



Q3 2021 REPORT

FINANCIAL STATEMENTS

2021

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MANAGEMENT'S RESPONSIBILITY FOR THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the third quarters ended September 30, 2021, and September 30, 2020

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 consolidated 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 financial statements for the periods ended September 30, 2021 and September 30, 2020.

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 properly maintained to provide reliable information for the preparation of the unaudited condensed consolidated 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

Signed Gerhard Barnard

Rick Skauge
President and Chief Executive Officer

Gerhard Barnard, CPA, CMA
Chief Financial Officer

Calgary, Canada, November 10, 2021

CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS (Unaudited)

(\$)	September 30, 2021	December 31, 2020
ASSETS		
Current assets		
Cash & cash equivalents (note 11)	\$ 18,777,959	\$ 15,939,759
Trade & other receivables (note 7)	4,544,272	2,809,248
Inventory	42,338	49,428
Prepaid expenses	1,498,330	1,722,259
Promissory note receivable (note 5)	147,622	140,000
Derivative financial instruments (notes 7 and 13)	402,355	3,340,251
Current tax receivable	459,238	-
Total current assets	25,872,114	24,000,945
Non-current assets		
Restricted cash & investments (note 10)	-	1,000,000
Equipment & other (note 14)	542,288	799,623
Intangible assets (note 15)	2,723,537	2,292,702
Right-of-use asset (note 16)	1,273,875	539,142
Financial assets at fair value through profit or loss (note 29)	386,589	72,566
Long-term lease receivable (note 7)	-	8,117
Promissory note receivable (note 5)	980,000	1,120,000
Deferred tax assets (note 20)	569,997	820,724
Total non-current assets	6,476,286	6,652,874
Total assets	\$ 32,348,400	\$ 30,653,819
LIABILITIES		
Current liabilities		
Trade & other payables (notes 7 and 17)	\$ 1,482,122	\$ 999,404
Deferred revenue (note 18)	4,044,687	550,876
Other liabilities & charges (note 7)	2,033,864	1,962,561
Revolving credit facility (notes 12 and 25)	4,453,312	4,946,744
Lease liabilities (notes 7 and 8)	380,667	890,722
Derivative financial instruments (notes 7 and 13)	251,666	1,801,662
Current tax liability	-	450,799
Total current liabilities	12,646,318	11,602,768
Lease liabilities (notes 7 and 8)	1,258,596	147,564
Total liabilities	\$ 13,904,914	\$ 11,750,332
EQUITY		
Share capital (note 19)	\$ 7,886,989	\$ 7,886,989
Contributed surplus (note 19)	86,373	86,373
Retained earnings	10,470,124	10,930,125
Total equity	18,443,486	18,903,487
Total equity & liabilities	\$ 32,348,400	\$ 30,653,819

Contingencies (note 26)

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 10, 2021

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, 2021	Sept. 30, 2020	Sept. 30, 2021	Sept. 30, 2020
Revenue				
Service revenue (note 9)	\$ 31,074,455	\$ 25,182,910	\$ 10,128,112	\$ 8,429,934
Trust income (note 9)	5,098,856	9,254,398	1,580,613	2,766,246
Interest (note 9)	480,423	331,848	178,453	132,076
	36,653,734	34,769,156	11,887,178	11,328,256
Expenses				
Direct expenses (note 9)	3,132,572	1,967,729	884,393	659,088
Administrative expenses (note 9)	24,915,279	24,184,069	8,258,351	7,790,486
Depreciation and amortization (notes 9, 14, 15 and 16)	1,595,359	1,363,341	556,086	474,807
Other losses/(gains), net (notes 9 and 21)	1,130,651	(290,583)	158,518	(97,495)
	30,773,861	27,224,556	9,857,348	8,826,886
Earnings before income tax	5,879,873	7,544,600	2,029,830	2,501,370
Income tax expense (notes 9 and 20)				
Current	1,108,072	1,717,598	421,880	653,893
Deferred tax expense	250,727	90,063	67,425	(69,417)
Total income tax expense	1,358,799	1,807,661	489,305	584,476
Net earnings and comprehensive income attributable to:				
Shareholders of Olympia	\$ 4,521,074	\$ 5,843,650	\$ 1,540,525	\$ 1,948,105
Non-controlling interests (note 1)	-	(106,711)	-	(31,211)
Net earnings and comprehensive income for the period	\$ 4,521,074	\$ 5,736,939	\$ 1,540,525	\$ 1,916,894
Earnings per share attributable to shareholders of Olympia				
Basic and diluted (note 22)	\$ 1.88	\$ 2.43	\$ 0.64	\$ 0.81

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	Non-controlling Interest	Total Equity
Balance at January 1, 2020	\$ 7,886,989	\$ 86,373	\$ 10,164,595	\$ (209,208)	\$ 17,928,749
Net earnings and comprehensive income	-	-	5,843,650	(106,711)	5,736,939
Dividends (note 23)	-	-	(4,981,109)	-	(4,981,109)
Balance at September 30, 2020	\$ 7,886,989	\$ 86,373	\$ 11,027,136	\$ (315,919)	\$ 18,684,579
Balance at January 1, 2021	\$ 7,886,989	\$ 86,373	\$ 10,930,125	\$ -	\$ 18,903,487
Net earnings and comprehensive income	-	-	4,521,074	-	4,521,074
Dividends (note 23)	-	-	(4,981,075)	-	(4,981,075)
Balance at September 30, 2021	\$ 7,886,989	\$ 86,373	\$ 10,470,124	\$ -	\$ 18,443,486

See accompanying notes to the unaudited condensed consolidated interim financial statements

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (Unaudited)

