

**OVID CAPITAL VENTURES INC./
ENTREPRISES OVID CAPITAL INC.**

FINANCIAL STATEMENTS

JUNE 30, 2015

**OVID CAPITAL VENTURES INC./
ENTREPRISES OVID CAPITAL INC.**

FINANCIAL STATEMENTS

AS AT JUNE 30, 2015

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INDEPENDENT AUDITORS' REPORT

To the Directors of
Ovid Capital Ventures Inc./
Entreprises Ovid Capital Inc.

We have audited the accompanying financial statements of Ovid Capital Ventures Inc./Entreprises Ovid Capital Inc., which comprise the statement of financial position as at June 30, 2015 and the statements of operations and comprehensive loss, changes in shareholders' equity and cash flows for the year ended June 30, 2015, a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Ovid Capital Ventures Inc./Entreprises Ovid Capital Inc. as at June 30, 2015 and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2 in the financial statements which indicates that the Company has an accumulated deficit of \$650,087 as at June 30, 2015. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Nexia Friedman LLP

Chartered Professional Accountants

Montreal, Quebec
October 28, 2015

¹ CPA auditor, CA, public accountancy permit no. A105076

**OVID CAPITAL VENTURES INC./
ENTREPRISES OVID CAPITAL INC.**

STATEMENT OF FINANCIAL POSITION

As at June 30	2015	2014
Assets		
Current assets		
Cash and cash equivalents	\$ 52,245	\$ 134,462
Short-term investments (note 5)	5,000	5,000
Accrued interest receivable	24,453	11,174
Sales taxes refundable	12,505	12,890
Prepaid expenses	40,000	40,000
Total current assets	134,203	203,526
Loans receivable (note 6)	250,000	250,000
Total assets	\$ 384,203	\$ 453,526
Liabilities and shareholders' equity		
Current liabilities		
Accrued liabilities	\$ 224,683	\$ 112,733
Share subscription deposit (note 7)	12,175	-
Total liabilities	236,858	112,733
Shareholders' equity		
Share capital (note 8)	660,607	660,607
Reserves	136,825	136,825
Deficit	(650,087)	(456,639)
Total shareholders' equity	147,345	340,793
Total liabilities and shareholders' equity	\$ 384,203	\$ 453,526

Going concern (Note 2)

Subsequent event (Note 16)

The accompanying notes are an integral part of these financial statements.

On behalf of the Board:

signed Leena Lakdawala
Director

signed André Godin
Director

**OVID CAPITAL VENTURES INC./
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STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended June 30, 2015 and June 30, 2014

	Number of shares	Share Capital \$	Reserves \$	Deficit \$	Total \$
Balance – June 30, 2014	10,898,000	660,607	136,825	(456,639)	340,793
Net loss and comprehensive loss for the year	-	-	-	(193,448)	(193,448)
Balance – June 30, 2015	10,898,000	660,607	136,825	(650,087)	147,345

	Number of shares	Share Capital \$	Reserves \$	Deficit \$	Total \$
Balance – June 30, 2013	10,898,000	660,607	136,825	(237,682)	559,750
Net loss and comprehensive loss for the year	-	-	-	(218,957)	(218,957)
Balance – June 30, 2014	10,898,000	660,607	136,825	(456,639)	340,793

The accompanying notes are an integral part of these financial statements.

**OVID CAPITAL VENTURES INC./
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STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS

For the year ended June 30	2015	2014
Revenue	\$ -	\$ -
Expenses		
Office	658	885
Insurance	6,944	3,643
Professional fees	150,356	192,247
Travel and promotion	17,666	12,582
Public company expenses	30,932	21,708
Interest and bank charges	211	305
Loss before undernoted item	(206,767)	(231,370)
Interest income	13,319	12,413
Net loss and comprehensive loss	\$ (193,448)	\$ (218,957)
Loss per share:		
Basic and fully diluted	\$ (0.0328)	\$ (0.0371)
Weighted average number of common shares outstanding for the year	5,898,000	5,898,000

The accompanying notes are an integral part of these financial statements.

