OLYMPIA
FINANCIAL GROUP

ANNUAL REPORT 2022

WITH US

IT'S

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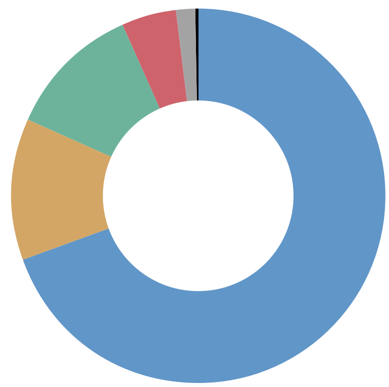
FINANCIAL HIGHLIGHTS

Results from operations for the year ended December 31, 2022, when compared to the year ended December 31, 2021:

- Total net earnings and comprehensive income increased more than 100% to $14.15 million from $6.51 million.
- Total revenue increased 47% to $72.16 million from $49.00 million, mainly due to increased service revenue within the Investment Account Services division, as well as higher interest revenue overall. This was partly offset by lower service revenue within the Currency and Global Payments division.
- Service revenue increased 21% to $50.19 million from $41.38 million, mainly due to the Investment Account Services division having acquired a significant number of new clients and increasing its annual fees for 2022.
- Interest revenue and trust income increased more than 100% to $21.97 million from $7.61 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, having acquired a significant number of new clients, for the year ended December 31, 2022. The Canadian prime rate at December 31, 2022, was 6.45% (December 31, 2021 – 2.45%).
- Direct and administrative expenses (excluding depreciation and amortization) increased 36% to $50.25 million from $36.84 million, mainly due to higher salaries, bonuses, and management fees within the Investment Account Services division, resulting from client growth for the year ended December 31, 2022. This was driven by the business combinations that occurred during the year ended December 31, 2021. Consulting fees increased $0.63 million, legal fees increased $0.34 million, and advertising increased by $0.23 million for the year ended December 31, 2022. These increases were somewhat offset by a $0.17 million decrease in professional fees for the year ended December 31, 2022.
- Other gains and (losses), net, increased to $0.07 million for the current period, from ($1.03) million, mainly due to a $0.04 million gain, net, on the disposal of assets within the Corporate division for the year ended December 31, 2022. Olympia Trust's Currency and Global Payments division recorded a $0.02 million unrealized foreign exchange forward contract gain for the year ended December 31, 2022, compared with a ($1.26) million unrealized foreign exchange forward contract loss for the year ended December 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 year ended December 31, 2022. The rate used as at December 31, 2021 was 23.5%.
- Earnings before income tax increased more than 100% to $18.60 million from $8.50 million.
- Basic and diluted earnings per share attributable to shareholders of Olympia increased more than 100% to $5.88 per share from $2.71 per share.

TOTAL REVENUE BY DIVISION (%)



	2022	2021
Investment Account Services	69.6%	55.6%
Private Health Services	12.3%	16.7%
Currency and Global Payments	11.5%	20.5%
Corporate and Shareholder Services	4.9%	5.0%
Exempt Edge	1.6%	2.1%
Other	0.1%	0.1%

PRESIDENT'S MESSAGE

What a difference a year makes. In 2021 Olympia felt the full impact of low interest rates. Our profitability dropped to under $9 million pretax. In response, we raised our annual fees on our registered plans by $25 per account. Then, in March of 2022, interest rates began to rise and kept rising. Olympia makes its money charging fees for service and from earning interest on funds held in trust. By the time August came around we were earning sufficient interest that we announced that we would lower our annual fees by $25 commencing in 2023. How often do you hear of a financial institution lowering their fees?? Olympia ended the 2022 year with profits more than double the previous year.

Olympia's Investment Account Services division is by far Olympia's largest division, accounting for 70% of revenue and 87% of profit. In the fourth quarter of 2021, Olympia's Investment Account Services division acquired 40,000 registered accounts from two of our competitors. This increased our total accounts under administration by 40%. As a result of these acquisitions (and the remarkable job our staff did integrating these new accounts into our system), Olympia earned more money in 2022 from service revenue than we earned the year before on service revenue and interest combined. Olympia Trust Company is, by far, the leading Canadian custodian of private company shares and private mortgages held in investment accounts. We also lead the country in holding private mortgages investment accounts; currently holding over 8,800 mortgages in 17,000 accounts and processing 600 plus new mortgages each month.

Olympia Benefits is our next most profitable business, providing private health plan administration to small and medium businesses through its online platform. Its earnings were up 31% for 2022 and it continues to explore ways of increasing its online success. New customers sign up online, process claims online, and receive payments soon after the claims are made. The division recently released a new version of its mobile app that will continue to provide an easy platform for clients to make claims and manage their plan. For the integrity of the plan, frequent audits are performed. We look forward to continued success for this division.

Olympia's Currency and Global Payments division had a 40% decline in net earnings as compared to the 2021 year. The earnings of this division were greatly impacted by large one-time expenses. Most notably, the division settled a consultant's contract for approximately $700,000. Without these one- time expenses, the division would have shown healthy growth for the year.

Our Exempt Edge division Issuer's Edge and Dealer's Edge systems interface with ease with Olympia's investment accounts making Olympia Trust Company the trust company of choice among exempt market dealers, the majority of which use the Dealer's Edge system. Olympia and Exempt Edge have spent millions of dollars developing these systems and, given the size of the exempt market and our dominant position in, it is unlikely any other competitor would be willing to spend the money necessary to develop a similar system. The Exempt Edge division is an important strategic investment that has successfully digitized exempt market transactions and effectively built a moat around Olympia's Investment Account Services division's core business. The division has lost money for several years and 2022 was no exception. We expect most of its core system development will be completed by mid-2023 and that expenses will be lowered, and income increased with the goal of breaking even in 2024.

Our Corporate and Shareholder Services division enjoyed its first year of profitability in 2022. Its revenue grew by 45% and it added 55 new clients. It also formed a new company called Olympia Investor Services Inc. that can offer transfer agent, record keeping and paying agent solutions for Ontario issuers. Operations for this new company will commence in 2023. This Division continues to increase market share at a very acceptable rate.

This past year Olympia Charitable Foundation held its 20th Annual Charity Golf Tournament, at which it raised a total of $51,000; $40,000 of which was donated to Stephen's Backpack for children in need. Olympia Charitable Foundation also raises funds through employee donations that are matched (up to $1,000 per employee) by Olympia's President and Executive Vice President. Olympia then matches the total of the combined contributions. This year we have changed things and we have given each employee the option to pick where their donation goes. Since inception, Olympia Charitable Foundation has donated over $3.3 million.

This has been a great year to be an Olympia shareholder. On January 2, 2022, our share price was $46.90, on December 31, 2022, our share price was $68.31 - a gain of 45% for the year. The company also announced two increases of our monthly dividend. One increase in June of 4 cents per share and another increase in December of 8 cents per share.

2023 looks to be another great year for the company as we have yet to experience the full impact of increasing interest rates. We look forward to all of our divisions continuing to grow and prosper.

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 year ended December 31, 2022.

This MD&A should be read in conjunction with Olympia's audited consolidated financial statements ("consolidated financial statements") for the year ended December 31, 2022, and December 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 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("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 February 24, 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.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 significantly 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 significantly 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 significantly 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

2022 golf tournament

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 reported any revenues or incurred any expenses during the year ended December 31, 2022. Operations are expected to commence in the 2023 fiscal year.

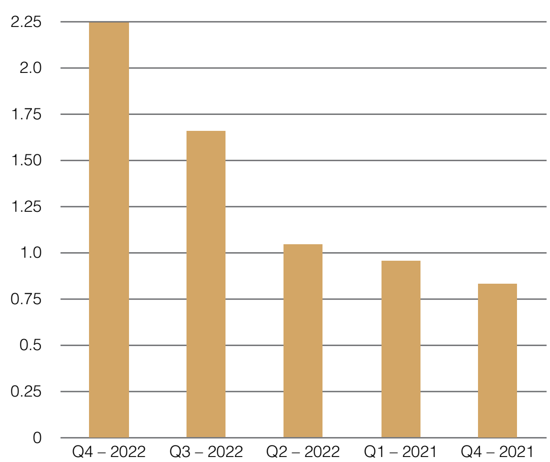
Summary of financial results

Overview and financial highlights for the year ended December 31, 2022, when compared to the year ended December 31, 2021

- Total net earnings and comprehensive income increased more than 100% to $14.15 million from $6.51 million.
- Total revenue increased 47% to $72.16 million from $49.00 million, mainly due to increased service revenue within the Investment Account Services division, as well as higher interest revenue. This was partly offset by lower service revenue within the Currency and Global Payments division.

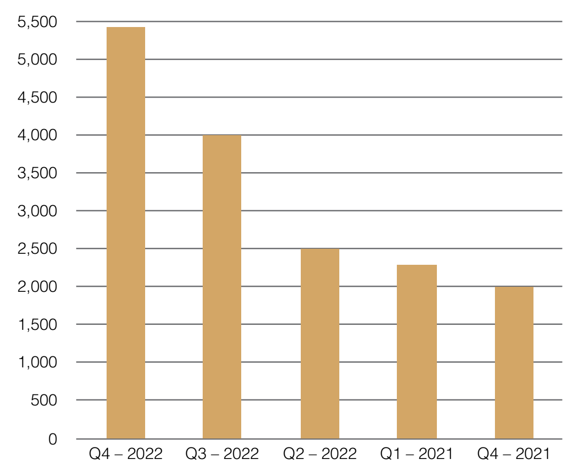
- Service revenue increased 21% to $50.19 million from $41.38 million, mainly due to the Investment Account Services division having acquired a significant number of new clients and increasing its annual fees for 2022.
- Interest revenue and trust income increased more than 100% to $21.97 million from $7.61 million, due to a combination of higher interest rates on trust fund placements and greater amounts of trust funds placed for the year ended December 31, 2022. The Canadian prime rate at December 31, 2022, was 6.45% (December 31, 2021 – 2.45%).
- Direct and administrative expenses (excluding depreciation and amortization) increased 36% to $50.25 million from $36.84 million, mainly due to higher salaries, bonuses, and management fees within the Investment Account Services division, resulting from client growth for the year ended December 31, 2022. This was driven by the business combinations that occurred during the year ended December 31, 2021. Consulting fees increased $0.63 million, legal fees increased $0.34 million, and advertising increased by $0.23 million for the year ended December 31, 2022. These increases were somewhat offset by a $0.17 million decrease in professional fees for the year ended December 31, 2022.
- Other gains and (losses), net, increased to $0.07 million for the current year from ($1.03) million, mainly due to a $0.04 million gain, net, on the disposal of assets within the Corporate division for the year ended December 31, 2022. Olympia Trust's Currency and Global Payments division recorded a $0.04 million unrealized foreign exchange forward contract gain for the year ended December 31, 2022. This compares to a ($1.26) million unrealized foreign exchange forward contract loss for the year ended December 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 year ended December 31, 2022. The rate used as at December 31, 2021 was 23.5%.
- Earnings before income tax increased more than 100% to $18.60 million from $8.50 million.
- Basic and diluted earnings per share attributable to shareholders of Olympia increased more than 100% to $5.88 per share from $2.71 per share.

EPS PER QUARTER ($)



Q4 – 2022	**2.25**
Q3 – 2022	**1.65**
Q2 – 2022	**1.04**
Q1 – 2022	**0.95**
Q4 – 2021	**0.83**

NET EARNINGS PER QUARTER ($ 000)



Q4 – 2022	**5,403**
Q3 – 2022	**3,978**
Q2 – 2022	**2,492**
Q1 – 2022	**2,280**
Q4 – 2021	**1,990**

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)	**Dec. 31 2022**	Sep. 30 2022	Jun. 30 2022	Mar. 31 2022	**Dec. 31 2021**	Sep. 30 2021	Jun. 30 2021	Mar. 31 2021
Service revenue	**12,353**	12,379	13,170	12,292	**10,308**	10,128	9,876	11,071
Interest revenue & trust income	**8,996**	6,424	3,916	2,629	**2,034**	1,759	1,854	1,966
Expenses	**(14,588)**	(13,341)	(13,665)	(12,041)	**(9,818)**	(9,699)	(10,048)	(9,897)
Other gains/(losses), net	**104**	(209)	42	134	**99**	(159)	230	(1,202)
Earnings before income taxes	**6,865**	5,253	3,463	3,014	**2,623**	2,029	1,912	1,938
Net earnings	**5,403**	3,978	2,492	2,280	**1,990**	1,540	1,500	1,481
Per share attributable to shareholders of Olympia – basic & diluted ($)	**2.25**	1.65	1.04	0.95	**0.83**	0.64	0.62	0.62
Dividends per share ($)	**0.89**	0.81	0.77	0.69	**0.69**	0.69	0.69	0.69

Fourth Quarter Results

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

- Total net earnings and comprehensive income increased more than 100% to $5.40 million from $1.99 million.
- Total revenue increased 73% to $21.35 million from $12.34 million, mainly due to increased service revenue within the Investment Account Services division, and higher interest revenue.
- Service revenue increased 20% to $12.35 million from $10.31 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 December 31, 2022.
- Olympia's interest revenue and trust income are subject to fluctuations depending on account balances and changes in the Canadian prime rate. Interest revenue and trust income increased more than 100% to $9.00 million from $2.03 million, mainly due to a combination of higher interest rates on trust fund placements and greater amounts of trust funds placed in the 12 months prior to the December 31, 2022. The Canadian prime rate was 6.45% as at December 31, 2022, compared to 2.45% on December 31, 2021.
- Direct and administrative expenses (excluding depreciation and amortization) increased 51% to $13.56 million from $9.21 million, mainly due to higher salaries, bonuses, and management fees within the Investment Account Services division, resulting from client growth for the year ended December 31, 2022. This was driven by the business combinations that occurred during the year ended December 31, 2021.
- Other gains/(losses) net, remained consistent with a gain of $0.10 million. Olympia Trust's Currency and Global Payments division recorded a $0.10 million unrealized foreign exchange forward contract gain for the years ended December 31, 2022 and December 31, 2021.
- Earnings before income tax increased more than 100% to $6.87 million from $2.62 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 December 31, 2022, is 23.5% (December 31, 2021 – 23.5%).
- Basic and diluted earnings per share attributable to shareholders of Olympia increased more than 100% to $2.25 per share from $0.83 per share.

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 the 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. In addition a focus on adding new sales staff in Q1 will help boost sales later in the year.

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

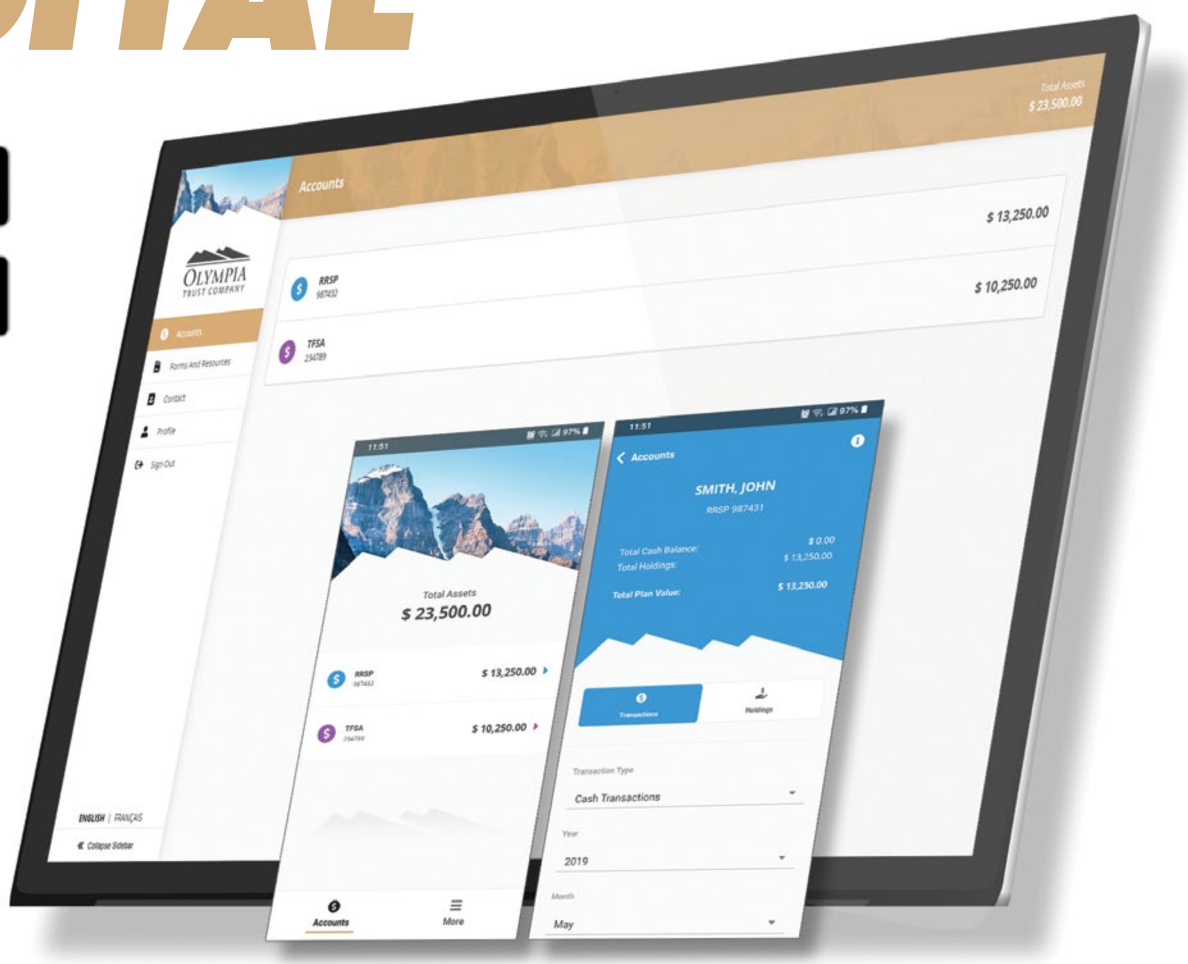
The Health division successfully completed an overhaul of its mobile application in 2022. The updated version provides a well-rounded platform for clients to fully manage their health plans. The new platform will save clients time and make their health plans easy to navigate. The next major project for 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.

WITH US IT'S...

DIGITAL



FINANCIAL ANALYSIS

Consolidated Balance Sheets as at

($)	December 31, 2022	December 31, 2021
ASSETS		
Current assets		
Cash & cash equivalents	$ 8,365,991	$ 15,106,624
Trade & other receivables	15,692,392	6,817,119
Inventory	-	42,338
Prepaid expenses	2,362,756	1,725,626
Promissory note receivable	980,000	140,000
Financial assets at fair value through profit or loss	-	236,886
Derivative financial instruments	1,095,806	556,069
Current tax receivable	15,851	161,168
Total current assets	28,512,796	24,785,830
Non-current assets		
Equipment & other	528,966	453,601
Intangible assets	6,789,865	8,633,738
Right-of-use asset	975,719	1,075,624
Financial assets at fair value through profit or loss	96,472	98,974
Promissory note receivable	-	980,000
Deferred tax assets	591,788	528,854
Total non-current assets	8,982,810	11,770,791
Total assets	$ 37,495,606	$ 36,556,621
LIABILITIES		
Current liabilities		
Trade & other payables	$ 1,433,001	$ 780,229
Deferred revenue	834,829	716,220
Other liabilities & charges	1,863,156	2,125,755
Revolving credit facility	4,953,278	12,382,366
Lease liabilities	389,348	184,474
Derivative financial instruments	792,043	273,550
Current tax liability	905,961	93,711
Total current liabilities	11,171,616	16,556,305
Lease liabilities	1,001,451	1,227,107
Total liabilities	$ 12,173,067	$ 17,783,412
EQUITY		
Share capital	$ 7,886,989	$ 7,886,989
Contributed surplus	86,373	86,373
Retained earnings	17,349,177	10,799,847
Total equity	25,322,539	18,773,209
Total equity & liabilities	$ 37,495,606	$ 36,556,621

Cash and cash equivalents

Olympia continues to generate cash from its core businesses. As at December 31, 2022, cash reserves decreased by 45% to $8.37 million (December 31, 2021 – $15.11 million). This decrease is mainly due to repayment of the revolving credit facility during the year.

