With international travel trade groups predicting both inbound and outbound US international travel to grow next year, our is committed to expanding the FX service points for these travelers through our retail and wholesale network.

In fiscal year 2023, CXI's banknote business generated $67.6 million in revenue, up from $55 million in 2022, a 23% increase. The Direct-To-Consumer (DTC) banknote business contributed $6.1 million, or 48%, of the $12.6 million increase in 2023 when compared to the previous year.

More travelers than ever are utilizing CXI's brand across its service points, and we are dedicated to creating a loyal, repeat client base. CXI had 318 DTC locations, including 38 company-owned branch locations, 45 airport agent locations, and 235 non-airport agent locations in fiscal year 2023. The most recognizable CXI locations include its branded airport agents that millions of travelers see annually before boarding their flights. CXI has no lease commitments or payroll for these locations. The agent operators and locations are supported by CXI's branding, marketing, FX inventory, transaction processing, CXIFX platform, and compliance regime.

CXI's transformational omni-channel growth plan for its DTC business made foreign currency more accessible for travelers. OnlineFX, CXI's consumer e-commerce platform, expanded services from 38 to 40 states across the US in 2023. The platform saw a 47% increase in its active consumer client base in fiscal year 2023 compared to 2022, and more than 90% of its users said they would recommend it to a friend. CXI added three new company-owned locations during the year, including its first company-owned airport location. Two company-owned locations closed during the same time.

Strong Leadership in Place

CXI has invested in its corporate infrastructure across the organization, which has led to enhanced business insights and a deeper understanding of our clients. These investments have also enabled more agile decision-making, which is benefiting all the business units and support teams.

Our process improvement team has increased its impact throughout the organization with internal business automation and democratization of data. The results are a powerful enablement tool for our Managing Directors. It's evident that the Managing Director roles are being led by strong leaders and have promoted direct accountability for each business unit. This strategy is designed to improve performance, streamline decision-making for greater flexibility, and enable the growth of our teams.

Moving forward, it is essential for CXI to invest in our compliance and anti-money laundering functions through personnel and technology. These investments may not always be noticeable, but they are necessary to fulfill the regulatory and business requirements of today and the future. While we have invested in people and technology, we are also focusing on finding ways to reduce operating expenses. We have made progress in both adjusting prices to account for the impact of inflation in postage and shipping and expenses are decreasing when compared to the increased activity during the fourth quarter of fiscal year 2023.

At the 2023 Annual General & Special Meeting of Shareholders, we added a new member to our board of directors. Carol Poulsen was elected to the Board of Directors, replacing Johanne Brossard, who retired at the same meeting. Ms. Carol Poulsen is a retired Executive Vice President and CIO at The Co-operators Financial Group. In her prior role, she was Senior Vice President of Group Architecture, Applied Innovation, IT Strategy, and IT Operational Risk for RBC globally.

Positioned for Continued Growth

I am pleased with the past year's accomplishments as we stay focused on innovation, customer experience, and the sustainable growth of revenues and profits. CXI is uniquely positioned to reach even greater diversified growth through its strategic priorities. Our board of directors and executive team are confident in our plan and the team's ability to execute it.

I extend my gratitude and thanks to our team of more than 400 employees across the US and Canada who embodies our core values in all the work we do, as well as to our loyal customers, shareholders, and friends for their continued support of Currency Exchange International. As always, I remain available for feedback and to discuss our Company and its business with you personally.

Randolph W. Pinna
President and Chief Executive Officer

Strategic Priorities and Values

Our Mission

Make foreign exchange simple and secure by combining technology, industry expertise, and highly personal service.

Our Vision

Be the preferred financial services provider of foreign exchange solutions tailored to client needs.

Expand FX with US Banks and Credit Unions	Be the best solution for all the foreign exchange needs of banks and credit unions. One Provider. One Platform.
Global Expansion of Wholesale Banknotes	Be the foreign banknote provider of choice for leading banks around the world.
Build Scale in Corporate International Payments	Make foreign exchange easy for businesses with personalized service backed by the expertise and security of Exchange Bank of Canada. Canada's Foreign Exchange Bank™.
Maximize Direct-to-Consumer Offering	Deliver convenient, cost-effective ways to exchange foreign currency for US residents and international travelers visiting the US.
Strengthen and Optimize Corporate Infrastructure	Enable the business to scale to support growth and manage risk.

Customer First
Earn the right to be our customer's first choice.

Collaborative
Win as a team.

Innovative
Find new methods to deliver change and advance technology to the industry.

Integrity
Hold ourselves to the highest standard to build trust.

Passionate
Driven to be the best in class.

Strategic Priorities

Expanding Banking System Integrations

In 2023, CXI's primary focus with US banks and credit unions was expanding CXIFX's banking system integrations. Working with well-established banking system providers Fiserv, Q2, Jack Henry, and Finastra has accelerated CXI's automation initiatives. Building integrations with key banking platforms has significantly enhanced CXI's service level offering by connecting core banking, digital banking, and branch banking with FX services to provide a seamless experience for banks and credit unions. In turn, both existing client financial institutions and those who haven't worked with CXI before are committing to the value of the "One Provider. One Platform".

Surging Travel Supports Foreign Banknotes

CXI once again processed record levels of banknote orders throughout 2023. International travel's ongoing recovery made huge strides in 2023. Outbound travel approached its 2019 levels, while inbound travel to the US has been slower to return. There is no shortage of excitement for US outbound travel for 2024 based on consumer travel surveys. For inbound traveler counts, the US International Trade Administration sees surpassing 2019 levels within two years forecasting 77.7 million travelers in 2024 and reaching 85.2 million in 2025. CXI is strengthened by the growing demand for travel and cash's position as the second most used payment method while traveling.

*Travelers listed in millions	FY2019	FY2021	FY2022	FY2023
International Arrivals to US	79.1	17.8	47.9	64.8
US Outbound to the World	98.8	44.0	77.0	96.6
Total	177.9	61.8	124.9	161.4

Expand FX with US Banks and Credit Unions

$3+

Billion Notional Value of Financial Institution Payments Processed

161

Million International Travelers To and From US

Steady Growth Through Relationship Management

EBC's corporate payments business grew in active customers, the volume of payments processed, and revenue generated. An active customer is one that transacted with EBC during the fiscal year. EBC did see a negative impact on its margin per payment and number of payments per client due to a slowdown in ordering habits based on the higher interest rate environment and improvements in the global supply chain. As EBC builds out its client payment channels, relationship managers will focus on higher-value client relationships, while lower-volume clients are able to be serviced through more automated solutions.

Diversifying Payment Acquisition Channels

EBC has been exploring the payment ecosystem for additional channels for new client acquisition. The focus for 2024 will be rolling out the US-based "One Provider. One Platform." strategy to its Canadian financial institution clients and integrating with corporate payment systems to power their FX payment flows. Integrating with banking platforms and corporate payment systems opens new opportunities to generate payment flows that can be scaled without hiring more staff and creates a strong cross-selling value proposition.

Build Scale in Corporate International Payments

18%

Increase in Corporate Payments Processed

1,000+

Active Corporate Payment Customers

Maximize Direct-to-Consumer Offering

22

New Airport Branches

291+

Million People Eligible for OnlineFX

CXI's Brand Larger Than Ever with Travelers

CXI has never been more visibly present to international travelers than in 2023. In the last four years, CXI's brand went from zero airport exposure to becoming a well-known US foreign currency provider with more than 156 million passengers boarding planes in airports with CXI branded airport locations. CXI is proud to bring its level of service and client care to 11 airports including three of the top five busiest international airports in the US.

CXI's position as the preferred foreign currency provider to AAA clubs enabled its agent relationship locations to grow to 235 service points, with more clubs continuing to join CXI each year. Additionally, CXI opened three company-owned branches in New Jersey, Pennsylvania, and Florida. The network of CXI agent locations has never been stronger.

OnlineFX Accelerates the DTC Digital Ecosystem

OnlineFX, CXI's e-commerce platform, has been instrumental in enhancing its client acquisition, experience, and lifetime value. The digital ecosystem is transformative to CXI, knowing its clients' trends and engagement lifecycle. CXI now has more connections with its clients and is engaging with greater personalization and targeted timing. This has grown its active consumer client base on the platform by 47% in 2023 compared to 2022. The digital ecosystem is just scratching the surface of its value in its DTC strategy.

In 2023, the OnlineFX home delivery services added two new states, bringing its total to 40 states or 87% of the US population. OnlineFX continues to make foreign exchange faster and easier for everyday international travelers.

Global Expansion of Wholesale Banknotes

1

Canadian Bank Participating in FBICS

10+

Countries

Credit Impacts Financial Institutions Around the World

EBC's global expansion of wholesale banknotes faced significant headwinds in 2023. EBC found it a challenging environment to onboard new financial institutions and experienced limited orders from its existing clients, which was predicated by the failure of a few regional US banks. The US regional bank failures meant credit risk departments of financial institutions across the world tightened their deal requirements. Due to EBC requiring prepayment on its trades, the risk departments of prospects and existing clients focused on EBC's size compared to the trade size for the average USD deal. As the trade values can be worth tens of millions of dollars, they became an ongoing point in conversations throughout the year.

Clear Resolution for a Path Forward

EBC is addressing the credit risk challenge presented by the current market conditions. EBC is in the final stages of establishing a trust account that will demonstrate clear credit risk mitigation for counterparties and allow EBC to maintain its prepayment requirement. EBC's solution creates a strong value to the foreign financial institutions with its attractive pricing, vendor resiliency, and security. The trust account is expected to launch in 2024.

Currency Exchange International, Corp.

Management's Discussion and Analysis

For the Years and Three-Month Periods Ended October 31, 2023 and 2022

(All amounts are expressed in U.S. Dollars unless otherwise noted)

Scope of Analysis

This Management Discussion and Analysis (MD&A) covers the results of operations and the financial condition of Currency Exchange International, Corp. (CXI or the Company) and its subsidiaries for the years and three-month periods ended October 31, 2023 and 2022, including the notes thereto. This document is intended to assist the reader in better understanding and assessing operations and the financial results of the Company.

This MD&A was prepared as at January 24, 2024 and should be read in conjunction with the audited consolidated financial statements of the Company for the years ended October 31, 2023 and 2022, and the notes thereto. A detailed summary of the Company's significant accounting policies is included in Note 2 of the Company's audited consolidated financial statements for the years ended October 31, 2023 and 2022. The functional currency of the Company and its wholly owned subsidiary eZforex.com, Inc. (eZforex) is the U.S. Dollar. The functional currency of the Company's wholly owned Canadian subsidiary, Exchange Bank of Canada (EBC or the Bank), is the Canadian Dollar. The Company's presentation currency is the U.S. Dollar. Unless otherwise noted, all references to currency in this MD&A refer to U.S. Dollars. The audited consolidated financial statements and the MD&A have been reviewed by the Company's audit committee and approved by its board of directors.

In this document "Company," and "CXI" refer to Currency Exchange International, Corp. collectively with its wholly owned subsidiaries, eZforex and EBC.

Additional Information

Additional information relating to the Company, including annual financial statements, and the Company's annual information form, is available on the Company's SEDAR+ profile at www.sedarplus.ca and on the Company's website at www.cxifx.com.

Forward-Looking Statements

This MD&A contains certain "forward-looking information" as defined in applicable securities laws. These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking information. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "budgeted", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", variations or the negatives of such words and phrases, or state that certain actions, events, or results "may", "could", "would", "should", "might" or "will" be taken, occur, or be achieved. The forward-looking information in this MD&A is based on the date of this MD&A or based on the date(s) specified in such statements. The following table outlines certain significant forward-looking information contained in this MD&A and provides the material assumptions used to develop such forward-looking information and material risk factors that could cause actual results to differ materially from the forward-looking information.

Forward-Looking Information	Assumptions	Risk factors
Sensitivity analyses relating to foreign currencies and interest rates	All factors other than the variable in question remain unchanged; CXI's entire unhedged balance of foreign currency holdings is affected uniformly by changes in exchange rates; CXI's interest-bearing instruments and obligations were constant during the period	Fluctuations of exchange rates and interest rates

Inherent in the forward-looking information are risks, uncertainties, and other factors beyond the Company's ability to predict or control. Please refer to the Financial Risk Factors section beginning on page 22. Readers are cautioned that the above table does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking information in this MD&A, and the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially from those expressed or implied by the forward-looking information contained in this MD&A.

Forward-looking information involves known and unknown risks, uncertainties, and other factors that may cause the Company's actual results, performance, or achievements to be materially different from any of its future results, performance, or achievements expressed or implied by the forward-looking information. All forward-looking information herein is qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information, whether as a result of new information, future events, or otherwise, except as may be required by applicable securities laws. If the Company does update any forward-looking information, no inference should be drawn that it will make additional updates with respect to that or other forward-looking information, unless required by applicable securities laws.

Overview

The Company is a publicly traded company (TSX: CXI; OTCBB: CURN) with its head office in Orlando, Florida, and is a reporting issuer in the provinces of British Columbia, Alberta, and Ontario. It specializes in providing currency exchange and related products to financial institutions, money service businesses, travel companies, other commercial and retail clients through its proprietary software platform, company-owned branches and vaults, and inventory on consignment locations throughout the United States and in Canada, through its wholly owned subsidiary, Exchange Bank of Canada. EBC, located in Toronto, Ontario, is a non-deposit-taking, non-lending Schedule 1 Canadian bank that participates in the Federal Reserve Bank of New York's (FRBNY) Foreign Bank International Cash Services (FBICS) program, a competitive advantage in the Canadian and global markets for the trade of U.S. Dollar banknotes. At October 31, 2023, the Company had 409 employees, 102 of which were employed on a part-time basis.

The Company has developed CXIFX, its proprietary, customizable, web-based software, as an integral part of its business and believes that it represents an important competitive advantage. CXIFX is also an online compliance and risk management tool that integrates with core bank processing platforms to allow a seamless transaction experience. This includes an OnlineFX platform that allows it to market foreign exchange products directly to consumers that operate in 40 States. The trade secrets associated with CXIFX are protected via copyright, restricted access to both the software and its source code, and secure maintenance of source code by a team of software engineers employed by the Company.

Background

The Company has the following revenue streams which it reports in its financial documents as commissions or fees revenue:

Commissions revenue comprises the difference (spread) between the cost and selling price of foreign currency products, including banknotes, wire payments, cheque collections and draft issuances (foreign currency margin), together with the net (realized or unrealized) gain or loss from foreign currency forward contracts with customers, and the commissions paid on the sale and purchase of currencies. The amount of this spread is based on competitive conditions and the convenience and value-added services offered.

Fees revenue comprises the following:

i. Fees generated at the Company's branch locations and certain inventory on consignment locations from foreign currency (banknote) exchange, traveler's cheques, currency price protection, and fees collected on payroll cheque cashing; and
ii. Fees collected on foreign-denominated wire transfers, drafts, and cheque-clearing transactions.

The following are some of the characteristics of the Company's revenue streams:

The Company operates five vaults serving the Company's operations in Canada and the United States that serve as distribution centers for its branch network, as well as order fulfillment centers for its clients including financial institutions, money-service businesses, and other corporate clients. Revenues generated from vaults have greater scale as the Company maintains a sales force to increase its geographic customer base. Exchange rate margins vary from customer to customer and are dependent on criteria such as exchange volumes and customer setup. Onboarding of new clients, specifically banking clients, normally requires an upfront investment, such as training, and currency signage, as well as additional one-time shipping costs to distribute start-up materials. The Company also normally absorbs information technology costs to customize the CXIFX software for specific client use during the customer implementation phase. There are two common customer setups:

(All amounts are expressed in U.S. Dollars unless otherwise noted)

i. Centralized setup - for customers with a high volume of foreign currency exchange who maintain and manage their own inventory in central vault facilities. The Company offers bulk wholesale banknote trading. Trades of this nature are generally executed at lower margins, as the cost per transaction is low and the average value is high. The customer implementation phase is normally shorter, and the costs of onboarding clients is low; and

ii. Decentralized setup - many customers have determined that it is advantageous to avoid a currency inventory and allow their locations to buy and sell directly from CXI. Transactions in a decentralized setup typically are executed at a higher margin, as the average transaction is low and the cost to fulfill each trade is higher than that of a centralized setup. Several of the Company's financial institutions outsource their currency needs in return for a commission, based upon exchange volume. When a customer outsources their currency needs, the Company is granted access to the entire branch network, thus, immediately increasing its geographic footprint and expanding its customer base. The customer implementation phase is normally longer in a decentralized setup and the cost of client onboarding is higher as these clients normally require additional training and support.

