Currency Exchange International, Corp.

Management's Discussion and Analysis

For the Three and Nine-Month Periods Ended July 31, 2024 and 2023

Scope of Analysis

This Management's 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 three and nine-month periods ended July 31, 2024 and 2023, 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 of September 11, 2024 and should be read in conjunction with the condensed interim consolidated financial statements of the Company for the three and nine-month periods ended July 31, 2024 and 2023, and the notes thereto. A detailed summary of the Company's material 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 condensed interim consolidated financial statements and the MD&A have been reviewed by the Company's audit committee and approved by its board of directors.

Certain financial metrics included in this document do not have standardized meanings under generally accepted accounting principles (GAAP), which are based on IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards). These financial metrics are referred to as non-GAAP or adjusted financial results. The Company uses both reported financial results and adjusted financial results in measuring its performance. These non-GAAP financial results, metrics, and ratios may not be comparable to similar metrics used by other companies.

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 below. 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 July 31, 2024, the Company had 384 employees, 84 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 43 states and the District of Columbia. 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.

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

Fee revenue primarily comprises the following:

i. Fees generated with financial institution clients, 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:

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 July 31, 2024, the Company had inventory on consignment in 1,210 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 the current period and each of the previous five fiscal years.

	2019	2020	2021	2022	2023	**2024 (YTD)**
Wholesale customer relationships	1,878	1,667	2,481	2,586	2,658	3,023[1]
Number of transacting locations	21,595	14,787	15,202	22,170	22,551	16,869[1]

[1]These numbers show the locations that transacted as of July 31, 2024 (2,624 and 21,665 as of July 31, 2023).

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.

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

As of July 31, 2024, the Company had 38 company-owned branch locations across the United States. The table below lists the individual company-owned branch locations operating in the United States as of July 31, 2024:

Locations	City	State	Opened	Locations	City	State	Opened
Florida Mall	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	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 differentiates 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 those in Charlotte, Chicago, Fort Lauderdale, Minneapolis, Newark, New York, Pittsburgh, Portland, Raleigh-Durham, and Philadelphia. CXI also has agency relationships with Duty Free Americas, which includes 29 locations at the busiest ports of entry across the border between the United States and Canada, and with the American Automobile Association, which includes more than 200 locations across 15 states. The Company continuously monitors the performance of its agent locations and, as necessary, may discontinue relationships and/or close locations when volumes or revenues do not meet targets.

CXI launched its proprietary OnlineFX platform in 2020 to extend its reach to 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 and adoption rates for online purchases are expected to continue to grow.

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

The following table lists the number of retail locations by category and the number of states/district in which the Company's OnlineFX platform operated as of July 31, 2024, April 30, 2024, January 31, 2024, and at the end of each of the five preceding fiscal years:

	2019	2020	2021	2022	2023	Q1 2024	Q2 2024	**Q3 2024**
Company-owned branch locations	46	35	35	37	38	38	38	38
Airport agent locations	-	7	18	23	45	49	47	47
Non-airport agent locations	38	47	62	161	235	231	230	225
States/district in which OnlineFX operates	-	22	31	38	40	41	42	44

The Company's largest asset is cash. The cash position consists of local currency banknotes, both in United States and Canadian Dollars, and foreign currency banknotes held at the Company's vaults, branch locations, consignment locations, or in transit between Company locations, as well as minimum cash balances in bank accounts to facilitate currency transactions at various financial institution clients. The Company also has traditional bank deposits to support its ongoing operations.

Accounts receivable and payable balances relate primarily to bulk wholesale transactions that are awaiting collection and settlement. 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.

Selected Financial Data

The following table summarizes the performance of the Company over the last eight fiscal quarters[1]:

Three-month period ended	Revenue	Net operating income	Net income	Total assets	Total equity	Earnings per share (diluted)
	$	$	$	$	$	$
7/31/2024	23,993,252	6,747,390	3,935,350	163,224,374	83,103,393	0.59
4/30/2024	20,095,168	3,818,275	506,522	159,910,390	79,940,478	0.08
1/31/2024	18,106,918	2,247,267	849,874	133,780,438	80,520,993	0.13
10/31/2023	22,786,072	5,818,667	2,303,822	132,049,444	79,232,981	0.34
7/31/2023	23,587,589	6,438,354	4,056,478	129,643,409	77,590,126	0.60
4/30/2023	18,694,919	3,743,069	2,243,708	134,697,253	73,104,851	0.33
1/31/2023	16,886,189	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

[1]Certain historical numbers in this table have been restated to conform with the numbers presented in the current period's financial statements.

While seasonality is generally not a consideration for the Payments product line, it has an impact on the Banknotes product line 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 revenue generally from March through September and lower revenue from October through February. Periods with higher revenue coincide 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:

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

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

ii. 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;

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

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

The Company reviews the strategy annually and monitors its execution against key performance indicators. The diversification strategy has been a significant factor in the Company's resilience and considers geopolitical and macroeconomic factors that influence consumer demand for travel.

Summary of the results of operations for the three-month periods ended July 31, 2024 and 2023

	Three-month period ended July 31, 2024	Three-month period ended July 31, 2023	Change	Change
	$	$	$	%
Revenue	23,993,252	23,587,589	405,663	2%
Operating expenses	17,245,862	17,149,235	96,627	1%
Net operating income	**6,747,390**	**6,438,354**	**309,036**	**5%**
Other income, net	117,211	121,471	(4,260)	-4%
EBITDA*	**6,864,601**	**6,559,825**	**304,776**	**5%**
Net income	**3,935,350**	**4,056,478**	**(121,128)**	**-3%**
Basic earnings per share	0.61	0.63	-0.02	-3%
Diluted earnings per share	0.59	0.60	-0.01	-2%
Adjusted net income**	**3,935,350**	**4,056,478**	**(121,128)**	**-3%**
Adjusted basic earnings per share**	0.61	0.63	-0.02	-3%
Adjusted diluted earnings per share**	0.59	0.60	-0.01	-2%

*Earnings before interest, taxes, depreciation and amortization (EBITDA)

**Adjusted net income, adjusted basic and diluted earnings per share are non-GAAP metrics. Refer to the first section of this document for additional information. For the three-month period ended July 31, 2024, there were no adjusting items to be reported.

The Company generated revenue of $23,993,252 for the three-month period ended July 31, 2024, a 2% increase from the same period last year.

The revenue increase over the comparable period was largely driven by a growth in activity from increased international travel levels and new customer acquisition in the United States. Compared to the second quarter of 2024, revenue increased by $3,898,084 or 19%, as demand for foreign currency increased consistent with the seasonality associated with the Company's operations during the period. This reflects quarter-over-quarter growth, consistent with the cyclical growth pattern, where revenues increased by $4,892,670 or 26% in the three-month period ended July 31, 2023. The top five currencies by revenue for the three-month periods ended July 31, 2024 and July 31, 2023 were the U.S. Dollar (USD), Euro (EUR), Canadian Dollar (CAD), British Pound Sterling (GBP), and Mexican Peso (MXN).

