



Q1 2022 REPORT

MANAGEMENT DISCUSSION
AND ANALYSIS

2022

WITH US
IT'S
PERSONAL

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FINANCIAL HIGHLIGHTS

Results from operations for the three months ended March 31, 2022, when compared to the three months ended March 31, 2021:

- Total net earnings and comprehensive income increased 54% to \$2.28 million from \$1.48 million.
- Total revenue increased 14% to \$14.92 million from \$13.04 million, mainly due to increased service revenues within the Investment Account Services and the Corporate and Shareholder Services divisions, as well as higher interest revenues overall. This was offset by lower service revenues within the Currency and Global Payments division.
- Service revenue increased 11% to \$12.29 million from \$11.07 million, mainly due to the Investment Account Services division having acquired a significant number of new clients and increasing its annual fees for the year 2022.
- Interest revenue and trust income increased 34% to \$2.63 million from \$1.97 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 for the three months ended March 31, 2022. The Canadian prime rate at March 31, 2022, was 2.70% (March 31, 2021 – 2.45%).
- Direct and administrative expenses (excluding depreciation and amortization) increased 22% to \$11.34 million from \$9.33 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 March 31, 2022. This was driven by the business combinations that occurred during the year ended December 31, 2021. Direct expenses were higher within the Currency and Global Payments division due to higher commissions. Legal fees increased \$0.31 million for the three months ended March 31, 2022.
- Other gains and (losses), net, amounted to \$0.13 million for the current period from (\$1.20) million, mainly due to a \$0.12 million gain, net, on the disposal of assets within the Corporate division for the three months ended March 31, 2022. Olympia Trust's Currency and Global Payments division recorded a \$0.02 million unrealized foreign exchange forward contract loss for the three months ended March 31, 2022, compared with a (\$1.20) million unrealized foreign exchange forward contract loss for the three months ended March 31, 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 three months ended March 31, 2022. The rate used as at March 31, 2021, was 23.5%.
- Earnings before income tax increased 55% to \$3.01 million from \$1.94 million.
- Basic and diluted earnings per share attributable to shareholders of Olympia increased 53% to \$0.95 per share from \$0.62 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 March 31, 2022.

This MD&A should be read in conjunction with Olympia's unaudited condensed consolidated interim financial statements ("interim financial statements") for the three months ended March 31, 2022, and March 31, 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 May 12, 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.

Given the changing circumstances surrounding the COVID-19 pandemic and the related response from governments (federal, provincial and municipal), regulatory authorities, businesses and customers, there is inherently more uncertainty associated with Olympia's assumptions as compared to prior periods. These assumptions include, but are not limited to, management expectations with respect to:

- general economic conditions in Canada, which includes the impact of the COVID-19 pandemic on the economy and financial markets;
- the impact of the COVID-19 pandemic and other health risks on Olympia's business, operations, capital resources and/or financial results;
- 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.

COVID-19 update

In response to the COVID-19 pandemic, Olympia shifted its focus towards ensuring the safety of its employees by allowing them to work remotely wherever possible while maintaining customer service standards and other critical business operations. As of the date of publication, governmental authorities have removed most restrictions on business activities and Olympia has largely resumed normal business operations although, some employees continue to work remotely from home.

Summary of financial results

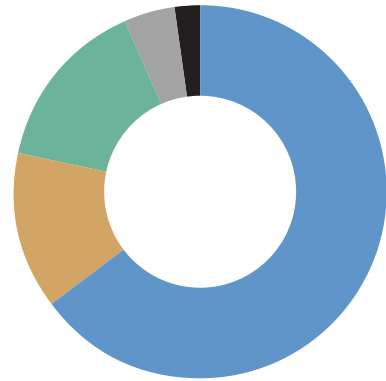
Overview and financial highlights for the three months ended March 31, 2022, when compared to the three months ended March 31, 2021

- Total net earnings and comprehensive income increased 54% to \$2.28 million from \$1.48 million.
- Total revenue increased 14% to \$14.92 million from \$13.04 million, mainly due to increased service revenues

within the Investment Account Services and the Corporate and Shareholder Services divisions, as well as higher interest revenues, overall. This was offset by lower service revenues within the Currency and Global Payments division.

