



ANNUAL REPORT

2023

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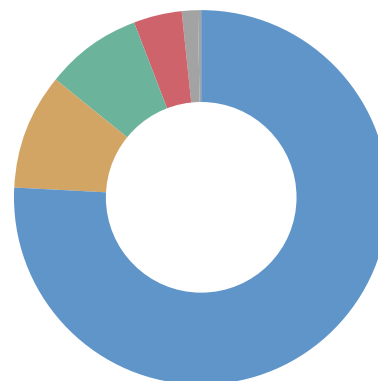
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FINANCIAL HIGHLIGHTS

Results from operations for the year ended December 31, 2023, when compared to the year ended December 31, 2022:

- Total net earnings and comprehensive income increased 69% to \$23.96 million from \$14.15 million.
- Total revenue increased 38% to \$99.82 million from \$72.16 million, mainly due to an increase in trust income in the Investment Account Services division.
- Service revenue decreased 5% to \$47.88 million from \$50.19 million, mainly due to the decreased annual fee for the 2023 year in the Investment Account Services division.
- Trust, interest, and other income increased more than 100% to \$51.94 million from \$21.97 million, due to higher interest rates on trust fund placements made over the previous 12 months. The Canadian prime rate at December 31, 2023, was 7.20% (December 31, 2022 - 6.45%).
- Direct and administrative expenses (excluding depreciation and amortization) increased 30% to \$65.41 million from \$50.25 million, mainly due to higher bonuses, and management fees within the Investment Account Services division, resulting from increased revenues.
- Other gains, net, increased more than 100% to \$0.44 million from \$0.07 million, mainly due to the Currency and Global Payments division recording a \$0.44 million unrealized foreign exchange forward contract gain for the year ended December 31, 2023. This compares to a \$0.02 million unrealized foreign exchange forward contract gain in the year ended December 31, 2022.
- Earnings before income tax increased 70% to \$31.59 million from \$18.60 million.
- Income tax expense is recognized based on the estimated average annual income tax rate for the full financial year. A tax rate of 24.0% was used for the year ended December 31, 2023. The rate used as at December 31, 2022 was 23.5%.
- Basic and diluted earnings per share attributable to shareholders of Olympia increased 69% to \$9.96 per share from \$5.88 per share.

TOTAL REVENUE BY DIVISION (%)



	2023	2022
• Investment Account Services	76%	70%
• Private Health Services	10%	12%
• Currency and Global Payments	9%	11%
• Corporate and Shareholder Services	4%	5%
• Exempt Edge	1%	2%



Jeny celebrating 15 years at Olympia

EXECUTIVE LETTER

One of the concluding statements of the President's Letter in our 2022 Annual Report was: *"2023 looks to be another great year for the company as we have yet to experience the full impact of increasing interest rates"*. To say that came to fruition would be a huge understatement! In addition to realizing the full impact of interest rate increases that occurred in 2022, the Bank of Canada increased interest rates two additional times in 2023, which only improved what was already a great year. Past years spent building a leading market position in the Canadian private capital markets and a substantial client base has allowed us to reap the benefit of these interest rate increases. Our revenue, including gains, surpassed \$100,000,000 for the first time and both our profits and stock price hit new heights as well.

We anticipate that interest earnings in 2024 will be comparable to 2023. Although economists are projecting a decline in interest rates at some point in 2024, our exposure to such a decline would be delayed due to the laddered nature of our trust fund placements. Trust funds are placed with highly rated financial institutions with a set interest rate for a period of 12 to 24 months. In addition, due to the profit-sharing nature of certain executive contracts, we are further positioned to not feel the entire impact of any future decline in interest rates.

As has been the case as far back as most can remember, our Investment Account Services Division ("IAS") was our lead performer both in terms of revenue and profitability. After hiring and training the additional staff needed as a result of the two acquisitions made in late 2021, 2023 saw IAS fully regain its footing as the premier service provider to those looking to invest their retirement savings in private securities and arms-length mortgages. After increasing our annual fee to \$175 in 2022, we reduced it back to \$150 for 2023. While this had a negative effect on our service revenue, the additional revenue from the increase in interest rates, allowed IAS to still have a record year. In 2023, IAS accounted for 76% of revenue and 88% of Olympia's net earnings.

Sometimes to understand the true value of a business, you have to look beyond the raw numbers. Exempt Edge ("EE") is one such case. While after many years in business EE has yet to reach profitability, something we still hope to attain this year, it has been an invaluable asset for Olympia and an important part of our larger vision. Most IAS' customers are exempt market dealers ("EMD") that sell securities issued by private issuers ("issuers") that are not listed on any public markets. While rules governing EMDs have been in place (and evolving) for the past 13 years, they are still relatively new. For a new market to grow and prosper, it needs to run efficiently. That is where EE comes in. EE has developed and refined the preeminent back-office system for both EMDs and issuers. Equally, if not more important, the EE team has developed a robust interchange known as Edgelink

where these market participants, and Olympia's IAS and CSS divisions, can seamlessly and securely exchange transaction and other data that historically was only done via email and paper. This has not only helped entrench Olympia's overall market position but has made the market itself run much more efficiently while attracting new participants that often eventually work with IAS and CSS too. While EE's numbers may appear immaterial from Olympia's overall picture, it is a very important and strategic puzzle piece, which we see becoming only more valuable. Edgelink processed nearly 8,000 client purchases in 2023 totaling \$557,000,000 in invested funds, something far more impactful than what the numbers within this report show.

Our Corporate and Shareholder Services ("CSS") division enjoyed its first year of profitability in 2022 and remained profitable in 2023. In 2023, CSS' revenue grew at a respectable pace, and it was appointed as transfer agent for more than 40 new clients. CSS is launching a differentiated fee model in 2024, the likes of which have not been marketed east of British Columbia. We are optimistic that this will help attract new customers and improve the division's client growth rate. In addition, CSS and EE have recently undergone significant work to integrate the different technological platforms used by each of the divisions. This should significantly increase operational efficiencies for some of our largest customers and will likely attract new ones. Finally, CSS intends to re-launch the offering of employee share ownership plans ("ESOPs") administration in 2024 as there has been numerous inquiries made by companies looking to change their current ESOP administrators.

Olympia's Private Health Services Plan ("Health") division, which provides private health plan administration to small and medium businesses, was our second highest earning division in 2023 as it was in 2022. Despite absorbing a one-time cost of approximately \$500,000, its earnings were still up 31% year over year. Sales numbers continued to grow at an impressive rate, and it continues to make efforts to better understand its core customer base and further increase its already successful online presence. Nearly all of Health's new clients sign up and submit claims online. This is a much more efficient process for both Olympia and its clients, reducing overhead and decreasing turnaround times on claims. 2024 will see Health rebuild its website and database to allow it to continue to grow and efficiently serve its growing digital customer base.

Olympia's Currency and Global Payments ("CGP") division had a significant increase in net earnings as compared to the 2022 year. This increase can be mainly attributed to higher trust income. These increases were partially offset by lower service revenue, as client activity declined in 2023 when compared to 2022. Overall revenue still managed to grow at a respectable rate and CGP found multiple cost savings as well. On January

1, 2024, CGP's business was transferred out of Olympia Trust Company and into a wholly owned subsidiary of Olympia, Olympia Currency & Global Payments Inc. This change allows CGP to market its services in Ontario, giving it access to a much larger pool of potential clients and employees. Despite moving out of Olympia Trust Company, client cash placed as security for the contractual performance of foreign exchange contracts will continue to be securely held by Olympia Trust Company.

Despite the economy being tougher on most, including our employees, this past year Olympia Charitable Foundation raised a record amount of funds for the communities in which we work and play. When the going gets tough, the tough truly get going! These funds are donated to staff requested charities once they

have gone through a thorough review process by an internal staff led review committee. We are exceedingly proud of our staff for their generosity during these challenging times and it is the pleasure of Olympia's President and Executive Vice President to match employee contributions which are in turn matched by Olympia itself.

This has been a great year to be an Olympia shareholder. On January 2, 2023, our share price was \$69.00 and on December 29, 2023, our share price was \$96.00, a gain of 39% for the year. The company also announced two increases of our monthly dividend: one increase in March of 10 cents per share and another increase in September of 15 cents per share. We look forward to all our divisions continuing to grow and prosper.



A handwritten signature in black ink, appearing to read 'Rick Skauge'.

Rick Skauge
President and Chief Executive Officer



A handwritten signature in black ink, appearing to read 'Craig Skauge'.

Craig Skauge
Executive Vice President

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, 2023.

This MD&A should be read in conjunction with Olympia's audited consolidated financial statements ("consolidated financial statements") for the year ended December 31, 2023 and December 31, 2022, as well as the MD&A found in Olympia's 2022 Annual Report, together with the audited consolidated financial statements and accompanying notes for the years ended December 31, 2022 and 2021. These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS").

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 29, 2024. Additional information about Olympia, including quarterly and annual reports, is available on Olympia's website at www.olympiafinancial.com and on SEDAR at www.sedarplus.ca.

Cautionary note regarding forward-looking statements

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or Olympia's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek," "anticipate," "plan," "continue," "estimate," "expect," "may," "will," "project," "predict," "propose," "potential," "targeting," "intend," "could," "might," "should," "believe," and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ 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



Celebrating the launch of our new intranet platform

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. (“Olympia Benefits”), 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, 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. Olympia Investor Services Inc. was dissolved effective December 12, 2023 with no operations since inception. Olympia Currency and Global Payments Inc. commenced operations on January 1, 2024 when it took over managing the business of the CGP division.

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.