Olympia's cash is placed with Canadian financial institutions where it generates interest. Cash and cash equivalents comprise 29% of the total current assets of Olympia as at December 31, 2022, compared to 61% as at December 31, 2021.

Trade and other receivables

Trade and other receivables are comprised largely of interest receivable on funds placed with financial institutions of $12.48 million (December 31, 2021 – $3.93 million) and receivables from the Investment Account Services division's clients.

Olympia has allowances for doubtful accounts of $1.42 million for the year ended December 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.

Promissory note receivable

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

In conjunction with the sale of substantially all the assets of Olympia ATM Inc. to a related party in 2018, the purchase price was paid by the delivery of a secured demand promissory note ("the promissory note") for $1.40 million by Tarman. The outstanding principal amount of the promissory note bears interest at prime plus 0.25%. Subject to Canadian Western Bank's ("CWB") consent (as discussed below), all interest accrued under the promissory note shall be paid on an annual basis on or before the 30th day of June of each calendar year and, commencing June 30, 2020, Tarman is required to repay the outstanding principal amount of the promissory note in annual installments of $140,000 on or before the 30th day of June of each calendar year, with the outstanding balance of the principal amount to be repaid in full on or before June 30, 2023. As of December 31, 2022, the third installment of $140,000 and all outstanding interest has been paid.

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

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

Forward foreign exchange contracts

Olympia purchases forward foreign 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 $1.10 million as at December 31, 2022 (December 31, 2021 – $0.56 million), and a forward foreign exchange contract liability of $0.79 million as at December 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 $0.19 million relate primarily to the continued development and enhancement of the IAS division's mobile and web application ($0.12 million) and the development of Exempt Edge division's applications ($0.07 million).

Current liabilities

The breakdown of Olympia's trade and other payables consists of government taxes (43%), trade payables (32%), amounts due to agents and commission payable (15%), and amounts due to related parties (10%).

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

Deferred revenue

At December 31, 2022, deferred revenue totaled $0.83 million compared to $0.72 million as at December 31, 2021. This is comprised primarily of annual fees billed by the Health, CSS, and EE 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 $0.40 million for the year ended December 31, 2022 (December 31, 2021 – $0.37 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 significant effect on the consolidated financial statements.

Related party transactions

Refer to Note 32 of the consolidated financial statements for the year ended December 31, 2022, for disclosure on Olympia's related party transactions.

Olympia's President and CEO owns and controls 29.54% of Olympia's shares. During the year, Olympia entered into transactions with the following related parties:

- Companies controlled by the President and CEO of Olympia;
- Companies controlled by the directors of Olympia;
- Companies controlled by management of Olympia;
- Family members of the President, management, and directors; and
- Key management and directors.

The following transactions with related parties were measured at the exchange amount, which is the amount of consideration agreed to by the parties:

Service revenue		**December 31, 2022**		December 31, 2021
Companies controlled by the President & CEO	**$**	**1,951**	$	30,220
	$	**1,951**	$	30,220

Service revenue from related parties totaled $1,951 for the year ended December 31, 2022 (December 31, 2021 – $30,220). This consisted mainly of revenue from legal services provided by Olympia's in-house general counsel to Tarman, a company controlled by the President and CEO, as well as sublease income of $nil (December 31, 2021 – $24,000) from Exempt Experts Inc., a company controlled by the President and CEO.

Interest revenue		**December 31, 2022**		December 31, 2021
Companies controlled by the President & CEO	**$**	**45,299**	$	32,114
	$	**45,299**	$	32,114

Interest revenue from related parties totaled $45,299 for the year ended December 31, 2022 (December 31, 2021 – $32,114), and consists of interest earned from the promissory note receivable.

Administrative expenses		**December 31, 2022**		December 31, 2021
Companies controlled by the President & CEO (management fee)	**$**	**5,404,689**	$	2,210,242
Olympia Charitable Foundation		**128,411**		158,085
Companies controlled by the President & CEO		**26,545**		6,220
Companies controlled by directors of Olympia		**46,257**		57,694
	$	**5,605,902**	$	2,432,241

Administrative expenses paid to related parties totaled $5.61 million for the year ended December 31, 2022 (December 31, 2021 – $2.43 million), and consisted of the following:

- The Olympia Charitable Foundation is funded by Olympia and the employees of Olympia. Olympia's matched donation totaled $128,411 for the year ended December 31, 2022 (December 31, 2021 – $158,085).
- Management fees are paid to Tarman based on a percentage of pre-tax profits of Olympia's divisions, except for the Private Health Services Plan division, where the management fee is based on a percentage of health claims administered. These fees are for services provided as President and CEO of Olympia. For the year ended December 31, 2022, this amounted to $5.40 million (December 31, 2021 – $2.21 million).
- Fees paid to Olympia ATM Ltd., a company owned and controlled by Olympia's President and CEO, of $26,545 (December 31, 2021 – $6,220) for operational costs and maintenance services provided for Olympia's foreign exchange ATMs.
- Consulting fees were paid to a company controlled by a director of Olympia. For the year ended December 31, 2022, this amounted to $46,257 (December 31, 2021 - $57,694).

Trade and other receivables include amounts receivable from related parties		**December 31, 2022**		December 31, 2021
Companies controlled by the President & CEO (current)	**$**	**1,039,643**	$	182,783
Companies controlled by the President & CEO (non-current)		**-**		980,000
	$	**1,039,643**	$	1,162,783

Receivables from related parties totaled $1.04 million for the year ended December 31, 2022 (December 31, 2021 – $1.16 million) and consisted mainly of the following:

- A receivable in the amount of $45,123 (December 31, 2021 – $42,108) from Tarman, a company controlled by Olympia's President and CEO, reflects legal services provided and cost recoveries relating to other administration services provided.
- A receivable in the amount of $14,520 (December 31, 2021 – $675) from Olympia ATM Ltd., a company controlled by the President and CEO of Olympia, for expense recoveries relating to other administrative services provided.
- A receivable in the amount of $0.98 million (December 31, 2021 – $1.12 million) from Tarman, a company controlled by Olympia's President and CEO of Olympia, for the sale of Olympia ATM Inc. to Tarman ATM Inc. ("Tarman").

The sale of the ATM business to Tarman, a corporation owned and controlled by Olympia's President and CEO, was a related party transaction, as defined in Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions but was exempted from Olympia obtaining disinterested shareholder approval and a formal valuation as the fair market value of the proposed transaction was less than 25% of Olympia's market capitalization.

An ad hoc committee composed solely of the independent members of Olympia's Board of Directors was constituted to consider and approve the sale of the ATM business to Tarman. As part of its deliberations, the ad hoc committee of the Board of Directors noted the continuing losses of approximately $120,000 per month in the ATM business and acknowledged that while the ATM business still had the potential to grow and expand, it was unlikely to become profitable in the near future. Given the immediate financial benefits that the sale of the ATM business would have for Olympia and the uncertain timeline to profitability, the ad hoc committee believed the sale of the ATM business to be in the best interest of Olympia. The ad hoc committee of the Board of Directors obtained a fairness comfort letter stating that the proposed transaction was fair to the disinterested shareholders of Olympia. In addition, following the public disclosure of the transaction, Olympia received an unsolicited expression of interest in the ATM business from a third party. Olympia permitted the third party to conduct a due diligence review and valuation of the ATM business and received an offer to purchase the ATM business from the third party that was economically comparable to the offer made by Tarman.

In conjunction with the sale of substantially all assets of Olympia ATM Inc. in 2018, the purchase price paid by Tarman was equal to the aggregate net book value of the assets used by the ATM division. The assets' book value as at June 5, 2018, was estimated to be $1.40 million. The purchase price was paid by the delivery of a secured demand promissory note ("the promissory note") for $1.40 million by Tarman. The outstanding principal amount of the promissory note bears interest at prime plus 0.25%. All interest accrued under the promissory note shall be paid on an annual basis on or before the 30th day of June of each calendar year. Subject to Canadian Western Bank's consent, which Olympia has obtained, commencing June 30, 2020, Tarman is required to repay the outstanding principal amount of the promissory note in annual installments of $140,000 on or before the 30th day of June of each calendar year, with the outstanding balance of the principal amount to be repaid in full on or before June 30, 2023. As at December 31, 2022, the third installment of $140,000 has been repaid, together with all accrued interest.

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

Trade and other payables and provision for other liabilities and charges include amounts payable to related parties	December 31, 2022		December 31, 2021	
Companies controlled by the President & CEO	$	407,545	$	161,957
Family members of the President & CEO		291,495		77,750
Directors' fees		105,214		51,854
Companies controlled by directors of Olympia		21,000		18,507
	$	825,254	$	310,068

Payables to related parties totaled $825,254 for the year ended December 31, 2022 (December 31, 2021 – $310,068), and consisted mainly of the following:

- A payable in the amount of $35,157 (December 31, 2021 – $36,889) to Tarman, a company controlled by the President and CEO of Olympia, for commissions related to the sale of health plans offered by Olympia Benefits.
- A management fee payable in the amount of $372,388 (December 31, 2021 – $125,068) to Tarman, a company controlled by the President and CEO of Olympia, based on a percentage of pre-tax profits of Olympia's divisions.
- An amount payable to the Executive Vice President, a party related to the President and CEO, for bonuses earned of $291,495 (December 31, 2021 – $77,750).
- A payable for directors' fees of $105,214 (December 31, 2021 – $51,854).
- A payable to a company controlled by a director of Olympia $21,000 (December 31, 2021 - $18,507).

These payables are all current.

Effective September 1, 2022, Olympia Trust and Olympia Benefits entered into a bill of sale agreement with Olympia ATM Ltd., a company owned and controlled by Olympia's President and CEO. Olympia Benefits received proceeds of $40,000 for all remaining ATM assets which, based on the net book value of the assets, resulted in a $4,256 gain on sale. Olympia Trust received proceeds of $60,000 for the contracts in place, which was accounted for as other income.

Key management compensation

Compensation paid to key management is included in notes 21 and 32 of the consolidated financial statements. Key management includes the Board of Directors and executive team members from Olympia Benefits, Olympia Trust, and Olympia. Olympia uses management or employment contracts as a means to incent certain executives to maximize the profitability of their applicable business units and the profitability of Olympia as a whole. The compensation paid or payable to key management is shown in the following table:

	December 31, 2022		December 31, 2021	
Salaries, bonuses & profit sharing	$	7,435,661	$	3,801,213
Management fees		5,503,367		2,399,182
Directors' fees		309,817		207,437
Short-term employee benefits		285,100		272,771
	$	13,533,945	$	6,680,603

Shareholders' equity

As at December 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 year ended December 31, 2022, was 23.5% (December 31, 2021 – 23.5%).

ANALYSIS OF RESULTS BY SEGMENT

Investment Account Services Division

Summary of divisional results for the years ended December 31

($ thousands)	2022	2021	Variation
Service revenue	**30,090**	19,868	51%
Interest revenue	**20,086**	7,427	>100%
Direct expenses	**(141)**	(73)	93%
	50,035	27,222	84%
Administrative expenses	**(31,274)**	(18,754)	67%
Bad debt expense	**(830)**	(414)	>100%
Depreciation & amortization	**(2,036)**	(1,329)	53%
Other (losses)/gains, net	**(14)**	5	>100%
Earnings before income tax	**15,881**	6,730	>100%
Income tax expense	**(3,694)**	(1,361)	>100%
Net earnings	**12,187**	5,369	>100%

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

Service revenue increased 51% to $30.09 million from $19.87 million when compared to the year ended December 31, 2021. This increase can be attributed to a larger client base, due to the business combinations at the end of 2021, and an increase in annual fees of 16% for 2022.

Interest revenue increased more than 100% to $20.09 million from $7.43 million when compared to the year ended December 31, 2021. This increase can be attributed to increased funds held in trust and higher interest rates.

Direct, administrative, and depreciation and amortization expenses increased 67% to $34.28 million from $20.57 million when compared to the year ended December 31, 2021. This increase relates primarily to higher salaries, bonuses, management fees and amortization of client lists.

Earnings before income tax increased more than 100% to $15.88 million from $6.73 million when compared to the year ended December 31, 2021.

The IAS division is responsible for 70% of Olympia's total revenue (including interest), an increase from 56% when compared to the year ended December 31, 2021.

Service revenue increased 51% to $30.09 million from $19.87 million

51%

Interest revenue increased more than 100% to $20.09 million from $7.43 million

100%

Direct, administrative, and depreciation and amortization expenses increased 67% to $34.28 million from $20.57 million

67%

Earnings before income tax increased more than 100% to $15.88 million from $6.73 million

100%

IAS net earnings increased more than 100% to $12.19 million from $5.37 million

100%

ANALYSIS OF RESULTS BY SEGMENT

Private Health Services Plan Division

Summary of divisional results for the years ended December 31

($ thousands)	2022	2021	Variation
Service revenue	8,383	8,047	4%
Interest revenue	464	148	>100%
Direct expenses	(1,701)	(1,660)	2%
	7,146	6,535	9%
Administrative expenses	(3,852)	(3,843)	0%
Depreciation & amortization	(53)	(205)	-74%
Other (losses)/gains, net	(3)	15	>100%
Earnings before income tax	3,238	2,502	29%
Income tax expense	(1,121)	(886)	27%
Net earnings	2,117	1,616	31%

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 4% to $8.38 million from $8.05 million when compared to the year ended December 31, 2021, due to higher health spending account renewals and claims administration.

Direct, administrative, and depreciation and amortization expenses decreased 2% to $5.61 million from $5.71 million when compared to the year ended December 31, 2021. This decrease can mainly be attributed to a decline in amortization expense with the end of the lease at Olympia's previous head office.

Earnings before income tax increased 29% to $3.24 million from $2.50 million when compared to the year ended December 31, 2021.

The Health division's net earnings increased 31% to $2.12 million from $1.62 million when compared to the year ended December 31, 2021.

Health is responsible for 12% of Olympia's total revenue (including interest) for the year ended December 31, 2022, a decrease from 17% when compared to the year ended December 31, 2021.

Service revenue increased 4% to $8.38 million from $8.05 million

4% ▲

Direct, administrative, and depreciation and amortization expenses decreased 2% to $5.61 million from $5.71 million

2% ▼

Earnings before income tax increased 29% to $3.24 million from $2.50 million

29% ▲

Health division's net earnings increased 31% to $2.12 million from $1.62 million

31% ▲

ANALYSIS OF RESULTS BY SEGMENT

Currency and Global Payments Division

Summary of divisional results for the years ended December 31

($ thousands)	2022	2021	Variation
Service revenue	7,952	10,007	-21%
Interest revenue	342	15	>100%
Direct expenses	(1,827)	(2,134)	-14%
	6,467	7,888	-18%
Administrative expenses	(5,924)	(5,633)	5%
Depreciation & amortization	(146)	(293)	-50%
Other gains/(losses), net	44	(1,254)	>100%
Earnings before income tax	441	708	-38%
Income tax expense	(103)	(144)	-28%
Net earnings	338	564	-40%

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 21% to $7.95 million from $10.01 million when compared to the year ended December 31, 2021. The decrease is due to comparably lower trading volumes occurring during the current year. Other gains/(losses), net, are $0.04 million compared to a loss of ($1.25) million for the year ended December 31, 2021, mainly due to unrealized gains and losses on forward foreign exchange contracts.

Direct, administrative, and depreciation and amortization expenses decreased 2% to $7.90 million from $8.06 million when compared to the year ended December 31, 2021. This decrease can mainly be attributed to lower legal and professional fees.

Earnings before income tax decreased 38% to $0.44 million from $0.71 million when compared to the year ended December 31, 2021.

Net earnings decreased 40% to $0.34 million from $0.56 million when compared to the year ended December 31, 2021.

The CGP division is responsible for 11% of Olympia's total revenue (including interest), a decrease from 20% when compared to the year ended December 31, 2021.

Service revenue decreased 21% to $7.95 million from $10.00 million

21% ▼

Direct, administrative, and depreciation and amortization expenses decreased 2% to $7.90 million from $8.06 million

2% ▼

Earnings before income tax decreased 38% to $0.44 million from $0.71 million

38% ▼

Net earnings decreased 40% to $0.34 million from $0.56 million

40% ▼

ANALYSIS OF RESULTS BY SEGMENT

Exempt Edge Division

Summary of divisional results for the years ended December 31

($ thousands)	2022	2021	Variation
Service revenue[1]	**1,175**	1,017	16%
Interest revenue	**4**	1	>100%
Direct expenses	**(33)**	(70)	-53%
	1,146	948	21%
Administrative expenses	**(1,932)**	(1,827)	6%
Bad debt expense	**(11)**	(3)	>100%
Depreciation & amortization	**(257)**	(298)	-14%
Loss before income tax	**(1,054)**	(1,180)	-11%
Income tax recovery	**520**	418	24%
Net loss	**(534)**	(762)	30%

[1]Excluded from service revenue are fees of $99,000 (December 31, 2021 – $109,000) for services provided by the EE division but invoiced by the CSS division.

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

Service revenue increased 16% to $1.18 million from $1.02 million when compared to the year ended December 31, 2021. This increase is largely due to growth in EE's client base.

Direct, administrative, and depreciation and amortization expenses increased 1% to $2.23 million from $2.20 million when compared to the year ended December 31, 2021. This increase is mainly due to an increase in professional fees.

Loss before income tax for the year ended December 31, 2022, decreased 11% to ($1.05) million from ($1.18) million when compared to the year ended December 31, 2021.

Net loss decreased 30% to ($0.53) million from ($0.76) million when compared to the year ended December 31, 2021.

The EE division is responsible for 2% of Olympia's total revenue (including interest), which is consistent with the year ended December 31, 2021.

Service revenue increased 16% to $1.18 million from $1.02 million

16% ▲

Direct, administrative, and depreciation and amortization expenses increased 1% to $2.23 million from $2.20 million

1% ▲

Loss before income tax for the year ended December 31, 2022, decreased 11% to ($1.05) million from ($1.18) million

11% ▼

EE's net loss decreased 30% to ($0.53) million from ($0.76) million

30% ▼

ANALYSIS OF RESULTS BY SEGMENT

Corporate and Shareholder Services Division

Summary of divisional results for the years ended December 31

($ thousands)	2022	2021	Variation
Service revenue[1]	**2,592**	2,425	7%
Interest revenue	**974**	7	>100%
Direct expenses	**(223)**	(194)	15%
	3,343	2,238	49%
Administrative expenses	**(2,998)**	(2,475)	21%
Bad debt recovery/(expense)	**6**	(2)	>100%
Depreciation & amortization	**(61)**	(82)	-26%
Earnings/(loss) before income tax	**290**	(321)	>100%
Income tax (expense)/recovery	**(68)**	65	>100%
Net earnings/(loss)	**222**	(256)	>100%

[1]Included in service revenue are fees of $99,000 (December 31, 2021 – $109,000) 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 7% to $2.59 million from $2.43 million when compared to the year ended December 31, 2021. This is due to the CSS division continuing to grow its customer base.

Direct, administrative, and depreciation and amortization expenses increased 19% to $3.28 million from $2.75 million. This is mainly due to an increase in wages and salaries as the business continues to grow.

Earnings before income tax increased more than 100% to $0.29 million from ($0.32) million when compared to the year ended December 31, 2021.

Net earnings increased more than 100% to $0.22 million from ($0.26) million when compared to the year ended December 31, 2021.