- Service revenue increased 11% to \$12.29 million from \$11.07 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 March 31, 2022.
- Olympia's interest revenue and trust income is subject to fluctuations depending on account balances and changes in the Canadian prime rate. Interest revenue and trust income increased 34% to \$2.63 million from \$1.97 million, mainly due to a combination of higher interest rates on trust fund placements and greater amounts of trust funds placed for the 12 months prior to the period ended March 31, 2022. The Canadian prime rate at March 31, 2022, was 2.70% (March 31, 2021 – 2.45%).
- Direct and administrative expenses (excluding depreciation and amortization) increased 22% to \$11.34 million from \$9.33 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 March 31, 2022. This was driven by the business combinations that occurred during the year ended December 31, 2021. Direct expenses were higher within the Currency and Global Payments division due to higher commissions. Legal fees increased \$0.31 million for the three months ended March 31, 2022.
- Other gains and (losses), net, amounted to \$0.13 million for the current year from (\$1.20) million, mainly due to a \$0.12 million gain, net, on the disposal of assets within the Corporate division for the three months ended March 31, 2022. Olympia Trust's Currency and Global Payments division recorded a \$0.02 million unrealized foreign exchange forward contract loss for the three months ended March 31, 2022. This compares to a (\$1.20) million unrealized foreign exchange forward contract loss for the three months ended March 31, 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 three months ended March 31, 2022. The rate used as at March 31, 2021, was 23.5%.
- Earnings before income tax increased 55% to \$3.01 million from \$1.94 million.
- Basic and diluted earnings per share attributable to shareholders of Olympia increased 53% to \$0.95 per share from \$0.62 per share.

TOTAL REVENUE BY DIVISION (%)



| | Q1 2022 | Q1 2021 |
|--------------------------------------|--------------|---------|
| • Investment Account Services | 64.9% | 49.1% |
| • Currency and Global Payments | 13.7% | 28.3% |
| • Private Health Services | 14.8% | 16.5% |
| • Corporate and Shareholder Services | 4.6% | 4.0% |
| • Exempt Edge | 2.0% | 2.1% |

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) | Mar. 31 2022 | Dec. 31 2021 | Sep. 30 2021 | Jun. 30 2021 | Mar. 31 2021 | Dec. 31 2020 | Sep. 30 2020 | Jun. 30 2020 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------------|-----------------|
| Service revenue | 12,292 | 10,308 | 10,128 | 9,876 | 11,071 | 11,181 | 8,430 | 7,910 |
| Interest revenue and trust income | 2,629 | 2,034 | 1,759 | 1,854 | 1,966 | 2,670 | 2,898 | 3,223 |
| Expenses | (12,041) | (9,818) | (9,699) | (10,048) | (9,897) | (9,832) | (8,924) ¹ | (9,012) |
| Other gains/(losses), net | 134 | 99 | (159) | 230 | (1,202) | (1,207) | 97 ¹ | - |
| Earnings before income taxes | 3,014 | 2,623 | 2,029 | 1,912 | 1,938 | 2,812 | 2,501 | 2,121 |
| Net earnings | 2,280 | 1,990 | 1,540 | 1,500 | 1,481 | 2,130 | 1,917 | 1,676 |
| Per share attributable to shareholders of Olympia – basic and diluted (\$) | 0.95 | 0.83 | 0.64 | 0.62 | 0.62 | 0.90 | 0.81 | 0.71 |
| Dividends per share (\$) | 0.69 | 0.69 | 0.69 | 0.69 | 0.69 | 0.69 | 0.69 | 0.69 |

¹Presentation of Q3 2020 has been adjusted for the reclassification of the Canada Emergency Wage Subsidy to align with Q4 2020 presentation.

First Quarter Results

Overview and financial highlights for the three-month period ended March 31, 2022, when compared to the three-month period ended March 31, 2021

- Total net earnings and comprehensive income increased 54% to \$2.28 million from \$1.48 million.
- Total revenue increased 14% to \$14.92 million from \$13.04 million, mainly due to increased service revenues within the Investment Account Services and the Corporate and Shareholder Services divisions, as well as higher interest revenues overall. This was offset by lower service revenues within the Currency and Global Payments division.
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the 12 months prior to the period ended March 31, 2022. The Canadian prime rate was 2.70% as at March 31, 2022, compared to 2.45% on December 31, 2021.

- Direct and administrative expenses (excluding depreciation and amortization) increased 22% to \$11.34 million from \$9.33 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 March 31, 2022. This was driven by the business combinations that occurred during the year ended December 31, 2021. Direct expenses were higher within the Currency and Global Payments division due to higher commissions. Legal fees increased \$0.31 million for the three months ended March 31, 2022.
- Other gains/(losses) net, went from a loss of \$1.20 million to a gain of \$0.13 million, mainly due to a \$0.12 million gain, net, on the disposal of assets within the Corporate division for the three months ended March 31, 2022. Olympia Trust's Currency and Global Payments division recorded a \$0.02 million unrealized foreign exchange forward contract loss for the three months ended March 31, 2022. This compares to a (\$1.20) million unrealized foreign exchange forward contract loss for the three months ended March 31, 2021.

- Earnings before income tax increased 55% to \$3.01 million from \$1.94 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 March 31, 2022, is 23.5% (March 31, 2021 – 23.5%).
- Basic and diluted earnings per share attributable to shareholders of Olympia increased 53% to \$0.95 per share from \$0.62 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;
- 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

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.

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 will 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 will 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.