NINE MONTHS ENDED SEPTEMBER 30	2021	2020
Cash flows from operating activities		
Net earnings from operations	\$ 4,521,074	\$ 5,736,939
Items not affecting cash		
Depreciation of equipment & other (note 14)	429,866	374,149
Amortization of intangible assets (note 15)	616,416	589,015
Amortization of right-of-use asset (note 16)	549,076	400,178
Other	(4,252)	(3,638)
(Gain)/loss on disposal of assets	(160,832)	1,165
Deferred income taxes recovery	250,727	90,063
Foreign exchange gain (note 21)	1,387,899	(262,729)
Changes in non-cash working capital balances (note 24)	1,468,647	3,018,109
Net cash from operating activities	9,058,621	9,943,251
Cash flows from investing activities		
Purchase of equipment & other (note 14)	(191,184)	(161,411)
Purchase of intangible assets (note 15)	(1,047,251)	(324,120)
Proceeds on sale of securities	3,557	1,819
Purchase of securities	-	(37,500)
Change in restricted investment for collateral, net (note 10)	1,000,000	(2,800,000)
Proceeds on sale of equipment and other	43,191	-
Net cash from investing activities	(191,687)	(3,321,212)
Cash flows from financing activities		
(Repayment)/borrowing of revolving credit facility	(493,432)	384,438
Repayment of promissory note receivable	140,000	140,000
Receipt of lease receivable	36,617	36,617
Payment of lease liabilities (note 8)	(730,844)	(746,260)
Dividends (note 23)	(4,981,075)	(4,981,109)
Net cash from financing activities	(6,028,734)	(5,166,314)
Net change in cash position	2,838,200	1,455,725
Cash, beginning of period	15,939,759	13,754,089
Cash, end of period	\$ 18,777,959	\$ 15,209,814
Cash is represented by:		
Cash & cash equivalents (note 11)	\$ 18,777,959	\$ 15,209,814
	\$ 18,777,959	\$ 15,209,814
Other information for operations		
Interest received	\$ 509,207	\$ 296,990
Income taxes paid	\$ 2,018,110	\$ 1,747,500
Interest paid	\$ 87,287	\$ 56,841

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 conducts business under Olympia Benefits Inc. (“OBI”), a wholly owned subsidiary of Olympia. Olympia Benefits Inc. was incorporated on May 4, 2006, under the *Business Corporations Act* (Alberta).

The Exempt Edge division conducts business under Olympia Benefits Inc. For the year ended December 31, 2019, Olympia held an 80% controlling interest in Exempt Edge Inc. and a third party held a 20% non-controlling interest. The non-controlling interest is presented separately in the statements of net earnings and comprehensive income for the nine months ended September 30, 2021. On November 26, 2020, Olympia acquired the 20% non-controlling interest in Exempt Edge Inc. from a private third party for a purchase price of \$250,000. On January 1, 2021, the shares of Exempt Edge Inc. were amalgamated with OBI. The successor company retained the name Olympia Benefits Inc.

2. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2021, 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 (“condensed consolidated financial statements”) should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2020, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the IASB. The policies applied in these condensed consolidated 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, 2020. Income taxes on earnings in the interim periods are accrued using the income tax rate that would be applicable to the expected total annual earnings.

Olympia’s condensed consolidated 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 condensed consolidated 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.

Certain of the prior year comparative figures have been reclassified to conform to the presentation adopted for the current year.

3. CHANGES IN ACCOUNTING POLICIES

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

The International Accounting Standards Board (“IASB”) published Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39, and IFRS 7). These amendments address issues that may affect financial reporting in instances where an existing interest rate benchmark is replaced with an alternative benchmark interest rate. These amendments include a practical expedient to gain or loss for a change in benchmark as a result of these reforms.

These amendments are effective for annual periods beginning on or after January 1, 2021, and would be applicable to the portion of Olympia’s bank credit facility that is based on the Canadian Dollar Offered Rate (“CDOR”). There is no impact on the condensed consolidated financial statements as a result of the amendment.

4. FUTURE ACCOUNTING PRONOUNCEMENTS

There were no significant new or amended standards issued during the nine months ended September 30, 2021, 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 \$1.4 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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

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.

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 June 30, 2021, the second installment of \$140,000 had been repaid, along with all outstanding interest.

In connection with the financing of the vault cash used by Tarman, Olympia agreed to postpone to CWB the receipt of all amounts owed to it by Tarman and is required to obtain CWB's consent prior to accepting any amounts from Tarman. Olympia has obtained the required consent. Olympia also agreed to subordinate to CWB all interests granted to Olympia by Tarman.

Included in the \$1.13 million promissory note receivable is the current portion of \$ 147,622 as at September 30, 2021.

6. FUNDS IN TRUST

Registered Plans division ("RRSP")

At September 30, 2021, RRSP administered self-directed registered plans consisting of private company securities and mortgages with a cost value of \$5.60 billion (December 31, 2020 – \$4.51 billion) plus cash, public securities, term deposits, and outstanding cheques with an estimated fair value of \$769.27 million (December 31, 2020 – \$649.94 million). 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 condensed consolidated financial statements. Olympia earned trust income from the cash portion of the assets held in trust of \$5.10 million for the nine months ended September 30, 2021 (September 30, 2020 – \$9.25 million).

Private Health Services Plan division ("Health")

At September 30, 2021, Health held funds in trust of \$12.64 million (December 31, 2020 – \$12.10 million) on behalf of its self-insured private health clients. These assets are the property of the plan holders and OBI does not maintain effective control over the assets. Therefore, the assets are not reflected in these condensed consolidated financial statements.

Currency and Global Payments ("CGP")

At September 30, 2021, CGP held funds in trust of \$4.70 million (December 31, 2020 – \$4.01 million) for clients who have paid margin requirements on forward foreign exchange contracts, and \$16.67 million (December 31, 2020 – \$15.43 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 condensed consolidated financial statements.

Corporate and Shareholder Services division ("CSS")

At September 30, 2021, CSS held funds in trust and outstanding cheques of \$145.74 million (December 31, 2020 – \$1.05 billion) for clients who have hired Olympia Trust to provide trustee services. This includes approximately \$0.68 million (December 31, 2020 - \$155.58 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 consolidated financial statements.

7. FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS

Fair value of financial instruments

The fair value of cash and cash equivalents, restricted cash and investments, trade and other receivables, long-term lease receivable, promissory note receivable, trade and other payables, lease liabilities, revolving credit facility and other liabilities

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

and charges approximate their carrying amounts. Derivative financial instruments are measured at fair value through profit or loss. 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, 2020 – \$15 million) and bears interest at the Canadian prime rate plus 0.25%. As at September 30, 2021, a balance of \$4.45 million is outstanding (December 31, 2020 – \$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.

