

Q3 2023 REPORT

FINANCIAL STATEMENTS



2023

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TABLE OF CONTENTS

- 02. Management's Responsibility for the Condensed Consolidated Interim Financial Statements
- 03. Condensed Consolidated Interim Financial Statements
- 07. Notes to the Condensed Consolidated Interim Financial Statements
- 30. Corporate Information

MANAGEMENT'S RESPONSIBILITY FOR THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the third quarters ended September 30, 2023, and September 30, 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 September 30, 2023 and September 30, 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, November 9, 2023

CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS (unaudited)

(\$)	September 30, 2023	December 31, 2022
ASSETS		
Current assets		
Cash & cash equivalents	\$ 12,188,073	\$ 8,365,991
Trade & other receivables (note 7)	28,239,829	15,692,392
Prepaid expenses	2,071,216	2,362,756
Promissory note receivable (note 5)	-	980,000
Derivative financial instruments (notes 7 and 11)	1,292,704	1,095,806
Current tax receivable	15,851	15,851
Total current assets	43,807,673	28,512,796
Non-current assets		
Equipment & other (note 12)	598,437	528,966
Intangible assets (note 13)	5,587,297	6,789,865
Right-of-use assets (note 14)	725,358	975,719
Financial assets at fair value through profit or loss (note 32)	90,460	96,472
Deferred tax assets (note 19)	750,827	591,788
Total non-current assets	7,752,379	8,982,810
Total assets	\$ 51,560,052	\$ 37,495,606
LIABILITIES		
Current liabilities		
Trade & other payables (notes 7 and 15)	\$ 2,256,797	\$ 1,433,001
Deferred revenue (note 16)	5,564,134	834,829
Other liabilities & charges (note 7 and 17)	3,035,194	1,863,156
Revolving credit facility (notes 7 and 10)	3,562,417	4,953,278
Lease liabilities (notes 7 and 8)	476,757	389,348
Derivative financial instruments (notes 7 and 11)	742,743	792,043
Current tax liability (note 7)	2,187,082	905,961
Total current liabilities	17,825,124	11,171,616
Lease liabilities (note 7 and 8)	623,458	1,001,451
Total liabilities	\$ 18,448,582	\$ 12,173,067
EQUITY		
Share capital (note 18)	\$ 7,886,989	\$ 7,886,989
Contributed surplus (note 18)	86,373	86,373
Retained earnings	25,138,108	17,349,177
Total equity	\$ 33,111,470	\$ 25,322,539
Total equity & liabilities	\$ 51,560,052	\$ 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

November 9, 2023

Signed Brian Newman

Brian Newman, CPA, CA

Director

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

	NINE MONTHS ENDED		THREE MONTHS ENDED	
	Sept. 30, 2023	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2022
Revenues				
Service revenue (note 9)	\$ 35,768,763	\$ 37,840,611	\$ 12,012,605	\$ 12,378,998
Trust income (note 9)	36,920,293	11,652,363	13,245,362	5,703,844
Interest & other income (note 9)	1,425,611	1,317,272	139,831	720,585
	74,114,667	50,810,246	25,397,798	18,803,427
Expenses				
Direct expenses (notes 9 and 21)	2,805,593	3,050,911	929,806	981,840
Administrative expenses (notes 9 and 20)	45,712,479	33,634,899	15,561,779	11,397,340
Bad debt expense (notes 9 and 22)	970,616	445,717	199,500	324,500
Depreciation & amortization (notes 9, 12, 13 and 14)	1,886,966	1,916,386	602,350	637,989
Other (gains)/losses, net (notes 9 and 24)	(241,455)	33,080	(80,446)	208,740
	51,134,199	39,080,993	17,212,989	13,550,409
Earnings before income tax	22,980,468	11,729,253	8,184,809	5,253,018
Income tax expense (notes 9 and 19)				
Current tax expense	5,725,259	2,988,647	2,068,862	1,466,350
Deferred tax recovery	(159,039)	(8,477)	(102,920)	(191,394)
Total income tax expense	5,566,220	2,980,170	1,965,942	1,274,956
Net earnings & comprehensive income attributable to:				
Shareholders of Olympia	\$ 17,414,248	\$ 8,749,083	\$ 6,218,867	\$ 3,978,062
Net earnings & comprehensive income for the period	\$ 17,414,248	\$ 8,749,083	\$ 6,218,867	\$ 3,978,062
Earnings per share attributable to shareholders of Olympia				
Basic & diluted (note 25)	\$ 7.24	\$ 3.64	\$ 2.58	\$ 1.65

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	-	-	8,749,083	8,749,083
Dividends (note 26)	-	-	(5,462,355)	(5,462,355)
Balance at September 30, 2022	\$ 7,886,989	\$ 86,373	\$ 14,086,575	\$ 22,059,937
Balance at January 1, 2023	\$ 7,886,989	\$ 86,373	\$ 17,349,177	\$ 25,322,539
Net earnings & comprehensive income	-	-	17,414,248	17,414,248
Dividends (note 26)	-	-	(9,625,317)	(9,625,317)
Balance at September 30, 2023	\$ 7,886,989	\$ 86,373	\$ 25,138,108	\$ 33,111,470