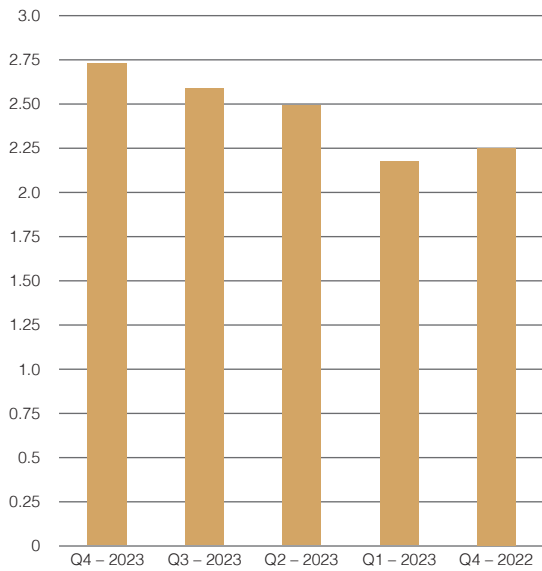
Quarterly Summary

(\$ thousands)	Dec. 31 2023	Sep. 30 2023	Jun. 30 2023	Mar. 31 2023	Dec. 31 2022	Sep. 30 2022	Jun. 30 2022	Mar. 31 2022
Service revenue	12,106	12,013	11,916	11,840	12,353	12,379	13,170	12,292
Trust, interest & other income	13,596	13,385	13,182	11,778	8,996	6,424	3,916	2,629
Expenses	(17,289)	(17,293)	(17,116)	(16,965)	(14,588)	(13,341)	(13,665)	(12,041)
Other gains/(losses), net	197	80	(71)	232	104	(209)	42	134
Earnings before income taxes	8,610	8,185	7,911	6,885	6,865	5,253	3,463	3,014
Net earnings	6,542	6,219	5,967	5,228	5,403	3,978	2,492	2,280
Per share attributable to shareholders of Olympia – basic & diluted (\$)	2.72	2.58	2.48	2.17	2.25	1.65	1.04	0.95
Dividends per share (\$)	1.80	1.50	1.35	1.15	0.89	0.81	0.77	0.69

Overview and financial highlights for the three-month period ended December 31, 2023, when compared to the three-month period ended December 31, 2022

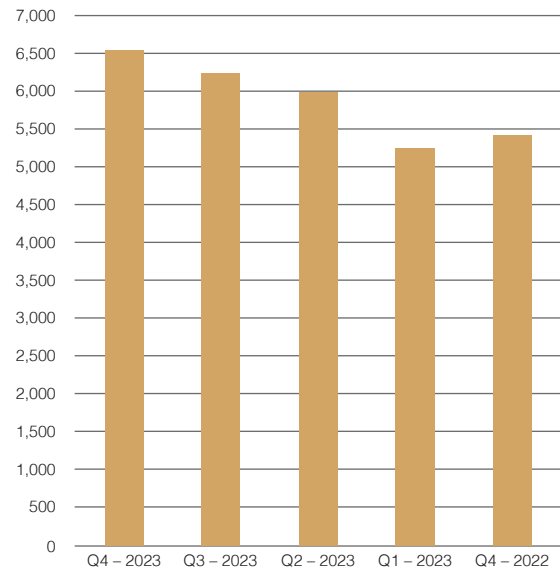
- Total net earnings and comprehensive income increased 21% to \$6.54 million from \$5.40 million.
- Total revenue increased 20% to \$25.70 million from \$21.35 million, mainly due to increased trust income in the IAS division.
- Service revenue decreased 2% to \$12.11 million from \$12.35 million, mainly due to the decreased annual fee for the 2023 year in the IAS division.
- Trust, interest and other income increased 51% to \$13.60 million from \$9.00 million, mainly due to higher interest rates on funds held in trust over the previous 12 months. The Canadian prime rate was 7.20% as at December 31, 2023 compared to 6.45% on December 31, 2022.
- Direct and administrative expenses (excluding depreciation and amortization) increased 25% to \$16.89 million from \$13.56 million, mainly due to higher bonuses, and management fees paid in the IAS division, resulting primarily from increased revenues.
- Other gains/(losses), net, increased 100% to \$0.20 million from \$0.10 million, as a result of the CGP division recording an unrealized foreign exchange forward contract gain for the three months ended December 31, 2023.
- Income tax expense is recognized based on the estimated average annual income tax rate for the full financial year. A tax rate of 24.0% was used for the three months ended December 31, 2023. The rate used as at December 31, 2022 was 23.5%.
- Earnings before income tax increased 25% to \$8.61 million from \$6.87 million.
- Basic and diluted earnings per share attributable to shareholders of Olympia increased 21% to \$2.72 per share from \$2.25 per share.

EPS PER QUARTER (\$)



Q4 - 2023	2.72
Q3 - 2023	2.58
Q2 - 2023	2.48
Q1 - 2023	2.17
Q4 - 2022	2.25

NET EARNINGS PER QUARTER (\$ 000)



Q4 - 2023	6,542
Q3 - 2023	6,219
Q2 - 2023	5,967
Q1 - 2023	5,228
Q4 - 2022	5,403



Objectives for 2024

Management has set the following major objectives for 2024:

- Maintain dominance of Investment Account Services division in the provision of self-directed investment accounts services to private market securities investors and grow presence in junior public market
- Grow the Corporate and Shareholder Services division with the entry into Employee Share Ownership Plan (“ESOP”) administration
- Expand into the Ontario foreign exchange market, increase currency and product offerings, and improve PayFX platform in Olympia Currency and Global Payments Inc. (“OCGP”)
- Develop a new website and database for the Health division
- Grow Exempt Edge’s monthly recurring revenue and continue to expand the EdgeLink ecosystem user base

Maintain dominance of Investment Account Services division in the provision of self-directed investment accounts services to private market securities investors and grow presence in junior public market

IAS will continue to focus on increasing the usage of its client and agent web portals, and usage of mortgage document review software for investment purchases. This will help improve operational efficiencies while allowing IAS to continue its delivery of exceptional client service. IAS will strive to maintain its dominance in the provision of self-directed investment accounts services to private market securities investors.

IAS will explore growing its presence in junior public markets by creating awareness of prospectus exemptions and tax laws applicable to convertible debt securities. IAS will also pursue software integration with clients and strategic partners and focus on the growth of non-registered accounts.

Grow the Corporate and Shareholder Services division with the entry into ESOP administration

CSS will continue to build on its client base and promote its transfer agent and trustee services for private and publicly listed issuers. CSS will also expand its service offering to include ESOP administration services and will continue to explore synergies with other divisions of Olympia.

Expand into the Ontario foreign exchange market, increase currency and product offerings, and improve PayFX platform in OCGP

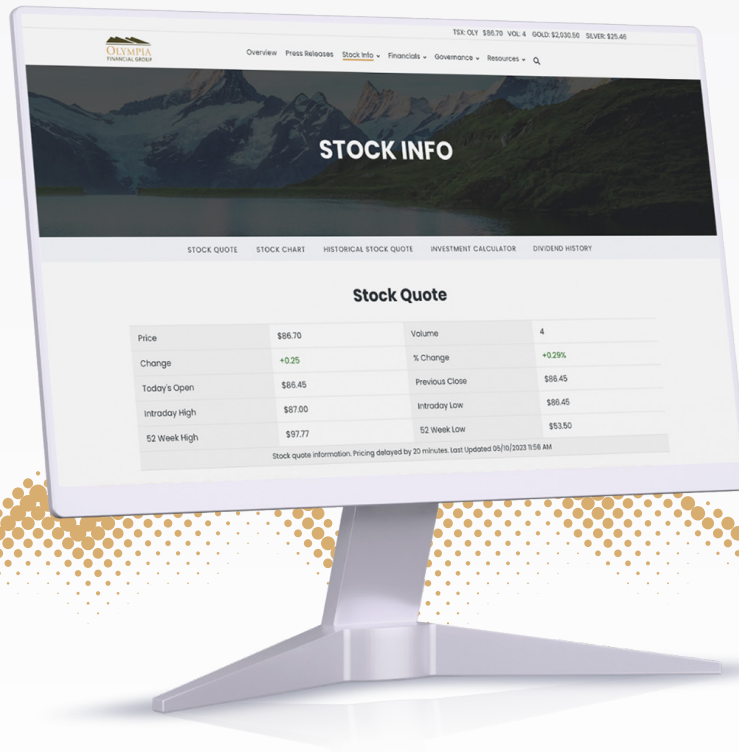
As a wholly owned subsidiary of the Corporation, OCGP can solicit Ontario clients for the first time. In preparation for this opportunity OCGP has grown its sales, compliance and payments functions and is well positioned to expand into the Ontario market. OCGP anticipates that it will enhance the functionality of its PayFX platform to allow clients better functionality and controls when booking transactions and sending payments. Throughout 2024, OCGP intends to add additional currency partners that will increase its product scope and available currencies.

Develop a new website and database for the Health division

Health will work throughout 2024 and 2025 to develop a new website and database that will provide stability and offer new avenues for marketing health plans. The new website and database will be user friendly, provide better access to data and will leverage technologies to improve the client experience. This objective will position the Health to grow its client base and improve revenue.

Grow Exempt Edge’s monthly recurring revenue and continue to expand the EdgeLink ecosystem user base

EE will explore emerging opportunities to expand the reach of its products while continuing to grow its user base of issuers and dealers. A strategic marketing campaign will be launched to increase the adoption of EdgeLink, the ecosystem for the private capital market of Canada.



OLYMPIA INVESTOR RELATIONS

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

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

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

FINANCIAL ANALYSIS

Consolidated Balance Sheets as at

	December 31, 2023	December 31, 2022
ASSETS		
Current assets		
Cash & cash equivalents	\$ 10,917,732	\$ 8,365,991
Trade & other receivables	25,642,207	15,692,392
Prepaid expenses	2,253,327	2,362,756
Promissory note receivable	-	980,000
Derivative financial instruments	1,196,431	1,095,806
Current tax receivable	-	15,851
Total current assets	\$ 40,009,697	\$ 28,512,796
Non-current assets		
Equipment & other	\$ 583,145	\$ 528,966
Intangible assets	5,185,038	6,789,865
Right-of-use assets	642,108	975,719
Financial assets at fair value through profit or loss	89,503	96,472
Deferred tax assets	762,538	591,788
Total non-current assets	\$ 7,262,332	\$ 8,982,810
Total assets	\$ 47,272,029	\$ 37,495,606
LIABILITIES		
Current liabilities		
Trade & other payables	\$ 1,460,157	\$ 1,433,001
Deferred revenue	939,479	834,829
Other liabilities & charges	2,313,420	1,863,156
Revolving credit facility	2,565,889	4,953,278
Lease liabilities	506,021	389,348
Derivative financial instruments	451,205	792,043
Current tax liability	3,218,794	905,961
Total current liabilities	\$ 11,454,965	\$ 11,171,616
Lease liabilities	\$ 495,434	\$ 1,001,451
Total liabilities	\$ 11,950,399	\$ 12,173,067
EQUITY		
Share capital	\$ 7,886,989	\$ 7,886,989
Contributed surplus	86,373	86,373
Retained earnings	27,348,268	17,349,177
Total equity	\$ 35,321,630	\$ 25,322,539
Total equity & liabilities	\$ 47,272,029	\$ 37,495,606

Cash and cash equivalents

Olympia continues to generate cash from its core businesses. As at December 31, 2023, cash reserves increased by 30% to \$10.92 million (December 31, 2022 – \$8.37 million). This increase is mainly the result of the receipt of trust income during the year ended December 31, 2023.

Olympia's cash is placed with Canadian financial institutions where it generates interest. Cash and cash equivalents comprise 27% of the total current assets of Olympia as at December 31, 2023, compared to 29% as at December 31, 2022.

Trade and other receivables

Trade and other receivables are comprised largely of interest receivable on funds placed with financial institutions of \$23.75 million (December 31, 2022 - \$12.48 million) and receivables from the Investment Account Services division's clients.

Olympia has allowances for doubtful accounts of \$1.04 million for the year ended December 31, 2023, compared to \$1.42 million as at December 31, 2022. Management is committed to a policy of closely monitoring risk and exposure in this area and is actively pursuing past due accounts through its internal collection process.

Promissory note receivable

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

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

Forward foreign exchange contracts

Olympia purchases forward foreign exchange contracts when its CGP 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 or 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 \$1.20 million as at December 31, 2023 (December 31, 2022 - \$1.10 million), and a forward foreign exchange contract liability of \$0.45 million as at December 31, 2023 (December 31, 2022 - \$0.79 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 CGP 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 \$0.26 million relate to the development of the EE division's applications.

Current liabilities

The breakdown of Olympia's trade and other payables consists of government taxes (39%), trade payables (26%), amounts due to agents and commission payable (13%), and amounts due to related parties (22%).