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

The 2% year-over-year growth in revenues was primarily due to growth in the Wholesale Banknotes of $363,650, followed by growth in the Payments product line of $196,688, whereas Direct-to-consumer declined by $154,675. Revenue in the United States increased by $661,180, or 3% over last year, while in Canada it declined by $255,517, or 6%. Operating expenses increased by $96,627, or 1%. The Company recorded net operating income of $6,747,390 in the three-month period ended July 31, 2024, 5% higher than the same period in the prior year. EBITDA margin for the current period was 29% compared to 28% for the same period last year.

Overall, the Company reported $3,935,350 of net income during the three-month period ended July 31, 2024, $121,128, or 3% lower than the same period last year. Net income from the United States grew by $575,292, 13% compared to the same period last year, whereas net income from Canada declined by $696,420. The Company's adjusted return on equity (ROE) for the current period was 9% compared to 17% for the same period last year. The 17% adjusted ROE of the prior period was a reflection of the Company's fast recovery from the COVID-19 pandemic in both the United States and Canada. For the current period, the 9% adjusted ROE is lower than planned due to slower revenue growth in Canada.

The Company continued its progression along its three-year strategic plan in the three-month period ended July 31, 2024 that included the following highlights:

i. Increased its penetration into the financial institution sector in the United States with the addition of 98 new clients, representing 123 transacting locations; and

ii. Continued its growth in direct-to-consumer market through its network of company-owned locations, agent locations and in states where the Company operates its OnlineFX platform. During the current quarter, the Company added the States of Maryland and Iowa, making them the 42nd and the 43rd states (in addition to the District of Columbia) in which the Company provides its services through its OnlineFX platform. The platform is currently available to serve 93% of the United States population.

iii. Continued its transaction growth in the International Payments product line in both Canada and the United States. EBC initiated trades with 63 new corporate clients, representing an active trading client base of 880 during the current period, compared to 814 active trading client base during the same period last year. The Company processed 39,779 payment transactions, representing $3.38 billion in volume. This compares to 32,675 payment transactions on $2.57 billion of volume in the three-month period ending July 31, 2023;

The Company's capital base has grown to $83.4 million. The Company remains well capitalized and maintains a revolving line of credit to support working capital needs in the amount of $40 million with its primary lender. This credit facility strengthens the Company's liquidity position during seasonal peaks and in support of its strategic plan. Refer to the Liquidity and Capital Resources section. The combination of a growing capital base and adequate borrowing capacity provides sufficient liquidity for the Company to meet its growth objectives. 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.

	As of July 31, 2024	As of October 31, 2023
	$	$
Total assets	163,224,374	132,049,444
Total long term financial liabilities	7,565,004	2,719,288
Total equity	83,103,393	79,232,981

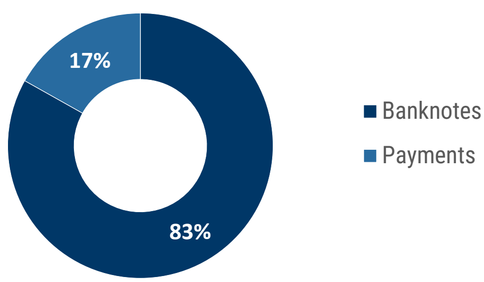
(All amounts are expressed in U.S. Dollars unless otherwise noted)

Revenue analysis for the three-month periods ended July 31, 2024 and 2023 by product line and geographic location

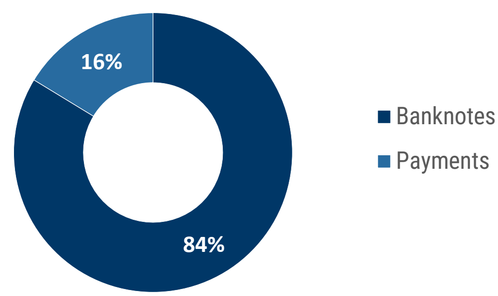
Revenues by Product Line

	Three-month period ended July 31, 2024	Three-month period ended July 31, 2023	Change	Change
	$	$	$	%
Banknotes	19,949,251	19,740,276	208,975	1%
Payments	4,044,001	3,847,313	196,688	5%
Total	**23,993,252**	**23,587,589**	**405,663**	**2%**

Three-month period ended July 31, 2024



Three-month period ended July 31, 2023



Revenue by Product Line

Banknotes

Revenues in the Banknotes product line increased by $208,975 or 1% in the three-month period ended July 31, 2024, from the same period in 2023, due to the consumer demand for foreign currencies strengthening as a result of elevated international travel levels in the United States through the summer months. Between May 2024 and July 2024, approximately 246 million travelers passed through TSA check points in United States airports, 15 million (6%) more compared to pre-pandemic levels.

Wholesale Banknotes revenues increased by $363,650, or 3% as the Company continued to grow its Domestic Wholesale Banknotes with new customer acquisition and with growth in volumes from existing relationships in both Canada and the United States despite the decline in international demand for the U.S. Dollar in Canada. The Company was able to achieve efficiencies in operating costs associated with Wholesale Banknotes, including shipping costs as further outlined below. Relative to the three-month period ended April 30, 2024, Wholesale Banknotes revenue increased by $2,415,013 or 26%, which coincides with the typical seasonal increase in tourism in North America. Overall, Wholesale Banknotes revenues accounted for 49% of total revenue in the current three-month period, consistent with the 49% proportion from the same period in 2023.

Direct-to-consumer Banknotes revenues decreased by $154,675, or 2%. Despite the decline, the Company maintained its market share and growth level despite the tapering of demand in investment currencies. During the third quarter, demand for travel currencies grew from last year, and revenues from the Company's OnlineFX platform led the growth in revenue for the period, however that growth was partially offset by lower demand for investment currencies in the current period compared to last year. Overall, Direct-to-consumer revenue remained a growing business with its diversified delivery channels between company-owned branch locations, through agents' relationships and using the Company's OnlineFX platform. For the OnlineFX platform, the Company successfully added the States of Maryland and Iowa to its network during the third quarter, which represents an opportunity for the Company to offer its online services to almost 93% of the United States population. Direct-to-consumer revenues represented 34% of the total revenue in the current three-month period, compared to 35% in the same period in 2023.

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

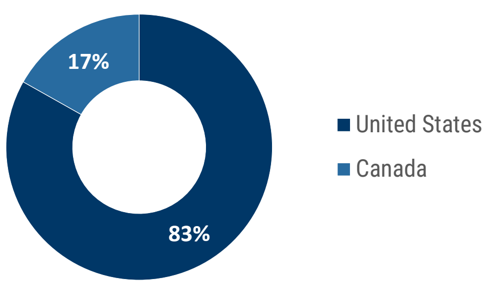
Payments

Revenues in the Payments product line increased by 5% in the three-month period ended July 31, 2024, compared to the same period in 2023. In the United States, the Payments revenue grew 27% in the three-month period ended July 31, 2024, compared to the same period last year, whereas in Canada it declined by 22% compared to the same period last year. Growth in the United States was primarily driven by new customer acquisitions and increased activity from existing financial institution customers, a direct result of the Company's continued investment in integrations with core banking platforms. In Canada, the decrease year-over-year was driven by the economic impact of inflationary pressures in Canada. The Company processed 39,779 payment transactions, representing $3.38 billion in volume in the three-month period ended July 31, 2024. This compares to 32,675 transactions on $2.57 billion of volume in the same period in 2023. The Payments revenue represents 17% of the total revenue in the current three-month period, compared to 16% last year.

