

# EMPOWER CLINICS REPORTS Q1 2020 RESULTS WITH 416% REVENUE INCREASE

**VANCOUVER B.C.: July 28, 2020 – EMPOWER CLINICS INC.** (CSE: CBDT) (OTC: EPWCF) (Frankfurt 8EC) (“**Empower**” or the “**Company**”) has filed today its audited consolidated financial statements and related management’s discussion and analysis, both of which are available at [www.SEDAR.com](http://www.SEDAR.com). All financial information in this press release is reported in United States dollars, unless otherwise indicated.

“Our strong Q1 2020 performance is a direct reflection of the numerous changes and improvements from 2019, setting in motion a framework for sustained growth.” said Steven McAuley, Chairman and CEO. “Sun Valley Health started the year with record patient visits and now offers more diversified wellness services, adding new revenue sources and a more diversified business model.”

## Q1 2020 Highlights

- 5,717 patient visits generating total revenue of \$789,135, compared to 1,198 patient visits generating \$152,846 for Q1 2019.
- Net loss of \$524,208 or \$0.00 per share, compared to \$398,541 or \$0.01 per share for Q1 2019, which was primarily driven by increased non-cash accretion expense.
- Cash provided by operating activities was \$13,864, compared to cash used by operating activities of \$219,212 for Q1 2019.
- Cash at March 31, 2020 of \$131,808, compared to cash of \$179,152 at December 31, 2019.

## Recent Highlights Subsequent to Quarter End

- **Private Placement:** Empower Clinics closes private placement of \$653,000 CAD in April 2020 and \$720,866 CAD in July 2020 to support growth initiatives.
- **Psychedelics Division:** May 2020 Empower enters into a term sheet to acquire an interest in the global royalty rights of Dosed Movie, launches Dosed Wellness, a psychedelics brand, launches new dedicated website [www.dosedwellness.com](http://www.dosedwellness.com) and adds new team members dedicated to the new brand.
- **COVID-19 Testing:** April 2020 the Company launches a four-phase roll-out of COVID-19 testing in clinics and onsite for businesses.
- **Canvas Education Platform:** May 2020 Empower and EuroLife Brands complete definitive agreement for multi-year, multi-national licence of EuroLife’s canvas.me web-based education technology platform to deliver brand, product, and industry knowledge to the market.

## Financial Summary

\$, except where noted	Three months ended March 31,	
	2020	2019
Patient visits (#)	5,717	1,198
Clinic Revenues	767,803	152,846
Direct Clinic Expenses	256,422	39,413
Loss from operations	(317,831)	(279,308)
Net loss	(524,208)	(398,541)
Net loss per share	(0.00)	(0.01)

## Financial Performance

Clinic revenues for Q1 2020 and Q1 2019 were \$767,803 and \$152,846, respectively. This increase above prior year is attributable to the acquisition of Sun Valley and the addition of 5 clinics which drove an increase in patient count from 1,198 in Q1 2019 to 5,717 in Q1 2020.

Direct clinic expenses for Q1 2020 and Q1 2019 were \$256,422 and \$39,413, respectively. This increase above prior year is attributable to the increase in number of patient visits.

Net loss from operations for Q1 2020 and Q1 2019 were \$317,831 and \$279,308, respectively. This increase above prior year is primarily attributable to an increase in salaries and benefits with the acquisition of Sun Valley. This decrease was partially offset by an increase in clinic revenues with the acquisition of Sun Valley.

Net loss for Q1 2020 and Q1 2019 were \$524,208 and \$398,541, respectively. This increase over prior year is primarily attributable to non-cash accretion expense related to the convertible debentures.

During the three months ended March 31, 2020, the Company generated \$13,864 in cash from operations after changes in non-cash working capital. The Company used \$61,209 for payment of lease liabilities.

Please refer to the Company's unaudited condensed interim consolidated financial statements for the three months ended March 31, 2020 and 2019, and accompanying Management Discussion and Analysis for a full review of the operations.

## About Empower

Empower is a vertically integrated health & wellness company with a network of corporate and franchised health & wellness clinics in the U.S. The Company is focused on helping patients improve and protect their health, through innovative physician recommended treatment options. The Company has launched Dosed Wellness Ltd. to connect its significant data, to the potential of the efficacy of alternative treatment options related to hemp-derived cannabidiol (CBD) therapies, psilocybin and other psychedelic plant-based treatment options.

**ON BEHALF OF THE BOARD OF DIRECTORS:**

Steven McAuley

Chief Executive Officer

**CONTACTS:**

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**DISCLAIMER FOR FORWARD-LOOKING STATEMENTS**

*This news release contains certain “forward-looking statements” or “forward-looking information” (collectively “forward looking statements”) within the meaning of applicable Canadian securities laws. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Forward-looking statements can frequently be identified by words such as “plans”, “continues”, “expects”, “projects”, “intends”, “believes”, “anticipates”, “estimates”, “may”, “will”, “potential”, “proposed” and other similar words, or information that certain events or conditions “may” or “will” occur. Forward-looking statements in this news release include, but are not limited to, statements regarding the direction and growth prospects of the Company, the expansion of the company’s clinic and distribution network, the expected effect of the Vendors in their new roles with the Company, the effect on the lives of patients, the growth into a national brand, the effect of the Transaction, the diversification of the Company’s business model, the potential appeal to shareholders, the growth of the Company’s patient list and the effect thereof, the expected benefits for the company’s patient base and customers, the release of the cash consideration, the release of Shares being held in escrow in connection with the Transaction and statements regarding the Company’s proprietary product line “Sollievo”. Such statements are only projections, are based on assumptions known to management at this time, and are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the forward-looking statements, including that the Company may not be able to expand, that the Transaction may not have the expected results, and other factors beyond the Company’s control. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. Readers are cautioned not to place undue reliance on the forward-looking statements in this release, which are qualified in their entirety by these cautionary statements. The Company is under no obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statements in this release, whether as a result of new information, future events or otherwise, except as expressly required by applicable laws.*