

Empower Clinics Doubling KAI Medical Laboratory Size In Anticipation Of Test Volumes By End Of Q1. Files MDEL Application With Health Canada To Import and Sell KAI Saliva PCR Test In Canada

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 travel industry

VANCOUVER BC: January 21, 2021 – EMPOWER CLINICS INC. (CBDT:CSE) (EPWCF:OTCQB) (SEC:Frankfurt) (“Empower” or the “Company”) 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 significant expansion of our KAI Medical Laboratory in Dallas, Texas in anticipation of projected growth in COVID-19 testing requirements in the U.S., Canada and international markets.

In addition, Empower has filed a Medical Device Establishment Licence (“MDEL”) with Health Canada for the purposes of importing, distributing and selling our KAI Medical COVID-19 Saliva Test (“KAI Saliva”), which has experienced immediate success since it’s launch on December 15, 2020 in the United States and [reported on January 7, 2021](#).

KAI MEDICAL LABORATORY EXPANDING TO AT LEAST DOUBLE CURRENT SIZE IN ANTICIPATION OF ANTICIPATED GROWTH IN VOLUME

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 the travel industry. KAI experienced significant growth in its first quarter under Empower, with Q4 COVID-19 test kit volumes exceeding 6,000 units, far surpassing the 1,300 total units prior to acquisition.

Current run rate projections now indicate as follows:

- January 2021 is expected to exceed 8,000 tests, surpassing all of Q4 2020
- February 2021 could see daily rates hit 1,000 tests per day
- March 2021 could see daily rates hit 2,000 tests per day

These run rates DO NOT include the recent [25,000 unit order for KAI Saliva test kits](#), nor do they include any test kits from the launch of [KAItests.com](#)

Empower Clinics CEO, Steven McAuley stated “Our investment in R&D is really starting to pay off for KAI Medical, starting with a new state-of-art laboratory information system to automate

processes for the anticipated growth in volume. Next, we have hired three new scientists, increased administrative staff and are activating a call center to provide world-class customer support. Further, the investment in new test protocols such as the Kai Saliva test kit, combined with our Health Canada medical device licence, positions us to be a leader in the reactivation of travel for Canadians.”

EMPOWER FILES MDEL APPLICATION WITH HEALTH CANADA TO IMPORT, DISTRIBUTE AND SELL KAI SALIVA

Empower has filed a Medical Device Establishment Licence (“MDEL”) with Health Canada for the purposes of importing, distributing and selling our KAI Medical COVID-19 Saliva Test (“KAI Saliva”), which experienced immediate success upon its launch on December 15, 2020 in the United States, with an initial soft launch order of 5,000 units and [an order for the next 25,000 KAI Saliva PCR Test Kits with a sales value of approximately \\$5.5M.](#)

The filing of the MDEL application is a very important milestone as the integrated healthcare model of the company developments in Canada. Having the MDEL licence approved by Health Canada opens up the ability for Empower to import and sell the KAI Saliva COVID-19 RT-PCR test kits to all Canadians, providing a legitimate and predictable method to solve the dilemma of travel for Canadian’s and those that want or need to travel to or back into Canada.

HIGHLY VIABLE SOLUTION FOR AIRLINE PASSENGERS, BOTH DOMESTIC AND FOREIGN, TO TRAVEL TO CANADA

Moreover, if successful with our application, KAI Saliva COVID-19 test kit provides travellers from around the world with a simple, yet fully compliant method to obtain an RT-PCR test and laboratory provided result prior to travel to Canada.

Furthermore, if successful with our application, KAI Saliva test kits provide Canada’s major airlines, with a legitimate and viable solution for Canadian travellers who leave Canada on a round-trip but have no credible means of sourcing a compliant, self-administered COVID-19 test in a foreign country. This has become a serious challenge for travellers, leading to major losses for airlines, cruise lines, hotels and hospitality.