**OVID CAPITAL VENTURES INC./
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STATEMENT OF CASH FLOWS

For the year ended June 30	2015	2014
Cash flows for operating activities		
Net loss and comprehensive loss	\$ (193,448)	\$ (218,957)
Item not affecting cash:		
Investment income recognized in net loss	(13,319)	(12,413)
	(206,767)	(231,370)
Net change in non-cash working capital items (note 11)	111,231	32,278
Net cash used in operating activities	(95,536)	(199,092)
Cash flows for investing activities		
Decrease in short-term investments	-	338,000
Loans receivable	-	(225,000)
Investment income	13,319	12,413
Net cash provided by investing activities	13,319	125,413
Net decrease in cash and cash equivalents	(82,217)	(73,679)
Cash and cash equivalents, beginning of year	134,462	208,141
Cash and cash equivalents, end of year	\$ 52,245	\$ 134,462

The accompanying notes are an integral part of these financial statements.

**OVID CAPITAL VENTURES INC./
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NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and June 30, 2014

1. Nature of business

The Company, incorporated under the Canada Business Corporations Act on July 19, 2012, is classified as a Capital Pool Company, as defined by the TSX-Venture Exchange ("TSX-V") Policy 2.4.

The principal business of the Company is the identification and evaluation of assets or a business and, once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities.

On December 21, 2012, the Company completed its initial public offering by issuing 5,738,000 common shares at \$0.10 per share for gross proceeds of \$573,800 and is now trading on the TSX-V under the stock symbol "OCA.P".

The address of the Company's registered and head office is 1000 Sherbrooke St. West, Suite 2700, Montreal, Quebec, Canada.

2. Going concern

The accompanying financial statements have been prepared on the basis that the Company will continue as a going concern. Accordingly, they do not purport to give effect to adjustments, if any, that may be necessary should the Company be unable to continue its operations and therefore be required to realize its assets and discharge its liabilities and commitments in other than the ordinary course of business.

The Company does not currently have operations or assets capable of generating revenue or cash flows. As at June 30, 2015, the Company incurred a net loss of \$193,448 with an accumulated deficit of \$650,087, had a negative cash flow from operations of \$95,536 and expects to incur further losses in the development of its business. The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an interest in properties, assets or business, which would be a "Qualifying Transaction". Such an acquisition will be subject to regulatory approval and may be subject to shareholder approval.

(Continued)

**OVID CAPITAL VENTURES INC./
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NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and June 30, 2014

2. Going concern...cont'd.

Termination of Proposed Qualifying Transaction with iTech

On November 8, 2013, the Company signed a definitive merger agreement (the “Definitive Agreement”) with iTech Medical, Inc., a corporation existing under the laws of Delaware (“iTech”), which outlined the general terms and conditions pursuant to which the Company and iTech would be willing to complete a transaction that will result in a reverse take-over of the Company by the shareholders of iTech (the “iTech Transaction”). The iTech Transaction was subject to requisite regulatory approval, including the approval of the TSX-Venture Exchange (the “TSX-V”), standard closing conditions, the approval of the directors of each of the Company and iTech of the Definitive Agreement, completion of due diligence investigations to the satisfaction of each of the Company and iTech, as well as the completion of a concurrent equity financing for minimum gross proceeds to the Company of \$2,550,000 (the “Minimum Financing Condition”). Unfortunately, and despite obtaining requisite regulatory and corporate approvals, the iTech Transaction has been terminated due to the Minimum Financing Condition not being met.

New Qualifying Transaction with BIOflex Medical Magnetism, Inc.

On November 30, 2014, the Company signed a letter of intent with BIOflex Medical Magnetism, Inc. (“BIOflex”) and iTech, as the sole shareholder of BIOflex, with respect to an acquisition by the Company of all of the assets of BIOflex (the “BIOflex Transaction”).

The BIOflex Transaction is subject to requisite regulatory approval, including the approval of the TSXV and standard closing conditions, the approval of the directors of each of the Company, BIOflex and iTech of the Asset Purchase Agreement and completion of due diligence investigations to the satisfaction of each of the Company and BIOflex, as well as the conditions described below. The legal structure for the Transaction will be confirmed after the parties have considered all applicable tax, securities law and accounting efficiencies, however, it is currently contemplated that the transaction will be structured as an asset acquisition.

