



Q3 2022 REPORT

MANAGEMENT DISCUSSION
AND ANALYSIS

2022

WITH US
IT'S
PERSONAL

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FINANCIAL HIGHLIGHTS

Results from operations for the nine months ended September 30, 2022, when compared to the nine months ended September 30, 2021:

- Total net earnings and comprehensive income increased 94% to \$8.75 million from \$4.52 million.
- Total revenue increased 39% to \$50.81 million from \$36.65 million, mainly due to increased service revenue within the Investment Account Services division, as well as higher interest revenue overall. This was partly offset by lower service revenue within the Currency and Global Payments division.
- Service revenue increased 22% to \$37.84 million from \$31.07 million, mainly due to the Investment Account Services division having acquired a significant number of new clients and increasing its annual fees for 2022.
- Interest revenue and trust income increased more than 100% to \$12.97 million from \$5.58 million, due to a combination of higher interest rates on trust fund placements made over the previous 12 months and greater amounts of trust funds placed, a result of having acquired a significant number of new clients for the nine months ended September 30, 2022. The Canadian prime rate at September 30, 2022, was 5.45% (September 30, 2021 – 2.45%).
- Direct and administrative expenses (excluding depreciation and amortization) increased 32% to \$36.69 million from \$27.83 million, mainly due to higher salaries, bonuses, and management fees within the Investment Account Services division, resulting from client growth for the nine months ended September 30, 2022. This was driven by the business combinations that occurred during the year ended December 31, 2021. Consulting fees increased \$0.88 million and legal fees increased \$0.52 million for the nine months ended September 30, 2022.
- Other losses, net, decreased 97% to \$0.03 million from \$1.13 million. This is mainly due to Olympia Trust's Currency and Global Payments division recording a \$0.06 million unrealized foreign exchange forward contract loss for the nine months ended September 30, 2022, compared with a \$1.39 million unrealized foreign exchange forward contract loss for the nine months ended September 30, 2021.
- Income tax expense is recognized based on the estimated average annual income tax rate for the full financial year. A tax rate of 23.5% was used for the nine months ended September 30, 2022. The rate used as at September 30, 2021, was 23.5%.
- Earnings before income tax increased 99% to \$11.73 million from \$5.88 million.
- Basic and diluted earnings per share attributable to shareholders of Olympia increased 94% to \$3.64 per share from \$1.88 per share.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") is provided to enable a reader to assess the financial position and results of operations of Olympia Financial Group Inc. ("Olympia") for the period ended September 30, 2022.

This MD&A should be read in conjunction with Olympia's unaudited condensed consolidated interim financial statements ("interim financial statements") for the nine months ended September 30, 2022 and September 30, 2021, as well as the MD&A found in Olympia's 2021 Annual Report, together with the audited consolidated financial statements and accompanying notes for the years ended December 31, 2021 and 2020. These interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of the interim financial statements, including International Accounting Standard ("IAS") 34, "Interim Financial Reporting." The audited consolidated annual financial statements for the year ended December 31, 2021, were prepared in accordance with IFRS as issued by the IASB.

Amounts are presented in Canadian dollars, Olympia's functional currency. All references to \$ are to Canadian dollars and references to US\$ are to United States dollars.

This report, and the information provided herein, is dated as at November 10, 2022. Additional information about Olympia, including quarterly and annual reports, is available on Olympia's website at www.olympiafinancial.com and on SEDAR at www.sedar.com.

Cautionary note regarding forward-looking statements

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or Olympia's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek," "anticipate," "plan," "continue," "estimate," "expect," "may," "will," "project," "predict," "propose," "potential," "targeting," "intend," "could," "might," "should," "believe," and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Olympia believes that the expectations reflected in those forward-looking statements are reasonable, based on the information available on the date such statements are made and the process used to prepare the information, but no assurance can be given that these expectations will prove to be correct. Any forward-looking statements included in this MD&A

should not be unduly relied upon by investors, as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement.

With respect to forward-looking statements contained herein, Olympia has made assumptions regarding, among other things:

- general business and economic conditions in Canada;
- fluctuations in interest rates and currency values;
- changes in monetary policy;
- changes in economic and political conditions;
- legislative and regulatory developments;
- results from legal proceedings and disputes;
- the level of competition in Olympia's markets;
- the occurrence of weather related and other natural catastrophes;
- changes in accounting standards and policies;
- the accuracy and completeness of information Olympia receives about customers and counterparties;
- the ability to attract and retain key personnel;
- changes in tax laws;
- technological developments;
- cyber security risks;
- costs related to operations remaining consistent with historical experiences; and
- management's ability to anticipate and manage risks associated with these factors.

Olympia's actual results could differ materially from those anticipated in the forward-looking statements contained herein as a result of the risk factors set forth herein.

Although Olympia's management has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results to not be as anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this MD&A and Olympia disclaims any obligation to update any forward-looking statements if circumstances or management's beliefs, expectations or opinions should change, whether as a result of new information, future events or otherwise, unless required by applicable securities laws.

Olympia's business

Olympia was formed under the *Business Corporations Act* (Alberta) and is headquartered in Calgary, Alberta. Olympia is a reporting issuer in British Columbia, Alberta, and Ontario and its common shares are listed on the Toronto Stock Exchange ("TSX"). 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 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 Investment Account Services ("IAS") division, Currency and Global Payments ("CGP") division, and Corporate and Shareholder Services ("CSS") division conduct business under Olympia Trust.

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

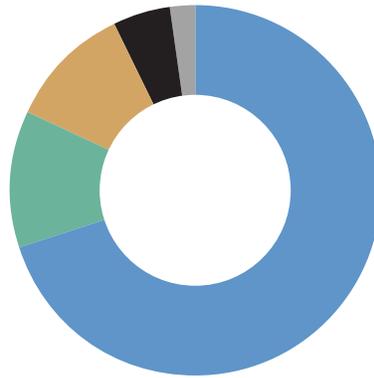
Summary of financial results

Overview and financial highlights for the nine months ended September 30, 2022, when compared to the nine months ended September 30, 2021

- Total net earnings and comprehensive income increased 94% to \$8.75 million from \$4.52 million.
- Total revenue increased 39% to \$50.81 million from \$36.65 million, mainly due to increased service revenue within the Investment Account Services division, as well as higher interest revenue. This was partly offset by lower service revenue within the Currency and Global Payments division.
- Service revenue increased 22% to \$37.84 million from \$31.07 million, mainly due to the Investment Account Services division having acquired a significant number of new clients and increasing its annual fees for 2022.