CXI and EBC maintain inventory in the form of domestic and foreign banknotes in financial institutions and other high-traffic locations. These locations can be very profitable as there are no occupancy costs or payroll. Foreign exchange currency is placed in these locations on a consignment basis. On October 31, 2023, the Company had inventory on consignment in 654 locations, primarily located inside financial institutions across the United States and Canada. To encourage inventory turnover, the Company offers commission as a percentage on volumes generated by these locations. The table below lists the number of wholesale customer relationships and total number of unique active locations that transacted during each of the previous five fiscal years.

	FY 2019	FY 2020	FY 2021	FY 2022	**FY 2023**
Wholesale customer relationships	1,878	1,667	2,481	2,586	2,658
Number of transacting locations	21,595	14,787	15,202	22,170	22,551

The Company's strategy includes an omni-channel, direct-to-consumer approach that allows it to build its brand as a premier provider of foreign currencies in the United States. This includes operating a number of company-owned branch locations that are located in typically high-traffic areas in key tourism markets across the United States, staffed by CXI employees. These locations hold domestic and foreign currencies to buy and sell on demand. The currency exchange margins associated with the transactions occurring at these locations are generally higher in order to recapture costs of deployed capital in the form of domestic and foreign currencies, rent, payroll, and other general and administrative costs. Company-owned branch locations generate a significant amount of revenue from the exchange of foreign currency, whereas CXI is generally a net seller of currencies to its bank and non-bank clients. Excess currency collected via the branch network can be redeployed to financial institutions and non-bank clients, which reduces the need to source currency through wholesale sources at a greater cost, thus increasing currency margins.

As of October 31, 2023, the Company had 38 company-owned branch locations across the United States (37 locations as of October 31, 2022). During the current fiscal year, the Company has opened the Mills at Jersey Gardens in Elizabeth, New Jersey in December 2022, the King of Prussia Mall in Pennsylvania in July 2023, and most recently the first company-owned airport branch at the Orlando International Airport (MCO) in August 2023. This newest airport location marks CXI's groundbreaking steps to expand its foreign currency exchange services to airports across the United States. During the fiscal year, the Company also closed the Apple Bank – Union Square location in New York in May 2023 and the Berkeley at Mechanics Bank in August 2023.

(All amounts are expressed in U.S. Dollars unless otherwise noted)

The table below lists the individual company-owned branch locations operating in the United States as of October 31, 2023:

Locations	City	State	Opened	Locations	City	State	Opened
Florida Mall Booth #1	Orlando	FL	2007	Shops at Northbridge	Chicago	IL	2013
Ontario Mills Mall	Ontario	CA	2007	Apple Bank - Upper East Side	New York	NY	2014
Potomac Mills Mall	Woodbridge	VA	2007	Cherry Creek	Denver	CO	2014
Sawgrass Mills Mall Booth #1	Sunrise	FL	2007	Citadel Outlets	Los Angeles	CA	2014
Aventura Mall	Aventura	FL	2008	Tyson's Corner Center	Tyson's Corner	VA	2014
Copley Place Mall	Boston	MA	2009	Garden State Plaza	Paramus	NJ	2015
Dadeland Mall	Miami	FL	2009	Mission Valley	San Diego	CA	2015
Dolphin Mall	Miami	FL	2009	The Orlando Eye (Icon Park)	Orlando	FL	2015
MacArthur Mall	Norfolk	VA	2009	International Market Place	Honolulu	HI	2016
Apple Bank - Avenue of Americas	New York	NY	2011	North County	Escondido	CA	2017
Apple Bank - Grand Central	New York	NY	2011	Alderwood Mall	Lynnwood	WA	2019
San Francisco City Center	San Francisco	CA	2011	Pearl Ridge	Aiea	HI	2019
San Jose Great Mall	San Jose	CA	2011	South Coast Plaza	Costa Mesa	CA	2020
Arundel Mills Mall	Hanover	MD	2012	Stanford Shopping Center	Palo Alto	CA	2022
Santa Monica Place	Santa Monica	CA	2012	Century City Mall	Los Angeles	CA	2022
SouthCenter	Tukwila	WA	2012	Town Center at Boca Raton	Boca Raton	FL	2022
Apple Bank - Penn Station	New York	NY	2013	Jersey Gardens	New Jersey	NJ	2023
Mainplace at Santa Ana	Santa Ana	CA	2013	King of Prussia Mall	Pennsylvania	PA	2023
Montgomery at Bethesda	Bethesda	MD	2013	Orlando International Airport	Orlando	FL	2023

The Company has focused on growing its retail presence in the United States through agent locations with operators that bear the responsibility for the fixed costs, including lease commitments and other obligations associated with physical stores. In exchange for exclusive rights to supply and purchase foreign currencies to these agents, CXI consigns inventory to each location and licenses the right to use its name, thereby increasing its brand exposure. All agents are required to meet all of CXI's compliance and operational requirements under their agency agreements. CXI categorizes its agents between airport and non-airport locations, as airports have unique requirements. Through these relationships, CXI maintains a presence at some of the busiest airports in the United States for international traffic, including Charlotte, Chicago, Fort Lauderdale, Minneapolis, Newark, New York, Pittsburgh, Portland and Raleigh-Durham. CXI also has an agency relationship with Duty Free Americas for 29 locations at the busiest ports of entry across the border between the United States and Canada. This adds to the Company's prolific agent relationship with the American Automobile Association, which includes more than 200 locations across 17 States and the District of Columbia.

CXI launched its proprietary OnlineFX platform in 2020 to enable it to reach American consumers outside of its branch and agent network. The platform allows consumers to purchase foreign currency banknotes easily and securely, prior to their international travel. The platform enables consumers to buy more than 90 foreign currencies with direct shipment to their homes or for pick up at one of the Company's branches across the United States. OnlineFX is a core strategic initiative as adoption rates for online purchases are expected to continue to grow.

The following table lists the number of retail locations by category and the number of States in which the Company's OnlineFX platform operated as at October 31, 2023 and over the end of each of the four preceding fiscal years:

	2019	2020	2021	2022	**2023**
Company-owned branch locations	46	35	35	37	38
Airport agent locations	-	7	18	23	45
Non-airport agent locations	38	47	62	161	235
States in which OnlineFX operates	-	22	31	38	40

The Company's largest asset is cash. The cash position consists of local currency banknotes, both in U.S. and Canadian Dollars, held in inventory at its branch and consignment locations as well as bank accounts to facilitate the buying and selling of foreign currency, as well as foreign currency banknotes held at the Company's vaults, branch locations, consignment locations, or cash inventory in transit between Company locations. The Company also has traditional bank deposits to maintain operations and as settlement accounts to facilitate currency transactions at various financial institutions.

(All amounts are expressed in U.S. Dollars unless otherwise noted)

Accounts receivable consist primarily of bulk wholesale transactions where the Company is awaiting collection. The credit risk associated with accounts receivable is limited, as the Company's accounts receivables consist primarily of bulk currency trades with a settlement cycle of 24 to 48 hours. The counterparty risk is generally low, as the majority of the Company's accounts receivable reside with financial institutions and money service business customers. The Company has longstanding relationships with most of its customers and has a strong repayment history.

Accounts payable consist mainly of foreign currency transactions and commissions payable at period end where the Company receives currency from a customer and then remits payment at a subsequent date.

Selected Financial Data

The following table summarizes the performance of the Company over the last eight fiscal quarters.

Three-months ended	Revenue	Net operating income	Net income	Total assets	Total equity	Earnings per share (diluted)
	$	$	$	$	$	$
10/31/2023	22,786,072	5,818,667	2,303,822	132,049,444	79,232,981	0.34
7/31/2023	23,363,600	6,437,153	4,055,276	129,643,409	77,590,126	0.60
4/30/2023	18,345,342	3,743,075	2,243,714	134,697,253	73,104,851	0.33
1/31/2023	16,468,402	2,734,159	1,589,499	133,072,968	71,448,732	0.24
10/31/2022	19,800,463	5,401,678	4,383,876	125,528,832	69,305,509	0.66
7/31/2022	21,145,189	7,321,521	4,585,808	155,757,016	65,598,381	0.70
4/30/2022	14,071,953	2,888,757	1,308,445	150,804,096	60,821,752	0.19
1/31/2022	12,450,282	3,111,368	1,504,999	129,297,226	59,332,997	0.23

While seasonality is generally not a consideration for the Payments product line, seasonality for the Banknotes product line is reflected in the timing when foreign currencies are in greater or lower demand. In a normal operating year, there is seasonality to the Company's operations with higher commission revenue generally from March through September and lower commissions revenue from October through February. This coincides with peak tourism seasons in North America when there are generally more travelers entering and leaving the United States and Canada.

The Company developed a strategy of consolidation and diversification to mitigate the risk of financial losses associated with significant volatility in the domestic consumer driven banknote market. The strategy has five pillars, as follows:

i. Increase its penetration of the financial institution sector in the United States through its "One Provider, One Platform" multi-product approach through integration of its proprietary software system with the leading core processing platforms for banks;

ii. Develop scale in global payments for small and medium enterprises in Canada by leveraging strategic counterparty relationships through its subsidiary, Exchange Bank of Canada;

iii. Increase its penetration in the global trade of banknotes by leveraging Exchange Bank of Canada's participation in the Federal Reserve Bank of New York's (FRBNY) Foreign Bank International Cash Services program (FBICS);

iv. Maximize profitability in the direct-to-consumer business by leveraging the agency model, OnlineFX platform and driving revenue growth at company-owned branches; and

v. Develop the infrastructure to support significant growth in transactional volumes and a matrix organizational structure.

(All amounts are expressed in U.S. Dollars unless otherwise noted)

The Company has refined the strategy since it was first developed and monitors its execution against key performance indicators. The diversification strategy has been a significant factor in the Company's resilience and return to profitability. Geopolitical and macroeconomic factors also influence consumer demand for travel.

The following is a summary of the results of operations for the three-month periods ended October 31, 2023 and 2022:

	Three-months ended October 31, 2023	Three-months ended October 31, 2022	Change	Change
	$	$	$	%
Revenue	22,786,072	19,817,284	2,968,788	15%
Operating expenses	16,967,405	14,415,675	2,551,730	18%
Net operating income	**5,818,667**	**5,401,609**	**417,058**	**8%**
Other income , net	124,699	44,059	80,640	>100%
EBITDA*	**5,943,366**	**5,445,668**	**497,698**	**9%**
Net earnings	**2,303,822**	**4,383,878**	**(2,080,056)**	**-47%**
Basic earnings per share	0.36	0.68	(0.32)	-47%
Diluted earnings per share	0.34	0.65	(0.31)	-48%

*Earnings before interest, taxes, depreciation and amortization

The Company generated revenue of $22,786,072 for the three-month period ended October 31, 2023, a 15% increase from the same period last year. The last year saw a significant emergence from the travel restrictions related to the COVID-19 virus. Since travel restrictions progressively eased over the course of 2022, there has been a sustained progressive improvement in the demand for international travel between North America and Europe, the Caribbean and certain Central American destinations. Generally, South American and Asian currencies have shown steady demand compared to last year, while there was a notable increase related to certain exotic foreign currencies which has contributed to an increased volume over the same period last year. The revenue increase over the comparable period in the prior year also reflects the acquisition of new customers in both the Banknotes and Payments product lines, while trade with foreign financial institutions by Exchange Bank of Canada declined due to a decline in demand for USD volumes compared to the same time last year. Compared to the three-month period ended July 31, 2023, revenue decreased $577,528 or 2%, as demand for foreign currency slightly decreased which is consistent with the seasonality associated with the Company's operations. The top five currencies by revenue for the three-month period ended October 31, 2023 were the US Dollar (USD), Euro (EUR), Canadian Dollar (CAD), Mexican Peso (MXN), and British Pound Sterling (GBP).

The 15% growth in revenues for the three-month period ended October 31, 2023 from last year amounted to $2,968,788 and was primarily due to the growth in the retail market by $2,486,328. Revenue in the United States increased by $4,059,506, or 28% over the same period last year, while in Canada it declined by $1,090,718, or 21%. Corresponding with the revenue growth, operating expenses increased by $2,551,730, or 18%, primarily attributable to an increase in salaries and benefits in addition to certain amounts of operational losses that were incurred in the current period, as discussed further below. The Company recorded net operating income of $5,818,667 in the three-month period ended October 31, 2023, 8% higher than the same period in the prior year. Overall, the growth in revenues surpassed the increase in operating expenses and the Company generated $2,303,822 in net income during the three-month period ended October 31, 2023, $2,080,056, or 47% lower than the same period last year, primarily attributed to the Canadian region as discussed below.

The Company continued its progression along its three-year strategic plan in the three-month period ended October 31, 2023 that included the following highlights:

i. Continued its growth in the International Payments product line in both Canada and the U.S. EBC initiated trades with 63 new corporate clients, representing an active trading client base of 761 during the same period. The Company processed 34,467 payment transactions, representing $3.189 billion in volume in the three-month period ended October 31, 2023. This compares to 28,845 transactions on $3.190 billion of volume in the three-month period ending October 31, 2022;

(All amounts are expressed in U.S. Dollars unless otherwise noted)

ii. Increased its penetration of the financial institution sector in the United States with the addition of 126 new clients, representing 177 transaction locations;

iii. Continued its growth in the direct-to-consumer banknotes market with the addition of 45 new non-airport locations during the three-months ended October 31, 2023, and the addition of its latest company-owned branch at Orlando International Airport which opened in August 2023; and

iv. Added the State of Ohio, making it the 40th State in which the Company provides its services through its OnlineFX platform.

The Company's capital base has grown to $80 million. The Company's credit facility, with its primary lender, increased to $40 million from $20 million during the prior year, and this further strengthens the Company's liquidity position to support its strategic plan. During the three-month period ended July 31, 2023, the Company received an additional $10 million accordion with its primary lender, effective through August 31, as a contingency to accommodate a seasonal increase in banknote volumes during the peak summer season. Refer to the Liquidity and Capital Resources section. The combination of a growing capital base and debt capacity provide sufficient liquidity to the Company to continue to meet its financial obligations. CXI is well-positioned to support its strategic initiatives that include the organic and inorganic acquisition of new clients in both the Banknotes and Payments product lines.