The CSS division is responsible for 5% of Olympia's total revenue (including interest) which is consistent with the year ended December 31, 2021.

Service revenue increased 7% to $2.59 million from $2.43 million

7% ▲

Direct, administrative, and depreciation and amortization expenses increased 19% to $3.28 million from $2.75 million

19% ▲

Earnings before income tax increased more than 100% to $0.29 million from ($0.32) million

100% ▲

Net earnings increased more than 100% to $0.22 million from ($0.26) million

100% ▲

ANALYSIS OF RESULTS BY SEGMENT

Corporate Division

Summary of divisional results for the years ended December 31

($ thousands)	2022	2021	Variation
Service revenue	3	20	-85%
Interest revenue	96	16	>100%
	99	36	>100%
Administrative expenses	(343)	(171)	>100%
Other gains, net	45	200	-78%
Earnings/(loss) before income tax	(199)	65	>100%
Income tax recovery/(expense)	24	(85)	>100%
Net loss	(175)	(20)	>100%

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

Total revenue earned is incidental to Olympia's activities.

Administrative expenses for the year ended December 31, 2022, increased 100% to $0.34 million from $0.17 million when compared to the year ended December 31, 2021. The increase is due to higher wages and salaries as well as additional borrowing costs on the revolving credit facility.

Other gains, net, for the year ended December 31, 2022, was $0.45 million. The year ended December 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 loss was ($0.17) million for the year ended December 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 represent the cash and cash equivalents held in trust.

($ thousands)	December 31, 2022				December 31, 2021			
		Cash and public securities at estimated fair value		Private securities, mortgages and mutual funds at cost		Cash and public securities at estimated fair value		Private securities, mortgages and mutual funds at cost
Investment Account Services[1]	$	1,009,266	$	9,005,924	$	953,735	$	5,907,291
Corporate and Shareholder Services[2]		259,592		-		127,719		-
Currency and Global Payments		30,310		-		27,262		-
Private Health Services Plan		14,073		-		13,055		-
	$	1,313,241	$	9,005,924	$	1,121,771	$	5,907,291

[1]The cash portion included in Investment Account Services is $895.00 million for the year ended December 31, 2022 (December 31, 2021 – $851.32 million).

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

Investment Account Services

At December 31, 2022, IAS administered self-directed registered plans consisting of private company securities and mortgages with a cost value of $9.01 billion (December 31, 2021 – $5.91 billion) plus cash, public securities, term deposits, and outstanding cheques with an estimated fair value of $1.01 billion (December 31, 2021 – $953.74 million). This growth is related to the assets held in trust transferred in during the year ended December 31, 2022 as a result of the business combination. 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 financial statements. IAS earned trust income from the cash portion of the assets held in trust of $19.47 million for the year ended December 31, 2022 (December 31, 2021 – $6.97 million).

Private Health Services Plan

At December 31, 2022, Health held funds in trust of $14.07 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 financial statements.

Currency and Global Payments

At December 31, 2022, CGP held funds in trust of $6.22 million (December 31, 2021 – $4.46 million) for clients who have paid margin requirements on forward foreign exchange contracts, and $24.09 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 financial statements.

Corporate and Shareholder Services

At December 31, 2022, CSS held funds in trust and outstanding cheques of $259.59 million (December 31, 2021 – $127.72 million) for clients who have hired Olympia Trust to provide trustee services. This includes approximately $0.67 million (December 31, 2021 – $0.73 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 financial statements.

Management of capital resources

Olympia includes shareholders' equity, which comprises share capital, contributed surplus and retained earnings, in the definition of capital. Olympia's main objectives when managing its capital structure are to:

- Maintain sufficient cash and cash equivalents over the short and medium term in order to finance its growth and development, including capital expenditures;
- Maintain regulatory capital for Olympia Trust as required by the *Loan and Trust Corporations Act* (Alberta) ($2.00 million). Similar regulatory capital is required by legislation in Nova Scotia ($5.00 million) and Saskatchewan ($5.00 million). Regulatory capital is defined as share capital and retained earnings. Olympia Trust has maintained these minimum capital requirements throughout the year ended December 31, 2022; and
- Maintain compliance with financial covenants, which includes maintaining a minimum tangible net worth of $12.00 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 year ended December 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 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 Currency and Global Payments division maintains various foreign currency bank accounts, of which Canadian dollar and United States dollar bank accounts are the most significant. It is Olympia Trust's policy to limit the amount of foreign currencies on hand to $1.50 million to reduce exposure to foreign currency risk.

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

Liquidity

Liquidity risk is the risk that Olympia will encounter difficulties in meeting its financial obligations. Olympia manages its liquidity risk by keeping surplus cash with highly rated financial institutions. 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 2.52:1 as at December 31, 2022 (December 31, 2021 - 1.50:1). The increase in Olympia's current ratio is mainly due to a decrease in the credit facility and an increase in interest receivable as compared to December 31, 2021.

Cash flows

Operating activities

The movement in cash flow from operating activities for the year ended December 31, 2022, is mainly attributable to increases in amortization of intangible assets and changes in non-cash working capital, when compared to the year ended December 31, 2021.

Investing activities

The movement in cash flow from investing activities during the year ended December 31, 2022, is mainly attributable to $0.35 million in proceeds on the sale of securities for the year ended December 31, 2022, compared to the $7.90 million of cash paid in business combination for the year ended December 31, 2021.

Financing activities

The movement in cash flow from financing activities during the year ended December 31, 2022, is mainly attributable to repayment of the revolving credit facility. Olympia borrowed $6.72 million on December 31, 2021, to facilitate payment for the business combination.

Cash

Cash is placed with Canadian financial institutions where it generates interest. Cash and cash equivalents comprise 29% of the total current assets of Olympia, compared to 61% as at December 31, 2021.

One factor that affects Olympia's profitability is effective interest rates. Although Olympia Trust is a non-deposit taking trust corporation, it does earn trust income on cash held in trust. Cash held in trust generated trust income of $21.19 million, a more than 100% increase from $6.97 million when compared to the year ended December 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 2023.

Liquidity risks associated with financial instruments are addressed in the notes to the accompanying 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.

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:

	December 31, 2022
2023	425,602
2024	527,668
2025	477,572
2026	24,324
	$ 1,455,166

Excluded from lease commitments is the non-cash financing interest of $64,367 implicit in the lease liability.

Credit facility

As at December 31, 2022, Olympia has drawn $4.95 million on its $15.00 million credit facility, compared to $12.38 million drawn as at December 31, 2021. This facility is held by Olympia Financial Group Inc. Amounts drawn for the year ended December 31, 2021, were used to facilitate the business combination with Computershare Trust Company of Canada and have been fully repaid. The credit facility bears interest at the Canadian prime rate plus 0.25%. The Canadian prime rate was at 6.45% December 31, 2022, and 2.45% at December 31, 2021. The credit facility is subject to review at any time.

The credit facility contains several affirmative covenants, including maintaining specific security, maintaining a specific financial ratio, and maintaining a total tangible net worth of $12.00 million. Total tangible net worth as at December 31, 2022, was $17.34 million. The financial ratio is a quarterly cash flow coverage ratio of not less than 1.50:1. At December 31, 2022, Olympia's cash flow coverage ratio under the terms of the credit facility was calculated to be 4.26:1 (December 31, 2021 – 2.27:1).

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 December 31, 2022, has been calculated at $17.49 million (December 31, 2021 – $8.63 million) after adjusting for finance expenses of $0.27 million (December 31, 2021 – $0.13 million). The coverage required is based on an annualized average of the scheduled facility principal of $15.00 million and interest payments calculated at 7.38% (December 31, 2021 – 5.33%) over a period of 60 months. As at December 31, 2022, this was calculated to be $4.11 million (December 31, 2021 – $3.80 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 interest in all present and subsequently acquired property.

During the year ended December 31, 2021, Olympia entered into a demand credit facility with a US$6 million limit. This demand credit facility is only to be used to enter into spot, forward, or foreign exchange transactions with the issuing financial institution.

In October 2022, Olympia Trust entered into a foreign exchange guarantee, issued by Export Development Canada, for US$4 million which expired on December 31, 2022. As at the date of this publication, Olympia Trust entered into a new foreign exchange guarantee, issued by Export Development Canada, for US$7 million, which will expire on December 31, 2023.

Credit facility	December 31, 2022	December 31, 2021
Maximum limit of line of credit	$ 15,000,000	$ 15,000,000
Drawn	(4,953,279)	(12,382,366)
Available at end of year	$ 10,046,721	$ 2,617,634

The total credit limit for the credit facility with Canadian Western Bank remained at $15.00 million as at December 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

Liquidity risk is the risk that Olympia will encounter difficulties in meeting its financial obligations. Olympia manages its liquidity risk by keeping surplus cash in liquid investments with a highly rated financial institution. This allows Olympia to earn interest on surplus cash while having access to it within a very short time. Liquidity risk is associated with Olympia's credit facility. The credit facility is available to finance day-to-day operations to a maximum principal amount of $15.00 million (December 31, 2021 – $15.00 million) and bears interest at the Canadian prime rate plus 0.25%. For the year ended December 31, 2022, a balance of $4.95 million is outstanding (December 31, 2021 – $12.38 million). Olympia has determined the principal and interest to be current. Security for the credit facility includes a general security agreement providing a first security interest in all present and subsequently acquired property. The timing of cash outflows is outlined in the following tables:

At December 31, 2022	Current	31 to 60 days	61 to 90 days	Over 90 days	Total
Trade and other payables	$ 1,326,808	$ -	$ 106,193	$ -	$ 1,433,001
Other liabilities and charges	1,863,156	-	-	-	1,863,156
Current income tax liability	-	905,961	-	-	905,961
Lease liabilities (current)	35,326	35,326	35,326	319,625	425,603
Lease liabilities (non-current)	-	-	-	1,029,563	1,029,563
Total	**$ 3,225,290**	**$ 941,287**	**$ 141,519**	**$ 1,349,188**	**$ 5,657,284**
At December 31, 2021					
Trade and other payables	$ 728,745	$ -	$ 51,484	$ -	$ 780,229
Other liabilities and charges	2,125,755	-	-	-	2,125,755
Current income tax liability	-	93,711	-	-	93,711
Lease liabilities (current)	79,835	79,835	5,869	52,818	218,357
Lease liabilities (non-current)	-	-	-	1,279,832	1,279,832
Total	**$ 2,934,335**	**$ 173,546**	**$ 57,353**	**$ 1,332,650**	**$ 4,497,884**

As at December 31, 2022, trade and other payables totaled $1.43 million (December 31, 2021 – $0.78 million). Olympia continues to meet all of the obligations associated with its financial liabilities.

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

At December 31, 2022	Less than one year	One to two years	Two to three years	More than three years	Total undiscounted lease payments
Lease payment[1]	$ 425,603	$ 527,667	$ 477,572	$ 24,324	1,455,166

[1]Lease liability includes $0.06 million in non-cash interest, not reflected in the above stated numbers.

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

	December 31, 2022		December 31, 2021	
Current	$	24,650	$	1,509
31 to 60 days		225,371		30,866
61 to 90 days		54,527		50,374
Over 90 days		487,495		190,801
	$	792,043	$	273,550
Non-current (1–3 years)	$	-	$	-

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, following variations in the parameters underlying their evaluation, such as interest rates, exchange rates or quoted stock market prices, and is comprised of foreign currency exchange risk, interest rate risk, management's assessment, and operational risks.

Foreign currency exchange risk

Olympia is exposed to changes in foreign exchange rates when, and if, revenues or financial instruments fluctuate because of changing rates. Transactions in the applicable financial market are executed consistent with established risk management policies. Olympia purchases forward contracts whenever it enters into a transaction to buy or sell foreign currency in the future. These contracts are both short term and long term in nature and are in the normal course of business. Management understands that the currency markets are volatile and therefore subject to higher risk.

Olympia applies the following policy to mitigate the currency risk:

- For forward contracts, a margin of 5% is payable on signature of the contract;
- Olympia sets up a corresponding position with its currency supplier; and
- If market rates vary by 4% or more, the client is required to adjust their margin to match the variance by the end of the trading day.

Olympia's CGP division maintains various foreign currency bank accounts of which Canadian dollar and United States dollar bank accounts are the most significant. It is Olympia Trust's policy to limit the amount of foreign currencies on hand to $1.50 million to reduce exposure to foreign currency risk.

If the Canadian dollar exchange rate at December 31, 2022, were to have increased by $0.10 relative to other currencies, it is estimated that Olympia's after-tax earnings for the year ended December 31, 2022, based on amounts shown in notes 10 and 12 of the consolidated financial statements, would have decreased by approximately $23,238 (December 31, 2021 – $60,140). A $0.10 decrease in the Canadian dollar exchange rate relative to other currencies would have had an equal but opposite effect. Most of the Currency and Global Payments division's trades are Canadian dollars traded for United States dollars and vice versa, although it trades in various other currencies. This sensitivity analysis assumes that all other variables remain constant.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Olympia is exposed to interest rate risk as the cash flows generated from Olympia's own cash ($8.37 million) and the cash portion of the off-balance sheet arrangements ($1.15 billion), from which Olympia Trust earns trust income, are held in interest bearing instruments that fluctuate in response to changes in market interest rates.

If the interest rates were to have increased by 1%, it is estimated that Olympia's after-tax earnings for the year ended December 31, 2022, would have increased by approximately $8.89 million (December 31, 2021 – $6.63 million). A 1% decrease in interest rates would have had an equal but opposite effect. This sensitivity analysis assumes that all other variables remain constant.

Credit risk

Credit risk is the risk that the counterparty to a financial asset will default, resulting in Olympia incurring a financial loss.

Before significant transactions begin with a new counterparty, the counterparty's creditworthiness is assessed by the CGP division. The assessment practice considers both quantitative and qualitative factors.

Olympia constantly monitors the exposure to any single customer or counterparty along with the financial position of the customer or counterparty. If it is deemed that a customer or counterparty has become significantly weaker, Olympia will work to reduce the credit exposure and lower the credit limit allocated. Olympia is exposed to credit risk on its cash and cash equivalents, restricted cash and investments, trade and other receivables, promissory note receivable and derivative financial instruments receivable. The maximum exposure to credit risk of Olympia at the end of the year is the carrying value of cash and cash equivalents, restricted cash and investments, trade and other receivables, promissory note receivable and derivative financial instruments receivable.

Cash and cash equivalents

Olympia mitigates its exposure to credit risk by maintaining its bank accounts with a highly rated financial institution.

Trade and other receivables

Olympia has policies and procedures in place to govern the credit risk it will assume. Trade and other receivables primarily include trade receivables from clients and interest receivable from cash and assets under administration placed with financial institutions.

Trade and other receivables		**December 31, 2022**		December 31, 2021
Trade receivables	$	**3,212,436**	$	2,891,404
Interest receivable		**12,479,956**		3,925,715
	$	**15,692,392**	$	6,817,119

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

As of December 31, 2022, impaired trade receivables net of allowances are $2.18 million (December 31, 2021 – $1.59 million). The aging of trade receivables is as follows:

Trade receivables		**December 31, 2022**		December 31, 2021
Current	$	**983,033**	$	933,898
31 to 60 days		**23,376**		192,594
61 to 90 days		**21,263**		177,226
Over 90 days		**3,600,599**		2,875,231
Allowance for doubtful accounts		**(1,415,835)**		(1,287,545)
	$	**3,212,436**	$	2,891,404

Trade receivables over 90 days are considered past due.

Allowance for doubtful accounts

The allowance for doubtful accounts is based on an account portfolio analysis. Movements on Olympia's provision for impairment of trade receivables are as follows:

		December 31, 2022		December 31, 2021
At January 1	$	**1,287,545**	$	1,251,705
Increase in provision		**835,079**		414,896
Receivables written off, net		**(706,789)**		(379,056)
Allowance for doubtful accounts	$	**1,415,835**	$	1,287,545

The balance relates to several independent clients which Olympia is actively pursuing through its internal collection process. As a result, management considers the outstanding amounts to be recoverable.

The provision for impaired receivables has been included in bad debt expense in the consolidated statements of net earnings and comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

Interest receivable	**December 31, 2022**	December 31, 2021
Current	**$ 1,287,217**	$ 1,104,208
31 to 60 days	**1,347,014**	765,630
61 to 90 days	**901,069**	521,671
Over 90 days	**8,944,656**	1,534,206
	$ 12,479,956	$ 3,925,715

Capital risk management

Olympia's objectives when managing capital are to safeguard Olympia's ability to continue as a going concern in order to provide returns and benefits to shareholders and to maintain an optimal capital structure to reduce the cost of capital and to meet minimum regulatory capital requirements. In order to maintain or adjust the capital structure, Olympia may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or repurchase shares.

Olympia includes shareholders' equity of $25.17 million (December 31, 2021 – $18.77 million) in the definition of capital. Shareholders' equity comprises share capital, contributed surplus, and retained earnings.

Olympia's main objectives when managing its capital structure are to:

- Maintain sufficient cash and cash equivalents over the short and medium term in order to finance its growth and development, including capital expenditures;
- Maintain investor and creditor confidence to sustain future development of the business. Olympia's objective when managing capital is to maintain adequate financial flexibility to preserve its ability to meet financial obligations. In managing capital, Olympia estimates its future dividend payments and capital expenditures, which is compared to planned business growth for purposes of sustainability;
- Maintain regulatory capital for Olympia Trust as required by the *Loan and Trust Corporations Act* (Alberta) ($2.00 million). Similar regulatory capital is required by legislation in Nova Scotia ($5.00 million) and Saskatchewan ($5.00 million). Regulatory capital is defined as share capital and retained earnings. Olympia Trust has maintained these minimum capital requirements throughout the year ended December 31, 2022; and
- Maintain compliance with financial covenants, which includes maintaining a minimum tangible net worth of $12.00 million. The financial covenants are reviewed quarterly, and controls are in place to maintain compliance with the covenants. Olympia complied with its financial covenants for the year ended December 31, 2022.

The capital structure of Olympia is managed and adjusted to reflect changes in economic conditions. In support thereof, management reviews the financial position of Olympia on a monthly and cumulative basis. Financing decisions are set based on the timing and extent of expected operating and capital cash outlays. Factors considered when determining capital and the amount of operational cash requirements are weighed against the costs associated with excess cash, its terms and availability and whether to issue equity. Olympia works towards managing its capital objectives to the extent possible while facing the challenges of market conditions and the public's assessment of Olympia's risk profile. Olympia's capital management objectives have remained substantively unchanged over the years presented.

Operational risks

Management has identified the following major operational risks which could negatively affect Olympia's future strategies and objectives:

- The risk of fluctuations in interest rates and currency values negatively affecting Olympia's business;
- Legal developments and changes in tax laws;
- The occurrence of weather related and other natural catastrophes;
- The risk that the regulatory environment in which Olympia carries out commercial activities may change;
- The level of competition in Olympia's markets;

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- The risk that new markets may fail to produce estimated revenues;
- The risk of changes in accounting standards and policies;
- The risk that negative stakeholder impressions about Olympia's business practices, actions or inaction, whether true or not, could cause deterioration in Olympia's value, brand, liquidity, or customer base;
- The risk that general economic conditions could deteriorate and any significant downturn in capital markets or the general economy could negatively affect financial results;
- The cyber security risk that failure of computer hardware, data processing systems, network access and software could interrupt operations or significantly impact Olympia's ability to deliver its services; and
- The accuracy and completeness of information Olympia receives about customers and counterparties.

Olympia's corporate insurance program further mitigates certain operational risk exposures. Olympia looks to industry benchmarks as well as legal, regulatory, and contractual requirements when deciding on types of coverage and limits. Coverage is placed at limits considered appropriate for Olympia's size, structure, and type of operations. Olympia reviews the insurance program annually to ensure it remains well suited and compliant with regulations and requirements.

