



Q3 2023 REPORT

MANAGEMENT DISCUSSION
AND ANALYSIS

2023

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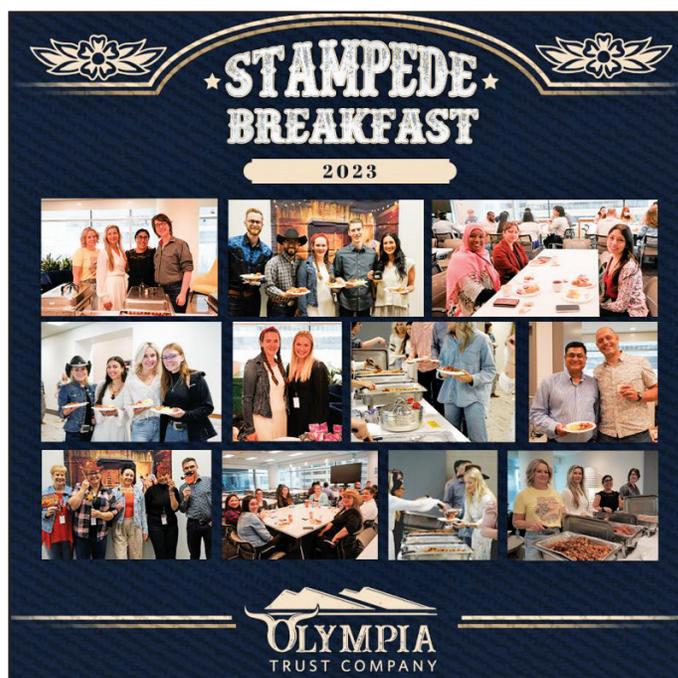
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FINANCIAL HIGHLIGHTS

Results from operations for the nine months ended September 30, 2023, when compared to the nine months ended September 30, 2022:

- Total net earnings and comprehensive income increased 99% to \$17.41 million from \$8.75 million.
- Total revenue increased 46% to \$74.11 million from \$50.81 million, mainly due to an increase in trust income in the Investment Account Services division.
- Service revenue decreased 5% to \$35.77 million from \$37.84 million, mainly due to the decreased annual fee for the 2023 year in the Investment Account Services division.
- Trust, interest and other income revenue increased more than 100% to \$38.35 million from \$12.97 million, due to higher interest rates on trust fund placements made over the previous 12 months. The Canadian prime rate at September 30, 2023 was 7.20% (September 30, 2022 - 5.45%).
- Direct and administrative expenses (excluding depreciation and amortization) increased 32% to \$48.52 million from \$36.69 million, mainly due to increased salaries, bonuses, and management fees paid in the Investment Account Services division resulting primarily from increased revenues.
- Other gains/(losses) net, increased over 100% to \$0.24 million from (\$0.03) million, mainly due to Olympia Trust's Currency and Global Payments division recording a unrealized foreign exchange forward contract gain for the nine months ended September 30, 2023.
- Earnings before income tax increased 96% to \$22.98 million from \$11.73 million.
- Income tax expense is recognized based on the estimated average annual income tax rate for the full financial year. A tax rate of 24.0% was used for the nine months ended September 30, 2023. The rate used as at September 30, 2022 was 23.5%.
- Basic and diluted earnings per share attributable to shareholders of Olympia increased 99% to \$7.24 per share from \$3.64 per share.



Stampede breakfast

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, 2023.

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, 2023 and September 30, 2022, as well as the MD&A found in Olympia's 2022 Annual Report, together with the audited consolidated financial statements and accompanying notes for the years ended December 31, 2022 and 2021. 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, 2022, 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 9, 2023. Additional information about Olympia, including quarterly and annual reports, is available on Olympia's website at www.olympiafinancial.com and on SEDAR at www.sedarplus.ca.

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.

These assumptions include, but are not limited to, management expectations with respect to:

- 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

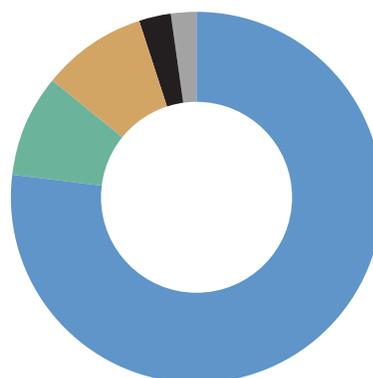
Olympia was formed under the *Business Corporations Act* (Alberta) and is headquartered in Calgary, Alberta. Olympia is a reporting issuer in British Columbia, Alberta, and Ontario and its common shares are listed on the Toronto Stock Exchange ("TSX"). The majority of Olympia's business is conducted 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.