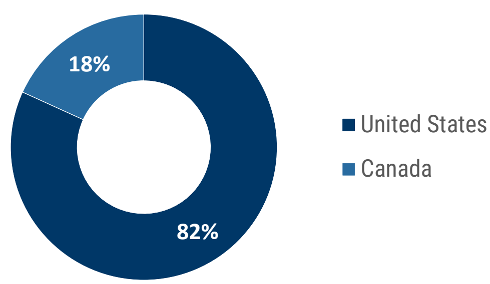
Revenues by Geographic Location

	Three-month period ended July 31, 2024	Three-month period ended July 31, 2023	Change	Change
	$	$	$	%
United States	19,956,159	19,294,979	661,180	3%
Canada	4,037,093	4,292,610	(255,517)	-6%
Total	**23,993,252**	**23,587,589**	**405,663**	**2%**

Three-month period ended July 31, 2024



Three-month period ended July 31, 2023



Revenue by Geographic Location

United States

Revenues in the United States grew by 3% during the three-month period ended July 31, 2024 as compared to the same period in 2023, led primarily by growth in Payments which increased by $579,389, or 27% and in Wholesale Banknotes which increased by $236,466, or 3%, despite a decrease in Direct-to-consumer Banknotes by $154,675, or 2%. As outlined above, the Payments product line continued to grow in the third quarter, driven by increased activity from existing customers and the Company's investment in core banking platforms, which facilitated the onboarding of new financial institution customers. Wholesale Banknotes revenues continued to grow domestically with increased demand for foreign currencies by both financial institutions and money service businesses operating within the United States. As outlined above, Direct-to-consumer Banknotes had a 2% decline in the current period as demand for investment currencies was lower compared to the same period last year. However, OnlineFX revenue growth remained constant due to the increase in market share and expansion into two new states. Revenues in the United States accounted for 83% of total revenues by geographic location in the current three-month period, compared to 82% in the same period in 2023.

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

Canada

Revenues in Canada declined by 6% in the third quarter compared to the same period last year. Growth in Domestic Banknotes revenue was offset by a notable decline in transacted volumes and revenue from international Banknotes clients. Overall, revenues in the Banknotes product line increased by $127,184, or 5% and revenues in the Payments product line declined by $382,701, or 22%. Declining Payments volumes accounted for $242,529, or 14% of the decline in this product line with an additional fluctuating impact from the revaluation of outstanding forward contracts at period end. Overall, revenues in Canada represented a 17% share of total revenues by geographic location in the current three-month period, compared to 18% in the same period in 2023.

Operating Expenses

During the three-month period ended July 31, 2024, the Company's operating expenses increased 1% compared to the same period last year, resulting in an improved operating leverage of 1% compared to a decrease of 12% last year. Variable costs within operating expenses, represented by postage and shipping, sales commissions, incentive compensation and bank fees totaled $5,254,734 compared to $5,850,903 in the three-month period ended July 31, 2023. This decline in variable costs was largely attributed to a reduction in shipping costs of $799,514 as outlined further below. The ratio comparing total operating expenses to total revenue for the three-month period ended July 31, 2024 was 72% compared to 73% for the three-month period ended July 31, 2023.

The major components of operating expenses are presented in the table below, with commentary on some of the significant variances.

	Three-month period ended July 31, 2024	Three-month period ended July 31, 2023	Change	Change
	$	$	$	%
Salaries and benefits	9,444,258	8,969,802	474,456	5%
Postage and shipping	2,810,586	3,610,100	(799,514)	-22%
Legal and professional	913,176	886,392	26,784	3%
Information technology	804,952	848,224	(43,272)	-5%
Bank service charges	729,460	627,437	102,023	16%
Losses and shortages	720,187	771,219	(51,032)	-7%
Rent	502,700	426,255	76,445	18%
Stock based compensation	302,846	440,181	(137,335)	-31%
Insurance, taxes and licensing	331,592	294,565	37,027	13%
Travel and entertainment	175,906	193,515	(17,609)	-9%
Foreign exchange losses (gains)	113,262	(253,695)	366,957	>100%
Other general and administrative	396,937	335,240	61,697	18%
Operating expenses	**17,245,862**	**17,149,235**	**96,627**	**1%**

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

Postage and shipping had decreased 22% as compared to the same period last year despite the growth in Banknotes volumes. This reflects cost management initiatives implemented by the Company which were adopted during the second half of 2023.

Losses and shortages primarily represent shipments lost in transit that the Company self-insures. The favorable variance was primarily due to the non-recurring losses of stale-dated items in addition to higher costs related to lost shipments that were recognized in the prior period, partially offset by a provision for regulatory compliance risk that was recorded in the current period. The Company continued to execute on cost management initiatives to ensure effective shipping and logistics management in both the United States and Canada, optimizing armored delivery services versus other shipping methods.

Stock based compensation includes the amortization related to vesting of issued and outstanding stock options, Restricted Stock Unit (RSU) and Deferred Stock Unit (DSU) awards, adjusted for the liability revaluation of RSU and DSU awards based on the stock price at the end of period. The decrease from prior period is primarily related to fewer DSUs awarded in the current period and the stock price movement compared to the prior period.

Foreign exchange losses (gains) represent the net result after considering hedging and risk management strategies designed to reduce the inherent risks in the Company's exposure to foreign exchange, thereby minimizing volatility in earnings. The Mexican Peso was the largest contributor to net foreign exchange losses for the three-month period ended July 31, 2024 while it was the largest driver of gains in the same period last year. Refer to the Foreign Currency Risk section in this document.

The increase in other general and administrative expenses is attributable to higher marketing cost and office supplies.

Other income and expenses are comprised of the following:

	Three-month period ended July 31, 2024	Three-month period ended July 31, 2023
	$	$
Depreciation of right-of-use assets	500,959	477,360
Depreciation and amortization	459,249	375,809
Interest expense	193,019	303,318
Interest on lease liabilities	55,625	45,513
Interest revenue	(117,211)	(108,489)
Other income	-	(7,879)
Gain on sale of assets	-	(5,103)
Income tax expense	1,720,399	1,301,347
Total other expenses	**2,812,040**	**2,381,876**

Depreciation and amortization of property and equipment increased in the current period compared to the same period last year due to an increase in internally developed software and leasehold improvements.

Interest expense has significantly declined in the current period compared to the same period last year as a result of a notable decline in average borrowings utilized for funding short-term working capital needs during the current period. At July 31, 2024, the Company had $5,074,118 drawn on its lines of credit, with $45,288,319 available for use. This compares to $6,276,240 drawn at July 31, 2023, and $54,103,210 available. The average outstanding borrowings by the Company amounted to $7,214,871 during the three-month period ended July 31, 2024, compared to $11,034,376 during the same period last year, which led to the reduction in interest expense. The average interest rate on borrowings was 8.7% for the current period versus 8.1% for the same period last year. Refer to the Liquidity and Capital Resources section below.

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

Interest revenue for the period was primarily from interest earned on interest bearing bank accounts in the normal course of business.

Income tax expense for the current period is related to the United States Region. It primarily represents taxable income growth in the United States and is subject to certain temporary and permanent adjustments to taxable income.