KAI Saliva RT-PCR test kits, if successful with our application, would provide Canada’s major airlines with an ability to provide one solution for both foreign and domestic travellers by simply making a KAI Saliva test kit a part of the ticketing purchase process. Foreign travellers could receive and take the test in their home countries, while Canadian travellers could take KAI Saliva test kits with them on their trip to administer prior to return travel, then a result will be provided prior to boarding flights back to Canada.

INITIAL DEMAND FOR FIRST RUN KAI SALIVA TEST KITS CAME FROM EXISTING COMMERCIAL CUSTOMERS. DIRECT TO CONSUMER CHANNEL LAUNCH HAS COMMENCED.

Initial and overwhelming demand for KAI Saliva test kits stemmed from our existing customers in the commercial sector and concierge testing. Given the early and significant success of [KAI Saliva since its launch on December 15, 2020](#), Empower is extremely confident in the continued success of KAI Saliva test kits with both existing and expanded commercial customers in this next run.

To this end, the next important milestone for KAI Medical is the pending launch of our direct-to-consumer, home based KAI Saliva Tests, that will launch using our new platform www.kaitests.com. Our platform will enable consumers, businesses, private and public sector to order the test kit online, have it shipped to them for simple specimen collection, then returned to KAI Medical Laboratory for processing and provision of the test results.

FDA APPROVED AT HOME/WORK SALIVA TEST IS A GAME CHANGER. DISCUSSIONS UNDERWAY WITH MAJOR CANADIAN AIRLINES IN RESPONSE TO RECENT TESTING REQUIREMENTS FOR RETURNING CANADIAN TRAVELERS

KAI Saliva is the direct result of investing in scientific R&D through KAI, empowering them to deliver clinical trial data and validation. This gives Empower a strong upper hand nationally and now potentially on an international stage.

The power of the Saliva Test is in its simplicity, in which users merely spit into a funnel, then close the funnel with a lid containing a liquid to be mixed with the saliva by simply shaking it for 5 seconds. This saliva-based PCR test does not require a medical technician to administer the specimen collection which can be done by the individual, a parent or an administrator. The specimen is returned to KAI Medical Labs from anywhere for processing. KAI will analyze and provide a response using its compliant IT system.

This simplicity of use, yet sophistication in processing, analyzing and responding represents a viable solution for the new travel policy instituted by the Canadian government and serves as the basis for discussions that are now underway with major Canadian airlines.

Specifically, every traveller to Canada over the age of five, including Canadians returning from vacation, must show a negative test result from a PCR or RT-LAMP test administered in the 72 hours before their flight's departure. The test must be conducted in the flight's country of origin. KAI Saliva is able to provide returning Canadians with the ability to purchase a PCR test prior to leaving for vacation, self-administer the non-invasive specimen collection from their travel destination 72 hours prior to returning to Canada and receive a result prior to departure. Foreign travelers to Canada using a major Canadian airline can order KAI Saliva directly to their home almost anywhere in the world and go through the same process. As a (CE) approved test kit, it can be sent to travellers coming from South America, Caribbean and European countries.

Other types of tests — such as rapid antigen tests — will not be accepted. The government has directed airlines to turn away travellers who do not present a test result at the time of boarding. As such, the simplicity of KAI Saliva test kit represents one of the most viable solutions available anywhere on the planet and a major opportunity for Empower.

GLOBAL TOURISM INDUSTRY LOSSES WILL COST OVER \$1 TRILLION AND 100 MILLION JOBS

In a featured story on AWS Amazon titled "[Restarting the Travel and Hospitality Industry: An AI-powered Solution](#)", Loop Insight CEO Rob Anson stated:

"There's no doubt that the pandemic has devastated the travel and hospitality industry. A recent policy brief from the United Nations reports the COVID-19 pandemic will cost the global tourism industry over \$1 trillion in losses and threaten 100 million jobs. Today, 50 countries are completely closed and another 92 are partially open with mandatory quarantine upon

arrival, according to Kayak. Even as measures and lockdowns around the world ease up, many travelers are postponing their plans or canceling altogether. The complexities of reopening stretch far beyond navigating the restrictions. We need to get the world back to traveling soon, and to do that, we must prioritize both guest and operator safety.”

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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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.