See accompanying notes to the unaudited condensed consolidated interim financial statements

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (unaudited)

NINE MONTHS ENDED SEPTEMBER 30	2023	2022
Cash flows from operating activities		
Net earnings from operations	\$ 17,414,248	\$ 8,749,083
Items not affecting cash		
Depreciation of equipment & other (note 12)	219,636	184,639
Amortization of intangible assets (note 13)	1,416,969	1,534,277
Amortization of right-of-use assets (note 14)	250,361	197,470
Other	-	(12,385)
Loss/(gain) on disposal of assets	209	(192,863)
Unrealized loss on FVPL assets (note 24)	3,435	88,275
Deferred tax recovery (note 19)	(159,039)	(8,477)
Foreign exchange (gain)/loss (note 24)	(246,199)	87,462
Changes in non-cash working capital balances (note 27)	(4,221,225)	1,563,802
Net cash from operating activities	14,678,395	12,191,283
Cash flows from investing activities		
Purchase of equipment & other (note 12)	(289,107)	(215,024)
Purchase of intangible assets (note 13)	(214,401)	(169,224)
Proceeds on sale of securities	2,366	355,147
Proceeds on sale of equipment & other	-	40,000
Net cash from investing activities	(501,142)	10,899
Cash flows from financing activities		
Repayment of revolving credit facility (note 28)	(1,390,861)	(7,547,101)
Repayment of promissory note receivable	980,000	140,000
Payment of lease liabilities (note 8)	(318,993)	(200,751)
Dividends (note 26)	(9,625,317)	(5,462,355)
Net cash from financing activities	(10,355,171)	(13,070,207)
Net change in cash position	3,822,082	(868,025)
Cash, beginning of period	8,365,991	15,106,624
Cash, end of period	\$ 12,188,073	\$ 14,238,599
Cash is represented by:		
Cash & cash equivalents	\$ 12,188,073	\$ 14,238,599
	\$ 12,188,073	\$ 14,238,599
Other information for operations		
Interest received	\$ 1,661,954	\$ 1,199,229
Income taxes paid	\$ 4,109,843	\$ 1,786,933
Interest paid	\$ 270,781	\$ 189,206

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 – 3rd Avenue 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 and Exempt Edge 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 nine months ended September 30, 2023, neither subsidiary was operational or generated any revenue. Operations are expected to commence in the first quarter of the 2024 fiscal year.

2. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements ("interim financial statements") for the nine months ended September 30, 2023, have been prepared in accordance with IAS 34 *Financial Reporting* as issued by the International Accounting Standards Board ("IASB"). The unaudited condensed consolidated 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 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.

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 nine months ended September 30, 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 consent, 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 June 30, 2023, the promissory note, including all interest had been paid.

6. FUNDS IN TRUST

Investment Account Services ("IAS")

At September 30, 2023, IAS administered self-directed registered plans consisting of private company securities and mortgages with a cost value of \$9.77 billion (December 31, 2022 - \$9.01 billion) plus cash, public securities, term deposits, and outstanding cheques with an estimated fair value of \$1.02 billion (December 31, 2022 - \$1.01 billion). These assets are the property of the account holders and Olympia Trust does

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (unaudited)

not maintain effective control over the assets. Therefore, the assets are not reflected in these interim financial statements. IAS earned trust income from the cash portion of the assets held in trust of \$34.96 million for the nine months ended September 30, 2023 (September 30, 2022 – \$11.65 million).

Private Health Services Plan division (“Health”)

At September 30, 2023, Health held funds in trust of \$14.84 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 (“CGP”)

At September 30, 2023, CGP held funds in trust of \$5.06 million (December 31, 2022 – \$6.22 million) for clients who have paid margin requirements on forward foreign exchange contracts, and \$22.88 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 September 30, 2023, CSS held funds in trust and outstanding cheques of \$33.33 million (December 31, 2022 – \$259.59 million) for clients who have hired Olympia Trust to provide trustee services. This includes \$0.15 million (December 31, 2022 – \$0.67 million) of 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 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 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 with highly rated financial institutions. 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 September 30, 2023, a balance of \$3.56 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 September 30, 2023	Current	31 to 60 days	61 to 90 days	Over 90 days	Total
Trade & other payables	\$ 2,123,454	\$ -	\$ 133,343	\$ -	\$ 2,256,797
Other liabilities & charges	3,035,194	-	-	-	3,035,194
Current tax liability	-	2,187,082	-	-	2,187,082
Lease liabilities (current)	35,538	35,538	43,972	387,316	502,364
Lease liabilities (non-current)	-	-	-	633,816	633,816
Total	\$ 5,194,186	\$ 2,222,620	\$ 177,315	\$ 1,021,132	\$ 8,615,253
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 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 September 30, 2023, trade and other payables totaled \$2.26 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 \$0.04 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 September 30, 2023	Less than one year	One to two years	Two to three years	More than three years	Total undiscounted lease payments
Lease payment	\$ 502,364	\$ 496,362	\$ 137,454	\$ -	\$ 1,136,180