Summary of the results of operations for the nine-month periods ended July 31, 2024 and 2023

	Nine-month period ended July 31, 2024	Nine-month period ended July 31, 2023	Change	Change
	$	$	$	%
Revenue	62,195,338	59,168,697	3,026,641	5%
Operating expenses	49,382,405	46,253,116	3,129,289	7%
Net operating income	**12,812,933**	**12,915,581**	**(102,648)**	**-1%**
Other income, net	297,212	339,142	(41,930)	-12%
EBITDA*	**13,110,145**	**13,254,723**	**(144,578)**	**-1%**
Net income	**5,291,747**	**7,889,684**	**(2,597,937)**	**-33%**
Basic earnings per share	0.84	1.23	(0.39)	-32%
Diluted earnings per share	0.80	1.18	(0.38)	-32%
Adjusted net income**	**6,719,347**	**7,889,684**	**(1,170,337)**	-15%
Adjusted basic earnings per share**	1.06	1.23	(0.17)	-14%
Adjusted diluted earnings per share**	1.02	1.18	(0.16)	-14%

*Earnings before interest, taxes, depreciation and amortization (EBITDA)

**Adjusted net income, adjusted basic and diluted earnings per share are non-GAAP metrics. Refer to the first section of this document for additional information. For the nine-month period ended July 31, 2024, adjusted net income comprised net income adjusted for the reversal of the deferred tax benefits allowance of $1,427,600 in Canada during the current period.

The Company generated revenue of $62,195,338 for the nine-month period ended July 31, 2024, a 5% increase from the same period last year. The revenue increase over the comparable period was primarily driven by strengthened international travel and new customer acquisition in both the Banknotes and Payments product lines in the United States, partially offset by a decline in trades with foreign financial institutions in Canada, reflecting reduced demand for the U.S. Dollar volumes, compared to the same time last year.

The 5% growth in revenues was mostly due to growth in both Banknotes and Payments product lines. Direct-to-consumer Banknotes grew by $1,132,388, or 6%, Payments grew by $973,211 or 9% and Wholesale Banknotes grew by $921,042 or 3%. In the United States revenue increased by $4,631,832, or 10% over the same period last year, while it declined in Canada by $1,605,191, or 12%. Corresponding with the revenue growth, operating expenses increased by $3,129,289, or 7%, primarily attributable to an increase in salaries and benefits. The Company recorded net operating income of $12,812,933 in the nine-month period ended July 31, 2024, 1% lower than the same period in the prior year. The Company had an EBITDA margin of 21% for the current period compared to 22% in the prior period.

Overall, the Company reported $5,291,747 of net income during the nine-month period ended July 31, 2024, $2,597,937, or 33% lower than the same period last year. Adjusted net income was $6,719,347, a decrease of $1,170,337 or 15% compared to the same period last year. Adjusted net income comprised reported net income, adjusted for the reversal of the deferred tax benefits allowance of $1,427,600 in Canada during the current period. Adjusted net income from the United States grew by $1,641,416, or 20% compared to the same period last year, whereas in Canada it declined by $2,811,753.

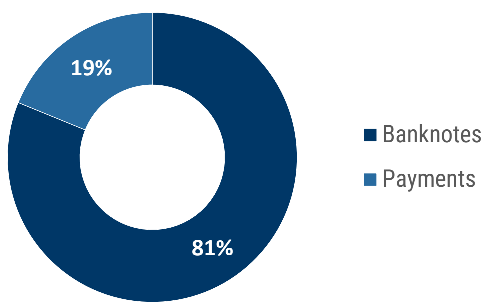
(All amounts are expressed in U.S. Dollars unless otherwise noted)

Revenue analysis for the nine-month periods ended July 31, 2024 and 2023 by product line and geographic location

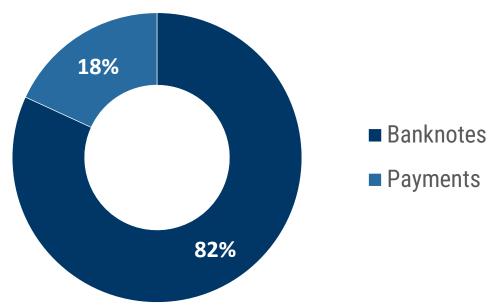
Revenues by Product Line

	Nine-month period ended July 31, 2024	Nine-month period ended July 31, 2023	Change	Change
	$	$	$	%
Banknotes	50,485,208	48,431,779	2,053,429	4%
Payments	11,710,130	10,736,918	973,212	9%
Total	**62,195,338**	**59,168,697**	**3,026,641**	**5%**

Nine-month period ended July 31, 2024



Nine-month period ended July 31, 2023



Revenue by Product Line

Banknotes

Revenues in the Banknotes product line increased by $2,053,429 or 4% in the nine-month period ended July 31, 2024, from the same period in 2023, due to strong demand on both travel and investment currencies as a result of the increased travel levels as international travel continued to strengthen in both the United States and Canada.

The growth in Banknotes revenues is primarily attributable to direct-to-consumer Banknotes revenues which increased by $1,132,388, or 6% as the Company continued to grow its market share in the United States. This growth was attributed to (i) the Company's owned retail locations, as many locations have matured and increased their volumes, (ii) the opening of additional airport locations which has further expanded the reach to travelers; the Company had 3 more active airport locations and 36 more non-airport locations compared to the same time last year, and (iii) geographic reach of the OnlineFX platform with its continued expansion and additions of new states. For the nine-month period ended July 31, 2024 the Company had 43 states and the District of Columbia compared to 38 states and the District of Columbia for the comparative period last year. Revenues in the current period reflect five more states in which the OnlineFX platform operates compared to the same period last year (the States of Ohio, Alabama, Wisconsin, Maryland and Iowa). The growth in Wholesale Banknotes amounted to $921,041, or 3%. Despite the revenue decline in Canada, the Company continued to grow its financial institutions network in the United States and maintained its presence in certain Central American touristic destinations despite economic constraints impacting some of these destinations as they are subject to the United States government's travel advisory notices from time to time.

In total, Banknotes revenue represented 81% of total revenue in the current nine-month period, compared to 82% in the same period in 2023.

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

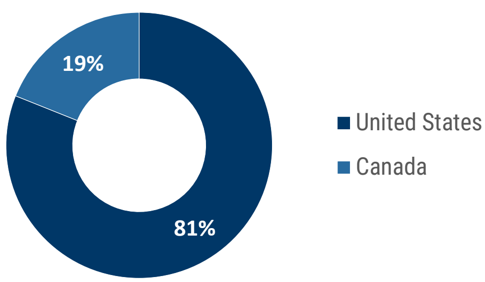
Payments

Revenues in the Payments product line increased by 9% in the nine-month period ended July 31, 2024, compared to the same period in 2023, driven by new customer acquisitions and increased activity from existing financial institution customers in the United States, a direct result of the Company's continued investment in integrations with core banking platforms, which resulted in a 37% increase in the United States for the period. In Canada, Payments revenue declined by 22% as a result of reduced volumes and slower economic conditions. The Payments revenue represented 19% of total revenue in the current nine-month period, compared to 18% in the same period in 2023.

