

Q1 2023 REPORT

FINANCIAL STATEMENTS



2023

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MANAGEMENT'S RESPONSIBILITY FOR THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2023, and March 31, 2022

The accompanying unaudited condensed consolidated interim financial statements and all the data included in this report have been prepared by and are the responsibility of the Board of Directors and management of Olympia Financial Group Inc. ("Olympia").

The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards as set out in the Handbook of the Chartered Professional Accountants of Canada and reflect management's best estimates and judgments based on currently available information. In the opinion of management, the unaudited condensed consolidated interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards appropriate in the circumstances.

The Board of Directors has reviewed and approved the accompanying unaudited condensed consolidated interim

financial statements for the periods ended March 31, 2023 and March 31, 2022.

The Audit Committee, comprised of non-management directors, acts on behalf of the Board of Directors to ensure that management fulfills its financial reporting and internal control responsibilities. Management maintains appropriate systems of internal control. Policies and procedures are designed to give reasonable assurance that transactions are properly authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of the unaudited condensed consolidated interim financial statements.

Internal controls are further supported by an internal audit function which conducts periodic audits of Olympia's financial reporting and internal controls. The internal audit function reports to the Audit Committee. In performing its duties, the Audit Committee acts only in an oversight capacity and necessarily relies on the work and assurances of Olympia's management.

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, Subsection 4.3(3) (a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Olympia have been prepared by, and are the responsibility of, Olympia's management.

Olympia's independent auditor, PricewaterhouseCoopers LLP, has not performed a review of these financial statements.

Signed Rick Skauge

Rick Skauge
President and Chief Executive Officer

Signed Jennifer Urscheler

Jennifer Urscheler, CPA, CA
Chief Financial Officer

Calgary, Canada, May 11, 2023

CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS (Unaudited)

(\$)	March 31, 2023	December 31, 2022
ASSETS		
Current assets		
Cash & cash equivalents	\$ 19,033,692	\$ 8,365,991
Trade & other receivables (note 7)	23,074,551	15,692,392
Prepaid expenses	2,430,312	2,362,756
Promissory note receivable (note 5)	996,633	980,000
Derivative financial instruments (notes 7 and 11)	1,094,569	1,095,806
Current tax receivable	15,851	15,851
Total current assets	46,645,608	28,512,796
Non-current assets		
Equipment & other (note 12)	596,748	528,966
Intangible assets (note 13)	6,342,284	6,789,865
Right-of-use asset (note 14)	891,906	975,719
Financial assets at fair value through profit or loss (note 32)	96,671	96,472
Deferred tax assets (note 19)	617,049	591,788
Total non-current assets	8,544,658	8,982,810
Total assets	\$ 55,190,266	\$ 37,495,606
LIABILITIES		
Current liabilities		
Trade & other payables (notes 7 and 15)	\$ 2,466,753	\$ 1,433,001
Deferred revenue (note 16)	14,042,283	834,829
Other liabilities & charges (notes 7 and 17)	2,970,088	1,863,156
Revolving credit facility (notes 7, 10 and 28)	5,306,164	4,953,278
Lease liabilities (notes 7 and 8)	418,631	389,348
Derivative financial instruments (notes 7 and 11)	558,743	792,043
Current tax liability (note 7)	767,388	905,961
Total current liabilities	26,530,050	11,171,616
Lease liabilities (notes 7 and 8)	876,455	1,001,451
Total liabilities	\$ 27,406,505	\$ 12,173,067
EQUITY		
Share capital (note 18)	\$ 7,886,989	\$ 7,886,989
Contributed surplus (note 18)	86,373	86,373
Retained earnings	19,810,399	17,349,177
Total equity	27,783,761	25,322,539
Total equity & liabilities	\$ 55,190,266	\$ 37,495,606
Contingencies (note 30)		

See accompanying notes to the unaudited condensed consolidated interim financial statements

Approved on behalf of the Board of Directors

Signed Rick Skauge

Rick Skauge

Director

May 11, 2023

Signed Brian Newman

Brian Newman, CPA, CA

Director

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF NET EARNINGS AND COMPREHENSIVE INCOME (Unaudited)

THREE MONTHS ENDED MARCH 31	2023	2022
Revenues		
Service revenue (note 9)	\$ 11,840,496	\$ 12,292,081
Trust income (note 9)	11,561,363	2,437,733
Interest revenue (note 9)	217,039	191,319
	23,618,898	14,921,133
Expenses		
Direct expenses (notes 9 and 21)	977,609	981,967
Administrative expenses (notes 9 and 20)	15,121,739	10,355,085
Bad debt expense (notes 9 and 22)	217,127	64,650
Depreciation & amortization (notes 9, 12, 13 and 14)	649,471	639,787
Other gains, net (notes 9 and 24)	(232,012)	(134,116)
	16,733,934	11,907,373
Earnings before income tax	6,884,964	3,013,760
Income tax expense (notes 9 and 19)		
Current tax expense	1,681,728	852,799
Deferred tax recovery	(25,262)	(119,033)
Total income tax expense	1,656,466	733,766
Net earnings & comprehensive income for the period	\$ 5,228,498	\$ 2,279,994
Earnings per share attributable to shareholders of Olympia		
Basic & diluted (note 25)	\$ 2.17	\$ 0.95

See accompanying notes to the unaudited condensed consolidated interim financial statements

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY (Unaudited)

Attributable to owners of Olympia

	Share Capital	Contributed Surplus	Retained Earnings	Total Equity
Balance at January 1, 2022	\$ 7,886,989	\$ 86,373	\$ 10,799,847	\$ 18,773,209
Net earnings & comprehensive income	-	-	2,279,994	2,279,994
Dividends (note 26)	-	-	(1,660,361)	(1,660,361)
Balance at March 31, 2022	\$ 7,886,989	\$ 86,373	\$ 11,419,480	\$ 19,392,842
Balance at January 1, 2023	\$ 7,886,989	\$ 86,373	\$ 17,349,177	\$ 25,322,539
Net earnings & comprehensive income	-	-	5,228,498	5,228,498
Dividends (note 26)	-	-	(2,767,276)	(2,767,276)
Balance at March 31, 2023	\$ 7,886,989	\$ 86,373	\$ 19,810,399	\$ 27,783,761

See accompanying notes to the unaudited condensed consolidated interim financial statements

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (Unaudited)

THREE MONTHS ENDED MARCH 31	2023	2022
Cash flows from operating activities		
Net earnings from operations	\$ 5,228,498	\$ 2,279,994
Items not affecting cash		
Depreciation of equipment & other (note 12)	70,209	51,185
Amortization of intangible assets (note 13)	495,449	522,779
Amortization of right-of-use asset (note 14)	83,813	65,824
Other	-	(7,685)
Gain on disposal of assets	27	(188,812)
Unrealized loss on FVPL assets (note 24)	(575)	92,054
Deferred income taxes recovery (note 19)	(25,262)	(119,033)
Foreign exchange gain (note 24)	(232,064)	(18,779)
Changes in non-cash working capital balances (note 27)	7,770,116	14,399,731
Net cash from operating activities	13,390,211	17,077,258
Cash flows from investing activities		
Purchase of equipment & other (note 12)	(137,992)	(88,749)
Purchase of intangible assets (note 13)	(47,868)	(86,429)
Proceeds on sale of securities	350	352,999
Net cash from investing activities	(185,510)	177,821
Cash flows from financing activities		
Draw on/(repayment of) revolving credit facility (note 28)	352,886	(5,700,005)
Interest on promissory note receivable	(16,633)	-
Receipt of lease receivable	-	8,137
Payment of lease liabilities (note 8)	(105,977)	(165,538)
Dividends (note 26)	(2,767,276)	(1,660,361)
Net cash from financing activities	(2,537,000)	(7,517,767)
Net change in cash position	10,667,701	9,737,312
Cash, beginning of period	8,365,991	15,106,624
Cash, end of period	19,033,692	\$ 24,843,936
Cash is represented by:		
Cash & cash equivalents	\$ 19,033,692	\$ 24,843,936
	\$ 19,033,692	\$ 24,843,936
Other information for operations		
Interest received	\$ 1,254,643	\$ 174,601
Income taxes paid	\$ 1,820,300	\$ 657,926
Interest paid	\$ 95,996	\$ 59,025