Accounting Policies

The financial information contained in the accompanying financial statements and this MD&A is prepared in accordance with IFRS as issued by the IASB. The accounting policies adopted are consistent with those in the prior years except as noted below. In addition, some accounting policies, due to their nature, require further explanation.

Critical accounting estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions based on currently available information that affects the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Estimates and judgments are evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

However, actual results could differ from these estimates. By their very nature, these estimates are subject to measurement uncertainty, and the effect on the financial statements of future periods could be significant. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In the process of applying Olympia's accounting policies, management has made the following judgments, estimates and assumptions which have the most significant effect on the amounts recognized in the consolidated financial statements.

(i) Allowance for doubtful accounts (Note 7)

Olympia regularly performs a review of outstanding accounts receivable balances to determine eventual collectability. A provision for bad debt is recorded based on historical information or if an account is deemed uncollectable. Olympia applies the IFRS 9 simplified approach to measuring Expected Credit Losses ("ECL"), which uses a lifetime expected loss allowance for all trade and other receivables. Olympia holds trade receivables that do not have a significant financing component.

To determine the amount of the ECL to be recognized in the financial statements, Olympia has set up a provision matrix based on its historically observed default rates and overall knowledge of the business. Olympia adjusts the matrix for forward-looking estimates and has established that the expected credit loss should be calculated as follows:

- less than 90 days: nominal;
- more than 90 days but less than two years past due: 20% of carrying value;
- more than two years but less than three years past due: 65% of carrying value; and
- three or more years past due: 100% of carrying value.

Olympia may recognize an additional allowance based on management's knowledge of the accounts, the assets held in the accounts and current economic conditions.

Those accounts which are deemed uncollectable could significantly change as a result of changes in a customer's financial situation. This includes risks associated with the gross receivable position on foreign exchange forward contracts, all of which are assessed regularly for impairment.

(ii) Depreciation and amortization methods (Notes 13, 14, and 15)

Olympia estimates the useful lives of equipment and other, intangible assets, and right-of-use assets, based on the period over which the assets are expected to be available for use.

The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives is based on internal technical evaluation, current facts, and past experience with similar assets, and takes into consideration the anticipated expected life of the asset, existing long-term agreements and contracts, current and forecasted demand and the potential for technological obsolescence. It is possible, however, that future results of operations could be significantly affected by changes in estimates brought about in turn by changes in the factors mentioned above. The amounts and timing of recorded expenses for any period would also be affected by changes in these factors and circumstances.

(iii) Impairments (Note 14)

Olympia performs impairment tests of assets when indications of impairment exist. Application of judgment is required in determining whether an impairment test is warranted. Impairment exists when the carrying value of an asset or Cash-Generating Unit ("CGU") exceeds its recoverable amount, which is the higher of (a) its fair value less costs of disposal and (b) its value in use.

The fair value less costs of disposal calculation is based on the revenue multiple approach. The implied multiples are determined by utilizing multiples of comparable public companies. Olympia has changed its valuation technique to a revenue multiple as it is more representative of what a market participant would consider.

The value in use calculation is based on a discounted cash flow model. The cash flows are derived from internal budgets and do not include restructuring activities that Olympia is not yet committed to or significant future investments that will enhance the asset's performance or the CGU being tested.

The recoverable amount is sensitive to revenue multiples, the discount rate used for the discounted cash flow model, the expected future cash flows, and the growth rate used for cash flow forecasts.

There is a certain amount of subjectivity and judgment in the determination of the recoverable amount calculation. Amounts stated in notes 7, 13, and 14 are subject to measurement uncertainty, and the impact of differences between actual and estimated amounts on the consolidated financial statements of future periods could be significant.

When indicators support that the asset is no longer impaired, Olympia will reverse impairment losses. Similar to the impairment, application of judgment is required to determine whether a reversal should be considered.

(iv) Income taxes (Note 20)

Olympia calculates an income tax provision in each of the jurisdictions in which it operates. Estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the ability to use the underlying future tax deductions against future taxable income before the deductions expire. The assessment is based on existing tax laws and estimates of future taxable income. Further, there are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Provisions are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. Olympia reviews the adequacy of these provisions at each reporting period. However, it is possible that at some future date an additional liability could result from audits by taxation authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

(v) Revenue

Olympia applies judgment to determine whether fee revenue should be recognized on a gross basis or net of fees paid to the merchant or insurer for providing, processing, and maintaining the service to a customer. Pursuant to the guidance in IFRS 15, Olympia has assessed whether to record such payments as a reduction of associated service revenues or as a direct expense. Olympia determines whether the nature of its promise to customers is a performance obligation to provide the service itself or to arrange for that service to be provided by another party. Specific factors considered are, whether Olympia acts as the principal and is the primary obligor in performance obligations, provides the processing for the performance obligations, has significant influence over pricing and has the risks and rewards of ownership, including a variable earnings component and the risk of loss for collection. Olympia has full discretion over the price of the services and therefore has no unfulfilled obligations that could affect a client's acceptance of the service. Olympia recognizes insurance fees on a net basis. As a result, for agreements under which Olympia acts as the principal, Olympia records the total amounts earned from the underlying performance obligations as service revenues and records the related merchant expense as a direct expense of operating revenues. However, for those agreements in which Olympia does not meet the criteria to qualify as the principal in a performance obligation, Olympia does not record the related fee revenue, as the rights associated with this revenue stream are attributable to the benefit of the merchant. Olympia records fee revenue under these arrangements on a net basis. Whether Olympia is considered to be the principal or an agent in a performance obligation depends on analysis by management of both the legal form and substance of the agreement between Olympia and the merchant. Such judgments impact the amount of reported revenue and expenses, but do not impact reported assets, liabilities, or cash flows.

(vi) Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment.

Future accounting pronouncements

There are no significant new or amended accounting standards issued during the year ended December 31, 2022, that are applicable to Olympia in future periods.

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

The President and Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of Olympia are responsible for establishing and maintaining Disclosure Controls and Procedures ("DC&P") and Internal Control over Financial Reporting ("ICFR") for Olympia.

DC&P are designed to provide reasonable assurance that material information relating to Olympia is made known to the CEO and CFO by others, particularly in the period in which the annual filings are being prepared, and that information required to be disclosed in documents filed with securities regulatory authorities is recorded, processed, summarized and reported within the time periods specified in securities legislation, and includes controls and procedures designed to ensure that such information is accumulated and communicated to Olympia's management, including the CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure. ICFR is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

In accordance with the requirements of National Instrument 52-109 "Certification of Disclosures in Issuer's Annual and Filings," an evaluation of the effectiveness of DC&P and ICFR was carried out under the supervision of the CEO and CFO at December 31, 2022. Based on this evaluation, the CEO and CFO have concluded that Olympia's DC&P and ICFR are effective and are operating as intended.

Olympia's management, including the CEO and CFO, does not expect that Olympia's DC&P and ICFR will prevent or detect all misstatements or instances of fraud. The inherent limitations in all control systems are such that they can provide only reasonable, not absolute, assurance that all control issues, misstatements, or instances of fraud, if any, within Olympia have been detected.

There have been no changes in Olympia's internal control over financial reporting that occurred during the year ended December 31, 2022, which have materially affected, or are reasonably likely to materially affect, Olympia's internal control over financial reporting.

Outstanding share data

As at February 24, 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.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

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022, and December 31, 2021

The accompanying consolidated financial statements and all the data included in this report have been prepared by and are the responsibility of the Board of Directors and management of Olympia Financial Group Inc. ("Olympia").

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as set out in the Handbook of the Chartered Professional Accountants of Canada and reflect management's best estimates and judgments based on currently available information. In the opinion of management, the consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards appropriate in the circumstances.

The Audit Committee, comprised of non-management directors, acts on behalf of the Board of Directors to ensure that management fulfills its financial reporting and internal control responsibilities. Management maintains appropriate systems of internal control. Policies and procedures are designed to give reasonable assurance that transactions are properly authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of the consolidated financial statements.

Internal controls are further supported by an internal audit function which conducts periodic audits of Olympia's financial reporting and internal controls. The internal audit function reports to the Audit Committee. In performing its duties, the Audit Committee acts only in an oversight capacity and necessarily relies on the work and assurances of Olympia's management.

Olympia's independent auditor, PricewaterhouseCoopers LLP, has performed an audit on these consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada. Their report outlines the scope of their examination and opinion.

Signed Rick Skauge

Rick Skauge
President and Chief Executive Officer

Signed Jennifer Urscheler

Jennifer Urscheler, CPA, CA
Chief Financial Officer

Calgary, Canada, February 24, 2023

Independent auditor's report

To the Shareholders of Olympia Financial Group Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Olympia Financial Group Inc. and its subsidiaries (together, the Company) as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated balance sheets as at December 31, 2022 and 2021;
- the consolidated statements of net earnings and comprehensive income for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP
111-5th Avenue SW, Suite 3100, Calgary, Alberta, Canada T2P 5L3
T: +1 403 509 7500, F: +1 403 781 1825

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Allowance for expected credit losses (ECL) *Refer to note 3 – Significant accounting policies and note 7 – Financial instruments and financial risk factors to the consolidated financial statements.* The Company had $4.6 million of trade receivables for which an ECL allowance of $1.4 million was recorded as at December 31, 2022. The Company performs a review of outstanding accounts receivable balances on a regular basis to determine eventual collectability. Management applied the simplified approach to measuring the ECL, which uses a lifetime expected loss allowance for all trade and other receivables. To determine the amount of the ECL to be recognized in the consolidated financial statements, the Company has set up a provision matrix based on its historically observed default rates. The Company adjusts the matrix for forward-looking estimates. Management makes judgments in determining the allowance for ECL, including the determination of significant assumptions related to adjustments for forward-looking factors. We considered this a key audit matter due to the significant judgment made by management in developing the allowance for ECL. This in turn resulted in significant audit effort and subjectivity in performing audit procedures to test the allowance for ECL produced by management.	Our approach to addressing the matter included the following procedures, among others: • Tested how management determined the allowance for ECL, which included the following: – Evaluated the appropriateness of management's provision matrix and tested the completeness and accuracy of the matrix. – Tested the underlying data used in the provision matrix. – Tested the accuracy of the amounts and aging of the trade and other receivables. – Evaluated the reasonableness of judgments by management in determining adjustments related to forward-looking factors that are specific to customers or groups of customers by considering, for a selection of customers, their current investments held in trust, which can be used as collateral in the event of non-payment of the receivable. • Tested the disclosures made in the consolidated financial statements.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis and the information, other than the consolidated financial statements and our auditor's report thereon, included in the Annual Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Peter Harris.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Calgary, Alberta
February 24, 2023

CONSOLIDATED BALANCE SHEETS

($)	December 31, 2022		December 31, 2021
ASSETS				
Current assets				
Cash & cash equivalents (note 10)	$	8,365,991	$	15,106,624
Trade & other receivables (note 7)		15,692,392		6,817,119
Inventory		-		42,338
Prepaid expenses		2,362,756		1,725,626
Promissory note receivable (note 5)		980,000		140,000
Financial assets at fair value through profit or loss (note 33)		-		236,886
Derivative financial instruments (notes 7 and 12)		1,095,806		556,069
Current tax receivable		15,851		161,168
Total current assets		28,512,796		24,785,830
Non-current assets				
Equipment & other (note 13)		528,966		453,601
Intangible assets (note 14)		6,789,865		8,633,738
Right-of-use asset (note 15)		975,719		1,075,624
Promissory note receivable (note 5)		-		980,000
Financial assets at fair value through profit or loss (note 33)		96,472		98,974
Deferred tax assets (note 20)		591,788		528,854
Total non-current assets		8,982,810		11,770,791
Total assets	$	37,495,606	$	36,556,621
LIABILITIES				
Current liabilities				
Trade & other payables (notes 7 and 16)	$	1,433,001	$	780,229
Deferred revenue (note 17)		834,829		716,220
Other liabilities & charges (notes 7 and 18)		1,863,156		2,125,755
Revolving credit facility (notes 7, 11 and 29)		4,953,278		12,382,366
Lease liabilities (notes 7 and 8)		389,348		184,474
Derivative financial instruments (notes 7 and 12)		792,043		273,550
Current tax liability (note 7)		905,961		93,711
Total current liabilities		11,171,616		16,556,305
Lease liabilities (notes 7 and 8)		1,001,451		1,227,107
Total liabilities	$	12,173,067	$	17,783,412
EQUITY				
Share capital (note 19)	$	7,886,989	$	7,886,989
Contributed surplus (note 19)		86,373		86,373
Retained earnings		17,349,177		10,799,847
Total equity		25,322,539		18,773,209
Total equity & liabilities	$	37,495,606	$	36,556,621
Contingencies (note 31)				

See accompanying notes to the consolidated financial statements

Approved on behalf of the Board of Directors

Signed Rick Skauge

Rick Skauge
Director

February 24, 2023

Signed Brian Newman

Brian Newman, CPA, CA
Director

CONSOLIDATED STATEMENTS OF NET EARNINGS AND COMPREHENSIVE INCOME

YEARS ENDED DECEMBER 31		2022		2021
Revenues				
Service revenue (note 9)	$	50,194,320	$	41,382,665
Trust income (note 9)		21,187,566		6,970,869
Interest (note 9)		777,841		642,566
		72,159,727		48,996,100
Expenses				
Direct expenses (notes 9 and 22)		3,925,376		4,130,867
Administrative expenses (notes 9 and 21)		46,322,718		32,708,109
Bad debt (notes 9 and 23)		835,079		414,896
Depreciation & amortization (notes 9, 13, 14, and 15)		2,552,229		2,207,164
Other (gains)/losses, net (notes 9 and 25)		(71,117)		1,032,080
		53,564,285		40,493,116
Earnings before income tax		18,595,442		8,502,984
Income tax expense (notes 9 and 20)				
Current tax expense		4,505,027		1,699,956
Deferred tax (recovery)/expense		(62,934)		291,870
Total income tax expense		4,442,093		1,991,826
Net earnings & comprehensive income for the year	$	14,153,349	$	6,511,158
Earnings per share attributable to shareholders of Olympia				
Basic & diluted (note 26)	$	5.88	$	2.71

See accompanying notes to the consolidated financial statements

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Attributable to shareholders of Olympia

	Share Capital	Contributed Surplus	Retained Earnings	Total Equity
Balance at January 1, 2021	$ 7,886,989	$ 86,373	$ 10,930,125	$ 18,903,487
Net earnings & comprehensive income	-	-	6,511,158	6,511,158
Dividends (note 27)	-	-	(6,641,436)	(6,641,436)
Balance at December 31, 2021	$ 7,886,989	$ 86,373	$ 10,799,847	$ 18,773,209
Balance at January 1, 2022	$ 7,886,989	$ 86,373	$ 10,799,847	$ 18,773,209
Net earnings & comprehensive income	-	-	14,153,349	14,153,349
Dividends (note 27)	-	-	(7,604,019)	(7,604,019)
Balance at December 31, 2022	**$ 7,886,989**	**$ 86,373**	**$ 17,349,177**	**$ 25,322,539**

See accompanying notes to the consolidated financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31		2022		2021
Cash flows from operating activities				
Net earnings from operations	$	14,153,349	$	6,511,158
Items not affecting cash				
Depreciation of equipment & other (note 13)		243,550		574,769
Amortization of intangible assets (note 14)		2,034,266		885,067
Amortization of right-of-use asset (note 15)		274,413		747,328
Other		-		3,538
Gain on disposal of assets		(188,229)		(48,794)
Unrealized loss/(gain) on FVPL assets (note 25)		88,149		(86,827)
Deferred income taxes recovery (note 20)		(62,934)		291,870
Foreign exchange (gain)/loss (note 25)		(21,244)		1,256,069
Changes in non-cash working capital balances (note 28)		(7,968,124)		1,743,078
Net cash from operating activities		8,553,196		11,877,256
Cash flows from investing activities				
Purchase of equipment & other (note 13)		(378,616)		(247,400)
Purchase of intangible assets (note 14)		(190,394)		(106,898)
Cash paid in business combination		-		(7,896,509)
Proceeds on sale of securities		356,169		4,651
Change in restricted investment for collateral, net		-		1,000,000
Proceeds on sale of equipment & other		43,000		67,447
Net cash from investing activities		(169,841)		(7,178,709)
Cash flows from financing activities				
(Repayment)/borrowing of revolving credit facility (note 29)		(7,429,088)		7,435,622
Repayment of promissory note receivable (note 5)		140,000		140,000
Receipt of lease receivable		-		48,822
Payment of lease liabilities (note 8)		(230,881)		(970,347)
Dividends (note 27)		(7,604,019)		(6,641,436)
Net cash from financing activities		(15,123,988)		12,661
Net change in cash position		(6,740,633)		4,711,208
Cash, beginning of year		15,106,624		10,395,416
Cash, end of year		8,365,991	$	15,106,624
Cash is represented by:				
Cash & cash equivalents	$	8,365,991	$	15,106,624
	$	8,365,991	$	15,106,624
Other information for operations				
Interest received	$	2,198,481	$	689,181
Income taxes paid	$	3,929,204	$	2,218,213
Interest paid	$	271,068	$	134,494

See accompanying notes to the consolidated financial statements

1. NATURE OF BUSINESS

Olympia Financial Group Inc. ("Olympia") is governed by the *Business Corporations Act* (Alberta). Olympia is a reporting issuer in British Columbia, Alberta, and Ontario, and its common shares are listed on the Toronto Stock Exchange ("TSX"). Olympia's registered and head office is 4000 - 520 3rd Avenue SW, Calgary, Alberta T2P 0R3.

The majority of Olympia's business is conducted through its wholly owned subsidiary Olympia Trust Company ("Olympia Trust"), a non-deposit taking trust corporation.

Olympia Trust received its letters patent on September 6, 1995, authorizing the formation of a trust corporation to be registered under the *Loan and Trust Corporations Act* (Alberta). Olympia Trust acts as a trustee for self-directed registered plans and provides foreign currency exchange services, as well as corporate and shareholder services. Olympia Trust is licensed to conduct trust activities in Alberta, British Columbia, Saskatchewan, Manitoba, Quebec, Newfoundland and Labrador, Prince Edward Island, New Brunswick, and Nova Scotia.

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

Olympia incorporated both Olympia Investor Services Inc. and Olympia Currency and Global Payment Inc. as wholly owned subsidiaries on December 6, 2022. During the year ended December 31, 2022, neither subsidiary was operational or generated any revenue. Both subsidiaries are expected to begin operations within the 2023 fiscal year.

2. BASIS OF PREPARATION

These consolidated financial statements for the year ended December 31, 2022, 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 consolidated financial statements. The accounting policies adopted are consistent with those of the previous year.

These consolidated financial statements have been approved and authorized for issuance by the Board of Directors on February 23, 2023. The policies applied in these consolidated financial statements are based on IFRS, issued, effective and outstanding as of December 31, 2022.

Olympia's consolidated financial statements are presented in Canadian dollars, Olympia's primary operating currency. All references to $ are in Canadian dollars and references to US$ are in United States dollars.

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these consolidated financial statements are described below.

Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial assets and financial liabilities to fair value, including derivative instruments.

Critical accounting estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions based on currently available information that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and judgments are evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual results could differ from these estimates. By their very nature, these estimates are subject to measurement uncertainty, and the effect on the financial statements of future periods could be significant. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In the process of applying Olympia's accounting policies, management has made the following judgments, estimates and assumptions which have the most significant effect on the amounts recognized in the consolidated financial statements.

(i) Allowance for doubtful accounts (Note 7)

Olympia regularly performs a review of outstanding accounts receivable balances to determine eventual collectability. A provision for bad debt is recorded based on historical information or if an account is deemed uncollectable. Olympia applies the IFRS 9 simplified approach to measuring Expected Credit Losses ("ECL"), which uses a lifetime expected loss allowance for all trade and other receivables. Olympia holds trade receivables that do not have a significant financing component.