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

At September 30, 2021	Current	31 to 60 days	61 to 90 days	Over 90 days	Total
Trade and other payables	\$ 1,443,572	\$ -	\$ 38,550	\$ -	\$ 1,482,122
Other liabilities and charges	2,033,864	-	-	-	2,033,864
Lease liabilities	91,870	91,870	91,870	1,462,082	1,737,692
Total	\$ 3,569,306	\$ 91,870	\$ 130,420	\$ 1,462,082	\$ 5,253,678
At December 31, 2020					
Trade and other payables	\$ 910,184	\$ -	\$ 86,830	\$ 2,390	\$ 999,404
Other liabilities and charges	1,962,561	-	-	-	1,962,561
Current income tax liability	-	450,799	-	-	450,799
Lease liabilities	82,918	82,918	82,918	674,644	923,398
Total	\$ 2,955,663	\$ 533,717	\$ 169,748	\$ 677,034	\$ 4,336,162

As at September 30, 2021, trade and other payables totaled \$1.48 million (December 31, 2020 – \$1.00 million). Olympia continues to meet all of the obligations associated with its financial liabilities.

Lease liabilities cash outflows excludes \$0.10 million of non-cash financing interest under IFRS 16.

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

At September 30, 2021	Less than one year	One to two years	Two to three years	More than three years	Total undiscounted lease payments
Lease payment	\$ 440,254	\$ 280,240	\$ 427,220	\$ 589,978	1,737,692

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

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

	September 30, 2021	December 31, 2020
Current	\$ 12,375	\$ 92,671
31 to 60 days	1,984	130,419
61 to 90 days	85,845	369,692
Over 90 days	151,462	1,208,880
	\$ 251,666	\$ 1,801,662
Non-current (1–3 years)	\$ -	\$ -

(ii) 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. It is Olympia Trust's policy to limit the amount of foreign currencies on hand to \$1.50 million to reduce exposure to foreign currency risk.

(iii) 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 (\$18.78 million) and the cash portion of the off-balance sheet arrangements (\$672.36 million), 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, 2021, would have increased by approximately \$3.94 million (September 30, 2020 – \$3.23 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.

(iv) Credit risk

Credit risk is the risk that the counterparty to a financial asset will default, resulting in Olympia incurring a financial loss. Given the changing circumstances surrounding the COVID-19 pandemic and the related response from governments (federal, provincial and municipal), regulatory authorities, businesses and customers, there is inherently more uncertainty associated with counterparties as compared to prior periods.

Olympia continues to monitor and assess the impact of COVID-19 and the emergency measures enacted to contain the spread of the virus and mitigate its economic effects. As such, it is not possible to accurately determine the impact that the COVID-19 pandemic will have on Olympia's credit risk or results of operations in future periods. Before material 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, restricted cash and investments, trade and other receivables, promissory note receivable and derivative financial instruments receivable. The maximum exposure to credit risk of

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

Olympia at the end of the year is the carrying value of cash and cash equivalents, restricted cash and investments, 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.

- Restricted cash and investments

Olympia limits its counterparty credit risk on these assets by dealing with reputable counterparties and performing due diligence to assess their creditworthiness.

- Trade and other receivables

Olympia has policies and procedures in place to govern the credit risk it will assume. Trade receivables over 90 days are considered past due. As of September 30, 2021, impaired trade receivables net of allowances are \$4.17 million (December 31, 2020 – \$2.29 million) The aging of trade and other receivables is as follows:

	September 30, 2021	December 31, 2020
Current	\$ 305,194	\$ 144,790
31 to 60 days	24,993	258,700
61 to 90 days	48,303	120,052
Over 90 days	5,292,435	3,537,411
Allowance for doubtful accounts	(1,126,653)	(1,251,705)
	\$ 4,544,272	\$ 2,809,248

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, 2021	December 31, 2020
At January 1	\$ 1,251,705	\$ 981,584
Increase in provision	213,000	717,640
Receivables written off	(338,052)	(447,519)
Allowance for doubtful accounts	\$ 1,126,653	\$ 1,251,705

Included within receivables is the current portion of a lease receivable of \$0.02 million (December 31, 2020 – \$0.05 million) recognized based on the present value of sublet property, as required by IFRS 16.

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 administrative expenses in the consolidated 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: \$363,633;
- more than two years but less than three years past due: \$344,071; and
- three or more years past due: \$240,897.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

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, 2021	December 31, 2020
Current	\$ 23,768	\$ 354,936
31 to 60 days	9,013	679,283
61 to 90 days	116,371	897,144
Over 90 days	253,203	1,408,888
	\$ 402,355	\$ 3,340,251
Non-current (1-3 years)	\$ -	\$ -

The receivable can all be offset with one counterparty.

(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 \$18.44 million (December 31, 2020 – \$18.90 million) in the definition of capital. Shareholders' equity comprises share capital, contributed surplus, non-controlling interest 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 period ended September 30, 2021; and
- Maintain compliance with financial covenants, which includes maintaining a minimum equity 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 period ended September 30, 2021.

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, 2021	December 31, 2020
Balance at January 1	\$ 1,038,286	\$ 1,945,352
Additions ¹	1,283,810	-
Lease repayment	(730,844)	(995,013)
Non-cash interest	48,011	87,947
Available at the end of the period/year	\$ 1,639,263	\$ 1,038,286

¹\$1,283,810 represents the initial discounted value of leases recognized under IFRS 16.

The current portion as at September 30, 2021, is \$0.38 million (December 31, 2020 – \$0.89 million), with the non-current portion being \$1.26 million (December 31, 2020 – \$0.15 million). Included under administrative expenses are interest expenses related to the lease liabilities in the amount of \$0.05 million for the nine months ended September 30, 2021 (September 30, 2020 – \$0.07 million).