See accompanying notes to the unaudited condensed consolidated interim financial statements

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

1. NATURE OF BUSINESS

Olympia Financial Group Inc. ("Olympia") is governed by the *Business Corporations Act* (Alberta). Olympia is a reporting issuer in British Columbia, Alberta, and Ontario, and its common shares are listed on the Toronto Stock Exchange ("TSX"). Olympia's registered and head office is 4000-520 3 Ave SW, Calgary, Alberta T2P 0R3.

The majority of Olympia's business is conducted through its wholly owned subsidiary Olympia Trust Company ("Olympia Trust"), a non-deposit taking trust corporation.

Olympia Trust received its letters patent on September 6, 1995, authorizing the formation of a trust corporation to be registered under the *Loan and Trust Corporations Act* (Alberta). Olympia Trust acts as a trustee for self-directed registered plans and provides foreign currency exchange services, as well as corporate and shareholder services. Olympia Trust is licensed to conduct trust activities in Alberta, British Columbia, Saskatchewan, Manitoba, Quebec, Newfoundland and Labrador, Prince Edward Island, New Brunswick, and Nova Scotia.

The Private Health Services Plan division conducts business under Olympia Benefits Inc. ("Olympia Benefits"), a wholly owned subsidiary of Olympia. Olympia Benefits Inc. was incorporated on May 4, 2006, under the *Business Corporations Act* (Alberta).

Olympia incorporated both Olympia Investor Services Inc. and Olympia Currency and Global Payment Inc. as wholly owned subsidiaries on December 6, 2022. During the three months ended March 31, 2023, neither subsidiary was operational or generated any revenue. Both subsidiaries are expected to begin operations within the third quarter of the 2023 fiscal year.

2. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements for the three months ended March 31, 2023, have been prepared in accordance with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB"). The unaudited condensed consolidated interim financial statements ("interim financial statements") should be read in conjunction with the audited annual consolidated financial statements for the year ended December 31, 2022, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB. The policies applied in these unaudited condensed consolidated interim financial statements are consistent with accounting policies and methods of computation used for the audited annual consolidated financial statements for the year ended December 31, 2022. Income taxes on earnings in the periods are accrued using the income tax rate that would be applicable to the expected total annual earnings.

These interim financial statements have been approved and authorized for issuance by the Board of Directors on May 11, 2023.

Olympia's interim financial statements are presented in Canadian dollars, Olympia's primary operating currency. All references to \$ are in Canadian dollars and references to US\$ are in United States dollars.

The preparation of the interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

3. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year.

4. FUTURE ACCOUNTING PRONOUNCEMENTS

There were no significant new or amended standards issued during the three months ended March 31, 2023, that are applicable to Olympia in future periods.

5. PROMISSORY NOTE RECEIVABLE

On June 5, 2018, Olympia announced the sale to Tarman ATM Inc. ("Tarman") of the ATM business operated by Olympia ATM Inc., as a going concern, for an amount equal to the then current net book value of all assets used in the ATM business less all assumed liabilities; an amount estimated to be \$1.40 million.

In conjunction with the sale of substantially all the assets of Olympia ATM Inc. to a related party in 2018, the purchase price was paid by the delivery of a secured demand promissory note ("the promissory note") for \$1.40 million by Tarman. The outstanding principal amount of the promissory note bears interest at prime plus 0.25%. Subject to Canadian Western Bank's ("CWB") consent (as discussed below), all interest accrued under the promissory note shall be paid on an annual basis on or before the 30th day of June of each calendar year and, commencing June 30, 2020, Tarman is required to repay the outstanding principal amount of the promissory note in annual installments of \$140,000 on or before the 30th day of June of each calendar year, with the outstanding balance of the principal amount to be repaid in full on or before June 30, 2023. As at March 31, 2023, the third installment of \$140,000 had been repaid. Interest of \$16,633 was outstanding as at March 31, 2023.

As at the date of this publication, the promissory note has been repaid in full.

6. FUNDS IN TRUST

Investment Account Services division ("IAS")

At March 31, 2023, IAS administered self-directed registered plans consisting of private company securities and mortgages with a cost value of \$9.24 billion (December 31, 2022 - \$9.01 billion) plus cash, public securities, term deposits, and outstanding cheques with an estimated fair value of \$1.09 billion (December 31, 2022 - \$1.01 billion). These assets are the property of the account holders and Olympia Trust does not maintain effective control over the assets. Therefore, the assets are not reflected in these interim financial statements. Olympia earned trust income from the cash portion of the assets held in trust of \$10.52 million for the three months ended March 31, 2023 (March 31, 2022 - \$2.44 million).

Private Health Services Plan division ("Health")

At March 31, 2023, Health held funds in trust and outstanding cheques of \$13.98 million (December 31, 2022 - \$14.07 million) on behalf of its self-insured private health clients. These assets are the property of the plan holders and Olympia Benefits does not maintain effective control over the assets. Therefore, the assets are not reflected in these interim financial statements.

Currency and Global Payments division ("CGP")

At March 31, 2023, CGP held funds in trust of \$5.97 million (December 31, 2022 - \$6.22 million) for clients who have paid margin requirements on forward foreign exchange contracts, and \$17.91 million (December 31, 2022 - \$24.09 million) of outstanding payments. These assets are the property of the contract holders and Olympia Trust does not maintain effective control over the assets. Therefore, the assets are not reflected in these interim financial statements.

Corporate and Shareholder Services division ("CSS")

At March 31, 2023, CSS held funds in trust and outstanding cheques of \$58.34 million (December 31, 2022 - \$259.59 million) for clients who have hired Olympia Trust to provide trustee services. This includes approximately \$nil (December 31, 2022 - \$0.67 million) of treasury bills and public securities held in trust. These assets are the property of the trust clients and Olympia Trust does not maintain effective control over the assets. Therefore, the assets are not reflected in these interim financial statements.

7. FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS

Fair value of financial instruments

The fair value of cash and cash equivalents, trade and other receivables, promissory note receivable, trade and other payables, lease liabilities and the revolving credit facility approximate their carrying amounts. Derivative financial instruments are measured at fair value through the condensed consolidated statement of net earnings and comprehensive income. The fair value of all forward foreign exchange contracts is based on current bid prices for their respective terms to maturity in an active market.

Risks associated with financial instruments

Olympia is exposed to financial risks arising from normal course business operations and its financial assets and liabilities. The financial risks include liquidity risk and market risk relating to foreign currency exchange rates, interest rates, and credit risk.