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

Deferred revenue

At December 31, 2023, deferred revenue totaled \$0.94 million compared to \$0.83 million as at December 31, 2022. This is comprised primarily of annual fees billed by the Health, EE, and CSS divisions. The unearned portion of these annual fees is recognized as deferred revenue at the time of billing and revenue is recognized on a straight-line basis in relation to Olympia rendering these services.

Employee Share Ownership Plan

Olympia has established an Employee Share Ownership Plan. Under this plan, Olympia contributes \$1 for every \$1 contributed by an employee up to a maximum that is based on the employee's earnings and years of service. The employee and Olympia contributions are used to purchase common shares of Olympia through the facilities of the TSX. Olympia's contribution is included as an administrative expense in the consolidated statements of net earnings and comprehensive income and amounted to \$0.59 million for the year ended December 31, 2023 (December 31, 2022 – \$0.40 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 31 of the consolidated financial statements for the year ended December 31, 2023, for disclosure on Olympia's related party transactions.

Olympia's president and CEO owns and controls 29.55% 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 Trust;
- 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, 2023	December 31, 2022
Companies controlled by the President & CEO	\$ 1,317	\$ 1,951
	\$ 1,317	\$ 1,951

Service revenue from related parties totaled \$1,317 for the year ended December 31, 2023 (December 31, 2022 – \$1,951). 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.

Interest revenue	December 31, 2023	December 31, 2022
Companies controlled by the President & CEO	\$ 22,231	\$ 45,299
	\$ 22,231	\$ 45,299

Interest revenue from related parties totaled \$22,231 for the year ended December 31, 2023 (December 31, 2022 – \$45,299), and consists of interest earned from the promissory note receivable.

Administrative expenses	December 31, 2023	December 31, 2022
Companies controlled by the President & CEO (management fee)	\$ 10,066,893	\$ 5,404,689
Olympia Charitable Foundation	164,071	128,411
Companies controlled by Directors of Olympia	30,690	46,257
Companies controlled by the President & CEO	-	26,545
	\$ 10,261,654	\$ 5,605,902

Administrative expenses paid to related parties totaled \$10.26 million for the year ended December 31, 2023 (December 31, 2022 – \$5.61 million), and consisted of the following:

- The Olympia Charitable Foundation is funded by Olympia and the employees of Olympia. Olympia's matched donation totaled \$164,071 for the year ended December 31, 2023 (December 31, 2022 – \$128,411).
- Management fees are paid to Tarman based on a percentage of pre-tax profits of Olympia's divisions, except for the Health 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, 2023, this amounted to \$10,066,893 (December 31, 2022 - \$5,404,689).
- Fees paid to Olympia ATM Ltd., a company controlled by Olympia's president and CEO, of \$nil (December 31, 2022 - \$26,545) 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, 2023, this amounted to \$30,690 (December 31, 2022 - \$46,257).

Trade and other receivables include amounts receivable from related parties	December 31, 2023	December 31, 2022
Companies controlled by the President & CEO	\$ 55,690	\$ 1,039,643
	\$ 55,690	\$ 1,039,643

Receivables from related parties totaled \$0.06 million as at December 31, 2023 (December 31, 2022 – \$1.04 million), and consisted mainly of the following:

- A receivable in the amount of \$53,995 (December 31, 2022 – \$45,123) from Tarman, a company controlled by Olympia's president and CEO, for cost recoveries relating to accounting and other administrative services provided.
- A receivable in the amount of \$1,695 (December 31, 2022 – \$14,520) 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 \$nil (December 31, 2022 – \$980,000) from Tarman, a company controlled by Olympia's president and CEO, for the sale of Olympia ATM Inc. to 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 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 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 was required to repay the outstanding principal amount of the promissory note in annual installments of \$140,000 on or before the 30th day of June of each calendar year, with the outstanding balance of the principal amount to be repaid in full on or before June 30, 2023. As at June 30, 2023, the promissory note had been repaid in full, together with all accrued interest.

Trade and other payables and provision for other liabilities and charges include amounts payable to related parties	December 31, 2023	December 31, 2022
Companies controlled by the President & CEO	\$ 435,460	\$ 407,545
Family members of the President & CEO	262,151	291,495
Directors' fees	149,505	105,214
Companies controlled by Directors of Olympia	4,650	21,000
	\$ 851,766	\$ 825,254

Payables to related parties totaled \$0.85 million as at December 31, 2023 (December 31, 2022 – \$0.83 million) and consisted mainly of the following:

- A payable in the amount of \$51,093 (December 31, 2022 – \$35,157) 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 \$384,367 (December 31, 2022 – \$372,388) to Tarman, a company controlled by the president and CEO of Olympia, based on a percentage of pre-tax profits of Olympia Trust's divisions.
- An amount payable to the executive vice president, a party related to the president and CEO, for bonuses earned of \$262,151 (December 31, 2022 - \$291,495).

Key management compensation

Compensation paid to key management is included in notes 20 and 31 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

- A payable for directors' fees of \$149,505 (December 31, 2022 – \$105,214).
- A payable to a company controlled by a director of Olympia \$4,650 (December 31, 2022 - \$21,000).

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.

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, 2023	December 31, 2022
Salaries, bonuses & profit sharing	\$ 12,623,181	\$ 7,435,661
Management fees	10,066,893	5,503,367
Directors' fees	565,176	309,817
Short-term employee benefits	382,124	285,100
	\$ 23,637,374	\$ 13,533,945

Shareholders' equity

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

Income taxes

Deferred income tax assets are recognized for loss carry-forward and other deductible temporary differences to the extent that the realization of the related tax benefit is probable through future taxable profits or other tax planning opportunities. The average corporate rate used for the year ended December 31, 2023, was 24.0% (December 31, 2022 – 23.5%).

ANALYSIS OF RESULTS BY SEGMENT

Investment Account Services Division

Summary of divisional results for the years ended December 31

(\$ thousands)	2023	2022	Variation
Service revenue	27,383	30,090	-9%
Trust, interest & other income	48,322	20,086	>100%
Direct expenses	(36)	(141)	-74%
	75,669	50,035	51%
Administrative expenses	(45,206)	(31,274)	45%
Bad debt expense	(752)	(830)	-9%
Depreciation & amortization	(2,025)	(2,036)	-1%
Other gains/(losses), net	1	(14)	>100%
Earnings before income tax	27,687	15,881	74%
Income tax expense	(6,617)	(3,694)	79%
Net earnings	21,070	12,187	73%

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

Service revenue decreased 9% to \$27.38 million from \$30.09 million when compared to the year ended December 31, 2022. This decrease can be attributed to the decrease in annual fees charged for 2023.

Trust, interest, and other income increased more than 100% to \$48.32 million from \$20.09 million when compared to the year ended December 31, 2022. This increase can be attributed to higher interest rates.

Direct, administrative, bad debt and depreciation and amortization expenses increased 40% to \$48.02 million from \$34.28 million when compared to the year ended December 31, 2022. This increase relates primarily to higher salaries, bonuses, and management fees.

Earnings before income tax increased 74% to \$27.69 million from \$15.88 million when compared to the year ended December 31, 2022.

The IAS division is responsible for 76% of Olympia's total revenue (including trust, interest, and other income), an increase from 70% when compared to the year ended December 31, 2022.

Service revenue decreased 9% to \$27.38 million from \$30.09 million

9% ▼

Trust, interest, and other income increased more than 100% to \$48.32 million from \$20.09 million

100% ▲

Direct, administrative, bad debt and depreciation and amortization expenses increased 40% to \$48.02 million from \$34.28 million

40% ▲

Earnings before income tax increased 74% to \$27.69 million from \$15.88 million

74% ▲

IAS net earnings increased 73% to \$21.07 million from \$12.19 million

73% ▲

ANALYSIS OF RESULTS BY SEGMENT

Private Health Services Plan Division

Summary of divisional results for the years ended December 31

(\$ thousands)	2023	2022	Variation
Service revenue	9,060	8,383	8%
Trust & interest income	971	464	>100%
Direct expenses	(1,800)	(1,701)	6%
	8,231	7,146	15%
Administrative expenses	(4,468)	(3,852)	16%
Depreciation & amortization	(44)	(53)	-17%
Other losses, net	-	(3)	-100%
Earnings before income tax	3,719	3,238	15%
Income tax expense	(947)	(1,121)	-16%
Net earnings	2,772	2,117	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 8% to \$9.06 million from \$8.38 million when compared to the year ended December 31, 2022. The increase is a result of a higher amount of claims made during the year.

Direct, administrative, and depreciation and amortization expenses increased 13% to \$6.31 million from \$5.61 million when compared to the year ended December 31, 2022. The increase is due in part to a one-time \$0.50 million management fee payable to Tarman for commissions related to the sale of health plans.

Earnings before income tax increased 15% to \$3.72 million from \$3.24 million when compared to the year ended December 31, 2022.

Net earnings increased 31% to \$2.77 million from \$2.12 million when compared to the year ended December 31, 2022.

Health is responsible for 10% of Olympia's total revenue (including trust and interest income) for the year ended December 31, 2023, a decrease from 12% when compared to the year ended December 31, 2022.

Service revenue increased 8% to \$9.06 million from \$8.38 million

8% ▲

Direct, administrative, and depreciation and amortization expenses increased 13% to \$6.31 million from \$5.61 million

13% ▲

Earnings before income tax increased 15% to \$3.72 million from \$3.24 million

15% ▲

Net earnings increased 31% to \$2.77 million from \$2.12 million

31% ▲

ANALYSIS OF RESULTS BY SEGMENT

Currency and Global Payments Division

Summary of divisional results for the years ended December 31

(\$ thousands)	2023	2022	Variation
Service revenue	7,398	7,952	-7%
Trust & interest income	1,046	342	>100%
Direct expenses	(1,655)	(1,827)	-9%
	6,789	6,467	5%
Administrative expenses	(6,197)	(5,924)	5%
Bad debt recovery	48	-	>100%
Depreciation & amortization	(129)	(146)	-12%
Other gains, net	441	44	>100%
Earnings before income tax	952	441	>100%
Income tax expense	(227)	(103)	>100%
Net earnings	725	338	>100%

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

Service revenue decreased 7% to \$7.40 million from \$7.95 million when compared to the year December 31, 2022. The decrease is due to comparably lower trading volumes occurring during the current year ended.

Direct, administrative, depreciation and amortization expenses and bad debt recovery increased marginally to \$7.93 million from \$7.90 million when compared to the year ended December 31, 2022.

Other gains, net increased more than 100% to \$0.44 million when compared to a gain of \$0.04 million for the year ended December 31, 2022, mainly due to unrealized gains on forward foreign exchange contracts.

Earnings before income tax increased more than 100% to \$0.95 million from \$0.44 million when compared to the year ended December 31, 2022.

Net earnings increased more than 100% to \$0.73 million from \$0.34 million when compared to the year ended December 31, 2022.

The CGP division is responsible for 9% of Olympia's total revenue (including trust and interest income), a decrease from 11% when compared to the year ended December 31, 2022.