(Continued)

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NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and June 30, 2014

2. Going concern...cont'd.

Conditions to BIOflex Transaction

Prior to completion of the BIOflex Transaction (and as conditions of closing):

- The parties will prepare a filing statement in accordance with the rules of the TSXV, outlining the terms of the Transaction.
- BIOflex, iTech and the Company will enter into an Asset Purchase Agreement in respect to the BIOflex Transaction on or before March 31, 2015 (the "Closing Date").
- BIOflex will obtain the requisite shareholder approvals for the BIOflex Transaction and any ancillary matters contemplated in the Asset Purchase Agreement.
- All requisite regulatory approvals relating to the BIOflex Transaction, including, without limitation, TSXV approval, will have been obtained.
- The Company will close a concurrent financing for minimum gross proceeds of \$1,000,000.

The Proposed BIOflex Transaction

As at June 30, 2015, the Company has 10,898,000 common shares ("Ovid Shares") issued and outstanding, and securities exercisable or exchangeable for, or convertible into, or other rights to acquire, an aggregate of 1,037,800 Ovid Shares at an exercise price of \$0.10 per Ovid Share.

As more fully described in Note 16, Subsequent events, on August 7, 2015, the Company completed its Qualifying Transaction involving the acquisition of all of the assets of BIOflex and a concurrent private placement of 10,265,466 units in the capital of the Company (the "Units") at a price of \$0.1125 per Unit, for aggregate gross proceeds of \$1,154,864.93 (the "Offering").

It is management's opinion, as a result of the subsequent completion of the Qualifying Transaction and the Offering, given the level of funding and projected levels of expenditures, the Company has sufficient cash resources to continue for the next twelve months.

(Continued)

**OVID CAPITAL VENTURES INC./
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NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and June 30, 2014

3. Basis of preparation

The financial statements were authorized for issuance on October 28, 2015 by the board of directors of the Company.

Basis of measurement

The financial statements have been prepared under the historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss or available for sale which are measured at fair value. In addition, the financial statements have been prepared using the accrual basis of accounting.

Accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions about the carrying amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods presented. Actual results could differ from those estimates and such differences could be significant.

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments however, may change due to market changes or circumstances arising beyond the control of the Company. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting estimates and judgments are those that have a significant risk of causing material adjustment and are often applied to matters or outcomes that are inherently uncertain and subject to change. Key areas of estimation, where management has made difficult, complex or subjective judgments, often as a result of matters that are inherently uncertain, include the valuation of share based payments, accrued liabilities and deferred taxes.

(Continued)

**OVID CAPITAL VENTURES INC./
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NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and June 30, 2014

4. Summary of significant accounting policies

Share-based payments

The Company uses the fair-value method of accounting for all equity-settled share-based payments. Stock-based payments to directors, employees and others providing similar services are measured at the fair value of the equity instruments at the grant date using the Black-Scholes option pricing model, which includes estimates of the number of awards that are expected to vest over the vesting period. Where granted share options vest in installments over the vesting period (defined as graded vesting), the Company treats each installment as a separate share option grant. Share-based compensation expense is recognized over the vesting period, or as specific vesting conditions are satisfied, and credited to equity settled employee benefits reserve. When stock options are exercised, the proceeds, together with the amount recorded in stock option reserve, are recorded in share capital.

Details of the Company's stock option plan and related disclosures are described in Note 9.

The Company granted stock options to Agents in connection with the issuance of shares ("Agents' Options") using the fair value method. Under this method, the fair value of broker options is first determined based on the value of the goods or services received. In situations where some or all of the goods or services received by the Company as consideration cannot be specifically identified, the fair value of Agents' Options is then determined using the Black-Scholes option pricing model as described above. The fair value of Agents' Options is recognized as a cost of the shares issued and recorded in share capital.

Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized on temporary differences between the tax bases of assets and liabilities and the corresponding carrying amounts in the financial statements. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

(Continued)

**OVID CAPITAL VENTURES INC./
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NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and June 30, 2014

4. Summary of significant accounting policies...cont'd.

Deferred tax assets and liabilities are measured, on a non-discounted basis, using the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Cash and cash equivalents

Highly liquid investments with a maturity of three months or less from the date of purchase are classified as cash and cash equivalents. Highly liquid investments which the Company cannot use for current operations because they are pledged as security or otherwise restricted are excluded from cash and cash equivalents.