	October 31, 2023	October 31, 2022
	$	$
Total assets	132,049,444	125,528,832
Total long-term financial liabilities	2,719,288	4,163,543
Total equity	79,232,981	69,305,509

The following shows a breakdown of the three-month revenues by geographic location and product line:

Revenues by Product Line

	Three-months ended October 31, 2023	Three-months ended October 31, 2022	Change	Change
	$	$	$	%
Banknotes	19,192,642	16,375,179	2,817,463	17%
Payments	3,593,430	3,442,105	151,325	4%
Total	**22,786,072**	**19,817,284**	**2,968,788**	**15%**

Revenues by Geography

	Three-months ended October 31, 2023	Three-months ended October 31, 2022	Change	Change
	$	$	$	%
United States	18,745,521	14,686,015	4,059,506	28%
Canada	4,040,551	5,131,269	(1,090,718)	-21%
Total	**22,786,072**	**19,817,284**	**2,968,788**	**15%**

Revenues in the Banknotes product line increased by 17% in the three-months period ended October 31, 2023, from the same period in 2022. The growth is attributable to two main drivers. Firstly, consumer demand for foreign currencies has significantly improved as restrictions on international travel have substantially eased over the past year. Between August and October 2023, approximately 220 million travelers passed through TSA check points in United States airports, approximately 104% of pre-pandemic levels, this is an increase of 11% from the same time last year. Secondly, the Company was successful at increasing its market share, as indicated by the increase in new wholesale clients and developing its direct-to-consumer footprint through new locations, including agents and its OnlineFX platform. Relative to the three-month period ended July 31, 2023, Banknotes revenue decreased by $337,134 or 2%, which coincides with the typical seasonal reduction in tourism in North America as demand for foreign currencies decline with the school year's commencement. Relative to the most comparable period prior to the pandemic, the three-months ended October 31, 2019, Banknotes revenue has increased by 78%, reflecting the impact of increased market penetration and expansion of international trade.

Revenues in the Payments product line increased by 4% in the three-month period ended October 31, 2023, compared to the same period in 2022. This demonstrates the Company's success in acquiring new client relationships. The Company processed 34,467 payment transactions, representing $3.189 billion in volume in the three-month period ended October 31, 2023. This compares to 28,845 transactions on $3.190 billion of volume in the same period in 2022. Payments represented a 16% share of revenue in the current three-month period, consistent with the same period in 2022.

Revenues in the United States grew by 28% during the three-months period ended October 31, 2023 when compared to the same period in 2022, led primarily by $2,486,328, or 49%, growth in retail banknotes and $966,979, or 12%, in wholesale banknotes, with the remainder amount of $606,199, or 38%, reflecting growth in the Payments product line. In Canada, revenues declined by 21% from the same period last year primarily due to decline in international demand for US Dollar volumes following the banking crisis that unfolded early in 2023. Accordingly, revenues in the Banknotes product line declined by $635,843, or 19%, with the remainder of the decline was in the Payments product line of $454,875, or 24%, compared to the same period in the prior year.

During the three-month period ended October 31, 2023, operating expenses increased 18% compared to the same period last year. The 18% increase is slightly higher than the 15% growth in revenues and that was due to certain non-recurring operational losses incurred during the current period, to which the Company responded by reviewing its procedures around certain operational areas and strengthened controls to improve effectiveness of its operating environment. Further, variable costs within operating expenses, represented mostly by postage and shipping as well as sales commissions, incentive compensation and bank fees increased 10% to $5,642,758 compared to $5,132,219 in the three-month period ended October 31, 2022, largely due to the increase in the number of transactions. The ratio of total operating expenses to total revenue for the three-month period ended October 31, 2023 was 74% compared to 73% for the three-month period ended October 31, 2022. The major components of operating expenses are presented in the table below, with commentary on some of the significant variances.

(All amounts are expressed in U.S. Dollars unless otherwise noted)

	Three-months ended October 31, 2023	Three-months ended October 31, 2022	Change	Change
	$	$	$	%
Salaries and benefits	9,304,785	7,475,094	1,829,691	24%
Postage and shipping	2,820,228	2,792,016	28,212	1%
Losses and shortages	1,506,621	209,037	1,297,584	>100%
Legal and professional	949,052	1,057,052	(108,000)	-10%
Information technology	826,245	653,506	172,739	26%
Bank service charges	646,391	640,854	5,537	1%
Rent	454,219	303,355	150,864	50%
Insurance, taxes and licensing	294,567	284,739	9,828	3%
Travel and entertainment	197,131	218,296	(21,165)	-10%
Foreign exchange losses	6,665	248,369	(241,704)	-97%
Stock based compensation	(380,146)	258,090	(638,236)	>(100%)
Other general and administrative	341,647	275,267	66,380	24%
Operating expenses	**16,967,405**	**14,415,675**	**2,551,730**	**18%**

Salaries and benefits increased when compared to the prior year, mostly driven by incremental growth in headcount, which increased to 409 in the year ended October 31, 2023, from 344 in the same period last year, in addition to a partial increase in cost driven by inflation in base salaries and wages.

Postage and shipping had a 1% increase when compared to the same period last year despite the 17% growth in Banknotes product line which reflects the Company's implementation of price increases that were adopted during the current year to compensate for the higher shipping costs levied, these strategies proved to be successful in absorbing some of the large shipping costs increases incurred by the Company and the remedial actions resulted in containing cost drivers that the Company saw last year and resulted in the significant shipping cost incurred during the same period last year.

Losses and shortages increased from the same period last year mostly due to non-recurring losses associated with stale-dated items and higher costs related to lost shipments. The Company has strengthened certain procedures within its control environment that aim at improving operational control effectiveness.

Legal and professional costs showed a relative reduction when compared to last year, while the Company continued to benefit from outsourced professional services, the trend during the current period showed a reduction as the same period last year showed a significant amount of services incurred during the implementation of the new accounting system that went live in May 2023.

Information technology expenses include non-capital expenditures on software and related service contracts that do not meet the capitalization criteria. The majority of the increased costs during the period was associated with the Company's increased reliance on third-party technology service providers to deliver its products, including accounting and treasury management systems, in addition to the continuous improvement to its proprietary CXIFX software, the Company's proprietary system and other technology related costs that the Company incurs in the normal course of business.

Rent expenses increased due to the expansion in branches in which the Company operates its retail business. The current period reflects two new locations that were opened during the year in addition to certain increases resulting from rent agreements renewed at higher prices.

(All amounts are expressed in U.S. Dollars unless otherwise noted)

Foreign exchange losses include the revaluation of outstanding foreign currency balances to market value, together with the net gain or loss from foreign currency forward and option contracts used to offset the revaluation of foreign currency exposures.

Stock-based compensation includes the amortization related to the vesting of issued and outstanding stock options, Restricted Stock Unit (RSU) and Deferred Stock Unit (DSU) awards, net of revaluation of the liability for the vested portion during the period. The decrease in the current period relative to the same time last year is due to the significant decline in the revaluation of the financial liability of the DSU and RSU awards as the market value of the stock price between the July 31, 2023 and October 31, 2023 declined resulting in a recovery of the amortization. This recovery offsets most of the expense incurred in the second and third quarter of the year when the market value of the stock price appreciated.

The increase in other general and administrative expenses is attributable to higher referral commissions paid to third parties, marketing, office supplies, and other administrative expenses.

Other income and expenses are comprised of the following:

	Three-months ended October 31, 2023	Three-months ended October 31, 2022
	$	$
Interest expense	(173,401)	(324,529)
Interest on lease liabilities	(38,087)	(61,347)
Depreciation and amortization	(398,478)	(345,642)
Depreciation of right-of-use-assets	(456,562)	(515,520)
Interest revenue	96,666	45,294
Other income (loss)	26,889	(1,235)
Gain on sale of assets	1,144	-
Income tax (expense) benefit	(2,573,017)	185,246
Total other expenses	**(3,514,846)**	**(1,017,733)**

The interest expense has declined in the current period compared to the same period last year and that was primarily related to a decrease in borrowings utilized to fund short-term working capital needs and foreign currency inventory, despite an increase in banknote volumes. At October 31, 2023, the Company had $14,679,991 drawn on its lines of credit, with $35,680,577 available for use. This compares to $5,929,847 drawn on October 31, 2022, and $55,538,042 available. However, there was overall decline in interest expense due the fact that the average outstanding borrowings by the Company for the three-month period ended October 31, 2023 was $6,894,606, versus $21,124,843 for the three-month period ended October 31, 2022, notwithstanding a higher average interest rate on borrowings of 8.6% versus 5.2% during the same period last year. Refer to Liquidity and Capital Resources on page 16.

The decline in the right-of-use (ROU) assets depreciation is primarily driven by the change in the ROU branch locations opened and closed during the current period compared to the prior period, the Company had one less location that qualifies for IFRS 16 in the current period compared to the prior period.

Interest revenue for the period was favorably impacted by the increased balances in interest bearing accounts in the normal course of business.

The Company recorded an income tax expense amount of $2,573,017 in the three-month period ended October 31, 2023, in comparison to an income tax benefit of $185,246 in the prior period. The benefit in the prior period was due to EBC's recognition of certain tax benefit related to periods prior to the three-month period ended October 31, 2022 which reduced income tax expense at the end of the prior period.

(All amounts are expressed in U.S. Dollars unless otherwise noted)

The following is a summary of the results of operations for the year ended October 31, 2023 and 2022:

	Year ended October 31, 2023	Year ended October 31, 2022	Change	Change
	$	$	$	%
Revenue	81,954,769	67,498,673	14,456,096	21%
Operating expenses	63,220,520	48,777,200	14,443,320	30%
Net operating income	**18,734,249**	**18,721,473**	**12,776**	**-**
Other income	494,368	111,684	382,684	>100%
Other expenses	(30,527)	(1,814)	(28,713)	>100%
EBITDA*	**19,198,090**	**18,831,343**	**366,747**	**2%**
Net earnings	**10,193,507**	**11,783,124**	**(1,589,617)**	**-13%**
Basic earnings per share	1.59	1.83	(0.24)	-13%
Diluted earnings per share	1.52	1.78	(0.26)	-15%

*Earnings before interest, taxes, depreciation, and amortization

Revenue increased $14,456,096 and 21% from last year. Last year saw a significant emergence from the travel restrictions related to the COVID-19 virus. The first half of the prior year was largely impacted by the Omicron variant of the COVID-19 virus. Since travel restrictions progressively eased over the course of 2022, there has been a sustained steady increase in demand for international travel between North America and Europe, the Caribbean and certain Central American destinations such as Costa Rica. Some South American and Asian currencies have been slow to recover, however, with Japan relaxing its travel restrictions on foreign nationals in early 2023, these markets have seen increased travel demand in 2023, in addition, certain exotic foreign currencies also showed increased volume from the same period last year.

The 21% growth in revenues for the year was primarily driven by the Banknotes product line which grew by $12,602,328, or 23% with the rest of the growth resulting from the Payments product line as discussed below in detail. The Company recorded net operating income of $18,734,249 in the year ended October 31, 2023, slightly higher than the prior year. The growth in revenues was accompanied by a corresponding increase in operating expenses, as the Company's variable expenses increased in addition to investments made in certain strategic initiatives and software infrastructure that aim to sustain the long-term growth objectives of the Company's strategic plan, in addition to the increase in headcount as the Company continues to invest in its people, as result of the revenue growth during the current year. The Company generated $10,193,507 in net income during the year ended October 31, 2023, lower than the prior year by $1,589,617 or 13%.

(All amounts are expressed in U.S. Dollars unless otherwise noted)

The following shows a breakdown of revenues by geographic location and product line for the years ended October 31, 2023 and 2022:

Revenues by Product Line

	Year ended October 31, 2023	Year ended October 31, 2022	Change	Change
	$	$	$	%
Banknotes	67,624,421	55,022,093	12,602,328	23%
Payments	14,330,348	12,476,580	1,853,768	15%
Total	**81,954,769**	**67,498,673**	**14,456,096**	**21%**

Revenues by Geography

	Year ended October 31, 2023	Year ended October 31, 2022	Change	Change
	$	$	$	%
United States	64,531,245	50,184,406	14,346,839	29%
Canada	17,423,524	17,314,267	109,257	1%
Total	**81,954,769**	**67,498,673**	**14,456,096**	**21%**

Revenues in the Banknotes product line increased by 23%, or $12,602,328 in the year ended October 31, 2023. This demonstrates the Company's success at increasing its market share, as indicated by the increase in new wholesale clients and developing its direct-to-consumer footprint through new locations in the United States, including agents and its OnlineFX platform. The Company further continued its penetration into the global banknote trade, partially driven by EBC's participation in the Foreign Bank International Cash Services (FBICS) program. Revenues from the Payments product line increased by $1,853,768, or 15% in the year ended October 31, 2023. This demonstrates the Company's success in focusing on the growth of Payments product line through key client relationships in both the United States and Canada. The diversification strategy has been a significant factor in the Company's resilience.

Revenues in the United States grew by $14,346,839, or 29%, during the year ended October 31, 2023 when compared to the same period in 2022, led primarily by $6,861,966, or 31%, growth in wholesale banknotes, and $6,070,621, or 28%, in direct-to-consumer banknotes, with the remainder amount of $1,414,252, or 22%, reflecting growth in the Payments product line. In Canada, revenues grew by $109,257, or 1%, during the year ended October 31, 2023, driven by the steady growth in the Payments product line which contributed $439,517, or 7%, while the Banknotes product line in Canada showed slower activity compared to the same time last year and had a decline of $330,260, or 3% compared to the year ended October 31, 2022. This decline is partially attributed to the US Dollar appreciation relative to certain foreign currencies that curtailed exchange patterns seen in the prior year and the decline in international demand for US Dollar volumes following the banking crisis that unfolded early in 2023. For the current year, Canada's domestic growth driven by the ongoing recovery in international travel demand largely mitigated the decline in international volume.

During the year ended October 31, 2023, operating expenses increased 30% compared to the prior year, and is higher than the 21% growth in revenues, primarily due to the higher shipping costs earlier in the year in addition to certain operational losses incurred during the current year. Variable costs within operating expenses, including postage and shipping, sales commissions, incentive compensation and bank fees increased 28% to $21,203,278 compared to $16,568,412 for the year ended October 31, 2022, largely due to the increase in transaction volume and the higher costs associated with shipments. Shipping costs contributed to increased $3,750,021. In response to the increased cost of shipping due to inflation, CXI has implemented price increases to compensate for the higher shipping costs. These strategies were successful in absorbing some of the large shipping costs increases this year, and the Company anticipates seeing the full impact of these strategies in 2024. Other fixed operating costs incurred during the year from losses and shortages were largely offset by an increase in foreign exchange gains as outlined below. The major components of operating expenses are presented in the table below, with commentary for some of the significant variances. The ratio of total operating expenses to total revenue for the year ended October 31, 2023 was 77% compared to 72% for the year ended October 31, 2022. The major components of operating expenses are presented in the table below, with commentary on some of the significant variances.

(All amounts are expressed in U.S. Dollars unless otherwise noted)

	Year ended October 31, 2023	Year ended October 31, 2022	Change	Change
	$	$	$	%
Salaries and benefits	33,935,281	26,371,728	7,563,553	29%
Postage and shipping	12,137,881	8,387,860	3,750,021	45%
Losses and shortages	3,215,773	628,468	2,587,305	>100%
Legal and professional	3,204,240	2,832,135	372,105	13%
Information technology	3,009,268	2,199,775	809,493	37%
Bank service charges	2,450,353	2,171,586	278,767	13%
Rent	1,702,594	1,132,490	570,104	50%
Insurance, taxes and licensing	1,179,383	1,012,225	167,158	17%
Stock-based compensation	1,017,823	1,093,647	(75,824)	-7%
Travel and entertainment	884,357	658,896	225,461	34%
Foreign exchange (gains) losses	(711,763)	1,472,299	(2,184,062)	>(100%)
Other general and administrative	1,195,330	816,091	379,239	46%
Operating expenses	**63,220,520**	**48,777,200**	**14,443,320**	**30%**

Salaries and benefits increased when compared to the same period last year, mostly driven by the incremental growth in headcount, which increased to 409 in the period ended October 31, 2023, from 344 in the comparative period. The increase was required to manage growth in the business as the Company continued to recover from the COVID-19 pandemic during the year and to backfill some of the vacant roles that were cut as part of the Company's restructuring plans during the pandemic. Salaries were also affected by the full year impact of the broad-based salary increases in mid-2022 to maintain the Company's competitiveness in the labor market due to the inflationary environment.