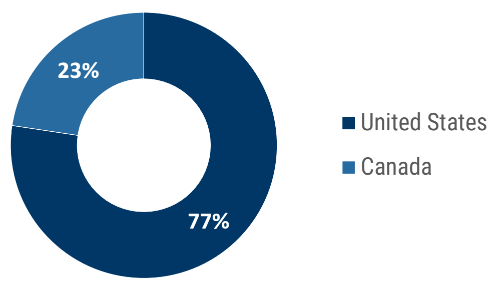
Revenues by Geographic Location

	Nine-month period ended July 31, 2024	Nine-month period ended July 31, 2023	Change	Change
	$	$	$	%
United States	50,417,556	45,785,724	4,631,832	10%
Canada	11,777,782	13,382,973	(1,605,191)	-12%
Total	**62,195,338**	**59,168,697**	**3,026,041**	**5%**

Nine-month period ended July 31, 2024



Nine-month period ended July 31, 2023



Revenue by Geographic Location

United States

In the United States, revenue grew by 10% during the nine-month period ended July 31, 2024 when compared to the same period in 2023 as a result of strong growth in both product lines. Revenue growth in the Payments product line was $2,070,761 or 37%. The growth in the Banknotes product line was $1,428,683 or 7% in Wholesale Banknotes and $1,132,388, or 6% in Direct-to-consumer. The growth in the Payments product line was mostly a result of the Company's investment in integrations with core banking platforms that expanded the onboarding of new customers during the period in addition to increased activity from existing financial institution customers. Banknotes revenue growth, including direct-to-consumer, was largely impacted by new customer acquisition, increases in transactions and demand for both travel and investment currencies, complemented by growth across several branch locations and through the Company's OnlineFX platform. Revenues in the United States accounted for 81% of total revenues by geographic location in the current nine-month period, compared to 77% in the same period in 2023.

Canada

Revenues declined by 12% from the same period last year primarily due to reduced transactional volumes for certain key clients in the Payments product line, lower transacted volumes in U.S. Dollar with international clients, and a decline in Domestic Banknotes revenues compared to the same period last year. Revenue in the Payments product line declined by $1,097,550, or 22%, while the Banknotes product line declined by $507,641, or 6%, compared to the same period in the prior year. Revenues in Canada represented a 19% share of total revenues by geographic location in the current nine-month period, which is a reduction compared to the 23% in the same period in 2023.

Operating Expenses

During the nine-month period ended July 31, 2024, the Company's operating expenses increased 7% compared to the same period last year. This increase is slightly higher than the 5% growth in revenues primarily due to slower revenue growth in Canada. Variable costs within operating expenses, represented by postage and shipping, sales commissions, incentive compensation and bank fees, totaled $14,423,086 compared to $15,560,520 in the nine-month period ended July 31, 2023. This represents a 7% decrease from last year and was primarily driven by a decrease in postage and shipping expenses of $1,754,695 as a result of the Company's initiatives implemented as illustrated further below. The ratio comparing total operating expenses to total revenue for the nine-month period ended July 31, 2024 was 79% compared to 78% for the nine-month period ended July 31, 2023.

The components of operating expenses are presented in the table below, with commentary on some of the significant variances.

	Nine-month period ended July 31, 2024	Nine-month period ended July 31, 2023	Change	Change
	$	$	$	%
Salaries and benefits	27,930,774	24,630,497	3,300,277	13%
Postage and shipping	7,562,957	9,317,652	(1,754,695)	-19%
Information technology	2,803,673	2,183,023	620,650	28%
Legal and professional	2,266,774	2,255,189	11,585	1%
Bank service charges	1,897,252	1,803,962	93,290	5%
Rent	1,485,463	1,248,375	237,088	19%
Stock based compensation	1,385,892	1,397,969	(12,077)	-1%
Losses and shortages	1,196,194	1,709,151	(512,957)	-30%
Insurance, taxes and licensing	916,911	884,816	32,095	4%
Travel and entertainment	501,898	687,226	(185,328)	-27%
Foreign exchange losses (gains)	403,110	(718,428)	1,121,538	>100%
Other general and administrative	1,031,507	853,684	177,823	21%
Operating expenses	**49,382,405**	**46,253,116**	**3,129,289**	**7%**

Salaries and benefits increased when compared to the prior year, due to an increase in cost driven by inflation in base salaries and health care costs in addition to certain severance costs incurred.

Postage and shipping had a 19% decrease when compared to the same period last year despite the growth in Banknotes volumes. This reflects cost management initiatives implemented by the Company to control the increase in shipping prices which were adopted during the second half of 2023.

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

Information technology expenses include non-capital expenditures on software and related service contracts that do not meet the capitalization criteria. The increased costs during the period were associated with the Company's continued development of its technology solutions to support and streamline its business and customers service delivery, including expansions in the Payments product line and core banking platforms. Increased costs include costs to strengthen the Company's security systems and technology solutions in addition to implementing the treasury management system and CXIFX continuous maintenance.

Rent increased due to the reopening of the Montreal vault that occurred in the fourth quarter of 2023 and the addition of branches in which the Company operates its Direct-to-consumer business. The current period reflects the rent for the Orlando International Airport location, signed in August 2023, and certain rent agreements renewed at higher rates.

Losses and shortages primarily represent shipments lost in transit that the Company self-insures. The favorable variance was primarily due to the non-recurring losses of stale-dated items in addition to higher costs related to lost shipments that were recognized in the prior period, partially offset by a provision for regulatory compliance risk that was recorded in the current period. The Company continued to execute on cost management initiatives to ensure effective shipping and logistics management in both the United States and Canada, optimizing armored delivery services versus other shipping methods.

Foreign exchange losses (gains) represent the net result after considering hedging and risk management strategies designed to reduce the inherent risks in the Company's exposure to foreign exchange, thereby minimizing volatility in earnings. The Mexican Peso was the largest driver of foreign exchange losses for the nine-month period ended July 31, 2024, while the gains in the same period last year represented natural gains from the Company's unhedged foreign currency inventory. Refer to the Foreign Currency Risk section in this document.

The increase in 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:

	Nine-month period ended July 31, 2024	Nine-month period ended July 31, 2023
	$	$
Depreciation of right-of-use assets	1,423,767	1,439,005
Depreciation and amortization	1,289,507	1,111,197
Interest expense	502,602	914,760
Interest on lease liabilities	134,818	141,817
Interest revenue	(297,277)	(339,237)
Other expense (income), net	65	(31,576)
Loss on sale of assets, net	-	31,671
Income tax expense	4,467,704	1,758,260
Total other expenses	**7,521,186**	**5,025,897**

Depreciation and amortization of property and equipment increased due to an increase in internally developed software and leasehold improvements.

Interest expense has significantly declined in the current period compared to the same period last year as a result of a notable decline in average borrowings utilized for funding short-term working capital needs during the current period. The average outstanding borrowings by the Company amounted to $6,332,354 during the nine-month period ended July 31, 2024, compared to $14,794,414 during the same period last year, which led to the significant reduction in interest expense. The average interest rate on borrowings was 8.7% for the current period versus 7.3% for the same period last year. Refer to the Liquidity and Capital Resources section below.

Interest revenue for the period was primarily interest earned on interest bearing bank accounts in the normal course of business. The prior period included amounts received from the Internal Revenue Service (IRS) relating to an expected refund for an Employee Retention Credit (ERC).