Loss per share

Basic loss per share is calculated by dividing the net loss by the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated by dividing the applicable net loss by the sum of the weighted average number of shares outstanding during the year and all additional common shares that would have been outstanding if potentially dilutive common shares had been issued during the year. The treasury stock method is used to compute the dilutive effect of stock options, warrants and similar instruments.

The computation of diluted loss per share is equal to the basic loss per share due to the anti-dilutive effect of the stock options and warrants.

(Continued)

**OVID CAPITAL VENTURES INC./
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NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and June 30, 2014

4. Summary of significant accounting policies...cont'd.

Financial instruments

Financial assets

Financial assets are recognized and derecognized on the trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL) and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

A financial asset is classified as held for trading if it has been acquired principally for the purpose of selling it in the near term; if on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

(Continued)

**OVID CAPITAL VENTURES INC./
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NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and June 30, 2014

4. Summary of significant accounting policies...cont'd.

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

The Company has classified all of its financial assets as follows:

Financial Assets	Classification	Subsequent Measurement
Cash and cash equivalents	Held for trading	Fair value
Short-term investments	Loans and receivables	Amortized cost
Trade and other receivables	Loans and receivables	Amortized cost

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

(Continued)

**OVID CAPITAL VENTURES INC./
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NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and June 30, 2014

4. Summary of significant accounting policies...cont'd.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

Financial liabilities and equity instruments issued by the Company

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if it has been acquired principally for the purpose of repurchasing it in the near term; or if on initial recognition, it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or if it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; if the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or if it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

(Continued)

**OVID CAPITAL VENTURES INC./
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NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and June 30, 2014

4. Summary of significant accounting policies...cont'd.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

The Company has classified all of its financial liabilities as follows:

Financial liability	Classification	Subsequent Measurement
Trade and other payables	Other financial liability	Amortized cost

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Future accounting changes

In November 2009, the IASB issued IFRS 9 "Financial Instruments: classification and evaluation", which represents a new standard for the classification and measurement of financial assets that will replace IAS 39, "Financial Instruments: Recognition and Measurement". IFRS 9 has two categories of evaluation: amortized cost and fair value. Debt instruments are valued at amortized cost only if the entity has the objective to collect the contractual cash flows and the cash flows represent principal and interest. Otherwise, they are measured at fair value through profit and loss.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would be generally recorded in other comprehensive income.

(Continued)

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June 30, 2015 and June 30, 2014

4. Summary of significant accounting policies...cont'd.

This new standard applies to fiscal years beginning on or after January 1, 2015 with earlier adoption permitted. The Company is currently evaluating any impact that this new standard may have on the Company's financial statements.

5. Short-term investments

The short-term investment is a cashable guaranteed investment certificate with the Company's bank bearing interest at the rate of 0.8% maturing within one year and whose market value approximates cost.

6. Loans receivable	2015	2014
Unsecured, non-interest bearing advance to iTech in contemplation of the letter of intent described in Note 2. This advance matures no later than July 3, 2014.	\$ 25,000	\$ 25,000
Loans to iTech in contemplation of the Transaction described in Note 2, bearing interest at the rate of 6% per annum, mature no later than November 8, 2014 and are secured by a general security over the assets of iTech and BIOflex	225,000	225,000
	\$ 250,000	\$ 250,000

As described in Note 16, on August 7, 2015, the maturity date of the loans to iTech were amended to be eighteen months after the date of the final bulletin of the TSX-V evidencing its approval of the Qualifying Transaction, which was issued on August 17, 2015. As a result, these loans will mature on February 17, 2017.

(Continued)

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June 30, 2015 and June 30, 2014

7. Share subscription deposit

In anticipation of the BIOflex Transaction described in Note 2, the Company received a deposit in respect of a subscription for Units which is fully refundable in the event the BIOflex Transaction is not completed.

Subsequent to year-end, as described in Note 16, the Bioflex transaction was completed, and as such, the deposit is no longer refundable.

8. Share capital **2015** 2014

Authorized:

An unlimited number of common shares and an unlimited number of preferred shares without nominal or par values

Issued -

10,738,000	Common shares	\$ <u>660,607</u>	\$ <u>660,607</u>
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As of June 30, 2015, 5,115,000 of the issued and outstanding shares are subject to escrow conditions.