Olympia incorporated both Olympia Investor Services Inc. and Olympia Currency and Global Payments Inc. as wholly owned subsidiaries on December 6, 2022. Neither company has reported any revenues or incurred any expenses to date. Operations are expected to commence in the first quarter of the 2024 fiscal year.

TOTAL REVENUE BY DIVISION (%)



	Q3 2023	Q3 2022
• Investment Account Services	77%	70%
• Currency and Global Payments	9%	12%
• Private Health Services	9%	11%
• Corporate and Shareholder Services	3%	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 2023	Jun. 30 2023	Mar. 31 2023	Dec. 31 2022	Sept. 30 2022	Jun. 30 2022	Mar. 31 2022	Dec. 31 2021
Service revenue	12,013	11,916	11,840	12,353	12,379	13,170	12,292	10,308
Trust, interest & other income	13,385	13,182	11,778	8,996	6,424	3,916	2,629	2,034
Expenses	(17,293)	(17,116)	(16,965)	(14,588)	(13,341)	(13,665)	(12,041)	(9,818)
Other gains/(losses), net	80	(71)	232	104	(209)	42	134	99
Earnings before income taxes	8,185	7,911	6,885	6,865	5,253	3,463	3,014	2,623
Net earnings	6,219	5,967	5,228	5,403	3,978	2,492	2,280	1,990
Per share attributable to shareholders of Olympia - basic & diluted (\$)	2.58	2.48	2.17	2.25	1.65	1.04	0.95	0.83
Dividends per share (\$)	1.50	1.35	1.15	0.89	0.81	0.77	0.69	0.69

Third Quarter Results

Results from operations for the three month period ended September 30, 2023, when compared to the three month period ended September 30, 2022:

- Total net earnings and comprehensive income increased 56% to \$6.22 million from \$3.98 million.
- Total revenue increased 35% to \$25.40 million from \$18.80 million, due to increased trust income in the Investment Account Services division.
- Service revenue decreased 3% to \$12.01 million from \$12.38 million, mainly due to the decreased annual fee for the 2023 year in the Investment Account Services division.
- Trust, interest and other income increased more than 100% to \$13.39 million from \$6.42 million, mainly due to higher interest rates on funds held in trust over the previous 12 months. The Canadian prime rate at September 30, 2023 was 7.20% (September 30, 2022 - 5.45%).
- Direct and administrative expenses (excluding depreciation and amortization) increased 33% to \$16.49 million from \$12.38 million, mainly due to increased salaries, bonuses, and management fees paid in the Investment Account Services division resulting primarily from increased revenues.
- Other gains/(losses), net, increased more than 100% to \$0.08 million from (\$0.21) million, mainly due to Olympia Trust's Currency and Global Payments division recording a unrealized foreign exchange forward contract gain for the nine months ended September 30, 2023.
- 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, 2023 is 24.0% (September 30, 2022 - 23.5%).
- Earnings before income tax increased 56% to \$8.18 million from \$5.25 million.
- Basic and diluted earnings per share attributable to shareholders of Olympia increased 56% to \$2.58 per share from \$1.65 per share.



IT team building event

Objectives for 2023

Management has set the following major objectives for 2023:

- Promote the Investment Account Services division's applications
- Grow the Corporate and Shareholder Services division
- Improve systems to ensure better client management and retention within the Currency and Global Payments division
- Develop a new database system and reinforce online initiatives for the Health division
- Expand Exempt Edge's service offering and grow the EdgeLink user base

Promote the Investment Account Services division's applications

The IAS division will continue to focus on increasing usage of its existing mobile app, client web portal and mortgage document review software. This will help improve operational efficiencies while allowing the division to continue its delivery of exceptional client service. IAS will also continue to work with Exempt Edge's Dealer's Edge plan for integration purposes.

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. The CSS division will also continue to explore synergies with the Exempt Edge division to expand its service offering for the private capital markets.

