

51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Empower Clinics Inc. (the “Company”)
505-1771 Robson Street
Vancouver, BC V6G 1C9

Item 2 Date of Material Change

August 31, 2021

Item 3 News Release

The news release, dated August 31, 2021, was disseminated through Accesswire.

Item 4 Summary of Material Change

EMPOWERS KAI MEDICAL LABORATORY LAUNCHES REVENUE GENERATING PROGRAM TARGETING MORE THAN 500 TEXAS SCHOOLS
Empower Clinics Inc. 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 that Empowers Kai Medical Laboratory, LLC (“KAI”) has successfully registered with the U.S. Federal CARES Act Program.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

A full description of the material change is provided in Item 4 above and in the attached news releases which is filed on SEDAR.

5.2 Disclosure for Restructuring Transactions

N/A

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

N/A

Item 7 Omitted Information

None

Item 8 Executive Officer

Steven McAuley
Chief Executive Officer
Telephone: (604) 789-2146

Item 9 Date of Report

August 31, 2021

EMPOWERS KAI MEDICAL LABORATORY LAUNCHES REVENUE GENERATING PROGRAM TARGETING MORE THAN 500 TEXAS SCHOOLS

U.S. Federal CARES Act Government Funding for COVID-19 Relief in Texas Schools Stands at \$17.1 B

VANCOUVER BC: August 31, 2021 – EMPOWER CLINICS INC. (CBDT: CSE) (8EC: 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 announce that Empowers Kai Medical Laboratory, LLC (“KAI”) has successfully registered with the U.S. Federal CARES Act Program.

“This designation is a monumental revenue catalyst for KAI,” said Steven McAuley, Chairman and CEO of Empower Clinics. “As the world stands amid another tragic wave of COVID-19, mass vaccinations offer a layer of protection, but widespread testing remains a crucial layer of defence. This heightened demand coupled with generous federal funding puts KAI in the best position to earn significant local revenue. We are kickstarting this designation with a pilot project to offer covered testing in 500 Texas schools. I’m confident this is a strong new catalyst to KAI’s positive work in the testing and research sphere.”

KAI Medical Laboratory is a high complexity laboratory accredited by Clinical Laboratory Improvement Amendments (CLIA) and Commission on Office Laboratory Accreditation (COLA) that offers no-cost coronavirus testing (COVID-19). Under the CARES Act and the Families First Coronavirus Relief Act (FFCRA), patients are generally not responsible for the cost of COVID-19 testing and related services, including co-pays or other out-of-pocket costs. There is no out-of-pocket cost for most uninsured patients through the Federal Health Resources and Services Administration (HRSA) Program for COVID-19 Testing, Treatment, and Vaccine Administration. If HRSA covers a patient’s test, KAI will accept reimbursement from HRSA as payment in full.

Yoshi Tyler, Kai Medical Laboratory President, added, “We are thrilled to be part of this program. And more importantly, we will now expand services to our citizens, neighbours, and community with comprehensive testing that is easy, quick, and provides safe results.”

Through KAI’s certifications and registrations with Medicare, Medicaid, private insurance, and now the Federal CARES Act Program, KAI can provide COVID-19 testing at no charge to patients, thereby covering the total cost for those in need of this essential testing. Kai Medical Laboratory has partnered with On Time Mobile Phlebotomy Services, LLC. to expand its reach for school testing initiatives.

Texas schools have received at least \$17.1 billion in federal aid over the course of the pandemic, \$13.2 billion of which was allocated as part of the March 2020 CARES Act. The CARES Act opens a trove of opportunity for KAI to deliver accessible testing in both Texas and across the country.

ABOUT THE U.S. CARES ACT

The Coronavirus Aid, Relief, and Economic Security (CARES) Act (2020) is a federal program aimed at providing direct economic assistance related to the COVID-19 pandemic for American workers, families, small businesses, and industries. The Act includes direct

economic assistance for Americans among other programs focused on addressing issues related to the COVID-19 pandemic.

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
Chief Executive Officer

CONTACTS:

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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; 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 Kai Medical Laboratory will successfully win any US Government RFP; that the MedX Health pilot program will be successful; that Empower will place the MedX Health tele dermatology 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 U.S. Federal CARES Act registration will provide increases to school specimen testing volume; 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.