(i) Liquidity risk

Liquidity risk is the risk that Olympia will encounter difficulties in meeting its financial obligations. Olympia manages its liquidity risk by keeping surplus cash in liquid investments with a highly rated financial institution. This allows Olympia to earn interest on surplus cash while having access to it within a very short time.

Liquidity risk is associated with Olympia's credit facility. The credit facility is available to finance day-to-day operations to a maximum principal amount of \$15 million (December 31, 2022 - \$15 million) and bears interest at the Canadian prime rate plus 0.25%. As at March 31, 2023, a balance of \$5.31 million is outstanding (December 31, 2022 - \$4.95 million). Olympia has determined the principal and interest to be current.

Security for the credit facility includes a general security agreement providing a first charge security interest in all present and subsequently acquired property.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

The timing of cash outflows is outlined in the following tables:

At March 31, 2023	Current	31 to 60 days	61 to 90 days	Over 90 days	Total
Trade & other payables	\$ 2,346,071	\$ -	\$ 120,682	\$ -	\$ 2,466,753
Other liabilities & charges	2,970,088	-	-	-	2,970,088
Current income tax liability	-	767,388	-	-	767,388
Lease liabilities (current)	35,326	35,326	35,326	345,566	451,544
Lease liabilities (non-current)	-	-	-	897,646	897,646
Total	\$ 5,351,485	\$ 802,714	\$ 156,008	\$ 1,243,212	\$ 7,553,419
At December 31, 2022					
Trade & other payables	\$ 1,326,808	\$ -	\$ 106,193	\$ -	\$ 1,433,001
Other liabilities & charges	1,863,156	-	-	-	1,863,156
Current income tax liability	-	905,961	-	-	905,961
Lease liabilities (current)	35,326	35,326	35,326	319,625	425,603
Lease liabilities (non-current)	-	-	-	1,029,563	1,029,563
Total	\$ 3,225,290	\$ 941,287	\$ 141,519	\$ 1,349,188	\$ 5,657,284

As at March 31, 2023, trade and other payables totaled \$2.47 million (December 31, 2022 – \$1.43 million). Olympia continues to meet all of the obligations associated with its financial liabilities.

Lease liabilities cash outflows exclude \$0.05 million (December 31, 2022 - \$0.06 million) of non-cash financing interest under IFRS 16.

The aging of undiscounted lease payments is outlined in the following table:

At March 31, 2023	Less than one year	One to two years	Two to three years	More than three years	Total undiscounted lease payments
Lease payment	\$ 451,544	\$ 527,668	\$ 363,897	\$ 6,081	\$ 1,349,190

The liquidity risk relating to derivative financial instruments payable is outlined in the following table:

	March 31, 2023	December 31, 2022
Current	\$ 30,431	\$ 24,650
31 to 60 days	82,351	225,371
61 to 90 days	258,736	54,527
Over 90 days	187,225	487,495
	\$ 558,743	\$ 792,043
Non-current (1–3 years)	\$ -	\$ -

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

(ii) Market risk

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market prices and is composed of the following:

Foreign currency exchange risk

Olympia is exposed to changes in foreign exchange rates when, and if, revenues or financial instruments fluctuate because of changing rates. Transactions in the applicable financial market are executed consistent with established risk management policies. Olympia purchases forward contracts whenever it enters into a transaction to buy or sell foreign currency in the future. These contracts are both short-term and long-term in nature and are in the normal course of business. Management understands that the currency markets are volatile and therefore subject to higher risk.

Olympia applies the following policy to mitigate the currency risk:

- For forward contracts, a margin of 5% is payable on signature of the contract;
- Olympia sets up an off-setting position with its currency supplier; and
- If market rates vary by 4% or more, the client is required to adjust their margin to match the variance by the end of the trading day.

Olympia's CGP division maintains various foreign currency bank accounts, of which Canadian dollar and United States dollar bank accounts are the most significant.

If the Canadian dollar exchange rate at March 31, 2023, were to have increased by \$0.10 relative to other currencies, it is estimated that Olympia's after-tax earnings for the period ended March 31, 2023, based on amounts shown in note 11 of the interim financial statements, would have decreased by approximately \$40,991 (March 31, 2022 – \$70,130). A \$0.10 decrease in the Canadian dollar exchange rate relative to other currencies would have had an equal but opposite effect. Most of the Currency and Global Payments division's trades are Canadian dollars traded for United States dollars and vice versa, although it trades in various other currencies. This sensitivity analysis assumes that all other variables remain constant.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Olympia is exposed to interest rate risk as the cash

flows generated from Olympia's own cash (\$19.03 million) and the cash portion of the off-balance sheet arrangements (\$1.01 billion), from which Olympia Trust earns trust income, are held in interest bearing instruments that fluctuate in response to changes in market interest rates.

If the interest rates were to have increased by 1%, it is estimated that Olympia's after-tax earnings for the three months ended March 31, 2023, would have increased by approximately \$1.97 million (March 31, 2022 – \$1.97 million). A 1% decrease in interest rates would have had an equal but opposite effect. This sensitivity analysis assumes that all other variables remain constant.

Olympia is exposed to interest rate risk on its established credit facility. The average balance of the facility for the three months ended March 31, 2023, was \$5.49 million (March 31, 2022 - \$7.25 million). If the interest rates were to have increased by 1%, it is estimated that Olympia's after-tax earnings for the three months ended March 31, 2023, would have decreased by approximately \$0.01 million (March 31, 2022 - \$0.01 million). A 1% decrease in interest rates would have had an equal but opposite effect. This sensitivity analysis assumes that all other variables remain constant.

Credit risk

Credit risk is the risk that the counterparty to a financial asset will default, resulting in Olympia incurring a financial loss. Before significant transactions begin with a new counterparty, the counterparty's creditworthiness is assessed by the CGP division. The assessment practice considers both quantitative and qualitative factors.

Olympia constantly monitors the exposure to any single customer or counterparty along with the financial position of the customer or counterparty. If it is deemed that a customer or counterparty has become materially weaker, Olympia will work to reduce the credit exposure and lower the credit limit allocated. Olympia is exposed to credit risk on its cash and cash equivalents, trade and other receivables, promissory note receivable and derivative financial instruments receivable. The maximum exposure to credit risk of Olympia at the end of the year is the carrying value of cash and cash equivalents, trade and other receivables, promissory note receivable and derivative financial instruments receivable.

Cash and cash equivalents

Olympia mitigates its exposure to credit risk by maintaining its bank accounts with a highly rated financial institution.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

Trade and other receivables

Olympia has policies and procedures in place to govern the credit risk it will assume. Trade and other receivables primarily includes trade receivables from clients and interest

receivable from cash and assets under administration placed with financial institutions.

Trade and other receivables	March 31, 2023	December 31, 2022
Trade receivables	\$ 4,026,335	\$ 3,212,436
Interest receivable	19,048,216	12,479,956
	\$ 23,074,551	\$ 15,692,392

All interest receivable is current, with no placement of funds exceeding twelve months.

As of March 31, 2023, impaired trade receivables net of allowances are \$1.35 million (December 31, 2022 – \$2.18 million). The aging of trade and other receivables is as follows:

Trade receivables	March 31, 2023	December 31, 2022
Current	\$ 910,928	\$ 983,033
31 to 60 days	21,663	23,376
61 to 90 days	1,744,466	21,263
Over 90 days	2,440,156	3,600,599
Allowance for doubtful accounts	(1,090,878)	(1,415,835)
	\$ 4,026,335	\$ 3,212,436

Trade receivables over 90 days are considered past due.

