

**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 25, 2021

**Item 3 News Release**

The news release, dated October 25, 2021, was disseminated through Accesswire.

**Item 4 Summary of Material Change**

EMPOWER CLINICS KAI MEDICAL LABORATORY APPROVED TO ADMINISTER COVID-19 VACCINES IN THE U.S.

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 that Kai Medical Laboratory (“Kai Lab”) has received approval to be a COVID-19 Pandemic Provider able to administer COVID-19 vaccinations in the U.S.

**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 25, 2021

## **EMPOWER CLINICS KAI MEDICAL LABORATORY APPROVED TO ADMINISTER COVID-19 VACCINES IN THE U.S.**

Dallas Based Kai Medical Laboratory is Prepared to Meet Continued COVID-19 Vaccine Demand Through Drive Up programs, Booster clinics and School Vaccination programs

**VANCOUVER BC: October 25, 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 that Kai Medical Laboratory (“Kai Lab”) has received approval to be a COVID-19 Pandemic Provider able to administer COVID-19 vaccinations in the U.S.

As of mid-October, the Texas Department of State Health Services (DSHS) and the United States Department of Health and Human Services (HHS) have successfully received and approved Kai Lab’s application. Kai Lab can immediately begin placing orders for the Pfizer-BioNTech and Johnson & Johnson COVID-19 vaccines. As part of the application process, Kai Lab required a deep cold freezer (-80 Celcius) purchase and data history of DSHS compliant vaccine temperature data loggers, and proof of trained and certified staff members able to catalogue and administer vaccinations. Through government COVID-19 vaccination portals, businesses, schools, and other groups can directly connect with Kai Labs to coordinate vaccination clinics.

“I’m immensely proud of the Kai team for successfully completing this complex approval process” said Steven McAuley, Chairman & CEO of Empower. “Kai Lab is a state-of-the-art facility, and with the help of its recent expansion, its facilities and personnel were able to qualify to meet the continued demand for COVID-19 vaccines. The U.S. has made history with the speed of its vaccination program, and the Empower team is eager to offer additional access through convenient vaccination clinics starting with the Texas market.”

Yoshi Tyler, Kai Medical Laboratory President, added, "I am thrilled to announce that Kai Medical Laboratory will now be a vaccine provider for Pfizer-BioNTech and Janssen. Adding vaccines to our current line of services will provide our customers with a larger more comprehensive suite of services. Aided by our recent expansion, we are executing our goals to provide innovative testing and healthcare solutions to millions."

Since the beginning of the pandemic, the U.S. government has poured over \$10 billion into the production, manufacturing and distribution of COVID-19 vaccines. The Company anticipates earning \$40 USD per vaccine administered from government vaccine administration programs. Kai Lab's has placed its initial batch orders which includes 1,200 vaccines per batch with the initial batch anticipated to arrive within two weeks.

Vaccinations have been a critical tool in the safe re-opening of businesses, schools and other activities in 2021. Yet, despite the majority vaccination numbers in the U.S., only 67 per cent of all Americans are fully vaccinated and only 77% have at least one dose. Numbers have increased in recent weeks as more employers and jurisdictions implement some variation of mandatory vaccinations. Since August, demand has also picked up with booster shots made available to seniors, high-risk individuals, and those with compromised immune systems. It's expected that first-time vaccinations will drastically increase as the FDA meets in the coming weeks to review Pfizer and BioNTech's request to authorize emergency use of their COVID-19 vaccine for children aged five to eleven. This move would vaccinate more than 28 million additional people in the U.S., according to the New York Times.

**ABOUT KAI MEDICAL LABORATORY:**

Kai Medical Laboratory is a high complexity laboratory accredited by Clinical Laboratory Improvement Amendments (CLIA) and Commission on Office Laboratory Accreditation (COLA). Our team consists of experienced scientists, medical professionals, and pharmacists. We provide reliable testing solutions to hospitals, medical clinics, pharmacies, and employer groups. Kai Medical Laboratory is focused on providing opportunities that change our current health system by improving quality of life for employees and improving business results for client companies. We offer diversified services across the country to meet current demands of today's healthcare needs.

**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:

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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 the Company will be able to successfully run COVID-19 vaccination programs through drive-up, booster programs or school programs; 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 general business, economic, competitive, political and social uncertainties; 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.*