Income tax expense for the current period included $1,427,600 related to the reversal of an allowance for deferred tax benefits in Canada for which the Company has assessed it is more likely than not that it will not be recoverable in the near term. The amount reflects deferred tax assets recognized for periods on or before October 31, 2022. Other amounts are primarily related to taxable income growth in the United States region subject to certain temporary and permanent adjustments to taxable income.

Financial Results by Region

The following table provides a summary of the Company's selected financial results by region, all numbers are in U.S. Dollars:

United States				
	Three-month period ended July 31, 2024	Three-month period ended July 31, 2023	**Nine-month period ended** July 31, 2024	Nine-month period ended July 31, 2023
	$	$	$	$
Revenue	19,956,159	19,294,979	50,417,556	45,785,724
Revenue growth (year-over-year)	*3%*	*18%*	*10%*	*29%*
Operating expenses	12,418,500	12,564,359	35,603,086	33,283,165
EBITDA	**7,572,881**	**6,776,842**	**14,914,981**	**12,673,869**
Net income and adjusted net income*	**5,140,261**	**4,564,969**	**10,017,212**	**8,375,796**
Efficiency ratio **	62%	65%	71%	73%
EBITDA margin***	38%	35%	30%	28%

*Adjusted net income is reported net income adjusted for non-recurring items. Refer to the first section of this document for additional information. There were no adjusting items to report for the periods presented above.

**Efficiency ratio is a non-GAAP measure and is calculated as operating expenses divided by total revenue.

***EBITDA margin is a non-GAAP measure and is calculated as EBITDA divided by total revenue.

United States Summary

In the United States, the year-over-year revenue growth rates of 3% and 10% for the three and nine-month periods ended July 31, 2024, respectively, reflected normalized growth rates, whereas the year-over-year revenue growth rates for the three and nine-month periods ended July 31, 2023 of 18% and 29% reflected the fast recovery from COVID-19 and international travel returning to pre-pandemic levels. The Company had incurred higher costs in the prior year related to staff growth and planned technology investments in response to recovering from the pandemic.

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

Canada				
	Three-month period ended July 31, 2024	Three-month period ended July 31, 2023	**Nine-month period ended** July 31, 2024	Nine-month period ended July 31, 2023
	$	$	$	$
Revenue	4,037,093	4,292,610	11,777,782	13,382,973
Revenue growth (year-over-year)	*-6%*	*-13%*	*-12%*	*10%*
Operating expenses	4,827,362	4,584,876	13,779,319	12,969,951
EBITDA	**(708,280)**	**(217,017)**	**(1,804,836)**	**580,855**
Net loss	**(1,204,911)**	**(508,491)**	**(4,725,465)**	**(486,112)**
Efficiency ratio *	120%	107%	117%	97%
EBITDA margin**	-18%	-6%	-15%	4%
Adjusted net loss* **	**(1,204,911)**	**(508,491)**	**(3,297,865)**	**(486,112)**

*Efficiency ratio is a non-GAAP measure and is calculated as operating expenses divided by total revenue.

**EBITDA margin is a non-GAAP measure and is calculated as EBITDA divided by total revenue.

*** Adjusted net income is reported net income adjusted for non-recurring items. Refer to the first section of this document for additional information. For the nine-month period ended July 31, 2024, adjusted net income comprised net income adjusted for the reversal of deferred tax benefits allowance of $1,427,600.

Canada Summary

In Canada, the year-over-year revenues declined for the three and nine-month periods ended July 31, 2024 due to reduced volumes that were attributable to several market factors that influenced local demand for the U.S. Dollar banknotes from international clients in addition to continued inflationary pressures affecting volumes in the Payments product line. While the Bank was able to maintain its Domestic Banknotes volumes and manage its expenses effectively in the current period, the decline in international Banknotes and Payments revenues led to unfavorability in its efficiency ratio and EBITDA margin to the planned levels.

Cash Flows

Cash flows from operating activities during the nine-month period ended July 31, 2024, resulted in an inflow of $49,236,557 compared to an inflow of $10,602,636 during the nine-month period July 31, 2023. The accounts receivable and accounts payable balances fluctuate due to the volume of activity and timing of transaction settlements. In most instances, accounts receivable and accounts payable have a settlement cycle of 24 to 48 hours, as such net cash flows from operating activities included two large transactions that were awaiting settlement at July 31, 2024. Excluding changes in working capital, operating cash flow generated by commission and fee income, adjusted for operating expenses, was an inflow of $13,858,617 for the nine-month period ended July 31, 2024, versus an inflow of $13,564,444 in the prior year's comparative period.

Cash flows from investing activities during the nine-month period ended July 31, 2024, resulted in an outflow of $2,153,791 compared to an outflow of $680,582 during the nine-month period ended July 31, 2023. Cash outflows from investing activities are mainly related to leasehold improvements, internally developed software, furniture and equipment.

Cash flows from financing activities during the nine-month period ended July 31, 2024, resulted in an outflow of $12,885,230 compared to an inflow of $1,473,768 during the nine-month period ended July 31, 2023. This was primarily the result of the Company's repayment of one of its lines of credit in addition to cash payments for cancellation of the Company's shares during the nine-month period ended July 31, 2024. The Company's outstanding balance on lines of credit amounted to $5,074,118 at July 31, 2024 compared to $14,679,991 on October 31, 2023.

Liquidity and Capital Resources

On July 31, 2024, the Company had net working capital of $75,271,341 compared to $70,146,433 at October 31, 2023.

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 provided an accordion feature for up to an additional $10,000,000 with the lender's approval. The Amended and Restated Credit Agreement provided 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 extended the maturity on the facility to June 15, 2025. The Company updated the agreement on June 27th, 2024, in the form of a Third Amended and Restated Credit Agreement to accommodate a Normal Course Issuer Bid (NCIB) up to $4 million annually. The updated agreement eliminates the resting period on the intercompany loan and extends the maturity on the facility to June 15, 2026. The credit line is secured against the Company's cash and other assets and bears interest at the one month Secured Overnight Financing Rate (SOFR) plus 2.25% (5.35% at July 31, 2024 and 5.31% at October 31, 2023). At July 31, 2024, the balance outstanding was $Nil (October 31, 2023, $11,074,308).

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 ($1,449,748), payable on demand, and being secured against cash collateral of CAD 2,000,000 ($1,449,748). On April 25, 2023, EBC amended this facility reducing the revolving line of credit to CAD 500,000 ($362,437), payable on demand, and being secured against cash collateral of CAD 500,041 ($362,467). The line of credit bears interest at the Canadian Prime Rate and plus 0.25% (6.70% at July 31, 2024 and 7.20% at October 31, 2023). At July 31, 2024, the balance outstanding was $Nil (October 31, 2023, $Nil)

On April 7, 2021, EBC entered into a $20,000,000 USD revolving loan agreement 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. On April 25, 2024, EBC amended this facility to extend the maturity to January 19, 2027, to specify the interest rate at 8.9%, and to limit the borrowing capacity to a maximum amount not greater than 10% of the guarantor's total liabilities as set out in the statements of financial position of the guarantor's most recent, publicly filed financial statements. 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; however, these facilities may be terminated on 90-days' notice by either party. The total outstanding balance for the Company at July 31, 2024, was $5,074,118 (October 31, 2023, $3,605,683).