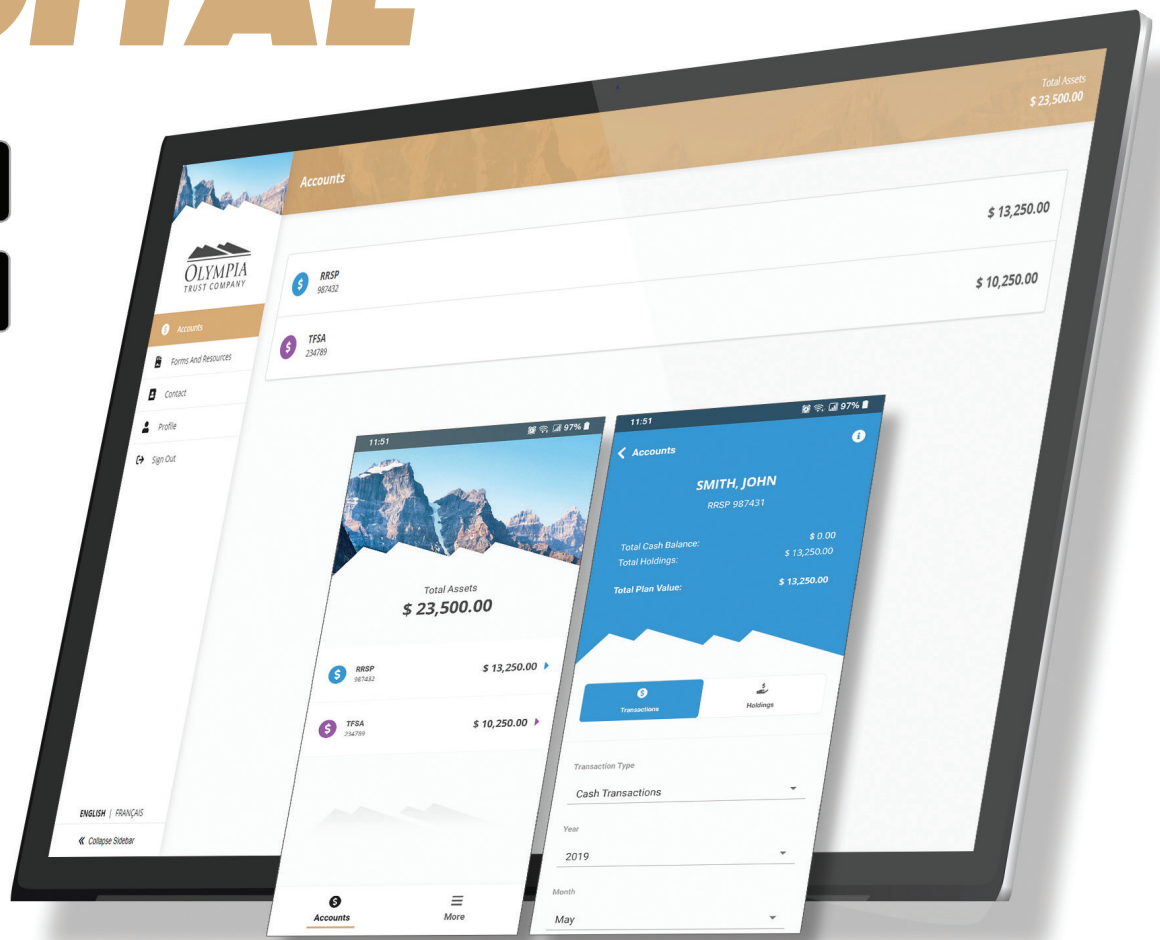
Outlook for 2022

In response to the COVID-19 pandemic, Olympia shifted its focus towards ensuring the safety of its employees by allowing them to work remotely wherever possible while maintaining customer service standards and other critical business operations. As of the date of publication, governmental authorities have removed most restrictions on business activities and Olympia has largely

resumed normal business operations, although some employees continue to work remotely from home.

Olympia is well diversified, with its Investment Account Services, Private Health Services Plan, Currency and Global Payments, Exempt Edge, and Corporate and Shareholder Services divisions.

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



FINANCIAL ANALYSIS

Condensed Consolidated Interim Balance Sheets (unaudited)