- Interest revenue and trust income increased more than 100% to \$12.97 million from \$5.58 million, mainly due to a combination of higher interest rates on trust fund placements made over the previous 12 months, and greater amounts of trust funds placed, having acquired a significant number of new clients, for the nine months ended September 30, 2022. The Canadian prime rate at September 30, 2022, was 5.45% (September 30, 2021 – 2.45%).
- Direct and administrative expenses (excluding depreciation and amortization) increased 32% to \$36.69 million from \$27.83 million, mainly due to higher salaries, bonuses, and management fees within the Investment Account Services division, resulting from client growth for the nine months ended September 30, 2022. This was driven by the business combinations that occurred during the year ended December 31, 2021. Consulting fees increased \$0.88 million and legal fees increased \$0.52 million for the nine months ended September 30, 2022.
- Other losses, net, decreased 97% to \$0.03 million from \$1.13 million. This is mainly due to Olympia Trust's Currency and Global Payments division recording a \$0.06 million unrealized foreign exchange forward contract loss for the nine months ended September 30, 2022, compared with a \$1.39 million unrealized foreign exchange forward contract loss for the nine months ended September 30, 2021.
- Income tax expense is recognized based on the estimated average annual income tax rate for the full financial year. A tax rate of 23.5% was used for the nine months ended September 30, 2022. The rate used as at September 30, 2021 was 23.5%.
- Earnings before income tax increased 99% to \$11.73 million from \$5.88 million.
- Basic and diluted earnings per share attributable to shareholders of Olympia increased 94% to \$3.64 per share from \$1.88 per share.

TOTAL REVENUE BY DIVISION (%)



	Q3 2022	Q3 2021
• Investment Account Services	70%	57%
• Currency and Global Payments	12%	21%
• Private Health Services	11%	15%
• Corporate and Shareholder Services	5%	5%
• Exempt Edge	2%	2%

SUMMARY OF QUARTERLY RESULTS

The following table sets forth a summary of Olympia's quarterly results for each of the last eight quarters. The quarterly results have been derived from financial information prepared in accordance with IFRS.

Quarterly Summary

(\$ thousands)	Sept. 30 2022	Jun. 30 2022	Mar. 31 2022	Dec. 31 2021	Sept. 30 2021	Jun. 30 2021	Mar. 31 2021	Dec. 31 2020
Service revenue	12,379	13,170	12,292	10,308	10,128	9,876	11,071	11,181
Interest revenue & trust income	6,424	3,916	2,629	2,034	1,759	1,854	1,966	2,670
Expenses	(13,341)	(13,665)	(12,041)	(9,818)	(9,699)	(10,048)	(9,897)	(9,832)
Other (losses)/gains, net	(209)	42	134	99	(159)	230	(1,202)	(1,207)
Earnings before income taxes	5,253	3,463	3,014	2,623	2,029	1,912	1,938	2,812
Net earnings	3,978	2,492	2,280	1,990	1,540	1,500	1,481	2,130
Per share attributable to shareholders of Olympia – basic & diluted (\$)	1.65	1.04	0.95	0.83	0.64	0.62	0.62	0.90
Dividends per share (\$)	0.81	0.77	0.69	0.69	0.69	0.69	0.69	0.69

Third Quarter Results

Overview and financial highlights for the three-month period ended September 30, 2022, when compared to the three-month period ended September 30, 2021

- Total net earnings and comprehensive income increased more than 100% to \$3.98 million from \$1.54 million.
- Total revenue increased 58% to \$18.80 million from \$11.89 million, mainly due to increased service revenue within the Investment Account Services division, and higher interest revenue.
- Service revenue increased 22% to \$12.38 million from \$10.13 million, mainly due to the Investment Account Services division having acquired a significant number of new clients and increasing its annual fees for the three months ended September 30, 2022.
- Olympia's interest revenue and trust income are subject to fluctuations depending on account balances and changes in the Canadian prime rate. Interest revenue and trust income increased more than 100% to \$6.42 million from \$1.76 million, mainly due to a combination of higher interest rates on trust fund placements and greater amounts of trust funds placed in the 12 months prior to September 30, 2022. The Canadian prime rate was 5.45% as at September 30, 2022, compared to 2.45% on September 30, 2021.
- Direct and administrative expenses (excluding depreciation and amortization) increased 36% to \$12.38 million from \$9.08 million, mainly due to higher salaries, bonuses, and management fees within the Investment Account Services division, resulting from client growth for the three months ended September 30, 2022. This was driven by the business combinations that occurred during the year ended December 31, 2021.
- Other (losses)/gains net, increased from a loss of (\$0.16) million to a loss of (\$0.21) million, mainly due to compensation provided to clients of the IAS division for shares of a publicly listed entity that were seized as settlement for unpaid balances.
- Earnings before income tax increased more than 100% to \$5.25 million from \$2.03 million.
- Income tax expense is recognized based on the estimated average annual income tax rate for the full financial year. The rate used for the period ended September 30, 2022, is 23.5% (September 30, 2021 – 23.5%).
- Basic and diluted earnings per share attributable to shareholders of Olympia increased more than 100% to \$1.65 per share from \$0.64 per share.

Objectives for 2022

Management has set the following major objectives for 2022:

- Grow the Corporate and Shareholder Services division;
- Continue to invest in Olympia's online presence across all divisions;
- Develop new products and emphasize account management within the Currency and Global Payments division;
- Enhance the Health division's mobile application and continue its online marketing strategy;
- Continue to grow the Exempt Edge division; and
- Complete the migration of accounts from recent acquisitions, promote the Investment Account Services division's applications, and create additional efficiencies.

Grow the Corporate and Shareholder Services division

The CSS division will continue to build on its client base and promote its transfer agent and trustee services for private and publicly listed issuers across Western Canada. The CSS division will also continue to explore synergies with the Investment Account Services division, providing a robust service offering for private capital markets.