The Company had available unused lines of credit amounting to $45,288,319 at July 31, 2024 (October 31, 2023, $35,680,577).

The Company's cash balances consist of banknote inventory in vaults, in transit, on consignment, at tills in Company locations, and in operating cash in the Company's bank accounts. Banknote inventory fluctuates with seasonal demand for travel currencies, which typically coincides with peak travel seasons for the United States and Canada. Increases in inventory may coincide with increased net working capital borrowing requirements for the Company. The Company facilitates this requirement through its access to revolving lines of credit with its primary lenders. The Company manages inventory levels within approved thresholds to align with prudent liquidity risk management objectives established in the Company's liquidity Risk Management Policies. Operating cash balances correspond largely to offsetting holding account balances and accounts payable. Certain customers of the Company's Banknotes and Payments product lines settle transactions using a holding account, from which funds are cleared and dispersed for final settlement with the customer.

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

Holding account balances are not always cleared on the value date of the transaction. This results in excess cash in the Company's operating bank accounts in the balance sheet. Accounts payable are largely offset by bank account balances, which are prefunded to facilitate the settlement of outgoing international wires in foreign currency on behalf of the Company's customers. After considering the impact of holding accounts balances and accounts payable, the Company's excess operating cash balances may vary and are used to manage the Company's credit facilities and capital structure requirements.

The Company has leases for corporate offices as well as its retail store locations. With the exception of short-term leases and leases of low value underlying assets, each lease, meeting the definition under IFRS 16, is reflected on the condensed interim consolidated statements of financial position as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate, such as lease payments based on a percentage of Company sales, are excluded from the initial measurement of the lease liability and asset. The Company classifies its right-of-use assets in a consistent manner to its property and equipment (see Notes 7 and 9 to the condensed interim 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.

The table below describes the nature of the Company's leasing activities by the type of right-of-use asset recognized on the condensed interim 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	5 years	5	1	-	-	-
Corporate offices	9	0-12 years	3	5	-	-	-
Retail store locations	23	0-4 years	2	-	-	-	-
Total	**33**	**0-12 years**	**2**	**6**	-	-	-

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at July 31, 2024, were as follows:

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	After 5 years	Total
Lease payments	1,795,907	1,259,958	945,539	891,888	642,764	3,051,699	**8,587,755**
Finance charges	357,075	296,804	248,409	208,145	170,135	616,950	**1,897,518**
Net present values	**1,438,832**	**963,154**	**697,130**	**683,743**	**472,629**	**2,434,749**	**6,690,237**

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

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 income (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

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 contracts and purchased 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.

The foreign currency forward contracts can be closed immediately resulting in any 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 July 31, 2024 was $459,530 (October 31, 2023, $1,066,467).

At July 31, 2024 the Company had cash collateral balances related to forward contracts being held of $2,900,000 (October 31, 2023, $3,119,888). They are reflected as restricted cash held in escrow in the condensed interim consolidated statements of financial position.

Critical Accounting Estimates

When preparing the condensed interim 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 condensed interim consolidated financial statements.

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

Transactions with Related Parties

The remuneration of directors and key management personnel during the three and nine-month periods ended July 31, 2024 and 2023 were as follows:

	Three-month period ended July 31, 2024	Three-month period ended July 31, 2023	Nine-month period ended July 31, 2024	Nine-month period ended July 31, 2023
	$	$	$	$
Short-term benefits	1,251,241	1,124,590	3,794,499	3,332,746
Post-employment benefits	48,469	51,505	156,021	142,462
Stock based compensation	116,033	22,839	348,510	70,700
Restricted and Deferred Share Units	185,928	415,132	1,032,170	1,315,575
Total	**1,601,671**	**1,614,066**	**5,331,200**	**4,861,483**

The Company incurred legal and professional fees in the aggregate of $21,655 and $88,403 for the three and nine-month periods ended July 31, 2024 (July 31, 2023, $46,635 and $118,893) 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 $230,670 and $503,087 in revenue from these clients' activities for the three and nine-month period ended July 31, 2024 (July 31, 2023, $383,498 and $560,751). As of July 31, 2024, accounts receivable included $Nil from related parties (July 31, 2023, $Nil).

On October 1, 2011, the Company entered into an employment agreement with the President and CEO of the Company. Such agreement contains clauses requiring additional payments of a minimum of $450,000 to be made upon the occurrence of certain events, such as a change of control of the Company or termination for reasons other than cause. As the likelihood of a change of control of the Company is not determinable, the contingent payments have not been reflected in the condensed interim consolidated financial statements.

The Company supports EBC through a $20,000,000 revolving Line of Credit, renewed on July 18, 2022, which attracts interest commensurate with interest charged on the Company's primary line of credit with BMO Harris N.A., is repayable on demand, and is unsecured. At July 31, 2024, the intercompany loan balance was $9,640,432 (October 31, 2023, $10,642,528) and was eliminated upon consolidation.

Key management personnel and directors occasionally conduct transactions with the Company as individuals. Such transactions are immaterial individually and in total, including for the three and nine-month periods ended July 31, 2024 and 2023, 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 nine-month period ended July 31, 2024, the Company recognized $353,722 of stock based compensation expense in relation to employees' stock option awards that have vested during the period (July 31, 2023, $82,394).

(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$)	Amount granted and outstanding	Risk-free interest rate	Expected volatility	Exercise price (CAD$)*	Fair value of option at grant date ($)
23-Oct-19	23-Oct-24	17.03	139,786	1.58%	24%	17.36	3.07
24-Jun-20	24-Jun-25	12.50	22,662	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	196,347	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	113,883	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	1,497	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	115,700	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 stock options at July 31, 2024, and the respective changes during the period are summarized as follows:

	Number of options	Weighted average price
	#	CAD$
Outstanding at October 31, 2023	**857,484**	**15.53**
Granted	-	-
Exercised	(111,346)	15.54
Expired	(13,316)	25.83
Forfeited/cancelled	(648)	14.35
Outstanding at July 31, 2024	**732,174**	**15.34**

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

The following options were outstanding and exercisable at July 31, 2024:

Grant Date	Exercise price (CAD$)	Number outstanding	Average remaining contractual life (years)	Number exercisable
23-Oct-19	$17.36	139,786	0.23	139,786
24-Jun-20	$12.74	22,662	0.90	22,662
29-Jul-20	$10.83	18,000	0.99	18,000
29-Oct-20	$10.83	196,347	1.25	196,347
28-Jan-21	$11.02	3,873	1.50	3,873
28-Oct-21	$14.35	113,883	2.24	74,702
28-Apr-22	$18.10	20,000	2.74	13,334
25-Jul-22	$16.23	1,497	2.98	-
21-Sep-22	$18.93	5,748	3.14	1,917
31-Oct-22	$18.37	115,700	3.25	37,398
30-Oct-23	$20.07	94,678	4.25	-
Total		**732,174**		**508,019**

Out of the total number of outstanding options, the Company had 112,930 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 the 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 October 30, 2023, the Board of Directors of the Company resolved that only those directors who have not met their ownership requirements must receive a portion of their base retainer in the form of DSU awards.