Improve systems to ensure better client management and retention within the Currency and Global Payments division

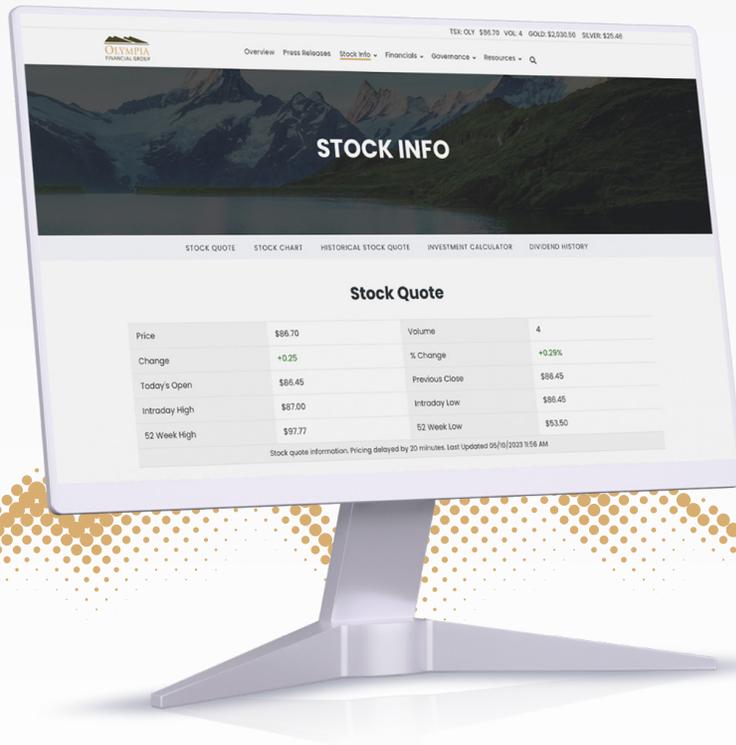
CGP is focusing on developing and implementing new systems that will improve overall business function. This will include significant upgrades to the PayFX platform and phone systems as well as a complete overhaul of the Client Relationship Management software. These technical upgrades will enable the business to provide better client service to new online clients and existing clients.

Develop a new database system and reinforce online initiatives for the Health division

The Health division successfully completed an overhaul of its mobile application in 2022. The updated version provides a well-rounded platform for clients to fully manage their health plans. The new platform will save clients time and make their health plans easy to navigate. The next major project for the division is to revamp the existing database system. The new system will provide stability and offer new avenues for marketing health plans. The division remains committed to marketing health plans online. New avenues in paid promotion will be explored to compliment the division's strong organic position.

Expand Exempt Edge's service offering and grow the EdgeLink user base

Exempt Edge will work with CSS to expand its service offerings for issuers. 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.



OLYMPIA INVESTOR RELATIONS

-  **Press Releases**
-  **Stock Info**
-  **Financials**
-  **Governance**

Olympia is committed to fostering transparency and communication with its investors, analysts, and stakeholders. Stay informed by visiting our central hub and gain access to essential information on Olympia’s finances, governance and stock.

[VISIT IR.OLYMPIAFINANCIAL.COM](http://ir.olympiafinancial.com)

FINANCIAL ANALYSIS

Condensed Consolidated Interim Balance Sheets (unaudited)

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

Cash and cash equivalents

Olympia continues to generate cash from its core businesses. As at September 30, 2023, cash reserves increased by 46% to \$12.19 million (December 31, 2022 – \$8.37 million). This increase is mainly the result of the receipt of interest earned on the funds held in trust.

Olympia's cash is placed with Canadian financial institutions where it generates interest. Cash and cash equivalents comprise 28% of the total current assets of Olympia as at September 30, 2023, compared to 29% as at December 31, 2022.

Trade and other receivables

Trade and other receivables are comprised largely of interest receivable on funds placed with financial institutions of \$26.37 million (December 31, 2022 - \$12.48 million) and receivables from the Investment Account Services division's clients.