Service revenue decreased 7% to \$7.40 million from \$7.95 million

7% ▼

Direct, administrative, depreciation and amortization expenses and bad debt recovery increased marginally to \$7.93 million from \$7.90 million

0% ▲

Earnings before income tax increased more than 100% to \$0.95 million from \$0.44 million

100% ▲

Net earnings increased more than 100% to \$0.73 million from \$0.34 million

100% ▲

ANALYSIS OF RESULTS BY SEGMENT

Exempt Edge Division

Summary of divisional results for the years ended December 31

(\$ thousands)	2023	2022	Variation
Service revenue ¹	1,300	1,175	11%
Interest income	14	4	>100%
Direct expenses	(2)	(33)	-94%
	1,312	1,146	14%
Administrative expenses	(1,995)	(1,932)	3%
Bad debt expense	-	(11)	-100%
Depreciation & amortization	(235)	(257)	-9%
Loss before income tax	(918)	(1,054)	-13%
Income tax recovery	234	520	-55%
Net loss	(684)	(534)	28%

¹Excluded from service revenue are fees of \$99,000 (December 31, 2022 – \$99,000) 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 11% to \$1.30 million from \$1.18 million when compared to the year ended December 31, 2022. This increase is largely due to growth in EE's client base.

Direct, administrative, bad debt and depreciation and amortization expenses held constant at \$2.23 million year over year.

Loss before income tax decreased 13% to \$0.92 million from \$1.05 million when compared to the year ended December 31, 2022.

Net loss increased 28% to \$0.68 million from \$0.53 million when compared to the year ended December 31, 2022.

The EE division is responsible for 1% of Olympia's total revenue (including interest), which is a decrease from 2% when compared to the year ended December 31, 2022.

Service revenue increased 11% to \$1.30 million from \$1.18 million

11% ▲

Direct, administrative, bad debt and depreciation and amortization expenses held constant at \$2.23 million

0% ▲

Loss before income tax decreased 13% to \$0.92 million from \$1.05 million

13% ▼

Net loss increased 28% to \$0.68 million from \$0.53 million

28% ▲

ANALYSIS OF RESULTS BY SEGMENT

Corporate and Shareholder Services Division

Summary of divisional results for the years ended December 31

(\$ thousands)	2023	2022	Variation
Service revenue ¹	2,734	2,592	5%
Trust & interest income	1,398	974	44%
Direct expenses	(178)	(223)	-20%
	3,954	3,343	18%
Administrative expenses	(3,522)	(2,998)	17%
Bad debt expense/(recovery)	(60)	6	>100%
Depreciation & amortization	(60)	(61)	-2%
Earnings before income tax	312	290	8%
Income tax expense	(75)	(68)	10%
Net earnings	237	222	7%

¹Included in service revenue are fees of \$99,000 (December 31, 2022 – \$99,000) 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. The services provided by CSS include administering dividend reinvestments, acting as depository and disbursing agent for corporate reorganizations, assisting with shareholder solicitations, and scrutineering shareholder meetings.

Service revenue increased 5% to \$2.73 million from \$2.59 million when compared to the year ended December 31, 2022. This is due to the CSS division continuing to grow its customer base.

Trust and interest income increased 44% to \$1.40 million from \$0.97 million when compared to the year ended December 31, 2022, due to higher interest rates.

Direct, administrative, bad debt and depreciation and amortization expenses increased 17% to \$3.82 million from \$3.28 million. This is mainly due to an increase in wages and salaries as the business continues to grow.

Earnings before income tax increased 8% to \$0.31 million from \$0.29 million when compared to the year ended December 31, 2022.

Net earnings increased 7% to \$0.24 million from net earnings of \$0.22 million when compared to the year ended December 31, 2022.

The CSS division is responsible for 4% of Olympia's total revenue (including trust and interest income), which is a decrease from 5% when compared to the year ended December 31, 2022.

Service revenue increased 5% to \$2.73 million from \$2.59 million

5% ▲

Direct, administrative, bad debt and depreciation and amortization expenses increased 17% to \$3.82 million from \$3.28 million

17% ▲

Earnings before income tax increased 8% to \$0.31 million from \$0.29 million

8% ▲

Net earnings increased 7% to \$0.24 million from net earnings of \$0.22 million

7% ▲

ANALYSIS OF RESULTS BY SEGMENT

Corporate Division

Summary of divisional results for the years ended December 31

(\$ thousands)	2023	2022	Variation
Service revenue	-	3	-100%
Interest income	192	96	100%
	192	99	94%
Administrative expenses	(349)	(343)	2%
Other (losses)/gains, net	(4)	45	>100%
Loss before income tax	(161)	(199)	-19%
Income tax (expense)/recovery	(1)	24	>100%
Net loss	(162)	(175)	-7%

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

Total revenue earned is incidental to Olympia's activities.

Interest income increased 100% to \$0.19 million from \$0.10 million when compared to the year ended December 31, 2022. This increase can be attributed to an increase in cash and higher interest rates.

Administrative expenses increased 2% to \$0.35 million from \$0.34 million when compared to the year ended December 31, 2022.

Other (losses)/gains, net, increased more than 100% to a nominal amount from other gains, net, of \$0.05 million when compared to the year ended December 31, 2022.

The Corporate division's net loss was \$0.16 million for the year ended December 31, 2023.

Off-balance sheet arrangements

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

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

(\$ thousands)	December 31, 2023		December 31, 2022	
	Cash & public securities at estimated fair value	Private securities, mortgages & mutual funds at cost	Cash & public securities at estimated fair value	Private securities, mortgages & mutual funds at cost
IAS ¹	\$ 1,029,082	\$ 9,946,820	\$ 1,009,266	\$ 9,005,924
CSS ²	44,236	-	259,592	-
CGP	22,200	-	30,310	-
Health	15,029	-	14,073	-
	\$ 1,110,547	\$ 9,946,820	\$ 1,313,241	\$ 9,005,924

¹The cash portion included in Investment Account Services is \$921.03 million for the year ended December 31, 2023 (December 31, 2022 - \$895.00 million).

²Included in the CSS securities is \$1.07 million of public securities (December 31, 2022 - \$0.67 million).

Investment Account Services

At December 31, 2023, IAS administered self-directed registered plans consisting of private company securities and mortgages with a cost value of \$9.95 billion (December 31, 2022 - \$9.01 billion) plus cash, public securities, term deposits, and outstanding cheques with an estimated fair value of \$1.03 billion (December 31, 2022 - \$1.01 billion). 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 \$47.49 million for the year ended December 31, 2023 (December 31, 2022 - \$19.47 million).

Private Health Services Plan

At December 31, 2023, Health held funds in trust of \$15.03 million (December 31, 2022 - \$14.07 million) on behalf of its self-insured private health clients. These assets are the property of the plan holders and Olympia Benefits does not maintain effective control over the assets. Therefore, the assets are not reflected in these financial statements.

Currency and Global Payments

At December 31, 2023, CGP held funds in trust of \$6.11 million (December 31, 2022 - \$6.22 million) for clients who have paid margin requirements on forward foreign exchange contracts, and \$16.09 million (December 31, 2022 - \$24.09 million) of outstanding payments. These assets are the property of the contract holders and Olympia Trust does not maintain effective control over the assets. Therefore, the assets are not reflected in these financial statements.

Corporate and Shareholder Services

At December 31, 2023, CSS held funds in trust and outstanding cheques of \$44.24 million (December 31, 2022 - \$259.59 million) for clients who have hired Olympia Trust to provide trustee services. This includes approximately \$1.07 million (December 31, 2022 - \$0.67 million) of public securities held in trust. These assets are the property of the trust clients and Olympia Trust does not maintain effective control over the assets. Therefore, the assets are not reflected in these 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, 2023; and
- Maintain compliance with financial covenants. 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, 2023.

In managing capital, Olympia estimates its future dividend payments and capital expenditures, which are compared to planned business growth for purposes of sustainability. The capital structure of Olympia is managed and adjusted to reflect changes in economic conditions. In order to maintain or adjust the capital structure, adjustments may be made to the amount of dividends to shareholders, in addition to the number of new common shares issued or common shares repurchased. Management reviews the financial position of Olympia on a monthly and cumulative basis.

Financing decisions are set based on the timing and extent of expected operating and capital cash outlays. Factors considered when determining capital and the amount of operational cash required are weighed against the costs associated with excess cash, its terms and availability, whether to issue equity, and the creation of value for the shareholders. Olympia works towards managing its capital objectives to the extent possible while facing the challenges of market conditions and the public's assessment of Olympia's risk profile.

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

Olympia has committed capital resources to the objectives for 2024 (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 2024 will help Olympia meet its growth and development activities. No other significant expenditures are required to maintain growth and development activities. 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 has a current ratio (current assets:current liabilities) of 3.49:1 as at December 31, 2023 (December 31, 2022 - 2.55:1). The increase in Olympia's current ratio is mainly due to an increase in trade and other receivables as compared to December 31, 2022.

Cash flows

Operating activities

The movement in cash flow from operating activities for the year ended December 31, 2023, is mainly attributable to increases in trust income, when compared to the year ended December 31, 2022.

Investing activities

The movement in cash flow from investing activities during the year ended December 31, 2023, is mainly attributable to \$0.98 million in repayment of the promissory note receivable, offset by \$0.61 million in purchase of equipment and intangible assets.

Financing activities

The movement in cash flow from financing activities during the year ended December 31, 2023, is mainly attributable to the payment of dividends and repayment of the revolving credit facility.

Cash and cash equivalents

Cash is placed with Canadian financial institutions where it generates interest. Cash and cash equivalents comprise 27% of the total current assets of Olympia, compared to 29% as at December 31, 2022.

One factor that affects Olympia's profitability is effective interest rates. Although Olympia Trust is a non-deposit taking trust corporation, it does earn trust income on cash held in trust. Cash held in trust generated trust income of \$50.36 million, a more than 100% increase from \$21.19 million when compared to the year ended December 31, 2022. This is the result of increasing interest rates on funds held in trust.

Olympia, through its operational cash flow and line of credit, has sufficient funds to meet the objectives for 2024.

Liquidity risks associated with financial instruments are addressed in the notes to the accompanying consolidated financial statements. Management understands that currency markets are volatile and therefore subject to higher risk.

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, 2023	
2024	\$	527,666
2025		477,573
2026		24,324
	\$	1,029,563

Excluded from lease commitments is the non-cash financing interest of \$0.03 million implicit in the lease liability

Credit facilities

As at December 31, 2023, Olympia has drawn \$2.57 million on its \$15.00 million credit facility, compared to \$4.95 million drawn as at December 31, 2022. This facility is held by Olympia. The credit facility bears interest at the Canadian prime rate plus 0.25%. The Canadian prime rate was 7.20% at December 31, 2023, and 6.45% at December 31, 2022. The credit facility is subject to review at any time.

The credit facility contains a number of affirmative covenants, including maintaining specific security and maintaining specific financial ratios. The financial ratios are a quarterly cash flow coverage ratio of not less than 1.50:1, and a debt to tangible net worth of not more than 3.00:1. At December 31, 2023, Olympia's cash flow coverage ratio under the terms of the credit facility

was calculated to be 7.18:1 (December 31, 2022 - 4.26:1). At December 31, 2023, Olympia's debt to tangible net worth ratio under the terms of the credit facility was calculated to be 0.20:1 (December 31, 2022 - 0.37:1). Throughout 2023 and for the year ended December 31, 2023, Olympia was in compliance with all covenants.

