

EMPOWER CLINICS CLOSES AGREEMENT TO ACQUIRE CANADIAN CLINICS, ANNOUNCES SIGNIFICANT DISCUSSIONS WITH NATIONWIDE ROLLOUT PARTNERS AND PROCEEDS FROM EXERCISE OF WARRANTS NOW EXCEEDING \$6,900,000 TO CONCLUDE ITS MOST SUCCESSFUL YEAR EVER.

Acquisition Will Expand Company's North American Footprint And Strengthen Vertical Integration From Patients To Laboratory, Strengthening Testing and Bubble Initiatives

VANCOUVER, BC, January 4, 2021, Empower Clinics (CBDT:CSE) (EPWCF:OTC) (SEC:FRA) (the "Company" or "Empower"), an integrated healthcare company serving patients through clinics, a telemedicine platform, and a leading medical diagnostics laboratory processing thousands of COVID-19 specimens and developing novel COVID-19 testing protocols for CE, FDA EUA and Health Canada approval, is pleased to announce the closing of the agreement to acquire Lawrence Park Health and Wellness Clinic Inc., 1100900 Canada Inc. dba Atkinson (collectively the "**Target Corporations**").

Steven McAuley, Chairman and CEO of Empower stated "The closing of this acquisition is a significant milestone for both Empower and its shareholders that will provide Empower with both a growing accretive business, as well as, a winning business model with plans for immediate expansion across the Greater Toronto Area, the province of Ontario and then nationwide with at least 30 clinics in very rapid succession. This nationwide expansion plan is already taking shape with discussions for new locations with significant partners already at advanced stages. With this acquisition now officially complete, I am confident that we will have developments to report regarding our Canadian expansion in the very near future."

In closing the acquisition and filing notice of an amended share purchase agreement, Empower elected to exclude the 4 Momentum Health Inc. locations that were structured as joint ventures with fixed royalty payments only and, therefore, did not fit the Company's new Canadian national expansion model. The exclusion was so inconsequential that it did not impact the final terms of the agreement as stated in our press release of [December 17, 2020](#).

ACQUISITION INCLUDES 3 CLINICS IN GREATER TORONTO AREA WITH IMMEDIATE PLANS TO EXPAND "CLINICS-IN-CLINICS" MODEL ACROSS CANADA.

The acquisition includes para-medical clinics in the Greater Toronto Area of Ontario, Canada, with immediate access to in excess of 20,000 patients.

More importantly, expansion will deploy a very attractive and cost-effective model of opening "clinics-within-clinics" or clinics-within-facilities" in which the Company proposes to partner with large care facilities to provide para-medical clinics inside the physical location of the primary care facility. This model results in a win-win for both Empower and the primary care facility partner as follows:

- Substantially improved care for patients of the primary care facility
- Significantly reduced start-up costs for Empower
- Immediate access to the large patient base of the primary care facility
- Immediate rental income for the primary care facility

With this proven winning model, the nationwide roll-out is planned to commence immediately with expansion in the Greater Toronto Area, followed by expansion throughout Ontario and then West and East through all Provinces with a standardized brand and technology platform.

PERFORMANCE INCENTIVES TO OPEN 30 ADDITIONAL LOCATIONS

The acquisition also includes long-term performance incentives for Dr. Rabinowitz and Dr. Tsimerman, the two Co-Founders of the Target Corporations, to open an additional 30 clinics across Canada.

PROCEEDS FROM THE EXERCISE OF WARRANTS NOW EXCEED \$6,900,000. EMPOWER ENDS 2020 AS THE MOST SUCCESSFUL YEAR IN COMPANY HISTORY AND ANTICIPATES GREATER GROWTH IN 2021.

[On December 14, 2020](#) Empower announced “the receipt of in excess of \$5,500,000 from the exercise of warrants up to December 11, 2020.” The Company is pleased to announce an update amount that now exceeds \$6,900,000 up to December 31, 2020. The proceeds were generated as a result of strong equity market support for the Company and serves as an indication of the strength of Empower’s growing shareholder base.

Steven McAuley added “The combination of this acquisition and the receipt of nearly \$7,000,000 from warrant proceeds to end 2020 has the double impact of closing our most successful year ever, as well as, positioning Empower to deliver the same magnitude of growth for our great shareholders in 2021. Along with the rapidly growing demand for our KAI Medical Laboratory COVID-19 testing solutions, the launch of our FDA EUA approved KAI Saliva Test and our Tier-1 “Bubble” partnerships, Empower is heading into its biggest ever growth phase with the war chest to back it up.”

Pursuant to the terms of the Agreement, Empower will pay the vendors of the Target Corporations \$275,000 cash at closing (including \$44,648 to settle an outstanding debt) with an additional \$75,000 to be withheld as a holdback for adjustments, for an aggregate cash payment of \$350,000. In addition, at closing, Empower will issue Dr. Jordan Rabinowitz and Dr. Aviv Tsimerman 5,128,204 common shares in the capital of Empower (at a deemed price of \$0.0975 per share), 2,564,102 of which will be subject to contractual resale restrictions resulting in them being released quarterly from the date of closing in eight (8) equal instalments.

If, within 18 months from the closing date, the Company, the Target Corporations or its affiliates have opened and have operating an aggregate of ten (10) new clinic locations in Canada (“Milestone One”), each of Dr. Rabinowitz and Dr. Tsimerman shall be entitled to receive incentive stock options of Empower to purchase 1,875,000 common shares of Empower, vesting as follows:

- (a) 1/3 immediately;
- (b) 1/3 upon of the Company or its affiliates having opened and operating an aggregate of twenty (20) new clinic locations in Canada; and
- (c) 1/3 upon of the Company or its affiliates having opened and operating an aggregate of thirty (30) new clinic locations in Canada.

ADDITIONAL DETAILS

Empower has agreed to enter into employment agreements with Dr. Rabinowitz and Dr. Tsimerman on closing of the acquisition, to lead the Canadian clinic expansion strategy.

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 an integrated healthcare company that provides body and mind wellness for patients through its clinics, with digital and telemedicine care, and world-class medical diagnostics laboratories. Supported by an experienced leadership team, Empower is aggressively growing its clinical and digital presence across North America. Our Health & Wellness and Diagnostics & Technology business units are positioned to positively impact the integrated health of our patients, while simultaneously providing long term value for our shareholders.

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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 Company's nationwide rollout and timing and results of such rollout; the Company expecting the acquisition will provide Empower with a growing accretive business, as well as, a winning business model with plans for immediate expansion across the Greater Toronto Area, the province of Ontario and then nationwide in very rapid succession; the Company's expectation for the costs of expansion; and the Company's plans to partner with large care facilities to provide para-medical clinics inside the physical location of the primary care facility and the results of such model. 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 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; as well as those risk factors discussed or referred to in the Company's disclosure documents filed with the securities regulatory authorities in certain provinces of Canada and available at www.sedar.com. 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.