To determine the amount of the ECL to be recognized in the financial statements, Olympia has set up a provision matrix based on its historically observed default rates. Olympia adjusts the matrix for forward-looking estimates and has established that the minimum expected credit loss should be calculated as follows:

- less than 90 days: nominal;
- more than 90 days but less than two years past due: 20% of carrying value;
- more than two years but less than three years past due: 65% of carrying value; and
- three or more years past due: 100% of carrying value.

Olympia may recognize an additional allowance based on management's knowledge of the accounts, the assets held in the accounts and current economic conditions.

Those accounts which are deemed uncollectable could significantly change as a result of changes in a customer's financial situation. This includes risks associated with the gross receivable position on foreign exchange forward contracts, all of which are assessed regularly for impairment.

(ii) Depreciation and amortization methods (Notes 13, 14, and 15)

Olympia estimates the useful lives of property, plant, equipment; intangible assets; and right-of-use assets, based on the period over which the assets are expected to be available for use.

The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives is based on internal technical evaluation, current facts and past experience with similar assets, and takes into consideration the anticipated expected life of the asset, existing long-term agreements and contracts, current and forecasted demand and the potential for technological obsolescence. It is possible, however, that future results of operations could be significantly affected by changes in the estimates brought about in turn by changes in the factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

(iii) Impairments

Olympia performs impairment tests of assets when indications of impairment exist. Application of judgment is required in determining whether an impairment test is warranted. Impairment exists when the carrying value of an asset or Cash-Generating Unit ("CGU") exceeds its recoverable amount, which is the higher of (a) its fair value less costs of disposal and (b) its value in use.

The fair value less costs of disposal calculation is based on revenue multiple approach. The implied multiples are determined by utilizing multiples of comparable public companies. Olympia has changed its valuation technique to a revenue multiple as it is more representative of what a market participant would consider.

The value in use calculation is based on a discounted cash flow model. The cash flows are derived from internal budgets and do not include restructuring activities that Olympia is not yet committed to or significant future investments that will enhance the asset's performance or the CGU being tested.

The recoverable amount is sensitive to revenue multiples, the discount rate used for the discounted cash flow model, the expected future cash flows, and the growth rate used for cash flow forecasts.

There is a certain amount of subjectivity and judgment in the determination of the recoverable amount calculation. Amounts stated in notes 7, 13, and 14 are subject to measurement uncertainty, and the impact of differences between actual and estimated amounts on the consolidated financial statements of future periods could be significant.

When indicators support that the asset is no longer impaired, Olympia will reverse impairment losses. Similar to the impairment, application of judgment is required to determine whether a reversal should be considered.

(iv) Income taxes (Note 20)

Olympia calculates an income tax provision in each of the jurisdictions in which it operates. Estimation of income taxes includes evaluating the recoverability of deferred tax assets based on a more likely than not assessment to use the underlying future tax deductions against future taxable income before the deductions expire. The assessment is based on existing tax laws and estimates of future taxable income. Further, there are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Provisions are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. Olympia reviews the adequacy of these provisions at each reporting period. However, it is possible that at some future date an additional liability could result from audits by taxation authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

(v) Revenues

Olympia applies judgment to determine whether fee revenue should be recognized on a gross basis or net of fees paid to the merchant or insurer for providing, processing, and maintaining the service to a customer. Pursuant to the guidance in IFRS 15, Olympia has assessed whether to record such payments as a reduction of associated service revenues or as a direct expense. Olympia determines whether the nature of its promise to customers is a performance obligation to provide the service itself or to arrange for that service to be provided by another party. Specific factors considered were, whether Olympia acts as the principal and is the primary obligor in performance obligations, provides the processing for the performance obligations, has significant influence over pricing and has the risks and rewards of ownership, including a variable earnings component and the risk of loss for collection. Olympia has full discretion over the price of the services and therefore has no unfulfilled obligations that could affect a client's acceptance of the service. Olympia recognizes insurance fees on a net basis. As a result, for agreements under which Olympia acts as the principal, Olympia records the total amounts earned from the underlying performance obligations as service revenues and records the related merchant expense as a direct expense of operating revenues. However, for those agreements in which Olympia does not meet the criteria to qualify as the principal in a performance obligation, Olympia does not record the related fee revenue, as the rights associated with this revenue stream are attributable to the benefit of the merchant. Olympia records fee revenue under these arrangements on a net basis.

Whether Olympia is considered to be the principal or an agent in a performance obligation depends on analysis by management of both the legal form and substance of the agreement between Olympia and the merchant. Such judgments impact the amount of reported revenue and expenses, but do not impact reported assets, liabilities or cash flows.

(vi) Lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment.

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the functional currency of Olympia and its subsidiaries. Transactions denominated in foreign currencies are translated into Canadian dollars using the exchange rates prevailing at the dates of the transactions. Under this method, monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rates in effect at the consolidated balance sheet dates. Revenues and expenses are translated at the rates prevailing at the respective transaction dates.

Basis of consolidation

The consolidated financial statements include the accounts of Olympia and its subsidiaries. All intercompany balances and income and expenses arising from intercompany transactions have been eliminated.

The subsidiaries consist of Olympia Trust and Olympia Benefits.

Segment reporting

Management has determined Olympia's operating segments based on reports reviewed by the President and other executive management to make strategic decisions. An operating segment is a component of Olympia that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of Olympia's other components. Operating results are regularly reviewed by the President and other executive management to make decisions about resources to be allocated to the segment and to assess its performance. Discrete financial information is available for each operating segment. Segment results that are reported to the President and other executive management include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis.

Considering the business from a product and service perspective, Olympia has identified six operating segments.

The Investment Account Services ("IAS") division, operated through Olympia Trust, specializes in self-directed registered plans administration. Exempt market securities and arm's length mortgages continue to be the main focus of many of the Investment Account Services division's clients. The Currency and Global Payments ("CGP") division, operated through Olympia Trust, provides corporations and private clients a personalized service for buying and selling foreign currencies. The Corporate and Shareholder Services ("CSS") division, operated through Olympia Trust, provides transfer agency and corporate trust services to public and private issuers across Canada. The Private Health Services Plan ("Health") division, operated through Olympia Benefits, markets, sells, and administers health and dental benefits to business owners. Exempt Edge ("EE") division, operated through Olympia Benefits, focuses on the provision of information technology to exempt market dealers, registrants and issuers. The Corporate division is a cost centre and earns incidental revenue.

Equipment and other

Equipment and other is measured and accounted for at cost less accumulated depreciation. Additions and subsequent expenditures are capitalized only in the event that they enhance the future economic benefits to be derived from the assets.

Depreciation is provided on the depreciable amount of equipment and other on a straight-line basis over the estimated useful economic life of each asset. The depreciable amount is the gross carrying amount less the estimated residual value at the end of its useful economic life.

The annual depreciation rates and methods are as follows:

• Furniture and fixtures	Straight line over 5 years
• Leasehold improvements	Straight line over the lease term
• Computer equipment	Straight line over 3 years
• FX ATM equipment	Straight line over 5 years

Depreciation rates, methods and residual values used to calculate depreciation of items of equipment and other are kept under review for any change in circumstances. The principal factors Olympia takes into account when deciding on rates and methods of depreciation are the pattern of usage for each asset, the lease term, the expected rate of developments in technology, and expected market requirements.

When reviewing residual values, Olympia estimates the amount that it would currently obtain for the disposal of the asset after deducting the estimated cost of disposal if the asset were already of the age and condition expected at the end of its useful economic life.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the statements of net earnings and comprehensive income. Assets are derecognized on disposal or when no future economic benefits are expected from their use.

Intangible assets

Intangible assets consist primarily of client lists, internally developed software, purchased computer software, and trademark agreements.

Client lists are stated at cost, less accumulated amortization and impairment, if any. Client lists are capitalized when it is probable that future economic benefits will flow from its use over more than one year.

Internally developed software is stated at cost, less accumulated amortization and impairment, if any. The identifiable and directly associated external and internal costs of acquiring and developing software are capitalized where the software is controlled by Olympia and where it is probable that future economic benefits will flow from its use over more than one year.

The cost of purchased computer software that is separable from an item of related hardware is capitalized separately.

Trademark agreements are recognized at fair value at the acquisition date. These agreements have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over the expected term of the agreement.

Impairments are recorded if the carrying amount of an asset exceeds the recoverable amount.

The annual amortization rates and methods are as follows:

• Purchased computer software	Straight line over 3 to 5 years
• Internally developed software	Straight line over 3 to 7 years
• Trademarks	Straight line over the term of the agreements
• Client lists	Straight line over 5 years

Research costs and costs associated with maintaining software are recognized as an expense when incurred. Development costs are capitalized under intangible assets if they can be identified as an intangible asset that is expected to generate probable future economic benefit and if the costs of the asset can be reliably calculated. Development costs include those costs directly attributable to the development of the asset.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal, or value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Olympia assesses all non-financial assets on an ongoing basis for indications of impairment and to determine whether a previously recognized impairment loss should be reversed. If such indicators are found to exist, then detailed impairment testing is carried out. Impairments and the reversal of previously recognized impairments are recognized in the statement of net earnings and comprehensive income.

Inventory

Inventory consisted primarily of foreign exchange ATMs not in service. Inventory was measured at the lower of cost and net realizable value. The cost of inventory was based on the first-in first-out valuation method and included expenditures incurred in acquiring the inventory, as well as other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Financial instruments

Olympia's financial instruments included in the consolidated balance sheets are comprised of cash and cash equivalents, trade and other receivables, promissory note receivable, derivative financial instruments, trade and other payables, the revolving credit facility and other liabilities and charges.

A derivative is a financial instrument whose value changes in response to a specified variable, requires little or no net investment and is settled at a future date. An embedded derivative is a derivative that is a part of a non-derivative contract and not directly related to that contract. Under this standard, embedded derivatives must be accounted for as a separate financial instrument. A non-financial derivative is a contract that can be settled net in cash or by other financial instruments. Olympia does not apply hedge accounting to the derivative financial instruments.

Non-derivative financial instruments include cash and cash equivalents, non-restricted cash in circulation, trade and other receivables, promissory note receivable, the revolving credit facility, trade and other payables, and other liabilities and charges. Non-derivative financial instruments are recognized initially at fair value plus any directly attributable transaction costs, except for financial assets at fair value through profit or loss, whereby any directly attributable transaction costs are expensed as incurred.

Subsequent to initial recognition, non-derivative financial instruments are designated into one of the following categories and measured as described below:

(i) Financial assets and liabilities at fair value through profit or loss

Financial assets and liabilities at fair value through profit or loss are financial assets or financial liabilities held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. A financial liability is classified in this category if acquired principally for the purpose of repurchasing in the short term. Olympia's derivative financial instruments are designated as financial assets and liabilities at fair value through profit and loss as they are not designated as hedges for accounting purposes.

(ii) Financial assets measured at amortized cost

Financial assets measured at amortized cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Financial assets measured at amortized cost are initially recognized at fair value, including direct and incremental transaction costs. They are subsequently valued at amortized cost, using the effective interest method where applicable, less allowances and write-downs for impairment. Assets in this category include trade and other receivables, and promissory note receivable.

(iii) Other financial liabilities

Items classified as other financial liabilities on Olympia's consolidated financial statements are accounted for at amortized cost using the effective interest method. Any gains or losses in the realization of other financial liabilities are included in earnings. Olympia's trade and other payables, other liabilities and charges and revolving credit facility are designated as other financial liabilities. The fair value and charges approximate their carrying values, due to the short-term nature of these instruments.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand. Cash and cash equivalents are measured at amortized cost, which approximates fair value.

Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade date on which Olympia commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the statement of net earnings and comprehensive income. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and Olympia has substantially transferred all risks and rewards of ownership. Financial assets at fair value through profit or loss and financial assets at amortized cost are subsequently carried at fair value. Loans and receivables are subsequently carried at amortized cost using the effective interest method.

Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss are presented in the statement of net earnings and comprehensive income within the period in which they arise.

Impairment of financial assets

Assets carried at amortized cost

At each balance sheet date, Olympia assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

For practical reasons, Olympia may measure impairment of an instrument's fair value using an observable market price. Calculation of the present value of estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from foreclosure, less cost for obtaining and selling the collateral, whether or not foreclosure is probable.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the value of a customer's asset being assessed as close to nil.

Evidence of impairment

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses) discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the amount of the loss is recognized in the statement of net earnings and comprehensive income. If a loan or investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For practical reasons, Olympia may measure impairment on the basis of an instrument's fair value, using an observable market price.

Offsetting financial instrument

Financial assets and liabilities are offset and the net amount reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Foreign currency exchange forward contracts

Olympia Trust purchases forward contracts when it enters into a transaction to buy or sell foreign currency in the future. These contracts are in the normal course of business and are used to manage foreign exchange exposures. Foreign exchange forward contracts are not designated as hedges for accounting purposes. They are initially recorded at fair value based on Bank of Canada published rates and subsequently measured at fair value based on published foreign currency curves. They are recorded on Olympia's balance sheet as either an asset or liability, with changes in fair value recorded to net earnings. The estimated fair value of all derivative instruments is based on quoted market prices, or, in their absence, third-party indications and forecasts. Foreign exchange translation gains and losses on these instruments are recognized within the consolidated statements of net earnings and comprehensive income when the contract is signed.

Revenue recognition

Olympia has six operating segments, of which five are business segments. Revenue is recognized through these five business segments. The revenue of each business segment is distinctly unique to that segment. Each business segment in return has revenue streams that originate from different product and service offerings. Olympia earns interest income and trust income from funds held with financial institutions and from term deposits and balances held in trust. Interest income and trust income is recorded on an accrual basis.

(A) Investment Account Services division

(i) Account set-up fees

Client set-up fees are recognized upon creation of a client account in Olympia Trust's records.

(ii) Annual administration fees

Annual fees for maintaining registered plan services are billed once a year. The annual fees are recognized as deferred revenue and recognized as revenue on a straight-line basis in relation to Olympia Trust's expenditure for rendering these services. Where contractual services are terminated by the customer, the unearned deferred revenue is recognized as revenue.

(iii) Transactional fees

Certain services are provided and billed on an ongoing basis. Such fees are recognized when services are rendered.

(B) Private Health Services Plan division

(i) Travel medical benefit insurance brokerage fees

Commissions earned on the selling of short-term medical insurance are recognized in full, on the basis that no underwriting risks remain with Olympia Benefits.

(ii) Monthly fees

Certain services are provided and billed on an ongoing monthly basis. Such fees are recognized monthly at the time of billing, subsequent to the completion of services.

(iii) Life insurance brokerage fees

Commissions earned on the selling of long-term insurance related products are recognized in full, on the basis that no underwriting risks remain with Olympia Benefits.

(iv) Annual health spending account fees ("HSA fees")

Fees for maintaining health spending accounts are billed annually. The annual fees are recognized as deferred revenue and recognized as revenue on a straight-line basis in relation to Olympia Benefits rendering these services. Where contractual services are terminated by the customer, the unearned deferred revenue is recognized as revenue.

(C) Currency and Global Payments division

(i) Trading profits and losses

Trading profits and losses from spot trading are recognized at the time the trade transaction settles. Transaction fees from spot trading are recognized at the time the transaction is entered into.

(ii) Unrealized profits and losses

Unrealized profits and losses in foreign exchange forward contracts are recognized on a net basis at each period end, are measured at fair value and are recorded in the consolidated statement of net earnings and comprehensive income as other gains, net.

(D) Exempt Edge division

(i) Onboarding fees

Client set-up fees are recognized upon creation of a client account in EE's records.

(ii) Non-contractual service maintenance fee

Certain services are provided and billed on an ongoing basis. Such fees are recognized at the time services are rendered.

(E) Corporate and Shareholder Services division

(i) Annual administrative fees

Certain services are invoiced on an annual basis. Such fees are levied once a year on the contract anniversary date. The annual fees are recognized as deferred revenue and recognized as revenue on a straight-line basis in relation to service terms performed by Olympia Trust. Where contractual services are terminated, the unearned deferred revenue is recognized as revenue.

(ii) Monthly program fees

Certain services are invoiced on a monthly basis over a one-year period. These fees are recognized monthly.

(iii) Monthly basic fees

Certain services are provided and billed on an ongoing monthly basis. Such fees are recognized monthly at the time of billing.

Finance costs

Finance costs are comprised of interest expense on borrowings from credit facilities and impairment losses recognized on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in the consolidated statement of net earnings and comprehensive income using the effective interest method.

Common shares

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. When Olympia repurchases its own common shares, share capital is reduced by the average carrying value of the shares purchased. The excess of the purchase price over the average carrying value is recognized as a deduction from retained earnings. Shares are cancelled upon repurchase.

Provisions and contingencies

Provisions are recognized for present obligations arising as a consequence of past events where it is more likely than not that a transfer of economic benefit will be necessary to settle the obligation and it can be reliably estimated. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance cost.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is uncertain or cannot be reliably measured. Contingent liabilities are disclosed, unless they are remote.

Employee benefits

(i) Short-term employee benefits

Wages, salaries, employment insurance premiums, Canada Pension Plan contributions, paid annual leave and sick leave, bonuses, profit sharing and non-monetary benefits are accrued for pursuant to contractual arrangements and in accordance with the nature of the constructive benefits Olympia provides in addition to remuneration upon an employee joining or in the year in which the associated services are rendered by employees of Olympia. The accruals of such constructive benefits are derecognized pursuant to the contractual arrangements and in accordance with the nature of constructive benefits when employee services terminate or as provided for in employee contracts.

(ii) Other long-term employee benefits

All employees are entitled to long-term service monetary awards based on the number of years of service with Olympia. Olympia recognizes long service award obligations on a straight-line basis in accordance with the number of completed years of service and in accordance with the qualifying criteria attached to having earned these awards. The award expense is therefore accrued and recognized in the consolidated statement of net earnings and comprehensive income based on completed years of service.

Taxation

(i) Taxation and deferred taxation

Taxes, including deferred taxes, are income tax payable on taxable profits (tax reporting), and are recognized as an expense in the period in which the profits arise. Deferred income tax on tax allowable losses is recognized as an asset only to the extent that it is regarded as probable that taxable profit or tax planning opportunities will be available in the future against which the unused tax losses can be utilized before they expire. Deferred income tax is provided in full, using the liability method, on temporary differences arising from the differences between the tax basis of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates and legislation enacted or substantively enacted by the balance sheet date that is expected to apply when the deferred tax asset is realized or the deferred tax liability is settled. Deferred and current tax assets and liabilities are only offset when they arise in the same tax reporting group and where there is both the legal right and the intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

(ii) Investment tax credits

Certain expenditures qualify for Investment Tax Credits (“ITCs”) pursuant to the Scientific Research and Experimental Development program, which is a federal tax incentive program to encourage Canadian businesses of all sizes and in all sectors to conduct research and development in Canada that will lead to new, improved, or technologically advanced products or processes. Based on this, Olympia could be entitled to ITCs on certain research and experimental development costs incurred, which currently consist of internally generated software.

Refundable cash credits stemming from the ITCs are in respect of credits recognized in prior years when there is reasonable assurance of their recovery using the cost reduction method. ITCs are subject to assessment and approval by the CRA. Adjustments required, if any, are reflected in the year when such assessments are received. Investment tax credits and other cost recoveries related to computer and equipment and intangible assets are credited against the book value of such assets. The credit is released to income on a straight-line basis as a reduction of depreciation or amortization over the previously mentioned estimated useful economic lives of the relevant assets.

Leases

Olympia assesses whether a contract is a lease based on whether the contract conveys the right to control the use of an underlying asset for a period of time in exchange for consideration.