Allowance for doubtful accounts

The allowance for doubtful accounts is based on an account portfolio analysis. Movements on Olympia's provision for impairment of trade receivables are as follows:

	March 31, 2023	December 31, 2022
At January 1	\$ 1,415,835	\$ 1,287,545
Increase in provision	217,127	835,079
Receivables written off, net	(542,084)	(706,789)
Allowance for doubtful accounts	\$ 1,090,878	\$ 1,415,835

The balance relates to a number of independent clients which Olympia is actively pursuing through its internal collection process. Management considers the outstanding amounts to be recoverable.

The provision for impaired receivables has been included in bad debt expense in the condensed consolidated interim statements of net earnings and comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

Provision matrix

Olympia has set up a provision matrix based on its historically observed default rates. Olympia adjusts the matrix for forward-looking estimates. The minimum allowance has been calculated

based on the provision matrix, and the expected credit loss is as follows:

- less than 90 days: nominal;
- more than 90 days but less than two years past due: \$294,335;
- more than two years but less than three years past due: \$266,056; and
- three or more years past due: \$530,487.

Olympia may recognize an additional allowance based on management's knowledge of the accounts, the assets held in the accounts and current economic conditions.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

Interest receivable	March 31, 2023	December 31, 2022
Current	\$ 2,014,853	\$ 1,287,217
31 to 60 days	1,665,205	1,347,014
61 to 90 days	5,285,343	901,069
Over 90 days	10,082,815	8,944,656
	\$ 19,048,216	\$ 12,479,956

Derivative financial instruments receivable

The expected maturity relating to derivative financial instruments receivable and foreign exchange contracts is outlined in the following table:

	March 31, 2023	December 31, 2022
Current	\$ 75,818	\$ 28,883
31 to 60 days	97,741	299,238
61 to 90 days	550,535	77,906
Over 90 days	370,475	689,779
	\$ 1,094,569	\$ 1,095,806
Non-current (1–3 years)	\$ -	\$ -

(v) Capital risk management

Olympia's objectives when managing capital are to safeguard Olympia's ability to continue as a going concern in order to provide returns and benefits to shareholders and to maintain an optimal capital structure to reduce the cost of capital and to meet minimum regulatory capital requirements. In order to maintain or adjust the capital structure, Olympia may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or repurchase shares.

Olympia includes shareholders' equity of \$27.78 million (December 31, 2022 – \$25.32 million) in the definition of capital. Shareholders' equity comprises share capital, contributed surplus, and retained earnings.

Olympia's main objectives when managing its capital structure are to:

- Maintain sufficient cash and cash equivalents over the short and medium-term in order to finance its growth and development, including capital expenditures;
- Maintain investor and creditor confidence to sustain future development of the business. Olympia's objective when managing capital is to maintain adequate financial flexibility to preserve its ability to meet financial obligations. In managing capital, Olympia estimates its future dividend payments and capital expenditures, which is compared to planned business growth for purposes of sustainability;

- Maintain regulatory capital for Olympia Trust as required by the *Loan and Trust Corporations Act* (Alberta) (\$2 million). Similar regulatory capital is required by legislation in Nova Scotia (\$5 million) and Saskatchewan (\$5 million). Regulatory capital is defined as share capital and retained earnings. Olympia Trust has maintained these minimum capital requirements throughout the three months ended March 31, 2023; and
- Maintain compliance with financial covenants, which includes maintaining a minimum tangible net worth of \$12 million. The financial covenants are reviewed quarterly and controls are in place to maintain compliance with the covenants. Olympia complied with its financial covenants for the three months ended March 31, 2023.

The capital structure of Olympia is managed and adjusted to reflect changes in economic conditions. In support thereof, management reviews the financial position of Olympia on a monthly and cumulative basis. Financing decisions are set based on the timing and extent of expected operating and capital cash outlays. Factors considered when determining capital and the amount of operational cash requirements are weighed against the costs associated with excess cash, its terms and availability and whether to issue equity. Olympia works towards managing its capital objectives to the extent possible while facing the challenges of market conditions. Olympia's capital management objectives have remained substantively unchanged over the periods presented.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

8. LEASE LIABILITIES

The movement of the lease liabilities is shown below:

	March 31, 2023	December 31, 2022
Balance at January 1	\$ 1,390,799	\$ 1,411,581
Additions	-	174,508
Lease repayment	(105,977)	(230,881)
Non-cash interest	10,264	35,591
Balance at the end of the period	\$ 1,295,086	\$ 1,390,799

The current portion as at March 31, 2023, is \$0.42 million (December 31, 2022 - \$0.39 million), with the non-current portion being \$0.88 million (December 31, 2022 - \$1.00 million). Included under administrative expenses are interest expenses

related to the lease liabilities in the amount of \$0.01 million for the three months ended March 31, 2023 (March 31, 2022 - \$0.01 million).

9. OPERATING SEGMENTS

Olympia has six operating segments or divisions, of which five are business segments and offer different products and services and are managed separately because they require different technology and marketing strategies. The Corporate division is a cost centre and earns incidental revenue. For each of the divisions, Olympia's President, Chief Financial Officer and other executive management review internal management reports on a monthly basis.

Segment profit or loss is used to measure performance. Olympia's President and other executive management believe that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segmental transactions consist

mainly of cost recoveries, which are recognized at cost. In addition, reportable segments are managed on a functional basis through regular reporting to the President and other executive management.

Olympia does not disclose a measure of segment assets, because the President and other executive management do not use this information to assess performance and allocate resources. Olympia reports net operating results for all operating segments to the President and other executive management. All other assets and liabilities are reported on a consolidated basis. Costs are allocated to segments based on usage.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

Net operations for the three months ended March 31, 2023

	Health	IAS	CGP	EE	CSS	Corporate	Total
Service revenue ¹	\$ 2,433,565	\$ 6,637,526	\$ 1,745,625	\$ 304,175	\$ 719,605	\$ -	\$11,840,496
Interest revenue & trust income	231,854	10,658,427	246,919	2,968	587,189	51,045	11,778,402
Direct expenses	(486,257)	4,360	(409,725)	-	(85,987)	-	(977,609)
	2,179,162	17,300,313	1,582,819	307,143	1,220,807	51,045	22,641,289
Administrative expenses	(1,523,031)	(10,531,162)	(1,535,690)	(491,901)	(955,011)	(84,944)	(15,121,739)
Bad debt expense	1,041	(280,323)	47,884	430	13,841	-	(217,127)
Depreciation & amortization	(10,230)	(534,539)	(31,299)	(58,775)	(14,628)	-	(649,471)
Other gains/(losses), net (note 24)	-	(51)	232,063	-	-	-	232,012
Earnings/(loss) before income taxes	646,942	5,954,238	295,777	(243,103)	265,009	(33,899)	6,884,964
Income taxes (expense)/recovery ²	(177,707)	(1,414,498)	(70,265)	66,777	(62,956)	2,183	(1,656,466)
Net earnings/(loss)	\$ 469,235	\$ 4,539,740	\$ 225,512	\$ (176,326)	\$ 202,053	\$ (31,716)	\$ 5,228,498

¹ Included in service revenue for the CSS division are fees of \$24,750 for services provided by the EE division to an external client. These services, while provided by the EE division, are invoiced by the CSS division.

² No income tax adjustment has been made regarding the elimination of intercompany transactions.