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

	September 30, 2023	December 31, 2022
Current	\$ 25,898	\$ 24,650
31 to 60 days	68,189	225,371
61 to 90 days	101,779	54,527
Over 90 days	546,877	487,495
	\$ 742,743	\$ 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 September 30, 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 September 30, 2023, based on amounts shown in note 11 of the interim financial statements, would have decreased by approximately \$0.04 million (December 31, 2022 - \$0.02 million). 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 (\$12.19 million) and the cash portion of the off-balance sheet arrangements (\$0.94

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 nine months ended September 30, 2023, would have increased by approximately \$5.46 million (September 30, 2022 - \$5.57 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 nine months ended September 30, 2023, was \$5.01 million (September 30, 2022 - \$6.17 million). If the interest rates were to have increased by 1%, it is estimated that Olympia's after-tax earnings for the nine months ended September 30, 2023, would have decreased by approximately \$0.03 million (September 30, 2022 - \$0.04 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. 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 highly rated financial institutions.

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 cash held in trust placed with financial institutions.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (unaudited)

Trade & other receivables	September 30, 2023	December 31, 2022
Trade receivables	\$ 1,868,712	\$ 3,212,436
Interest receivable	26,371,117	12,479,956
	\$ 28,239,829	\$ 15,692,392

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

As of September 30, 2023, impaired trade receivables net of allowances is \$1.14 million (December 31, 2022 – \$2.18 million). The aging of trade and other receivables is as follows:

Trade receivables	September 30, 2023	December 31, 2022
Current	\$ 415,763	\$ 983,033
31 to 60 days	565	23,376
61 to 90 days	314,548	21,263
Over 90 days	2,378,998	3,600,599
Allowance for doubtful accounts	(1,241,162)	(1,415,835)
	\$ 1,868,712	\$ 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:

	September 30, 2023	December 31, 2022
At January 1	\$ 1,415,835	\$ 1,287,545
Increase in provision	970,616	835,079
Receivables written-off, net	(1,145,289)	(706,789)
Allowance for doubtful accounts	\$ 1,241,162	\$ 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: \$0.81 million;
- more than two years but less than three years past due: \$0.21 million; and
- three or more years past due: \$0.26 million.

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	September 30, 2023	December 31, 2022
Current	\$ 2,447,975	\$ 1,287,217
31 to 60 days	6,434,240	1,347,014
61 to 90 days	4,005,781	901,069
Over 90 days	13,483,121	8,944,656
	\$ 26,371,117	\$ 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:

	September 30, 2023	December 31, 2022
Current	\$ 35,636	\$ 28,883
31 to 60 days	113,927	299,238
61 to 90 days	301,525	77,906
Over 90 days	841,616	689,779
	\$ 1,292,704	\$ 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 \$33.11 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 nine months ended September 30, 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 nine months ended September 30, 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:

	September 30, 2023	December 31, 2022
Balance at January 1	\$ 1,390,799	\$ 1,411,581
Additions	-	174,508
Lease repayment	(318,993)	(230,881)
Non-cash interest	28,409	35,591
Available at the end of the period	\$ 1,100,215	\$ 1,390,799

The current portion as at September 30, 2023, is \$0.48 million (December 31, 2022 - \$0.39 million), with the non-current portion being \$0.62 million (December 31, 2022 - \$1.00 million). Included under administrative expenses are interest expenses related to the lease liabilities in the amount of \$0.03 million for the nine months ended September 30, 2023 (September 30, 2022 - \$0.03 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 ("CFO"), other executive management review internal management reports on a monthly basis.

Segment profit or loss is used to measure performance. Olympia's President, CFO, 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, CFO, and other executive management.

Olympia does not disclose a measure of segment assets, because the President, CFO, 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, CFO, 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 nine months ended September 30, 2023

	Health	IAS	CGP	EE	CSS	Corporate	Total
Service revenue ¹	\$ 6,698,021	\$20,334,049	\$ 5,762,977	\$ 957,906	\$ 2,015,810	\$ -	\$35,768,763
Trust, interest & other income	708,976	35,698,657	792,229	10,099	983,367	152,576	38,345,904
Direct expenses	(1,329,528)	(25,265)	(1,300,841)	(1,638)	(148,321)	-	(2,805,593)
	6,077,469	56,007,441	5,254,365	966,367	2,850,856	152,576	71,309,074
Administrative expenses	(3,451,114)	(33,255,323)	(4,588,580)	(1,495,460)	(2,644,360)	(277,642)	(45,712,479)
Bad debt expense	-	(960,000)	47,884	(13,500)	(45,000)	-	(970,616)
Depreciation & amortization	(31,714)	(1,538,503)	(96,117)	(176,044)	(44,588)	-	(1,886,966)
Other (losses)/gains, net (note 24)	-	(551)	246,198	-	-	(4,192)	241,455
Earnings/(loss) before income taxes	2,594,641	20,253,064	863,750	(718,637)	116,908	(129,258)	22,980,468
Income tax (expense)/recovery ²	(669,712)	(4,850,911)	(206,881)	185,490	(28,001)	3,795	(5,566,220)
Net earnings/(loss)	\$ 1,924,929	\$ 15,402,153	\$ 656,869	\$ (533,147)	\$ 88,907	\$ (125,463)	\$ 17,414,248

