

Empower Clinics Announces Receipt Of Over \$12,000,000 From Exercise Of Warrants, Receives Full MDEL Status From Health Canada, Finalizes Lease Agreements For Initial Canadian Health Centers And Completes Lease For KAI Lab Expansion

Warrant Proceeds And Continued Business Development On Multiple Fronts Positions Empower For Continued and Rapid Growth In 2021

VANCOUVER BC: March 19, 2021 - EMPOWER CLINICS INC. (CBDT:CSE) (SEC:Frankfurt) (EPWCF:OTCQB) ("Empower" or the "Company") an integrated healthcare company - serving patients through medical centers, telemedicine platforms and a high complexity medical diagnostics laboratory processing thousands of COVID-19 specimens, is pleased to provide a comprehensive corporate update with respect to the following matters:

RECEIPT OF OVER \$12,000,000 FROM THE EXERCISE OF WARRANTS

Empower is pleased to announce the receipt of in excess of \$12,000,000 from the exercise of warrants up to March 18, 2021, representing an increase of approximately \$1,500,000 since the Company's [announcement on March 4, 2021](#) when the Company announced the receipt of approximately \$10,500,000.

The receipt of these warrant proceeds, along with the Company's expectations of generating continued significant revenue from its KAI Medical Laboratory, as well as, anticipated significant revenue from its national Canadian clinic launches and test kit sales over the next 12 months, provides Empower with the war chest necessary for continued rapid expansion in each of its divisions.

Steven McAuley, Chairman and CEO of Empower stated "Theodore Roosevelt said credit belongs to...who is actually in the arena, whose face is marred by dust and sweat..., I can attest that I am in the arena, our team members are in the arena, all focused, working hard for our shareholders, ensuring we continue to grow and reach new heights." Mr. McAuley goes on to say "The company has never looked better, has never been more stable than today, has a great balance sheet and has clear vision for the future. Our leadership team, our entire team share a collective vision of growth, we care about patients, we are focused on technology, we understand the importance of what we are doing."

RECEIPT OF FULL MEDICAL DEVICE ESTABLISHMENT LICENCE (MDEL) APPROVAL STRENGTHENS ABILITY TO SELL AND DISTRIBUTE KAI SALIVA AT-HOME COVID-19 RT-PCR TEST IN CANADA AND OTHER APPROVED TESTING PRODUCTS GOING FORWARD

Empower's KAI Medical COVID-19 Saliva Test ("KAI Saliva") is an FDA EUA and Health Canada authorized at-home Saliva COVID-19 RT-PCR Test. KAI Saliva provides travelers, both foreign and domestic with a simple, fully compliant method to obtain an RT-PCR test and test result

prior to arriving or coming back into Canada or arriving in other countries that have similar executive travel orders.

[On January 21, 2021](#) Empower announced the filing of an MDEL for the purposes of importing, distributing and selling KAI Saliva which has 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.](#)

[On March 8, 2021](#) Empower announced it anticipates an order for the next 50,000 KAI Saliva test kits to prepare for demand.

Our MDEL can now be found on the Government of Canada [MDEL 'Live Listings'](#) page.

"We all have an urgent requirement for a home-based, self-administered COVID-19 saliva test kit that can help open up the economy and facilitate travel that meets the requirements of the executive travel orders." said Steven McAuley, Chairman & CEO. "As a result of receiving full MDEL status, Empower is engaged in meaningful discussions with several potential distribution partners across Canada. We fully expect KAI Saliva to enjoy the kind of success it is achieving in the United States."

KAI Saliva can provide major airlines, cruise lines and the tourism sector with the ability to provide solutions for travelers by making a KAI Saliva purchase part of the ticketing purchase, the check-in process, in a kiosk, or on an e-commerce website.

NEGOTIATED LEASE AGREEMENTS FOR FIRST THREE HEALTH CENTRE LOCATIONS WITH BUILD OUT TO COMMENCE IN Q2 2021

[On February 25, 2021](#) Empower announced the locations of the first three integrated health centers in Ontario, with each location anticipated to generate on average approximately \$3,000,000 in annualized revenue, as follows:

- 1) Etobicoke, Ontario Approximately 2,700 sq.ft
- 2) London, Ontario Approximately 3,100 sq.ft
- 3) Etobicoke, Ontario Approximately 2,900 sq.ft

Empower is now advancing to the build-out phase with first completions and openings anticipated for 2Q 2021. Advanced discussions are currently underway on multiple additional locations as the Company advances the rollout of its national clinic expansion strategy.

Empower will be opening primary care, plus para-medical healthcare services in each of the locations, with a target of four (4) to six (6) Medical Doctors (MD) and four (4) to six (6) paramedical practitioners per location.

When each location is fully operational, Empower anticipates it can generate \$2,560,000 - 3,600,000 in annual revenue per location.

COMPLETION OF LEASE AGREEMENT FOR KAI MEDICAL LABORATORY EXPANSION

KAI Medical Laboratory ("KAI LAB"), a state-of-the-art diagnostics laboratory in Dallas, TX 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 LAB experienced significant growth in its first quarter under Empower (October 2020 - December 2020), with Q4 COVID-19 test units exceeding 6,000, far surpassing the 1,300 total units prior to acquisition.

[Furthermore, on March 8, 2021](#), Empower announced KAI LAB had achieved the following significant milestones in 2021:

1. Each of January and February 2021 were record months for specimen collection and processing, with February delivering sequential growth of 27% over January 2021.
2. Exceeded single day specimen processing of 1,000 + units in February.
3. As a result of record months year to date 2021, the KAI LAB annual revenue run rate is now exceeding \$10,000,000 with meaningful positive cash flow

As a result of this continued rapid growth in 2021, Empower announced ["Doubling KAI Medical Laboratory In Anticipation Of Test Volumes By End Of Q1."](#) The Company then revised this planned expansion upwards on February 16th when it announced ["KAI Laboratory Now Tripling in Size in Anticipation of Test Volumes by End of Q1."](#)

KAI LAB has now completed the lease amendment with the landlord to take over the neighboring tenants' space to triple the size of KAI LAB. Tenant's improvements are set to commence immediately and before the end of March 2021. The expansion work will enable KAI LAB to hire additional staff across a wide array of roles, all to improve operational efficiency and to meet anticipated demand over the coming weeks and quarters.

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 the US and Canada. 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 ourshareholders.

ON BEHALF OF THE BOARD OF DIRECTORS:

Steven McAuley
CEO

CONTACTS:

Steven McAuley CEO
s.mcauley@empowerclinics.com
604-789-2146

Tamara Mason
Business Development &
Communications
t.mason@empowerclinics.com
416-671-5617

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; launch of new healthcare centers and the occurrence thereof; that the Company can bring healthcare to millions of Canadians; that new healthcare services can be added 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 MedX Health pilot program will be successful; that Empower will place the MedX Health teledermatology product in health centers in North America; 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; that the Company will be able to commence and/or complete build-outs and tenants improvements for Canadian clinics or Kai Medical Laboratory expansion in 2Q 2021; that 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.