# Chrysalis Capital IX Corporation
## Condensed Interim Financial Statements
*Three months ended March 31, 2015 and 2014*
*(Unaudited)*

## Table of Contents

## Chrysalis Capital IX Corporation
### Condensed interim statements of financial position
*(Unaudited)*
(In Canadian Dollars)

| As at | | ***March 31, 2015*** | | *December 31, 2014* |
|---|---|---|---|---|
| **Assets** | | | | |
| **Current** | | | | |
| Cash and cash equivalents | **$** | **578,425** | $ | 597,878 |
| | **$** | **578,425** | $ | 597,878 |
| **Liabilities** | | | | |
| **Current** | | | | |
| Accounts payable and accrued liabilities | **$** | **18,836** | $ | 6,947 |
| | | **18,836** | | 6,947 |
| **Shareholders' Equity** | | | | |
| **Share capital** *(Note 3 )* | **$** | **677,459** | $ | 677,459 |
| **Contributed Surplus** | | **41,323** | | 41,323 |
| **Deficit** | | **(159,192)** | | (127,851) |
| | | **559,590** | | 590,931 |
| | **$** | **578,425** | $ | 597,878 |

**Basis of operations *(Note 1)***

*The accompanying notes are an integral part of these condensed interim financial statements*

# Chrysalis Capital IX Corporation
## Condensed interim statements of changes in shareholders' equity
*(Unaudited)*
(In Canadian Dollars)

| | Share Capital | | | | |
|---|---|---|---|---|---|
| | **Common Shares** | **Amount ($)** | **Contributed Surplus ($)** | **Deficit ($)** | **Shareholders' Equity ($)** |
| Balance, January 1, 2015 | 10,841,000 | 677,459 | 41,323 | (127,851) | 590,931 |
| Comprehensive loss for the period | - | - | - | (31,341) | (31,341) |
| **Balance - March 31, 2015** | **10,841,000** | **677,459** | **41,323** | **(159,192)** | **559,590** |
| Balance, January 1, 2014 | 4,700,000 | 235,000 | - | (20,487) | 214,513 |
| Initial public offering | 6,141,000 | 614,100 | - | - | 614,100 |
| Share issuance costs | | (171,641) | - | - | (171,641) |
| Share-based payments | - | - | 41,323 | - | 41,323 |
| Comprehensive loss for the period | - | - | - | (107,364) | (107,364) |
| **Balance - December 31, 2014** | **10,841,000** | **677,459** | **41,323** | **(127,851)** | **590,931** |

*The accompanying notes are an integral part of these condensed interim financial statements*

## Chrysalis Capital IX Corporation
### Condensed interim statements of operations and comprehensive loss
*(Unaudited)*
(In Canadian Dollars)

| | | *Three months ended March 31, 2015* | | *Three months ended March 31, 2014* |
|---|---|---|---|---|
| **Revenue** | | | | |
| Interest income | **$** | **751** | $ | - |
| **Expenses** | | | | |
| Professional fees | | **9,585** | $ | - |
| General and office | | **8,787** | | 14,537 |
| Listing fees | | **13,721** | | 853 |
| Share based compensation | | **-** | | 33,536 |
| | | **32,092** | | 48,926 |
| **Net loss and comprehensive loss** | **$** | **(31,341)** | $ | (48,926) |
| **Net Loss per share** | | | | |
| Basic and diluted | | **(0.00)** | | (0.01) |
| **Weighted average number of common shares outstanding** | | | | |
| Basic and diluted | | **10,841,000** | | 4,904,700 |

*The accompanying notes are an integral part of these condensed interim financial statements*

# Chrysalis Capital IX Corporation
## Condensed interim statements of cash flows
*(Unaudited)*
(In Canadian Dollars)

| | Three Months Ended March 31, 2015 | Three Months Ended March 31, 2014 |
|---|---|---|
| **Cash provided by (used for) the following activities** | | |
| **Operating activities** | | |
| Net loss and comprehensive loss | **$ (31,341)** | $ (48,926) |
| Stock based compensation | **-** | 41,323 |
| | **(31,341)** | (7,603) |
| Changes in working capital accounts | | |
| Sundry assets and deferred financing costs | **-** | 36,495 |
| Accounts payable and accrued liabilities | **11,889** | 17,431 |
| | **(19,452)** | 46,323 |
| **Financing activities** | | |
| Proceeds from issuance of common shares | **-** | 614,100 |
| Share issuance costs | | (129,288) |
| | **-** | 484,812 |
| **Increase in cash resources** | **(19,452)** | 531,135 |
| **Cash, beginning of period** | **597,878** | 193,541 |
| **Cash, end of period** | **$ 578,425** | $ 724,676 |