¹ Included in service revenue for the CSS division are fees of \$74,250 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 nine months ended September 30, 2022

	Health	IAS	CGP	EE	CSS	Corporate	Total
Service revenue ¹	\$ 6,121,012	\$22,378,288	\$ 6,429,744	\$ 874,886	\$ 2,033,254	\$ 3,427	\$37,840,611
Trust, interest & other income	262,212	12,111,161	154,315	2,378	362,770	76,799	12,969,635
Direct expenses	(1,246,859)	(114,379)	(1,463,411)	(29,384)	(196,878)	-	(3,050,911)
	5,136,365	34,375,070	5,120,648	847,880	2,199,146	80,226	47,759,335
Administrative expenses	(2,839,701)	(22,118,704)	(4,820,107)	(1,408,991)	(2,198,757)	(248,639)	(33,634,899)
Bad debt expense	(150)	(440,000)	-	(13,500)	7,933	-	(445,717)
Depreciation & amortization	(39,576)	(1,518,770)	(114,055)	(197,923)	(46,062)	-	(1,916,386)
Other (losses)/gains, net (note 24)	(2,288)	(12,110)	(63,722)	-	-	45,040	(33,080)
Earnings/(loss) before income taxes	2,254,650	10,285,486	122,764	(772,534)	(37,740)	(123,373)	11,729,253
Income tax (expense)/recovery ²	(879,896)	(2,404,203)	(28,696)	301,488	8,822	22,315	(2,980,170)
Net earnings/(loss)	\$ 1,374,754	\$ 7,881,283	\$ 94,068	\$ (471,046)	\$ (28,918)	\$ (101,058)	\$ 8,749,083

¹ Included in service revenue for the CSS division are fees of \$74,250 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 nine months ended September 30, 2023

	HEALTH	IAS	CGP	EE	CSS	Corporate	Total
Account set-up & onboarding fees	\$ -	\$ 752,150	\$ -	\$ 85,820	\$ 348,065	\$ -	\$ 1,186,035
Annual administration & health spending account fees	1,652,198	13,316,620	-	-	982,316	-	15,951,134
Monthly & transaction fees	4,633,414	5,985,913	410	865,493	685,429	-	12,170,659
Trading profits & losses	-	-	5,727,205	-	-	-	5,727,205
Travel & life insurance brokerage fees	399,047	325	-	-	-	-	399,372
Other revenue	13,362	279,041	35,362	6,593	-	-	334,358
Service revenue	\$ 6,698,021	\$20,334,049	\$ 5,762,977	\$ 957,906	\$ 2,015,810	\$ -	\$35,768,763

One customer accounted for 18.49% of CGP's divisional revenue earned for the nine months ended September 30, 2023. For all other divisions, no one customer represents more than 10% of the division's total revenue earned for the period.

Service revenue for the nine months ended September 30, 2022

	HEALTH	IAS	CGP	EE	CSS	Corporate	Total
Account set-up & onboarding fees	\$ -	\$ 859,950	\$ -	\$ 81,673	\$ 407,785	\$ -	\$ 1,349,408
Annual administration & health spending account fees	1,503,235	15,334,146	-	-	840,077	-	17,677,458
Monthly & transaction fees	4,199,540	5,440,707	195,375	776,813	785,392	-	11,397,827
Trading profits & losses	-	-	6,194,773	-	-	-	6,194,773
Travel & life insurance brokerage fees	390,778	175	-	-	-	-	390,953
Other revenue	27,459	743,310	39,596	16,400	-	3,427	830,192
Service revenue	\$ 6,121,012	\$22,378,288	\$ 6,429,744	\$ 874,886	\$ 2,033,254	\$ 3,427	\$37,840,611

No one customer represents more than 10% of a division's total revenue earned for the nine months ended September 30, 2022.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (unaudited)

Net operations for the three months ended September 30, 2023

	HEALTH	IAS	CGP	EE	CSS	Corporate	Total
Service revenue ¹	\$ 2,099,213	\$ 6,870,197	\$ 2,021,667	\$ 338,944	\$ 682,584	\$ -	\$ 12,012,605
Interest revenue & trust income	250,389	12,604,595	304,670	4,315	183,471	37,753	13,385,193
Direct expenses	(406,306)	(11,563)	(492,847)	-	(19,090)	-	(929,806)
	1,943,296	19,463,229	1,833,490	343,259	846,965	37,753	24,467,992
Administrative expenses	(965,558)	(11,615,902)	(1,561,742)	(496,835)	(835,683)	(86,059)	(15,561,779)
Bad debt expense	-	(180,000)	-	(4,500)	(15,000)	-	(199,500)
Depreciation & amortization	(11,008)	(484,111)	(32,762)	(58,722)	(15,747)	-	(602,350)
Other gains/(losses), net (note 24)	-	357	85,120	-	-	(5,031)	80,446
Earnings/(loss) before income taxes	966,730	7,183,573	324,106	(216,798)	(19,465)	(53,337)	8,184,809
Income tax (expense)/recovery ²	(244,259)	(1,703,327)	(76,916)	54,335	4,843	(618)	(1,965,942)
Net earnings/(loss)	\$ 722,471	\$ 5,480,246	\$ 247,190	\$ (162,463)	\$ (14,622)	\$ (53,955)	\$ 6,218,867

