

**INSPIRA FINANCIAL INC. PROVIDES FINANCIAL HIGHLIGHTS FOR FISCAL Q4;  
ANNOUNCES ADDITIONAL REVENUE ENHANCING SERVICES THROUGH EXECUTION  
OF LOI TO ACQUIRE RBP HEALTHCARE TECHNOLOGIES**

**Inspira Highlights Consecutive Quarters of Operational Profit Growth; Maintains Net Cash and  
Asset Backing of \$0.81 per Share; Acquisition Target Provides Access to Mental Health Revenue  
Management Service Platform**

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*San Francisco, California, May 31, 2016* – Inspira Financial Inc. (TSX-V:LND) (“Inspira”) a company focused on providing revolving lines of credit to the highly fragmented U.S. healthcare market of physician groups and healthcare service providers, today provided unaudited financial highlights of its fiscal fourth quarter, ending February 29, 2016, highlighting that both revenues and profits from operations increased quarter-over-quarter.

The company also announced its planned expansion to include Software-as-a-Service (SaaS) based revenue management and business intelligence services through the proposed acquisition of RBP Healthcare Technologies (“RBP”) ([www.rbphealth.com](http://www.rbphealth.com)), a company with a revenue management technology platform specific to the mental health and addiction services industry. This new lucrative service line has high growth potential, is complimentary to existing Inspira clients operating in the addiction industry, and creates an opportunity for a substantial competitive advantage in Inspira’s most rapidly growing sector. With an ever-increasing level of claims caused by the passage of the Parity Act, health insurers (Payors) are implementing more complex reimbursement requirements, similar to those imposed upon service providers in the physical healthcare sector. The new and changing insurance claims and reimbursement processes have created a great opportunity to solve the billing and collections problem emerging within this sector.

Further, Inspira announced that its net cash and asset backing on a per share basis was approximately \$0.81 as of May 30, 2016.

**Fiscal Fourth Quarter Financial & Business Highlights with Loan Book Metrics**

Financial Highlights (unaudited)

- Net cash and asset backing on a per share basis was approximately \$0.81 as of May 30, 2016, with approximately \$30 million in net cash and assets and 37,292,747 shares outstanding.
- Revenue was in excess of \$2.5 million compared to \$1.6 million in the previous quarter, an increase of more than 52% quarter-over-quarter.
- Net profit from operations for the quarter was in excess of \$1.4 million as compared to \$875k in the previous quarter, an increase of more than 60% quarter-over-quarter.

Business Highlights

- After 18 months of operations, management has determined less than 1% of its lending facilities should be viewed as potentially uncollectible.
- Going forward, management sees the fastest growing demand for financial services in the mental health and additional services industry.
- The company is transitioning its U.S. headquarters near Silicon Valley for better talent recruitment and retention.

## **Planned Acquisition of RBP Healthcare Technologies; Cross Selling Opportunities to Offer Existing Clients New Services and Technology**

With the acquisition of RBP, Inspira plans to enter the lucrative revenue cycle management services industry for addiction treatment and mental health centers. Enhancing its existing technology with a SaaS-based platform focused on end-to-end revenue cycle management will provide Inspira the opportunity to layer in predictive business intelligence, making for an even more profitable service offering.

The Board of Directors has identified this as an explosive area for revenue and profit growth as a result of inquiries by several of Inspira's clients in the mental health and addiction treatment sector. These clients initially requested increases in their revolving lines of credit, and Inspira quickly identified their lack of technology as a major obstacle to timely payment from insurance companies. Improved technology would give Inspira even greater visibility into client performance, and improve loan servicing at a lower cost.

## **The Market for Revenue Cycle Management Software (Patient Tracking, Billing and Collections) – Underserved and Growing**

Due to the significant increase in demand for addiction treatment, caused by health insurance coverage through the passage of the Parity Act, many growing addiction treatment companies now have difficulty with patient tracking, billing and collections from insurance companies. The large and permanently elevated volume of claims has led health insurers (Payors) to implement more complex reimbursement requirements for the mental health sector, similar to those imposed upon service providers in the physical healthcare sector. Treatment centers tend to use several software applications and a non-automated billing company to document services provided and bill insurance companies. This cumbersome process slows down the tracking, billing and collection process as the customer's billings increase, and was not designed to handle the volume, or level of detail, now required for prompt payment.