*The accompanying notes are an integral part of these condensed interim financial statements*

## 1. Nature of the Organization

*Description of the business*

Chrysalis Capital IX Corporation (the "Corporation") was incorporated under the *Canada Business Corporations Act* on September 17, 2013 with the intent to being classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange") corporate finance manual. The Corporation has no assets other than cash and cash equivalents and deferred share issuance costs and proposes to identify and evaluate potential acquisitions or businesses, and once identified and evaluated, to negotiate an acquisition or participation subject to receipt and, if required, shareholder's approval.

As a Capital Pool Company, the proceeds raised by the Corporation from the issuance of common shares may only be used to identify and evaluate assets or business for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the sale of securities issued by the Corporation and $210,000 may be used to cover prescribed costs of issuing common shares or administrative and general expenditures of the Corporation. These restrictions apply until the completion of a Qualifying Transaction by the Corporation as defined under the policies of the Exchange.

The Corporation'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 businesses. Such an acquisition will be subject to regulatory approval and, if required, shareholder approval.

The head office and the registered head office of the Corporation is located at 200E-B, 1515A Bayview Ave., Toronto, Ontario, M4G 3B5.

On October 20, 2014, the Corporation announced that it entered into a definitive agreement with Inspira Financial Inc. ("Inspira"), which set forth the general terms and conditions pursuant to which the Corporation will acquire all of the issued and outstanding shares in the capital of Inspira (the "Proposed Transaction"). Inspira is a private Canadian corporation focused on marketing a full range of alternative financial services to healthcare providers and their patients across the United States. When completed, the Proposed Transaction will constitute the Corporation's qualifying transaction pursuant to the policies of the TSX Venture Exchange.

On May 5, 2015, the Board of Directors approved the condensed interim financial statements for the year three months ended March 31, 2015 and 2014.

## 2. Summary of Significant Accounting Policies

*Statement of Compliance*

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These unaudited condensed interim consolidated financial statements should be read in conjunction with the Corporation's audited consolidated financial statements for the year ended December 31, 2014.

*Basis of Measurement*

These condensed interim financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

*Financial Instruments*

All financial instruments are recorded initially at fair value. In subsequent periods, all financial instruments are measured based on the classification adopted for the financial instrument: held to maturity, loans and receivables, fair value through profit or loss ("FVTPL"), available for sale, FVTPL liabilities or other liabilities.

FVTPL assets and liabilities are subsequently measured at fair value with the change in the fair value recognized in net income (loss) during the period.

Held to maturity assets, loans and receivables, and other liabilities are subsequently measured at amortized cost using the effective interest rate method.

Available for sale assets are subsequently measured at fair value with the changes in fair value recorded in other comprehensive income (loss), except for equity instruments without a quoted market price in an active market and whose fair value cannot be reliably measured, which are measured at cost.

**2. Summary of Significant Accounting Policies *(continued)***

*Financial Instruments (continued)*

The Corporation has classified its financial instruments as follows:

| Financial Instrument | Classification |
|---|---|
| Cash and cash equivalents | FVTPL |
| Accounts payable and accrued liabilities | Other liabilities |

Additional fair value measurement disclosure includes classification of financial instrument fair values in a fair value hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements which are as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and
Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The Corporation's financial instruments measured at fair value on the statement of financial position consist of cash and cash equivalents held in a Canadian chartered bank. Cash and cash equivalents are measured at level 1 of the fair value hierarchy.

*Cash and Cash Equivalents*

Cash equivalents are held by a financial institution and consist of redeemable term deposits maturing in three months or less.