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 September 30, 2022

	HEALTH	IAS	CGP	EE	CSS	Corporate	Total
Service revenue ¹	\$ 1,944,521	\$ 7,436,925	\$ 2,096,230	\$ 287,737	\$ 613,585	\$ -	\$ 12,378,998
Interest revenue & trust income	142,719	5,848,047	109,142	1,448	290,572	32,501	6,424,429
Direct expenses	(398,999)	(69,490)	(451,615)	(9,600)	(52,136)	-	(981,840)
	1,688,241	13,215,482	1,753,757	279,585	852,021	32,501	17,821,587
Administrative expenses	(905,483)	(8,023,570)	(1,167,244)	(491,754)	(730,766)	(78,523)	(11,397,340)
Bad debt expense	-	(320,000)	-	(4,500)	-	-	(324,500)
Depreciation & amortization	(13,377)	(511,169)	(35,862)	(62,647)	(14,934)	-	(637,989)
Other losses, net (note 24)	-	-	(122,293)	-	-	(86,447)	(208,740)
Earnings/(loss) before income taxes	769,381	4,360,743	428,358	(279,316)	106,321	(132,469)	5,253,018
Income tax (expense)/recovery ²	(211,968)	(1,021,072)	(100,037)	79,687	(24,809)	3,243	(1,274,956)
Net earnings/(loss)	\$ 557,413	\$ 3,339,671	\$ 328,321	\$ (199,629)	\$ 81,512	\$ (129,226)	\$ 3,978,062

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 September 30, 2023

	HEALTH	IAS	CGP	EE	CSS	Corporate	Total
Account set-up & onboarding fees	\$ -	\$ 258,650	\$ -	\$ 36,100	\$ 119,603	\$ -	\$ 414,353
Annual administration & health spending account fees	554,376	4,546,553	-	-	331,433	-	5,432,362
Monthly & transaction fees	1,417,205	2,018,560	-	298,973	231,548	-	3,966,286
Trading profits & losses	-	-	2,000,913	-	-	-	2,000,913
Travel & life insurance brokerage fees	125,669	50	-	-	-	-	125,719
Other revenue	1,964	46,384	20,754	3,870	-	-	72,972
Service revenue	\$ 2,099,214	\$ 6,870,197	\$ 2,021,667	\$ 338,943	\$ 682,584	\$ -	\$12,012,605

One customer accounted for 16.27% of CGP's divisional revenue earned for the three months ended September 30, 2023. For all other divisions, no one customer represents more than 10% of the division's total revenue earned for the period.

Service revenue for the three months ended September 30, 2022

	HEALTH	IAS	CGP	EE	CSS	Corporate	Total
Account set-up & onboarding fees	\$ -	\$ 278,450	\$ -	\$ 24,950	\$ 108,470	\$ -	\$ 411,870
Annual administration & health spending account fees	500,641	5,188,113	-	-	304,840	-	5,993,594
Monthly & transaction fees	1,314,259	1,768,200	45,115	262,787	200,275	-	3,590,636
Trading profits & losses	-	-	2,045,113	-	-	-	2,045,113
Travel & life insurance brokerage fees	126,909	75	-	-	-	-	126,984
Other revenue	2,712	202,087	6,002	-	-	-	210,801
Service revenue	\$ 1,944,521	\$ 7,436,925	\$ 2,096,230	\$ 287,737	\$ 613,585	\$ -	\$12,378,998

No one customer represents more than 10% of a division's total revenue earned for the three months ended September 30, 2022.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (unaudited)

10. REVOLVING CREDIT FACILITY

As at September 30, 2023, Olympia has drawn \$3.56 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 September 30, 2023 was \$27.50 million (December 31, 2022 - \$17.49 million).

The financial ratios are a quarterly cash flow coverage ratio

of not less than 1.50:1, and a debt to tangible net worth of not more than 3.00:1. At September 30, 2023, Olympia's cash flow coverage ratio under the terms of the credit facility was calculated to be 6:37:1 (December 31, 2022 – 4.26:1). At September 30, 2023, Olympia's debt to tangible net worth ratio under the terms of the credit facility was calculated to be 0.34:1 (December 31, 2022 - 0.36:1). Throughout 2022 and for the nine months ended September 30, 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	September 30, 2023	December 31, 2022
Maximum limit of line of credit	\$ 15,000,000	\$ 15,000,000
Drawn	(3,562,417)	(4,953,278)
Available at end of period	\$ 11,437,583	\$ 10,046,722

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (unaudited)

11. DERIVATIVE FINANCIAL INSTRUMENTS

	Fair value as at September 30, 2023	Notional amount as at September 30, 2023	Fair value as at December 31, 2022	Notional amount as at December 31, 2022
Current assets	\$ 1,292,704	\$ 64,528,063	\$ 1,095,806	\$ 33,515,785
Non-current assets (1–3 years)	\$ -	\$ -	\$ -	\$ -
Current liabilities	\$ 742,743	\$ 45,242,151	\$ 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 October 12, 2023, and April 24, 2024. 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)/losses, 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 September 30, 2023, Olympia has margins held in Canadian dollars of \$5.06 million (December 31, 2022 – \$6.22 million).

