

EMPOWER CLINICS ACQUIRES MEDICAL LABORATORY CAPABLE OF PROCESSING 4,000 COVID-19 RT-PCR TESTS PER DAY

Kai Medical Laboratory, a state-of-the-art diagnostics laboratory in Dallas, will advance Empower COVID-19 national testing programs for enterprise clients, including movie and television studios, businesses and colleges

VANCOUVER BC: October 6, 2020 – EMPOWER CLINICS INC. (CSE: CBDT) (Frankfurt 8EC) (OTCQB: EPWCF) (“Empower” or the “Company”) is pleased to announce that, pursuant to the terms of a membership interest purchase agreement dated October 5, 2020, has completed the acquisition of Kai Medical Laboratory, LLC (“KAI”) from KTM5 Holdings, LLC, NULV11, LLC and Consistent Investment Group, LLC (together, the “Vendors”), through its wholly-owned subsidiary, Empower Healthcare Assets Inc. (“Empower Health”), for consideration having an aggregate value of US\$1,971,857 (CAD\$2,613,478), effective as of October 5, 2020 (the “Transaction”).

COVID-19 RT-PCR TESTING IS THE GOLD STANDARD THAT ALLOWS EMPOWER TO ROLL OUT NATIONAL PHASE 4 TESTING PROGRAMS

KAI Medical Laboratory operates a high-complexity CLIA and COLA accredited laboratory that provides reliable and accurate testing solutions to hospitals, medical clinics, pharmacies, and employer groups. KAI has taken an active role in COVID-19 testing, battling the pandemic through RT-PCR testing and serology testing with the capacity to process 4,000 RT-PCR test specimens per day. While the RT-PCR test identifies if a patient has an active virus, the serology or antibody test detects if a patient has previously been exposed to the virus. Both of these test results are vital to managing outbreaks and the potential spread of coronavirus.

As a result of this capability, Empower is now able to expand phase four of its COVID-19 testing rollout which was first announced on April 27, 2020 beginning with testing in-clinic testing (Phase 1) and culminating with a nationwide roll-out across the United States (Phase 4). Phase 4 allows Empower to service enterprise level clients, including movie and television studios that require reliable, accurate, fast and mass batch testing capabilities in order to resume production in a safe and compliant manner.

“Adding Kai Medical Laboratory to the Empower Clinics family enables us to dramatically expand COVID-19 testing capability, for our *get back to work & get back to school* initiatives as part of our national rollout plans” said Steven McAuley, Empower's Chairman & CEO. “Kai Medical has a newly built high-complexity lab offering a wide array of testing services, that we will leverage to serve the massive demand for national COVID testing in the U.S. Additionally, as flu season arrives and a potential second-wave of COVID takes hold, the technical infrastructure of Kai Medical allows Empower to capture testing demand and bring new technical testing products to market.”

COVID-19 TESTING PROGRAMS FOR EMPLOYERS AND DIRECT TO CONSUMER ALREADY UNDERWAY AT KAI LABORATORY

To further assist with COVID-19 testing, Kai Medical Laboratory has also developed two key programs in Texas and Arizona. The first program is a direct-to-consumer program that leverages the ability of various healthcare providers to order and administer both the RT-PCR

test and the Antibody test. This increases the ability of the general population to be tested, in certain circumstances. The second is an Employer COVID-19 Compliance Program (ECCP) for business owners and employer groups to enable them to test and monitor their employees.

Texas program <https://www.testtexasnow.com>

Arizona program <https://www.covidtest2u.com>

Finally, beyond its COVID-19 capabilities, Kai Medical Laboratory offers a wide array of testing services ranging from hematology to hormone testing, endocrinology, toxicology, and immunology. These tests are done under the supervision of its well-qualified and highly experienced scientists, medical professionals and pharmacists.

KAI MEDICAL LABORATORY TEAM LEAD BY YOSHI TYLER

The driving force behind Kai Medical Laboratory's remarkable growth and success is Yoshi Tyler. Yoshi has a passion for being an entrepreneur, and over time, she found her true calling in healthcare. Driven by this interest, she pursued her career in the healthcare industry for more than two decades. She held leadership positions at a Fortune 500 pharmaceutical company for over thirteen years. These leadership experiences provided her with in-depth knowledge and industry insights that helped her to lead Kai Medical Laboratory towards growth.

The Kai Medical Laboratory team includes key roles including Principal Scientist, Director of Operations, Molecular Scientist, Quality Assurance, Lab Director and other critical roles.

