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Empower Clinics Enters Canadian Market With Proposed Acquisition That Includes 6 Clinics and Incentives To Open Additional 30 Clinics And Announces Private Placement of Up to \$1.1 Million

Acquisition Expands Company's North American Footprint And Strengthens Vertical Integration From Patients To Laboratory

VANCOUVER, BC, October 21, 2020, Empower Clinics (CBDT:CSE) (EPWCF:OTC) (8EC:FRA) (the “Company” or “Empower”), a vertically integrated health and wellness company serving a database of 165,000 patients through clinics in the southwest United States, a telemedicine platform and a world-class medical diagnostics laboratory, is pleased to announce it has entered into a non-binding term sheet to acquire the businesses of Lawrence Park Health and Wellness Clinic Inc., 1100900 Canada Inc dba Atkinson, and Momentum Health Inc. collectively (“**Momentum Health**”).

Closing will be conditional upon, amongst other customary items listed below, Empower completing a debt or equity financing to raise minimum gross proceeds of \$750,000 CAD. To this end, the Company has entered into an agreement with Mackie Research Capital Corporation in connection with a best efforts, private placement for gross proceeds of up to \$1,100,000, the details of which are outlined below. The private placement is scheduled to close on or about the week of November 2, 2020.

Closing of the acquisition is expected to occur on or about November 10, 2020.

6 CLINICS IN GREATER TORONTO AREA WITH PLANS TO EXPAND MODEL ACROSS CANADA

Momentum Health operates a network of medical clinics with a comprehensive team of physicians and therapists who apply a holistic and hands on approach working with patients to unlock potential well-being. Key services include Physiotherapy, Chiropractic, Massage Therapy, Traditional Chinese Medicine, Athletic Therapy and others.

The proposed acquisition will include the acquisition of two standalone wellness clinics and four new co-located clinics in the Greater Toronto area of Ontario, Canada. Moreover, the proposed acquisition includes incentives for the two Co-Founders of Momentum Health to open an additional 30 clinics across Canada.

Steven McAuley, Chairman and CEO of Empower Clinics stated, “The acquisition of Momentum Health is expected to advance the direction and growth prospects for Empower overall,” said Steven McAuley, Empowers Chairman & CEO. “As we continue to position Empower as an integrated healthcare company, bringing alternative care together with primary care facilities enables us to deploy a better healthcare model, based on progressive technology and in-person care. Having Dr. Rabinowitz and Dr. Tsimerman join me in leadership to rapidly expand Empowers clinic footprint across Canada is another important step toward our growth objectives.”

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Momentum Health Co-Founder Dr. Rabinowitz commented “Our core values of professionalism, corporate responsibility and community health fall directly in line with Empower. We are extremely excited to collaborate with this tremendous organization to provide reliable and trusted healthcare for communities across Canada.”

Momentum Health Co-Founder Dr. Tsimerman commented “Momentum Health has always stood on the foundations of providing an unparalleled patient experience and bridging the gap between the conventional medical system and paramedical services.”

PROPOSED TERMS OF ACQUISITION

Under the proposed terms, the Company will pay \$275,000 CAD cash at closing and a \$75,000 CAD performance holdback, for an aggregate cash payment of \$350,000 CAD. In addition, at closing, Empower will issue Dr. Jordan Rabinowitz and Dr. Aviv Tsimerman common shares in the capital of Empower ("**Shares**") having an aggregate value of \$250,000 CAD and, subject to the satisfaction of defined performance metrics, additional Shares having an aggregate value of \$250,000 CAD, which will vest in quarterly installments over 24 months following the closing. All Share consideration is expected to be based on a deemed price per Share equal to the 10-day volume weighted average closing price per Share on the Canadian Securities Exchange (the "**CSE**") for the period ending on the last business day prior to the closing.

PERFORMANCE INCENTIVES TO OPEN 30 ADDITIONAL LOCATIONS

The proposed acquisition also includes long-term performance incentives that upon achieving the opening of:

Ten (10) new clinic locations (“Milestone One”) the issuance to the Vendors subject to terms and conditions as set out in the Stock Option Plan, an irrevocable option (the "**Share Option**") to purchase at any time or from time to time on or before the Expiration Date, 1,250,000 Shares of the Corporation.

Twenty (20) new clinic locations (“Milestone Two”) the issuance to the Vendors subject to terms and conditions as set out in the Stock Option Plan, an irrevocable Share Option to purchase at any time or from time to time on or before the Expiration Date, 1,250,000 Shares of the Corporation.