Basic loss per share is calculated by dividing the net loss by the weighted average number of common shares outstanding during the period. Outstanding shares that are contingently returnable are excluded from the calculation of basic earnings per share. A summary of the weighted average number of common shares outstanding are as follows:

	2015	2014
Weighted average number of common shares outstanding	10,898,000	7,624,381
Weighted average of contingently returnable shares	5,000,000	4,399,133
Weighted average of non-contingently returnable shares	5,898,000	3,225,248

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**OVID CAPITAL VENTURES INC./
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NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and June 30, 2014

9. Share based payments

On November 7, 2012, the Company established an incentive stock option plan (the "Stock Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company, non-transferable options to purchase common shares. These options vest over a period determined by the Board of Directors when granted and expire after a period of up to ten years, provided that the number of common shares reserved for issuance under the Stock Option Plan does not exceed ten percent of the outstanding common shares issued. The Board of Directors determines the price per common share and the number of common shares that may be allotted to each director, officer, employee and consultant of the Company and all other terms and conditions of the options granted under the Stock Option Plan.

The Company accounts for options granted using the fair value method.

During the year ended June 30, 2015, there were no options granted to directors and officers.

During the year ended June 30, 2015, there were no options granted to consultants of the Company.

A summary of changes in the Company's common share purchase options is presented below:

	2015		2014	
	Number of Options	Weighted Average Exercise Price \$	Number of Options	Weighted Average Exercise Price \$
Balance – beginning of year	1,451,600	0.1000	1,451,600	0.1000
Expired during the year	(413,800)	0.1000	-	-
Balance – end of year	1,037,800	0.1000	1,451,600	0.1000
Balance exercisable – end of year	1,037,800	0.1000	1,451,600	0.1000

Common share purchase options outstanding, exercisable, granted to directors, officers, consultants and Agents of the Company as at June 30, 2015 are summarized as follows:

Number of Options Outstanding	Number of Options Exercisable	Exercisable Price	Range of Expire Date	Weighted Average Remaining Contractual Life
1,037,800	1,037,800	0.10	December 21, 2022	90 months

(Continued)

**OVID CAPITAL VENTURES INC./
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NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and June 30, 2014

10. Income taxes

- (a) Reconciliation of current income taxes:

The impact of differences between the Company's reported income tax expense on operating loss and the expense that would otherwise result from the application of statutory rates is as follows:

	2015	2014
Loss before income taxes for the year	\$ (193,448)	\$ (218,957)
Income tax recovery at statutory rates	(52,037)	(58,899)
Permanent differences	1,455	1,495
Future tax impact on temporary differences	7,272	7,272
Tax benefit not realized	43,310	50,132
Deferred income tax recovery	\$ -	\$ -

- (b) The significant components of deferred income tax assets are as follows:

	2015	2014
Deferred income tax asset:		
Non-capital loss carry-forward	\$ 167,085	\$ 109,845
Share issue costs	14,564	21,814
	181,649	131,659
Unrecognized deferred income taxes	(181,649)	(131,659)
Net deferred income taxes	\$ -	\$ -

(Continued)

**OVID CAPITAL VENTURES INC./
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NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and June 30, 2014

10. Income taxes...cont'd.

- (c) The Company has income tax losses available which can be used to reduce future years' taxable income. Future income tax benefits which may arise as a result of these losses have not been recognized in these financial statements. These loss-carry-forwards will expire as follows:

	Federal	Quebec
2033	\$ 169,000	\$ 167,000
2034	242,000	238,000
2035	215,000	210,000
	<hr/>	<hr/>
	\$ 626,000	\$ 615,000

- (d) The Company has accumulated \$54,142 of share issue costs which can be used to reduce future years' taxable income. These share issue costs will be deductible over the following three fiscal years.

11. Statement of cash flows

Changes in non-cash working capital items:

	2015	2014
Accrued interest receivable	\$ (13,279)	\$ (10,152)
Sales taxes refundable	385	(2,008)
Accrued liabilities	111,950	44,438
Share subscription deposit	12,175	-
	<hr/>	<hr/>
	\$ 111,231	\$ 32,278

(Continued)

**OVID CAPITAL VENTURES INC./
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NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and June 30, 2014

12. Related party transactions

Upon inception, the Company issued 2,300,000 common shares at \$0.05 per share for total proceeds of \$115,000 to the following related parties:

- 2,000,000 common shares to a company controlled by a director and officer of the Company;
- 100,000 common shares to each of the two other directors and to the Chief Financial Officer of the Company.