"Kai Medical Laboratory is inspired by science and built on integrity and joining Empower allows our highly skilled personnel and state-of-the-art instrumentation to expand from a local community level to a national level" says Yoshi Tyler, Founder of Kai Medical. "Our mission is to change healthcare through science & innovative quality care, and with Empower providing an expansion of resources, Kai Medical Laboratory will be in a position to help the national need for expanded COVID-19 testing as the second wave commences."

ADDITIONAL TERMS OF THE ACQUISITION

In connection with the closing of the Transaction (the "**Closing**"), Empower; (i) assumes certain short term and long term liabilities comprised of the SBA Loan of (US\$1,139,577), the EIDL Loan of (US\$150,000), the PPP Loan of (US\$86,379), revolving debt of (US\$89,478), (ii), accounts payable of (US\$192,460), (iii) other short term and long term liabilities of (US\$313,963), in total equal to the amount of US\$1,971,857 (CAD\$2,613,478), (the "**Assumed Indebtedness**"); the issuance of options to purchase common shares of Buyer Parent at an exercise price of CDN\$0.05 per share, subject to the terms and conditions of each of the Option Agreements, in an amount equal to 400,000 share options to Yoshi Tyler, as the principal of KTM5, and 100,000 share options to Michael Haines, as the principal of NULV11 (the "**Options**"); and the issuance of a warrant certificate to Continuous Investment Group, LLC to purchase 500,000 common shares of Buyer Parent at a purchase price of CDN\$0.05 per share, subject to the terms and conditions of the Warrant Certificate (the "**Warrants**").

Market Leading Technology Kai Medical Laboratory utilizes state-of-the-art instrumentation, preeminent testing methodologies, and laboratory services enabling high-complexity accredited laboratory testing solutions, providing some of the following key instrument testing capabilities:

- **Thermo Fisher – QuantStudio 12K Flex**
 - *COVID-19 testing*
 - *Cannabis Testing*
 - *Clinical Genomics*
- **Roche Cobas 6000**
 - *COVID-19 Antibody testing*
 - *Clinical Chemistry/Endocrinology*
- **AB SCIEX 6500+ - Liquid Chromatography Mass Spectrometry**
 - *Clinical Chemistry/Endocrinology*
 - *Agriculture/Cannabis testing*
- **AB SCIEX 4500 – Liquid Chromatography Mass Spectrometry**
 - *Urine Toxicology*
 - *Cannabis testing*
- **SYSMEX XN-550**
 - *Hematology*

(**CLIA**) The Clinical Laboratory Improvement Amendments regulate laboratory testing and require clinical laboratories to be certified by the Center for Medicare and Medicaid Services (CMS) before they can accept human samples for diagnostic testing.

(**COLA**) is the premier clinical laboratory accreditation, education and consultation organization. An independent accreditor whose practical, educational standards have a positive and immediate impact on patient care. <http://www.cola.org>

ABOUT EMPOWER

Empower is an 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. The Company provides COVID-19 testing services to consumers and businesses as part of a four-phased nationwide testing initiative.

ABOUT Kai Medical Laboratory

Our mission is to change healthcare through science & innovative quality care by providing value added services, accuracy, and consistency. Our unwavering commitment to quality compliance and scientific innovation elevates Kai Medical Laboratory to a new standard in patient care. Kai Medical Laboratory is located in the Dallas Medical District in close proximity to some of the largest healthcare groups in the U.S. including Parkland Hospital, UT Southwestern, Children’s Medical Center, Baylor Scott & White Health (Dallas), Tenet Healthcare (Dallas), CHRISTUS Healthcare (Dallas).

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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 expected benefits to the Company and its shareholders as a result of the acquisition of Kai Medical Laboratory; the transaction terms; the expected number of clinics and patients following the closing; the future potential success of Kai Medical Laboratory, Sun Valley's franchise model; the anticipated date of closing of the acquisition and the occurrence thereof; and that the Company will be positioned to be a market-leading service provider for complex patient requirements in 2020 and beyond. 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 Kai Medical Laboratory acquisition may not be completed on the terms expected or at all; that the Company's products may not work as expected; that the Company may not be able to expand COVID-19 testing; that legislative changes may have an adverse affect on the Company's business and product development; that the Company may not be able to obtain adequate financing to pursue its business plan; general business, economic, competitive, political and social uncertainties; failure to obtain any necessary approvals in connection with the proposed transaction; 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.