

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

October 12, 2021

Item 3 News Release

The news release, dated October 12, 2021, was disseminated through Accesswire.

Item 4 Summary of Material Change

EMPOWER CLINICS AND FOBI DEEPEN PARTNERSHIP BY OFFERING HIGHEST TECHNOLOGY TESTING SOLUTIONS FOR COVID-19
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 the Company has entered into a Service Agreement with Fobi AI Inc. (FOBI:TSXV FOBI:OTCQB) (“Fobi”) to integrate Fobi’s artificial intelligence data applications and wallet pass platform into Empower’s Kai Care COVID-19 Testing product.

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

October 12, 2021

EMPOWER CLINICS AND FOBI DEEPEN PARTNERSHIP BY OFFERING HIGHEST TECHNOLOGY TESTING SOLUTIONS FOR COVID-19

Empower to Leverage Fobi's Wallet Pass Technology to Provide Verified Credentials for Secure Real Time Digital Health Care Notifications, Scheduling, Education And Client Messaging to All Kai Care Clients

VANCOUVER BC: October 12, 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 the Company has entered into a Service Agreement with Fobi AI Inc. (FOBI:TSXV FOBI:OTCQB) ("Fobi") to integrate Fobi's artificial intelligence data applications and wallet pass platform into Empower's Kai Care COVID-19 Testing product.

Fobi Agreement Supports Empower's Goal of Becoming Leading Edge Health Care Provider and Innovator.

The Service agreement involves the integration of Fobi's Wallet pass platform into the Kai Care COVID-19 testing product and back-end lab management system, which will create a much more secure and seamless next level of digital customer experience for not only COVID-19 but for all other future testing applications, receiving results and providing verification of a negative COVID-19 test. As part of the Kai Care testing process, all customers will now have the ability to download a Kai Care Wallet pass directly into the native wallet that lives in all Apple & Android mobile phones. The Kai Care Pass will then be used for delivering test results direct to the mobile wallet in a safe and secure format. The new digital offering is very well timed given various international government mandates in regard to digital health passport requirements with proof of vaccinations and negative COVID-19 test requirements.

Empower To Leverage Fobi Ai Artificial Intelligence to Deliver Kai Care Clients Personalized Client Experience Which Provides Untapped New Line Revenue Opportunities.

The Kai Care Wallet pass can also be used by Empower as a new customer engagement channel. User adoption and retention of Wallet passes is much higher than normal mobile phone Apps, and campaigns for additional Kai Labs tests or relevant 3rd party products or services can be pushed out to their customers through banner ads on the front of the Wallet pass, links on the back of the Wallet pass, or through push notifications to customer mobile phone lock screens. The new integrated solution also has a very high level of data security, with Fobi's Wallet pass powered by Hedera Hashgraph. This new engagement channel also opens up significant new advertising and data monetization options for both Empower and Fobi. In particular, Empower can now use the Wallet pass to promote and monetize products such as their own new testing products, as well as other 3rd party products such as travel insurance, etc. Under the terms of the agreement, Fobi will receive revenue for each Wallet pass downloaded and Fobi and Empower will split the proceeds of any new advertising or data monetization revenue opportunities realized from this service agreement.

Empower CEO Steven McAuley stated: "Testing and vaccinations are becoming a pillar of everyday life as society continues its fight against COVID-19. I'm proud to deepen our

relationship with Fobi and meet the massive demand for reliable, secure and easy COVID-19 testing results and verification sharing. By working together our companies are supporting a safe reopening for individuals, businesses, schools, and so much more.”

This service agreement builds upon the relationship between Fobi (previously Loop Insights) and Empower that was announced in [October 2020](#). Since then, Empower Clinics have released their own E-Commerce site and signed major distribution deals with several pharmacies and retail outlets across North America to stock Kai Care testing kits on their shelves. Empower are expecting additional distribution deals to be signed in the near future, which will increase the number of kits sold and customers worldwide, which bodes well for revenue projections for both Empower and Fobi.

A recent report from [Grandview Research](#) shows the COVID-19 Antigen Testing Market size will grow at a CAGR of 6.7% from 2021 and will reach USD \$8.3 Billion by 2027. With Fobi’s Wallet pass platform enabling an even more secure and seamless customer experience for COVID-19 testing and result verification, it is anticipated that Empower will increase their share of that market significantly.

Fobi CEO Rob Anson stated: “Powering the Kai Care Wallet pass and supporting Empower to leverage our artificial intelligence data applications clearly provides Empower Clinics and Kai Care with a clear product differentiator in the testing marketplace. There are other testing providers out there, but none of which offer real time results delivered directly to the wallet. The Kai Care Wallet pass solution will provide the means to deliver a new level of personalized client engagement, scheduling and messaging. This exciting new release also provides Empower and Fobi with the ability to generate significant additional revenue through the data and advertising monetization opportunities. We are very excited to continue our support of our strong partnership with Empower Clinics.”

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 FOBI:

Fobi is a cutting-edge data intelligence company that helps our clients turn real-time data into actionable insights and personalized customer engagement to generate increased profits. Fobi’s unique IoT device has the ability to integrate seamlessly into existing infrastructure to enable data connectivity across online and on-premise platforms creating highly scalable solutions for our global clients. Fobi partners with some of the largest companies in the world to deliver best-in-class solutions and operates globally in the retail, telecom, sports & entertainment, casino gaming, and hospitality & tourism industries.

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:

Investors:

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

Investors:

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 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 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.