Continue to invest in Olympia's online presence across all divisions

Olympia continues to enhance its online platforms to better serve its customers with performance and usability improvements. Olympia has devoted specialized resources to application development for the purpose of enhancing its online presence.

Develop new products and emphasize account management within the Currency and Global Payments division

The CGP division continues to focus on new product development, while shifting its approach from transaction execution to account management, including increased time spent by account managers to understand the unique needs of the client. The division believes this focus will add more value and improve long-term client retention.

Enhance the Health division's mobile application and continue its online marketing strategy

The Health division successfully completed an overhaul of the customer platform – myOlympia. The updated version takes advantage of a new design to offer improved experience and expanded online processes for customers. Digital processes now represent over 90% of the division's transactions.



Lunch with the Presidents

The next major project for the division is to expand the mobile app. While the app has experienced tremendous growth over the past year, previously unavailable functions are going to be programmed to enhance the usability of the platform.

The division remains committed to expanding the website's traffic by focusing on blog content. Website traffic increased approximately 50% as a result of the blog. By continuing to expand content on the blog, leads are expected to increase significantly, which should result in an increase in new customers. The division is constantly tweaking lead conversion processes to improve sales.

Wellness Spending Account ("WSA") claims increased 500% in 2021. Renewed marketing efforts for the WSA should increase the number of new accounts. The product provides a good opportunity to improve the division's bottom line.

Continue to grow the Exempt Edge division

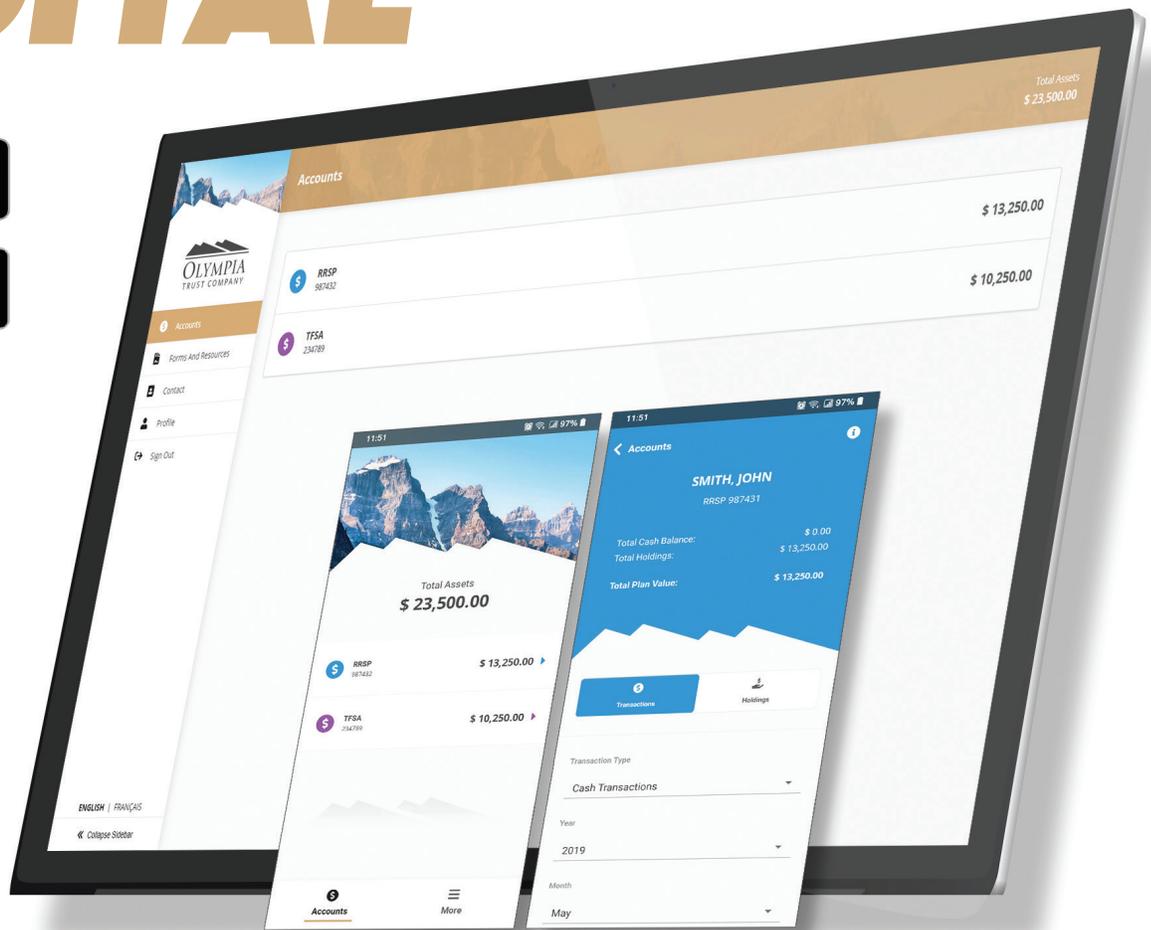
The EE division was awarded Best Regulatory Compliance Solution 2021 by the Canadian Regulatory Technology Association at their inaugural award ceremony. This further solidifies Exempt Edge's position as a market leader for software solutions in the private capital market.

The division will continue to grow its user base of issuers and dealers while increasing the adoption of EdgeLink, the ecosystem for the private capital market of Canada.

Complete the migration of accounts from recent acquisitions, promote the Investment Account Services division's applications, and create additional efficiencies

The IAS division is focusing on the migration of accounts from Community Trust Company and Computershare Trust Company of Canada. Additionally, the division continues to focus on increasing usage of its existing mobile app and client web portal. The division also continues to implement document review software to assist its mortgage review process and continue the integration of the division's systems with Exempt Edge's Dealer's Edge platform. These objectives will help improve operational efficiencies while allowing the division to continue its delivery of exceptional client service.