During 2021, Olympia Trust has signed a new lease agreement for the head office location (January 2021) and renewed a reduced lease in Vancouver (May 2021). Some staff continue to operate out of the previous head office, but it is anticipated that all staff will have moved to the new head office by the end of fiscal 2021.

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 nine months ended September 30, 2021

	Health	RRSP	CGP	EE	CSS	Corporate	Total
Service revenue ¹	\$ 5,836,972	\$ 14,519,979	\$ 8,210,176	\$ 762,458	\$ 1,702,160	\$ 42,710	\$ 31,074,455
Interest revenue and trust income	110,315	5,425,893	11,019	547	12,821	18,684	5,579,279
Direct expenses	(1,200,216)	(50,656)	(1,717,543)	(57,533)	(106,624)	-	(3,132,572)
	4,747,071	19,895,216	6,503,652	705,472	1,608,357	61,394	33,521,162
Administrative expenses	(2,909,937)	(14,141,572)	(4,417,902)	(1,450,881)	(1,872,453)	(122,534)	(24,915,279)
Depreciation and amortization	(150,510)	(941,825)	(223,245)	(222,073)	(57,706)	-	(1,595,359)
Other gain/(losses), net (note 20)	13,640	5,444	(1,383,207)	-	408	233,064	(1,130,651)
Earnings/(loss) before income taxes	1,700,264	4,817,263	479,298	(967,482)	(321,394)	171,924	5,879,873
Income taxes (expense)/recovery ²	(625,426)	(977,938)	(97,301)	355,879	65,245	(79,258)	(1,358,799)
Net earnings/(loss)	\$ 1,074,838	\$ 3,839,325	\$ 381,997	\$ (611,603)	\$ (256,149)	\$ 92,666	\$ 4,521,074

¹ Included in service revenue for the CSS division are fees of \$84,250 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, 2020

	Health	RRSP	CGP	EE	CSS	Corporate	Total
Service revenue ¹	\$ 5,146,354	\$ 13,451,477	\$ 5,076,024	\$ 751,613	\$ 744,007	\$ 13,435	\$ 25,182,910
Interest revenue and trust income	137,140	9,327,802	67,769	441	27,201	25,893	9,586,246
Direct expenses	(1,058,243)	(74,428)	(710,750)	(68,686)	(55,622)	-	(1,967,729)
	4,225,251	22,704,851	4,433,043	683,368	715,586	39,328	32,801,427
Administrative expenses	(2,544,703)	(14,748,719)	(4,429,331)	(1,106,705)	(1,331,748)	(22,863)	(24,184,069)
Depreciation and amortization	(122,080)	(819,253)	(230,491)	(163,953)	(27,564)	-	(1,363,341)
Other (losses)/gains, net (note 20)	-	(811)	277,945	-	-	13,449	290,583
Earnings/(loss) before income taxes	1,558,468	7,136,068	51,166	(587,290)	(643,726)	29,914	7,544,600
Income taxes (expense)/recovery ²	(372,353)	(1,552,443)	(11,131)	53,737	140,042	(65,513)	(1,807,661)
Net earnings/(loss)	\$ 1,186,115	\$ 5,583,625	\$ 40,035	\$ (533,553)	\$ (503,684)	\$ (35,599)	\$ 5,736,939

¹ Included in service revenue for the CSS division are fees of \$124,750 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 nine months ended September 30, 2021

	HEALTH	RRSP	CGP	EE	CSS	Corporate	Total
Account set-up and onboarding fees	\$ -	\$ 758,550	\$ -	\$ 86,072	\$ 280,551	\$ -	\$ 1,125,173
Annual administration and health spending account fees	1,274,628	9,477,834	-	-	519,546	-	11,272,008
Monthly and transaction fees	4,177,491	4,243,605	90,399	676,140	902,063	-	10,089,698
Trading profits and losses	-	-	8,106,968	-	-	-	8,106,968
Travel and life insurance brokerage fees	368,065	225	-	-	-	-	368,290
Other	16,788	39,765	12,809	246	-	42,710	112,318
Service revenue	\$ 5,836,972	\$ 14,519,979	\$ 8,210,176	\$ 762,458	\$ 1,702,160	\$ 42,710	\$ 31,074,455

No one customer in the CGP division represents more than 10% of the CGP division's total revenue earned for the nine months ended September 30, 2021.

Service revenue for the nine months ended September 30, 2020

	HEALTH	RRSP	CGP	EE	CSS	Corporate	Total
Account set-up and onboarding fees	\$ -	\$ 524,523	\$ -	\$ 157,315	\$ 251,567	\$ -	\$ 933,405
Annual administration and health spending account fees	1,086,637	9,434,069	-	-	275,804	-	10,796,510
Monthly and transaction fees	3,645,409	3,442,359	176,445	592,753	216,636	-	8,073,602
Trading profits and losses	-	-	4,849,709	-	-	-	4,849,709
Travel and life insurance brokerage fees	392,801	150	-	-	-	-	392,951
Other	21,507	50,376	49,870	1,545	-	13,435	136,733
Service revenue	\$ 5,146,354	\$ 13,451,477	\$ 5,076,024	\$ 751,613	\$ 744,007	\$ 13,435	\$ 25,182,910

No one customer in the CGP division represents more than 10% of the CGP division's total revenue earned for the nine months ended September 30, 2020.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

Net operations for the three months ended September 30, 2021

	HEALTH	RRSP	CGP	EE	CSS	Corporate	Total
Service revenue ¹	\$ 1,790,695	\$ 5,041,282	\$ 2,450,599	\$ 248,486	\$ 568,471	\$ 28,579	\$ 10,128,112
Interest revenue and trust income	36,787	1,727,814	3,663	200	(15,155)	5,757	1,759,066
Direct expenses	(382,938)	(1,708)	(457,819)	(15,465)	(26,463)	-	(884,393)
	1,444,544	6,767,388	1,996,443	233,221	526,853	34,336	11,002,785
Administrative expenses	(967,288)	(4,732,011)	(1,376,282)	(486,683)	(633,395)	(62,692)	(8,258,351)
Depreciation and amortization	(53,943)	(324,490)	(70,282)	(82,812)	(24,559)	-	(556,086)
Other gains/(losses), net (note 20)	10,040	4,294	(429,779)	-	408	256,519	(158,518)
Earnings/(loss) before income taxes	433,353	1,715,181	120,100	(336,274)	(130,693)	228,163	2,029,830
Income taxes (expense)/recovery ²	(208,681)	(389,325)	(29,144)	148,246	29,060	(39,461)	(489,305)
Net earnings/(loss)	\$ 224,672	\$ 1,325,856	\$ 90,956	\$ (188,028)	\$ (101,633)	\$ 188,702	\$ 1,540,525