For the period ended September 30, 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

	September 30, 2023	Level 1	Level 2	Level 3
Financial assets – derivative financial instruments	\$ 1,292,704	\$ -	\$ 1,292,704	\$ -
Financial liabilities – derivative financial instruments	(742,743)	-	(742,743)	-
	\$ 549,961	\$ -	\$ 549,961	\$ -
	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

September 30, 2023	Leasehold improvements	Computers & equipment	Furniture & fixtures	FX ATM equipment	Total
Cost					
At beginning of year	\$ 341,250	\$ 879,980	\$ 347,541	\$ -	\$ 1,568,771
Additions	13,324	250,723	25,060	-	289,107
Disposals	-	-	-	-	-
At end of period	\$ 354,574	\$ 1,130,703	\$ 372,601	\$ -	\$ 1,857,878
Accumulated depreciation					
At beginning of year	\$ 108,493	\$ 666,529	\$ 264,783	\$ -	\$ 1,039,805
Disposals	-	-	-	-	-
Depreciation charge for the period	64,033	122,419	33,184	-	219,636
At end of period	\$ 172,526	\$ 788,948	\$ 297,967	\$ -	\$ 1,259,441
Closing net book value	\$ 182,048	\$ 341,755	\$ 74,634	\$ -	\$ 598,437

December 31, 2022	Leasehold improvements	Computers & equipment	Furniture & fixtures	FX ATM equipment	Total
Cost					
At beginning of year	\$ 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 year	\$ 341,250	\$ 879,980	\$ 347,541	\$ -	\$ 1,568,771
Accumulated depreciation					
At beginning of year	\$ 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 year	27,111	140,239	54,801	21,399	243,550
At end of year	\$ 108,493	\$ 666,529	\$ 264,783	\$ -	\$ 1,039,805
Closing net book value	\$ 232,757	\$ 213,451	\$ 82,758	\$ -	\$ 528,966

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (unaudited)

13. INTANGIBLE ASSETS

September 30, 2023	Internally generated software	Computer software	Client list	Other	Total
Cost					
At beginning of year	\$ 3,006,844	\$ 1,725,163	\$ 7,119,205	\$ 27,305	\$11,878,517
Additions	118,372	96,029	-	-	214,401
Disposals	-	-	-	-	-
At end of period	\$ 3,125,216	\$ 1,821,192	\$ 7,119,205	\$ 27,305	\$12,092,918
Accumulated amortization					
At beginning of year	\$ 2,008,757	\$ 1,569,999	\$ 1,482,591	\$ 27,305	\$ 5,088,652
Amortization charge for the period	281,701	67,387	1,067,881	-	1,416,969
Disposals	-	-	-	-	-
At end of period	\$ 2,290,458	\$ 1,637,386	\$ 2,550,472	\$ 27,305	\$ 6,505,621
Closing net book value	\$ 834,758	\$ 183,806	\$ 4,568,733	\$ -	\$ 5,587,297

December 31, 2022	Internally generated software	Computer software	Client list	Other	Total
Cost					
At beginning of year	\$ 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 year	\$ 3,006,844	\$ 1,725,163	\$ 7,119,205	\$ 27,305	\$11,878,517
Accumulated amortization					
At beginning of year	\$ 1,533,052	\$ 1,441,439	\$ 58,750	\$ 27,305	\$ 3,060,546
Amortization charge for the year	475,705	134,720	1,423,841	-	2,034,266
Disposals	-	(6,160)	-	-	(6,160)
At end of year	\$ 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 \$0.21 million relates primarily to the development of the Exempt Edge division's applications (\$0.12 million) and a new enterprise architecture software for Olympia (\$0.10 million).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (unaudited)

14. RIGHT-OF-USE ASSETS

	September 30, 2023	December 31, 2022
Balance at January 1	\$ 975,719	\$ 1,075,624
Additions (note 8)	-	174,508
Depreciation	(250,361)	(274,413)
Available at the end of the period	\$ 725,358	\$ 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

	September 30, 2023	December 31, 2022
Trade payables	\$ 984,365	\$ 457,216
Agents & commissions payable	194,372	214,504
Amounts due to related parties (note 31)	192,980	140,371
Government taxes payable	885,080	620,910
	\$ 2,256,797	\$ 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

	September 30, 2023	December 31, 2022
Annual registered plan services administration fees	\$ 4,599,690	\$ -
Annual health spending account fees	760,095	671,510
Annual corporate & shareholder services retainer fees	193,933	156,694
Annual EdgeLink service fees	10,416	6,625
	\$ 5,564,134	\$ 834,829

At September 30, 2023, deferred revenue totaled \$5.56 million compared to \$0.83 million as at December 31, 2022. This is comprised of annual fees that have been received by the IAS division, the 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 & charges (current)	September 30, 2023	December 31, 2022
Bonuses payable	\$ 1,479,645	\$ 1,023,223
Professional fees accrual	651,216	88,633
General accruals	356,051	267,744
Vacation payable	348,310	243,113
Legal fees accrual	90,504	86,007
Other payables	56,016	-
Long term service award accrual	53,452	-
Medical benefits payable	-	124,436
Severance accrual	-	30,000
	\$ 3,035,194	\$ 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 September 30, 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 30, 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.