Olympia has allowances for doubtful accounts of \$1.24 million for the nine months ended September 30, 2023, compared to \$1.42 million as at December 31, 2022. 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 consent all interest accrued under the promissory note shall be paid on an annual basis on or before the 30th day of June of each calendar year and, commencing June 30, 2020, Tarman is required to repay the outstanding principal amount of the promissory note in annual installments of \$140,000 on or before the 30th day of June of each calendar year, with the outstanding balance of the principal amount to be repaid in full on or before June 30, 2023. As of June 30, 2023, the promissory note had been repaid in full.

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 \$1.29 million as at September 30, 2023 (December 31, 2022 - \$1.10 million), and a forward foreign exchange contract liability of \$0.74 million as at September 30, 2023 (December 31, 2022 - \$0.79 million). The movement in the derivative financial instruments assets and liabilities are 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.

Current liabilities

The breakdown of Olympia's trade and other payables consists of trade payables (44%), government taxes (38%), amounts due to agents and commission payable (9%), and amounts due to related parties (9%).

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

Deferred revenue

At September 30, 2023, deferred revenue totaled \$5.56 million compared to \$0.83 million as at December 31, 2022. This is comprised primarily of annual fees billed by the IAS division, as well as the Health, EE 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 every \$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 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 \$0.44 million for the nine months ended September 30, 2023 (September 30, 2022 – \$0.30 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 31 of the interim financial statements for the period ended September 30, 2023, for disclosure on Olympia's related party transactions.

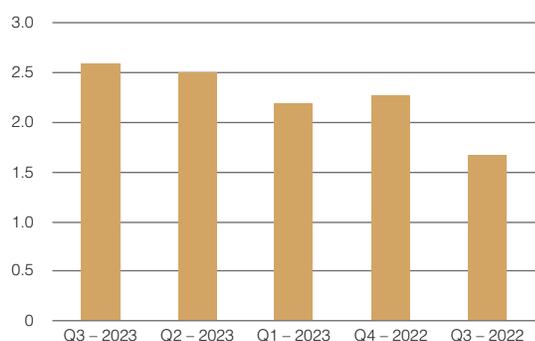
Shareholders' equity

As at September 30, 2023, Olympia had 2,406,336 outstanding shares (December 31, 2022 - 2,406,336), with a carrying value of \$7.89 million (December 31, 2022 – \$7.89 million).

Income taxes

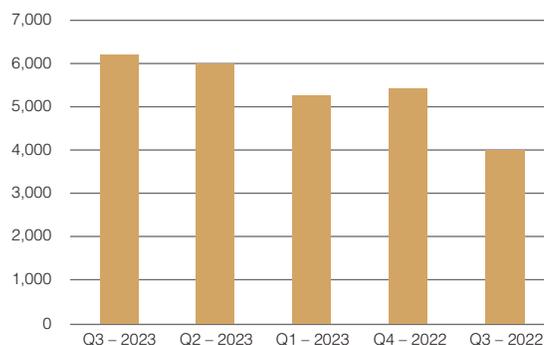
Deferred income tax assets are recognized for loss carry-forward and other deductible temporary differences to the extent that the realization of the related tax benefit is probable through future taxable profits or other tax planning opportunities. The average corporate rate used for the nine months ended September 30, 2023, was 24.0% (September 30, 2022 – 23.5%).

EPS PER QUARTER (\$)



Q3 - 2023	2.58
Q2 - 2023	2.48
Q1 - 2023	2.17
Q4 - 2022	2.25
Q3 - 2022	1.65

NET EARNINGS PER QUARTER (\$ 000)



Q3 - 2023	6,219
Q2 - 2023	5,967
Q1 - 2023	5,228
Q4 - 2022	5,403
Q3 - 2022	3,978

ANALYSIS OF RESULTS BY SEGMENT

Investment Account Services Division

Summary of divisional results for the three months ended September 30

(\$ thousands)	2023	2022	Variation
Service revenue	6,870	7,437	-8%
Trust, interest & other income	12,605	5,847	>100%
Direct expenses	(12)	(69)	-83%
	19,463	13,215	47%
Administrative expenses	(11,616)	(8,023)	45%
Bad debt expense	(180)	(320)	-44%
Depreciation & amortization	(484)	(511)	-5%
Earnings before income tax	7,183	4,361	65%
Income tax expense	(1,703)	(1,021)	67%
Net earnings	5,480	3,340	64%

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 decreased 8% to \$6.87 million from \$7.44 million when compared to the three months ended September 30, 2022. The decrease can be attributed to the decrease in annual fees charged for 2023.