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, 2020

	HEALTH	RRSP	CGP	EE	CSS	Corporate	Total
Service revenue ¹	\$ 1,689,697	\$ 4,443,430	\$ 1,759,797	\$ 272,831	\$ 260,148	\$ 4,031	\$ 8,429,934
Interest revenue and trust income	29,219	2,839,650	7,065	61	14,933	7,394	2,898,322
Direct expenses	(357,223)	(28,452)	(236,389)	(19,193)	(17,831)	-	(659,088)
	1,361,693	7,254,628	1,530,473	253,699	257,250	11,425	10,669,168
Administrative expenses	(700,803)	(4,766,711)	(1,456,714)	(379,565)	(474,069)	(12,624)	(7,790,486)
Depreciation and amortization	(41,168)	(282,636)	(76,897)	(64,891)	(9,215)	-	(474,807)
Other (losses)/gains, net (note 20)	-	(60)	86,495	-	-	11,060	97,495
Earnings/(loss) before income taxes	619,722	2,205,221	83,357	(190,757)	(226,034)	9,861	2,501,370
Income taxes (expense)/recovery ²	(151,610)	(482,839)	(18,114)	34,699	49,436	(16,048)	(584,476)
Net earnings/(loss)	\$ 468,112	\$ 1,722,382	\$ 65,243	\$ (156,058)	\$ (176,598)	\$ (6,187)	\$ 1,916,894

¹ Included in service revenue for the CSS division are fees of \$20,375 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, 2021

	HEALTH	RRSP	CGP	EE	CSS	Corporate	Total
Account set-up and onboarding fees	\$ -	\$ 233,550	\$ -	\$ 28,963	\$ 109,545	\$ -	\$ 372,058
Annual administration and health spending account fees	429,635	3,273,150	-	-	203,433	-	3,906,218
Monthly and transaction fees	1,238,813	1,519,805	42,408	219,561	255,493	-	3,276,080
Trading profits and losses	-	-	2,400,431	-	-	-	2,400,431
Travel and life insurance brokerage fees	119,754	75	-	-	-	-	119,829
Other	2,493	14,702	7,760	(38)	-	28,579	53,496
Service revenue	\$ 1,790,695	\$ 5,041,282	\$ 2,450,599	\$ 248,486	\$ 568,471	\$ 28,579	\$ 10,128,112

No one customer in the CGP division represents more than 10% of the CGP division's total revenue earned for the three months ended September 30, 2021.

Service revenue for the three months ended September 30, 2020

	HEALTH	RRSP	CGP	EE	CSS	Corporate	Total
Account set-up and onboarding fees	\$ -	\$ 177,600	\$ -	\$ 66,860	\$ 38,049	\$ -	\$ 282,509
Annual administration and health spending account fees	368,848	3,209,451	-	-	123,845	-	3,702,144
Monthly and transaction fees	1,184,420	1,039,700	20,912	205,372	98,254	-	2,548,658
Trading profits and losses	-	-	1,705,463	-	-	-	1,705,463
Travel and life insurance brokerage fees	131,052	25	-	-	-	-	131,077
Other	5,377	16,654	33,422	599	-	4,031	60,083
Service revenue	\$ 1,689,697	\$ 4,443,430	\$ 1,759,797	\$ 272,831	\$ 260,148	\$ 4,031	\$ 8,429,934

No one customer in the CGP division represents more than 10% of the CGP division's total revenue earned for the three months ended September 30, 2020.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

10. RESTRICTED CASH AND INVESTMENTS

	September 30, 2021	December 31, 2020
Foreign exchange trading investments collateral provided	\$ -	\$ 1,000,000
	\$ -	\$ 1,000,000

Restricted cash and investments as at September 30, 2021, of \$nil (December 31, 2020 – \$1.00 million), consist of cash held by financial institutions as collateral for the performance of Olympia Trust's foreign exchange trading platform obligations. Restricted cash and investments are not readily accessible for use in

operations and are therefore reported separately from cash and cash equivalents. Olympia used a combination of its own cash reserves and its revolving credit facility to fund the increased collateral requirements.

11. CASH AND CASH EQUIVALENTS

Cash at bank and on hand is readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value.

Non-restricted cash in circulation refers to Olympia's foreign exchange cash in ATM cassettes and cash in transit.

	September 30, 2021	December 31, 2020
Cash at bank and on hand	\$ 18,339,950	\$ 15,382,596
Non-restricted cash in circulation	438,009	557,163
	\$ 18,777,959	\$ 15,939,759

12. REVOLVING CREDIT FACILITY

As at September 30, 2021, Olympia has drawn \$4.45 million (December 31, 2020 – \$4.95 million) on its established credit facility. On March 15, 2019, Olympia increased the credit facility amount from \$8.5 million to \$15 million. Amounts drawn in the current year have been used primarily to facilitate the additional trading collateral requirements for the CGP division and to finance the growth of the Exempt Edge division.

a specific financial ratio, and maintaining a total consolidated equity of \$12 million. The financial ratio is a quarterly cash flow coverage ratio of not less than 1.50:1. At September 30, 2021, Olympia's cash flow coverage ratio under the terms of the credit facility was calculated to be 1.57:1 (December 31, 2020 – 1.83:1). Total equity as at September 30, 2021, was \$18.44 million, compared to total equity of \$18.90 million at December 31, 2020. Throughout 2020 and 2021, Olympia was in compliance with all covenants.

During the period ended December 31, 2020, the credit facility was amended to divide the facility between Olympia and Olympia Trust. The new agreements provide Olympia with a \$9 million facility and Olympia Trust with a \$6 million facility.

