

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 27, 2021

Item 3 News Release

The news release, dated October 27, 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 – is pleased to announce the Company has entered into a non-binding term sheet to acquire 100% of 1814764 Ontario Limited (“Sudbury Clinics”). The proposed deal accounts for its existing locations, employees and patient files.

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 27, 2021

EMPOWER CLINICS TO ACQUIRE FOUR OPERATIONAL ONTARIO CLINICS WITH 400,000 PATIENT FILES

The Group Adds in Excess of \$4MM in Topline Revenue and 12% EBITDA Plus Additional Clinics Augments The Medi-Collective Medical Team by Adding 35 Physicians

VANCOUVER BC: October 27, 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 – is pleased to announce the Company has entered into a non-binding term sheet to acquire 100% of 1814764 Ontario Limited (“Sudbury Clinics”). The proposed deal accounts for its existing locations, employees and patient files.

Sudbury Clinics is a leading healthcare group with four locations in Sudbury, Ontario and its surrounding area. The practice recorded in excess of \$4 million in annual revenue for 2020. Its 35 physicians offer full-service family medicine consultations and services, including, but not limited to, general assessment, referrals, acute illness or injury treatment, and much more. Its existing 400,000 patient files is projected to significantly amplify The Medi-Collective (“TMC”) patient database. The current clinic locations complement TMC’s integrative model as two of the four locations are co-located with Rexall pharmacies.

Empower CEO & Chairman Steven McAuley stated, “Sudbury Clinics is an amazing asset for Empower Clinics in terms of existing employee capacity, infrastructure and patient reach. I’m proud of the work TMC is doing to offer comprehensive healthcare services under one roof. Our national expansion strategy continues to gain momentum as we operationalize more clinics and aim towards new jurisdictions. The addition of so many patient files has us on a path to comfortably exceed 1,000,000 patient files in 2022.”

“Sudbury Clinics is a significant catalyst for TMC,” added Dr. Jordan Rabinowitz and Dr. Aviv Tsimerman. “By blending their three dozen GPs and 400,000 patient files with our existing telemedicine and specialty services, we are maximizing TMC’s integrated healthcare offerings, reach and revenue.”

Following a definitive agreement, the Company will incorporate the existing family medicine operations into the TMC brand of clinics. TMC will offer its hallmark family telemedicine operation and other specialist services, including dermatology, internal medicine, cardiology and nephrology. By expanding to these services, TMC is broadening the scope of available services in Sudbury. Across all TMC clinics, the Company plans to market other Empower Clinics services and products such as Kai Care testing solutions and MediSure diabetic management solutions to existing and incoming clinic patients.

The Medi-Collective's Clinic Expansion Pipeline Increases to 41

The status of our clinic pipeline in Canada can be summarized as follows:

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

Total - 41

Advanced discussions continue for additional locations across various provinces, including but not limited to Alberta, British Columbia and New Brunswick. The next TMC Clinic opening is scheduled for November 1, 2021, in Mississauga, Ontario.

Terms of Proposed \$4,800,000.00 CAD Acquisition

Under the proposed terms, the Company will pay \$2,500,000.00 at Closing and a \$250,000.00 Post-Closing Payment for an aggregate cash payment of \$3,000,000.00. The Post-Closing Payment will be held back by the Company pending satisfaction of the performance milestones set out in the definitive agreement and, if earned, will be released six months following the Closing. At Closing, the Company will issue common shares in the capital of Empower having an aggregate value of \$1,550,000.00 at a deemed price per Share equal to the 10-day volume weighted average closing price per Share on the Canadian Securities Exchange (the "CSE") for the period ending 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 \$500,000.00 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 early December.

The Company announces that it has granted, effective September 22, 2021, an aggregate of 100,000 stock options and effective September 23, 2021 an aggregate of 200,00 stock options (each, an "**Option**") to certain employees and contractors of the Company in accordance with the Company's stock option plan. Each Option is exercisable into one common share in the capital of the Company (each, a "**Share**") at a price of \$0.43 and \$0.47 respectively per Share, being the closing price of the Shares on the Canadian Securities Exchange on the date of grant and the

trading date before the date of grant for a period of three years from the date of grant. The Shares will be subject to a hold period of four months commencing on the date of grant of the Options.

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:

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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 1814764 Ontario Limited; the transaction terms; the expected number of clinics and patients following the closing; the future potential success of 1814764 Ontario Limited; 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’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.