19. INCOME TAXES

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

	September 30, 2023	December 31, 2022
Bad debts provision & other	\$ 255,391	\$ 306,902
Deferred revenue	223,414	193,388
Carrying amount of equipment higher than the tax basis	271,058	71,721
Unrecognized capital gains	964	19,777
	\$ 750,827	\$ 591,788

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (unaudited)

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 September 30, 2023 was 24.0% (September 30, 2022 – 23.5%).

	September 30, 2023	September 30, 2022
Earnings before income tax	\$ 22,980,468	\$ 11,729,253
Anticipated income tax expense	5,493,628	2,796,258
Non-deductible expenses	26,018	25,882
Adjustment in respect of prior years	46,574	393,880
Refund from prior year tax	-	(235,850)
	\$ 5,566,220	\$ 2,980,170
Current tax expense	\$ 5,725,259	\$ 2,988,647
Deferred tax recovery	(159,039)	(8,477)
Total	\$ 5,566,220	\$ 2,980,170

20. ADMINISTRATIVE EXPENSES

	September 30, 2023	September 30, 2022
Salaries & bonuses	\$ 26,412,135	\$ 19,255,384
General administration expense	8,803,168	8,313,790
Management fees	7,547,111	3,564,943
Employee benefit expense (note 23)	1,966,290	1,709,920
Rent expense	983,775	790,862
	\$ 45,712,479	\$ 33,634,899

For the nine months ended September 30, 2023, administration expenses increased primarily within the IAS division. This was driven primarily by higher bonuses and management fees in line with financial performance in the IAS division.

Included in general administration expense is an increase of \$0.67 million for computer maintenance expenses, and a \$0.34 million increase in office and maintenance expenses, offset by a \$0.39 million decrease in legal fees for the nine months ended September 30, 2023, when compared with the nine months ended September 30, 2022.

21. DIRECT EXPENSES

	September 30, 2023	September 30, 2022
Commission expense	\$ 1,481,860	\$ 1,657,639
Health trailer commissions	876,800	813,299
Service costs paid	446,933	579,973
	\$ 2,805,593	\$ 3,050,911

Commission expense decreased \$0.18 million for the nine months ended September 30, 2023, when compared with the nine months ended September 30, 2022. This decrease is primarily the result of lower revenues and other earnings drivers within the CGP division.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (unaudited)

22. BAD DEBT EXPENSE

	September 30, 2023	September 30, 2022
Bad debt expense	\$ 970,616	\$ 445,717
	\$ 970,616	\$ 445,717

During the nine months ended September 30, 2023, Olympia recorded \$0.97 million in bad debt expense (September 30, 2022 - \$0.45 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.

23. EMPLOYEE BENEFITS

	September 30, 2023	September 30, 2022
Medical benefits	\$ 720,615	\$ 751,706
Parking & other benefits	640,998	544,717
Share ownership assistance	439,268	301,760
Long-term service awards & education assistance	165,409	111,737
	\$ 1,966,290	\$ 1,709,920

24. OTHER (GAINS)/LOSSES, NET

	September 30, 2023	September 30, 2022
Unrealized foreign exchange (gain)/loss	\$ (246,199)	\$ 87,462
Loss/(gain) on disposal of assets & other	1,309	(142,657)
Unrealized loss on FVPL assets	3,435	88,275
	\$ (241,455)	\$ 33,080

Unrealized foreign exchange (gain)/loss includes the amounts pertaining to the foreign exchange derivative assets and liabilities within the CGP division.

25. EARNINGS PER SHARE

Basic and diluted

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

Nine months ended	September 30, 2023	September 30, 2022
Total net earnings	\$ 17,414,248	\$ 8,749,083
Weighted average number of shares (basic & diluted)	2,406,336	2,406,336
Basic & diluted earnings per share	\$ 7.24	\$ 3.64

Three months ended	September 30, 2023	September 30, 2022
Total net earnings	\$ 6,218,867	\$ 3,978,062
Weighted average number of shares (basic & diluted)	2,406,336	2,406,336
Basic & diluted earnings per share	\$ 2.58	\$ 1.65

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (unaudited)

26. DIVIDENDS PER SHARE

The aggregate dividends declared and paid for the nine months amounted to \$9.63 million (September 30, 2022 – \$5.46 million).