As lessee

Leases are recognized as a right-of-use asset and a corresponding lease liability at the date on which the leased asset is available for use by Olympia. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments and payments of penalties for terminating the lease, less any lease incentives receivable. These payments are discounted using Olympia’s incremental borrowing rate when the rate implicit in the lease is not readily available. Olympia uses a single discount rate for a portfolio of leases with reasonably similar characteristics.

Lease payments are allocated against both the liability and finance costs. The finance cost are charged to net earnings over the lease term.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or an adjustment is recorded in the consolidated statement of earnings if the carrying amount of the right-of-use asset has been reduced to zero.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability and any initial direct costs incurred, less any lease payments made at or before the commencement date. The right-of-use asset is depreciated, on a straight-line basis, over the shorter of the estimated useful life of the asset or the lease term. The right-of-use asset may be adjusted for certain remeasurements of the lease liability and impairment losses.

Leases that have terms of less than twelve months or leases on which the underlying asset is of low value are recognized as an expense in the statements of net earnings and comprehensive income on a straight-line basis over the lease term.

A lease modification will be accounted for as a separate lease if the modification increases the scope of the lease and if the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope. For a modification that is not a separate lease or where the increase in consideration is not commensurate, Olympia will, at the effective date of the lease modification, remeasure the lease liability. Olympia will use its incremental borrowing rate when the rate implicit to the lease is not readily available and will make a corresponding adjustment to the right-of-use asset. A modification that decreases the scope of the lease will be accounted for by decreasing the carrying amount of the right-of-use asset and recognizing a gain or loss in net earnings that reflects the proportionate decrease in scope.

As lessor

As a lessor, Olympia assesses at inception whether a lease is a finance or operating lease. Leases where Olympia transfers substantially all of the risks and rewards incidental to ownership of the underlying asset are classified as financing leases. Under a finance lease, Olympia recognizes a receivable at an amount equal to the net investment in the lease, which is the present value of the aggregate of lease payments receivable by the lessor. If substantially all the risks and rewards of ownership of an asset are not transferred, the lease is classified as an operating lease. Olympia recognizes lease payments received under operating leases as other income on a straight-line basis over the lease term.

When Olympia is an intermediate lessor, it accounts for its interest in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset from the head lease, not with reference to the underlying assets. If the head lease is a short-term lease to which Olympia applies the exemption for lease accounting, the sublease is classified as an operating lease.

Business Combinations

The acquisition method of accounting is used to account for each business combination when it is deemed that Olympia has obtained control of one or more businesses, in accordance with IFRS 3. The cost of an acquisition is measured at the fair value of any assets, equity instruments, liabilities and contingent liabilities assumed, or other consideration paid at the acquisition date. The identifiable assets acquired, liabilities assumed, and non-controlling interest or other equity instruments received are measured at fair value and are recognized as at the date of acquisition.

The initial accounting for a business combination may be incomplete at the end of a reporting period in which the combination has occurred. In these situations, Olympia will report provisional amounts for those items wherein the accounting is incomplete. Any adjustments to the allocation of the purchase price are made within one-year from the acquisition date (the measurement period) in accordance with IFRS 3.

Related parties

Olympia enters into transactions with related parties, including key management compensation, in the normal course of business, except as otherwise noted in Note 32. Related party transactions are recognized at the exchange amount. Olympia considers the following as related parties:

- Directors, President, Vice Presidents and key management personnel (and post-employment benefit plans where applicable);
- Associated entities;
- An entity controlled, jointly controlled or significantly being influenced by any of the aforementioned; and
- Children, spouses or dependents related to any of the aforementioned persons or entities.

Earnings per share ("EPS")

The calculation of basic earnings per share is based on net earnings attributable to shareholders of Olympia divided by the weighted average number of common shares outstanding during the period. For the calculation of diluted EPS, the weighted average number of common shares is the same as for basic EPS, with the addition of the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares. Dilutive potential common shares are deemed to have been converted at the start of the period or at the date of their issue, if later. The number of common shares that would be issued on conversion of dilutive potential common shares is determined from their terms of conversion. Where the terms could vary, it is deemed that they would be exercised at the rate or exercise price that would be most advantageous to the holder of such potentially dilutive common shares.

Dividends

Dividends on common shares are recognized in equity in the period in which they are declared or approved by Olympia's Board of Directors.

Changes in accounting policies

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

4. FUTURE ACCOUNTING PRONOUNCEMENTS

There were no significant new or amended accounting standards issued during the year ended December 31, 2022, that are applicable to Olympia in future periods.

5. PROMISSORY NOTE RECEIVABLE

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

In conjunction with the sale of substantially all the assets of Olympia ATM Inc. to a related party in 2018, the purchase price was paid by the delivery of a secured demand promissory note ("the promissory note") for $1.40 million by Tarman. The outstanding principal amount of the promissory note bears interest at prime plus 0.25%. Subject to Canadian Western Bank's ("CWB") consent (as discussed below), all interest accrued under the promissory note shall be paid on an annual basis on or before the 30th day of June of each calendar year and, commencing June 30, 2020, Tarman is required to repay the outstanding principal amount of the promissory note in annual installments of $140,000 on or before the 30th day of June of each calendar year, with the outstanding balance of the principal amount to be repaid in full on or before June 30, 2023. As at December 31, 2022, the third installment of $140,000 and all outstanding interest had been repaid.

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.

The $0.98 million promissory note receivable is current as at December 31, 2022.

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

6. FUNDS IN TRUST

Investment Account Services ("IAS")

At December 31, 2022, IAS administered self-directed registered plans consisting of private company securities and mortgages with a cost value of $9.01 billion (December 31, 2021 – $5.91 billion) plus cash, public securities, term deposits, and outstanding cheques with an estimated fair value of $1.01 billion (December 31, 2021 – $953.74 million). This growth is due to assets held in trust transferred from Computershare during the year ended December 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. IAS earned trust income from the cash portion of the assets held in trust of $19.47 million for the year ended December 31, 2022 (December 31, 2021 – $6.97 million).

Private Health Services Plan division ("Health")

At December 31, 2022, Health held funds in trust of $14.07 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 consolidated financial statements.

Currency and Global Payments ("CGP")

At December 31, 2022, CGP held funds in trust of $6.22 million (December 31, 2021 – $4.46 million) for clients who have paid margin requirements on forward foreign exchange contracts, and $24.09 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 consolidated financial statements.

Corporate and Shareholder Services division ("CSS")

At December 31, 2022, CSS held funds in trust and outstanding cheques of $259.59 million (December 31, 2021 – $127.72 million) for clients who have hired Olympia Trust to provide trustee services. This includes approximately $0.67 million (December 31, 2021 - $0.73 million) of treasury bills and public securities held in trust. These assets are the property of the trust clients and Olympia Trust does not maintain effective control over the assets. Therefore, the assets are not reflected in these consolidated financial statements.

7. FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS

Fair value of financial instruments

The fair value of cash and cash equivalents, trade and other receivables, promissory note receivable, trade and other payables, lease liabilities, the revolving credit facility, and other liabilities and charges approximate their carrying amounts. Derivative financial instruments are measured at fair value through the consolidated statement of net earnings and comprehensive income. The fair value of all forward foreign exchange contracts is based on current bid prices for their respective terms to maturity in an active market.

Risks associated with financial instruments

Olympia is exposed to financial risks arising from normal course business operations and its financial assets and liabilities. The financial risks include liquidity risk and market risk relating to foreign currency exchange rates, interest rates, and credit risk.

(i) Liquidity risk

Liquidity risk is the risk that Olympia will encounter difficulties in meeting its financial obligations. Olympia manages its liquidity risk by keeping surplus cash in liquid investments with a highly rated financial institution. This allows Olympia to earn interest on surplus cash while having access to it within a very short time.

Liquidity risk is associated with Olympia's credit facility. The credit facility is available to finance day-to-day operations to a maximum principal amount of $15.00 million (December 31, 2021 – $15.00 million) and bears interest at the Canadian prime rate plus 0.25%. As at December 31, 2022, a balance of $4.95 million is outstanding (December 31, 2021 – $12.38 million). Olympia has determined the principal and interest to be current.

Security for the credit facility includes a general security agreement providing a first charge security interest in all present and subsequently acquired property.

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

At December 31, 2022	Current	31 to 60 days	61 to 90 days	Over 90 days	Total
Trade & other payables	$ 1,326,808	$ -	$ 106,193	$ -	$ 1,433,001
Other liabilities and charges	1,863,156	-	-	-	1,863,156
Current income tax liability	-	905,961	-	-	905,961
Lease liabilities (current)	35,326	35,326	35,326	319,625	425,603
Lease liabilities (non-current)	-	-	-	1,029,563	1,029,563
Total	$ 3,225,290	**$ 941,287**	$ 141,519	**$ 1,349,188**	$ 5,657,284
At December 31, 2021					
Trade & other payables	$ 728,745	$ -	$ 51,484	$ -	$ 780,229
Other liabilities and charges	2,125,755	-	-	-	2,125,755
Current income tax liability	-	93,711	-	-	93,711
Lease liabilities (current)	79,835	79,835	5,869	52,818	218,357
Lease liabilities (non-current)	-	-	-	1,279,832	1,279,832
Total	$ 2,934,335	$ 173,546	$ 57,353	$ 1,332,650	$ 4,497,884

As at December 31, 2022, trade and other payables totaled $1.43 million (December 31, 2021 – $0.78 million). Olympia continues to meet all of the obligations associated with its financial liabilities.

Lease liabilities cash outflows exclude $0.06 million (December 31, 2021 – $0.09 million) of non-cash financing interest under IFRS 16.

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

At December 31, 2022	Less than one year	One to two years	Two to three years	More than three years	Total undiscounted lease payments
Lease payment	$ 425,603	$ 527,667	$ 477,572	$ 24,324	$ 1,455,166

Final lease payments on the Calgary Palliser location occurred in February of 2022. Fixed rent for the additional leased space in the Calgary head office began in November 2022. The remainder of the fixed rent will start in 2023.

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

	December 31, 2022	December 31, 2021
Current	$ 24,650	$ 1,509
31 to 60 days	225,371	30,866
61 to 90 days	54,527	50,374
Over 90 days	487,495	190,801
	$ 792,043	$ 273,550
Non-current (1–3 years)	$ -	$ -

(ii) Market risk

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market prices and is composed of the following:

Foreign currency exchange risk

Olympia is exposed to changes in foreign exchange rates when, and if, revenues or financial instruments fluctuate because of changing rates. Transactions in the applicable financial market are executed consistent with established risk management policies. Olympia purchases forward contracts whenever it enters into a transaction to buy or sell foreign currency in the future. These contracts are both short term and long term in nature and are in the normal course of business. Management understands that the currency markets are volatile and therefore subject to higher risk.

Olympia applies the following policy to mitigate the currency risk:

- For forward contracts, a margin of 5% is payable on signature of the contract;
- Olympia sets up an off-setting position with its currency supplier; and
- If market rates vary by 4% or more, the client is required to adjust their margin to match the variance by the end of the trading day.

Olympia's CGP division maintains various foreign currency bank accounts, of which Canadian dollar and United States dollar bank accounts are the most significant. 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.

If the Canadian dollar exchange rate at December 31, 2022, were to have increased by $0.10 relative to other currencies, it is estimated that Olympia's after-tax earnings for the year ended December 31, 2022, based on amounts shown in notes 10 and 12 of the consolidated financial statements, would have decreased by approximately $23,238 (December 31, 2021 – $60,140). A $0.10 decrease in the Canadian dollar exchange rate relative to other currencies would have had an equal but opposite effect. Most of the Currency and Global Payments division's trades are Canadian dollars traded for United States dollars and vice versa, although it trades in various other currencies. This sensitivity analysis assumes that all other variables remain constant.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Olympia is exposed to interest rate risk as the cash flows generated from Olympia's own cash ($8.37 million) and the cash portion of the off-balance sheet arrangements ($1.15 billion), from which Olympia Trust earns trust income, are held in interest bearing instruments that fluctuate in response to changes in market interest rates.

If the interest rates were to have increased by 1%, it is estimated that Olympia's after-tax earnings for the year ended December 31, 2022, would have increased by approximately $8.89 million (December 31, 2021 – $6.63 million). A 1% decrease in interest rates would have had an equal but opposite effect. This sensitivity analysis assumes that all other variables remain constant.

Olympia is exposed to interest rate risk on its established credit facility. The average balance of the facility for the year ended December 31, 2022, was $6.01 million (December 31, 2021 – $5.13 million). If the interest rates were to have increased by 1%, it is estimated that Olympia's after-tax earnings for the year ended December 31, 2022, would have decreased by approximately $0.05 million (December 31, 2021 – $0.51 million). A 1% decrease in interest rates would have had an equal but opposite effect. This sensitivity analysis assumes that all other variables remain constant.

Credit risk

Credit risk is the risk that the counterparty to a financial asset will default, resulting in Olympia incurring a financial loss. Before significant transactions begin with a new counterparty, the counterparty's creditworthiness is assessed by the CGP division. The assessment practice considers both quantitative and qualitative factors.

Olympia constantly monitors the exposure to any single customer or counterparty along with the financial position of the customer or counterparty. If it is deemed that a customer or counterparty has become significantly weaker, Olympia will work to reduce the credit exposure and lower the credit limit allocated. Olympia is exposed to credit risk on its cash and cash equivalents, trade and other receivables, promissory note receivable and derivative financial instruments receivable. The maximum exposure to credit risk of Olympia at the end of the year is the carrying value of cash and cash equivalents, trade and other receivables, promissory note receivable and derivative financial instruments receivable.

Cash and cash equivalents

Olympia mitigates its exposure to credit risk by maintaining its bank accounts with a highly rated financial institution.

Trade and other receivables

Olympia has policies and procedures in place to govern the credit risk it will assume. Trade and other receivables primarily includes trade receivables from clients and interest receivable from cash and assets under administration placed with financial institutions.

Trade & other receivables		**December 31, 2022**		December 31, 2021
Trade receivables	**$**	**3,212,436**	$	2,891,404
Interest receivable		**12,479,956**		3,925,715
	$	**15,692,392**	$	6,817,119

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

As of December 31, 2022, impaired trade receivables net of allowances are $2.18 million (December 31, 2021 – $1.59 million). The aging of trade and other receivables is as follows:

Trade receivables		**December 31, 2022**		December 31, 2021
Current	**$**	**983,033**	$	933,898
31 to 60 days		**23,376**		192,594
61 to 90 days		**21,263**		177,226
Over 90 days		**3,600,599**		2,875,231
Allowance for doubtful accounts		**(1,415,835)**		(1,287,545)
	$	**3,212,436**	$	2,891,404

Trade receivables over 90 days are considered past due.

Allowance for doubtful accounts

The allowance for doubtful accounts is based on an account portfolio analysis. Movements on Olympia's provision for impairment of trade receivables are as follows:

		December 31, 2022		December 31, 2021
At January 1	**$**	**1,287,545**	$	1,251,705
Increase in provision		**835,079**		414,896
Receivables written off, net		**(706,789)**		(379,056)
Allowance for doubtful accounts	**$**	**1,415,835**	$	1,287,545

The balance relates to a number of independent clients which Olympia is actively pursuing through its internal collection process. Management considers the outstanding amounts to be recoverable.

The provision for impaired receivables has been included in bad debt expense in the consolidated statements of net earnings and comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

Provision matrix

Olympia has set up a provision matrix based on its historically observed default rates. Olympia adjusts the matrix for forward-looking estimates. The minimum allowance has been calculated based on the provision matrix, and the expected credit loss is as follows:

- less than 90 days: nominal;
- more than 90 days but less than two years past due: $491,142;
- more than two years but less than three years past due: $221,517; and
- three or more years past due: $408,204.

Olympia may recognize an additional allowance based on management's knowledge of the accounts, the assets held in the accounts and current economic conditions. As at December 31, 2022 an additional $0.29 million was recorded.

Interest receivable	December 31, 2022	December 31, 2021
Current	$ 1,287,217	$ 1,104,208
31 to 60 days	1,347,014	765,630
61 to 90 days	901,069	521,671
Over 90 days	8,944,656	1,534,206
	$ 12,479,956	$ 3,925,715

Derivative financial instruments receivable

The expected maturity relating to derivative financial instruments receivable and foreign exchange contracts is outlined in the following table:

	December 31, 2022	December 31, 2021
Current	$ 28,883	$ 8,748
31 to 60 days	299,238	95,133
61 to 90 days	77,906	169,814
Over 90 days	689,779	282,374
	$ 1,095,806	$ 556,069
Non-current (1–3 years)	$ -	$ -

(iii) Capital risk management

Olympia's objectives when managing capital are to safeguard Olympia's ability to continue as a going concern in order to provide returns and benefits to shareholders and to maintain an optimal capital structure to reduce the cost of capital and to meet minimum regulatory capital requirements. In order to maintain or adjust the capital structure, Olympia may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or repurchase shares.

Olympia includes shareholders' equity of $25.17 million (December 31, 2021 – $18.77 million) in the definition of capital. Shareholders' equity comprises share capital, contributed surplus, and retained earnings.

Olympia's main objectives when managing its capital structure are to:

- Maintain sufficient cash and cash equivalents over the short and medium term in order to finance its growth and development, including capital expenditures;
- Maintain investor and creditor confidence to sustain future development of the business. Olympia's objective when managing capital is to maintain adequate financial flexibility to preserve its ability to meet financial obligations. In managing capital, Olympia estimates its future dividend payments and capital expenditures, which is compared to planned business growth for purposes of sustainability;
- Maintain regulatory capital for Olympia Trust as required by the *Loan and Trust Corporations Act* (Alberta) ($2.00 million). Similar regulatory capital is required by legislation in Nova Scotia ($5.00 million) and Saskatchewan ($5.00 million). Regulatory capital is defined as share capital and retained earnings. Olympia Trust has maintained these minimum capital requirements throughout the year ended December 31, 2022; and
- Maintain compliance with financial covenants, which includes maintaining a minimum tangible net worth of $12.00 million. The financial covenants are reviewed quarterly and controls are in place to maintain compliance with the covenants. Olympia complied with its financial covenants for the year ended December 31, 2022.

The capital structure of Olympia is managed and adjusted to reflect changes in economic conditions. In support thereof, management reviews the financial position of Olympia on a monthly and cumulative basis. Financing decisions are set based on the timing and extent of expected operating and capital cash outlays. Factors considered when determining capital and the amount of operational cash requirements are weighed against the costs associated with excess cash, its terms and availability and whether to issue equity. Olympia works towards managing its capital objectives to the extent possible while facing the challenges of market conditions. Olympia's capital management objectives have remained substantively unchanged over the periods presented.

8. LEASE LIABILITIES

The movement of the lease liabilities is shown below:

		December 31, 2022		December 31, 2021
Balance at January 1	$	1,411,581	$	1,038,286
Additions		174,508		1,283,810
Lease repayment		(230,881)		(970,347)
Non-cash interest		35,591		59,832
Available at the end of the year	$	1,390,799	$	1,411,581

The current portion as at December 31, 2022, is $0.39 million (December 31, 2021 – $0.18 million), with the non-current portion being $1.00 million (December 31, 2021 – $1.23 million). Included under administrative expenses are interest expenses related to the lease liabilities in the amount of $0.04 million for the year ended December 31, 2022 (December 31, 2021 – $0.06 million).

During the year ended December 31, 2022 Olympia entered into a new lease agreement for additional space at the Calgary head office. Fixed rent for the additional leased space began in November 2022. The remainder of the fixed rent will start in 2023.

9. OPERATING SEGMENTS

Olympia has six operating segments or divisions, of which five are business segments and offer different products and services and are managed separately because they require different technology and marketing strategies. The Corporate division is a cost centre and earns incidental revenue. For each of the divisions, Olympia's President, Chief Financial Officer and other executive management review internal management reports on a monthly basis.