Trust, interest and other income increased more than 100% to \$12.61 million from \$5.85 million when compared to the three months September 30, 2022, due to higher interest rates on funds held in trust.

Direct, administrative, and depreciation and amortization expenses increased 41% to \$12.11 million from \$8.60 million when compared to the three months ended September 30, 2022. This increase relates primarily to higher salaries, bonuses, and management fees.

Earnings before income tax increased 65% to \$7.18 million from \$4.36 million compared to the three months ended September 30, 2022.

The IAS division is responsible for 77% of Olympia's total revenue (including trust, interest and other income), an increase from 70% when compared to the three months September 30, 2022.

Service revenue decreased 8% to \$6.87 million from \$7.44 million

8% ▼

Trust income and interest revenue increased more than 100% to \$12.61 million from \$5.85 million

>100% ▲

Direct, administrative, and depreciation and amortization expenses increased 41% to \$12.11 million from \$8.60 million

41% ▲

Earnings before income tax increased 65% to \$7.18 million from \$4.36 million

65% ▲

ANALYSIS OF RESULTS BY SEGMENT

Private Health Services Plan Division

Summary of divisional results for the three months ended September 30

(\$ thousands)	2023	2022	Variation
Service revenue	2,099	1,944	8%
Trust & interest income	250	143	75%
Direct expenses	(406)	(399)	2%
	1,943	1,688	15%
Administrative expenses	(966)	(905)	7%
Depreciation & amortization	(11)	(13)	-15%
Earnings before income tax	966	770	25%
Income tax expense	(244)	(212)	15%
Net earnings	722	558	29%

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 8% to \$2.10 million from \$1.94 million when compared to the three months ended September 30, 2022.

Direct, administrative, and depreciation and amortization expenses increased 5% to \$1.38 million from \$1.32 million when compared to the three months ended September 30, 2022.

Earnings before income tax increased 25% to \$0.97 million from \$0.77 million when compared to the three months ended September 30, 2022.

The Health division's net earnings increased 29% to \$0.72 million from \$0.56 million when compared to the three months ended September 30, 2022.

Health is responsible for 9% of Olympia's total revenue (including trust and interest income) for the three months ended September 30, 2023, a decrease from 11% when compared to the three months ended September 30, 2022.

Service revenue increased 8% to \$2.10 million from \$1.94 million

8% ▲

Direct, administrative, and depreciation and amortization expenses increased 5% to \$1.38 million from \$1.32 million

5% ▲

Earnings before income tax increased 25% to \$0.97 million from \$0.77 million

25% ▲

Health division's net earnings increased 29% to \$0.72 million from \$0.56 million

29% ▲

ANALYSIS OF RESULTS BY SEGMENT

Currency and Global Payments Division

Summary of divisional results for the three months ended September 30

(\$ thousands)	2023	2022	Variation
Service revenue	2,022	2,096	-4%
Trust & interest income	305	109	>100%
Direct expenses	(493)	(452)	9%
	1,834	1,753	5%
Administrative expenses	(1,562)	(1,167)	34%
Depreciation & amortization	(33)	(36)	-8%
Other gains/(losses), net	85	(123)	>100%
Earnings before income tax	324	427	-24%
Income tax expense	(77)	(100)	-23%
Net earnings	247	327	-24%

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 4% to \$2.02 million from \$2.10 million when compared to the three months ended September 30, 2022. The decrease is due to comparably lower trading volumes occurring during the current period.

Other gains/(losses), net, increased more than 100% to \$0.09 million from a loss of (\$0.12) million for the three months ended September 30, 2022, mainly due to unrealized gains and losses on forward foreign exchange contracts.

Direct, administrative, and depreciation and amortization expenses increased 26% to \$2.09 million from \$1.66 million when compared to the three months ended September 30, 2022. The increase can be mainly attributed to costs incurred for a trading platform and annual salary increases.

Earnings before income tax decreased 24% to \$0.32 million from \$0.43 million when compared to the three months ended September 30, 2022.

Net earnings decreased 24% to \$0.25 million from \$0.33 million when compared to the three months ended September 30, 2022.