On November 1, 2023, the Company made an annual DSU award under the Deferred Share Unit (DSU) Plan. The Company granted 10,169 DSU awards in the amount of $145,000. In the nine-month period ended July 31, 2024, the Company recognized stock based compensation expenses of $1,032,170 (July 31, 2023, $1,315,575) in relation to RSU and DSU awards that have vested during the period, out of which $562,369 was recognized for RSU awards and $469,801 was recognized for DSU awards, (July 31, 2023, $678,025 and $637,550, for RSU and DSU awards, respectively).

Share Capital

As of July 31, 2024, the Company had 6,384,855 common shares outstanding, 508,019 vested, and 224,155 unvested stock options, and no warrants outstanding (October 31, 2023, 6,443,397).

On November 29, 2023, the Company announced acceptance by the TSX of the Company's Notice of Intention to make a normal course issuer bid (the "NCIB") to purchase for cancellation a maximum amount of 322,169 common shares representing 5% of the Company's issued and outstanding common shares as of November 24, 2023. During the nine-month period ended on July 31, 2024, the Company purchased for cancellation 95,870 common shares at the normal market prices trading on the TSX for $1,779,754. These shares were immediately cancelled and removed from treasury by the Company.

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

The following represents information about the Company's share price:

Share Information

	July 31, 2024	October 31, 2023	July 31, 2023
	$	$	$
Closing share price (TSX) in CAD$	25.91	20.50	26.40
Shares outstanding	6,384,855	6,443,397	6,442,547
Market capitalization[1]	119,917,069	95,254,664	129,075,848
Book value per share[2]	13.02	12.30	12.04
Market value to book value multiple[3]	1.99	1.67	2.19

[1] Based on the TSX closing market price at period end, converted into USD using the Company's CAD to USD rate at the end of each reporting period
[2] Book value per share is total equity divided by the number of shares outstanding
[3] Market value to book value multiple is the ratio of the share's market value represented in the closing price as per the TSX divided by the book value per share

Subsequent Events

The Company evaluated subsequent events through September 11, 2024, the date this MD&A was prepared, and there were no material subsequent events that required recognition or additional disclosure in the condensed interim consolidated financial statements.

Accounting Standards and Policies

A summary of significant accounting policies is described in Note 2 to the Company's condensed interim consolidated financial statements for the three and nine-month periods ended July 31, 2024.

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.

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.

Regulatory Compliance Risk

Regulatory compliance risk is the risk of potential non-compliance with laws, regulations, and prescribed practices in the jurisdictions in which the Company operates. Issues regarding compliance with laws and regulations can be associated with privacy, market conduct, consumer protection, business conduct and money laundering. Furthermore, in Canada, the Company's subsidiary is a Schedule 1 bank and is subject to additional guidelines from the Office of the Superintendent of Financial Institutions (OSFI). In conducting its business, the Company is subject to regulatory examinations and inquiries and may, at any given time, be subject to the payment of additional charges as a resolution of matters arising from these examinations or other non-compliance matters. Additional charges, where applicable, are recorded in the Company's consolidated financial statements as a provision, in the period in which the recognition criteria in accordance with IFRS Accounting Standards are met.

Compliance policies and procedures have been developed to enable the Company to manage regulatory compliance risk. The Company has an established regulatory compliance management framework which outlines how it manages and mitigates the regulatory compliance risks associated with potential non-compliance with regulatory requirements and changing laws and regulations as applicable.

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.

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

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:

	As of July 31, 2024	As of October 31, 2023
Customer type	$	$
Domestic and international financial institutions	10,926,659	18,339,600
Money-service businesses	2,529,403	2,171,215
Other	1,685,962	614,731
Total	**15,142,024**	**21,125,546**

The maximum exposure to credit risk is represented by the carrying amount of each financial asset on the condensed interim 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 nine-month period ended July 31, 2024.

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

July 31, 2024	Level 1	Level 2	Level 3	Total
	$	$	$	$
Financial assets				
Cash	126,728,572	-	-	126,728,572
Forward and option contract assets	-	459,530	-	459,530
Total assets	**126,728,572**	**459,530**	**-**	**127,188,102**
Financial liabilities				
Restricted and deferred share units	-	2,312,204	-	2,312,204
Total liabilities	**-**	**2,312,204**	**-**	**2,312,204**

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

	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**

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 mitigates its exposure to foreign currency fluctuations through a layered risk management strategy that includes forward hedges and selective use of purchased options. Due to their nature, some minor and investment foreign currencies cannot be hedged or are too cost prohibitive to hedge. The Company manages its exposures to investment currencies through acceptable risk appetite levels using a historical Value-at-Risk (VaR) methodology. Currency exposure arising from normal business operations and risk management activities, are included in foreign exchange losses (gains) within operating expenses for the period.

Foreign exchange losses (gains) represent the net result after considering hedging and risk management strategies designed to reduce the inherent risks in the Company's exposure to foreign exchange, thereby minimizing volatility in earnings. Due to the unpredictable nature of foreign exchange markets, Management cannot reliably predict future movements in foreign currency valuations, and therefore hedges the Company's exposures in a consistent and prudent manner in alignment with the Company's FX Policy. As a result, Management employs a layered approach to managing its exposure to foreign exchange in major currencies through a combination of foreign currency forward contracts and a selective use of purchased put option contracts. Results after hedging vary each period and are largely driven by the magnitude of banknote holdings in certain currencies. Net results are seldom neutral because of the costs linked to hedging, which include forward point differentials on forward contracts and premiums on purchased options. The Company does not hedge its exposure to investment currencies as there is generally no established hedging market or the cost of hedging those currencies is prohibitively high. Variations in these unhedged exposures may lead to fluctuations in results each period.

In order to further mitigate the risks associated with transacting in unhedged currencies, the Company assigns wider bid/ask spreads and maintains specific inventory targets to minimize the impact of exchange rate fluctuations on pricing margins. 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 July 31, 2024, was $9,777,085 (October 31, 2023, $9,361,900). The amount of currency that is unhedged and that is not pegged to the U.S. Dollar is $8,395,948 (October 31, 2023, $7,833,228). 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 +$168,000/-$168,000 (October 31, 2023, gain/loss of approximately +$157,000/-$157,000).

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 July 31, 2024, 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 banknotes 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 bank 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 declined and remained 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 nine-month period ended July 31, 2024 would have been approximately +$18,000/-$18,000 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 July 31, 2024 and determined that it is sufficient to meet its financial obligations.

The following are non-derivative contractual financial liabilities:

July 31, 2024

Non-derivative financial liabilities	Carrying amount	Estimated contractual amount	Next fiscal year	Future fiscal years
	$	$	$	$
Accounts payable	44,798,868	44,798,868	44,798,868	Nil
Holding accounts	13,337,660	13,337,660	13,337,660	Nil
Lines of credit	5,074,118	5,074,118	5,074,118	Nil

October 31, 2023

Non-derivative financial liabilities	Carrying amount	Estimated contractual amount	Next 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

(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.

	July 31, 2024	October 31, 2023
	$	$
Current assets	147,495,520	120,243,608
Current liabilities	(72,555,977)	(50,097,175)
Working capital	**74,939,543**	**70,146,433**

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, repurchasing shares, or disposing of assets. The capital structure is reviewed by management and the board of directors on an ongoing basis.

Changes in Internal Control over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the three months ended July 31, 2024, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.