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, 2023, has been calculated at \$29.27 million (December 31, 2022 - \$17.49 million) after adjusting for finance expenses of \$0.34 million (December 31, 2022 - \$0.27 million). The coverage required is based on an annualized average of the scheduled facility principal of \$15.00 million and interest payments calculated at 7.19% (December 31, 2022 - 7.38%) over a period of 60 months. As at December 31, 2023, this was calculated to be \$4.08 million (December 31, 2022 - \$4.11 million). Should the covenants and other limitations be breached, it could cause a default, which might result in a requirement for immediate repayment of all amounts outstanding.

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

On December 16, 2022, Olympia Trust entered into a foreign exchange guarantee, issue by Export Development Canada, for US\$7 million which expired on December 31, 2023. On December 1, 2023, a new foreign exchange guarantee, issued by Export Development Canada was signed by OCGP. The guarantee is valid from January 1, 2024 to December 31, 2024 for US\$7 million..

Credit facility	December 31, 2023		December 31, 2022
Maximum limit of line of credit	\$	15,000,000	\$ 15,000,000
Drawn		(2,565,889)	(4,953,279)
Available at end of year	\$	12,434,111	\$ 10,046,721

The total credit limit for the credit facility with Canadian Western Bank remained at \$15.00 million as at December 31, 2023.

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.

Risk framework

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

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

Refer to note 7 of these consolidated financial statements for disclosure on Olympia's above-mentioned risk framework.

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 highly rated financial institutions. 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, 2022 – \$15.00 million) and bears interest at the Canadian prime rate plus 0.25%. For the year ended December 31, 2023, a balance of \$2.57 million is outstanding (December 31, 2022 – \$4.95 million). Olympia has determined the principal and interest to be current. Security for the credit facility includes a general security agreement providing a first security interest in all present and subsequently acquired property. The timing of cash outflows is outlined in the following tables:

At December 31, 2023	Current	31 to 60 days	61 to 90 days	Over 90 days	Total
Trade & other payables	\$ 1,364,609	\$ 42,369	\$ 46,512	\$ 6,667	\$ 1,460,157
Other liabilities & charges	2,313,420	-	-	-	2,313,420
Current tax liability	-	3,218,794	-	-	3,218,794
Lease liabilities (current)	43,972	43,972	43,972	395,750	527,666
Lease liabilities (non-current)	-	-	-	501,897	501,897
Total	\$ 3,722,001	\$ 3,305,135	\$ 90,484	\$ 904,314	\$ 8,021,934
At December 31, 2022					
Trade & other payables	\$ 1,326,808	\$ -	\$ 106,193	\$ -	\$ 1,433,001
Other liabilities & charges	1,863,156	-	-	-	1,863,156
Current 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

As at December 31, 2023, trade and other payables totaled \$1.46 million (December 31, 2022 – \$1.43 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, 2023	Less than one year	One to two years	Two to three years	More than three years	Total undiscounted lease payments
Lease payment ¹	\$ 527,666	\$ 477,573	\$ 24,324	\$ -	\$ 1,029,563

¹Lease liability includes \$0.03 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, 2023	December 31, 2022
Current	\$ 90,432	\$ 24,650
31 to 60 days	208,337	225,371
61 to 90 days	33,314	54,527
Over 90 days	119,122	487,495
	\$ 451,205	\$ 792,043
Non-current (1–3 years)	\$ -	\$ -

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, 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 upon the signing 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.

If the Canadian dollar exchange rate at December 31, 2023, 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, 2023, based on amounts shown in note 11 of the consolidated financial statements, would have decreased by approximately \$0.06 million (December 31, 2022 – \$0.02

million). 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 CGP 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 (\$10.92 million) and the cash portion of the off-balance sheet arrangements (\$1.00 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, 2023, would have increased by approximately \$7.69 million (December 31, 2022 – \$8.89 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. 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's financial position 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 highly rated financial institutions.

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 cash equivalents held in trust placed with financial institutions.

Trade and other receivables	December 31, 2023	December 31, 2022
Trade receivables	\$ 1,891,379	\$ 3,212,436
Interest receivable	23,750,828	12,479,956
	\$ 25,642,207	\$ 15,692,392

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

As of December 31, 2023, impaired trade receivables net of allowances is \$0.91 million (December 31, 2022 – \$2.18 million). The aging of trade receivables is as follows:

Trade receivables	December 31, 2023	December 31, 2022
Current	\$ 579,041	\$ 983,033
31 to 60 days	22,357	23,376
61 to 90 days	382,393	21,263
Over 90 days	1,947,063	3,600,599
Allowance for doubtful accounts	(1,039,475)	(1,415,835)
	\$ 1,891,379	\$ 3,212,436

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, 2023	December 31, 2022
At January 1	\$ 1,415,835	\$ 1,287,545
Increase in provision	764,619	835,079
Receivables written off, net	(1,140,979)	(706,789)
Allowance for doubtful accounts	\$ 1,039,475	\$ 1,415,835

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.

Interest receivable	December 31, 2023	December 31, 2022
Current	\$ 3,251,780	\$ 1,287,217
31 to 60 days	4,640,644	1,347,014
61 to 90 days	3,673,123	901,069
Over 90 days	12,185,281	8,944,656
	\$ 23,750,828	\$ 12,479,956

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 \$35.32 million (December 31, 2022 – \$25.32 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, 2023; and
- Maintain compliance with financial covenants. 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, 2023.

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 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;
- 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.



Winners of the 21st annual amaryllis growing contest

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 consolidated financial statements and this MD&A is prepared in accordance with IFRS. The International Accounting Standards Board has published a number of minor amendments to IFRS accounting standards, which are effective January 1, 2024 and January 1, 2025. The entity adopted the amendment to IAS 1 in 2023. This amendment has an insignificant impact on our consolidated financial statements. We expect these future amendments will also have an insignificant effect, once adopted. 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 consolidated 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 consolidated 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 one year past due: 25% of carrying value;
 - more than one year but less than two years past due: 70% of carrying value;
 - more than two years but less than three years past due: 80% 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.

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 assessed regularly for impairment.

(ii) Depreciation and amortization methods (Notes 12, 13, and 14)

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 7, 12 and 13)

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, 12, and 13 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 19)

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) 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 revenue 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 revenue, 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 revenues 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, 2023, 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 as at December 31, 2023. 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 period ended December 31, 2023, which have materially affected, or are reasonably likely to materially affect, Olympia's internal control over financial reporting.

Outstanding share data

As at February 29, 2024, Olympia has an aggregate of 2,406,336 common shares issued and outstanding.

Additional information

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

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023, and December 31, 2022

The accompanying audited 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 audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB"), and reflect management's best estimates and judgments based on currently available information. In the opinion of management, the audited 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, on behalf of the Board of Directors, has reviewed and approved the accompanying audited consolidated financial statements for the periods ended December 31, 2023 and December 31, 2022.

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 audited 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 29, 2024



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, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated balance sheets as at December 31, 2023 and 2022;
- the consolidated statements of net earnings and comprehensive income for the years then ended;
- the consolidated statements of change 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, comprising material accounting policy information 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
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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



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, 2023. 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
<p>Allowance for expected credit losses (ECL)</p> <p><i>Refer to note 3 – Material accounting policies and note 7 – Financial instruments and financial risk factors to the consolidated financial statements.</i></p> <p>The Company had \$2.9 million of trade receivables for which an ECL allowance of \$1.0 million was recorded as at December 31, 2023. The Company performs a review of outstanding accounts receivable balances on a regular basis to determine eventual collectability.</p> <p>Management applied the simplified approach to measuring the ECL, which uses a lifetime expected loss allowance for all trade and other receivables.</p> <p>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.</p> <p>Management makes judgments in determining the allowance for ECL, including the determination of significant assumptions related to adjustments for forward-looking factors.</p> <p>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.</p>	<p>Our approach to addressing the matter included the following procedures, among others:</p> <ul style="list-style-type: none">• Tested how management determined the allowance for ECL, which included the following:<ul style="list-style-type: none">– 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 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.

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 Accounting Standards, 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 Scott Gilfillan.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Calgary, Alberta
February 29, 2024

CONSOLIDATED BALANCE SHEETS

	December 31, 2023	December 31, 2022
ASSETS		
Current assets		
Cash & cash equivalents	\$ 10,917,732	\$ 8,365,991
Trade & other receivables (note 7)	25,642,207	15,692,392
Prepaid expenses	2,253,327	2,362,756
Promissory note receivable (note 5)	-	980,000
Derivative financial instruments (notes 7 & 11)	1,196,431	1,095,806
Current tax receivable	-	15,851
Total current assets	\$ 40,009,697	\$ 28,512,796
Non-current assets		
Equipment & other (note 12)	\$ 583,145	\$ 528,966
Intangible assets (note 13)	5,185,038	6,789,865
Right-of-use assets (note 14)	642,108	975,719
Financial assets at fair value through profit or loss (note 32)	89,503	96,472
Deferred tax assets (note 19)	762,538	591,788
Total non-current assets	\$ 7,262,332	\$ 8,982,810
Total assets	\$ 47,272,029	\$ 37,495,606
LIABILITIES		
Current liabilities		
Trade & other payables (notes 7 & 15)	\$ 1,460,157	\$ 1,433,001
Deferred revenue (note 16)	939,479	834,829
Other liabilities & charges (notes 7 & 17)	2,313,420	1,863,156
Revolving credit facility (notes 7, 10 & 28)	2,565,889	4,953,278
Lease liabilities (notes 7 & 8)	506,021	389,348
Derivative financial instruments (notes 7 & 11)	451,205	792,043
Current tax liability (note 7)	3,218,794	905,961
Total current liabilities	\$ 11,454,965	\$ 11,171,616
Lease liabilities (notes 7 & 8)	\$ 495,434	\$ 1,001,451
Total liabilities	\$ 11,950,399	\$ 12,173,067
EQUITY		
Share capital (note 18)	\$ 7,886,989	\$ 7,886,989
Contributed surplus (note 18)	86,373	86,373
Retained earnings	27,348,268	17,349,177
Total equity	\$ 35,321,630	\$ 25,322,539
Total equity & liabilities	\$ 47,272,029	\$ 37,495,606
Contingencies (note 30)		