The CGP division is responsible for 9% of Olympia's total revenue (including trust and interest income), a decrease from 12% when compared to the three months ended September 30, 2022.

Service revenue decreased 4% to \$2.02 million from \$2.10 million

4% ▼

Direct, administrative, and depreciation and amortization expenses increased 26% to \$2.09 million from \$1.66 million

26% ▲

Earnings before income tax decreased 24% to \$0.32 million from \$0.43 million

24% ▼

Net earnings decreased 24% to \$0.25 million from \$0.33 million

24% ▼

ANALYSIS OF RESULTS BY SEGMENT

Exempt Edge Division

Summary of divisional results for the three months ended September 30

(\$ thousands)	2023	2022	Variation
Service revenue ¹	339	288	18%
Interest income	4	1	>100%
Direct expenses	-	(10)	-100%
	343	279	23%
Administrative expenses	(496)	(492)	1%
Bad debt expense	(5)	(5)	0%
Depreciation & amortization	(59)	(63)	-6%
Loss before income tax	(217)	(281)	-23%
Income tax recovery	54	80	-33%
Net loss	(163)	(201)	-19%

¹Excluded from service revenue are fees of \$24,750 (September 30, 2022 – \$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 18% to \$0.34 million from \$0.29 million when compared to the three months ended September 30, 2022. This increase is largely due to growth in EE's client base.

Direct, administrative, and depreciation and amortization expenses decreased 2% to \$0.56 million from \$0.57 million when compared to the three months ended September 30, 2022. This decrease is due to the decrease in direct expenses.

Loss before income tax decreased 23% to \$0.22 million from \$0.28 million when compared to the three months ended September 30, 2022.

Net loss decreased 19% to \$0.16 million from \$0.20 million when compared to the three months ended September 30, 2022.

The EE division's is responsible for 2% of Olympia's total revenue (including interest), which is consistent with the three months ended September 30, 2022.

Service revenue increased 18% to \$0.34 million from \$0.29 million

18% ▲

Direct, administrative, and depreciation and amortization expenses decreased 2% to \$0.56 million from \$0.57 million

2% ▼

Loss before income tax decreased 23% to \$0.22 million from \$0.28 million

23% ▼

Net loss decreased 19% to \$0.16 million from \$0.20 million

19% ▼

ANALYSIS OF RESULTS BY SEGMENT

Corporate and Shareholder Services Division

Summary of divisional results for the three months ended September 30

(\$ thousands)	2023	2022	Variation
Service revenue ¹	683	614	11%
Trust & interest income	183	291	-37%
Direct expenses	(19)	(52)	-63%
	847	853	-1%
Administrative expenses	(836)	(731)	14%
Bad debt expense	(15)	-	100%
Depreciation & amortization	(16)	(15)	7%
(Loss)/earnings before income tax	(20)	107	>100%
Income tax recovery/(expense)	5	(25)	>100%
Net (loss)/earnings	(15)	82	>100%

¹Included in service revenue are fees of \$24,750 (September 30, 2022 – \$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. 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.

Service revenue increased 11% to \$0.68 million from \$0.61 million when compared to the three months ended September 30, 2022. This is due to the CSS division continuing to grow its customer base.

Trust and interest income decreased 37% to \$0.18 million from \$0.29 million when compared to the three months ended September 30, 2022, due to a decrease in funds being held in trust.

Direct, administrative, and depreciation and amortization expenses increased 9% to \$0.87 million from \$0.80 million. This is mainly due to an increase in professional fees.

Loss before income tax increased more than 100% to \$0.02 million from earnings before income tax of \$0.11 million when compared to the three months ended September 30, 2022.

Net loss increased more than 100% to \$0.02 million from net earnings of \$0.08 million when compared to the three months ended September 30, 2022.

The CSS division is responsible for 3% of Olympia's total revenue (including trust and interest income), a decrease from 5% when compared to the three months ended September 30, 2022.