Segment profit or loss is used to measure performance. Olympia's President and other executive management believe that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segmental transactions consist mainly of cost recoveries, which are recognized at cost. In addition, reportable segments are managed on a functional basis through regular reporting to the President and other executive management.

Olympia does not disclose a measure of segment assets, because the President and other executive management do not use this information to assess performance and allocate resources. Olympia reports net operating results for all operating segments to the President and other executive management. All other assets and liabilities are reported on a consolidated basis. Costs are allocated to segments based on usage.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Net operations for the year ended December 31, 2022

	Health	IAS	CGP	EE	CSS	Corporate	Total
Service revenue[1]	$ 8,382,546	$30,089,509	$ 7,951,919	$ 1,175,221	$ 2,591,698	$ 3,427	$50,194,320
Interest revenue & trust income	463,770	20,085,930	341,845	3,802	974,379	95,681	21,965,407
Direct expenses	(1,700,894)	(141,259)	(1,827,283)	(32,584)	(223,356)	-	(3,925,376)
	7,145,422	50,034,180	6,466,481	1,146,439	3,342,721	99,108	68,234,351
Administrative expenses	(3,851,802)	(31,273,505)	(5,924,135)	(1,932,061)	(2,997,901)	(343,314)	(46,322,718)
Bad debt (expense)/ recovery	(150)	(830,000)	-	(11,300)	6,371	-	(835,079)
Depreciation & amortization	(52,987)	(2,035,903)	(145,724)	(257,032)	(60,583)	-	(2,552,229)
Other gains/(losses), net (note 25)	(3,114)	(14,283)	43,983	(379)	(130)	45,040	71,117
Earnings/(loss) before income taxes	3,237,369	15,880,489	440,605	(1,054,333)	290,478	(199,166)	18,595,442
Income taxes (expense)/ recovery[2]	(1,120,867)	(3,694,848)	(102,514)	520,131	(67,584)	23,589	(4,442,093)
Net earnings/(loss)	$ 2,116,502	$12,185,641	$ 338,091	$ (534,202)	$ 222,894	$ (175,577)	$14,153,349

[1]Included in service revenue for the CSS division are fees of $99,000 for services provided by the EE division to an external client. These services, while provided by the EE division, are invoiced by the CSS division.

[2]No income tax adjustment has been made regarding the elimination of intercompany transactions.

Net operations for the year ended December 31, 2021

	Health	IAS	CGP	EE	CSS	Corporate	Total
Service revenue[1]	$ 8,046,633	$19,867,670	$10,007,421	$ 1,016,729	$ 2,424,566	$ 19,646	$41,382,665
Interest revenue & trust income	147,792	7,426,608	15,121	803	7,311	15,800	7,613,435
Direct expenses	(1,660,222)	(72,837)	(2,133,835)	(70,353)	(193,620)	-	(4,130,867)
	6,534,203	27,221,441	7,888,707	947,179	2,238,257	35,446	44,865,233
Administrative expenses	(3,843,039)	(18,754,320)	(5,632,521)	(1,827,100)	(2,479,907)	(171,222)	(32,708,109)
Bad debt (expense)/ recovery	(150)	(413,635)	-	(2,814)	1,703	-	(414,896)
Depreciation & amortization	(204,854)	(1,328,779)	(293,471)	(297,941)	(82,119)	-	(2,207,164)
Other (losses)/gains, net (note 25)	14,946	5,320	(1,253,131)	-	408	200,377	(1,032,080)
Earnings/(loss) before income taxes	2,501,106	6,730,027	709,584	(1,180,676)	(321,658)	64,601	8,502,984
Income taxes (expense)/ recovery[2]	(885,875)	(1,361,020)	(143,500)	418,188	65,049	(84,668)	(1,991,826)
Net earnings/(loss)	$ 1,615,231	$ 5,369,007	$ 566,084	$ (762,488)	$ (256,609)	$ (20,067)	$ 6,511,158

[1]Included in service revenue for the CSS division are fees of $109,000 for services provided by the EE division to an external client. These services, while provided by the EE division, are invoiced by the CSS division.

[2]No income tax adjustment has been made regarding the elimination of intercompany transactions.

Service revenue for the year ended December 31, 2022

	Health	IAS	CGP	EE	CSS	Corporate	Total
Account set-up and onboarding fees	$ -	$ 1,115,050	$ -	$ 120,889	$ 485,868	-	$ 1,721,807
Annual administration and health spending account fees	2,009,147	20,688,780	-	-	1,157,239	-	23,855,166
Monthly and transaction fees	5,821,856	7,400,178	201,311	1,037,932	948,591	-	15,409,868
Trading profits and losses	-	-	7,704,253	-	-	-	7,704,253
Travel and life insurance brokerage fees	521,518	400	-	-	-	-	521,918
Other	30,025	885,101	46,355	16,400	-	3,427	981,308
Service revenue	$ 8,382,546	$30,089,509	$ 7,951,919	$ 1,175,221	$ 2,591,698	$ 3,427	$50,194,320

No one customer represents more than 10% of a division's total revenue earned for the year ended December 31, 2022.

Service revenue for the year ended December 31, 2021

	Health	IAS	CGP	EE	CSS	Corporate	Total
Account set-up and onboarding fees	$ -	$ 1,036,550	$ -	$ 110,901	$ 376,532	$ -	$ 1,523,983
Annual administration and health spending account fees	1,733,325	12,886,386	-	-	813,282	-	15,432,993
Monthly and transaction fees	5,800,619	5,889,975	171,513	905,582	1,234,752	-	14,002,441
Trading profits and losses	-	-	9,814,040	-	-	-	9,814,040
Travel and life insurance brokerage fees	492,973	300	-	-	-	-	493,273
Other	19,716	54,459	21,868	246	-	19,646	115,935
Service revenue	$ 8,046,633	$19,867,670	$10,007,421	$ 1,016,729	$ 2,424,566	$ 19,646	$41,382,665

Revenue earned from one customer in the CGP division represents more than 10% of the CGP division's total revenue earned for the year ended December 31, 2021.

10. CASH AND CASH EQUIVALENTS

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

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

	December 31, 2022	December 31, 2021
Cash at bank and on hand	$ 8,365,991	$ 14,604,022
Non-restricted cash in circulation	-	502,602
	$ 8,365,991	$ 15,106,624

11. REVOLVING CREDIT FACILITY

As at December 31, 2022, Olympia has drawn $4.95 million (December 31, 2021 – $12.38 million) on its established credit facility. As at December 31, 2020, Olympia and Olympia Trust were provided with a $9 million and $6 million credit facility, respectively. During the year ended December 31, 2021, Olympia Trust closed its facility, and Olympia amended its to $15.00 million.

Amounts drawn for the year ended December 31, 2021, were used to facilitate the business combination with Computershare Trust Company of Canada.

The credit facility in place has a maximum amount of $15.00 million (December 31, 2021 – $15.00 million) and bears interest at the Canadian prime rate plus 0.25%. The credit facility is subject to quarterly review.

The credit facility is subject to certain covenants and other limitations that, if breached, could cause a default, which might result in a requirement for immediate repayment of all amounts outstanding. The credit facility contains a number of affirmative covenants, including maintaining specific security, maintaining a specific financial ratio, and maintaining a total consolidated tangible net worth of $12.00 million. Tangible net worth as at December 31, 2022 was $17.34 million. The financial ratio is a quarterly cash flow coverage ratio of not less than 1.50:1. At December 31, 2022, Olympia's cash flow coverage ratio under the terms of the credit facility was calculated to be 4.26:1 (December 31, 2021 – 2.27:1). Throughout 2022 and for the year ended December 31, 2022, Olympia was in compliance with all covenants.

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

Olympia also holds a demand credit facility with a US$6 million limit. This demand credit facility is only to be used to enter into spot, forward, or foreign exchange transactions with the issuing financial institution.

Credit facility	December 31, 2022	December 31, 2021
Maximum limit of line of credit	$ 15,000,000	$ 15,000,000
Drawn	(4,953,278)	(12,382,366)
Available at end of year	$ 10,046,722	$ 2,617,634

12. DERIVATIVE FINANCIAL INSTRUMENTS

	Fair value as at December 31, 2022	Notional amount as at December 31, 2022	Fair value as at December 31, 2021	Notional amount as at December 31, 2021
Current assets	$ 1,095,806	$ 33,515,785	$ 556,069	$ 38,081,100
Non-current assets (1–3 years)	$ -	$ -	$ -	$ -
Current liabilities	$ 792,043	$ 32,933,109	$ 273,550	$ 17,069,492
Non-current liabilities (1–3 years)	$ -	$ -	$ -	$ -

Olympia Trust has entered into foreign exchange contracts with its customers and currency suppliers. The expiry dates of the above derivatives vary between January 1, 2023 and October 25, 2023. Foreign exchange contracts with an expiration greater than one year remaining as at the reporting period, if any, would be classified as non-current.

Forward foreign exchange contracts are measured at fair value through profit or loss based on contractual maturities and are presented at their fair value on the balance sheet. Changes in fair values of forward foreign exchange contracts are recorded in "Other (gains)/losses, net" in the consolidated statements of net earnings and comprehensive income. The fair value of all forward foreign exchange contracts is based on current bid prices for their respective remaining terms to maturity in an active market. As at December 31, 2022, Olympia has margins held in Canadian dollars of $6.22 million (December 31, 2021 – $4.46 million).

For the year ended December 31, 2022, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into or out of Level 3 fair value measurements.

The three levels of fair value hierarchy, with respect to derivative financial instruments, are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly

Level 3 – Inputs that are not based on observable market data

The following table presents Olympia's derivative financial assets and liabilities measured at fair value and categorized by level according to the significance of the inputs used in making these measurements:

Recurring measurements

	December 31, 2022	Level 1	Level 2	Level 3
Financial assets – derivative financial instruments	$ 1,095,806	$ -	$ 1,095,806	$ -
Financial liabilities – derivative financial instruments	(792,043)	-	(792,043)	-
	$ 303,763	$ -	$ 303,763	$ -

Recurring measurements

	December 31, 2021	Level 1	Level 2	Level 3
Financial assets – derivative financial instruments	$ 556,069	$ -	$ 556,069	$ -
Financial liabilities – derivative financial instruments	(273,550)	-	(273,550)	-
	$ 282,519	$ -	$ 282,519	$ -

13. EQUIPMENT AND OTHER

December 31, 2022	Leasehold improvements	Computers and equipment	Furniture and fixtures	FX ATM equipment	Total
Cost					
At beginning of year	$ 3,130,112	$ 862,564	$ 857,454	$ 295,102	$ 5,145,232
Additions	169,132	160,318	49,166	-	378,616
Disposals	(2,957,994)	(142,902)	(559,079)	(295,102)	(3,955,077)
At end of year	**$ 341,250**	**$ 879,980**	**$ 347,541**	**$ -**	**$ 1,568,771**
Accumulated depreciation					
At beginning of year	$ 3,039,377	$ 661,683	$ 752,611	$ 237,960	$ 4,691,631
Disposals	(2,957,995)	(135,393)	(542,629)	(259,359)	(3,895,376)
Depreciation charge for the period	27,111	140,239	54,801	21,399	243,550
At end of year	**$ 108,493**	**$ 666,529**	**$ 264,783**	**$ -**	**$ 1,039,805**
Closing net book value	**$ 232,757**	**$ 213,451**	**$ 82,758**	**$ -**	**$ 528,966**

December 31, 2021	Leasehold improvements	Computers and equipment	Furniture and fixtures	FX ATM equipment	Total
At beginning of year	$ 3,046,572	$ 763,489	$ 984,083	$ 288,012	$ 5,082,156
Additions	83,540	100,635	56,135	7,090	247,400
Disposals	-	(1,560)	(182,764)	-	(184,324)
At end of year	**$ 3,130,112**	**$ 862,564**	**$ 857,454**	**$ 295,102**	**$ 5,145,232**
Accumulated depreciation					
At beginning of year	$ 2,740,957	$ 495,611	$ 854,498	$ 191,467	$ 4,282,533
Disposals	-	(1,560)	(164,111)	-	(165,671)
Depreciation charge for the year	298,420	167,632	62,224	46,493	574,769
At end of year	**$ 3,039,377**	**$ 661,683**	**$ 752,611**	**$ 237,960**	**$ 4,691,631**
Closing net book value	**$ 90,735**	**$ 200,881**	**$ 104,843**	**$ 57,142**	**$ 453,601**

During the year ended December 31, 2022, Olympia's lease ended at its former head office location. This leasehold improvement, and various furniture and equipment were disposed of as a result. The new office lease provided Olympia with the use of all office furniture belonging to the previous tenants.

14. INTANGIBLE ASSETS

December 31, 2022	Internally generated software	Computer software	Client list	Other	Total
Cost					
At beginning of year	$ 2,816,450	$ 1,731,324	$ 7,119,205	$ 27,305	$ 11,694,284
Additions	190,394	-	-	-	190,394
Disposals	-	(6,161)	-	-	(6,161)
At end of year	**$ 3,006,844**	**$ 1,725,163**	**$ 7,119,205**	**$ 27,305**	**$ 11,878,517**
Accumulated depreciation					
At beginning of year	$ 1,533,052	$ 1,441,439	$ 58,750	$ 27,305	$ 3,060,546
Depreciation charge for the year	475,705	134,720	1,423,841	-	2,034,266
Disposals	-	(6,160)	-	-	(6,160)
At end of year	**$ 2,008,757**	**$ 1,569,999**	**$ 1,482,591**	**$ 27,305**	**$ 5,088,652**
Closing net book value	**$ 998,087**	**$ 155,164**	**$ 5,636,614**	**$ -**	**$ 6,789,865**

December 31, 2021	Internally generated software	Computer software	Client list	Other	Total
Cost					
At beginning of year	$ 2,709,552	$ 1,731,324	$ -	$ 27,305	$ 4,468,181
Additions	106,898	-	7,119,205	-	7,226,103
At end of year	**$ 2,816,450**	**$ 1,731,324**	**$ 7,119,205**	**$ 27,305**	**$ 11,694,284**
Accumulated depreciation					
At beginning of year	$ 1,060,833	$ 1,087,917	$ -	$ 26,729	$ 2,175,479
Amortization charge for the year	472,219	353,522	58,750	576	$ 885,067
At end of year	**$ 1,533,052**	**$ 1,441,439**	**$ 58,750**	**$ 27,305**	**$ 3,060,546**
Closing net book value	**$ 1,283,398**	**$ 289,885**	**$ 7,060,455**	**$ -**	**$ 8,633,738**

Additions

The capital additions of $0.19 million relate to the continued development and enhancement of the Investment Account Services division’s mobile and web application and the development of the Exempt Edge division’s applications.

15. RIGHT-OF-USE ASSETS

	December 31, 2022		December 31, 2021	
Balance at January 1	$	1,075,624	$	539,142
Additions (note 8)		174,508		1,283,810
Depreciation		(274,413)		(747,328)
Available at the end of the year	$	975,719	$	1,075,624

The right-of-use assets pertain to lease properties under IFRS 16. These lease properties include the Calgary head office and the Vancouver office. During the year ended December 31, 2022 Olympia entered into a new lease agreement for additional space at the Calgary head office. These assets are depreciated over the term of the corresponding leases.

16. TRADE AND OTHER PAYABLES

	December 31, 2022		December 31, 2021	
Trade payables	$	457,216	$	109,184
Agents and commissions payable		214,504		223,649
Amounts due to related parties		140,371		291,561
Government taxes payable		620,910		155,835
	$	1,433,001	$	780,229

Government taxes payable includes amounts relating primarily to GST/HST and other indirect taxes specific to Olympia's business.

17. DEFERRED REVENUE

	December 31, 2022		December 31, 2021	
Annual health spending account fees	$	671,510	$	598,574
Annual corporate & shareholder services retainer fees		156,694		116,746
Annual EdgeLink service fee		6,625		900
	$	834,829	$	716,220

At December 31, 2022, deferred revenue totaled $0.83 million compared to $0.72 million as at December 31, 2021. This is comprised of annual fees that have been received by the Health division, the CSS division, and the EE division. The unearned portion of these annual fees is recognized as deferred revenue at the time of payment and revenue is recognized on a straight-line basis in relation to Olympia rendering these services.

18. OTHER LIABILITIES AND CHARGES

Other liabilities and charges	December 31, 2022		December 31, 2021	
Bonuses payable	$	1,023,223	$	415,087
General accruals		267,744		525,519
Vacation payable		243,113		174,783
Medical benefits payable		124,436		124,436
Professional fees accrual		88,633		433,177
Legal fees accrual		86,007		361,553
Other		-		9,069
Severance		30,000		82,131
	$	1,863,156	$	2,125,755

Professional fees includes amounts relating to services provided for audit, tax, and other engagements from financial service firms. Legal fees represents provisions for litigation and other legal matters, primarily within the IAS division.

19. SHARE CAPITAL AND CONTRIBUTED SURPLUS

	Number of common shares	Share capital		Contributed surplus		Total	
At January 1, 2022	2,406,336	$	7,886,989	$	86,373	$	7,973,362
Balance at December 31, 2022	**2,406,336**	**$**	**7,886,989**	**$**	**86,373**	**$**	**7,973,362**
At January 1, 2021	2,406,336	$	7,886,989	$	86,373	$	7,973,362
Balance at December 31, 2021	**2,406,336**	$	**7,886,989**	**$**	**86,373**	$	**7,973,362**

Olympia is authorized to issue an unlimited number of common shares without nominal or par value. (December 31, 2021 – unlimited common shares). All issued shares are fully paid.

20. INCOME TAXES

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

	December 31, 2022	December 31, 2021
Bad debts provision & other	$ 306,902	$ 316,229
Deferred revenue	193,388	165,912
Carrying amount of equipment higher than the tax basis	71,721	66,683
Unrecognized capital gains/(losses)	19,777	(19,970)
	$ 591,788	$ 528,854

b) Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The average annual rate used for the year ended December 31, 2022, was 23.5% (December 31, 2021 – 23.4%).

	December 31, 2022	December 31, 2021
Earnings before income tax	$ 18,595,442	$ 8,502,984
Anticipated income tax expense	4,433,236	2,017,311
Non-deductible expenses	5,919	(3,898)
Other	2,938	(21,587)
	$ 4,442,093	$ 1,991,826
Current tax expense	$ 4,505,027	$ 1,699,956
Deferred tax (recovery)/expense	(62,934)	291,870
Total	$ 4,442,093	$ 1,991,826

21. ADMINISTRATIVE EXPENSES

	December 31, 2022	December 31, 2021
Salaries, management fees & bonuses	$ 27,124,186	$ 18,793,841
General administration	10,305,486	8,442,963
Management compensation	5,503,367	2,399,182
Rent	1,103,758	1,055,160
Employee benefit expense (note 24)	2,285,921	2,016,963
	$ 46,322,718	$ 32,708,109

For the year ended December 31, 2022, salaries increased primarily within the IAS division. This was driven by various factors, including increased staffing to support the growth resulting from the business combination with Computershare, salary increases to combat the rising cost of living, and higher bonuses and management fees in line with financial performance in the IAS division.

Included in general administration is an increase of $0.34 million in legal fees and an increase of $0.63 million in consulting fees for the year ended December 31, 2022, when compared with the year ended December 31, 2021.

22. DIRECT EXPENSES

	December 31, 2022	December 31, 2021
Commission expense	$ 2,078,600	$ 2,401,901
Health trailer commissions	1,126,166	1,103,346
Service costs paid	720,610	625,620
	$ 3,925,376	$ 4,130,867

Commission expense decreased $0.32 million for the year ended December 31, 2022, when compared with the year ended December 31, 2021. This decrease is primarily the result of lower revenues and other earnings drivers within the CGP division.