See accompanying notes to the audited consolidated financial statements

Approved on behalf of the Board of Directors

Signed Rick Skauge

Rick Skauge

Director

February 29, 2024

Signed Brian Newman

Brian Newman, CPA, CA

Director

CONSOLIDATED STATEMENTS OF NET EARNINGS AND COMPREHENSIVE INCOME

YEARS ENDED DECEMBER 31	2023	2022
Revenues		
Service revenue (note 9)	\$ 47,875,097	\$ 50,194,320
Trust income (notes 6 & 9)	50,361,725	21,187,566
Interest & other income (note 9)	1,580,455	777,841
	\$ 99,817,277	\$ 72,159,727
Expenses		
Direct expenses (notes 9 & 21)	\$ 3,671,036	\$ 3,925,376
Administrative expenses (notes 9 & 20)	61,736,169	46,322,718
Bad debt expense (notes 9 & 22)	764,619	835,079
Depreciation & amortization (notes 9, 12, 13 & 14)	2,492,695	2,552,229
Other gains, net (notes 9 & 24)	(438,218)	(71,117)
	\$ 68,226,301	\$ 53,564,285
Earnings before income tax	\$ 31,590,976	\$ 18,595,442
Income tax expense/(recovery) (notes 9 & 19)		
Current tax expense	\$ 7,805,918	\$ 4,505,027
Deferred tax recovery	(170,749)	(62,934)
Total income tax expense	\$ 7,635,169	\$ 4,442,093
Net earnings & comprehensive income attributable to: Shareholders of Olympia	\$ 23,955,807	\$ 14,153,349
Net earnings & comprehensive income for the year	\$ 23,955,807	\$ 14,153,349
Earnings per share attributable to shareholders of Olympia		
Basic & diluted (note 25)	\$ 9.96	\$ 5.88

See accompanying notes to the audited 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, 2022	\$ 7,886,989	\$ 86,373	\$ 10,799,847	\$ 18,773,209
Net earnings & comprehensive income	-	-	14,153,349	14,153,349
Dividends (note 26)	-	-	(7,604,019)	(7,604,019)
Balance at December 31, 2022	\$ 7,886,989	\$ 86,373	\$ 17,349,177	\$ 25,322,539
Balance at January 1, 2023	\$ 7,886,989	\$ 86,373	\$ 17,349,177	\$ 25,322,539
Net earnings & comprehensive income	-	-	23,955,807	23,955,807
Dividends (note 26)	-	-	(13,956,716)	(13,956,716)
Balance at December 31, 2023	\$ 7,886,989	\$ 86,373	\$ 27,348,268	\$ 35,321,630

See accompanying notes to the audited consolidated financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31	2023	2022
Cash flows from operating activities		
Net earnings from operations	\$ 23,955,807	\$ 14,153,349
Items not affecting cash		
Depreciation of equipment & other (note 12)	297,036	243,550
Amortization of intangible assets (note 13)	1,862,048	2,034,266
Amortization of right-of-use assets (note 14)	333,611	274,413
Gain on disposal of assets	(1,248)	(188,229)
Unrealized loss on FVPL assets (note 24)	3,391	88,149
Deferred income tax recovery (note 19)	(170,749)	(62,934)
Foreign exchange gains (note 24)	(441,463)	(21,244)
Changes in non-cash working capital balances (note 27)	(6,893,371)	(7,968,124)
Net cash flows from operating activities	\$ 18,945,062	\$ 8,553,196
Cash flows from investing activities		
Purchase of equipment & other (note 12)	\$ (351,215)	\$ (378,616)
Purchase of intangible assets (note 13)	(257,221)	(190,394)
Repayment of promissory note receivable (note 5)	980,000	140,000
Proceeds on sale of securities	3,325	356,169
Proceeds on sale of equipment & other	1,500	43,000
Net cash flows from investing activities	\$ 376,389	\$ (29,841)
Cash flows from financing activities		
Repayment of revolving credit facility (note 28)	\$ (2,387,389)	\$ (7,429,088)
Payment of lease liabilities (note 8)	(425,605)	(230,881)
Dividends (note 26)	(13,956,716)	(7,604,019)
Net cash flows from financing activities	\$ (16,769,710)	\$ (15,263,988)
Net change in cash position	\$ 2,551,741	\$ (6,740,633)
Cash, beginning of year	\$ 8,365,991	\$ 15,106,624
Cash, end of year	\$ 10,917,732	\$ 8,365,991
Cash is represented by:		
Cash & cash equivalents	\$ 10,917,732	\$ 8,365,991
Other information for operations		
Interest received	\$ 1,735,837	\$ 2,198,481
Income taxes paid	\$ 5,154,118	\$ 3,929,204
Interest paid	\$ 341,389	\$ 271,068

See accompanying notes to the audited consolidated financial statements

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. Olympia’s registered and head office is 4000-520 3 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 and Exempt Edge division conducts business under Olympia Benefits Inc. (“Olympia Benefits”), a wholly owned subsidiary of Olympia. Olympia Benefits 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. Olympia Investor Services Inc. was dissolved effective December 12, 2023 with no operations since incorporation. Olympia Currency and Global Payments Inc. commenced operations on January 1, 2024 when it took over managing the business of the Currency and Global Payments division of Olympia Trust.

2. BASIS OF PREPARATION

These consolidated financial statements for the year ended December 31, 2023, have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS”). The International Accounting Standards Board has published a number of minor amendments to IFRS accounting standards, which are effective January 1, 2024 and January 1, 2025. The entity adopted the amendment to IAS 1 in 2023. This amendment has an insignificant impact on our consolidated financial statements. We expect these future amendments will also have an insignificant effect, once adopted.

These consolidated financial statements have been approved and authorized for issuance by the Board of Directors on February 29, 2024. The policies applied in these consolidated

financial statements are based on IFRS, issued, effective and outstanding as of December 31, 2023.

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. MATERIAL ACCOUNTING POLICIES

The material 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 consolidated 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 one year past due: 25% of carrying value;
- more than one year but less than two years past due: 70% of carrying value;
- more than two years but less than three years past due: 80% 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 account, 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 12, 13, and 14)

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 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 (Notes 7, 12, and 13)

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, 12, and 13 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 19)

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-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 revenue 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 revenue 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, CFO 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, CFO 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, CFO 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 IAS 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 |

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 consolidated 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 consolidated statements of net earnings and comprehensive income.

Financial instruments

Olympia's financial instruments included in the consolidated balance sheets are comprised of cash and cash equivalents,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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, 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 consolidated statements 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 consolidated statements 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 consolidated statements 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 consolidated 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 Health.

(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 Health.

(iv) Annual health spending account 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 Health 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(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 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-term 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 consolidated 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 equipment and other 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 net earnings and comprehensive income 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

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 31. 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 International Accounting Standards Board has published a number of minor amendments to IFRS accounting standards, which are effective January 1, 2024 and January 1, 2025. The entity adopted the amendment to IAS 1 in 2023. This amendment has an insignificant impact on our consolidated financial statements. We expect these future amendments will also have an insignificant effect, once adopted.

4. FUTURE ACCOUNTING PRONOUNCEMENTS

There were no significant new or amended standards issued during the year ended December 31, 2023, 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 consent, all interest accrued under the promissory note shall be paid on an annual basis on or before the 30th day of June of each calendar year and, commencing June 30, 2020, Tarman is required to repay the outstanding principal amount of the promissory note in annual installments of \$140,000 on or before the 30th day of June of each calendar year, with the outstanding balance of the principal amount to be repaid in full on or before June 30, 2023. As at June 30, 2023, the promissory note, including all interest had been paid.

6. FUNDS IN TRUST

Investment Account Services (“IAS”)

At December 31, 2023, IAS administered self-directed registered plans consisting of private company securities and mortgages with a cost value of \$9.95 billion (December 31, 2022 - \$9.01 billion) plus cash, public securities, term deposits, and outstanding cheques with an estimated fair value of \$1.03 billion (December 31, 2022 – \$1.01 billion). 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 \$47.49 million for the year ended December 31, 2023 (December 31, 2022 – \$19.47 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Private Health Services Plan division (“Health”)

At December 31, 2023, Health held funds in trust of \$15.03 million (December 31, 2022 – \$14.07 million) on behalf of its self-insured private health clients. These assets are the property of the plan holders and Olympia Benefits does not maintain effective control over the assets. Therefore, the assets are not reflected in these consolidated financial statements.

Currency and Global Payments (“CGP”)

At December 31, 2023, CGP held funds in trust of \$6.11 million (December 31, 2022 – \$6.22 million) for clients who have paid margin requirements on forward foreign exchange contracts, and \$16.09 million (December 31, 2022 – \$24.09 million) of outstanding payments. These assets are the property of the contract holders and Olympia Trust does not maintain effective control over the assets. Therefore, the assets are not reflected in these consolidated financial statements.

Corporate and Shareholder Services division (“CSS”)

At December 31, 2023, CSS held funds in trust and outstanding cheques of \$44.24 million (December 31, 2022 – \$259.59 million) for clients who have hired Olympia Trust to provide trustee services. This includes \$1.07 million (December 31, 2022 – \$0.67 million) of public securities held in trust. These assets are the property of the trust clients and Olympia Trust does not maintain effective control over the assets. Therefore, the assets are not reflected in these 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, and the revolving credit facility approximate their carrying amounts. Derivative financial instruments are measured at fair value through the 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 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 with highly rated financial institutions. 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, 2022 – \$15.00 million) and bears interest at the Canadian prime rate plus 0.25%. As at December 31, 2023, a balance of \$2.57 million is outstanding (December 31, 2022 – \$4.95 million). Olympia has determined the principal and interest to be current.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

At December 31, 2023	Current	31 to 60 days	61 to 90 days	Over 90 days	Total
Trade & other payables	\$ 1,364,609	\$ 42,369	\$ 46,512	\$ 6,667	\$ 1,460,157
Other liabilities & charges	2,313,420	-	-	-	2,313,420
Current tax liability	-	3,218,794	-	-	3,218,794
Lease liabilities (current)	43,972	43,972	43,972	395,750	527,666
Lease liabilities (non-current)	-	-	-	501,897	501,897
Total	\$ 3,722,001	\$ 3,305,135	\$ 90,484	\$ 904,314	\$ 8,021,934
At December 31, 2022					
Trade & other payables	\$ 1,326,808	\$ -	\$ 106,193	\$ -	\$ 1,433,001
Other liabilities & charges	1,863,156	-	-	-	1,863,156
Current 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

As at December 31, 2023, trade and other payables totaled \$1.46 million (December 31, 2022 – \$1.43 million). Olympia continues to meet all of the obligations associated with its financial liabilities.

Lease liabilities cash outflows exclude \$0.03 million (December 31, 2022 - \$0.06 million) of non-cash financing interest under IFRS 16.

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

At December 31, 2023	Less than one year	One to two years	Two to three years	More than three years	Total undiscounted lease payments
Lease payment	\$ 527,666	\$ 477,573	\$ 24,324	\$ -	\$ 1,029,563

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

	December 31, 2023	December 31, 2022
Current	\$ 90,432	\$ 24,650
31 to 60 days	208,337	225,371
61 to 90 days	33,314	54,527
Over 90 days	119,122	487,495
	\$ 451,205	\$ 792,043
Non-current (1–3 years)	\$ -	\$ -

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(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.