Service revenue increased 11% to \$0.68 million from \$0.61 million **11%** ▲

Direct, administrative, and depreciation and amortization expenses increased 9% to \$0.87 million from \$0.80 million **9%** ▲

Loss before income tax increased more than 100% to \$0.02 million from earnings of \$0.11 million **>100%** ▲

Net loss increased more than 100% to \$0.02 million from earnings of \$0.08 million **>100%** ▲

ANALYSIS OF RESULTS BY SEGMENT

Corporate Division

Summary of divisional results for the three months ended September 30

(\$ thousands)	2023	2022	Variation
Interest income	38	33	15%
	38	33	15%
Administrative expenses	(86)	(79)	9%
Other losses, net	(5)	(86)	-94%
Loss before income tax	(53)	(132)	-60%
Income tax (expense)/recovery	(1)	3	>100%
Net loss	(54)	(129)	-58%

The Corporate division carries out support functions in the areas of accounting, information technology, legal services, human resources, payroll, compliance, risk, 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 increased 9% to \$0.09 million from \$0.08 million when compared to the three months ended September 30, 2022.

The Corporate division's net loss was \$0.05 million for the three months ended September 30, 2023.

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, 2023		December 31, 2022	
	Cash & public securities at estimated fair value	Private securities, mortgages & mutual funds at cost	Cash & public securities at estimated fair value	Private securities, mortgages & mutual funds at cost
Investment Account Services ¹	\$ 1,022,726	\$ 9,768,657	\$ 1,009,266	\$ 9,005,924
Corporate & Shareholder Services ²	33,333	-	259,592	-
Currency & Global Payments	27,944	-	30,310	-
Private Health Services Plan	14,835	-	14,073	-
	\$ 1,098,838	\$ 9,768,657	\$ 1,313,241	\$ 9,005,924

¹The cash portion included in Investment Account Services is \$906.98 million for the nine months ended September 30, 2023 (December 31, 2022 - \$895.00 million).

²Included in the CSS securities is \$0.15 million of public securities (December 31, 2022 - \$0.67 million).

Investment Account Services

At September 30, 2023, IAS administered self-directed registered plans consisting of private company securities and mortgages with a cost value of \$9.77 billion (December 31, 2022 - \$9.01 billion) plus cash, public securities, term deposits, and outstanding cheques with an estimated fair value of \$1.02 billion (December 31, 2022 - \$1.01 billion). This growth is mostly the result of assets held in trust transferred in from Computershare during the nine months ended September 30, 2023. 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 \$34.96 million for the nine months ended September 30, 2023 (September 30, 2022 - \$11.65 million).

Private Health Services Plan

At September 30, 2023, Health held funds in trust of \$14.84 million (December 31, 2022 - \$14.07 million) on behalf of its self-insured private health clients. These assets are the property of the plan holders and Olympia Benefits does not maintain effective control over the assets. Therefore, the assets are not reflected in these interim financial statements.

Currency and Global Payments

At September 30, 2023, CGP held funds in trust of \$5.06 million (December 31, 2022 - \$6.22 million) for clients who have paid margin requirements on forward foreign exchange contracts, and \$22.88 million (December 31, 2022 - \$24.09 million) of outstanding payments. These assets are the property of the contract holders and Olympia Trust does not maintain effective control over the assets. Therefore, the assets are not reflected in these interim financial statements.

Corporate and Shareholder Services

At September 30, 2023, CSS held funds in trust and outstanding cheques of \$33.33 million (December 31, 2022 - \$259.59 million) for clients who have hired Olympia Trust to provide trustee services. This includes approximately \$0.15 million (December 31, 2022 - \$0.67 million) of public securities held in trust. These assets are the property of the trust clients and Olympia Trust does not maintain effective control over the assets. Therefore, the assets are not reflected in these interim financial statements.

Management of capital resources

Olympia includes shareholders' equity, which comprises share capital, contributed surplus, non-controlling interest 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;
- Maintain regulatory capital for Olympia Trust as required by the *Loan and Trust Corporations Act* (Alberta) (\$2 million). Similar regulatory capital is required by legislation in Nova Scotia (\$5 million) and Saskatchewan (\$5 million). Regulatory capital is defined as share capital and retained earnings. Olympia Trust has maintained these minimum capital requirements throughout the nine months ended September 30, 2023; and
- Maintain compliance with financial covenants, which includes maintaining a minimum tangible net worth of \$12 million. The financial covenants are reviewed and controls are in place to maintain compliance with the covenants. Olympia complied with its financial covenants for the nine months ended September 30, 2023.