| (\$) | March 31, 2022 | December 31, 2021 |
|---|----------------------|----------------------|
| ASSETS | | |
| Current assets | | |
| Cash & cash equivalents | \$ 24,843,936 | \$ 15,106,624 |
| Trade & other receivables | 10,011,523 | 6,817,119 |
| Inventory | 42,338 | 42,338 |
| Prepaid expenses | 1,773,364 | 1,725,626 |
| Promissory note receivable | 147,687 | 140,000 |
| Financial assets at fair value through profit or loss | - | 236,886 |
| Derivative financial instruments | 726,125 | 556,069 |
| Current tax receivable | 170,817 | 161,168 |
| Total current assets | 37,715,790 | 24,785,830 |
| Non-current assets | | |
| Equipment & other | 474,715 | 453,601 |
| Intangible assets | 8,197,388 | 8,633,738 |
| Right-of-use asset | 1,009,800 | 1,075,624 |
| Financial assets at fair value through profit or loss | 96,069 | 98,974 |
| Promissory note receivable | 980,000 | 980,000 |
| Deferred tax assets | 647,887 | 528,854 |
| Total non-current assets | 11,405,859 | 11,770,791 |
| Total assets | \$ 49,121,649 | \$ 36,556,621 |
| LIABILITIES | | |
| Current liabilities | | |
| Trade & other payables | \$ 2,573,818 | \$ 780,229 |
| Deferred revenue | 16,201,168 | 716,220 |
| Other liabilities & charges | 2,293,519 | 2,125,755 |
| Revolving credit facility | 6,682,361 | 12,382,366 |
| Lease liabilities | 107,056 | 184,474 |
| Derivative financial instruments | 424,827 | 273,550 |
| Current tax liability | 298,233 | 93,711 |
| Total current liabilities | 28,580,982 | 16,556,305 |
| Lease liability | 1,147,825 | 1,227,107 |
| Total liabilities | \$ 29,728,807 | \$ 17,783,412 |
| EQUITY | | |
| Share capital | \$ 7,886,989 | \$ 7,886,989 |
| Contributed surplus | 86,373 | 86,373 |
| Retained earnings | 11,419,480 | 10,799,847 |
| Total equity | 19,392,842 | 18,773,209 |
| Total equity & liabilities | \$ 49,121,649 | \$ 36,556,621 |

Cash, cash equivalents and restricted cash and investments

Olympia continues to generate cash from its core businesses. As at March 31, 2022, cash reserves increased by 64% to \$24.84 million (December 31, 2021 – \$15.11 million). This increase is mainly the result of Olympia's Investment Account Services division billing and collecting a significant portion of the total fees for the year during the three months ended March 31, 2022.

Olympia's cash is placed with Canadian financial institutions where it generates interest. Cash and cash equivalents comprise 66% of the total current assets of Olympia as at March 31, 2022, compared to 62% as at December 31, 2021.

Trade and other receivables

Trade and other receivables are comprised largely of receivables from the Investment Account Services division's clients of \$6.12 million (December 31, 2021 - \$3.14 million), and from interest receivable on funds placed with financial institutions of \$3.66 million (December 31, 2021 - \$3.93 million). The increase of \$3.19 million in trade and other receivables is due to higher trade receivables in the IAS division of \$1.39 million relating to overall significant growth in year-over-year annual fees, and \$1.06 million of receivables within the CGP division.

Olympia has allowances for doubtful accounts of \$1.35 million for the three months ended March 31, 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.

Included within receivables is the current portion of a lease receivable of \$nil (December 31, 2021 – \$0.01 million) recognized based on the present value of sublet property as required by IFRS 16. The lease receivable relates to space within the former head office, no longer leased nor occupied by Olympia as at March 31, 2022.

Promissory note receivable

On June 5, 2018, Olympia announced the sale to Tarman ATM Inc. ("Tarman") of the ATM business operated by Olympia ATM Inc., as a going concern, for an amount equal to the then current net book value of all assets used in the ATM business less all assumed liabilities; an amount estimated to be \$1.4 million.

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 March 31, 2022, the second installment of \$140,000 has been paid, interest of \$7,687 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.

Included in the \$1.13 million promissory note receivable is the current portion of \$0.15 million as at March 31, 2022.

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 \$0.73 million as at March 31, 2022, (December 31, 2021 – \$0.56 million), and a forward foreign exchange contract liability of \$0.42 million as at March 31, 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 \$0.09 million relate primarily to the continued development and enhancement of the IAS division's mobile and web application (\$0.07 million) and the development of Exempt Edge division's applications (\$0.01 million).



Financial Services Team enjoying some go karting.

Current liabilities

The breakdown of Olympia's trade and other payables consists of government taxes (66%), trade payables (14%), amounts due to agents and commission payable (10%) and amounts due to related parties (10%).

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

Deferred revenue

At March 31, 2022, deferred revenue totaled \$16.20 million compared to \$0.72 million as at December 31, 2021. This is comprised primarily of annual fees received 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 payment 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 \$0.09 million for the three months ended March 31, 2022 (March 31, 2021 – \$0.09 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 consolidated financial statements.

Related party transactions

Refer to Note 33 of the interim financial statements for the period ended March 31, 2022, for disclosure on Olympia's related party transactions.