## **About RBP Healthcare Technologies**

RBP has developed a process platform that incorporates every aspect of the new insurance reimbursement process to admit, diagnose, track, bill, and collect revenue specific to patients in the addiction recovery market. Although RBP has limited sales and marketing staff, the company has revenue contracts in place which are expected to generate more than \$3 million in annualized revenue by year end.

By acquiring RBP, Inspira plans on leveraging its sales and marketing expertise and current customer base in the mental health industry. Using its highly sophisticated financial technology systems, applications and talent, Inspira also plans to fully automate and scale RBP's existing platform with an aim at increasing profit margins as revenues grow.

"Suffering from their disparate software systems and low-tech billing vendors, several of our clients have expressed interest in an end-to-end revenue management and business intelligence service," expressed Dave Costine, CEO of Inspira. "With this acquisition, Inspira will transition into a company able to offer a comprehensive suite of revenue cycle management technologies alongside its traditional working capital solutions to quickly and efficiently perform the billing and collection functions, replacing the need for external billing companies entirely."

"I am pleased with our performance this last quarter," continued Mr. Costine. "We have seen an increase in revenues and profits and virtually no at risk debt. However, lending alone is not an explosive enough product line for us as a public company. Adding Software-as-a-Service (SaaS) to our stable of offerings,

along with its inherent scalability in revenues and profits, can make Inspira a much more valuable company.”

### **Terms of the Non-Binding LOI with RBP Healthcare Technologies**

According to the letter of intent, Inspira will acquire the business for total consideration valued at \$8.5 million with 6,375,000 shares, representing 75% of the purchase price, valued at \$1.00 per share, a more than 20% premium to the net cash and asset backing of Inspira. The remaining 25% of the purchase price will be payable in cash for a total of \$2,125,000. Closing of the acquisition will be subject to TSX Venture Exchange (“TSX-V”) approval, final due diligence, and a binding purchase agreement which is expected soon.

### **About Inspira Financial and the Fast Growing Market**

The healthcare market in the U.S. is a rapidly expanding industry, with spending expected to exceed \$4.5 trillion by 2020. Within this industry, over 1 million businesses have annual revenues in the \$1 million to \$50 million range. The emerging reimbursement trend towards more usage-based procedures, along with the fact that healthcare providers are being forced to increase patient volumes to maintain or grow profit levels, creates a need for increased efficiency and greater front-end investment in technology and larger staff sizes. These factors, as well as the realities that insurance providers are taking longer to pay than before and that patients are now bearing increased financial responsibility for medical bills, contribute to significant financial pressure and net working capital challenges for the average, smaller sized healthcare practice in the U.S.

Overall, traditional banks continue to reduce their risk profiles, term lenders require personal guarantees and first security over all assets, factoring lenders charge 25%+ annual interest and equipment providers have all but eliminated financing programs. The increasingly limited number of options for obtaining revolving lines of credit and loans for smaller healthcare providers creates a supply shortage in the market. This imbalance represents an opportunity for alternative lending companies catering to this demographic to capitalize upon. By targeting the 1 million+ healthcare providers in the U.S., Inspira believes it can generate high returns on government (Medicare/Medicaid) and large healthcare insurance receivables. Inspira plans to acquire debt and increase profitability through cross selling of financial services.

### *Note About Preliminary Results*

*The financial results presented in this press release are preliminary and may change. This preliminary financial information includes calculations or figures that have been prepared internally by management and have not been reviewed or audited by Inspira’s independent registered public accounting firm. There can be no assurance that Inspira’s actual results for the period presented herein will not differ from the preliminary financial data presented herein and such changes could be material. This preliminary financial data should not be viewed as a substitute for full financial statements prepared in accordance with GAAP and is not necessarily indicative of the results to be achieved or any future periods.*

### *Non-GAAP Measures*

*Inspira uses a number of financial measures to assess its performance and are intended to provide additional information to investors concerning Inspira. Some of these measures, including net asset backing, loan book, annualized revenue and net profit from operations, are not calculated in accordance with Generally Accepted Accounting Principles (GAAP), which are based on International Financial Reporting Standards (IFRS), are not defined by GAAP, and do not have standardized meanings that*

would ensure consistency and comparability between companies using these measures. These non-GAAP measures are used throughout this news release and are defined below:

- Net asset backing is defined as total assets minus total liabilities. Net asset backing is equivalent to shareholders' equity.
- Revenue is defined as the total interest and fees collected in the quarter.
- Net profit from operations is defined as total revenue minus general and administrative expenses and interest expense.