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 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 2023 (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 2023 will help Olympia meet its growth and development activities. No other significant expenditure is required to maintain growth and development activities. Olympia's capital management objectives have remained substantially unchanged over the periods presented.



Celebrating 15 years at Olympia

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 highly rated financial institutions. This allows Olympia to earn interest on surplus cash while having access to it within a short time.

Olympia has a current ratio (current assets:current liabilities) of 2.46:1 as at September 30, 2023 (2.55:1 - December 31, 2022). The decrease in Olympia's current ratio is mainly due to an increase in deferred revenue as compared to December 31, 2022.

Cash flows

Operating activities

The movement in cash flow from operating activities for the nine months ended September 30, 2023, is mainly attributable to increases in trust income, when compared to the nine months ended September 30, 2022.

Investing activities

The movement in cash flow from investing activities during the nine months ended September 30, 2023, is mainly attributable to the purchase of computers and equipment and intangible assets, compared to the nine months ended September 30, 2022

Financing activities

The movement in cash flow from financing activities during the nine months ended September 30, 2023, is mainly attributable to the payment of dividends and repayment of revolving credit facility offset with the receipt of the promissory note receivable.

Cash

Cash is placed with Canadian financial institutions where it generates interest. Cash and cash equivalents comprise 28%

of the total current assets of Olympia, compared to 29% as at December 31, 2022.

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 \$36.92 million, a greater than 100% increase from \$11.65 million when compared to the nine months ended September 30, 2022. This is the result of increasing interest rates on funds held in trust.

Olympia, through its operational cash flow and line of credit, has sufficient funds to meet the Objectives for 2023.

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.

Commitments

Olympia leases various offices under lease agreements. The initial lease terms are between twelve months and sixty months and the majority of lease agreements are renewable at market rates when the lease period ends. Future aggregate contractual minimum lease payments are listed in the table below:

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

Excluded from lease commitments is the non-cash financing interest of \$0.04 million implicit in the lease liability.

Credit facility

As at September 30, 2023, Olympia has drawn \$3.56 million on its \$15 million credit facility, compared to \$4.95 million drawn as at December 31, 2022. This facility is held by Olympia Financial Group Inc. The credit facility bears interest at the Canadian prime rate plus 0.25%. The Canadian prime rate was 7.20% at September 30, 2023, and 6.45% at December 31, 2022. 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 tangible net worth of \$12 million. Total tangible net worth as at September 30, 2023, was \$27.50 million (December 31, 2022 - \$17.49 million). The financial ratio is a quarterly cash flow coverage ratio of not less than 1.50:1. At September 30, 2023, Olympia's cash flow coverage ratio under the terms of the credit facility was calculated to be 6.37:1 (September 30, 2022 - 3.68:1).

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, 2023, has been calculated at \$27.36 million (September 30, 2022 - \$15.13 million) after adjusting for finance expenses of \$0.35 million (September 30, 2022 - \$0.24 million). The coverage required is based on an annualized average of the scheduled facility principal of \$15 million and interest payments calculated at 7.89% (September 30, 2022 - 7.38%) over a period of 60 months. As at September 30, 2023, this was calculated to be \$4.18 million (September 30, 2022 - \$4.11 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.

On December 16, 2022, Olympia Trust entered into a foreign exchange guarantee, issue by Export Development Canada, for US\$7 million which expires on December 31, 2023.

Credit facility	September 30, 2023	December 31, 2022
Maximum limit of line of credit	\$ 15,000,000	\$ 15,000,000
Drawn	(3,562,417)	(4,953,278)
Available at end of period	\$ 11,437,583	\$ 10,046,722

The total credit limit for the credit facility with Canadian Western Bank remained at \$15 million as at September 30, 2023.

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, 2023, 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, 2023, 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, 2023, which have materially affected, or are reasonably likely to materially affect, Olympia's internal control over financial reporting.

Outstanding share data

As at November 9, 2023, 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.sedarplus.ca.

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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Board Committees

¹ Audit Committee

² Corporate Governance Committee

³ Executive Compensation Committee

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CRAIG SKAUGE

Executive Vice President
President, Olympia Trust Company
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JENNIFER URSCHELER

Chief Financial Officer



ROBIN FRY

Chief Executive Officer,
Olympia Benefits Inc.



KEN FRY

President, Olympia Benefits Inc.



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