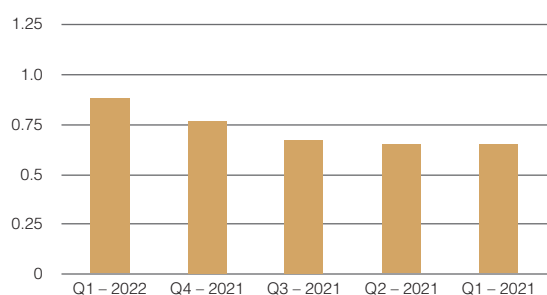
Shareholders' equity

As at March 31, 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

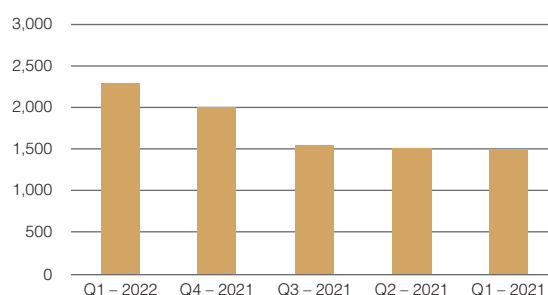
Deferred income tax assets are recognized for loss carry-forward and other deductible temporary differences to the extent that the realization of the related tax benefit is probable through future taxable profits or other tax planning opportunities. The average corporate rate used for the three months ended March 31, 2022, was 23.5% (March 31, 2021 – 23.5%).

EPS PER QUARTER (\$)



| | |
|-----------|-------------|
| Q1 – 2022 | 0.95 |
| Q4 – 2021 | 0.83 |
| Q3 – 2021 | 0.64 |
| Q2 – 2021 | 0.62 |
| Q1 – 2021 | 0.62 |

NET EARNINGS PER QUARTER (\$ 000)



| | |
|-----------|--------------|
| Q1 – 2022 | 2,280 |
| Q4 – 2021 | 1,990 |
| Q3 – 2021 | 1,540 |
| Q2 – 2021 | 1,500 |
| Q1 – 2021 | 1,481 |

ANALYSIS OF RESULTS BY SEGMENT

Investment Account Services Division

Summary of divisional results for the three months ended March 31

| (\$ thousands) | 2022 | 2021 | Variation |
|-------------------------------|---------|---------|-----------|
| Service revenue | 7,126 | 4,486 | 59% |
| Interest revenue | 2,552 | 1,914 | 33% |
| Direct expenses | (19) | 2 | >100% |
| | 9,659 | 6,402 | 51% |
| Administrative expenses | (6,667) | (4,538) | 47% |
| Bad debts | (60) | (60) | - |
| Depreciation and amortization | (503) | (288) | 75% |
| Other losses, net | (12) | - | >100% |
| Earnings before income tax | 2,417 | 1,516 | 59% |
| Income taxes | (594) | (307) | 93% |
| Net earnings | 1,823 | 1,209 | 51% |

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 59% to \$7.13 million from \$4.49 million when compared to the period ended March 31, 2021. Beginning January 1, 2022, IAS increased its annual fees by 16%. The impact of the business combinations with Community Trust and Computershare during the year ended December 31, 2021, has resulted in a greater number of clients and associated annual fees billed for the period ended March 31, 2022.

Interest revenue and trust income increased 33% to \$2.55 million from \$1.91 million when compared to the three months ended March 31, 2021, due to the increase in the interest rates on funds held in trust, as well as increased funds held in trust. The Canadian prime rate was 2.70% as at March 31, 2022, and was 2.45% at March 31, 2021.

Direct, administrative, and depreciation and amortization expenses increased 49% to \$7.19 million from \$4.82 million when compared to the period ended March 31, 2021. This increase relates primarily to higher salaries, bonuses, and management fees. Increased legal fees and amortization of client lists have also contributed to increased expenses, offset by lower costs for leased properties.

Earnings before income tax increased 59% to \$2.42 million from \$1.52 million compared to the three months ended March 31, 2021.

The IAS division is responsible for 65% of Olympia's total revenue (including interest), an increase from 49% when compared to the three months ended March 31, 2021.

Service revenue increased 59% to \$7.13 million from \$4.49 million

59% ▲

Interest revenue and trust income increased 33% to \$2.55 million from \$1.91 million

33% ▲

Direct, administrative, and depreciation and amortization expenses increased 49% to \$7.19 million from \$4.82 million

49% ▲

Earnings before income tax increased 59% to \$2.42 million from \$1.52 million

59% ▲

ANALYSIS OF RESULTS BY SEGMENT

Private Health Services Plan Division

Summary of divisional results for the three months ended March 31

| (\$ thousands) | 2022 | 2021 | Variation |
|-------------------------------|---------|-------|-----------|
| Service revenue | 2,158 | 2,120 | 2% |
| Interest revenue | 43 | 37 | 16% |
| Direct expenses | (430) | (421) | 2% |
| | 1,771 | 1,736 | 2% |
| Administrative expenses | (1,035) | (999) | 4% |
| Depreciation and amortization | (13) | (43) | -70% |
| Other losses, net | (2) | - | >100% |
| Earnings before income tax | 721 | 694 | 4% |
| Income taxes | (143) | (193) | -26% |
| Net earnings | 578 | 501 | 15% |

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 2% to \$2.16 million from \$2.12 million when compared to the three months ended March 31, 2021.