Management uses these non-GAAP measures as key metrics in the evaluation of Inspira's performance and the consolidated financial results. Inspira believes these non-GAAP measures are useful to investors in their assessment of the operating performance and the valuation of Inspira. In addition, these non-GAAP measures address questions Inspira routinely receives from analysts and investors and, in order to assure that all investors have access to similar data, Inspira has determined that it is appropriate to make this data available to all investors. However, non-GAAP financial measures are not prepared in accordance with GAAP, as they exclude certain items as described above. Therefore, the information is not necessarily comparable to other companies and should be considered as a supplement to, not a substitute for, or superior to, the corresponding measures calculated in accordance with GAAP.

| Quarter ended February 29, 2016 (unaudited, figures are approximate) |             |
|----------------------------------------------------------------------|-------------|
| Net Income                                                           | \$(125)k    |
| ADD: One-time borrowing costs and client origination costs           | \$1,575,000 |
| Net profit from operations                                           | \$1,450,000 |

### Forward-Looking Statements

Certain statements contained in this press release constitute "forward-looking information" as such term is defined in applicable Canadian securities legislation. The words "may", "would", "could", "should", "potential", "will", "seek", "intend", "plan", "anticipate", "believe", "estimate", "expect" and similar expressions as they relate to Inspira, Inspira's ability to generate varying yields, its estimated loan book and types of loans comprising the loan book, the potential increase in net asset backing, current annualized revenue, the potential that the transaction with the target may not close, or the future performance of the target, clients switching billing processes, the acquired technology providing Inspira with greater visibility into client performance, and improving loan servicing at a lower cost, as well as the approval of the acquisition by the TSX-V, are intended to identify forward-looking information. All statements other than statements of historical fact may be forward-looking information. Such statements reflect Inspira's current views and intentions with respect to future events, and current information available to Inspira, and are subject to certain risks, uncertainties and assumptions, including the proposed acquisition closing as contemplated, Inspira achieving, sustaining and/or increasing profitability, Inspira being able to fund its operations with existing capital, and/or it will be able to raise additional capital to fund operations, the demand for addiction treatment continuing to increase, and Inspira being successful in its integration of RBP Healthcare Technologies. Material factors or assumptions were applied in providing forward-looking information. Many factors could cause the actual results, performance or achievements that may be expressed or implied by such forward-looking information to vary from those described herein should one or more of these risks or uncertainties materialize. These factors include changes in law, competition, the ability to implement business strategies and pursue business opportunities, state of the capital markets, the availability of funds and resources to pursue operations, dependence on debt markets and interest rates, demand for the lending products Inspira offers at interest rates higher than at which Inspira can borrow, a novel business model, granting of permits and licenses in a highly regulated business, difficulty integrating newly acquired businesses (including RBP Healthcare Technologies), risks of performance by the target, risk of billing irregularities by borrowers, low profit market segments, as well as general economic, market and business conditions, as well as those risk factors discussed or referred to in the Inspira's interim Management's Discussion and Analysis for the quarter ended November 30, 2015, filed with the securities regulatory authorities in certain provinces of Canada and available at [www.sedar.com](http://www.sedar.com). Should any factor affect Inspira in an unexpected manner, or should assumptions underlying the forward-looking information prove incorrect, the actual results or events may differ materially from the results or events predicted. Any such forward-

*looking information is expressly qualified in its entirety by this cautionary statement. Moreover, Inspira does not assume responsibility for the accuracy or completeness of such forward-looking information. The forward-looking information included in this press release is made as of the date of this press release and Inspira undertakes no obligation to publicly update or revise any forward-looking information, other than as required by applicable law.*

*The securities referred to in this news release have not been and will not be registered under the United States Securities Act of 1933, as amended, or any applicable state securities laws and may not be offered or sold in the United States absent such registration or an applicable exemption from such registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction. Any public offering of securities in the United States must be made by means of a prospectus containing detailed information about the company and management, as well as financial statements.*

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

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