27. CHANGES IN NON-CASH WORKING CAPITAL

	September 30, 2023	September 30, 2022
Trade & other receivables	\$ (12,547,437)	\$ (6,651,830)
Current tax receivable	-	(15,851)
Current tax liability	1,281,121	1,599,309
Prepaid expenses	291,540	253,140
Inventory	-	42,338
Trade & other payables	823,799	1,179,762
Deferred revenue	4,729,305	5,380,730
Lease liability interest	28,409	25,596
Other liabilities & charges	1,172,038	(249,392)
	\$ (4,221,225)	\$ 1,563,802

28. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	December 31, 2022	Cash flows	September 30, 2023
Revolving credit facility	\$ 4,953,278	\$ (1,390,861)	\$ 3,562,417
	\$ 4,953,278	\$ (1,390,861)	\$ 3,562,417

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:

	September 30, 2023
2023	\$ 106,610
2024	527,668
2025	477,572
2026	24,324
2027	-
	\$ 1,136,174

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 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 consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (unaudited)

31. RELATED PARTY TRANSACTIONS

Olympia's President and CEO owns and controls 29.55% 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	September 30, 2023	September 30, 2022
Companies controlled by the President & CEO	\$ 1,317	\$ 1,523
	\$ 1,317	\$ 1,523

Service revenue from associated entities totaled \$1,317 for the nine months ended September 30, 2023 (September 30, 2022 – \$1,523). 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	September 30, 2023	September 30, 2022
Companies controlled by the President & CEO	\$ 22,231	\$ 29,985
	\$ 22,231	\$ 29,985

Interest revenue from associated entities totaled \$22,231 for the nine months ended September 30, 2023 (September 30, 2022 – \$29,985), and consists of interest earned from the promissory note receivable.

Administrative expenses	September 30, 2023	September 30, 2022
Companies controlled by the President & CEO (management fee)	\$ 7,547,111	\$ 3,564,943
Olympia Charitable Foundation	121,097	93,339
Companies controlled by the President & CEO	-	26,545
	\$ 7,668,208	\$ 3,684,827

Administrative expenses paid to associated entities totaled \$7,668,208 for the nine months ended September 30, 2023 (September 30, 2022 – \$3,684,827), and consisted of the following:

- The Olympia Charitable Foundation is funded by Olympia and the employees of Olympia. Olympia's matched donation totaled \$121,097 for the nine months ended September 30, 2023 (September 30, 2022 – \$93,339).
- 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 nine months ended September 30, 2023, this amounted to \$7,547,111 (September 30, 2022 - \$3,564,943).

- Fees paid to Olympia ATM Ltd., a company controlled by Olympia's President and CEO, of \$nil (September 30, 2022 - \$26,545) for operating costs and maintenance services provided for Olympia's foreign exchange ATMs.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (unaudited)

Trade & other receivables include amounts receivable from related parties	September 30, 2023	December 31, 2022
Companies controlled by the President & CEO (current)	\$ 26,792	\$ 1,039,643
Companies controlled by the President & CEO (non-current)	-	-
	\$ 26,792	\$ 1,039,643

Receivables from associated entities totaled \$26,792 as at September 30, 2023 (December 31, 2022 – \$1,039,643), and consisted mainly of the following:

- A receivable in the amount of \$25,598 (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 \$1,194 (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 \$nil (December 31, 2022 – \$980,000 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 the President and CEO, 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 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.

Trade & other payables and provision for other liabilities & charges include amounts payable to related parties	September 30, 2023	December 31, 2022
Companies controlled by the President & CEO	\$ 442,424	\$ 407,545
Family members of the President & CEO	290,617	291,495
Directors' fees	133,343	105,214
Companies controlled by directors of Olympia	18,743	21,000
	\$ 885,127	\$ 825,254

Payables to associated entities totaled \$885,127 as at September 30, 2023 (December 31, 2022 – \$825,254), and consisted mainly of the following:

- A payable in the amount of \$41,600 (December 31, 2022 – \$27,865) 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 \$382,787 (December 31, 2022 – \$154,691) to Tarman, a company controlled by the President and CEO of Olympia, based on a percentage of pre-tax profits of Olympia's divisions.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (unaudited)

- A payable in the amount of \$18,037 (December 31, 2022 - \$nil) to Apple Creek Golf Course Inc., a company controlled by the President and CEO of Olympia for the annual charity golf tournament.
- An amount payable to the Executive Vice President, a party related to the President and CEO, for bonuses earned of \$290,617 (December 31, 2022 - \$291,495).

- A payable for directors' fees of \$133,343 (December 31, 2022 - \$105,214).
- A payable to a company controlled by a director of Olympia Trust of \$18,743 (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 at 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.

	September 30, 2023	December 31, 2022
Canadian Equity securities (current)	\$ -	\$ -
Canadian Equity securities (non-current)	90,460	96,472
Total financial assets at fair value through profit or loss	\$ 90,460	\$ 96,472

The following table represents transfers between levels for the nine months ended September 30, 2023:

	Level 1	Level 2	Level 3	Total
Opening balance	\$ -	\$ -	\$ 96,472	\$ 96,472
Purchases	-	-	-	-
Sales	-	-	(2,577)	(2,577)
Transfers from level 3 into level 1	-	-	-	-
Net gains recognized in other gains/(losses)	-	-	(3,435)	(3,435)
Total financial assets at fair value through profit and loss	\$ -	\$ -	\$ 90,460	\$ 90,460

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 gains/(losses) recognized in other gains/(losses)	(89,563)	-	1,414	(88,149)
Total financial assets at fair value through profit and 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.

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



CORPORATE INFORMATION

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Board Committees

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² Corporate Governance Committee

³ Executive Compensation Committee

⁴ Investment Committee

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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

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