Postage and shipping increased from the same period last year due to higher volumes of shipments associated with the Banknotes product line. The balance is due primarily to product mix between domestic and international banknotes, as the international banknote trade involves air freight and third-party processing fees. The Company recovers some of these costs from its customers. During the year 2023, CXI applied certain price adjustments to account for the impact of inflation and anticipates the impact from these pricing strategies be fully in effect in 2024.

Losses and shortages increased from the same period last year mostly due to non-recurring losses associated with stale-dated items and higher costs related to lost shipments. The Company has strengthened certain procedures within its control environment that aim at improving operational control effectiveness.

The increase in legal and professional fee is primarily attributable to consulting costs, which are expensed as incurred, related to the implementation of the new accounting system which accounted for $451,692 for the year ended October 31, 2023 compared to $225,489 for the year ended October 31, 2022 with the remainder related to regulatory compliance programs at EBC. Other variances to professional fees included increased legal fees, and inflationary increases on audit and tax services.

Information technology expenses include non-capital expenditures on software and related service contracts that do not meet the capitalization criteria. The majority of the increase during the period was associated with the Company's increased reliance on third-party technology service providers to deliver its products, including accounting and treasury management systems, in addition to the continuous improvement to its proprietary CXIFX software, the Company's proprietary system and other technology related costs that the Company incurs in the normal course of business.

(All amounts are expressed in U.S. Dollars unless otherwise noted)

Bank service charges are comprised of fees incurred for processing wire transactions as part of the Payments product line in addition to fees incurred by the banks for banknote deposits. The yearly increase is related primarily to a combined increase in both the Payments number of transactions and Banknotes deposit fees.

Rent expenses increased during the year due to the expansion in locations in which the Company operate its retail business. The current year reflects two new locations that were opened during the year in addition to certain increases resulting from rent agreements renewed at higher prices.

Insurance, taxes and licensing increased in the current year compared to last year as a result of price increases of general liability insurance policies tied to the ongoing inflation.

Travel and entertainment expenses increased as conferences, trade shows, and in-person business meetings continued a progressive recovery.

Foreign exchange (gains) losses are primarily attributable to modest gains of a broad range of currencies against the U.S. Dollar throughout the year, whereas in the same period last year the U.S. Dollar strengthened considerably across currencies.

The increase for other general and administrative expenses is attributable to higher marketing, office supplies, and other administrative expenses.

Other income and expenses are comprised of the following:

	Year ended October 31, 2023	Year ended October 31, 2022
	$	$
Interest expense	(1,088,161)	(1,180,026)
Depreciation of right-of-use-assets	(1,895,566)	(1,816,307)
Depreciation and amortization	(1,509,674)	(1,456,649)
Interest on lease liabilities	(179,904)	(165,804)
Interest revenue	435,903	111,684
Other income (expense)	58,465	(1,814)
Loss on sale of assets	(30,527)	-
Income tax expense	(4,331,278)	(2,429,433)
Total other expenses	**(8,540,742)**	**(6,938,349)**

The interest expense is primarily associated with borrowings to fund short-term working capital needs and foreign currency inventory to support banknote volumes. The average outstanding borrowings by the Company was $12,803,230 for the year ended October 31, 2023, versus $22,121,344 for the year ended October 31, 2022, however, the average interest rate in the current period increased to 7.62% versus 4.64% for the same period last year. Despite an increase in average interest rates compared to the same period last year, the interest expense is slightly lower due to reduction in overall borrowing. Refer to Liquidity and Capital Resources on page 16.

Depreciation of right-of-use assets increased slightly in the current year over the prior year. At October 31, 2023, the Company had one less location that qualified as a right-of-use asset, when compared to the prior year, however, new locations were financed at a higher rate during this year, resulting in a slightly higher expense.

The loss on sale of assets primarily represents the disposal of a legacy compliance platform; it has been replaced with another platform that satisfies the ongoing regulatory requirements for Exchange Bank of Canada.

Interest revenue for the period was favorably impacted by $54,255 received in December 2022 from the IRS related to an expected refund of Employee Retention Credits (ERC) from 2021. Also, the increased balances in interest bearing accounts that the Company maintains in the normal course of business, combined with the significant increase in both Canada's Prime Rate and US Funds rate further increased interest revenue.

The Company recorded an income tax expense amount of $4,331,278 in the year ended October 31, 2023, in comparison to an income tax expense of $2,429,434 in the prior period. These represented an effective tax rate of 29.82% in the current period versus 17.09% in the comparative period. The variance with the statutory tax rate this year was attributed to certain permanent differences related to stock options in the effective tax rate during the period in addition to certain R&D tax credits recognized in the United States, further, taxes paid in Canada for the purpose of offsetting certain GILTI taxes in the United States. The income tax expense for this year was higher than last year since the income tax expense in the year ended October 31, 2022 was reduced by the application of previously unrecognized non-capital losses from periods prior to 2022 in Canada.

Cash Flows

Cash flows from operating activities during the year ended October 31, 2023, resulted in an outflow of $365,575 compared to an inflow of $25,518,520 during the year ended October 31, 2022. The accounts receivable and accounts payable balances fluctuate from period to period due to the volume of activity and timing of transaction settlement. In most instances, accounts receivable and accounts payable have a settlement cycle of 24 to 48 hours. Excluding the changes in balance sheet accounts, operating cash flow, which is generated by commission and fee income and is offset by operating expenses, was $14,586,041 for the year ended October 31, 2023, versus an operating cash flow of $16,193,542 in the prior year's comparative period.

Cash flows from investing activities during the year ended on October 31, 2023, resulted in an outflow of $1,280,023 compared to an outflow of $1,291,015 during the year ended on October 31, 2022. Cash outflows from investing activities this year mainly resulted from the cost of leasehold improvements paid for new retail locations, while last year's cash outflows were primarily due to the final consideration payment on the Denarius acquisition, therefore, cash outflows from investing activity remained the same year over year.

Cash flows from financing activities during the year ended October 31, 2023, resulted in an inflow of $6,173,393 compared to an inflow of $214,147 during the year ended October 31, 2022. This was primarily the result of the Company's increase in its usage of lines of credit to $8,852,591 on October 31, 2023, compared to a balance of $2,044,955 on October 31, 2022, which the Company used to fund the Company's working capital requirements during the year.

Liquidity and Capital Resources

On October 31, 2023, the Company had net working capital of $70,146,433 compared to $60,378,879 at October 31, 2022.

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 provide an accordion feature for up to an additional $10,000,000 with the lender's approval. The Amended and Restated Credit Agreement provides a term of two years (maturity date on June 15, 2024). The Amended and Restated Credit Agreement was updated on July 18, 2022, in the form of a Second Amended and Restated Credit Agreement, to reflect the exercised accordion feature, which increased the line of credit to $40,000,000, and a reduced margin spread in the borrowing rate by 25 bps. The form of the Second Amended and Restated Credit Agreement was further amended on July 12, 2023, to provide a seasonal increase in the borrowing capacity by $10,000,000 to $50,000,000, effective through August 31, 2023, and to extend the maturity on the facility to June 15, 2025. The credit line is secured against the Company's cash and other assets. The form of the Second Amended and Restated Credit Agreement, as further amended on July 12, 2023, bears interest at the one month Secured Overnight Financing Rate (SOFR) plus 2.25% (5.31% at October 31, 2023 and 4.12% at October 31, 2022). At October 31, 2023, the balance outstanding was $11,074,308 (October 31, 2022, $5,929,847).

On October 19, 2020, the Company's wholly owned Canadian subsidiary, EBC, established a fully collateralized revolving line of credit with Desjardins Group (Desjardins) with a limit of CAD 2,000,000 ($1,442,273), payable on demand, and being secured against cash collateral of CAD 2,000,000 ($1,442,273). On April 25, 2023, EBC amended this facility reducing the revolving line of credit to CAD 500,000 ($360,568), payable on demand, and being secured against cash collateral of CAD 500,041 ($360,598). The line of credit bears interest at the Canadian Prime Rate plus 0.25% (7.20% at October 31, 2023 and 5.95% at October 31, 2022). At October 31, 2023, the balance outstanding was $Nil (October 31, 2022, $Nil)

On April 7, 2021, EBC entered into a $20,000,000 USD Revolving Credit Facility (RCF) with a private lender. On July 18, 2022, EBC amended this facility through a Third Amended and Restated Revolving Loan Agreement, whereby $10,000,000 of this facility was moved from EBC to CXI. On January 19, 2023, the Company entered into a Moratorium Agreement (CXI facility) where the Company will not utilize the $10,000,000 without prior written consent from the lender. Additionally, the Company will not incur any standby charges or fees during the period of the Moratorium. Pursuant to the January 19, 2023, amended agreement, the interest rate on the $10,000,000 facility granted to EBC increased from 6% to a floating rate with a floor of 8%, and a standby charge of $1,500 USD per month if the total interest in the month is less than $20,000 USD. The entire $20,000,000 facility is guaranteed by the Company and is subordinated to the Company's and EBC's obligations to primary lenders. These facilities are used for working capital purposes and for daily operational activity and have a term of three years (maturity date January 19, 2026); however, these facilities may be terminated on 90-days' notice by either party. The total outstanding balance for the Company at October 31, 2023, was $3,605,683 (October 31, 2022, $Nil).

The Company had a total available balance of unused lines of credit of $35,680,577 at October 31, 2023 (October 31, 2022, $55,538,042).

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 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 Notes 7 and 9 to the audited consolidated financial statements).

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-cancelable or may only be canceled by incurring a substantial termination fee. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over corporate offices and retail store locations, the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

(All amounts are expressed in U.S. Dollars unless otherwise noted)

The table below describes the nature of the Company's leasing activities by the type of right-of-use asset recognized on the consolidated statements of financial position:

Right-of-use asset	No of right-of-use assets leased	Range of remaining term	Average remaining lease term	No of leases with extension options	No of lease with options to purchase	No of leases with variable payments linked to an index	No of leases with termination options
Equipment	1	0 years	1	1	-	-	-
Corporate offices	9	0-5 years	1	5	-	-	-
Retail store locations	23	0-4 years	2	1	-	-	-
Total	33	0-5 years	1	7	-	-	-

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

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	After 5 years	Total
Lease payments	1,677,768	673,201	394,239	223,669	169,749	23,733	**3,162,359**
Finance charges	100,010	48,900	27,721	14,365	4,591	53	**195,640**
Net present values	**1,577,758**	**624,301**	**366,518**	**209,304**	**165,158**	**23,680**	**2,966,719**

Selected Annual Financial Information

The following tables set out selected consolidated financial information of the Company for the periods indicated. Each investor should read the following information in conjunction with those audited consolidated financial statements for the relevant period and notes related thereto. The operating results for any past period are not necessarily indicative of results for any future period.

The selected financial information set out below has been derived from the audited consolidated financial statements of the Company.

	Year ended October 31, 2023	Year ended October 31, 2022	Year ended October 31, 2021	Year ended October 31, 2020	Year ended October 31, 2019
	$	$	$	$	$
Revenues	81,954,769	67,498,673	30,565,660	25,013,423	41,784,043
Net operating income	18,734,249	18,721,473	(48,929)	(3,985,791)	6,152,042
Net earnings (losses)	10,193,507	11,783,124	(1,131,684)	(8,524,029)	2,924,720
Basic earnings per share	1.59	1.83	(0.18)	(1.33)	0.46
Diluted earnings per share	1.52	1.78	(0.18)	(1.33)	0.46
Total assets	132,049,444	125,528,832	102,982,531	85,758,518	82,729,716
Total liabilities	52,816,463	56,223,323	44,966,732	27,528,783	16,400,679
Non-current financial liabilities	2,719,288	4,163,543	3,679,493	4,065,164	-
Working capital	70,146,433	60,378,879	49,880,879	47,755,694	58,932,941

(All amounts are expressed in U.S. Dollars unless otherwise noted)

Off-Balance Sheet Arrangements

There are currently no off-balance sheet arrangements.

Foreign Currency Forward and Option Contracts

The Company enters into foreign currency forward and purchases put option contracts with non-client counterparties to mitigate the risk of fluctuations in the exchange rates of exposures in certain major currencies related to its Banknotes product line. Forward contracts are entered into daily, with maturities up to 30 days. Option contracts are entered into selectively once per quarter, with a maturity up to 90 days.

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

These non-client counterparty foreign currency forward and option contracts, as referred to above, are recognized at fair value and changes in fair value are included in operating expenses in the consolidated statements of income and comprehensive income and are recorded as either contract assets or contract liabilities at the end of the reporting period.

The fair value of forward and option contract assets at October 31, 2023, was $1,066,467 (October 31, 2022, $911,443).

As at October 31, 2023 the Company had cash collateral balances that include daily margin requirements related to forward contracts being held of $3,119,888 (October 31, 2022, $2,335,298). They are reflected as restricted cash held in escrow in the consolidated statements of financial position.

Critical Accounting Estimates

When preparing the consolidated financial statements, management undertakes several 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. For an expanded narrative on considering critical accounting estimates, please refer to Note 3 in the audited consolidated financial statements for the years ended October 31, 2023 and 2022.

Transactions with Related Parties

The remuneration of directors and key management personnel during the three-month periods and years ended October 31, 2023 and 2022 were as follows:

	Year ended October 31, 2023	Year ended October 31, 2022	**Three-months ended October 31, 2023**	Three-months ended October 31, 2022
	$	$	$	$
Short-term benefits	4,316,361	3,726,865	983,615	1,170,345
Post-employment benefits	161,385	81,682	18,923	30,384
Stock-based compensation	83,532	391,787	12,832	137,323
Restricted and Deferred Share Units	920,386	691,971	(395,187)	112,256
Total	**5,481,666**	**4,892,305**	**620,183**	**1,450,308**

The Company incurred legal and professional fees in the aggregate of $139,594 and $20,702 for the year and three-month periods ended October 31, 2023 (October 31, 2022, $179,417 and $38,878) charged by entities controlled by directors or officers of the Company.

The Company has clients that are considered related parties through one of its directors. The Company generated $288,128 and 47,028 in revenue from these clients' activities for the year and three-month periods ended October 31, 2023 (October 31, 2022, $188,502 and $54,256). As at October 31, 2023, accounts receivable included $Nil from related parties (October 31, 2022, $74,205).

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 consolidated financial statements.

The Company supports EBC through a $20,000,000 revolving Line of Credit, renewed on July 18, 2022, 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 October 31, 2023, the intercompany loan balance was $10,642,528 (October 31, 2022, $2,498,270) 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 year and three-month periods ended October 31, 2023 and 2022, and are conducted pursuant to the Company's policies.

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

Stock Option Grants

The Company offers an incentive stock option plan (the Plan) which was established on April 28, 2011 and was amended most recently March 23, 2023. The Plan is a rolling stock option plan, under which 15% 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 the Company's directors and 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. All the options have a five-year term, unless otherwise specified by the Board of Directors. During the year ended October 31, 2023, the Company recognized $97,436 of stock-based compensation expense in relation to employees' stock option awards that have vested during the year ended October 31, 2023 (October 31, 2022, $401,677).