Thirty (30) new clinic locations (“Milestone Three”) the issuance to the Vendors subject to terms and conditions as set out in the Stock Option Plan, an irrevocable Share Option to purchase at any time or from time to time on or before the Expiration Date, 1,250,000 Shares of the Corporation.

All issuances will be at a deemed price per Share equal to the 10-day volume weighted average closing price per Share on the CSE for the period ending on the last business day prior to the achievement of Milestone One, Two or Three.

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ADDITIONAL DETAILS

The proposed consideration assumes a debt free transaction and will be adjusted accordingly for any level of debt assumed by the Company, directly or indirectly. The transaction is expected to be structured on a tax efficient basis, and otherwise in accordance with the requirements of requisite securities laws and the policies of the CSE.

Empower has agreed to enter into employment agreements with Dr. Rabinowitz and Dr. Tsimmerman, to lead the proposed Canadian clinic expansion strategy.

Completion of the transaction includes Momentum Health interests in certain affiliates and will be subject to various conditions, including entry into a definitive agreement, completion of due diligence, and receipt of all required shareholder, manager, third party and regulatory approvals, including approval of the CSE.

PRIVATE PLACEMENT

The Company is also pleased to announce that it has entered into an agreement with Mackie Research Capital Corporation, as sole agent and sole bookrunner (the “**Agent**”), in connection with a best efforts, private placement of units of the Company (the “**Units**”) at a price of \$0.05 per Unit (the “**Offering Price**”) for gross proceeds of up to \$1,100,000 (the “**Offering**”).

Each Unit will be comprised of one common share of the Company (a “**Common Share**”) and one Common Share purchase warrant (a “**Warrant**”). Each Warrant shall be exercisable to acquire one Common Share (a “**Warrant Share**”) at a price of \$0.12 per Warrant Share for a period of 24 months from the closing of the Offering.

The Agent will have an option (the “**Agent’s Option**”) to offer for sale up to an additional 15% of the number of Units sold in the Offering at the Offering Price, which Agent’s Option is exercisable, in whole or in part, at any time up to 48 hours prior to the closing of the Offering.

The Company intends to use the proceeds raised under the Offering to support the development of clinics through clinic acquisitions, lab testing services, sales and marketing, for general working capital purposes.

The securities to be issued under the Offering will be offered by way of private placement in each of the provinces of Canada, and such other jurisdictions as may be determined by the Company, in each case, pursuant to applicable exemptions from the prospectus requirements under applicable securities laws.

The Offering is scheduled to close on or about the week of November 2, 2020, or such date as agreed upon between the Company and Agent (the “**Closing**”) and Closing of the Offering may occur in multiple tranches, and is subject to certain conditions including, but not limited to, the

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receipt of all necessary approvals including the approval of the Canadian Securities Exchange. The Units to be issued under the Offering will have a hold period of four months and one day from Closing.

In connection with the Offering, the Agent will receive an aggregate cash fee equal to 8.0% of the gross proceeds from the Offering, including in respect of any exercise of the Agent's Option. In addition, the Company will grant the Agent, on date of Closing, non-transferable compensation options (the "**Compensation Options**") equal to 8.0% of the total number of Units sold under the Offering (including in respect of any exercise of the Agent's Option). Each Compensation Option will entitle the holder thereof to purchase one Unit at an exercise price equal to the Offering Price for a period of 24 months following the Closing.

The securities described herein have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws, and accordingly, may not be offered or sold within the United States except in compliance with the registration requirements of the U.S. Securities Act and applicable state securities requirements or pursuant to exemptions therefrom. This press release does not constitute an offer to sell or a solicitation to buy any securities in any jurisdiction.

This press release is available on the Empower Clinics Verified Forum on AGORACOM for shareholder discussion, questions and engagement with management <https://agoracom.com/ir/EmpowerClinics>

ABOUT EMPOWER:

Empower is creating a network of physicians and practitioners who integrate to serve patient needs, in-clinic, through telemedicine, and with decentralized mobile delivery. A simplified, streamlined care model bringing key attributes of the healthcare supply chain together, always focused on patient experience. The Company provides COVID-19 testing services to consumers and businesses as part of a four-phased nationwide testing initiative in the United States. Empower recently acquired Kai Medical Laboratory, LLC as a wholly owned subsidiary with large-scale testing capability.

ON BEHALF OF THE BOARD OF DIRECTORS:

Steven McAuley
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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 Momentum Health 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 effect 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.

SOURCE: EMPOWER CLINICS INC.