Direct, administrative, and depreciation and amortization expenses increased 1% to \$1.48 million from \$1.46 million when compared to the three months ended March 31, 2021. The increase includes higher legal fees, which are largely offset by lower salaries, a result of reduced staffing.

Earnings before income tax increased 4% to \$0.72 million from \$0.69 million when compared to the three months ended March 31, 2021.

The Health division's net earnings increased 15% to \$0.58 million from \$0.50 million when compared to the three months ended March 31, 2021.

Health is responsible for 15% of Olympia's total revenue (including interest) for the three months ended March 31, 2022, a decrease from 17% when compared to the three months ended March 31, 2021.

Service revenue increased 2% to \$2.16 million from \$2.12 million

2% ▲

Direct, administrative, and depreciation and amortization expenses increased 1% to \$1.48 million from \$1.46 million

1% ▲

Earnings before income tax increased 4% to \$0.72 million from \$0.69 million

4% ▲

Health division's net earnings increased 15% to \$0.58 million from \$0.50 million

15% ▲

ANALYSIS OF RESULTS BY SEGMENT

Currency and Global Payments Division

Summary of divisional results for the three months ended March 31

| (\$ thousands) | 2022 | 2021 | Variation |
|-------------------------------|---------|---------|-----------|
| Service revenue | 2,030 | 3,691 | -45% |
| Interest revenue | 9 | 3 | >100% |
| Direct expenses | (462) | (676) | -32% |
| | 1,577 | 3,018 | -48% |
| Administrative expenses | (1,442) | (1,606) | -10% |
| Depreciation and amortization | (39) | (76) | -49% |
| Other gains/(losses), net | 20 | (1,198) | >100% |
| Earnings before income tax | 116 | 138 | -16% |
| Income taxes | (29) | (28) | 4% |
| Net earnings | 87 | 110 | -21% |

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 45% to \$2.03 million from \$3.69 million when compared to the three months ended March 31, 2021. The decrease is due to comparably lower trading volumes occurring during the current period. Other gains/(losses), net, are \$0.02 million compared to a loss of (\$1.20) million, mainly due to unrealized gains and losses on forward foreign exchange contracts.

Direct, administrative, and depreciation and amortization expenses decreased 18% to \$1.94 million from \$2.36 million when compared to the three months ended March 31, 2021. The decrease includes lower commissions, salaries, and bonuses, of approximately \$0.36 million. This was driven primarily by reduced service revenues and net earnings.

Earnings before income tax decreased 16% to \$0.12 million from \$0.14 million when compared to the three months ended March 31, 2021.

Net earnings decreased 21% to \$0.09 million from \$0.11 million when compared to the three months ended March 31, 2021.

The CGP division is responsible for 14% of Olympia's total revenue (including interest), a decrease from 28% when compared to the three months ended March 31, 2021.

Service revenue decreased 45% to \$2.03 million from \$3.69 million

45% ▼

Direct, administrative, and depreciation and amortization expenses decreased 18% to \$1.94 million from \$2.36 million

18% ▼

Earnings before income tax decreased 16% to \$0.12 million from \$0.14 million

16% ▼

Net earnings decreased 21% to \$0.09 million from \$0.11 million

21% ▼

ANALYSIS OF RESULTS BY SEGMENT

Exempt Edge Division

Summary of divisional results for the three months ended March 31

| (\$ thousands) | 2022 | 2021 | Variation |
|-------------------------------|-------|-------|-----------|
| Service revenue ¹ | 298 | 265 | 12% |
| Direct expenses | (10) | (24) | |
| | 288 | 241 | 20% |
| Administrative expenses | (452) | (427) | 6% |
| Bad debts | (5) | (11) | -55% |
| Depreciation and amortization | (69) | (66) | 5% |
| Loss before income tax | (238) | (263) | -10% |
| Income taxes recovery | 47 | 73 | -36% |
| Net loss | (191) | (190) | 1% |

¹Excluded from service revenue are fees of \$24,750 (March 31, 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 12% to \$0.30 million from \$0.27 million when compared to the three months ended March 31, 2021. This increase is largely due to growth in EE's client base.

Direct, administrative, and depreciation and amortization expenses increased 2% to \$0.53 million from \$0.52 million when compared to the three months ended March 31, 2021. This increase is mainly due to an increase in salaries and wages.

Loss before income tax for the three months ended March 31, 2022, decreased 10% to (\$0.24) million from (\$0.26) million when compared to the three months ended March 31, 2021.

The EE division's net loss attributable to shareholders of Olympia increased 1% to (\$0.19) million from (\$0.19) million when compared to the three months ended March 31, 2021.