(All amounts are expressed in U.S. Dollars unless otherwise noted)

The following table sets out the information related to each option grant that has not expired and, or cancelled at the end of the reporting period:

Date of grant	Expiry date	Share price at grant date (CAD$)	Amount granted	Risk-free interest rate	Expected volatility	Exercise price (CAD$)*	Fair value of option at grant date ($)
4-Mar-19	4-Mar-24	25.98	13,316	2.50%	27%	25.83	5.65
23-Oct-19	4-Jun-24	17.03	5,837	1.58%	24%	17.36	3.07
23-Oct-19	23-Oct-24	17.03	72,376	1.58%	24%	17.36	3.07
23-Oct-19	23-Oct-24	17.03	170,540	1.58%	24%	17.36	3.07
23-Oct-19	4-Mar-24	17.03	30,000	1.58%	24%	17.36	3.07
24-Jun-20	24-Jun-25	12.50	29,955	0.33%	23%	12.74	1.87
29-Jul-20	29-Jul-25	10.98	18,000	0.26%	23%	10.83	1.76
29-Oct-20	29-Oct-25	10.00	239,922	0.37%	23%	10.83	1.33
28-Jan-21	28-Jan-26	11.00	3,873	0.41%	23%	11.02	2.55
28-Oct-21	28-Oct-26	14.49	134,668	1.16%	22%	14.35	2.57
28-Apr-22	28-Apr-27	17.44	20,000	2.81%	21%	18.10	3.16
25-Jul-22	25-Jul-27	16.96	4,493	2.87%	20%	16.23	3.17
21-Sep-22	21-Sep-27	19.65	5,748	3.57%	37%	18.93	4.45
31-Oct-22	31-Oct-27	19.35	117,459	3.73%	37%	18.37	4.34
30-Oct-23	29-Oct-28	18.20	94,678	4.37%	36%	20.07	4.70

*Exercise price is determined by the volume-weighted average share price for the previous 20 trading days

The outstanding options at October 31, 2023, and the respective changes during the periods are summarized as follows:

	Number of options	Weighted average price
	#	CDN$
Outstanding at October 31, 2022	**820,762**	**15.13**
Granted	94,678	20.07
Exercised	(54,734)	17.27
Forfeited/cancelled/expired	(3,222)	16.75
Outstanding at October 31, 2023	**857,484**	**15.53**

(All amounts are expressed in U.S. Dollars unless otherwise noted)

The following options were outstanding and exercisable at October 31, 2023:

Grant Date	Exercise price (CAD$)	Number outstanding	Average remaining contractual life (years)	Number exercisable
4-Mar-19	$25.83	13,316	0.34	13,316
23-Oct-19	$17.36	30,000	0.98	30,000
23-Oct-19	$17.36	3,512	0.98	3,512
23-Oct-19	$17.36	177,882	0.98	177,882
24-Jun-20	$12.74	29,955	1.65	29,955
29-Jul-20	$10.83	18,000	1.75	18,000
29-Oct-20	$10.83	220,368	2.00	220,368
28-Jan-21	$11.02	3,873	2.25	2,582
28-Oct-21	$14.35	118,200	2.99	79,019
28-Apr-22	$18.10	20,000	3.49	6,668
25-Jul-22	$16.23	4,493	3.73	1,498
21-Sep-22	$18.93	5,748	3.89	1,917
31-Oct-22	$18.37	117,459	4.00	39,157
30-Oct-23	$20.07	94,678	5.00	-
Total		**857,484**		**623,874**

Out of the total number of outstanding options, the Company had 124,170 options outstanding and granted on October 23, 2019 that were made outside of the Company's stock option plan, and in accordance with the policies of TSX and were approved by the shareholders on March 25, 2020.

Restricted Stock Unit and Deferred Stock Unit Plans

On November 1, 2020 the Company made its inaugural cash-settled grants under the DSU Plan and RSU Plan (the Plans). 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 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 occurs on a one-third (1/3) basis upon the first, the second, and the third anniversary of the grant date, while awards that may be granted under the Plans for directors will vest fully 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.

On November 1, 2022, the Company made its third grants under the Deferred Share Unit (DSU) Plan and Restricted Stock Unit (RSU) Plan. The Company granted 37,664 RSU and 22,553 DSU awards in the amount of $300,000 and $500,995, respectively. On January 24, 2023, the Company granted 595 awards in the amount of $12,500. On October 30, 2023, the Company also made an annual grant of RSU awards in the amount of 36,505 for an amount of $517,210. In the year-ended October 31, 2023, the Company recognized stock-based compensation expenses of $920,387 (October 31, 2022, $691,970) in relation to RSU and DSU awards that have vested during the year, out of which $517,377 was recognized for RSU awards and $403,010 was recognized for DSU awards, (October 31, 2022, $353,624 and $338,346, for RSU and DSU awards, respectively).

Share Capital

As of October 31, 2023, the Company had 6,443,397 common shares outstanding, 623,874 vested, and 233,610 unvested stock options, and no warrants outstanding.

Subsequent Events

The Company evaluated subsequent events through January 24, 2024, the date this MD&A was prepared, and there were no material subsequent events that required recognition or additional disclosure in the consolidated financial statements.

Accounting Standards and Policies

A summary of significant accounting policies is described in Note 2 to the Company's audited consolidated financial statements for the years ended October 31, 2023 and 2022.

Financial Risk Factors

International Conflict

International conflict and other geopolitical tensions and events, including war, military action, terrorism, trade disputes, and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in global commodity, energy, and financial markets.

Russia's invasion of Ukraine has led to sanctions being levied against Russia by the international community and may result in additional sanctions or other international action, any of which may have a destabilizing effect on commodity prices and global economies more broadly. Volatility in commodity prices may adversely affect our business, financial condition, and results of operations. Changes in commodity prices may affect oil and natural gas activity levels and the costs of energy in the jurisdiction in which the Company operates. In addition, an escalation in the Ukraine conflict may have an adverse effect on global travel conditions and/or consumer sentiment on travel and tourism, which may adversely impact our business.

The extent and duration of the current Russian-Ukrainian conflict and related international action cannot be accurately predicted at this time and the effects of such conflict may magnify the impact of the other risks identified in this MD&A, including those relating to commodity price volatility and global financial conditions. The situation is rapidly changing, and unforeseeable impacts may materialize and may have an adverse effect on our business, results of operation, and financial condition.

Network Security Risks

Despite the implementation of network security measures by the Company, its infrastructure is potentially vulnerable to computer intrusions and similar disruptive problems. Concerns over Internet security have been, and will continue to be, a barrier to commercial activities requiring consumers and businesses to send confidential information over the Internet. Computer viruses, intrusions or other security problems could lead to misappropriation of confidential or proprietary information, and cause interruptions, delays or cessation in service to the Company's customers. Any such intrusion could have a negative reputational impact on the Company which could affect its revenues and ability to raise capital. Any such intrusion could also compromise the privacy of the Company's proprietary CXIFX software which is integral to its business. In such a case, the Company may be required to spend significant resources to monitor and protect its intellectual property rights. Litigation brought to protect and enforce those rights could be costly, time-consuming and distracting to management and could result in the impairment or loss of portions of the Company's intellectual property. Any failure to secure, protect and enforce its intellectual property rights could seriously harm the Company and adversely affect its business. Moreover, the security and privacy concerns of existing and potential customers may inhibit the growth of the Internet as a medium for commerce. Any actual or perceived breach of customers' privacy and security could harm the Company's business.

Risk of Downturn in International Travel

International travel is the main driver of a significant part of the Company's business. Uncertainty and negative trends in general economic conditions in the United States, Canada and abroad, including significant tightening of markets and rising costs of living, have the potential to create a difficult environment for companies operating in the travel industry. Many factors, including factors that are beyond the control of the Company, could have a detrimental impact on its performance by causing a significant decrease in international travel. These factors include general economic conditions, unemployment levels, energy costs and interest rates, as well as events such as natural disasters, acts of war, terrorism and catastrophes.

(All amounts are expressed in U.S. Dollars unless otherwise noted)

Outbreak of Infectious Diseases

The Company’s Banknotes product line, which represents a significant portion of commissions revenue, is highly correlated to international travel patterns by consumers. The Company’s business has been and may continue to be adversely affected by the effects of the widespread outbreak of respiratory illnesses (like COVID-19) and other infectious diseases in its primary North American market, as well as by travel restrictions imposed by governments to limit the effects of these on the health of the local and global population, including restrictions on air travel to and from North America. The impacts of the COVID-19 pandemic have largely stabilized, however, it is not possible to reliably estimate the potential impact of this, or future global disruptions or infectious disease, on the financial position and results of future periods.

Credit Risk

Credit risk is the risk of financial loss associated with a 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 and option 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. The Company has longstanding relationships with most of its money service business customers and a strong repayment history.

A breakdown of accounts receivable by category is below:

	October 31, 2023	October 31, 2022
Customer type	$	$
Domestic and international financial institutions	18,339,600	7,823,948
Money-service businesses	2,171,215	5,227,752
Other	614,731	1,221,828
Total	**21,125,546**	**14,273,528**

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

Financial Instruments and Risk Management

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; and
- 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 years ended October 31, 2023 and 2022.

(All amounts are expressed in U.S. Dollars unless otherwise noted)

The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value:

October 31, 2023

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Financial assets				
Cash	92,720,293	-	-	92,720,293
Forward and option contract assets	-	1,066,467	-	1,066,467
Total assets	**92,720,293**	**1,066,467**	**-**	**93,786,760**
Financial liabilities				
Restricted and deferred share units	-	1,328,582	-	1,328,582
Total liabilities	**-**	**1,328,582**	**-**	**1,328,582**

October 31, 2022

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Financial assets				
Cash	88,559,268	-	-	88,559,268
Forward and option contract assets	-	911,443	-	911,443
Total assets	**88,559,268**	**911,443**	**-**	**89,470,711**
Financial liabilities				
Restricted and deferred share units	-	1,174,226	-	1,174,226
Total liabilities	**-**	**1,174,226**	**-**	**1,174,226**

Foreign Currency Risk

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

In order to further 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, on consignment, and in transit on October 31, 2023, was $9,361,900 (October 31, 2022, $5,520,430). The amount of currency that is unhedged and that is not pegged to the U.S. Dollar is $7,833,228 (October 31, 2022, $4,594,080). A 2% increase/reduction in the market price for the aggregate of the Company's unhedged/un-pegged foreign currencies would result in an exchange gain/loss of approximately +$157,000/-$157,000 (October 31, 2022 gain/loss of approximately +$92,000/-$92,000).

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

(All amounts are expressed in U.S. Dollars unless otherwise noted)

Interest Rate Risk

At October 31, 2023, the Company had access to interest-bearing financial instruments in cash and its lines of credit. A significant amount of the Company's cash is held as foreign currency bank notes in tills, on consignment, and in its own vaults. These amounts are not subject to interest rate risk. Cash held in some of the Company's accounts are interest-bearing. The Company is subject to a small amount of cash flow interest rate risk from the borrowings on its lines of credit, however, as borrowings have remained steady and within policy limits, the risk is low. Borrowings bear interest at variable rates. 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 year ended October 31, 2023 would have been approximately +$52,000/-$52,000 higher/lower as a result of credit lines held at variable interest rates.

Liquidity Risk

Liquidity risk is the risk of the Company incurring losses resulting from the inability to meet payment obligations in a timely manner when they become due or from being unable to do so at a sustainable cost. To effectively manage liquidity risk, the Company has implemented preventative risk monitoring measures, including setting a liquidity risk ratio target of 120% or greater, which measures the proportion of unencumbered highly liquid assets to short-term net cash outflows, and setting a minimum liquidity balance requirement of total available cash or undrawn lines of credit to be greater than $5,000,000 notional daily. As required, the Treasurer and CFO report any liquidity issues to the Chief Executive Officer (CEO), Chief Risk Officer (CRO), and the audit committee in accordance with established policies and guidelines. Management has assessed the Company's cash position at October 31, 2023 and determined that it is sufficient to meet its financial obligations.

The following are non-derivative contractual financial liabilities:

October 31, 2023

Non-derivative financial liabilities	Carrying amount	Estimated contractual amount	This fiscal year	Future fiscal years
	$	$	$	$
Accounts payable	21,021,910	21,021,910	21,021,910	Nil
Holding accounts	5,909,235	5,909,235	5,909,235	Nil
Lines of credit	14,679,991	14,679,991	14,679,991	Nil

October 31, 2022

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

(All amounts are expressed in U.S. Dollars unless otherwise noted)

Capital Management

The Company manages capital through its financial and operational forecasting processes. The Company defines working capital as total current assets less total 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.

	October 31, 2023	October 31, 2022
	$	$
Current assets	120,243,608	112,438,659
Current liabilities	(50,097,175)	(52,059,780)
Working capital	**70,146,433**	**60,378,879**

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

Currency Exchange International, Corp.

Consolidated Financial Statements

For the years ended on October 31, 2023 and 2022
(Expressed in U.S. Dollars)

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Grant Thornton

Independent auditor's report

Grant Thornton LLP
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To the shareholders of

Currency Exchange International, Corp.

Opinion

We have audited the consolidated financial statements of Currency Exchange International, Corp. and its subsidiaries ("the Group"), which comprise the consolidated statements of financial position as at October 31, 2023, and October 31, 2022 and the consolidated statements of income and comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at October 31, 2023 and October 31, 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Assessment of the recoverable amount of cash generating units ("CGU") to which goodwill has been allocated

Refer to Notes 2, 3 and 8 of the consolidated financial statements.

IAS 36 – *Impairment of Assets* ("IAS 36") requires indefinite life intangible assets to be tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. The Group has recorded goodwill of $2.172 million as at October 31, 2023.

The recoverable amount of a CGU (or group of CGUs), which is a significant estimate, is the higher of its value in use and its fair value less costs of disposal. In determining the recoverable amount of the CGU (or group of CGUs) on a value in use basis, the Group uses significant assumptions including projected future revenues, income, terminal growth rate and discount rate.

Given the significance of management's judgements and estimates in determining the value in use of each CGU, we have identified the assessment of the recoverable amount of CGU's to which goodwill has been allocated as a key audit matter.

Our audit procedures included, amongst other procedures:

- We evaluated the reasonableness of management's cash flow projections used to establish the recoverable amount of the CGUs by comparing them to the Group's historical cash flows
- We compared management's historical forecasts of cash flow projections with actual results to assess management's ability to accurately predict cash flows
- We involved valuation professionals with specialized skills and knowledge, who assisted in evaluating the reasonableness of the terminal growth rates and discount rates used by management. This included an assessment of the reasonableness of the required inputs into the two rates
- We assessed how management addressed estimation uncertainty by obtaining support for management's sensitivity analysis of their calculations of each CGU's value in use, future cash flows and terminal growth and discount rates.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards ("IFRSs"), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because of the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Grant Cuylle.

