

Inspira Financial Inc. To Repay Debentures in Advance of Potential Transaction

BOCA RATON, FLORIDA--(Marketwired – October 12, 2017) –

NOT FOR DISSEMINATION IN THE UNITED STATES OR FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES AND DOES NOT CONSTITUTE AN OFFER OF THE SECURITIES DESCRIBED HEREIN.

Inspira Financial Inc. (“Inspira”) (TSXV:LND), a company focused on providing revolving lines of credit, as well as billing and collection services, to the highly fragmented U.S. mental health and addiction services market, today announced its intention to prepay its outstanding 4% nonconvertible unsecured senior debentures (the “Debentures”) (TSXV:LND.DB) in advance of a potential transaction.

Debenture Redemption

Inspira intends to redeem all of its outstanding Debentures with a redemption date on November 30, 2017. “Inspira is a U.S. denominated company with its operations and assets, including cash and receivables, all in U.S. dollars” said Executive Director, Edward Brann. “Given the fluctuations and uncertainty in the exchange rates between the Canadian dollar and the U.S. dollar, and the progress we’ve seen to date toward a final transaction, we believe we can maximize shareholder value by accelerating the repayment of the outstanding Debentures and have already moved the required capital from U.S. dollars to Canadian dollars for repayment.” The record date (and the date the register of the Debentures will close) for the redemption will be November 20, 2017 (10 days prior to the redemption date). Accordingly, the Debentures will be halted at the close of the market on November 20, 2017 and will be delisted from the TSX Venture Exchange on November 30, 2017.

Update on Potential Transaction

Inspira continues to work toward reaching a transaction structure whereby it proposes to sell its billing division while creating a separate vehicle that will include Inspira’s loan book business and its cash.

“We continue to make progress with several parties, in various stages of development, toward a final transaction structure” continued Mr. Brann. “I’m confident we can reach an LOI soon and continue to move things forward toward a final plan of arrangement.”

While Inspira continues to consider its alternatives, there can be no assurance that a viable transaction will result or successfully conclude in a timely manner, or at all. Additional information will be released by Inspira as it occurs.

About Inspira Financial Inc.

The mental health and substance abuse market in the U.S. is a rapidly expanding industry, with current spending exceeding \$35 billion. Within this industry, thousands of businesses have annual revenues in the \$1 million to \$50 million range. Due to the significant increase in addiction treatment as a result of the Parity Act, the large and permanently elevated volumes of claims has led Payors to impose upon facilities in the mental health sector similarly complex reimbursement requirements as those imposed in the physical healthcare sector. Substance abuse facilities 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 were not designed to handle the volume, or level of detail, now required by Payors for prompt payment. As a result, across the mental health and substance abuse industry there are collection delays and consequently a need for capital.

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 selling its billing division and creating a cash and loan book vehicle for the purpose of looking for a new deal, and Inspira executing an LOI in the coming weeks, 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: finding partners to complete a transaction; and board, shareholder, stock exchange and, if applicable, court and regulatory, approval of any proposed transaction. 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 the billing company), risks of performance by the target, new technologies, 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 Inspira's annual Management's Discussion and Analysis for the year ended February 28, 2017, filed with the securities regulatory authorities in certain provinces of Canada and available at 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.

Neither 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.

Inspira Financial Inc.
Edward Brann
Executive Director
1 (844) 877-7562
IR@inspirafin.com
www.inspirafin.com