Net operations for the three months ended March 31, 2022

	Health	IAS	CGP	EE	CSS	Corporate	Total
Service revenue ¹	\$ 2,158,381	\$ 7,126,293	\$ 2,030,192	\$ 298,492	\$ 676,671	\$ 2,052	\$12,292,081
Interest revenue & trust income	43,436	2,552,170	9,112	384	15,194	8,756	2,629,052
Direct expenses	(430,499)	(19,421)	(461,842)	(10,184)	(60,021)	-	(981,967)
	1,771,318	9,659,042	1,577,462	288,692	631,844	10,808	13,939,166
Administrative expenses	(1,034,865)	(6,667,179)	(1,441,961)	(452,103)	(692,641)	(66,336)	(10,355,085)
Bad debt expense	(150)	(60,000)	-	(4,500)	-	-	(64,650)
Depreciation & amortization	(12,934)	(503,184)	(38,607)	(69,401)	(15,661)	-	(639,787)
Other (losses)/gains, net (note 24)	(2,288)	(12,109)	20,601	-	-	127,912	134,116
Earnings/(loss) before income taxes	721,081	2,416,570	117,495	(237,312)	(76,458)	72,384	3,013,760
Income taxes (expense)/recovery ²	(143,407)	(593,529)	(28,858)	47,196	18,779	(33,947)	(733,766)
Net earnings/(loss)	\$ 577,674	\$ 1,823,041	\$ 88,637	\$ (190,116)	\$ (57,679)	\$ 38,437	\$ 2,279,994

¹ Included in service revenue for the CSS division are fees of \$24,750 for services provided by the EE division to an external client. These services, while provided by the EE division, are invoiced by the CSS division.

² No income tax adjustment has been made regarding the elimination of intercompany transactions.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

Service revenue for the three months ended March 31, 2023

	Health	IAS	CGP	EE	CSS	Corporate	Total
Account set-up & onboarding fees	\$ -	\$ 233,750	\$ -	\$ 24,471	\$ 142,874	\$ -	\$ 401,095
Annual administration & health spending account fees	565,024	4,354,989	-	-	322,611	-	5,242,624
Monthly & transaction fees	1,724,510	1,900,229	4	279,704	254,120	-	4,158,567
Trading profits & losses	-	-	1,741,337	-	-	-	1,741,337
Travel & life insurance brokerage fees	140,058	225	-	-	-	-	140,283
Other	3,973	148,333	4,284	-	-	-	156,590
Service revenue	\$ 2,433,565	\$ 6,637,526	\$ 1,745,625	\$ 304,175	\$ 719,605	\$ -	\$ 11,840,496

No one customer represents more than 10% of a division's total revenue earned for the three months ended March 31, 2023.

Service revenue for the three months ended March 31, 2022

	Health	IAS	CGP	EE	CSS	Corporate	Total
Account set-up & onboarding fees	\$ -	\$ 281,450	\$ -	\$ 28,485	\$ 99,367	\$ -	\$ 409,302
Annual administration & health spending account fees	509,276	5,039,596	-	-	262,237	-	5,811,109
Monthly & transaction fees	1,494,401	1,787,030	78,452	254,207	315,067	-	3,929,157
Trading profits & losses	-	-	1,927,919	-	-	-	1,927,919
Travel & life insurance brokerage fees	134,572	100	-	-	-	-	134,672
Other	20,132	18,117	23,821	15,800	-	2,052	79,922
Service revenue	\$ 2,158,381	\$ 7,126,293	\$ 2,030,192	\$ 298,492	\$ 676,671	\$ 2,052	\$ 12,292,081

No one customer represents more than 10% of a division's total revenue earned for the three months ended March 31, 2023.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

10. REVOLVING CREDIT FACILITY

As at March 31, 2023, Olympia has drawn \$5.31 million (December 31, 2022 – \$4.95 million) on its established credit facility.

The credit facility in place has a maximum amount of \$15 million (December 31, 2022 – \$15 million) and bears interest at the Canadian prime rate plus 0.25%. The credit facility is subject to quarterly review.

The credit facility is subject to certain covenants and other limitations that, if breached, could cause a default, which might result in a requirement for immediate repayment of all amounts outstanding. The credit facility contains a number of affirmative covenants, including maintaining specific security, maintaining a specific financial ratio, and maintaining a total consolidated tangible net worth of \$12 million. Tangible net worth as at March

31, 2023 was \$20.44 million (December 31, 2022 - \$17.34 million). The financial ratio is a quarterly cash flow coverage ratio of not less than 1.50:1. At March 31, 2023, Olympia's cash flow coverage ratio under the terms of the credit facility was calculated to be 5.01:1 (December 31, 2022 – 4.26:1). Throughout 2022 and for the three months ended March 31, 2023, Olympia was in compliance with all covenants.

Security for the credit facility includes a general security agreement providing a first security charge over all present and after acquired property.

Olympia also holds a demand credit facility with a US\$6 million limit. This demand credit facility is only to be used to enter into spot, forward, or foreign exchange transactions with the issuing financial institution.

Credit facility	March 31, 2023	December 31, 2022
Maximum limit of line of credit	\$ 15,000,000	\$ 15,000,000
Drawn	(5,306,164)	(4,953,278)
Available at period end	\$ 9,693,836	\$ 10,046,722

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

11. DERIVATIVE FINANCIAL INSTRUMENTS

	Fair value as at March 31, 2023	Notional amount as at March 31, 2023	Fair value as at December 31, 2022	Notional amount as at December 31, 2022
Current assets	\$ 1,094,569	\$ 42,942,545	\$ 1,095,806	\$ 33,515,785
Non-current assets (1–3 years)	\$ -	\$ -	\$ -	\$ -
Current liabilities	\$ 558,743	\$ 35,733,582	\$ 792,043	\$ 32,933,109
Non-current liabilities (1–3 years)	\$ -	\$ -	\$ -	\$ -

Olympia Trust has entered into foreign exchange contracts with its customers and currency suppliers. The expiry dates of the above derivatives vary between April 6, 2023, and September 9, 2023. Foreign exchange contracts with an expiration greater than one year remaining as at the reporting period, if any, would be classified as non-current.

Forward foreign exchange contracts are measured at fair value through profit or loss based on contractual maturities and are presented at their fair value on the balance sheet. Changes in fair values of forward foreign exchange contracts are recorded in “Other gains, net” in the condensed consolidated interim statements of net earnings and comprehensive income. The fair value of all forward foreign exchange contracts is based on current bid prices for their respective remaining terms to maturity in an active market. As at March 31, 2023, Olympia has margins held in Canadian dollars of \$5.97 million (December 31, 2022 – \$6.22 million).

For the period ended March 31, 2023, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into or out of Level 3 fair value measurements.