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

The credit facilities in place have a maximum amount of \$15 million (December 31, 2020 – \$15 million) and bear interest at the Canadian prime rate plus 0.25%. The credit facilities are subject to quarterly review.

During 2016, Olympia Trust entered into a contingent credit facility to be used only by the CGP division. The contingent credit facility had a maximum of \$5 million, which was only to be used to enter into spot, forward or foreign exchange transactions with the issuing financial institution. During the year ended the December 31, 2019, the agreement was replaced with a new demand credit facility with a US\$6 million limit.

The credit facilities are 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 facilities contain a number of affirmative covenants, including maintaining specific security, maintaining

As at September 30, 2021, the balance attributable to Olympia Trust was nominal for the revolving credit facility and \$nil for the CGP's contingent credit facility.

Credit Facility	September 30, 2021	December 31, 2020
Available balance at January 1	\$ 10,053,256	\$ 8,344,653
Repaid	493,432	1,708,603
Available at the end of the period/year	\$ 10,546,688	\$ 10,053,256

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

13. DERIVATIVE FINANCIAL INSTRUMENTS

	Fair value as at September 30, 2021	Notional amount as at September 30, 2021	Fair value as at December 31, 2020	Notional amount as at December 31, 2020
Current assets	\$ 402,355	\$ 21,213,402	\$ 3,340,251	\$ 111,386,251
Non-current assets (1–3 years)	\$ -	\$ -	\$ -	\$ -
Current liabilities	\$ 251,666	\$ 11,273,072	\$ 1,801,662	\$ 64,778,818
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 8, 2021, and September 29, 2021. 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 consolidated 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, 2021, Olympia has margins held in Canadian dollars of \$4.70 million (December 31, 2020 – \$4.01 million).

For the period ended September 30, 2021, 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 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, 2021		Level 1	Level 2	Level 3
Financial assets – derivative financial instruments	\$ 402,355	\$ -	\$ 402,355	\$ -	
Financial liabilities – derivative financial instruments	(251,666)	-	(251,666)	-	
	\$ 150,689	\$ -	\$ 150,689	\$ -	

Recurring measurements

	December 31, 2020		Level 1	Level 2	Level 3
Financial assets – derivative financial instruments	\$ 3,340,251	\$ -	\$ 3,340,251	\$ -	
Financial liabilities – derivative financial instruments	(1,801,662)	-	(1,801,662)	-	
	\$ 1,538,589	\$ -	\$ 1,538,589	\$ -	

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

14. EQUIPMENT AND OTHER

September 30, 2021	Leasehold improvements	Computers & equipment	Furniture & fixtures	FX ATM equipment	Total
Cost					
At beginning of year	\$ 3,046,572	\$ 763,489	\$ 984,083	\$ 288,012	\$ 5,082,156
Additions	68,722	65,865	49,507	7,090	191,184
Disposals	-	-	(182,764)	-	(182,764)
At end of period	\$ 3,115,294	\$ 829,354	\$ 850,826	\$ 295,102	\$ 5,090,576
Accumulated depreciation					
At beginning of year	\$ 2,740,957	\$ 495,611	\$ 854,498	\$ 191,467	\$ 4,282,533
Disposals	-	-	(164,111)	-	(164,111)
Depreciation charge for the period	220,806	125,815	47,524	35,721	429,866
At end of period	\$ 2,961,763	\$ 621,426	\$ 737,911	\$ 227,188	\$ 4,548,288
Closing net book value	\$ 153,531	\$ 207,928	\$ 112,915	\$ 67,914	\$ 542,288

December 31, 2020	Leasehold improvements	Computers & equipment	Furniture & fixtures	FX ATM equipment	Total
Cost					
At beginning of year	\$ 3,031,703	\$ 614,164	\$ 970,527	\$ 295,422	\$ 4,911,816
Additions	14,869	149,325	15,556	7,090	186,840
Disposals	-	-	(2,000)	(14,500)	(16,500)
At end of year	\$ 3,046,572	\$ 763,489	\$ 984,083	\$ 288,012	\$ 5,082,156
Accumulated depreciation					
At beginning of year	\$ 2,519,657	\$ 338,952	\$ 788,269	\$ 143,983	\$ 3,790,861
Disposals	-	-	(835)	(10,745)	(11,580)
Depreciation charge for the year	221,300	156,659	67,064	58,229	503,252
At end of year	\$ 2,740,957	\$ 495,611	\$ 854,498	\$ 191,467	\$ 4,282,533
Closing net book value	\$ 305,615	\$ 267,878	\$ 129,585	\$ 96,545	\$ 799,623

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

15. INTANGIBLE ASSETS

September 30, 2021	Internally generated software	Computer software	Customer list	Other	Total
Cost					
At beginning of year	\$ 2,709,552	\$ 1,731,324	\$ -	\$ 27,305	\$ 4,468,181
Additions	70,846	-	976,405	-	1,047,251
At end of period	\$ 2,780,398	\$ 1,731,324	\$ 976,405	\$ 27,305	\$ 5,515,432
Accumulated amortization					
At beginning of year	\$ 1,060,833	\$ 1,087,917	\$ -	\$ 26,729	\$ 2,175,479
Amortization charge for the period	351,425	264,416	-	575	616,416
At end of period	\$ 1,412,258	\$ 1,352,333	\$ -	\$ 27,304	\$ 2,791,895
Closing net book value	\$ 1,368,140	\$ 378,991	\$ 976,405	\$ 1	\$ 2,723,537

December 31, 2020	Internally generated software	Computer software	Customer list	Other	Total
Cost					
At beginning of year	\$ 2,373,033	\$ 1,719,246	\$ -	\$ 27,305	\$ 4,119,584
Additions	336,519	12,078	-	-	348,597
At end of year	\$ 2,709,552	\$ 1,731,324	\$ -	\$ 27,305	\$ 4,468,181
Accumulated amortization					
At beginning of year	\$ 647,631	\$ 697,753	\$ -	\$ 25,986	\$ 1,371,370
Amortization charge for the year	413,202	390,164	-	743	804,109
At end of year	\$ 1,060,833	\$ 1,087,917	\$ -	\$ 26,729	\$ 2,175,479
Closing net book value	\$ 1,648,719	\$ 643,407	\$ -	\$ 576	\$ 2,292,702

Additions

The capital additions of \$1.05 million relate primarily to the purchase of a client list by the RRSP division (\$0.98 million), the continued development and enhancement of the Registered Plans division's mobile and web application (\$0.05 million) and the development of Exempt Edge division's applications (\$0.02 million).