Grant Thornton LLP

Toronto, Canada
January 24, 2024

Chartered Professional Accountants
Licensed Public Accountants

Consolidated Statements of Financial Position

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

	October 31, 2023	October 31, 2022
ASSETS		
Current assets	$	$
Cash (Note 5)	92,720,293	88,559,268
Restricted cash held in escrow (Note 6)	3,480,485	3,803,129
Accounts receivable (Note 14)	21,125,546	14,273,528
Forward and option contract assets (Note 15)	1,066,467	911,443
Other current assets (Note 20)	1,850,817	4,891,291
Total current assets	**120,243,608**	**112,438,659**
Property and equipment (Note 7)	1,033,948	711,447
Right-of-use assets (Note 9)	2,558,715	4,095,509
Intangible assets (Note 8)	3,668,740	4,282,626
Goodwill (Note 8)	2,172,180	2,187,445
Deferred tax asset, net (Note 10)	2,266,114	1,692,004
Other assets	106,139	121,142
Total assets	**132,049,444**	**125,528,832**
LIABILITIES AND EQUITY		
Current liabilities		
Lines of credit (Note 12)	14,679,991	5,929,847
Accounts payable	21,021,910	27,839,239
Accrued expenses	5,624,280	4,933,897
Holding accounts	5,909,235	9,137,046
Deferred revenues	648,818	507,887
Income taxes payable	635,183	2,166,087
Lease liabilities (Note 9)	1,577,758	1,545,777
Total current liabilities	**50,097,175**	**52,059,780**
Long term liabilities		
Lease liabilities (Note 9)	1,388,961	2,985,282
Other long term liabilities	1,330,327	1,178,261
Total long term liabilities	**2,719,288**	**4,163,543**
Total liabilities	**52,816,463**	**56,223,323**
Equity		
Share capital (Note 16)	6,443,397	6,429,489
Equity reserves	30,080,623	30,360,566
Retained earnings	42,708,961	32,515,454
Total equity	**79,232,981**	**69,305,509**
Total liabilities and equity	**132,049,444**	**125,528,832**

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

Consolidated Statements of Income and Comprehensive Income

For the years ended October 31, 2023 and 2022
(Expressed in U.S. Dollars)

	Year ended October 31, 2023	Year ended October 31, 2022
Revenues	$	$
Commissions revenue	77,043,358	62,698,853
Fee revenue	4,911,411	4,799,820
Total revenues (Note 4)	**81,954,769**	**67,498,673**
Operating expenses (Note 18)	63,220,520	48,777,200
Net operating income	**18,734,249**	**18,721,473**
Other income (loss)		
Interest revenue	435,903	111,684
Loss on sale of assets	(30,527)	-
Other income (expense), net	58,465	(1,814)
Total other income	**463,841**	**109,870**
Earnings before interest, taxes, depreciation and amortization	**19,198,090**	**18,831,343**
Interest expense (Note 12)	1,088,161	1,180,026
Interest on lease liabilities (Note 9)	179,904	165,804
Depreciation and amortization	1,509,674	1,456,649
Depreciation of right-of-use assets (Note 9)	1,895,566	1,816,307
Income before income taxes	**14,524,785**	**14,212,557**
Income tax expense (Note 10)	4,331,278	2,429,433
Net income for the period	**10,193,507**	**11,783,124**
Other comprehensive income, after tax		
Net income for the period	10,193,507	11,783,124
Items that may subsequently be reclassified to profit or loss		
Exchange differences on translating foreign operations	(340,045)	(962,986)
Total comprehensive income	**9,853,462**	**10,820,138**
Earnings per share (Note 17)		
- Basic	1.59	1.83
- Diluted	1.52	1.78
Weighted average number of common shares outstanding (Note 17)		
- Basic	6,424,751	6,429,489
- Diluted	6,696,942	6,635,412

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

Consolidated Statements of Changes in Equity

For the years ended October 31, 2023 and 2022
(Expressed in U.S Dollars)

	Share Capital		Equity Reserves				Retained Earnings	Total Equity
	Shares	Amount	Share premium	Accumulated Other Comprehensive Loss	Stock Options		Amount	Amount
	#	$	$	$	#	$	$	$
Balance at November 1, 2022	**6,429,489**	**6,429,489**	**32,698,075**	**(6,244,766)**	**820,762**	**3,907,257**	**32,515,454**	**69,305,509**
Stock-based compensation (Note 16)	-	-	-	-	91,456	97,436	-	97,436
Issue of share capital and share premium on exercise of stock options (Note 16)	13,908	13,908	129,554	-	(54,734)	(166,888)	-	(23,426)
Loss on foreign currency translation	-	-	-	(340,045)	-	-	-	(340,045)
Net income	-	-	-	-	-	-	10,193,507	10,193,507
Balance, October 31, 2023	**6,443,397**	**6,443,397**	**32,827,629**	**(6,584,811)**	**857,484**	**3,837,805**	**42,708,961**	**79,232,981**
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 16)	-	-	-	-	40,075	401,676	-	401,676
Issue of share capital and share premium on exercise of stock options (Note 16)	14,553	14,553	109,458	-	(32,990)	(56,115)	-	67,896
Loss on foreign currency translation	-	-	-	(962,986)	-	-	-	(962,986)
Net income	-	-	-	-	-	-	11,783,124	11,783,124
Balance, October 31, 2022	**6,429,489**	**6,429,489**	**32,698,075**	**(6,244,766)**	**820,762**	**3,907,257**	**32,515,454**	**69,305,509**

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

Consolidated Statements of Cash Flows

For the years ended October 31, 2023 and 2022
(Expressed in U.S. Dollars)

	October 31, 2023	October 31, 2022
Cash flows from operating activities	**$**	**$**
Net income	**10,193,507**	**11,783,124**
Adjustments to reconcile net income to net cash flows from operating activities		
Depreciation and amortization	1,509,674	1,456,649
Depreciation of right-of-use assets	1,895,566	1,816,307
Stock-based compensation	1,017,823	1,093,647
Revaluation of contingent consideration	-	32,635
(Gain) loss on disposal of assets	(30,527)	11,180
Increase (decrease) in cash due to change in:		
Accounts receivable	(6,916,030)	1,541,946
Restricted cash held in escrow	262,364	(2,382,843)
Change in forward and option contract positions	(175,830)	(481,019)
Income taxes receivable	(229)	931,541
Other assets	3,050,288	(304,186)
Net deferred tax assets	(599,021)	(1,509,800)
Deferred revenues	143,629	234,097
Accounts payable, accrued expenses, holding accounts and other liabilities	(10,716,789)	11,295,242
Net cash (outflows) inflows from operating activities	**(365,575)**	**25,518,520**
Cash flows from investing activities		
Purchase of property and equipment	(761,214)	(563,619)
Purchase of intangible assets	(528,809)	(354,373)
Contingent consideration payments related to acquisition	-	(373,023)
Proceeds from the sale of long-term assets	10,000	-
Net cash outflows from investing activities	**(1,280,023)**	**(1,291,015)**
Cash flows from financing activities		
(Payments) proceeds related to stock-based compensation, net (Note 16)	(766,032)	80,999
Repayment of leasing liabilities	(2,093,022)	(2,077,990)
Interest on leasing liabilities	179,856	166,183
Net borrowing on lines of credit (Note 12)	8,852,591	2,044,955
Net cash inflows from financing activities	**6,173,393**	**214,147**
Net change in cash	**4,527,795**	**24,441,652**
Cash, beginning of period	88,559,268	66,527,690
Exchange difference on foreign operations	(366,770)	(2,410,074)
Cash, end of period	**92,720,293**	**88,559,268**
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period for income taxes	3,417,935	1,218,406
Cash paid during the period for interest	920,787	1,345,830
Cash received during the period for interest	435,903	111,684

The accompanying notes are an integral part of these 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 main vaults as well as 38 branch locations and 409 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 consolidated financial statements is the U.S. Dollar. The accounting policies set out in Note 2 of the consolidated financial statements have been applied consistently to all periods presented in these consolidated financial statements. These 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, and share-based payment plans. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Statement of Compliance

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

These consolidated financial statements were authorized for issue and approved by the board of directors on January 24, 2024.

Comparative Figures

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

2. Summary of Significant Accounting Policies

Recently Adopted Accounting Standards and Future Accounting Pronouncements

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

- Amendments to References to Conceptual Framework in IFRS Standards;
- Definition of a Business (Amendments to IFRS 3); and
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)

Future Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC. Many are not applicable or do not have a significant impact to the Bank 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 Bank's financial statements:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1);
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28);
- Lease Liability in a Sale and Leaseback (Amendment to IFRS 16);
- Non-current Liabilities with Covenants (Amendments to IAS 1);
- Deferred Tax Related to Assets and Liabilities from a Single Transaction;
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- IFRS 17 Insurance Contracts.

Principles of Consolidation

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

Cash

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

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

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

Accounts Receivable

Trade accounts receivable are stated net of an allowance for doubtful accounts. Accounts receivable balances consist primarily of bulk currency trades with a settlement cycle of 24 to 48 hours. The amount of accounts receivable varies widely from period to period due to the volume of activity and timing differences. The Company applies a simplified approach in accounting for the allowance for doubtful accounts based on lifetime expected credit losses in accordance with IFRS 9, *Financial Instruments* (IFRS 9). These consider the potential for default during the life of the financial instrument and are the expected shortfalls in contractual cash flows. To estimate the expected shortfall, the Company considers specific customers, historical information, external indicators, and forward-looking information. There is minimal counter-party risk as the majority of the Company's receivables reside with banks, money service business customers, and other financial institutions. The Company has longstanding relationships with most of its customers and has a strong repayment history. The Company does not accrue interest on past due receivables. Management determined that the allowance for doubtful accounts was $400,000 as of October 31, 2023 (October 31, 2022, $Nil).

Revenue Recognition

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

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

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

Foreign Currency Translation

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

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

Foreign Currency Forward and Option Contracts

The Company enters into foreign currency forward and option contracts with non-client counterparties, to mitigate the risk of fluctuations in exchange rates of its exposure to certain major currencies related to its Banknotes product line. Forward contracts are entered into daily, with maturities up to 30 days. Option contracts are entered into selectively once per quarter, with a maturity up to 90 days.

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

These non-client counterparty foreign currency forward and option contracts, as referred to above, are recognized at fair value and changes in fair value are included in operating expenses in the consolidated statements of income and comprehensive income and are recorded as either contract assets or contract liabilities at the end of the reporting period.

Property and Equipment

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

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

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

Goodwill and Intangible Assets

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

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

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

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

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

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

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

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

Business Combinations

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

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

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

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

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

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

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

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

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

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows, referred to as CGU's. As a result, some assets are tested individually for impairment, and some are tested at the CGU level. Except for goodwill arising from business acquisitions, IAS 36, *Impairment of Assets* (IAS 36) requires that an entity performs an assessment for impairment of assets if, at the end of the year, there is an objective indication of impairment for the individual assets or the identified CGU. Goodwill is allocated to those CGUs that are expected to benefit from synergies of a related business combination and represent the lowest level within the Company at which management monitors goodwill. CGUs to which goodwill has been allocated are tested for impairment at least annually. All other individual assets or CGUs are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

Provisions

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

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

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

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

Holding Accounts

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

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

Share-Based Payments

The Company's Deferred Share Unit (DSU) Plan and Restricted Stock Unit (RSU) Plan (collectively the Plans) allow certain employees and directors to receive restricted and deferred share units (Units) of the Company. The Units are cash-settled only and are, therefore, classified as a financial liability. The Units are measured at the fair value of the Company's equity instruments at the grant date as a financial liability in the consolidated statements of financial position. The fair value determined at the grant date of the cash-settled, share-based payments is expensed on a straight-line basis over the period during which the employees and directors become unconditionally entitled to the instrument. At the end of each reporting period, the Company revises its estimate of the Unit's liability based on the fair value of the Company's equity instruments. The impact of the revision of the original estimates, if any, is recognized in profit or loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the liability.

Financial Instruments

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

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

Classification and Measurement of Financial Assets

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

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

Classification and Measurement of Financial Liabilities

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

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

• Cash	Fair value through profit or loss
• Accounts receivable	Amortized cost
• Restricted cash held in escrow	Amortized cost
• Forward and option contract assets	Fair value through profit or loss
• Accounts payable	Amortized cost
• Holding accounts	Amortized cost
• Lines of credit	Amortized cost

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

Financial Instruments Recorded at Fair Value

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

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

Derivative Financial Instruments and Hedge Accounting

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

Impairment of Financial Assets

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

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

Leases

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

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

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

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

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

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

The remeasurement of the lease liability beyond the COVID-19 practical expedient that was permitted by the IASB in 2021, is dealt with by a reduction in the carrying amount of the right-of-use asset to reflect the full or partial termination of the lease for lease modifications that reduce the scope of the lease. Any gain or loss relating to the partial or full termination of the lease is recognized in profit or loss. The right-of-use asset is adjusted for all other lease modifications.

Accounts Receivable

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

Earnings per Share

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

Income Taxes

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

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

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

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

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

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

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

The judgments, estimates, and assumptions applied in the consolidated financial statements, including the key sources of estimation uncertainty, have been updated based on information at October 31, 2023 and with particular respect to the analysis of potential impairment of the Company's assets, including goodwill, and its ability to continue as a going concern.

Significant Management Judgment

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

Carrying Value of Internally Developed Software

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

Income Taxes and Recoverability of Potential Deferred Tax Assets

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

Impairment of Financial Assets

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

Impairment of Non-financial Assets

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

Goodwill is tested for impairment at least annually, in the fourth quarter, and at other times when such indicators exist.

Estimation Uncertainty

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

Share-Based Payments

Management determines the overall expense for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. The determination of the most appropriate valuation model is dependent on the terms and conditions of the grant. Assumptions are made and judgments are used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates, future employee stock option exercise behaviors, and corporate performance. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 16. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

(Expressed in U.S. Dollars)

Depreciation and Amortization Expenses

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

Fair Value Measurement

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

Contingencies

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

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

4. Segments

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

Revenues by Geography

	United States	Canada	Total
Year ended October 31, 2023	**64,531,245**	**17,423,524**	**81,954,769**
Year ended October 31, 2022	50,184,406	17,314,267	67,498,673

Revenues by Product Line

	Banknotes	Payments	Total
Year ended October 31, 2023	**67,624,421**	**14,330,348**	**81,954,769**
Year ended October 31, 2022	55,022,093	12,476,580	67,498,673

(Expressed in U.S. Dollars)

	October 31, 2023			October 31, 2022		
	United States	Canada	Total	United States	Canada	Total
Assets	$	$	$	$	$	$
Cash	58,238,107	34,482,186	92,720,293	58,269,740	30,289,528	88,559,268
Restricted cash held in escrow	-	3,480,485	3,480,485	135,515	3,667,614	3,803,129
Accounts receivable	16,927,524	4,198,022	21,125,546	9,023,859	5,249,669	14,273,528
Forward and option contract assets	160,654	905,813	1,066,467	443,102	468,341	911,443
Other current assets	1,491,564	359,253	1,850,817	4,414,263	477,028	4,891,291
Property and equipment	938,501	95,447	1,033,948	553,559	157,888	711,447
Right-of-use assets	2,144,912	413,803	2,558,715	2,511,838	1,583,671	4,095,509
Intangible assets	2,109,849	1,558,891	3,668,740	2,366,446	1,916,180	4,282,626
Goodwill	1,309,701	862,479	2,172,180	1,309,700	877,745	2,187,445
Deferred tax asset, net	858,709	1,407,405	2,266,114	259,796	1,432,208	1,692,004
Other assets	106,139	-	106,139	121,142	-	121,142
Total assets	**84,285,660**	**47,763,784**	**132,049,444**	**79,408,960**	**46,119,872**	**125,528,832**

5. Cash

Included within cash of $92,720,293 at October 31, 2023 (October 31, 2022 - $88,559,268) are the following cash balances:

	October 31, 2023	October 31, 2022
	$	$
Cash held in transit, vaults, tills and consignment locations	65,714,489	61,436,163
Cash deposited in bank accounts in jurisdictions in which the Company operates	27,005,804	27,123,105
Total	**92,720,293**	**88,559,268**

6. Restricted Cash Held in Escrow

Certain of the Company's secured transactions and derivative contracts require the Company to post cash collateral or maintain minimum cash balances in escrow. The foreign currency forward contracts can be closed immediately resulting in the collateral being liquidated. The Company has also been required to post the collateral associated with its credit facility with Desjardins Group (see Note 12). At October 31, 2023, the Company had cash collateral balances of $3,480,485 (October 31, 2022 - $3,803,129), represented by $3,119,888 (October 31, 2022 - $2,335,298) being held as collateral on forward contracts and $360,597 (October 31, 2022 - $1,467,831) being held as collateral for the Desjardins credit facility. These balances are reflected as restricted cash held in escrow in the consolidated statements of financial position.