The three levels of fair value hierarchy, with respect to derivative financial instruments, are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly

Level 3 – Inputs that are not based on observable market data

The following table presents Olympia’s derivative financial assets and liabilities measured at fair value and categorized by level according to the significance of the inputs used in making these measurements:

Recurring measurements

	March 31, 2023	Level 1	Level 2	Level 3
Financial assets – derivative financial instruments	\$ 1,094,569	\$ -	\$ 1,094,569	\$ -
Financial liabilities – derivative financial instruments	\$ (558,743)	\$ -	\$ (558,743)	\$ -
	\$ 535,826	\$ -	\$ 535,826	\$ -

Recurring measurements

	December 31, 2022	Level 1	Level 2	Level 3
Financial assets – derivative financial instruments	\$ 1,095,806	\$ -	\$ 1,095,806	\$ -
Financial liabilities – derivative financial instruments	\$ (792,043)	\$ -	\$ (792,043)	\$ -
	\$ 303,763	\$ -	\$ 303,763	\$ -

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

12. EQUIPMENT AND OTHER

March 31, 2023	Leasehold improvements	Computers & equipment	Furniture & fixtures	FX ATM equipment	Total
Cost					
At beginning of period	\$ 341,250	\$ 879,980	\$ 347,541	\$ -	\$ 1,568,771
Additions	-	113,770	24,222	-	137,992
Disposals	-	-	-	-	-
At end of period	\$ 341,250	\$ 993,750	\$ 371,763	\$ -	\$ 1,706,763
Accumulated depreciation					
At beginning of period	\$ 108,493	\$ 666,529	\$ 264,783	\$ -	\$ 1,039,805
Disposals	-	1	-	-	1
Depreciation charge for the period	21,221	37,088	11,900	-	70,209
At end of period	\$ 129,714	\$ 703,618	\$ 276,683	\$ -	\$ 1,110,015
Closing net book value	\$ 211,536	\$ 290,132	\$ 95,080	\$ -	\$ 596,748

December 31, 2022	Leasehold improvements	Computers & equipment	Furniture & fixtures	FX ATM equipment	Total
Cost					
At beginning of period	\$ 3,130,112	\$ 862,564	\$ 857,454	\$ 295,102	\$ 5,145,232
Additions	169,132	160,318	49,166	-	378,616
Disposals	(2,957,994)	(142,902)	(559,079)	(295,102)	(3,955,077)
At end of period	\$ 341,250	\$ 879,980	\$ 347,541	\$ -	\$ 1,568,771
Accumulated depreciation					
At beginning of period	\$ 3,039,377	\$ 661,683	\$ 752,611	\$ 237,960	\$ 4,691,631
Disposals	(2,957,995)	(135,393)	(542,629)	(259,359)	(3,895,376)
Depreciation charge for the period	27,111	140,239	54,801	21,399	243,550
At end of period	\$ 108,493	\$ 666,529	\$ 264,783	\$ -	\$ 1,039,805
Closing net book value	\$ 232,757	\$ 213,451	\$ 82,758	\$ -	\$ 528,966

During the year ended December 31, 2022, Olympia's lease ended at its former head office location. This leasehold improvement, and various furniture and equipment were disposed of as a result. The new office lease provided Olympia with the use of all office furniture belonging to the previous tenants.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

13. INTANGIBLE ASSETS

March 31, 2023	Internally generated software	Computer software	Client lists	Other	Total
Cost					
At beginning of period	\$ 3,006,844	\$ 1,725,163	\$ 7,119,205	\$ 27,305	\$11,878,517
Additions	47,868	-	-	-	47,868
Disposals	-	-	-	-	-
At end of period	\$ 3,054,712	\$ 1,725,163	\$ 7,119,205	\$ 27,305	\$ 11,926,385
Accumulated depreciation					
At beginning of period	\$ 2,008,757	\$ 1,569,999	\$ 1,482,591	\$ 27,305	\$ 5,088,652
Depreciation charge for the period	117,560	21,929	355,960	-	495,449
Disposals	-	-	-	-	-
At end of period	\$ 2,126,317	\$ 1,591,928	\$ 1,838,551	\$ 27,305	\$ 5,584,101
Closing net book value	\$ 928,395	\$ 133,235	\$ 5,280,654	\$ -	\$ 6,342,284

December 31, 2022	Internally generated software	Computer software	ATM processing contracts	Other	Total
Cost					
At beginning of period	\$ 2,816,450	\$ 1,731,324	\$ 7,119,205	\$ 27,305	\$11,694,284
Additions	190,394	-	-	-	\$ 190,394
Disposals	-	(6,161)	-	-	\$ (6,161)
At end of period	\$ 3,006,844	\$ 1,725,163	\$ 7,119,205	\$ 27,305	\$ 11,878,517
Accumulated depreciation					
At beginning of period	\$ 1,533,052	\$ 1,441,439	\$ 58,750	\$ 27,305	\$ 3,060,546
Depreciation charge for the period	475,705	134,720	1,423,841	-	\$ 2,034,266
Disposals	-	(6,160)	-	-	\$ (6,160)
At end of period	\$ 2,008,757	\$ 1,569,999	\$ 1,482,591	\$ 27,305	\$ 5,088,652
Closing net book value	\$ 998,087	\$ 155,164	\$ 5,636,614	\$ -	\$ 6,789,865

Additions

The capital additions of \$0.05 million relate to the development of the Exempt Edge division's applications.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

14. RIGHT-OF-USE ASSETS

	March 31, 2023	December 31, 2022
Balance at January 1	\$ 975,719	\$ 1,075,624
Additions (note 8)	-	174,508
Depreciation	(83,813)	(274,413)
Balance, end period	\$ 891,906	\$ 975,719

The right-of-use assets pertain to lease properties under IFRS 16. These lease properties include the Calgary head office and the Vancouver office. During the year ended December 31, 2022, Olympia entered into a new lease agreement for additional space at the Calgary head office. These assets are depreciated over the term of the corresponding leases.

15. TRADE AND OTHER PAYABLES

	March 31, 2023	December 31, 2022
Trade payables	\$ 430,993	\$ 457,216
Agents & commissions payable	287,635	214,504
Amounts due to related parties (note 31)	217,812	140,371
Government taxes payable	1,530,313	620,910
	\$ 2,466,753	\$ 1,433,001

Government taxes payable includes amounts relating primarily to GST/HST and other indirect taxes specific to Olympia's business.

16. DEFERRED REVENUE

	March 31, 2023	December 31, 2022
Annual registered plan services administration fees	\$ 13,080,510	\$ -
Annual health spending account fees	795,890	671,510
Annual corporate & shareholder services retainer fees	144,758	156,694
Annual EdgeLink service fee	21,125	6,625
	\$ 14,042,283	\$ 834,829

At March 31, 2023, deferred revenue totaled \$14.04 million compared to \$0.83 million as at December 31, 2022. This is comprised of annual fees that have been billed by the IAS division, Health division, the CSS division, and the EE division.

The unearned portion of these annual fees is recognized as deferred revenue at the time of billing and revenue is recognized on a straight-line basis in relation to Olympia rendering these services.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

17. OTHER LIABILITIES AND CHARGES

Other liabilities and charges (current)	March 31, 2023	December 31, 2022
Bonuses payable	\$ 1,500,565	\$ 1,023,223
General accruals	525,798	267,744
Vacation payable	408,277	243,113
Professional fees accrual	407,745	88,633
Legal fees accrual	102,252	86,007
Long-term service award	19,643	-
Other	5,808	-
Medical benefits payable	-	124,436
Severance	-	30,000
	\$ 2,970,088	\$ 1,863,156

Professional fees includes amounts relating to services provided for audit, tax, and other engagements from financial service

firms. Legal fees represents provisions for litigation and other legal matters, primarily within the IAS division.