During the three months ending September 30, 2021, Olympia Trust entered into an asset purchase agreement pursuant to which, Olympia Trust purchased substantially all of the self-directed registered plan investment accounts currently administered by Community Trust Company.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

16. RIGHT-OF-USE ASSETS

	September 30, 2021	December 31, 2020
Balance at January 1	\$ 539,142	\$ 1,073,064
Additions (note 8)	1,283,809	-
Depreciation	(549,076)	(533,922)
Available at the end of the period/year	\$ 1,273,875	\$ 539,142

The right-of-use assets pertain to lease properties under IFRS 16. These assets are depreciated over the term of the leases.

17. TRADE AND OTHER PAYABLES

	September 30, 2021	December 31, 2020
Trade payables	\$ 417,330	\$ 222,751
Agents and commissions payable	178,488	325,658
Amounts due to related parties	64,871	125,795
Government taxes payable	821,433	325,200
	\$ 1,482,122	\$ 999,404

18. DEFERRED REVENUE

	September 30, 2021	December 31, 2020
Annual registered plan services administration fees	\$ 3,341,464	\$ -
Annual health spending account fees	592,332	518,880
Annual corporate & shareholder services retainer fees	110,891	31,996
	\$ 4,044,687	\$ 550,876

At September 30, 2021, deferred revenue totaled \$4.04 million compared to \$0.55 million as at December 31, 2020. This is comprised of annual fees that have been received by the Health division, the CSS division, and the RRSP division. The unearned

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

19. SHARE CAPITAL AND CONTRIBUTED SURPLUS

	Number of common shares	Share capital	Contributed surplus	Total
At January 1, 2021	2,406,336	\$ 7,886,989	\$ 86,373	\$ 7,973,362
Balance at September 30, 2021	2,406,336	\$ 7,886,989	\$ 86,373	\$ 7,973,362

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

	Number of common shares	Share capital	Contributed surplus	Total
At January 1, 2020	2,406,352	\$ 7,886,989	\$ 86,373	\$ 7,973,362
Balance at December 30, 2020	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, 2020 – unlimited common shares). All issued shares are fully paid.

20. INCOME TAXES

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

	September 30, 2021	December 31, 2020
Bad debts provision and other	\$ 465,179	\$ 523,312
Non-capital losses	120,383	753,391
Carrying amount of equipment higher than the tax basis	17,145	(455,979)
Unrecognized capital gains	(32,710)	-
	\$ 569,997	\$ 820,724

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, 2021, was 23.5% (September 30, 2020 – 24.0%).

	September 30, 2021	September 30, 2020
Earnings from continuing operations before income tax	\$ 5,879,873	\$ 7,544,600
Anticipated income tax expense	1,399,453	1,810,704
Non-deductible expenses	9,181	14,670
Adjustment in respect of prior years	37,561	(90,942)
Other	6,519	2,234
Refund from prior year tax	(93,915)	-
Remeasurement of deferred tax – change in provincial tax rate	-	70,995
	\$ 1,358,799	\$ 1,807,661
Current tax expense	\$ 1,108,072	\$ 1,717,598
Deferred tax recovery	250,727	90,063
Total	\$ 1,358,799	\$ 1,807,661

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

21. OTHER LOSSES/(GAINS), NET

	September 30, 2021	September 30, 2020
Unrealized foreign exchange loss/(gain)	\$ 1,387,899	\$ (262,729)
Gain on disposal of assets and other	(120,955)	(27,854)
Unrealized gain on FVPL assets	(136,293)	-
	\$ 1,130,651	\$ (290,583)

Included in the loss on disposal of assets and other are amounts relating to both the cost and recovery for various legal matters involving Olympia.

22. 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, 2021	September 30, 2020
Total net earnings	\$ 4,521,074	\$ 5,843,650
Weighted average number of shares (basic and diluted)	2,406,336	2,406,336
Basic and diluted earnings per share	\$ 1.88	\$ 2.43

Three months ended	September 30, 2021	September 30, 2020
Total net earnings	\$ 1,540,525	\$ 1,948,105
Weighted average number of shares (basic and diluted)	2,406,336	2,406,336
Basic and diluted earnings per share	\$ 0.64	\$ 0.81

23. DIVIDENDS PER SHARE

The aggregate dividends declared and paid for the nine months amounted to \$4.98 million (September 30, 2020 – \$4.98 million).

24. CHANGES IN NON-CASH WORKING CAPITAL

	September 30, 2021	September 30, 2020
Trade & other receivables	\$ (1,948,181)	\$ (732,220)
Current taxes receivable	(459,238)	(211,369)
Current taxes payable	(450,799)	135,917
Prepaid expenses	223,929	222,652
Inventory	7,090	7,090
Trade & other payables	482,720	(316,526)
Deferred revenue	3,493,812	3,291,455
Lease liability interest	48,011	70,330
Other liabilities & charges	71,303	550,779
	\$ 1,468,647	\$ 3,018,108

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

25. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	December 31, 2020		Cash flows		September 30, 2021	
Revolving credit facility	\$	4,946,744	\$	(493,432)	\$	4,453,312
	\$	4,946,744	\$	(493,432)	\$	4,453,312

26. 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 condensed consolidated financial statements.