23. BAD DEBT EXPENSE

	December 31, 2022	December 31, 2021
Bad debt expense	$ 835,079	$ 414,896
	$ 835,079	$ 414,896

During the year ended December 31, 2022, Olympia recorded $0.84 million in bad debt expense (December 31, 2021 – $0.41 million). Olympia records bad debts as incurred against allowance for doubtful accounts, and recognizes bad debt expense based on its calculation of expected credit losses. For the year ended December 31, 2022, actual write-offs, net of recoveries, were $0.71 million (December 31, 2021 - $0.38 million).

24. EMPLOYEE BENEFITS

	December 31, 2022	December 31, 2021
Medical benefits	$ 996,849	$ 916,266
Parking & other benefits	748,883	706,738
Share ownership assistance	404,259	374,243
Long-term service awards & education assistance	135,930	19,716
	$ 2,285,921	$ 2,016,963

The increase in employee benefits is directly attributable to the increase in head count during the 2022 fiscal year.

25. OTHER (GAIN)/LOSS, NET

	December 31, 2022	December 31, 2021
Unrealized foreign exchange (gain)/loss	$ (21,244)	$ 1,256,069
(Gain)/loss on disposal of assets and other	(138,022)	(137,162)
Unrealized (gain)/loss on FVPL assets	88,149	(86,827)
	$ (71,117)	$ 1,032,080

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

During the year ended December 31, 2022, Olympia recorded $0.21 million in gains relating to the sale of market securities.

26. EARNINGS PER SHARE

Basic and diluted

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

Year ended		**December 31, 2022**		December 31, 2021
Total net earnings	$	14,153,349	$	6,511,158
Weighted average number of shares (basic & diluted)		2,406,336		2,406,336
Basic & diluted earnings per share	$	5.88	$	2.71

27. DIVIDENDS PER SHARE

The aggregate dividends declared and paid for the year amounted to $7.60 million (December 31, 2021 – $6.64 million).

28. CHANGES IN NON-CASH WORKING CAPITAL

		December 31, 2022		December 31, 2021
Trade & other receivables	$	(8,875,273)	$	2,088,414
Current tax receivable		(15,851)		(161,168)
Current tax liability		973,417		(357,088)
Prepaid expenses		(637,130)		(3,368)
Inventory		42,338		7,090
Trade & other payables		652,772		(219,172)
Deferred revenue		118,609		165,344
Lease liability interest		35,592		59,832
Other liabilities & charges		(262,598)		163,194
	$	(7,968,124)	$	1,743,078

29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

		December 31, 2021		**Cash flows**		**December 31, 2022**
Revolving credit facility	$	12,382,366	$	(7,429,088)	$	4,953,278
	$	12,382,366	$	(7,429,088)	$	4,953,278

30. COMMITMENTS

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

		December 31, 2022
2023	$	425,602
2024		527,668
2025		477,572
2026		24,324
	$	1,455,166

31. CONTINGENCIES

Olympia is not a money lender nor does it guarantee or participate in loans or mortgages of any type, except in its capacity as trustee of conventional and syndicated mortgages.

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

32. RELATED PARTY TRANSACTIONS

Olympia's President and CEO owns and controls 29.54% of Olympia's shares. During the year, Olympia entered into transactions with the following related parties:

- Companies controlled by the President and CEO of Olympia;
- Companies controlled by directors of Olympia;
- Companies controlled by management of Olympia;
- Family members of the President, management and directors; and
- Key management and directors.

The following transactions with related parties were measured at the exchange amount, which is the amount of consideration agreed to by the parties:

Service revenue		December 31, 2022		December 31, 2021
Companies controlled by the President & CEO	$	1,951	$	30,220
	$	1,951	$	30,220

Service revenue from related parties totaled $1,951 for the year ended December 31, 2022 (December 31, 2021 – $30,220). This consisted mainly of revenue from legal services provided by Olympia's in-house general counsel to Tarman, a company controlled by the President and CEO, as well as sublease income of $nil from Exempt Experts (December 31, 2021 – $24,000), a company controlled by the President and CEO.

Interest revenue		December 31, 2022		December 31, 2021
Companies controlled by the President & CEO	$	45,299	$	32,114
	$	45,299	$	32,114

Interest revenue from related parties totaled $45,299 for the year ended December 31, 2022 (December 31, 2021 – $32,114), and consists of interest earned from the promissory note receivable.

Administrative Expenses	December 31, 2022	December 31, 2021
Companies controlled by the President & CEO (management fee)	$ 5,404,689	$ 2,210,242
Olympia Charitable Foundation	128,411	158,085
Companies controlled by the President & CEO	26,545	6,220
Companies controlled by directors of Olympia	46,257	57,694
	$ 5,605,902	$ 2,432,241

Administrative expenses paid to related parties totaled $5.61 million for the year ended December 31, 2022 (December 31, 2021 – $2.43 million), and consisted of the following:

- The Olympia Charitable Foundation is funded by Olympia and the employees of Olympia. Olympia's matched donation totaled $128,411 for the year ended December 31, 2022 (December 31, 2021 – $158,085).
- Management fees are paid to Tarman based on a percentage of pre-tax profits of Olympia's divisions, except for the Private Health Services Plan division, where the management fee is based on a percentage of health claims administered. These fees are for services provided as President and CEO of Olympia. For the year ended December 31, 2022, this amounted to $5.40 million (December 31, 2021 – $2.21 million).
- Fees paid to Olympia ATM Ltd., a company owned and controlled by Olympia's President and CEO, of $26,545 (December 31, 2021 – $6,220) for operating costs and maintenance services provided for Olympia's foreign exchange ATMs.
- Consulting fees were paid to a company controlled by a director of Olympia. For the year ended December 31, 2022, this amounted to $46,257 (December 31, 2021 - $57,694).

Trade & other receivables include amounts receivable from related parties	December 31, 2022	December 31, 2021
Companies controlled by the President & CEO (current)	$ 1,039,643	$ 182,783
Companies controlled by the President & CEO (non-current)	-	980,000
	$ 1,039,643	$ 1,162,783

Receivables from related parties totaled $1.04 million as at December 31, 2022 (December 31, 2021 – $1.16 million), and consisted mainly of the following:

- A receivable in the amount of $45,123 (December 31, 2021 – $42,108) from Tarman, a company controlled by Olympia's President and CEO, reflects legal services provided and cost recoveries relating to accounting and other administrative services provided.
- A receivable in the amount of $14,520 (December 31, 2021 – $675) from Olympia ATM Ltd., a company controlled by the President and CEO, for expense recoveries relating to accounting and other administrative services provided.
- A receivable in the amount of $0.98 million (December 31, 2021 – $1.12 million) from Tarman, a company controlled by Olympia's President and CEO, for the sale of Olympia ATM Inc. to Tarman ATM Inc. ("Tarman").

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

The sale of the ATM business to Tarman, a corporation owned and controlled by Rick Skauge, was a related party transaction, as defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, but was exempted from Olympia obtaining disinterested shareholder approval and a formal valuation as the fair market value of the proposed transaction was less than 25% of Olympia's market capitalization.

An ad hoc committee composed solely of the independent members of Olympia's Board of Directors was constituted to consider and approve the sale of the ATM business to Tarman. As part of its deliberations, the ad hoc committee of the Board of Directors noted the continuing losses of approximately $120,000 per month in the ATM business and acknowledged that while the ATM business still had the potential to grow and expand, it was unlikely to become profitable in the near future. Given the immediate financial benefits that the sale of the ATM business would have for Olympia and the uncertain timelines to profitability, the ad hoc committee believed the sale of the ATM business to be in the best interest of Olympia. The ad hoc committee of the Board of Directors obtained a fairness comfort letter stating that the proposed transaction was fair to the disinterested shareholders of Olympia. In addition, following the public disclosure of the transaction, Olympia received an unsolicited expression of interest in the ATM business from a third party. Olympia permitted the third party to conduct a due diligence review and valuation of the ATM business and received an offer to purchase the ATM business from the third party that was economically comparable to the offer made by Tarman.

Trade and other payables and provision for other liabilities and charges include amounts payable to related parties		**December 31, 2022**		December 31, 2021
Companies controlled by the President & CEO	**$**	**407,545**	$	161,957
Family members of the President & CEO		**291,495**		77,750
Directors' fees		**105,214**		51,854
Companies controlled by directors of Olympia		**21,000**		18,507
	$	**825,254**	$	310,068

Payables to related parties totaled $825,254 as at December 31, 2022 (December 31, 2021 – $310,068), and consisted mainly of the following:

- A payable in the amount of $35,157 (December 31, 2021 – $36,889) to Tarman, a company controlled by the President and CEO of Olympia, for commissions related to the sale of health plans offered by Olympia Benefits.
- A management fee payable in the amount of $372,388 (December 31, 2021 – $125,068) to Tarman, a company controlled by the President and CEO of Olympia, based on a percentage of pre-tax profits of Olympia's divisions.
- An amount payable to the Executive Vice President, a party related to the President and CEO, for bonuses earned of $291,495 (December 31, 2021 – $77,750).
- A payable for directors' fees of $105,214 (December 31, 2021 – $51,854).
- A payable to a company controlled by a director of Olympia $21,000 (December 31, 2021 - $18,507).

These payables are all current.

Effective September 1, 2022, Olympia Trust and Olympia Benefits entered into a bill of sale agreement with Olympia ATM Ltd., a company owned and controlled by Olympia's President and CEO. Olympia Benefits received proceeds of $40,000 for all remaining ATM assets which, based on the net book value of the assets, resulted in a $4,256 gain on sale. Olympia Trust received proceeds of $60,000 for the contracts in place, which was accounted for as other income.

Key management compensation

Compensation paid to key management is included in Note 21. Key management includes the Board of Directors and executive team members from Olympia Benefits, Olympia Trust, and Olympia. Olympia uses management and/or employment contracts as a means to incent certain executives to maximize the profitability of their applicable business units and the profitability of Olympia as a whole. The compensation paid or payable to key management is shown in the following table:

		December 31, 2022		December 31, 2021
Salaries, bonuses & profit sharing	**$**	**7,435,661**	$	3,801,213
Management fees		**5,503,367**		2,399,182
Directors fees		**309,817**		207,437
Short-term employee benefits		**285,100**		272,771
	$	**13,533,945**	$	6,680,603

33. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Olympia classifies the following financial assets as fair value through profit or loss (FVPL):

- Equity investments that are held for trading; and
- Equity investments for which Olympia has not elected to recognize fair value gains and losses through other comprehensive income.

	December 31, 2022		December 31, 2021	
Canadian equity securities (current)	$	-	$	236,886
Canadian equity securities (non-current)		96,472		98,974
Total financial assets at fair value through profit or loss	$	96,472	$	335,860

The following table represents transfers between levels for the year ended December 31, 2022.

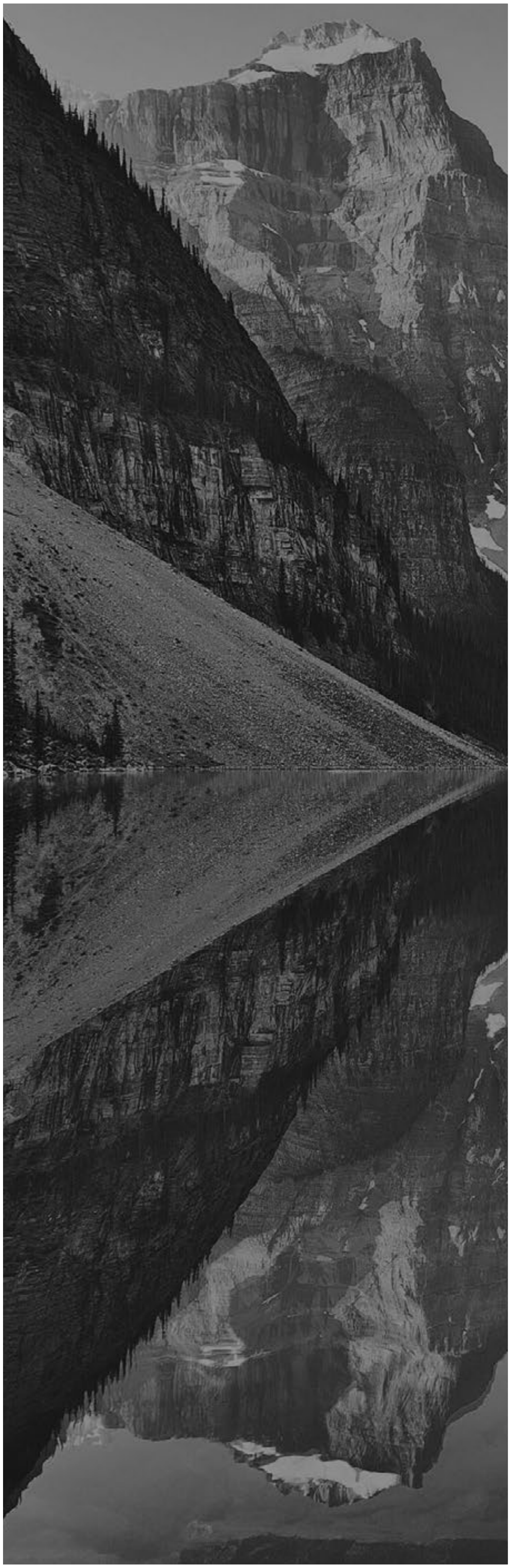
		Level 1		Level 2		Level 3		Total
Opening balance	$	236,886	$	-	$	98,974	$	335,860
Purchases		-		-		-		-
Sales		(147,323)		-		(3,916)		(151,239)
Transfers from level 3 into level 1		-		-				-
Net gains/(losses) recognized in other gains/(losses)		(89,563)		-		1,414		(88,149)
Total financial assets at fair value through profit and loss	$	-	$	-	$	96,472	$	96,472

During the year ended December 31, 2022, Olympia Financial Group sold its Level 1 common shares in a Canadian corporation for proceeds of $352,624, resulting in a realized gain of $205,301.

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

The following table represents transfers between levels for the year ended December 31, 2021.

		Level 1		Level 2		Level 3		Total
Opening balance	$	-	$	-	$	72,566	$	72,566
Purchases		-		-		184,657		184,657
Sales		-		-		(8,190)		(8,190)
Transfers from Level 3 into Level 1		147,323		-		(147,323)		-
Net gains/(losses) recognized in other gains/(losses)		89,563		-		(2,736)		86,827
Total financial assets at fair value through profit and loss	$	236,886	$	-	$	98,974	$	335,860



CORPORATE INFORMATION

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Craig Skauge

Brian Newman[1 2 3 4 5 6]

Gerard Janssen[1 2 3 4 5 6]

Paul Kelly[1 2 3 4 5 6]

Tony Balasubramanian[5]

Tony Lanzl

Board Committees

[1] Audit Committee

[2] Corporate Governance Committee

[3] Executive Compensation Committee

[4] Investment Committee

[5] Risk Management Committee

[6] Compliance Committee

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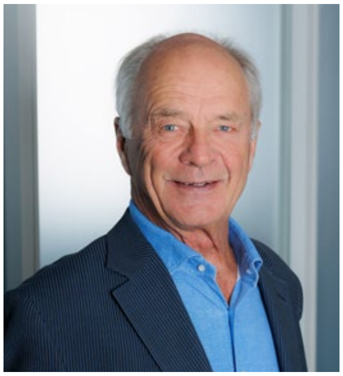
THE EXECUTIVE TEAM



RICK SKAUGE
President and Chief Executive Officer

CRAIG SKAUGE
Executive Vice President
President, Olympia Trust Company
President, Exempt Edge

JENNIFER URSCHELER
Chief Financial Officer

ROBIN FRY
Chief Executive Officer, Olympia Benefits Inc.

KEN FRY
President, Olympia Benefits Inc.

NEIL MCCULLAGH
Executive Vice President, Currency and Global Payments

ANDREA GILLIS
Executive Vice President, Securities Investment Account Services

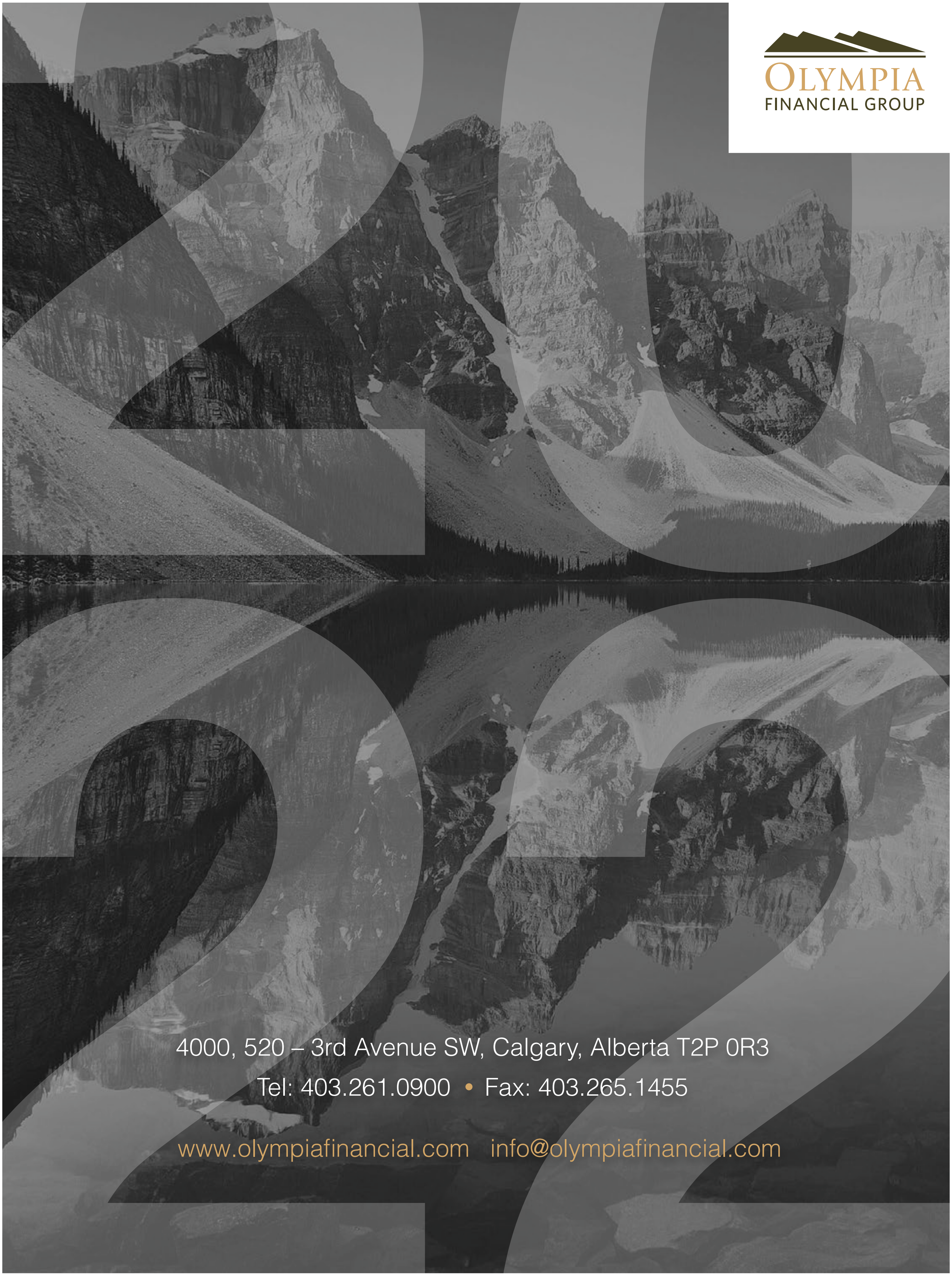
KELLY REVOL
Executive Vice President, Mortgages Investment Account Services

STEPHEN PRESTON
Executive Vice President, Exempt Edge

DEAN NAUGLER
Executive Vice President, Corporate and Shareholder Services

JONATHAN BAHNUIK
General Counsel

RYAN MCKENNA
Chief Information Officer



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