Service revenue increased 12% to \$0.30 million from \$0.27 million

12% ▲

Direct, administrative, and depreciation and amortization expenses increased 2% to \$0.53 million from \$0.52 million

2% ▲

Loss before income tax decreased 10% to (\$0.24) million from (\$0.26) million

10% ▼

EE net loss increased 1% to (\$0.19) million from (\$0.19) million

1% ▲

ANALYSIS OF RESULTS BY SEGMENT

Corporate and Shareholder Services Division

Summary of divisional results for the three months ended March 31

| (\$ thousands) | 2022 | 2021 | Variation |
|-------------------------------|-------|-------|-----------|
| Service revenue ¹ | 677 | 505 | 34% |
| Interest revenue | 15 | 8 | 88% |
| Direct expenses | (60) | (27) | >100% |
| | 632 | 486 | 30% |
| Administrative expenses | (692) | (606) | 14% |
| Bad debts | 1 | (7) | >100% |
| Depreciation and amortization | (16) | (12) | 33% |
| Loss before income tax | (75) | (139) | -46% |
| Income taxes recovery | 19 | 28 | -32% |
| Net loss | (56) | (111) | -50% |

¹Included in service revenue are fees of \$24,750 (March 31, 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 34% to \$0.68 million from \$0.51 million when compared to the three months ended March 31, 2021. This is due to the CSS division continuing to grow its customer base.

Direct, administrative, and depreciation and amortization expenses increased 18% to \$0.77 million from \$0.65 million. This is mainly due to an increase in wages and salaries as the business continues to grow, and higher direct expenses relating to the shipment of client materials.

Loss before income tax decreased 46% to (\$0.08) million from (\$0.14) million when compared to the three months ended March 31, 2021.

Net loss decreased 50% to (\$0.06) million from (\$0.11) million when compared to the three months ended March 31, 2021.

Service revenue increased 34% to \$0.68 million from \$0.51 million

34% ▲

Direct, administrative, and depreciation and amortization expenses increased 18% to \$0.77 million from \$0.65 million

18% ▲

Loss before income tax decreased 46% to (\$0.08) million from (\$0.14) million

46% ▼

Net loss decreased 50% to (\$0.06) million from (\$0.11) million

50% ▼

ANALYSIS OF RESULTS BY SEGMENT

Corporate Division

Summary of divisional results for the three months ended March 31

| (\$ thousands) | 2022 | 2021 | Variation |
|-----------------------------------|------|------|-----------|
| Service revenue | 2 | 4 | -50% |
| Interest revenue | 9 | 4 | >100% |
| | 11 | 8 | 38% |
| Administrative expenses | (66) | (11) | >100% |
| Other gains/(losses), net | 128 | (4) | >100% |
| Earnings/(loss) before income tax | 73 | (7) | >100% |
| Income tax expense | (34) | (30) | >100% |
| Net earnings/(loss) | 39 | (37) | >100% |

The Corporate division carries out support functions in the areas of accounting, information technology, legal services, human resources, payroll, 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 March 31, 2022, increased more than 100% to \$0.07 million from \$0.01 million when compared to the three months ended March 31, 2021. The increase is due to borrowing costs on the revolving credit facility for use in corporate actions for the three months ended March 31, 2022.

Other gains, net, for the three months ended March 31, 2022, increased significantly to \$0.13 million from nominal amounts. The three months ended March 31, 2022, includes a \$0.12 million gain, net, on the sale of fair value through profit or loss assets. This includes publicly listed shares seized from clients as settlement for unpaid balances payable to the IAS division.

The Corporate division's net earnings were \$0.04 million for the three months ended March 31, 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) | March 31, 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 | \$ 1,115,554 | \$ 8,455,806 | \$ 953,735 | \$ 5,907,291 |
| Private Health Services Plan | 13,206 | - | 13,055 | - |
| Corporate and Shareholder Services ² | 29,146 | - | 127,719 | - |
| Currency and Global Payments | 30,700 | - | 27,262 | - |
| | \$ 1,188,606 | \$ 8,455,806 | \$ 1,121,771 | \$ 5,907,291 |

¹The cash portion included in Investment Account Services is \$1.00 billion for the three months ended March 31, 2022 (December 31, 2021 – \$851.32 million).

²Included in the CSS securities is \$0.74 million of treasury bills and public securities (December 31, 2021 – \$0.73 million).

Investment Account Services

At March 31, 2022, IAS administered self-directed registered plans consisting of private company securities and mortgages with a cost value of \$8.46 billion (December 31, 2021 – \$5.91 billion) plus cash, public securities, term deposits, and outstanding cheques with an estimated fair value of \$1.11 billion (December 31, 2021 – \$953.74 million). This growth is mostly the result of assets held in trust transferred in from Computershare during the three months ended March 31, 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 consolidated financial statements. Olympia earned trust income from the cash portion of the assets held in trust of \$2.44 million for the three months ended March 31, 2022 (March 31, 2021 – \$1.91 million).