WITH US IT'S... **DIGITAL**



FINANCIAL ANALYSIS

Interim Condensed Consolidated Balance Sheets as at

(\$)	September 30, 2022	December 31, 2021
ASSETS		
Current assets		
Cash & cash equivalents	\$ 14,238,599	\$ 15,106,624
Trade & other receivables	13,468,949	6,817,119
Inventory	-	42,338
Prepaid expenses	1,472,486	1,725,626
Promissory note receivable	992,388	140,000
Financial assets at fair value through profit or loss	-	236,886
Derivative financial instruments	1,076,403	556,069
Current tax receivable	15,851	161,168
Total current assets	31,264,676	24,785,830
Non-current assets		
Equipment & other	431,793	453,601
Intangible assets	7,268,685	8,633,738
Right-of-use asset	878,154	1,075,624
Financial assets at fair value through profit or loss	97,494	98,974
Promissory note receivable	-	980,000
Deferred tax assets	537,330	528,854
Total non-current assets	9,213,456	11,770,791
Total assets	\$ 40,478,132	\$ 36,556,621
LIABILITIES		
Current liabilities		
Trade & other payables	\$ 1,959,994	\$ 780,229
Deferred revenue	6,096,950	716,220
Other liabilities & charges	1,876,362	2,125,755
Revolving credit facility	4,835,265	12,382,366
Lease liabilities	249,847	184,474
Derivative financial instruments	881,346	273,550
Current tax liability	1,531,852	93,711
Total current liabilities	17,431,616	16,556,305
Lease liability	986,579	1,227,107
Total liabilities	\$ 18,418,195	\$ 17,783,412
EQUITY		
Share capital	\$ 7,886,989	\$ 7,886,989
Contributed surplus	86,373	86,373
Retained earnings	14,086,575	10,799,847
Total equity	22,059,937	18,773,209
Total equity & liabilities	\$ 40,478,132	\$ 36,556,621

Cash and cash equivalents

Olympia continues to generate cash from its core businesses. As at September 30, 2022, cash reserves decreased by 6% to \$14.24 million (December 31, 2021 – \$15.11 million). This decrease is mainly the result of increased dividend payments and repayment of the credit facility during the nine months ended September 30, 2022.

Olympia's cash is placed with Canadian financial institutions where it generates interest. Cash and cash equivalents comprise 46% of the total current assets of Olympia as at September 30, 2022, compared to 61% as at December 31, 2021.

Trade and other receivables

Trade and other receivables are comprised largely of interest receivable on funds placed with financial institutions of \$9.09 million (December 31, 2021 – \$3.93 million), and receivables from the Investment Account Services division's clients of \$4.30 million (December 31, 2021 – \$3.14 million).

The increase of \$6.65 million in trade and other receivables is due to higher trade receivables in the IAS division of \$1.16 million relating to overall significant growth and an increase in year-over-year annual fees. The remainder of the increase can be attributed to interest receivable.

Olympia has allowances for doubtful accounts of \$1.36 million for the nine months ended September 30, 2022, compared to \$1.29 million as at December 31, 2021. Management is committed to a policy of closely monitoring risk and exposure in this area and is actively pursuing past due accounts through its internal collection process.

Promissory note receivable

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

In conjunction with the sale of substantially all the assets of Olympia ATM Inc. to a related party in 2018, the purchase price was paid by the delivery of a secured demand promissory note ("the promissory note") for \$1.40 million by Tarman. The outstanding principal amount of the promissory note bears interest at prime plus 0.25%. Subject to Canadian Western Bank's ("CWB") consent (as discussed below), all interest accrued under the promissory note shall be paid on an annual basis on or before the 30th day of June of each calendar year and, commencing June 30, 2020, Tarman is required to repay the outstanding principal amount of the promissory note in annual installments of \$140,000 on or before the 30th day of June of each calendar year, with the outstanding balance of the principal amount to be repaid in full on or before June 30, 2023. As of September 30, 2022, the third installment of \$140,000 has been paid. Interest of \$12,388 is outstanding.

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.

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

Forward foreign exchange contracts

Olympia purchases forward exchange contracts when its Currency and Global Payments division enters into a transaction to buy or sell foreign currency in the future. These contracts are both short term and long term in nature, are in the normal course of business, and are used to manage foreign exchange exposure. Forward foreign exchange contracts are not designated as hedges and they are recorded at fair market value through profit and loss.

Forward foreign exchange contracts are recorded on Olympia's balance sheet as either an asset or liability, with changes in fair value included in net earnings. This accounting treatment resulted in the recognition of a forward foreign exchange contract asset of \$1.08 million as at September 30, 2022, (December 31, 2021 – \$0.56 million), and a forward foreign exchange contract liability of \$0.88 million as at September 30, 2022, (December 31, 2021 – \$0.27 million). The movement in the derivative financial instruments assets and liabilities is mainly due to the fluctuation of the Canadian and United States dollar, as the vast majority of the Currency and Global Payments division's trades are in Canadian and United States dollars. The number and size of outstanding forward foreign exchange contracts largely impacts the movement in the derivative financial instrument assets and liabilities, with the resultant change to fair value being recorded.

Intangible assets

The capital additions of \$0.17 million relate primarily to the continued development and enhancement of the IAS division's mobile and web application (\$0.12 million) and the development of Exempt Edge division's applications (\$0.05 million).

Current liabilities

The breakdown of Olympia's trade and other payables consists of government taxes (52%), trade payables (14%), amounts due to agents and commission payable (11%), and amounts due to related parties (23%).

Other liabilities and charges consist of bonus accruals, professional fees payable, employee benefits payable, and provisions for legal fees.

Deferred revenue

At September 30, 2022, deferred revenue totaled \$6.10 million compared to \$0.72 million as at December 31, 2021. This is comprised primarily of annual fees billed by the IAS division, as well as the Health and CSS divisions. 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.

Employee Share Ownership Plan (ESOP)

Olympia has established an Employee Share Ownership Plan ("ESOP"). Under this plan, Olympia contributes \$1 for each \$1 contributed by an employee up to a maximum that is based on the employee's earnings and years of service. The employee and Olympia's contributions are used to purchase common shares of Olympia through the facilities of the TSX. Olympia's contribution is included as an administrative expense in the statements of net earnings and comprehensive income and amounted to \$0.30 million for the nine months ended September 30, 2022 (September 30, 2021 – \$0.28 million).

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 held on behalf of its clients.