The shares issued from completion of the initial public offering included 115,000 common shares at \$0.10 per share for total proceeds of \$11,500 to a director and officer of the Company.

During the year, the Company incurred approximately \$86,000 (2014 - \$114,000) in legal fees for services provided by a law firm whose partner is a director of the Company.

These transactions are measured at the exchange amount, which is the amount of consideration determined and agreed to by the related parties.

13. Capital disclosures

The Company's objectives when managing capital are:

- 1) to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders;
- 2) to maintain sufficient cash resources to support its ongoing activities;
- 3) to maintain a flexible capital structure which optimizes the cost of capital at an acceptable level of risk.

In the management of capital, the Company considers the items included in shareholders' equity in the definition of capital.

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**OVID CAPITAL VENTURES INC./
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NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and June 30, 2014

13. Capital disclosures...cont'd.

The Company manages its capital structure and makes adjustments to it in light of economic conditions and the risk characteristics of the underlying assets. The Company, upon the approval of the Board of Directors, will balance its overall capital structure through the issue of new shares, acquiring or disposing of assets, or by undertaking other activities as deemed appropriate under specific circumstances.

The proceeds raised from the issue of shares may only be used to identify and evaluate assets or businesses for future investments with the exception that up to \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the policies of the TSX-V.

The Company is not exposed to any other externally imposed capital requirements.

14. Compensation of key management

Key management includes the roles of CEO, president and CFO. During the year, no compensation was paid to key management.

15. Risk management

Credit risk

The Company is exposed to credit risk through its cash and cash equivalents and its loans receivable described in Notes 5 and 6. Credit risk results from the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract.

Cash and cash equivalents are maintained with a high quality financial institution. As the Company's cash is held by a single Canadian bank, there is a concentration of credit risk. The carrying amount of cash and cash equivalents represents the Company's maximum credit exposure.

(Continued)

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NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and June 30, 2014

15. Risk management...cont'd.

Loans receivable from iTech of \$250,000 were advanced in anticipation of a definitive merger agreement. As described in Note 2, the proposed qualifying transaction has been terminated and the Company has entered into a letter of intent for a new Qualifying Transaction with iTech and its wholly owned subsidiary, BIOflex. Management has determined that while the original conditions of the loan have not been met, the new proposed qualifying transaction would provide iTech with the ability to meet its obligations to repay these loans and accordingly, no impairment of the loan is necessary. The carrying amount of the loans receivable and accrued interest represents the Company's maximum credit exposure.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. In seeking to minimize the risks from interest rate fluctuations, the Company manages its short-term investments based on its cash flow needs. A change in the interest rates of 1% will not have a significant impact on the operations and cash flows of the Company.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by continuously forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

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**OVID CAPITAL VENTURES INC./
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NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and June 30, 2014

16. Subsequent events

Subsequent to June 30, 2015, the following events occurred:

BIOflex Transaction

On August 18, 2015, the Company announced the closing, as of August 7, 2015, of its Qualifying Transaction, as defined under Policy 2.4 - Capital Pool Companies of the TSX-Venture Exchange (the "Exchange"), involving the acquisition of all of the assets of BIOflex Medical Magnetics, Inc. ("BIOflex") and a concurrent private placement of 10,265,466 units in the capital of the Company (the "Units") at a price of \$0.1125 per Unit, for aggregate gross proceeds of \$1,154,864.93 (the "Offering").

The Exchange issued its final approval bulletin in respect of the Qualifying Transaction and the Offering (collectively, the "Transactions") on August 17, 2015 and the Transactions are now completed.

The Qualifying Transaction was carried out by means of an asset purchase agreement, dated April 29, 2015 (the "Purchase Agreement") entered into between the Company, its wholly owned subsidiary Ovid Acquisition Corp. ("Acquireco"), BIOflex, and BIOflex's sole shareholder iTech Medical, Inc. Pursuant to the Purchase Agreement, Acquireco acquired all of the assets of BIOflex in exchange for cash consideration in the amount of \$60,000 and the issuance of 17,225,000 Common Shares at a deemed price of \$0.1125 per share.