Private Health Services Plan

At March 31, 2022, Health held funds in trust of \$13.21 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 March 31, 2022, CGP held funds in trust of \$4.65 million (December 31, 2021 – \$4.46 million) for clients who have paid margin requirements on forward foreign exchange contracts, and \$26.05 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 March 31, 2022, CSS held funds in trust and outstanding cheques of \$29.15 million (December 31, 2021 – \$127.72 million) for clients who have hired Olympia Trust to provide trustee services. This includes approximately \$0.74 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, 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 three months ended March 31, 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 three months ended March 31, 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 years 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 1.32:1 as at March 31, 2022 (1.50:1 – December 31, 2021). The decrease in Olympia's current ratio is mainly due to increases in the revolving credit facility that were used to fund the purchase of client lists for the IAS division.

Funds placed as collateral are considered to be restricted cash and investments (non-current assets), are not readily accessible for use in operations, and are reported separately from cash and cash equivalents (current assets) on the balance sheet.

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 three months ended March 31, 2022, is mainly attributable to increases in amounts billed and collected from clients, when compared to the three months ended March 31, 2021.

Investing activities

The movement in cash flow from investing activities during the three months ended March 31, 2022, is mainly attributable to \$0.35 million in proceeds on the sale of securities for the three months ended March 31, 2022, and reduced collateral requirements for the CGP division of \$1.00 million during the three months ended March 31, 2021.

Financing activities

Cash used in financing activities during the three months ended March 31, 2022, increased mainly due to the repayment of the revolving credit facility as compared to net borrowing during the three months ended March 31, 2021. Olympia had borrowed \$6.72 million on December 31, 2021, to facilitate payment for the business combination with Computershare, and has repaid the majority of this amount within the three months ended March 31, 2022.

Cash

Cash is placed with a Canadian financial institution where it generates interest. Cash and cash equivalents comprise 66% of the total current assets of Olympia, compared to 61% as at December 31, 2021.



Olympians enjoying time together on the mountains.

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 \$2.44 million, a 28% increase from \$1.91 million when compared to the three months ended March 31, 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 consolidated 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 March 31, 2022, Olympia has drawn \$6.68 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 significantly repaid during the three months ended March 31, 2022. The credit facility bears interest at the Canadian prime rate plus 0.25%. The Canadian prime rate was 2.70% at March 31, 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 March 31, 2022, Olympia's cash flow coverage ratio under the terms of the credit facility was calculated to be 2.78:1 (December 31, 2021 – 2.27:1). Total equity as at March 31, 2022, was \$19.39 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 March 31, 2022, has been calculated at \$10.27 million

(March 31, 2021 – \$9.29 million) after adjusting for finance expenses of \$0.16 million (March 31, 2021 – \$0.21 million). The coverage required is based on an annualized average of the scheduled facility principal of \$15 million and interest payments calculated at 4.67% (March 31, 2021 – 4.22%) over a period of 60 months. As at March 31, 2022, this was calculated to be \$3.70 million (March 31, 2021 – \$3.38 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.

On August 26, 2020, Olympia Trust entered into a US\$6 million demand credit facility for foreign exchange contracts. Security for the credit facility includes a pledge of cash held in a specific bank account and a foreign exchange guarantee issued by Export Development Canada in favour of the lender of not less than US \$7 million. As at March 31, 2022, no amounts have been drawn on this facility.

| Credit facility | March 31, 2022 | December 31, 2021 |
|---------------------------------|-----------------------|--------------------------|
| Maximum limit of line of credit | \$ 15,000,000 | \$ 15,000,000 |
| Drawn | (6,682,361) | (12,382,366) |
| Available at March 31 | \$ 8,317,639 | \$ 2,617,634 |

The total credit limit for the credit facility with Canadian Western Bank remained at \$15 million as at March 31, 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 (cyber security risk)

Refer to Note 7 of these interim consolidated financial statements for the three months ended March 31, 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 three months ended March 31, 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 March 31, 2022, which have materially affected, or are reasonably likely to materially affect, Olympia's internal control over financial reporting. In response to the COVID-19 pandemic, several social distancing measures taken by Olympia and third parties are reasonably likely to impact the design and performance of internal controls at Olympia as such measures remain in place for an extended period of time. Olympia will continue to monitor and mitigate the risks associated with changes to its control environment in response to COVID-19.

Outstanding share data

As at May 12, 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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Board Committees

¹ Audit Committee
² Corporate Governance Committee
³ Executive Compensation Committee
⁴ Investment Committee

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RICK SKAUGE

President and Chief Executive Officer



CRAIG SKAUGE

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



GERHARD BARNARD

Chief Financial Officer and Senior Vice President



ROBIN FRY

Chief Executive Officer, Olympia Benefits Inc.



KEN FRY

President, Olympia Benefits Inc.



NEIL MCCULLAGH

Executive Vice President, Currency and Global Payments



ANDREA GILLIS

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