*Basic and Diluted Loss Per Share*

Basic loss per share is computed by dividing the net loss applicable to common shares by the weighted average number of common shares (other than contingently returnable shares) outstanding for the relevant period. Fifty percent of the seed common shares of the Corporation issued to non-arm's length parties are considered contingently returnable until the Corporation completes a Qualifying Transaction and they are not considered to be outstanding shares for the purposes of loss per share calculation.

Diluted loss per share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares (other than contingently returnable shares) issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted

*Income Taxes*

Income tax expense comprises current and deferred tax. Income tax is recognized in the statements of operations and comprehensive loss except to the extent it relates to items recognized in other comprehensive income or directly in equity.

*Current Income Tax*

Current tax is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and tax laws that were enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

*Deferred Tax*

Deferred tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the statement of financial position. Deferred tax is calculated using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period, and which are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

**2. Summary of Significant Accounting Policies *(continued)***

*Deferred Tax (continued)*

Deferred tax liabilities:

- are generally recognized for all taxable temporary differences; and
- are recognized for taxable temporary differences arising on investments in subsidiaries except where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future.

Deferred tax assets:

- are recognized to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilized; and
- are reviewed at the end of the 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 not recognized in respect of temporary differences that arise upon initial recognition of goodwill or arise on initial recognition of assets and liabilities acquired other than in a business combination where at the time of transaction effects neither accounting profit or taxable income (tax loss).

*Measurement Uncertainty*

The preparation of condensed interim financial statements in conformity with IFRS accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates used in the condensed interim financial statements. Areas where estimates are significant are included in Note 6.

*Interest Income*

Interest income is recognized in profit and loss using the effective interest method which comprises the interest earned on the Corporation’s cash.

*Future Changes in Accounting Policies*

The following standards have been issued but are not yet effective:

<u>IFRS 9 - Financial Instruments</u>

IFRS 9, “Financial Instruments” (“IFRS 9”) was issued by the IASB in November 2009 and will replace IAS 39, “Financial Instruments: recognition and Measurement” (“IAS 39”). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial assets is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having two categories: amortized cost or fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and contractual cash flow characteristics of the financial assets.

*(In Canadian Dollars)*

The Corporation is currently evaluating the impact of the above standard on its financial performance and financial statement disclosures but expects that such impact will not be material. There are additional new standards that have not been discussed as they are not expected to impact the Corporation.

## 3. Share Capital

*a) Authorized and Issued*

The Corporation is authorized to issue an unlimited number of common shares.

| Issued & outstanding common shares | **Number** | **Amount ($)** |
|---|---|---|
| Issuance of common shares – September 26, 2013 | 500,000 | 25,000 |
| Issuance of common shares – October 25, 2013 | 4,200,000 | 210,000 |
| Balance, December 31, 2013 | 4,700,000 | 235,000 |
| Initial public offering – March 28, 2014 | 6,141,000 | 614,100 |
| Share issuance costs | - | (171,641) |
| Balance, March 31, 2015 | 10,841,000 | 677,459 |

*b) Share Issuance Detail*

On September 26, 2013, the Corporation issued 500,000 shares at a price of $0.05 per common share for total proceeds of $25,000.

On October 25, 2013, the Corporation issued 4,200,000 shares at a price of $0.05 per common share for total proceeds of $210,000.

On March 28, 2014, the Corporation completed its initial public offering ("IPO") of 6,141,000 common shares at $0.10 per common share for gross proceeds of $614,100. Share issuance costs related to the offering include $122,122 in cash and $7,787 in stock based compensation from agent's options issued in connection with the IPO. The Corporation's common shares began trading on the Exchange on March 28, 2014 under the trading symbol of "NYN.P".

*c) Escrowed Shares*

All of the 4,700,000 common shares issued prior to the offering at a price below $0.10 per common share, all common shares that may be acquired by Non Arm's Length Parties (as defined in the policies of the Exchange) of the Corporation either under the offering or otherwise prior to completion of the Qualifying Transaction and all common shares acquired by members of the Aggregate Pro Group (as defined in the policies of the Exchange) prior to the offering will be deposited with the Escrow Agent under an escrow agreement (the "Escrow Agreement").

All common shares acquired on exercise of stock options prior to the completion of a Qualifying Transaction, must also be deposited in escrow and will be subject to escrow until the final exchange bulletin is issued by the Exchange.

