

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 21, 2021

Item 3 News Release

The news release, dated October 21, 2021, was disseminated through Accesswire.

Item 4 Summary of Material Change

EMPOWER CLINICS ANNOUNCES ACQUISITION OF FOUR OPERATIONAL ONTARIO CLINICS

Empower Clinics Inc. an integrated healthcare company - serving patients through medical centers, telemedicine platforms, a medical device company, and a high complexity medical diagnostics laboratory processing thousands of COVID-19 specimens – is pleased to announce the proposed acquisition of 2873847 Ontario Inc. (“Thornhill Clinics”) and its four operational medical clinics in Thornhill, Ontario.

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 21, 2021

EMPOWER CLINICS ANNOUNCES ACQUISITION OF FOUR OPERATIONAL ONTARIO CLINICS

The Group Adds in Excess of \$4MM in Topline Revenue Plus 15% EBITDA and The Medi-Collective Clinic Pipeline Expands to 37 Locations

VANCOUVER BC: October 21, 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, a medical device company, and a high complexity medical diagnostics laboratory processing thousands of COVID-19 specimens – is pleased to announce the proposed acquisition of 2873847 Ontario Inc. (“Thornhill Clinics”) and its four operational medical clinics in Thornhill, Ontario.

Thornhill Clinics employs over fifteen general practitioners across four clinics, and currently holds 200,000 patient files. The existing practice offers full-service family medicine consultations and services, including, but not limited to, general assessment, referrals, acute illness or injury treatment, and much more. Following a definitive agreement, the Company will incorporate the existing clinic operations into The Medi-Collective (“TMC”) brand. This will expand its services to include, and benefit from, TMC’s family telemedicine operation, teledermatology, other specialty services and pharmaceutical partnerships.

“We’re very excited to continue our clinic expansion in Southern Ontario,” said Empower Steven McAuley, Chairman & CEO Of Empower Clinics. “Thornhill Clinics existing service capabilities and 200,000 patient roster will catalyze TMC’s community reach and deliver accretive revenues following a definitive agreement. We continue to execute our growth strategy according to our medium and long-term plans across the company. I’m excited for Empower’s ability to improve access to integrative healthcare across Canada in the coming months.”

“The Thornhill clinics are a wonderful addition to TMC’s national clinic rollout,” added Dr. Jordan Rabinowitz and Dr. Aviv Tsimerman. “Through the assistance and leadership of Empower, TMC is on its way to enabling better patient outcomes in Canada via strong clinic acquisitions, pharmacy partnerships and in-house specialty services.”

The Medi-Collective is on Track to Continue Openings into Q1 2022

- Operational - 4
- In Development & Construction - 8
- In Due Diligence - 21
- Acquisition - 4

TOTAL - 37

The Company currently has four operational TMC clinics with five additional openings scheduled before the end of Q4 2021. TMC is also projecting ongoing openings into Q1 2022 and throughout the year. Advanced discussions continue for additional locations across various provinces, including but not limited to Alberta, British Columbia and New Brunswick.

Proposed Terms of \$4,200,000.00 Acquisition

Under the proposed terms, at Closing the Company will pay an aggregate cash payment to the Vendor of \$1,600,000.00, with \$800,000.00 to be paid to the Vendor at the Closing and \$800,000.00 (the "Post-Closing Payment") to be held back by the Purchaser pending satisfaction of performance milestones to be set out in the definitive agreement. The Post-Closing Payment, if earned, will be released twelve months following the Closing.

The Company will issue common shares in the capital of Empower having an aggregate value of \$1,300,000.00 at a deemed price per share equal to the 10-day volume weighted average closing price per share on the Canadian Securities Exchange ("CSE") for the period on the last business day prior to the Closing. Such shares will not be subject to escrow or lock-up but shall be subject to applicable hold periods and all other rules and policies of the CSE and applicable securities laws. Further, the issuance at the Closing of Shares having an aggregate value of \$1,300,000.00 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.

Closing will be conditional upon successful due diligence by both parties participating in good faith on or before mid-December.

TMC Health Care Clinic Services

Empower's TMC clinics will offer primary care and paramedical healthcare services.

Primary care services include:

- Family physicians
- Walk-in physicians
- Tele-medicine and virtual care

Paramedical services include:

- Chiropractic
- Physiotherapy
- Registered Massage Therapy
- Chiropody
- Acupuncturists
- Osteopaths
- Nutritionists

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 THE MEDI-COLLECTIVE:

The Medi-Collective (TMC), a wholly owned subsidiary of Empower Clinics, is a multi-disciplinary group of medical practitioners dedicated to applying a collaborative working model with the goal of delivering effective community healthcare and positive wellness. Our practice starts and ends with the people who make up our community. From our top-quality practitioners striving for excellence every day, to each and every client we care for. Together,

we're all healthy. We believe that effective healthcare is as much a mental approach as a physical one. By bringing together the power of positive attitudes with the most advanced medical methodologies we create the best possible opportunity to produce the best possible outcomes for everyone involved, physically and mentally.

ABOUT EMPOWER:

Empower is an integrated healthcare company that provides body and mind wellness for patients through its clinics, with digital and telemedicine care, a medical device company, 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:

Media:

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 the Company will complete the Definitive Agreement with Thornhill Clinics; 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.