In connection with the Qualifying Transaction, the Company completed the Offering of Units, which consisted of a brokered private placement of 1,837,111 Units and a non-brokered private placement of an additional 8,428,355 Units at a price of \$0.1125 per Unit. Each Unit was comprised of one Common Share and one common share purchase warrant (each, a "Warrant"), with each Warrant entitling the holder thereof to acquire one additional Common Share at an exercise price of \$0.15 for a period of twelve months from the Closing Date.

The Exchange granted the Company an exemption from the sponsorship requirements under the policies of the Exchange in respect of the Qualifying Transaction on August 13, 2015.

Jones, Gable & Company Limited (the "Agent") acted as agent for the brokered portion of the Offering. As consideration for its services in connection with the Transactions, the Agent (and its sub-agents) received: (i) a cash commission in the amount \$18,687.50; (ii) 183,711 non-transferable agent compensation options, each entitling the holder thereof, for a period of twelve months from the Closing Date, to acquire one Common Share at a price of \$0.1125 per share; and (iii) reimbursement of the fees and expenses incurred in connection with the Transactions.

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NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and June 30, 2014

16. Subsequent events...cont'd.

Certain senior officers and directors of the Company (each, a "Related Party") participated in the Offering by subscribing for an aggregate of 1,710,000 Units at an aggregate subscription price of \$192,375. The participation of each Related Party in the Offering is considered a "related party transaction" under Regulation 61-101 respecting Protection of Minority Security Holders in Special Transactions (Québec) ("Regulation 61-101") and the corresponding Policy 5.9 of the Exchange. The Company relied on Sections 5.5(a) and 5.7(1)(a) of Regulation 61-101, respectively, for exemptions from the formal valuation and minority approval requirements under Regulation 61-101, as neither the fair market value of the Units issued to the Related Parties, nor the amount of consideration paid therefor, exceeds 25% of the Company's market capitalization.

All securities issued pursuant to the Transactions or which may be issued upon the exercise thereof (collectively, the "Securities") are subject to a four-month plus one-day hold period from the Closing Date, expiring December 8, 2015, pursuant to securities legislation and the policies of the Exchange. The Securities have not been nor will they be registered under the United States Securities Act of 1933, as amended, or state securities laws, and may not be offered or sold in the United States or to an account for the benefit of U.S. persons, absent such registration or an exemption from registration.

Stock option plan and options granted

Upon closing of the Transactions, the board of directors of the Company approved an increase to the number of Common Shares reserved for issuance under the Company's incentive stock option plan to 3,838,847, which represents 10% of the total number of issued and outstanding Common Shares as of the date hereof.

Subsequent to June 30, 2015, the Company granted an aggregate of 1,750,000 incentive stock options (the "Options") to certain senior officers and directors of the Company pursuant to the terms of the Company's incentive stock option plan.

In addition, the Company granted an aggregate of 190,000 stock options to consultants of the Company.

All of the stock options indicated above are exercisable to acquire common shares of the Company at a price of \$0.15 per share. The options granted to consultants, are exercisable for a term of two years from the date of grant while the incentive stock options granted to senior officers and directors of the Company are exercisable for a period of 10 years from the date of grant. The options vest in equal tranches over a period of 18 months.

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**OVID CAPITAL VENTURES INC./
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NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and June 30, 2014

16. Subsequent events...cont'd.

Contractual obligations

Subsequent to the completion of the Qualifying Transaction and private placement, the Company entered into several consulting agreements for a total of \$377,000 and stock options to acquire an aggregate of 190,000 common shares as indicated above.

Loans to iTech

On August 7, 2015, the maturity date of the loans to iTech, described in Note 6, were revised to extend them to eighteen months after the date of the final bulletin of the TSX-V evidencing its approval of the Qualifying Transaction. This final bulletin was issued on August 17, 2015, and as a result, the maturity date of these loans have been extended to February 17, 2017.

Change of corporate name

On August 13, 2015, the Company changed its name to "BIOflex Technologies Inc.". As of the opening of markets on August 19, 2015, the Company's common shares (the "Common Shares") commenced trading on the Exchange under the symbol "BFT".