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

Related party transactions

Refer to Note 33 of the interim financial statements for the period ended September 30, 2022, for disclosure on Olympia's related party transactions.

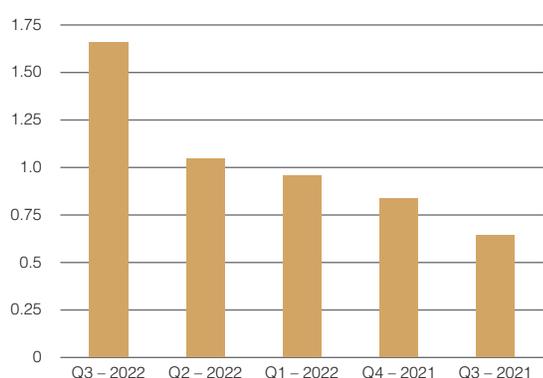
Shareholders' equity

As at September 30, 2022, Olympia had 2,406,336 outstanding shares (December 31, 2021 – 2,406,336), with a carrying value of \$7.89 million. (December 31, 2021 – \$7.89 million).

Income taxes

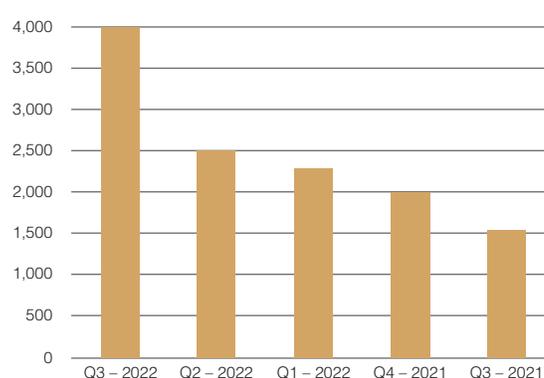
Deferred income tax assets are recognized for loss carry-forward and other deductible temporary differences to the extent that the realization of the related tax benefit is probable through future taxable profits or other tax planning opportunities. The average corporate rate used for the nine months ended September 30, 2022, was 23.5% (September 30, 2021 – 23.5%).

EPS PER QUARTER (\$)



Q3 – 2022	1.65
Q2 – 2022	1.04
Q1 – 2022	0.95
Q4 – 2021	0.83
Q3 – 2021	0.64

NET EARNINGS PER QUARTER (\$ 000)



Q3 – 2022	3,978
Q2 – 2022	2,492
Q1 – 2022	2,280
Q4 – 2021	1,990
Q3 – 2021	1,540

ANALYSIS OF RESULTS BY SEGMENT

Investment Account Services Division

Summary of divisional results for the three months ended September 30

(\$ thousands)	2022	2021	Variation
Service revenue	7,437	5,041	48%
Interest revenue	5,847	1,728	>100%
Direct expenses	(69)	(2)	>100%
	13,215	6,767	95%
Administrative expenses	(8,023)	(4,672)	72%
Bad debt	(320)	(60)	>100%
Depreciation & amortization	(511)	(324)	58%
Other gains, net	-	4	-100%
Earnings before income tax	4,361	1,715	>100%
Income tax expense	(1,021)	(389)	>100%
Net earnings	3,340	1,326	>100%

The Investment Account Services division specializes in the administration of registered plan accounts, including RRSPs, RRIFs, LIRAs, LIFs and TFSAs. In contrast to traditional registered plan account administrators, Olympia's focus is on exempt market securities and arm's length mortgages. The holder of a registered plan account with Olympia will typically hold multiple exempt market securities or mortgages in their Olympia registered plan account.

Service revenue increased 48% to \$7.44 million from \$5.04 million when compared to the three months ended September 30, 2021. The increase can be attributed to a large client base, due to the business combination at the end of 2021, and an increase in annual fees of 16% for 2022.

Interest revenue and trust income increased more than 100% to \$5.85 million from \$1.73 million when compared to the three months ended September 30, 2021, due to the increase in the interest rates on funds held in trust, as well as increased funds held in trust.

Direct, administrative, and depreciation and amortization expenses increased 72% to \$8.60 million from \$5.00 million when compared to the three months ended September 30, 2021. This increase relates primarily to higher salaries, bonuses, and management fees. Increased legal fees, consulting fees and amortization of client lists have also contributed to the increase in expenses.

Earnings before income tax increased more than 100% to \$4.36 million from \$1.72 million compared to the three months ended September 30, 2021.

The IAS division is responsible for 70% of Olympia's total revenue (including interest), an increase from 57% when compared to the three months September 30, 2021.

Service revenue increased 48% to \$7.44 million from \$5.04 million **48%** ▲

Interest revenue and trust income increased more than 100% to \$5.85 million from \$1.73 million **>100%** ▲

Direct, administrative, and depreciation and amortization expenses increased 72% to \$8.60 million from \$5.00 million **72%** ▲

Earnings before income tax increased more than 100% to \$4.36 million from \$1.72 million **>100%** ▲

IAS's net earnings increased more than 100% to \$3.34 million from \$1.33 million. **>100%** ▲

ANALYSIS OF RESULTS BY SEGMENT

Private Health Services Plan Division

Summary of divisional results for the three months ended September 30

(\$ thousands)	2022	2021	Variation
Service revenue	1,944	1,791	9%
Interest revenue	143	37	>100%
Direct expenses	(399)	(383)	4%
	1,688	1,445	17%
Administrative expenses	(905)	(967)	-6%
Depreciation & amortization	(13)	(54)	-76%
Other gains, net	-	10	-100%
Earnings before income tax	770	434	77%
Income tax expense	(212)	(209)	1%
Net earnings	558	225	>100%

The Private Health Services Plan division markets, sells and administers health and wellness benefits to business owners through Olympia Benefits, a wholly owned subsidiary of Olympia. Health primarily serves professional and small corporations.

Service revenue increased 9% to \$1.94 million from \$1.79 million when compared to the three months ended September 30, 2021.

Direct, administrative, and depreciation and amortization expenses decreased 6% to \$1.32 million from \$1.40 million when compared to the three months ended September 30, 2021. The decrease is mainly attributable to lower legal fees when compared to the three months ended September 31, 2021.