If the Canadian dollar exchange rate at December 31, 2023, 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, 2023, based on amounts shown in notes 10 and 12 of the consolidated financial statements, would have decreased by approximately \$0.06 million (December 31, 2022 – \$0.02 million). 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 of \$10.92 million (December 31, 2022 - \$8.37 million) and the cash portion of the off-balance sheet arrangements of \$1.00 billion (December 31, 2022 - \$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, 2023, would have increased by approximately \$7.69 million (December 31, 2022 – \$8.89 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, 2023, was \$4.60 million (December 31, 2022 – \$6.01 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, 2023, would have decreased by approximately \$0.04 million (December 31, 2022 – \$0.05 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. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Trade & other receivables	December 31, 2023	December 31, 2022
Trade receivables	\$ 1,891,379	\$ 3,212,436
Interest receivable	23,750,828	12,479,956
	\$ 25,642,207	\$ 15,692,392

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

As of December 31, 2023, impaired trade receivables net of allowances is \$0.91 million (December 31, 2022 – \$2.18 million). The aging of trade and other receivables is as follows:

Trade receivables	December 31, 2023	December 31, 2022
Current	\$ 579,041	\$ 983,033
31 to 60 days	22,357	23,376
61 to 90 days	382,393	21,263
Over 90 days	1,947,063	3,600,599
Allowance for doubtful accounts	(1,039,475)	(1,415,835)
	\$ 1,891,379	\$ 3,212,436

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, 2023	December 31, 2022
At January 1	\$ 1,415,835	\$ 1,287,545
Increase in provision	764,619	835,079
Receivables written off, net	(1,140,979)	(706,789)
Allowance for doubtful accounts	\$ 1,039,475	\$ 1,415,835

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 one year past due: \$0.22 million;
- more than one year but less than two years past due: \$0.40 million;
- more than two years but less than three years past due: \$0.18 million; and
- three or more years past due: \$0.21 million.

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, 2023, an additional \$nil was recorded (December 31, 2022 - \$0.29 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Interest receivable	December 31, 2023	December 31, 2022
Current	\$ 3,251,780	\$ 1,287,217
31 to 60 days	4,640,644	1,347,014
61 to 90 days	3,673,123	901,069
Over 90 days	12,185,281	8,944,656
	\$ 23,750,828	\$ 12,479,956

Derivative financial instruments asset

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

	December 31, 2023	December 31, 2022
Current	\$ 183,840	\$ 28,883
31 to 60 days	609,259	299,238
61 to 90 days	49,977	77,906
Over 90 days	353,355	689,779
	\$ 1,196,431	\$ 1,095,806
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 \$35.32 million (December 31, 2022 – \$25.32 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, 2023; and
- Maintain compliance with financial covenants. 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, 2023.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. LEASE LIABILITIES

The movement of the lease liabilities is shown below:

	December 31, 2023	December 31, 2022
Balance at January 1	\$ 1,390,799	\$ 1,411,581
Additions	-	174,508
Lease repayment	(425,605)	(230,881)
Non-cash interest	36,261	35,591
Available at the end of the year	\$ 1,001,455	\$ 1,390,799

The current portion as at December 31, 2023, is \$0.51 million (December 31, 2022 - \$0.39 million), with the non-current portion being \$0.50 million (December 31, 2022 - \$1.00 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, 2023 (December 31, 2022 - \$0.04 million).

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, CFO, and other executive management review internal management reports on a monthly basis.

Segment profit or loss is used to measure performance. Olympia's president, CFO 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, CFO 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, CFO 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, 2023

	Health	IAS	CGP	EE	CSS	Corporate	Total
Service revenue ¹	\$ 9,059,965	\$ 27,382,854	\$ 7,398,267	\$ 1,300,000	\$ 2,734,011	\$ -	\$ 47,875,097
Trust, interest & other income	971,412	48,321,697	1,045,524	13,664	1,398,083	191,800	51,942,180
Direct expenses	(1,799,867)	(36,383)	(1,655,378)	(1,638)	(177,770)	-	(3,671,036)
	\$ 8,231,510	\$ 75,668,168	\$ 6,788,413	\$ 1,312,026	\$ 3,954,324	\$ 191,800	\$ 96,146,241
Administrative expenses	\$ (4,468,016)	\$(45,205,888)	\$ (6,197,267)	\$ (1,994,723)	\$ (3,521,501)	\$ (348,774)	\$(61,736,169)
Bad debt (expense)/ recovery	-	(752,165)	47,884	(338)	(60,000)	-	(764,619)
Depreciation & amortization	(43,584)	(2,024,786)	(129,283)	(234,748)	(60,294)	-	(2,492,695)
Other gains/(losses), net (note 24)	-	948	441,462	-	-	(4,192)	438,218
Earnings/(loss) before income taxes	\$ 3,719,910	\$ 27,686,277	\$ 951,209	\$ (917,783)	\$ 312,529	\$ (161,166)	\$ 31,590,976
Income tax (expense)/ recovery ²	(947,107)	(6,618,487)	(227,389)	233,672	(74,711)	(1,147)	(7,635,169)
Net earnings/(loss)	\$ 2,772,803	\$ 21,067,790	\$ 723,820	\$ (684,111)	\$ 237,818	\$ (162,313)	\$ 23,955,807

¹Included 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.

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

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
Trust, interest & other 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	(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 24)	(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 tax (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

¹Included 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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Service revenue for the year ended December 31, 2023

	Health	IAS	CGP	EE	CSS	Corporate	Total
Account set-up & onboarding fees	\$ -	\$ 1,028,300	\$ -	\$ 109,370	\$ 515,956	\$ -	\$ 1,653,626
Annual administration & health spending account fees	2,218,221	18,045,742	-	-	1,323,046	-	21,587,009
Monthly & transaction fees	6,289,331	7,982,221	410	1,180,374	895,009	-	16,347,345
Trading profits & losses	-	-	7,348,483	-	-	-	7,348,483
Travel & life insurance brokerage fees	536,627	375	-	-	-	-	537,002
Other revenue	15,786	326,216	49,374	10,256	-	-	401,632
Service revenue	\$ 9,059,965	\$27,382,854	\$ 7,398,267	\$ 1,300,000	\$ 2,734,011	\$ -	\$47,875,097

One customer accounted for 17.16% of CGP's divisional revenue earned for the year ended December 31, 2023. For all other divisions, no one customer represents more than 10% of the division's total revenue earned for the period.

Service revenue for the year ended December 31, 2022

	Health	IAS	CGP	EE	CSS	Corporate	Total
Account set-up & onboarding fees	\$ -	\$ 1,115,050	\$ -	\$ 120,889	\$ 485,868	\$ -	\$ 1,721,807
Annual administration & health spending account fees	2,009,147	20,688,780	-	-	1,157,239	-	23,855,166
Monthly & transaction fees	5,821,856	7,400,178	201,311	1,037,932	948,591	-	15,409,868
Trading profits & losses	-	-	7,704,253	-	-	-	7,704,253
Travel & life insurance brokerage fees	521,518	400	-	-	-	-	521,918
Other revenue	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, 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10. REVOLVING CREDIT FACILITY

As at December 31, 2023, Olympia has drawn \$2.57 million (December 31, 2022 – \$4.95 million) on its established credit facility.

The credit facility in place has a maximum amount of \$15.00 million (December 31, 2022 – \$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, and maintaining specific financial ratios.

The financial ratios are a quarterly cash flow coverage ratio of not less than 1.50:1, and a debt to tangible net worth of not more than

3.00:1. At December 31, 2023, Olympia's cash flow coverage ratio under the terms of the credit facility was calculated to be 7.18:1 (December 31, 2022 – 4.26:1). At December 31, 2023, Olympia's debt to tangible net worth ratio under the terms of the credit facility was calculated to be 0.20:1 (December 31, 2022 - 0.37:1). Throughout 2023 and for the year ended December 31, 2023, 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 after 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, 2023	December 31, 2022
Maximum limit of line of credit	\$ 15,000,000	\$ 15,000,000
Drawn	(2,565,889)	(4,953,278)
Available at end of year	\$ 12,434,111	\$ 10,046,722

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. DERIVATIVE FINANCIAL INSTRUMENTS

	Fair value as at December 31, 2023	Notional amount as at December 31, 2023	Fair value as at December 31, 2022	Notional amount as at December 31, 2022
Current assets	\$ 1,196,431	\$ 85,010,579	\$ 1,095,806	\$ 33,515,785
Non-current assets (1–3 years)	\$ -	\$ -	\$ -	\$ -
Current liabilities	\$ 451,205	\$ 82,227,702	\$ 792,043	\$ 32,933,109
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 4, 2024, and December 16, 2024. 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 consolidated balance sheets. Changes in fair values of forward foreign exchange contracts are recorded in other gains, net in the consolidated statements of net earnings and comprehensive income. The fair value of all forward foreign exchange contracts is based on current bid prices for their respective remaining terms to maturity in an active market. As at December 31, 2023, Olympia has margins held in Canadian dollars of \$6.11 million (December 31, 2022 – \$6.22 million).

Recurring measurements

	December 31, 2023	Level 1	Level 2	Level 3
Financial assets – derivative financial instruments	\$ 1,196,431	\$ -	\$ 1,196,431	\$ -
Financial liabilities – derivative financial instruments	(451,205)	-	(451,205)	-
	\$ 745,226	\$ -	\$ 745,226	\$ -

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	\$ -

For the period ended December 31, 2023, 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:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. EQUIPMENT AND OTHER

December 31, 2023	Leasehold improvements	Computers & equipment	Furniture & fixtures	FX ATM equipment	Total
Cost					
At beginning of year	\$ 341,250	\$ 879,980	\$ 347,541	\$ -	\$ 1,568,771
Additions	18,124	308,031	25,060	-	351,215
Disposals	-	-	(2,999)	-	(2,999)
At end of year	\$ 359,374	\$ 1,188,011	\$ 369,602	\$ -	\$ 1,916,987
Accumulated depreciation					
At beginning of year	\$ 108,493	\$ 666,529	\$ 264,783	\$ -	\$ 1,039,805
Disposals	-	-	(2,999)	-	(2,999)
Depreciation charge for the year	86,754	166,857	43,425	-	297,036
At end of year	\$ 195,247	\$ 833,386	\$ 305,209	\$ -	\$ 1,333,842
Closing net book value	\$ 164,127	\$ 354,625	\$ 64,393	\$ -	\$ 583,145

December 31, 2022	Leasehold improvements	Computers & equipment	Furniture & 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 year	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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13. INTANGIBLE ASSETS

December 31, 2023	Internally generated software	Computer software	Client list	Other	Total
Cost					
At beginning of year	\$ 3,006,844	\$ 1,725,163	\$ 7,119,205	\$ 27,305	\$11,878,517
Additions	161,192	96,029	-	-	257,221
At end of year	\$ 3,168,036	\$ 1,821,192	\$ 7,119,205	\$ 27,305	\$12,135,738
Accumulated depreciation					
At beginning of year	\$ 2,008,757	\$ 1,569,999	\$ 1,482,591	\$ 27,305	\$ 5,088,652
Amortization charge for the year	344,090	94,117	1,423,841	-	1,862,048
At end of year	\$ 2,352,847	\$ 1,664,116	\$ 2,906,432	\$ 27,305	\$ 6,950,700
Closing net book value	\$ 815,189	\$ 157,076	\$ 4,212,773	\$ -	\$ 5,185,038

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 amortization					
At beginning of year	\$ 1,533,052	\$ 1,441,439	\$ 58,750	\$ 27,305	\$ 3,060,546
Amortization 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

Additions

The capital additions of \$0.26 million relate to the continued development and enhancement of the Exempt Edge division's applications.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. RIGHT-OF-USE ASSETS

	December 31, 2023	December 31, 2022
Balance at January 1	\$ 975,719	\$ 1,075,624
Additions (note 8)	-	174,508
Amortization	(333,611)	(274,413)
Available at the end of the year	\$ 642,108	\$ 975,719

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.