(Expressed in U.S. Dollars)

7. Property and Equipment

Property and equipment for the period consist of the following:

	Vehicles	Computer equipment	Furniture and equipment	Leasehold improvements	Total
Cost	$	$	$	$	$
Balance, October 31, 2021	48,251	792,679	1,139,094	2,729,783	4,709,807
Additions	-	29,190	72,613	461,816	563,619
Items moved to intangible assets (reclasses)	-	(229,722)	-	-	(229,722)
Net exchange differences	-	(14,460)	(36,602)	(68,892)	(119,954)
Balance, October 31, 2022	48,251	577,687	1,175,105	3,122,707	4,923,750
Additions	50,036	147,742	256,058	307,378	761,214
Disposals	(31,646)	(281,035)	(142,948)	(412,553)	(868,182)
Net exchange differences	-	(3,692)	(7,231)	(12,078)	(23,001)
Balance, October 31, 2023	**66,641**	**440,702**	**1,280,984**	**3,005,454**	**4,793,781**

	Vehicles	Computer equipment	Furniture and equipment	Leasehold improvements	Total
Depreciation	$	$	$	$	$
Balance, October 31, 2021	48,251	703,413	1,047,323	2,396,091	4,195,078
Items moved to intangible assets (reclasses)	-	(175,912)	-	-	(175,912)
Additions	-	19,911	18,988	154,238	193,137
Net exchange differences	-	-	-	-	-
Balance, October 31, 2022	48,251	547,412	1,066,311	2,550,329	4,212,303
Additions	15,289	38,320	58,150	325,939	437,698
Disposals	(31,646)	(281,035)	(142,948)	(412,553)	(868,182)
Net exchange differences	-	(2,760)	(6,352)	(12,874)	(21,986)
Balance, October 31, 2023	**31,894**	**301,937**	**975,161**	**2,450,841**	**3,759,833**

	Vehicles	Computer equipment	Furniture and equipment	Leasehold improvements	Total
Carrying amounts	$	$	$	$	$
Balance, October 31, 2022	**-**	**30,275**	**108,794**	**572,378**	**711,447**
Balance, October 31, 2023	**34,747**	**138,765**	**305,823**	**554,613**	**1,033,948**

(Expressed in U.S. Dollars)

8. Goodwill and Intangible Assets

Intangible assets comprise the Company's internally developed software (CXIFX) and its related modules, as well as software and customer trading relationships acquired through various business combinations.

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

	Internally developed software	Acquired software	Customer trading relationships	Trade name, non-compete & unpatented tech cost	Goodwill	Total
Cost	$	$	$	$	$	$
Balance, October 31, 2021	3,442,612	574,596	7,597,031	1,046,292	2,275,463	14,935,994
Additions	327,357	-	-	-	-	327,357
Items moved from property and equipment	-	229,722	-	-	-	229,722
Net exchange differences	(2,221)	-	(218,618)	(34,295)	(88,018)	(343,152)
Balance, October 31, 2022	3,767,748	804,318	7,378,413	1,011,997	2,187,445	15,149,921
Additions	523,772	5,038	-	-	-	528,810
Disposals	(254,180)	-	-	-	-	(254,180)
Net exchange differences	8,850	(6,900)	(259,555)	(5,948)	(15,265)	(278,818)
Balance, October 31, 2023	**4,046,190**	**802,456**	**7,118,858**	**1,006,049**	**2,172,180**	**15,145,733**

	Internally developed software	Acquired software	Customer trading relationships	Trade name, non-compete & unpatented tech cost	Goodwill	Total
Amortization	$	$	$	$	$	$
Balance, October 31, 2021	2,449,101	571,838	3,876,761	519,531	-	7,417,231
Items moved from property and equipment	-	175,912	-	-	-	175,912
Amortization	654,117	1,810	426,685	180,900	-	1,263,512
Net exchange differences	(293,831)	(891)	216,816	(98,899)	-	(176,805)
Balance, October 31, 2022	2,809,387	748,669	4,520,262	601,532	-	8,679,850
Amortization	415,532	6,509	456,308	193,627	-	1,071,976
Disposals	(207,580)	-	-	-	-	(207,580)
Net exchange differences	(35,214)	36,813	(236,256)	(4,776)	-	(239,433)
Balance, October 31, 2023	**2,982,125**	**791,991**	**4,740,314**	**790,383**	**-**	**9,304,813**

	Internally developed software	Acquired software	Customer trading relationships	Trade name, non-compete & unpatented tech cost	Goodwill	Total
Carrying amounts	$	$	$	$	$	$
Balance, October 31, 2022	**958,361**	**55,649**	**2,858,151**	**410,465**	**2,187,445**	**6,470,071**
Balance, October 31, 2023	**1,064,065**	**10,465**	**2,378,544**	**215,666**	**2,172,180**	**5,840,920**

(Expressed in U.S. Dollars)

Impairment Testing

The Company performs an annual impairment test by comparing the carrying amount of each CGU to its recoverable amount. The recoverable amount of each CGU is determined based on the estimated value-in-use. Except for goodwill arising from business acquisitions, IAS 36 requires that an entity performs an assessment of impairment for its assets if, at the end of the year, there is an objective indication of impairment for the individual assets or the identified CGU. There were no indicators of impairment at October 31, 2023 or at October 31, 2022. Goodwill arising in a business acquisition cannot be tested individually for impairment and shall be allocated to the CGU expected to benefit from the synergies of the business combinations in which the goodwill arises, and is assessed for impairment annually, or more frequently if there are objective indications of impairment.

In determining the CGUs to which assets will be allocated to for the purpose of the impairment review, management has reviewed the sources of revenues and the usage of its assets in generating those revenues including product lines, regions, and individual locations. Additionally, management reviews how the Company makes decisions about continuing or disposing its assets and operations.

Based on this analysis as at October 31, 2023, management has determined that, for the purposes of the allocation of goodwill and the annual impairment assessment, there are two separately identifiable CGUs, being Denarius and CXI Banknotes (including eZforex).

Below are the carrying amounts and recoverable amounts of goodwill allocated to the respective CGUs:

	October 31, 2023	October 31, 2022
Carrying amount of goodwill allocated to cash generating units	$	$
Denarius	862,479	877,744
eZforex (allocated to CXI Banknotes)	1,309,701	1,309,701
Total	**2,172,180**	**2,187,445**

	October 31, 2023	October 31, 2022
Recoverable amount of each cash generating unit	$	$
Denarius	2,996,082	3,027,584
CXI Banknotes	34,684,734	30,621,056

The recoverable amount of each CGU is represented by its estimated value-in-use. In assessing the value-in-use, estimated future cash flows based on the Company's internal forecast are discounted using an appropriate pre-tax discount rate.

The following were the key assumptions applied in the goodwill impairment testing:

Discount Rates

The discount rates are pre-tax rates and reflect appropriate adjustments relating to current market assessments of the risks specific to each CGU.

Terminal Growth Rates

The earnings included in the goodwill impairment testing were based on the Company's internal forecast, which projects expected cash flows over the next three years. Beyond the initial cash flow projection period, cash flows were assumed to increase at a steady rate using a nominal long-term growth rate (terminal growth rate). Terminal growth rates reflect management's best estimate of the expected long-term growth rates for the product mix and industry of the CGUs. The growth rates are in-line with general standards and are conservative in nature when compared to historical growth rates due to potential uncertainty.

(Expressed in U.S. Dollars)

The Company's expected cash flows have been developed based on the expected margins of each CGU, which have been determined based on a combination of past experience in the markets in which the Company operates, as well as historical information and the expected growth in the forecast period. The Company's management believes that this is the best available input for forecasting these markets.

Other than the considerations described in determining the recoverable amount of the CGUs described above, there are no other key assumptions.

In considering the sensitivity of the key assumptions used, management determined that a reasonable change in any of the above would not result in the recoverable amounts of CGUs to be less than their carrying amount.

	October 31, 2023	October 31, 2022
Terminal growth rate		
Denarius	2%	2%
CXI Banknotes	2%	2%
Discount rate		
Denarius	22%	20%
CXI Banknotes	22%	20%

9. Right-of-use Assets and Lease Liabilities

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

	October 31, 2023	October 31, 2022
	$	$
Current lease liabilities	1,577,758	1,545,777
Non-current lease liabilities	1,388,961	2,985,282
Total	**2,966,719**	**4,531,059**

The Company has leases for corporate offices as well as its retail store locations. With the exception of short-term leases and leases of low-value underlying assets, each lease, meeting the definition under IFRS 16, is reflected on the 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. During the year certain leases for corporate offices were modified based on their amended lease agreements, with any gains or losses being recognized in profit or loss. The Company classifies its right-of-use assets in a consistent manner to its property and equipment (see Note 7).

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be canceled by incurring a substantial termination fee. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over corporate offices and retail store locations, the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

(Expressed in U.S. Dollars)

The table below describes the nature of the Company's leasing activities by the type of right-of-use asset recognized on the consolidated statements of financial position:

Right-of-use asset	No of right-of-use assets leased	Range of remaining term	Average remaining lease term	No of leases with extension options	No of leases with options to purchase	No of leases with variable payments linked to an index	No of leases with termination options
Equipment	1	0 years	1	1	-	-	-
Corporate offices	9	0-5 years	1	5	-	-	-
Retail store locations	23	0-4 years	2	1	-	-	-
Total	**33**	**0-5 years**	**1**	**7**	**-**	**-**	**-**

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

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	After 5 years	Total
Lease payments	1,677,768	673,201	394,239	223,669	169,749	23,733	**3,162,359**
Finance charges	100,010	48,900	27,721	14,365	4,591	53	**195,640**
Net present values	**1,577,758**	**624,301**	**366,518**	**209,304**	**165,158**	**23,680**	**2,966,719**

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:

	Year ended October 31, 2023	Year ended October 31, 2022
	$	$
Leases with substantial substitution rights	584,540	509,510
Short-term leases	115,826	116,575
Variable lease payments	790,544	437,815
Total	**1,490,910**	**1,063,900**

At October 31, 2023, the Company was committed to short-term leases and the total commitment at that date was $103,126 (October 31, 2022, $90,574).

The total cash outflow for leases for the year ended October 31, 2023, was $2,093,022 (October 31, 2022, $2,077,990). For the year ended October 31, 2023, the Company incurred interest expense on lease liabilities in the amount of $179,904 (October 31, 2022, $165,804) and recognized as interest expense on lease liabilities in the consolidated statements of income and comprehensive income.

(Expressed in U.S. Dollars)

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

Year ended October 31, 2023

	Carrying amount	Depreciation expense	Impairment
	$	$	$
Equipment	282	1,395	-
Corporate offices	777,085	623,586	-
Retail store locations	1,781,348	1,270,585	-
Total right-of-use assets	**2,558,715**	**1,895,566**	**-**

Year ended October 31, 2022

	Carrying amount	Depreciation expense	Impairment
	$	$	$
Equipment	1,666	1,520	-
Corporate offices	1,903,186	590,492	-
Retail store locations	2,190,657	1,224,295	-
Total right-of-use assets	**4,095,509**	**1,816,307**	**-**

10. Income Taxes

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities as of October 31, 2023 and 2022 consist of the following:

	Year ended October 31, 2023	Year ended October 31, 2022
Deferred tax assets	$	$
Accrued expenses	539,393	364,822
Stock-based compensation	539,361	310,806
Other	111,712	4,826
Net property and equipment	277,367	246,324
Software costs	383,720	-
Net intangible assets	298,448	235,972
Non-capital loss benefits	891,640	1,001,149
Right-of-use assets, net	38,953	114,548
Total deferred tax assets	**3,080,594**	2,278,447
Deferred tax liabilities		
Net property and equipment	(213,014)	(138,051)
Net intangible assets	(265,901)	(198,259)
Other	(335,565)	(250,133)
Total deferred tax liabilities	**(814,480)**	(586,443)
Net deferred tax asset	**2,266,114**	**1,692,004**

(Expressed in U.S. Dollars)

Reconciliation of the provision for income taxes to the amount calculated using the Company's statutory tax rate for the years ended October 31, 2023 and 2022 are as follows:

	Year ended October 31, 2023	Year ended October 31, 2022
	$	$
Income before taxes	14,524,785	14,212,557
Statutory tax rate	25.91%	25.46%
Tax expense at statutory rate	3,763,893	3,618,081
Permanent items	(112,802)	323,516
Research and development (R&D) credit	(69,936)	(12,500)
Other non-deductible differences	155,582	163,190
Non-capital loss (benefit) & timing differences recognized	594,541	(1,662,854)
Income tax expense	**4,331,278**	**2,429,433**

The statutory rate is a weighted average that is based on the enacted Federal tax rates in 2023 for both the United States of 21% (2022, 21%) and Canada of 15% (2022, 15%) plus the rates for the states and provinces where the Company operates, based on the proportional allocation of taxable income as defined by each jurisdiction.

In the year ended October 31, 2023, the Company incurred an income tax expense of $4,331,278, which was at the statutory tax rate and adjusted for permanent items, R&D credits and other non-deductible differences. In the year ended October 31, 2022, the Company recognized a benefit related to non-capital (operating) losses incurred in prior years by its Canadian subsidiary, EBC, of $1,662,854, of which $453,286 was used to reduce its current income tax liability in Canada for the year ended October 31, 2022 to $Nil and $1,209,568 is available to apply against income tax liabilities in future periods. The Company has a rigorous budgeting process and has forecasted future taxable profits in the Bank over the next five years which are sufficient to utilize the non-capital loss benefits recorded within the net deferred tax asset. The expected profitability is a result of organic growth as well as targeted initiatives to increase both Payments and Banknotes revenues. The non-capital losses of the Bank may be carried forward for up to twenty years and the non-capital losses will completely expire in the year ending October 31, 2044.

The provision for income taxes for the years ended October 31, 2023 and 2022 consists of the following:

	Year ended October 31, 2023	Year ended October 31, 2022
	$	$
Current tax expense	4,930,189	3,922,152
Deferred tax benefit	(598,911)	(1,492,719)
Income tax expense	**4,331,278**	**2,429,433**

11. Seasonality of Operations

While seasonality is generally not a consideration for the Payments product line, seasonality of Banknotes product line 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.

12. 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 provide an accordion feature for up to an additional $10,000,000 with the lender's approval. The Amended and Restated Credit Agreement provides a term of two years (maturity date on June 15, 2024). The Amended and Restated Credit Agreement was updated on July 18, 2022, in the form of a Second Amended and Restated Credit Agreement, to reflect the exercised accordion feature, which increased the line of credit to $40,000,000, and a reduced margin spread in the borrowing rate by 25 bps. The form of Second Amended and Restated Credit Agreement was further amended on July 12, 2023, to provide a seasonal increase in the borrowing capacity by $10,000,000 to $50,000,000, effective through August 31, 2023, and to extend the maturity on the facility to June 15, 2025. The credit line is secured against the Company's cash and other assets. The form of Second Amended and Restated Credit Agreement, as further amended on July 12, 2023, bears interest at the one month Secured Overnight Financing Rate (SOFR) plus 2.25% (5.31% at October 31, 2023 and 4.12% at October 31, 2022). At October 31, 2023, the balance outstanding was $11,074,308 (October 31, 2022, $5,929,847).

On October 19, 2020, the Company's wholly owned Canadian subsidiary, EBC, established a fully collateralized revolving line of credit with Desjardins Group (Desjardins) with a limit of CAD 2,000,000 ($1,442,273), payable on demand, and being secured against cash collateral of CAD 2,000,000 ($1,442,273). On April 25, 2023, EBC amended this facility reducing the revolving line of credit to CAD 500,000 ($360,568), payable on demand, and being secured against cash collateral of CAD 500,041 ($360,598). The line of credit bears interest at the Canadian Prime Rate and plus 0.25% (7.20% at October 31, 2023 and 5.95% at October 31, 2022). At October 31, 2023, the balance outstanding was $Nil (October 31, 2022, $Nil)

On April 7, 2021, EBC entered into a $20,000,000 USD Revolving Credit Facility (RCF) with a private lender. On July 18, 2022, EBC amended this facility through an Amended and Restated Revolving Loan Agreement, whereby $10,000,000 of this facility was moved from EBC to CXI. On January 19, 2023, the Company entered into a Moratorium Agreement (CXI facility) where the Company will not utilize the $10,000,000 without prior written consent from the lender. Additionally, the Company will not incur any standby charges or fees during the period of the Moratorium. Pursuant to the January 19, 2023 amended agreement, the interest rate on the $10,000,000 facility granted to EBC increased from 6% to a floating rate with a floor of 8%, with a standby charge of $1,500 USD per month if the total interest in the month is less than $20,000 USD. The entire $20,000,000 facility is guaranteed by the Company and is subordinated to the Company's and EBC's obligations to primary lenders. These facilities are used for working capital purposes and for daily operational activity and have a term of three years (maturity date January 19 ,2026); however, these facilities may be terminated on 90-days' notice by either party. The total outstanding balance for the Company at October 31, 2023, was $3,605,683 (October 31, 2022, $Nil).