Earnings before income tax increased 77% to \$0.77 million from \$0.43 million when compared to the three months ended September 30, 2021.

The Health division's net earnings increased more than 100% to \$0.56 million from \$0.23 million when compared to the three months ended September 30, 2021.

Health is responsible for 11% of Olympia's total revenue (including interest) for the three months ended September 30, 2022, a decrease from 15% when compared to the three months ended September 30, 2021.

Service revenue increased 9% to \$1.94 million from \$1.79 million

9% ▲

Direct, administrative, and depreciation and amortization expenses decreased 6% to \$1.32 million from \$1.40 million

6% ▼

Earnings before income tax increased 77% to \$0.77 million from \$0.43 million

77% ▲

Health's net earnings increased more than 100% to \$0.56 million from \$0.23 million.

>100% ▲

ANALYSIS OF RESULTS BY SEGMENT

Currency and Global Payments Division

Summary of divisional results for the three months ended September 30

(\$ thousands)	2022	2021	Variation
Service revenue	2,096	2,451	-14%
Interest revenue	109	4	>100%
Direct expenses	(452)	(458)	-1%
	1,753	1,997	-12%
Administrative expenses	(1,167)	(1,376)	-15%
Depreciation & amortization	(36)	(70)	-49%
Other losses, net	(123)	(430)	-71%
Earnings before income tax	427	121	>100%
Income tax expense	(100)	(29)	>100%
Net earnings	327	92	>100%

The Currency and Global Payments division allows corporations and private clients to buy and sell foreign currencies at competitive rates. The division offers its clients same-day transactions, as well as long-term forward contracts, and call and put options. With offices in Vancouver and Calgary, the CGP division is well situated to service Western Canada.

Service revenue decreased 14% to \$2.10 million from \$2.45 million when compared to the three months ended September 30, 2021. The decrease is due to comparably lower trading volumes occurring during the current period. Other losses, net, are (\$0.12) million compared to a loss of (\$0.43) million for the three months ended September 30, 2021, mainly due to unrealized gains and losses on forward foreign exchange contracts.

Direct, administrative, and depreciation and amortization expenses decreased 13% to \$1.66 million from \$1.90 million when compared to the three months ended September 30, 2021.

Earnings before income tax increased more than 100% to \$0.43 million from \$0.12 million when compared to the three months ended September 30, 2021.

Net earnings increased more than 100% to \$0.33 million from \$0.09 million when compared to the three months ended September 30, 2021.

The CGP division is responsible for 12% of Olympia's total revenue (including interest), a decrease from 21% when compared to the three months ended September 30, 2021.

Service revenue decreased 14% to \$2.10 million from \$2.45 million **14%** ▼

Direct, administrative, and depreciation and amortization expenses decreased 13% to \$1.66 million from \$1.90 million **13%** ▼

Earnings before income tax increased more than 100% to \$0.43 million from \$0.12 million **>100%** ▲

Net earnings increased more than 100% to \$0.33 million from \$0.09 million **>100%** ▲

ANALYSIS OF RESULTS BY SEGMENT

Exempt Edge Division

Summary of divisional results for the three months ended September 30

(\$ thousands)	2022	2021	Variation
Service revenue ¹	288	248	16%
Interest revenue	1	-	>100%
Direct expenses	(10)	(15)	-33%
	279	233	20%
Administrative expenses	(492)	(481)	2%
Bad debt	(5)	(6)	-17%
Depreciation & amortization	(63)	(83)	-24%
Loss before income tax	(281)	(337)	-17%
Income tax recovery	80	148	-46%
Net loss	(201)	(189)	6%

¹Excluded from service revenue are fees of \$24,750 (September 30, 2021 – \$24,750) for services provided by the EE division but invoiced by the CSS division.

The Exempt Edge division focuses on the provision of information technology services to exempt market dealers, registrants, and issuers.

Service revenue increased 16% to \$0.29 million from \$0.25 million when compared to the three months ended September 30, 2021. This increase is largely due to growth in EE's client base.

Direct, administrative, and depreciation and amortization expenses decreased 2% to \$0.57 million from \$0.58 million when compared to the three months ended September 30, 2021.

Loss before income tax for the three months ended September 30, 2022, decreased 17% to (\$0.28) million from (\$0.34) million when compared to the three months ended September 30, 2021.

Net loss increased 6% to (\$0.20) million from (\$0.19) million when compared to the three months ended September 30, 2021.

The EE division is responsible for 2% of Olympia's total revenue (including interest), which is consistent with the three months ended September 30, 2021.

Service revenue increased 16% to \$0.29 million from \$0.25 million

16% ▲

Direct, administrative, and depreciation and amortization expenses decreased 2% to \$0.57 million from \$0.58 million

2% ▼

Loss before income tax decreased 17% to (\$0.28) million from (\$0.34) million

17% ▼

Net loss increased 6% to (\$0.20) million from (\$0.19) million

6% ▲

ANALYSIS OF RESULTS BY SEGMENT

Corporate and Shareholder Services Division

Summary of divisional results for the three months ended September 30

(\$ thousands)	2022	2021	Variation
Service revenue ¹	614	568	8%
Interest revenue	291	(15)	>100%
Direct expenses	(52)	(26)	100%
	853	527	62%
Administrative expenses	(731)	(632)	16%
Depreciation & amortization	(15)	(25)	-40%
Earnings/(loss) before income tax	107	(130)	>100%
Income tax (expense)/recovery	(25)	29	>-100%
Net earnings/(loss)	82	(101)	>100%

¹Included in service revenue are fees of \$24,750 (September 30, 2021 – \$24,750) for services provided by the EE division but invoiced by the CSS division.

The Corporate and Shareholder Services division provides transfer agent and registrar services to public and private issuers across Canada. CSS is positioned as an alternative to the large trust companies that are principally focused on Eastern Canada. The services provided by CSS include administering dividend reinvestments, acting as depository and disbursing agent for corporate reorganizations, assisting with shareholder solicitations, and scrutineering shareholder meetings. The CSS management team comprises highly respected and experienced individuals with a track record of success.

Service revenue increased 8% to \$0.61 million from \$0.57 million when compared to the three months ended September 30, 2021. This is due to the CSS division continuing to grow its customer base.