18. SHARE CAPITAL AND CONTRIBUTED SURPLUS

	Number of common shares	Share capital	Contributed surplus	Total
At January 1, 2023	2,406,336	\$ 7,886,989	\$ 86,373	\$ 7,973,362
Balance at March 31, 2023	2,406,336	\$ 7,886,989	\$ 86,373	\$ 7,973,362

	Number of common shares	Share capital	Contributed surplus	Total
At January 1, 2022	2,406,336	\$ 7,886,989	\$ 86,373	\$ 7,973,362
Balance at December 31, 2022	2,406,336	\$ 7,886,989	\$ 86,373	\$ 7,973,362

Olympia is authorized to issue an unlimited number of common shares without nominal or par value. (December 31, 2022 – unlimited common shares). All issued shares are fully paid.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

19. INCOME TAXES

a) The significant components which give rise to deferred income tax assets and liabilities are as follows:

	March 31, 2023	December 31, 2022
Bad debt provision & other	\$ 215,212	\$ 306,902
Deferred revenue	222,795	193,388
Carrying amount of equipment higher than the tax basis	179,042	71,721
Unrecognized capital gains	-	19,777
	\$ 617,049	\$ 591,788

b) Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The average annual rate used for the period ended March 31, 2023 was 24.0% (March 31, 2022 – 23.5%).

	March 31, 2023	March 31, 2022
Earnings before income tax	\$ 6,884,964	\$ 3,013,760
Anticipated income tax expense	1,647,414	716,197
Non-deductible expenses	9,052	4,783
Adjustment in respect of prior periods	-	12,786
	\$ 1,656,466	\$ 733,766
Current tax expense	\$ 1,681,728	\$ 852,799
Deferred tax recovery	(25,262)	(119,033)
Total	\$ 1,656,466	\$ 733,766

20. ADMINISTRATIVE EXPENSES

	March 31, 2023	March 31, 2022
Salaries & bonuses	\$ 8,613,764	\$ 6,138,761
General administration	2,959,870	2,505,191
Management fees	2,612,987	892,193
Rent	337,236	249,091
Employee benefit expense (note 23)	597,882	569,849
	\$ 15,121,739	\$ 10,355,085

For the three months ended March 31, 2023, salaries and bonuses and management fees increased in line with the financial performance in the IAS division.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

21. DIRECT EXPENSES

	March 31, 2023	March 31, 2022
Commission expense	\$ 474,774	\$ 528,186
Health trailer commissions	329,368	281,286
Service costs paid	173,467	172,495
	\$ 977,609	\$ 981,967

Commission expense decreased \$0.05 million for the three months ended March 31, 2023, when compared with the three months ended March 31, 2022. This decrease is primarily the result of lower revenues and other earnings drivers within the CGP division.

22. BAD DEBT EXPENSE

	March 31, 2023	March 31, 2022
Bad debt expense	\$ 217,127	\$ 64,650
	\$ 217,127	\$ 64,650

During the three months ended March 31, 2023, Olympia recorded \$0.22 million in bad debt expense (March 31, 2022 - \$0.06 million). Olympia records bad debts as incurred against allowance for doubtful accounts, and recognizes bad debt expense based on its calculation of expected credit losses. For the three months ended March 31, 2023, actual write-offs, net of recoveries, were \$0.54 million (March 31, 2022 - nominal).

23. EMPLOYEE BENEFITS

	March 31, 2023	March 31, 2022
Medical benefits	\$ 207,053	\$ 247,178
Parking & other benefits	206,912	188,773
Share ownership assistance	139,776	94,700
Long-term service awards & education assistance	44,141	39,198
	\$ 597,882	\$ 569,849

24. OTHER GAINS, NET

	March 31, 2023	March 31, 2022
Unrealized foreign exchange gain	\$ (232,064)	\$ (18,779)
Loss/(gain) on disposal of assets & other	627	(207,391)
Unrealized gain/(loss) on FVPL assets	(575)	92,054
	\$ (232,012)	\$ (134,116)

Unrealized foreign exchange gains includes the amounts pertaining to the foreign exchange derivative assets and liabilities within the CGP division.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

25. EARNINGS PER SHARE

Basic and diluted

Basic earnings per share is calculated by dividing the profit attributable to shareholders of Olympia by the weighted average number of common shares in issue during the period.

Three months ended	March 31, 2023	March 31, 2022
Total net earnings	\$ 5,228,498	\$ 2,279,994
Weighted average number of shares (basic & diluted)	2,406,336	2,406,336
Basic & diluted earnings per share	\$ 2.17	\$ 0.95

26. DIVIDENDS PER SHARE

The aggregate dividends declared and paid for the three months amounted to \$2.77 million (March 31, 2022 – \$1.66 million).

27. CHANGES IN NON-CASH WORKING CAPITAL

	March 31, 2023	March 31, 2022
Trade & other receivables	\$ (7,382,160)	\$ (3,202,541)
Current taxes receivable	-	(9,649)
Current taxes payable	(138,572)	204,522
Prepaid expenses	(67,556)	(47,738)
Trade & other payables	1,033,754	1,793,586
Deferred revenue	13,207,454	15,484,948
Lease liability interest	10,264	8,838
Other liabilities & charges	1,106,932	167,765
	\$ 7,770,116	\$ 14,399,731

28. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	December 31, 2022	Cash flows	March 31, 2023
Revolving credit facility	\$ 4,953,278	\$ 352,886	\$ 5,306,164
	\$ 4,953,278	\$ 352,886	\$ 5,306,164

29. COMMITMENTS

Olympia leases various offices under lease agreements. The initial lease terms are between twelve months and fifty months and the majority of lease agreements are renewable at market

rates when the lease period ends. Future aggregate minimum lease payments under leases are listed in the table below:

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

	March 31, 2023
2023	\$ 319,625
2024	527,668
2025	477,572
2026	24,324
	\$ 1,349,189

30. CONTINGENCIES

Olympia is not a money lender nor does it guarantee or participate in loans or mortgages of any type, except in its capacity as trustee of conventional and syndicated mortgages.

Olympia is defendant and plaintiff in a number of legal actions that arise in the normal course of business, the losses or gains from which, if any, are not anticipated to have a material effect on the interim financial statements.

31. RELATED PARTY TRANSACTIONS

Olympia's President and CEO owns and controls 29.54% of Olympia's shares. During the year, Olympia entered into transactions with the following related parties:

- Companies controlled by the President and CEO of Olympia;
- Companies controlled by directors of Olympia Trust;

- Companies controlled by management of Olympia;
- Family members of the President, management and directors; and
- Key management and directors.

The following transactions with related parties were measured at the exchange amount, which is the amount of consideration agreed to by the parties:

Service revenue	March 31, 2023	March 31, 2022
Companies controlled by the President & CEO	\$ 1,317	\$ 5,115
	\$ 1,317	\$ 5,115

Service revenue from associated entities totaled \$1,317 for the three months ended March 31, 2023 (March 31, 2022 – \$5,115). This consisted mainly of revenue from legal services provided by Olympia's in-house general counsel to Tarman, a company controlled by the President and CEO.

Interest revenue	March 31, 2023	March 31, 2022
Companies controlled by the President & CEO	\$ 16,633	\$ 7,687
	\$ 16,633	\$ 7,687

Interest revenue from associated entities totaled \$16,633 for the three months ended March 31, 2023 (March 31, 2022 – \$7,687), and consists of interest earned from the promissory note receivable.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

Administrative expenses	March 31, 2023	March 31, 2022
Companies controlled by the President & CEO (management fee)	\$ 2,612,987	\$ 892,193
Olympia Charitable Foundation	41,879	34,050
Companies controlled by the President & CEO	-	5,068
	\$ 2,654,866	\$ 931,311

Administrative expenses paid to associated entities totaled \$2.66 million for the three months ended March 31, 2023 (March 31, 2022 – \$0.93 million), and consisted of the following:

- The Olympia Charitable Foundation is funded by Olympia and the employees of Olympia. Olympia's matched donation totaled \$0.04 million for the three months ended March 31, 2023 (March 31, 2022 – \$0.03 million).
- Management fees are paid to Tarman based on a percentage of pre-tax profits of Olympia's divisions, except for the Private

Health Services Plan division, where the management fee is based on a percentage of health claims administered. These fees are for services provided as President and CEO of Olympia. For the three months ended March 31, 2023, this amounted to \$2.61 million (March 31, 2022 - \$0.89 million).