27. RELATED PARTY TRANSACTIONS

Olympia's President and CEO owns and controls 29.50% of Olympia's shares. During the year, Olympia entered into transactions with the following related parties:

- Companies and businesses controlled by the President and CEO of Olympia;
- Companies and businesses associated with the directors of Olympia;

- Companies and businesses 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, 2021		September 30, 2020	
Companies and businesses controlled by the president and CEO	\$	23,227	\$	23,340
	\$	23,227	\$	23,340

Service revenue from associated entities totaled \$23,227 for the nine months ended September 30, 2021 (September 30, 2020 – \$23,340). 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, as well as sublease income of \$18,000 from Exempt Experts (September 30, 2020 – \$18,000), a company controlled by the President and CEO.

Interest revenue	September 30, 2021		September 30, 2020	
Companies and businesses controlled by the president and CEO	\$	24,492	\$	31,719
	\$	24,492	\$	31,719

Interest revenue from associated entities totaled \$24,492 for nine months ended September 30, 2021 (September 30, 2020 – \$31,719), and consists of interest earned from the promissory note receivable.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

Administrative expenses	September 30, 2021	September 30, 2020
Companies and businesses controlled by the President and CEO (management fee)	\$ 1,524,063	\$ 2,385,520
Olympia Charitable Foundation	69,651	53,285
Companies and businesses controlled by the President and CEO	5,227	5,340
	\$ 1,598,941	\$ 2,444,145

Administrative expenses paid to associated entities totaled \$1.60 million for the nine months ended September 30, 2021 (September 30, 2020 – \$2.44 million), and consisted of the following:

- The Olympia Charitable Foundation is funded by Olympia and the employees of Olympia. Olympia's matched donation totaled \$69,651 for the nine months ended September 30, 2021 (September 30, 2020 – \$53,285).
- 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, 2021, this amounted to \$1.52 million (September 30, 2020 – \$2.39 million).

- Fees paid to Olympia ATM Ltd., a company owned and controlled by Olympia's President and CEO, of \$5,227 relate to maintenance services provided for Olympia's Foreign Exchange ATMs.

Trade and other receivables include amounts receivable from related parties	September 30, 2021	December 31, 2020
Companies and businesses controlled by the President and CEO (current)	\$ 172,051	\$ 167,165
Companies and businesses controlled by the President and CEO (non-current)	980,000	1,120,000
	\$ 1,152,051	\$ 1,287,165

Receivables from associated entities totaled \$1.15 million as at September 30, 2021 (December 31, 2020 – \$1.29 million), and consisted mainly of the following:

- A receivable in the amount of \$17,236 (December 31, 2020 – \$22,560) 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 \$7,194 (December 31, 2020 – \$4,605) from Olympia ATM Ltd., a company controlled by the President and CEO of Olympia, for expense recoveries relating to accounting and other administrative services provided.
- 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 \$1.4 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 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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

from the third party that was economically comparable to the offer made by Tarman.

In conjunction with the sale of substantially all assets of Olympia ATM Inc. in 2018, the purchase price paid by Tarman was equal to the aggregate net book value of the assets used by the ATM division. The assets' book value at June 5, 2018, was estimated to be \$1.40 million. 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%. 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. Subject to Canadian Western Bank's consent, which Olympia has obtained, 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, 2021, the second installment of \$140,000 had been repaid, together with all accrued interest. The balance of the note is \$1,120,000 as at September 30, 2021.

Olympia has assessed the expected credit loss as it relates to the promissory note and has determined it to be nominal.

Trade and other payables and provision for other liabilities and charges include amounts payable to related parties	September 30, 2021	December 31, 2020
Companies and businesses controlled by the President and CEO	\$ 70,034	\$ 146,117
Directors' fees	38,919	86,830
	\$ 108,953	\$ 232,947

Payables to associated entities totaled \$108,953 as at September 30, 2021 (December 31, 2020 – \$232,947), and consisted mainly of the following:

- A payable in the amount of \$25,952 (December 31, 2020 – \$36,668) to Tarman, a company controlled by the President and CEO of Olympia, for commissions related to the sale of health plans offered by OBI.
- A payable in the amount of \$nil (December 31, 2020 – \$2,297) to Olympia ATM Ltd, a company controlled by the President and CEO of Olympia, for services provided to maintain foreign exchange ATMs.

- A management fee payable in the amount of \$44,083 (December 31, 2020 – \$107,152) to Tarman, a company controlled by the President and CEO of Olympia, based on a percentage of pre-tax profits of Olympia's divisions.

- A payable for directors' fees of \$38,919 (December 31, 2020 – \$86,830).

These payables are all current.

28. COMPARATIVE FIGURES

Certain of the prior year figures have been reclassified where necessary to conform to the current year's condensed consolidated financial statements presentation.

These include the presentation of the non-cash or interest portion of lease liabilities, and separate presentation of the current and long-term portion of the promissory note receivable.

29. 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.

Non-Current Assets	September 30, 2021	December 31, 2020
Canadian Equity securities	\$ 386,589	\$ 72,566
Total financial assets at fair value through profit and loss	\$ 386,589	\$ 72,566

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

The following table represents transfers between levels for the nine months ended September 30, 2021

	Level 1	Level 3	Total
Opening balance	\$ -	\$ 72,566	\$ 72,566
Purchases	-	184,657	184,657
Sales	-	(6,927)	(6,927)
Transfers from level 3 into level 1	184,657	(184,657)	-
Net gains/(losses) recognized in other gains/(losses)	139,029	(2,736)	136,293
Total financial assets at fair value through profit and loss	\$ 323,686	\$ 62,903	\$ 386,589

During the nine months ended September 30, 2021, Olympia Financial Group acquired common shares in a Canadian corporation from clients of Olympia Trust's RRSP division at fair value. The shares were used as a non-cash settlement of outstanding accounts receivable.

Transfers between level 3 and into level 1 relate to financial assets that were acquired in a share exchange. Level 3 assets are valued using the NAV of underlying assets contained in audited annual financial statements.

The following table represents transfers between levels for the year ended December 31, 2020

	Level 3	Total
Opening balance	\$ 38,574	\$ 38,574
Purchases	37,500	37,500
Sales	(3,508)	(3,508)
Total financial assets at fair value through profit and loss	\$ 72,566	\$ 72,566



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CRAIG SKAUGE

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ROBIN FRY

Chief Executive Officer, Olympia Benefits Inc.



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