Direct, administrative, and depreciation and amortization expenses increased 17% to \$0.80 million from \$0.68 million. This is mainly due to an increase in wages and salaries as the business continues to grow.

Earnings before income tax increased more than 100% to \$0.11 million from (\$0.13) million when compared to the three months ended September 30, 2021.

Net earnings increased more than 100% to \$0.08 million from (\$0.10) million when compared to the three months ended September 30, 2021.

The CSS division is responsible for 5% of Olympia's total revenue (including interest), which is consistent with the three months ended September 30, 2021.

Service revenue increased 8% to \$0.61 million from \$0.57 million **8%** ▲

Direct, administrative, and depreciation and amortization expenses increased 17% to \$0.80 million from \$0.68 million **17%** ▲

Earnings before income tax increased more than 100% to \$0.11 million from (\$0.13) million **>100%** ▲

Net earnings increased more than 100% to \$0.08 million from (\$0.10) million **>100%** ▲

ANALYSIS OF RESULTS BY SEGMENT

Corporate Division

Summary of divisional results for the three months ended September 30

(\$ thousands)	2022	2021	Variation
Service revenue	-	29	-100%
Interest revenue	33	6	>100%
	33	35	-6%
Administrative expenses	(79)	(63)	25%
Other (losses)/gains, net	(86)	257	>100%
(Loss)/earnings before income tax	(132)	229	>-100%
Income tax recovery/(expense)	3	(39)	>100%
Net (loss)/earnings	(129)	190	>-100%

The Corporate division carries out support functions in the areas of accounting, information technology, legal services, human resources, payroll, compliance, and internal audit. Support function remuneration is allocated, based on usage, to the various divisions.

Total revenue earned is incidental to Olympia's activities.

Administrative expenses for the three months ended September 30, 2022, increased 25% to \$0.08 million from \$0.06 million when compared to the three months ended September 30, 2021. The increase is due to borrowing costs on the revolving credit facility.

Other (losses)/gains, net, for the three months ended September 30, 2022, increased more than 100% to (\$0.86) million. This includes compensation provided to clients of the IAS division for shares of a publicly listed entity that were seized as settlement for unpaid balances.

The Corporate division's net loss was \$0.13 million for the three months ended September 30, 2022.

Off-balance sheet arrangements

During the normal course of operations, Olympia administers client assets that are not reported on its balance sheet. The cash

component of these off-balance sheet arrangements represents the cash and cash equivalents held in trust.

(\$ thousands)	September 30, 2022		December 31, 2021	
	Cash & public securities at estimated fair value	Private securities, mortgages and mutual funds at cost	Cash & public securities at estimated fair value	Private securities, mortgages and mutual funds at cost
Investment Account Services ¹	\$ 1,052,671	\$ 8,941,173	\$ 953,735	\$ 5,907,291
Private Health Services Plan	13,857	-	13,055	-
Corporate and Shareholder Services ²	78,619	-	127,719	-
Currency and Global Payments	27,522	-	27,262	-
	\$ 1,172,669	\$ 8,941,173	\$ 1,121,771	\$ 5,907,291

¹The cash portion included in Investment Account Services is \$955.74 million for the nine months ended September 30, 2022 (December 31, 2021 – \$851.32 million).

²Included in the CSS securities is \$0.67 million of treasury bills and public securities (December 31, 2021 – \$0.73 million)

Investment Account Services

At September 30, 2022, IAS administered self-directed registered plans consisting of private company securities and mortgages with a cost value of \$8.94 billion (December 31, 2021 – \$5.91 billion) plus cash, public securities, term deposits, and outstanding cheques with an estimated fair value of \$1.05 billion (December 31, 2021 – \$953.74 million). This growth is mostly the result of assets held in trust transferred in from Computershare during the nine months ended September 30, 2022. These assets are the property of the account holders and Olympia Trust does not maintain effective control over the assets. Therefore, the assets are not reflected in these interim financial statements. Olympia earned trust income from the cash portion of the assets held in trust of \$11.65 million for the nine months ended September 30, 2022 (September 30, 2021 – \$5.10 million).

Private Health Services Plan

At September 30, 2022, Health held funds in trust of \$13.86 million (December 31, 2021 – \$13.06 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

At September 30, 2022, CGP held funds in trust of \$5.23 million (December 31, 2021 – \$4.46 million) for clients who have paid

margin requirements on forward foreign exchange contracts, and \$22.29 million (December 31, 2021 – \$22.80 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

At September 30, 2022, CSS held funds in trust and outstanding cheques of \$78.62 million (December 31, 2021 – \$127.72 million) for clients who have hired Olympia Trust to provide trustee services. This includes approximately \$0.67 million of treasury bills and public securities held in trust. These assets are the property of the trust clients and Olympia Trust does not maintain effective control over the assets. Therefore, the assets are not reflected in these interim financial statements.

Management of capital resources

Olympia includes shareholders' equity, which comprises share capital, contributed surplus and retained earnings, in the definition of capital. 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;



CSS sponsored golf tournament

- 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, 2022; and
- Maintain compliance with financial covenants, which includes maintaining a minimum equity of \$12 million. The financial covenants are reviewed and controls are in place to maintain compliance with the covenants. Olympia complied with its financial covenants for the nine months ended September 30, 2022.

In managing capital, Olympia estimates its future dividend payments and capital expenditures, which are compared to planned business growth for purposes of sustainability. The capital structure of Olympia is managed and adjusted to reflect changes in economic conditions. In order to maintain or adjust the capital structure, adjustments may be made to the amount of dividends (if any) to shareholders, in addition to the number of new common shares issued or common shares repurchased. 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 required are weighed against the costs associated with excess cash, its terms and availability, whether to issue equity, and the creation of value for the shareholders. Olympia works towards managing its capital objectives to the extent possible while facing the challenges of market conditions and the public's assessment of Olympia's risk profile.

Olympia maintains a strong capital base to maintain investor and creditor confidence and to sustain future development of the business.

Olympia has committed capital resources to the Objectives for 2022 (set out previously) and has sufficient capital through internally generated cash flows and its credit facility to meet these spending objectives.