- Fees paid to Olympia ATM Ltd., a company owned and controlled by Olympia's President and CEO, of \$nil (March 31, 2022 - \$5,068) for operating costs and maintenance services provided for Olympia's foreign exchange ATMs.

Trade and other receivables include amounts receivable from related parties	March 31, 2023	December 31, 2022
Companies controlled by the President & CEO (current)	\$ 1,021,583	\$ 1,039,643
	\$ 1,021,583	\$ 1,039,643

Receivables from associated entities totaled \$1.02 million as at March 31, 2023 (December 31, 2022 – \$1.04 million), and consisted mainly of the following:

- A receivable in the amount of \$22,048 (December 31, 2022 – \$45,123) from Tarman, a company controlled by Olympia's President and CEO, reflects legal services provided and cost recoveries relating to accounting and other administrative services provided.
- A receivable in the amount of \$2,902 (December 31, 2022 – \$14,520) from Olympia ATM Ltd., a company controlled by the President and CEO, for expense recoveries relating to accounting and other administrative services provided.
- A receivable in the amount of \$1.00 million (December 31, 2022 – \$0.98 million) from Tarman, a company controlled by Olympia's President and CEO, for the sale of Olympia ATM Inc. to Tarman ATM Inc. ("Tarman").

On June 5, 2018, Olympia announced the sale to Tarman ATM Inc. ("Tarman") of the ATM business operated by Olympia ATM Inc., as a going concern, for an amount equal to the then current net book value of all assets used in the ATM business less all assumed liabilities; an amount estimated to be \$1.40 million.

The sale of the ATM business to Tarman, a corporation owned and controlled by Rick Skauge, was a related party transaction, as defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, but was exempted from Olympia obtaining disinterested shareholder approval and a formal valuation as the fair market value of the proposed transaction was less than 25% of Olympia's market capitalization.

An ad hoc committee composed solely of the independent members of Olympia's Board of Directors was constituted to consider and approve the sale of the ATM business to Tarman. As part of its deliberations, the ad hoc committee of the Board of Directors noted the continuing losses of approximately \$120,000 per month in the ATM business and acknowledged that while the ATM business still had the potential to grow and expand, it was unlikely to become profitable in the near future. Given the immediate financial benefits that the sale of the ATM business would have for Olympia and the uncertain timelines to profitability, the ad hoc committee believed the sale of the ATM business to be in the best interest of Olympia. The ad hoc committee of the Board of Directors obtained a fairness comfort letter stating that the proposed transaction was fair to the disinterested shareholders of Olympia. In addition, following

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

the public disclosure of the transaction, Olympia received an unsolicited expression of interest in the ATM business from a third party. Olympia permitted the third party to conduct a due diligence review and valuation of the ATM business and received

an offer to purchase the ATM business from the third party that was economically comparable to the offer made by Tarman.

As at the date of this publication, the promissory note has been repaid in full.

Trade and other payables and provision for other liabilities and charges include amounts payable to related parties	March 31, 2023	December 31, 2022
Companies controlled by the President & CEO	\$ 805,851	\$ 407,545
Family members of the President & CEO	238,375	291,495
Directors' fees	120,685	105,214
Companies controlled by directors of Olympia Trust	8,190	21,000
	\$ 1,173,101	\$ 825,254

Payables to associated entities totaled \$1,173,101 as at March 31, 2023 (December 31, 2022 – \$825,254), and consisted mainly of the following:

- A payable in the amount of \$497,127 (December 31, 2022 – \$35,157) to Tarman, a company controlled by the President and CEO of Olympia, for commissions related to the sale of health plans offered by Olympia Benefits.
- A management fee payable in the amount of \$308,724 (December 31, 2022 – \$382,388) to Tarman, a company controlled by the President and CEO of Olympia, based on a percentage of pre-tax profits of Olympia's divisions.

- An amount payable to the Executive Vice President, a party related to the President and CEO, for bonuses earned of \$238,375 (December 31, 2022 – \$291,495).

- A payable for directors' fees of \$120,685 (December 31, 2022 – \$105,214).

- A payable to a company controlled by a director of Olympia Trust of \$8,190 (December 31, 2022 – \$21,000).

These payables are all current.

32. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Olympia classifies the following financial assets as fair value through profit or loss (FVPL):

- Equity investments that are held for trading; and

- Equity investments for which Olympia has not elected to recognize fair value gains and losses through other comprehensive income.

	March 31, 2023	December 31, 2022
Canadian Equity securities (current)	\$ -	\$ -
Canadian Equity securities (non-current)	96,671	96,472
Total financial assets at fair value through profit or loss	\$ 96,671	\$ 96,472

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

The following table represents transfers between levels for the three months ended March 31, 2023.

	Level 1	Level 2	Level 3	Total
Opening balance	\$ -	\$ -	\$ 96,472	\$ 96,472
Purchases	-	-	-	-
Sales	-	-	(350)	(350)
Transfers from level 3 into level 1	-	-	-	-
Net gains recognized in other gains	-	-	549	549
Total financial assets at fair value through profit & loss	\$ -	\$ -	\$ 96,671	\$ 96,671

There were no transfers between Level 1, Level 2, and Level 3.

The following table represents transfers between levels for the year ended December 31, 2022.

	Level 1	Level 2	Level 3	Total
Opening balance	\$ 236,886	\$ -	\$ 98,974	\$ 335,860
Purchases	-	-	-	-
Sales	(147,323)	-	(3,916)	(151,239)
Transfers from Level 3 into Level 1	-	-	-	-
Net (losses)/gains recognized in other (losses)/gains	(89,563)	-	1,414	(88,149)
Total financial assets at fair value through profit & loss	\$ -	\$ -	\$ 96,472	\$ 96,472

During the year ended December 31, 2022, Olympia sold its Level 1 common shares in a Canadian corporation for proceeds of \$352,624, resulting in a realized gain of \$205,301.



CORPORATE INFORMATION

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Craig Skauge

Brian Newman^{1 2 3 4 5 6}

Gerard Janssen^{1 2 3 4 5 6}

Paul Kelly^{1 2 3 4 5 6}

Tony Balasubramanian^{5 6}

Tony Lanzl

Board Committees

¹ Audit Committee

² Corporate Governance Committee

³ Executive Compensation Committee

⁴ Investment Committee

⁵ Risk Management Committee

⁶ Compliance Committee

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THE EXECUTIVE TEAM



RICK SKAUGE

President and Chief Executive Officer



CRAIG SKAUGE

Executive Vice President
President, Olympia Trust Company
President, Exempt Edge



JENNIFER URSCHELER

Chief Financial Officer



ROBIN FRY

Chief Executive Officer,
Olympia Benefits Inc.



KEN FRY

President, Olympia Benefits Inc.



NEIL MCCULLAGH

Executive Vice President, Currency
and Global Payments



ANDREA GILLIS

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KELLY REVOL

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