Interest expense primarily relates to interest payments on lines of credit. Interest expense for the year ended October 31, 2023 was $1,088,161 (October 31, 2022, $1,180,026).

13. Fair Value Measurement of Financial Instruments

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

There were no transfers between Level 1 and Level 2 during the year ended October 31, 2023. The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value.

(Expressed in U.S. Dollars)

October 31, 2023	Level 1	Level 2	Level 3	Total
	$	$	$	$
Financial assets				
Cash	92,720,293	-	-	92,720,293
Forward and option contract assets	-	1,066,467	-	1,066,467
Total assets	**92,720,293**	**1,066,467**	**-**	**93,786,760**
Financial liabilities				
Restricted and deferred share units	-	1,328,582	-	1,328,582
Total liabilities	**-**	**1,328,582**	**-**	**1,328,582**

October 31, 2022	Level 1	Level 2	Level 3	Total
	$	$	$	$
Financial assets				
Cash	88,559,268	-	-	88,559,268
Forward and option contract assets	-	911,443	-	911,443
Total assets	**88,559,268**	**911,443**	**-**	**89,470,711**
Financial liabilities				
Restricted and deferred share units	-	1,174,226	-	1,174,226
Total liabilities	**-**	**1,174,226**	**-**	**1,174,226**

Cash (Level 1)

The Company's cash balances consisting of local and foreign currency notes held in tills, vaults, bank accounts, and in transit are based upon foreign exchange rates quoted in active markets as of October 31, 2023 and 2022.

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

Other long-term liabilities include the Company's liability for restricted and deferred share unit awards which are valued using a volume-weighted average price for the five days that precede the date of grant. The cost of the awards is recorded on a straight-line basis over the vesting period. At each reporting date, the vested portion of the awards are remeasured at the current fair value using the same approach as at initial recognition (see Note 16).

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

Due to their short-term nature, the carrying value of the following financial instruments approximates their fair value at the dates of the consolidated statements of financial position:

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

(Expressed in U.S. Dollars)

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

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

The credit risk associated with accounts receivable is limited, as the Company's receivables consist primarily of bulk currency trades with a settlement cycle of 24 to 48 hours. The majority of the Company's receivables reside with banks, money service business customers, and other financial institutions.

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

A breakdown of accounts receivable by category is below:

	October 31, 2023	October 31, 2022
Customer type	$	$
Domestic and international financial institutions	18,339,600	7,823,948
Money-service businesses	2,171,215	5,227,752
Other	614,731	1,221,828
Total	**21,125,546**	**14,273,528**

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

Foreign Currency Risk

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

In order to further 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, on consignment, and in transit on October 31, 2023, was $9,361,900 (October 31, 2022, $5,520,430). The amount of currency that is unhedged and that is not pegged to the U.S. Dollar is $7,833,228 (October 31, 2022, $4,594,080). A 2% increase/reduction in the market price for the aggregate of the Company's unhedged/un-pegged foreign currencies would result in an exchange gain/loss of approximately +$157,000/-$157,000 (October 31, 2022 gain/loss of approximately +$92,000/-$92,000).

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

Interest Rate Risk

At October 31, 2023, the Company had access to interest-bearing financial instruments in cash and lines of credit. A significant amount of the Company's cash is held as foreign currency bank notes in tills, on consignment, and its own vaults. These amounts are not subject to interest rate risk. Cash held in some of the Company's accounts are interest-bearing. The Company is subject to a small amount of cash flow interest rate risk from the borrowings on its lines of credit; however, as borrowings have remained steady and within policy limits, this risk is low. Borrowings bear interest at variable rates. Currently, the interest rate exposure is unhedged. For the interest rate profile of the Company's interest-bearing financial liabilities, refer to Note 12.

If interest rates had been 50 basis points higher/lower with all other variables held constant, after-tax profit for the year ended October 31, 2023 would have been approximately +$52,000/-$52,000 higher/lower as a result of credit lines held at variable interest rates.

Liquidity Risk

Liquidity risk is the risk of the Company incurring losses resulting from the inability to meet payment obligations in a timely manner when they become due or from being unable to do so at a sustainable cost. To effectively manage liquidity risk, the Company has implemented preventative risk monitoring measures, including setting a Liquidity Risk Ratio target of 120% or greater, which measures the proportion of unencumbered highly liquid assets to short-term net cash outflows, and setting a minimum liquidity balance requirement of total available cash or undrawn lines of credit to be greater than $5,000,000 notional daily. As required, the Treasurer and CFO report any liquidity issues to the Chief Executive Officer (CEO), Chief Risk Officer (CRO), and the audit committee in accordance with established policies and guidelines. Management has assessed the Company's cash position at October 31, 2023 and determined that it is sufficient to meet its financial obligations.

(Expressed in U.S. Dollars)

The following are non-derivative contractual financial liabilities:

October 31, 2023

Non-derivative financial liabilities	Carrying amount	Estimated contractual amount	This fiscal year	Future fiscal years
	$	$	$	$
Accounts payable	21,021,910	21,021,910	21,021,910	Nil
Holding accounts	5,909,235	5,909,235	5,909,235	Nil
Lines of credit	14,679,991	14,679,991	14,679,991	Nil

October 31, 2022

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

The Company had available unused lines of credit amounting to $35,680,577 at October 31, 2023 (October 31, 2022, $55,538,042).

Capital Management

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

	October 31, 2023	October 31, 2022
	$	$
Current assets	120,243,608	112,438,659
Current liabilities	(50,097,175)	(52,059,780)
Working capital	**70,146,433**	**60,378,879**

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

15. Foreign Currency Forward and Option Contracts

The Company enters into foreign currency forward and purchases put option contracts with non-client counterparties to mitigate the risk of fluctuations in the exchange rates of exposures in certain major currencies. Changes in fair value of these contracts and the corresponding gains or losses are included in operating expenses in the consolidated statements of income and comprehensive income. The Company's management strategy is to reduce the risk of fluctuations associated with foreign exchange rate changes.

(Expressed in U.S. Dollars)

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 by the Company if the contracts were terminated at October 31, 2023 was $1,066,467 (October 31, 2022, $911,443).

At October 31, 2023 the Company had cash collateral balances related to forward contracts being held of $3,119,888 (October 31, 2022, $2,335,298). They are reflected as restricted cash held in escrow in the consolidated statements of financial position (see Note 6).

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. As of October 31, 2023, the Company had 6,443,397 common shares outstanding (October 31, 2022, 6,429,489).

During the year ended October 31, 2023, the Company recorded total stock-based compensation expense of $1,017,823 (October 31, 2022, $1,093,647), out of which $97,436 was recognized for stock option grants (October 31, 2022, $401,677) and $920,387 was related to RSU and DSU awards (October 31, 2022, $691,970), as described below.

Stock Options

The Company offers an incentive stock option plan (the Plan) which was established April 28, 2011 and was amended most recently March 23, 2023. The Plan is a rolling stock option plan, under which 15% 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 the Company's directors and 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. All the options have a five-year term, unless otherwise specified by the Board of Directors.

The outstanding options at October 31, 2023 and the respective changes during the periods are summarized as follows:

	Number of options	Weighted average price
	#	CDN$
Outstanding at October 31, 2022	**820,762**	**15.13**
Granted	94,678	20.07
Exercised	(54,734)	17.27
Forfeited/cancelled/expired	(3,222)	16.75
Outstanding at October 31, 2023	**857,484**	**15.53**

(Expressed in U.S. Dollars)

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

Grant Date	Exercise price (CAD$)	Number outstanding	Average remaining contractual life (years)	Number exercisable
4-Mar-19	$25.83	13,316	0.34	13,316
23-Oct-19	$17.36	30,000	0.98	30,000
23-Oct-19	$17.36	3,512	0.98	3,512
23-Oct-19	$17.36	177,882	0.98	177,882
24-Jun-20	$12.74	29,955	1.65	29,955
29-Jul-20	$10.83	18,000	1.75	18,000
29-Oct-20	$10.83	220,368	2.00	220,368
28-Jan-21	$11.02	3,873	2.25	2,582
28-Oct-21	$14.35	118,200	2.99	79,019
28-Apr-22	$18.10	20,000	3.49	6,668
25-Jul-22	$16.23	4,493	3.73	1,498
21-Sep-22	$18.93	5,748	3.89	1,917
31-Oct-22	$18.37	117,459	4.00	39,157
30-Oct-23	$20.07	94,678	5.00	-
Total		**857,484**		**623,874**

During the year ended October 31, 2023, the Company granted 94,678 stock option awards at a fair value of Canadian $20.07. Also a total number of 54,734 stock options were exercised, out of which 40,826 options were cancelled as consideration in lieu of cash by participants who elected to exercise their options without paying cash proceeds. In total, the Company had $22,663 of proceeds from all stock options exercised and issued 13,908 shares on settlement.

Restricted Stock Unit and Deferred Stock Unit Plans

On November 1, 2022, the Company made its third grant under the Deferred Share Unit (DSU) Plan and Restricted Stock Unit (RSU) Plan. The Company granted 37,664 RSU and 22,553 DSU awards in the amount of $300,000 and $500,995, respectively. On January 24, 2023, the Company granted 595 awards in the amount of $12,500. On October 30, 2023, the Company also made an annual grant of RSU awards in the amount of 36,505 for an amount of $517,210. In the year-ended October 31, 2023, the Company recognized stock-based compensation expenses of $920,387 (October 31, 2022, $691,970) in relation to RSU and DSU awards that have vested during the year. The amounts related to the vested portions of granted RSU and DSU awards are recorded within other long-term liabilities in the consolidated statements of financial position. The liability from these awards as of October 31, 2023 amounted to $1,328,582 (October 31, 2022, $1,174,226). 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 one-year or three-year periods.

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 a quarterly basis in the first year after the grant. All the management awards have a three-year term, unless otherwise specified by the board of directors. The directors' awards cannot be redeemed until the director retires from the board.

(Expressed in U.S. Dollars)

17. Earnings per Share

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

	Year ended October 31, 2023	Year ended October 31, 2022
	$	$
Basic		
Net earnings	10,193,507	11,783,124
Weighted average number of shares outstanding	6,424,751	6,429,489
Basic earnings per share	1.59	1.83
Diluted		
Net earnings	10,193,507	11,783,124
Weighted average number of shares outstanding	6,696,942	6,635,412
Diluted earnings per share	1.52	1.78

18. Operating Expenses

The table below identifies the composition of the nature and amounts included within the operating expenses presented in the consolidated statements of income and comprehensive income for the years ended on October 31, 2023 and 2022.

	Year ended October 31, 2023	Year ended October 31, 2022
	$	$
Salaries and benefits	33,935,281	26,371,728
Postage and shipping	12,137,881	8,387,860
Losses and shortages	3,215,773	628,468
Legal and professional	3,204,240	2,832,135
Information technology	3,009,268	2,199,775
Bank service charges	2,450,353	2,171,586
Rent	1,702,594	1,132,490
Insurance, taxes and licensing	1,179,383	1,012,225
Stock-based compensation	1,017,823	1,093,647
Travel and entertainment	884,357	658,896
Foreign exchange (gains) losses	(711,763)	1,472,299
Other general and administrative	1,195,330	816,091
Operating expenses	**63,220,520**	**48,777,200**

(Expressed in U.S. Dollars)

19. Compensation of Key Management Personnel and Related Party Transactions

In accordance with Related Party Disclosures (IAS 24), 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 years ended on October 31, 2023 and 2022 was as follows:

	Year ended October 31, 2023	Year ended October 31, 2022
	$	$
Short-term benefits	4,316,361	3,726,865
Post-employment benefits	161,385	81,682
Stock-based compensation	83,532	391,787
Restricted and Deferred Share Units	920,387	671,971
Total	**5,481,666**	**4,892,305**

The Company incurred legal and professional fees in the aggregate of $139,594 for the year ended October 31, 2023 (October 31, 2022, $179,417) charged by entities controlled by directors or officers of the Company.

The Company has clients that are considered related parties through one of its directors. The Company generated $288,128 in revenue from these clients' activities for the year ended October 31, 2023 (October 31, 2022, $188,502). As at October 31, 2023, accounts receivable included $Nil from related parties (October 31, 2022, $74,205).

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 consolidated financial statements.

The Company supports EBC through a $20,000,000 revolving line of credit, renewed July 18, 2018, which attracts interest commensurate with interest charged on the Company's primary line of credit with BMO Harris N.A., are repayable on demand, and are unsecured. At October 31, 2023, the intercompany loan balance was $10,642,528 (October 31, 2022, $2,498,270) 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 years ended on October 31, 2023 and 2022 and are conducted pursuant to the Company's policies.

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

(Expressed in U.S. Dollars)

20. Other Current Assets

	October 31,2023	October 31, 2022
	$	$
Prepaid rent	6,527	7,261
Prepaid personnel	6,600	16,182
Prepaid computer software	687,216	458,642
Prepaid insurance	856,992	600,285
Prepaid advertising	15,898	26,881
Government grants	-	3,249,262
Other current assets	277,584	532,778
Total	**1,850,817**	**4,891,291**

21. Subsequent Events

The Company evaluated subsequent events through January 24, 2024, the date these consolidated financial statements were issued.

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

Board of Directors

Joseph August

Director of CXI
Director of EBC
Committees: Governance Committee Member, Risk Committee Member
Independent board member since 2011

Chirag Bhavsar

Chair of the Board of CXI
Director of EBC
Committees: Audit Committee Member, Governance Committee Member, Risk Committee Member
Independent board member since 2012

Chitwant Kohli

Director of CXI
Chair of the Board of EBC
Committees: Chair of the Audit Committee, Governance Committee Member
Independent board member since 2018

Mark D. Mickleborough

Director of CXI
Director of EBC
Board member since 2007

Stacey Mowbray

Director of CXI
Director of EBC
Committees: Chair of the Governance Committee Member, Risk Committee Member
Independent board member since 2019

Randolph W. Pinna

Director of CXI
Director of EBC
President and CEO of CXI
President and CEO of EBC
Board member since 2007

Carol Poulsen

Director of CXI
Director of EBC
Committees: Audit Committee Member, Risk Committee Member
Independent board member since 2023

V. James Sardo

Director of CXI
Director of EBC
Committees: Audit Committee Member, Governance Committee Member
Independent board member since 2012

Daryl Yeo

Director of CXI
Director of EBC
Committees: Chair of the Risk Committee, Audit Committee Member
Independent board member since 2019

Shareholder Information

Annual General Meeting of Shareholders

Shareholders are invited to attend the annual meeting of Currency Exchange International, Corp. to be held on March 20, 2024 at 3:00 p.m. (EST).

Details on how to attend will be listed on CXI's investor relations webpage:
www.ceifx.com/investor-relations

Investor Relations

Financial analysts, portfolio managers and other investors requiring financial information may contact our Investor Relations department:

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(USA) Toll-Free: (888) 998 3948
(USA) Email: InvestorRelations@cxifx.com
(CANADA) Telephone: (416) 479 9547
(CANADA) Email: bill.mitoulas@cxifx.com

Shareholder Services

For information or assistance regarding your share account, including dividends, changes of address or ownership, lost certificates, to eliminate duplicate mailings or to receive shareholder material electronically, please contact our Transfer Agent in Canada.

Transfer Agent

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