Completing and fulfilling the Objectives for 2022 will help Olympia meet its growth and development activities. No other significant expenditure is required to maintain growth and development activities. Olympia's Currency and Global Payments 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.

Olympia's capital management objectives have remained substantially unchanged over the periods presented.

Liquidity

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 a highly rated financial institution. This allows Olympia to earn interest on surplus cash while having access to it within a short time. Olympia seeks to ensure the security and liquidity of these investments.

Olympia has a current ratio (current assets: current liabilities) of 1.79:1 as at September 30, 2022 (1.50:1 – December 31, 2021). The increase in Olympia's current ratio is mainly due to an increase in trade and other receivables as compared to December 31, 2021.

There are no legal or practical restrictions on the ability of subsidiaries to transfer cash to Olympia.

Cash flows

Operating activities

The movement in cash flow from operating activities for the nine months ended September 30, 2022, is mainly attributable to increases in interest revenue and amounts billed to, and collected from, clients, when compared to the nine months ended September 30, 2021.

Investing activities

The movement in cash flow from investing activities during the nine months ended September 30, 2022, is mainly attributable to \$0.35 million in proceeds on the sale of securities and \$0.38 million in asset purchases.

Financing activities

The movement in cash flow from financing activities during the nine months ended September 30, 2022, is mainly attributable to regular dividend payments and repayment of the revolving credit facility. Olympia borrowed \$6.72 million on December 31, 2021, to facilitate payment for the business combination.

Cash

Cash is placed with a Canadian financial institution where it generates interest. Cash and cash equivalents comprise 46% of the total current assets of Olympia, compared to 61% as at December 31, 2021.

One factor that affects Olympia's profitability is effective interest rates. Although Olympia Trust is a non-deposit taking trust corporation, it does earn trust income on cash held in trust. Cash held in trust generated trust income of \$11.65 million, a 128% increase from \$5.10 million when compared to the nine months ended September 30, 2021. This is the result of both higher average amounts of cash held in trust and placed with financial institutions, and increasing interest rates.

Olympia, through its operational cash flow and line of credit, has sufficient funds to meet the Objectives for 2022.

Liquidity risks associated with financial instruments are addressed in the notes to the accompanying interim financial statements. Management understands that currency markets are volatile and therefore subject to higher risk. Olympia's CGP division mitigates currency risk through its policy of limiting the amount of foreign currencies on hand to \$1.50 million.

Credit facility

As at September 30, 2022, Olympia has drawn \$4.84 million on its \$15 million credit facility, compared to \$12.38 million drawn as at December 31, 2021. This facility is held by Olympia Financial Group Inc. Amounts drawn for the year ended December 31, 2021, were used to facilitate the business combination with Computershare Trust Company of Canada and have been fully repaid. The credit facility bears interest at the Canadian prime rate plus 0.25%. The Canadian prime rate was 5.45% at September 30, 2022, and 2.45% at December 31, 2021. The credit facility is subject to review at any time.

The credit facility contains a number of affirmative covenants, including maintaining specific security, maintaining a specific financial ratio, and maintaining a total equity of \$12 million. The financial ratio is a quarterly cash flow coverage ratio of not less than 1.50:1. At September 30, 2022, Olympia's cash flow coverage ratio under the terms of the credit facility was calculated to be 3.68:1 (September 30, 2021 – 2.27:1). Total equity as at September 30, 2022, was \$22.06 million, compared to total equity of \$18.77 million at December 31, 2021.

The cash flow coverage calculation is based on Olympia's previous four quarters' revolving Earnings Before Interest, Tax, and Depreciation and Amortization ("EBITDA") less cash taxes paid. This revolving EBITDA for the twelve months ended September 30, 2022, has been calculated at \$15.13 million (September 30, 2021 – \$8.94 million) after adjusting for finance expenses of \$0.24 million (September 30, 2021 – \$0.14 million). The coverage required is based on an annualized average of the scheduled facility principal of \$15 million and interest payments calculated at 7.38% (September 30, 2021 – 4.54%) over a period of 60 months (September 30, 2021 – 36 months). As at September 30, 2022, this was calculated to be \$4.11 million (September 30, 2021 – \$5.68 million). Should the covenants and other limitations be breached, it could cause a default, which might result in a requirement for immediate repayment of all amounts outstanding.

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

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 December 31, 2020, the agreement was replaced with a new demand credit facility with a US\$6 million limit. In May 2022,

the limit was reduced to US\$3 million. In July 2022, Olympia Trust entered into a new foreign exchange guarantee, issued by

Export Development Canada, for US\$4 million, which will expire on December 31, 2022.

Credit facility	September 30, 2022	December 31, 2021
Maximum limit of line of credit	\$ 15,000,000	\$ 15,000,000
Drawn	(4,835,265)	(12,382,366)
Available at the end of the period	\$ 10,164,735	\$ 2,617,634

The total credit limit for the credit facility with Canadian Western Bank remained at \$15 million as at September 30, 2022.

Risk framework

Olympia is exposed to various types of risks owing to the nature of the commercial activities it pursues. Management has identified the following risks:

- Liquidity risk
- Market risk
- Foreign currency exchange risk
- Interest rate risk
- Credit risk
- Capital risk management
- Operational risk which includes, but is not limited to, cyber security risk, legislative risk and competitor risk

Refer to Note 7 of these interim financial statements for the nine months ended September 30, 2022, for disclosure on Olympia's above-mentioned risk framework.

Future accounting pronouncements

There are no significant new or amended accounting standards issued during the nine months ended September 30, 2022, that are applicable to Olympia in future periods.

Evaluation of disclosure controls and procedures, and internal control over financial reporting

There have been no changes in Olympia's internal control over financial reporting that occurred during the interim period ended September 30, 2022, which have materially affected, or are reasonably likely to materially affect, Olympia's internal control over financial reporting.

Outstanding share data

As at November 10, 2022, Olympia has an aggregate of 2,406,336 common shares issued and outstanding.

Additional information

Further information regarding Olympia can be accessed under Olympia's public filings found at www.sedar.com.

Shareholders seeking to contact Olympia's independent directors may do so by calling Rick Skauge, Olympia's President and CEO, at 403-261-7501 or by email at ricks@olympiafinancial.com.



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