

## **EMPOWER CLINICS ANNOUNCES MAJOR EXPANSION WITH PROPOSED ACQUISITION OF MEDISURE CANADA. DIABETES TESTS AND DEVICES CARRIED IN 4,000 PHARMACIES AND GENERATED \$1.9M IN 2020 REVENUE**

*Acquisition Of Leading Canadian Diabetes Medical Device Company Significantly Expands Direct To Consumer Testing Products With 50,000 New End Users Supporting The Development Of The Kai Care Brand To North American Markets*

**VANCOUVER BC: June 3, 2021 – EMPOWER CLINICS INC. (CBDT: CSE) (EPWCF: OTCQB) (8EC: Frankfurt)** (“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 announce the signing of a non-binding term sheet to acquire Medi + Sure Canada Inc. (“Medisure”), a leading Canadian manufacturer of medical devices for patients managing diabetes.

“This acquisition will provide an immediate impact on our footprint in Canada and bolster our direct-to-consumer testing products initiative, while expanding the breadth of our overall service offerings on an accelerated basis. Moreover, consistent with the impact on our two recent acquisitions, the addition of Empower’s financial, marketing and business development resources is expected to significantly expand the success of Medisure within the first year of operations both on the ground and online.” stated Steven McAuley, Chairman and CEO of Empower Clinics. “In addition to their great products, MediSure also provides us with an immediate and experienced medical device manufacturing, fulfillment and distribution point for all forms of testing products in Canada including Kai Care.”

MediSure Canada President and CEO Mario Cortis stated “We are very excited to join up with Steven and his Team at Empower Clinics in our mission to grow the accessibility and reach of MediSure. I am fully confident that through Steven’s leadership, the quality of MediSure’s products can be scaled to serve our current customers more effectively and reach many new markets.”

### **4,000 PHARMACIES, 50,000 END USERS, \$1.9 MILLION ANNUAL REVENUE FOR BEST IN CLASS DIABETIC TESTING PRODUCTS**

MediSure is a Canadian owned and operated manufacturer with over a decade of experience meeting the high cost needs of diabetic patients in an affordable and accessible manner. MediSure is a leader in the consumer driven healthcare sector with a current presence in over 4,000 Canadian pharmacies, 50,000 end users and unaudited twelve-month trailing revenues of \$1.9M CAD.

Existing products include diabetic glucose meters and blood sugar tests meeting all ISO standards. Their next generation blood glucometer and noble metal FAD-GDH glucose test strip launch is planned for 2022 and the Continuous Glucose Measurement (CMG) Sensor is planned for launch in Q1 2023. MediSure and its products have extensive Health Canada licences including Medical Device Establishment License (MDEL), Medical Devices Active Licence Listing (MDALL) Class 3 and Class 2 License, and are Health Canada Multi-User Licensed.

McAuley added "As I've stated to our shareholders on multiple occasions throughout 2021, Empower is in the strongest position it has ever been and will continue to grow every aspect of our business unabated and without interruption. In addition to this acquisition, in the last 30 days alone we have announced expansions of our clinics, gone live on our KAI Saliva RT-PCR test with Air Canada and are very advanced on tripling the size of the KAI Medical Laboratory facility. We are hitting on all cylinders and well on our way to becoming a major vertically integrated healthcare company. I fully expect Empower to have continued strong business announcements in June and throughout 2021.

## **PROPOSED TERMS OF \$3,500,000 ACQUISITION**

Under the proposed terms, the Company will pay \$1,000,000.00 CAD cash at closing and a \$250,000.00 CAD performance holdback, for an aggregate cash payment of \$1,250,000.00 CAD. In addition, at closing, the Company will issue an aggregate value of \$1,250,000.00 CAD in capital of Empower. It will be deemed at a price per Share equal to the 10-day volume weighted average closing price per Share on the Canadian Securities Exchange (the "SEC") for the period ending on the last business day prior to the Closing and not subject to escrow or lock-up but shall be subject to applicable hold periods and all other rules and policies of the CSE.

Further, the issuance at the Closing of Shares having an aggregate value of \$1,000,000.00 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 Closing, which, at the Closing, will be issued into escrow with an escrow agent appointed by Empower, and will vest in quarterly instalments over 24 months from the Closing.

The Company will also provide a \$25,000.00 good faith refundable deposit within 72 hours of execution of this Term Sheet by all parties. Closing will be conditional upon successful due diligence by both parties participating in good faith on or before July 15, 2021.

## **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.

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.

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 will compete satisfactory due diligence and 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.