In addition, all common shares of the Corporation acquired in the secondary market prior to the completion of a Qualifying Transaction by any person or company who becomes a Control Person, as defined in the policies of the Exchange, are required to be deposited in escrow. Subject to certain exemptions permitted by the Exchange, all securities of the Corporation held by principals of the resulting issuer will also be escrowed.

*(In Canadian Dollars)*

**3. Share Capital *(continued)***

*d) Stock options*

The Corporation has a stock option plan (the "Plan") pursuant to which the directors, officers, employees and consultants of the Corporation may be granted options to purchase common shares. The outstanding options granted under the Plan are exercisable for a period of up to 10 years from the date of the grant. The exercise price of the options shall be determined by the board at the time of the grant. The aggregate number of shares issuable upon the exercise of all options granted under the plan shall not exceed 10% of the issued and outstanding common shares of the Corporation from time to time. The number of common shares reserved for issuance to (a) any individual director or officer will not exceed 5% of the issued and outstanding common shares, and (b) all technical consultants will not exceed 2% of the issued and outstanding common shares. In addition to the options granted under the Plan, the Corporation proposes to grant options to one or more eligible charitable organizations, exercisable for a period of up to 10 years from the date of the grant. Such grants to eligible charitable organizations will not exceed 1% of the issued and outstanding common shares.

On March 28, 2014, the Corporation granted 975,690 stock options to purchase common shares to directors and officers and also granted 108,410 stock options to an eligible charitable organization, at an exercise price of $0.10 per share, vesting immediately and expiring ten years from the date of grant. The fair value of the options granted at the time of granting is $0.03 per option assuming an average volatility of 20% on the underlying shares, an exercise price of $0.10 per common share, a risk free interest rate of 1.57%, an expected life of 10 years, and an expected dividend rate of nil. The Corporation recognized a share based compensation expense of $30,183 for directors and officers and $3,354 for charity and charged to share based compensation on the statement of operations and comprehensive loss and credited to contributed surplus.

The Corporation also granted stock options to its agents in connection with the initial public offering to acquire 614,100 common shares at a price of $0.10 per share for a period of 24 months from the date of grant. The agents options were valued using the Black-Scholes option-pricing model using the following assumptions: expected life of two years, risk free rate of 1.57%, expected dividend yield of nil and expected volatility of 20%. The Corporation recognized a value of $7,787 for stock issuance cost associated with the agent options and charged to share capital as a part of stock issuance costs and credited to contributed surplus.

The Black Scholes option valuation model used by the Corporation is based on subjective input assumptions with regards to the expected average volatility. Any changes to these assumptions can cause a significant variation in the estimate of the fair value of the options.

A summary of the status of the Corporation's outstanding stock options as at March 31, 2015 is as follows:

| | Number of Options | Weighted average exercise price ($) | Weighted average life (years) |
|---|---|---|---|
| December 31, 2013 | | | |
| Stock options outstanding and exercisable | - | - | - |
| Granted to directors, officers | 975,690 | 0.10 | 10 |
| Granted to eligible charity | 108,410 | 0.10 | 10 |
| Granted to agent | 614,100 | 0.10 | 2 |
| Balance, December 31, 2014 and March 31, 2015 | 1,698,200 | 0.10 | 8 |

## 4. Related Party Transactions

| Related Party | Relationship |
|---|---|
| Robert Munro | Chief Executive Officer and Chief Financial Officer |
| Marc Lavine | Director |
| The Chrysalis Capital Group Inc. | Company owned by Marc Lavine and Robert Munro |

During the three months ended March 31, 2015, the Corporation expensed $6,029 (2014 - $10,843) as general and administrative expense for the reimbursement of costs incurred on its behalf by Robert Munro, the Chief Executive Officer, Chief Financial Officer, Promoter and a director of the Corporation.

In addition, the Corporation expensed $3,123 (2014 - $nil) incurred in connection with the provision of bookkeeping services and the preparation of financial statements provided by The Chrysalis Capital Group Inc., a private company which is owned as to 50% by Halcyon Capital Corporation, a private company wholly-owned by Robert Munro and as to 50% by Exclamation S.A., a private company wholly-owned by Marc Lavine, a director of the Corporation.

The above transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to be the related parties.