15. TRADE AND OTHER PAYABLES

	December 31, 2023	December 31, 2022
Government taxes payable	\$ 569,778	\$ 620,910
Trade payables	385,680	457,216
Amounts due to related parties (note 31)	315,124	140,371
Agents & commissions payable	189,575	214,504
	\$ 1,460,157	\$ 1,433,001

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

16. DEFERRED REVENUE

	December 31, 2023	December 31, 2022
Annual health spending account fees	\$ 763,133	\$ 671,510
Annual corporate & shareholder services retainer fees	168,054	156,694
Annual EdgeLink service fees	8,292	6,625
	\$ 939,479	\$ 834,829

At December 31, 2023, deferred revenue totaled \$0.94 million compared to \$0.83 million as at December 31, 2022. 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 billing and revenue is recognized on a straight-line basis in relation to Olympia rendering these services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17. OTHER LIABILITIES AND CHARGES

	December 31, 2023	December 31, 2022
Bonuses payable	\$ 932,128	\$ 1,023,223
Professional fees accrual	537,454	88,633
General accruals	478,371	267,744
Vacation payable	277,484	243,113
Legal fees accrual	50,000	86,007
Other payables	37,983	-
Medical benefits payable	-	124,436
Severance accrual	-	30,000
	\$ 2,313,420	\$ 1,863,156

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.

18. SHARE CAPITAL AND CONTRIBUTED SURPLUS

	Number of common shares	Share capital	Contributed surplus	Total
Balance, December 31, 2023 & 2022	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, 2022 – unlimited common shares). All issued shares are fully paid.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19. INCOME TAXES

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

	December 31, 2023	December 31, 2022
Bad debts provision & other	\$ 208,664	\$ 306,902
Deferred revenue	217,630	193,388
Carrying amount of equipment higher than the tax basis	335,280	71,721
Unrecognized capital gains	964	19,777
	\$ 762,538	\$ 591,788

b) Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The average annual rate used for the period ended December 31, 2023 was 24.0% (December 31, 2022 – 23.5%).

	December 31, 2023	December 31, 2022
Earnings before income tax	\$ 31,590,976	\$ 18,595,442
Anticipated income tax expense	7,549,723	4,433,236
Non-deductible expenses	38,884	5,919
Adjustment in respect of prior years	46,562	2,938
	\$ 7,635,169	\$ 4,442,093
Current tax expense	\$ 7,805,918	\$ 4,505,027
Deferred tax recovery	(170,749)	(62,934)
Total	\$ 7,635,169	\$ 4,442,093

20. ADMINISTRATIVE EXPENSES

	December 31, 2023	December 31, 2022
Salaries & bonuses	\$ 35,954,688	\$ 27,124,186
General administration expense	11,699,866	10,305,486
Management fees	10,066,893	5,503,367
Employee benefit expense (note 23)	2,688,120	2,285,921
Rent expense	1,326,602	1,103,758
	\$ 61,736,169	\$ 46,322,718

For the year ended December 31, 2023, salaries increased primarily within the IAS division. This was driven by various factors, specifically higher bonuses and management fees in line with financial performance in the IAS division.

Included in general administration is an increase of \$1.40 million in professional fees for the year ended December 31, 2023, when compared with the year ended December 31, 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21. DIRECT EXPENSES

	December 31, 2023	December 31, 2022
Commission expense	\$ 1,896,438	\$ 2,078,600
Health trailer commissions	1,191,295	1,126,166
Service costs paid	583,303	720,610
	\$ 3,671,036	\$ 3,925,376

Commission expense decreased \$0.18 million for the year ended December 31, 2023, when compared with the year ended December 31, 2022. This decrease is primarily the result of lower revenues and other earnings drivers within the CGP division.

22. BAD DEBT EXPENSE

	December 31, 2023	December 31, 2022
Bad debt expense	\$ 764,619	\$ 835,079

During the year ended December 31, 2023, Olympia recorded \$0.76 million in bad debt expense (December 31, 2022 - \$0.84 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, 2023, actual write-offs, net of recoveries, was \$1.14 million (December 31, 2022 - \$0.71 million).

23. EMPLOYEE BENEFITS

	December 31, 2023	December 31, 2022
Medical benefits	\$ 952,953	\$ 996,849
Parking & other benefits	942,547	748,883
Share ownership assistance	591,869	404,259
Long-term service awards & education assistance	200,751	135,930
	\$ 2,688,120	\$ 2,285,921

The increase in employee benefits is directly attributable to the increase in head count during the 2023 fiscal year.

24. OTHER GAINS, NET

	December 31, 2023	December 31, 2022
Unrealized foreign exchange gain	\$ (441,463)	\$ (21,244)
Gain on disposal of assets & other	(146)	(138,022)
Unrealized loss on FVPL assets	3,391	88,149
	\$ (438,218)	\$ (71,117)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25. 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.

	December 31, 2023	December 31, 2022
Total net earnings	\$ 23,955,807	\$ 14,153,349
Weighted average number of shares (basic & diluted)	2,406,336	2,406,336
Basic & diluted earnings per share	\$ 9.96	\$ 5.88

26. DIVIDENDS PER SHARE

The aggregate dividends declared and paid for the year amounted to \$13.96 million (December 31, 2022 – \$7.60 million).

27. CHANGES IN NON-CASH WORKING CAPITAL

	December 31, 2023	December 31, 2022
Trade & other receivables	\$ (9,949,815)	\$ (8,875,273)
Prepaid expenses	109,429	(637,130)
Inventory	-	42,338
Current tax receivable	15,851	(15,851)
Trade & other payables	27,156	652,772
Deferred revenue	104,650	118,609
Other liabilities & charges	450,264	(262,598)
Lease liability interest	36,261	35,592
Current tax liability	2,312,833	973,417
	\$ (6,893,371)	\$ (7,968,124)

28. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	December 31, 2022	Cash flows	December 31, 2023
Revolving credit facility	\$ 4,953,278	\$ (2,387,389)	\$ 2,565,889

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29. 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, 2023
2024	\$ 527,666
2025	477,573
2026	24,324
	\$ 1,029,563

30. 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.

31. RELATED PARTY TRANSACTIONS

Olympia's president and CEO owns and controls 29.55% 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 Trust;

- 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, 2023	December 31, 2022
Companies controlled by the President & CEO	\$ 1,317	\$ 1,951
	\$ 1,317	\$ 1,951

Service revenue from related parties totaled \$1,317 for the year ended December 31, 2023 (December 31, 2022 – \$1,951). 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.

Interest revenue	December 31, 2023	December 31, 2022
Companies controlled by the President & CEO	\$ 22,231	\$ 45,299
	\$ 22,231	\$ 45,299

Interest revenue from related parties totaled \$22,231 for the year ended December 31, 2023 (December 31, 2022 – \$45,299), and consists of interest earned from the promissory note receivable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Administrative Expenses	December 31, 2023	December 31, 2022
Companies controlled by the President & CEO (management fee)	\$ 10,066,893	\$ 5,404,689
Olympia Charitable Foundation	164,071	128,411
Companies controlled by directors of Olympia	30,690	46,257
Companies controlled by the President & CEO	-	26,545
	\$ 10,261,654	\$ 5,605,902

Administrative expenses paid to related parties totaled \$10.26 million for the year ended December 31, 2023 (December 31, 2022 – \$5.61 million), and consisted of the following:

- The Olympia Charitable Foundation is funded by Olympia and the employees of Olympia. Olympia's matched donation totaled \$164,071 for the year ended December 31, 2023 (December 31, 2022 – \$128,411).
- Management fees are paid to Tarman based on a percentage of pre-tax profits of Olympia's divisions, except for the Health 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, 2023, this amounted to \$10.07 million (December 31, 2022 - \$5.40 million).

- Fees paid to Olympia ATM Ltd., a company controlled by Olympia's president and CEO, of \$nil (December 31, 2022 - \$26,545) 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, 2023, this amounted to \$30,690 (December 31, 2022 - \$46,257).

Trade & other receivables include amounts receivable from related parties

	December 31, 2023	December 31, 2022
Companies controlled by the President & CEO	\$ 55,690	\$ 1,039,643
	\$ 55,690	\$ 1,039,643

Receivables from related parties totaled \$0.06 million as at December 31, 2023 (December 31, 2022 – \$1.04 million), and consisted mainly of the following:

- A receivable in the amount of \$53,995 (December 31, 2022 – \$45,123) from Tarman, a company controlled by Olympia's president and CEO, for legal services provided and cost recoveries relating to accounting and other administrative services provided.
- A receivable in the amount of \$1,695 (December 31, 2022 – \$14,520) 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 \$nil (December 31, 2022 – \$980,000) from Tarman, a company controlled by Olympia's president and CEO, for the sale of Olympia ATM Inc. to Tarman.

On June 5, 2018, Olympia announced the sale to 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 the 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 & other payables and provision for other liabilities & charges include amounts payable to related parties	December 31, 2023	December 31, 2022
Companies controlled by the President & CEO	\$ 435,460	\$ 407,545
Family members of the President & CEO	262,151	291,495
Directors' fees	149,505	105,214
Companies controlled by directors of Olympia	4,650	21,000
	\$ 851,766	\$ 825,254

Payables to related parties totaled \$0.85 million as at December 31, 2023 (December 31, 2022 – \$0.83 million), and consisted mainly of the following:

- A payable in the amount of \$51,093 (December 31, 2022 – \$35,157) 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 \$384,367 (December 31, 2022 – \$372,388) 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 \$262,151 (December 31, 2022 - \$291,495).

- A payable for directors' fees of \$149,505 (December 31, 2022 – \$105,214).
- A payable to a company controlled by a director of Olympia \$4,650 (December 31, 2022 - \$21,000).

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 20. 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:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	December 31, 2023	December 31, 2022
Salaries, bonuses & profit sharing	\$ 12,623,181	\$ 7,435,661
Management fees	10,066,893	5,503,367
Directors fees	565,176	309,817
Short-term employee benefits	382,124	285,100
	\$ 23,637,374	\$ 13,533,945

32. 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, 2023	December 31, 2022
Canadian Equity securities	\$ 89,503	\$ 96,472

The following table represents transfers between levels for the year ended December 31, 2023.

	Level 1	Level 2	Level 3	Total
Opening balance	\$ -	\$ -	\$ 96,472	\$ 96,472
Purchases	-	-	-	-
Sales	-	-	(3,578)	(3,578)
Transfers from level 3 into level 1	-	-	-	-
Net losses recognized in other gains, net	-	-	(3,391)	(3,391)
Total financial assets at fair value through profit or loss	\$ -	\$ -	\$ 89,503	\$ 89,503

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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), net	(89,563)	-	1,414	(88,149)
Total financial assets at fair value through profit or loss	\$ -	\$ -	\$ 96,472	\$ 96,472

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

33. SUBSEQUENT EVENTS

Effective January 1, 2024, the business of the CGP division began being conducted by Olympia Currency and Global Payments Inc., a wholly owned subsidiary of Olympia Financial Group Inc.

Effective January 31, 2024, Olympia signed a new seven year lease agreement for the Calgary head office commencing January 1, 2026.



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 6}

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



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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,
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