

# **EMPOWER CLINICS KAI MEDICAL LAB RECEIVES RECORD ORDER IN EXCESS OF \$1,000,000 FOR COVID-19 TESTS FROM FILM & TELEVISION PRODUCTION**

*Kai Medical Laboratory, a state-of-the-art diagnostics laboratory in Dallas, was acquired by Empower Clinics on October 6, 2020 to further advance the Company's COVID-19 national testing programs for enterprise clients, including movie and television studios, businesses and colleges*

**VANCOUVER BC: November 16, 2020 – EMPOWER CLINICS INC. (CSE: CBDT) (Frankfurt 8EC) (OTCQB: EPWCF)** (“Empower” or the “Company”) an integrated healthcare company serving a database of 165,000 patients through clinics in the southwest United States, a telemedicine platform and medical diagnostics laboratory, is pleased to announce that Kai Medical Laboratory (“KAI”) has received a record COVID-19 testing order that is anticipated to be in excess of \$CAD 1,000,000.

## **9,000 TEST ORDER FOR FILM & TELEVISION PRODUCTION REPRESENTS REPEAT AND RECORD ORDER**

In early October, shortly after the acquisition of KAI, Empower announced an agreement to process approximately 1,000 COVID-19 RT-PCR tests for a major film & TV production over a 30-day period, with the possibility of more business upon successful completion of the initial tests.

Today's announcement represents a repeat and significantly higher purchase order of 9,000 RT-PCR tests to be processed over a four-month period by Kai Medical Laboratory. The total revenue from this order is anticipated to be in excess of \$CAN 1,000,000.

Empower Clinics Chairman and CEO, Steven McAuley, stated “Just three days ago we were happy to inform our shareholders that KAI had achieved a record month in October with 1,375 units, as well as, signed numerous new commercial testing contracts, the details of which were to be provided in subsequent press releases. Today's contract is not one of those contracts. We were informed of this contract at the close of business on Friday. As I said on Friday, the magnitude of KAI's growth and success can not be overstated. Though we are very happy with today's record order announcement, these 9,000 tests represent only a fraction of the lab's capacity of 4,000 COVID-19 RT-PCR tests per day. It is our intention to build on this big success and continue ramping up growth significantly through 2020 and well into 2021.”

## **NEWLY ACQUIRED KAI MEDICAL LABORATORY HAS PROCESSED TESTS FOR SIX FILM AND TELEVISION PRODUCTIONS**

As of September 1<sup>st</sup>, KAI has already processed tests for six different film and television productions in key US markets including Los Angeles, Atlanta, New York, Dallas and continues to build both confidence and credibility within the industry.

## **FILM AND TV STUDIOS SEEK FAST AND RELIABLE TESTING SOLUTIONS TO RESUME SAFE OPERATIONS AND MITIGATE BILLIONS IN LOSSES**

Total earnings at the North American box office in 2019 amounted to \$USD 11.32 billion indicated by Statistica.com. In January 2020, the U.S. motion picture and sound recording industry employed over 456 thousand people, with several hundred thousand more in Canada, U.K. and around the world.

As a result of production closures and cinema shutdowns related to COVID-19, the majority of the industry's revenues and jobs have been temporarily lost and are now at significant risk of long-term damage, if the industry is unable to find solutions that can provide for the safe resumption of operations.

Specifically, the global film and television industry is projected to lose a staggering \$160 billion of growth over the next five years, according to research firm Ampere Analysis.

On November 2<sup>nd</sup>, AMC Theatres announced a 91% drop in revenues during the most recent earnings period, with losses hitting \$906 million in just one quarter.

Empower believes it is ideally positioned through Kai Medical Laboratory to deliver one element of the overall solution with reliable, accurate and fast 24-hour COVID-19 RT-PCR testing, which is the gold standard of testing.

## **KAI MEDICAL LAB GROWTH STRATEGIES & NEW COMMERCIAL TESTING CONTRACTS**

The Company is now implementing aggressive growth strategies, including servicing new COVID-19 testing contracts for the film & television industry, as well as, supporting the Sun Valley Health COVID-19 RT-PCR and rapid antibody testing programs in the state of Arizona.

To this end, Empower has signed numerous new commercial testing contracts, the details of which will be provided in subsequent press releases.

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>

The combination of all this commercial activity since the October 6th acquisition provides the Company with the confidence necessary to support the expectation of much further growth in the months to come.

## **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.

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 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.*