

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

April 25, 2023

Item 3 News Release

The news release, dated April 25, 2023 was disseminated through Accesswire.

Item 4 Summary of Material Change

VANCOUVER, B.C.: April 25, 2023 – EMPOWER CLINICS INC (CSE:EPW) (PINK:EPWCF) ("Empower" or the "Company") an integrated healthcare company with a developing research and clinical trials divisions is pleased to announce that its subsidiary EPW Curesearch LLC ("EPWC") has signed two new Research Services Agreements ("Research Agreement") with leading physicians and researchers who will act as the Principal Investigators (the "PI") supporting the provision of Pharmaceutical Research and Clinical Trials Services (the "Services") of the first site in Dallas, TX.

The addition of two additional PI's brings the active count of seasoned researchers to three and paves the way to conducting multiple research projects across a variety of specialties and disease states. PI's are practicing medical doctors who are specialists or internists with previous research and clinical trials experience that are integral to the success of the Clinical Trial process, including the establishment of Empower Clinics as a Site Management Organization ("SMO").

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: 1-855-855-9058

Item 9 Date of Report

April 25, 2023

Empower Clinics Accelerates Growth Of Research and Clinical Trials Division With Signing Of Two Additional Principal Investigators At First Site In Dallas, Texas

Addition Of Seasoned Principal Investigators At First SMO Site Dramatically Expands Access to Securing Multiple Research Projects Covering Numerous Specialties

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THE RESEARCH AND CLINICAL TRIALS BUSINESS CYCLE

In order for shareholders to better understand both the process and the critical role played by Empower within it, we have provided the following outline:

- Big Pharmaceutical companies conduct research and clinical trials on numerous disease states (the "Sponsor")
- Successful new drugs that get FDA or CE approval are worth billions to the Sponsor
- Sponsors typically outsource the management of research trials to Contract Research Organizations ("CRO")
- Specialized physicians referred to as Principal Investigators (PI's) become researchers at sites for the purpose of enrolling patients and supporting the trial
- The next segment of the industry is Site Management Organizations (SMO), and this is where Empower intends to operate. Specifically, Empower as an SMO enters into contracts with PI's, which in this case, is a large medical center with multiple PI's under contract
- Empower as the SMO liaises with both the CRO and the Sponsor to create a three-way contract for research and clinical trials with the Sponsor, CRO and the PI's
- Once the trial commences:
 - Patients enroll in a trial
 - They are seen by the PI on regular intervals
 - The PI gathers the required data
 - The data is assembled, de-identified and provided to the CRO and Sponsor
- As the SMO, Empower oversees the process of day-to-day patient management, site management, technology management and general oversight of the process
- Each month Empower as the SMO submits a detailed invoice to the CRO for patient management services and participation from the prior month

KEY METRICS OF THE SITE MANAGEMENT ORGANIZATION

- The key metrics that impact the success of each trial for the SMO are:
 - Patient enrolment per trial
 - Patient stickiness per trial
 - The term, length, and possible extension per trial
 - The number of active trials under management.
- As an SMO, Empower expects to have multiple PI's managing multiple trials
- Successful new drugs have a significant anticipated value to Sponsors, the Sponsors are motivated and incentivized to keep trials on track via timely payments

- Contracts come with extremely detailed payout schedules for every single touchpoint and element of every project
- Expenses and payouts follow a generally standardized formula:
 - PI's are typically paid a percentage of the contract value
 - Empower as the SMO operates with a variable cost model and far superior cash flow control than in any previous medical business model
- Empower limits and eliminates capital expenses related to:
 - Opening a clinic
 - Buying a clinic
 - Entering into long-term leases
- Empower anticipates much improved cash flow economics each month and quarter, which are expected to improve as scale is achieved

"This model represents an entirely different and superior cash model for Empower, which runs with very low overhead and internal headcount." stated Steven McAuley, Chairman and CEO. "This absence of substantial capital requirements is not only a smarter business but is also incredibly timely given the difficulties small cap companies are facing accessing capital for operations in this challenged environment".

The CRO Services Market in terms of revenue was estimated to be worth \$76.6 billion in 2023 and is poised to reach \$127.3 billion by 2028, growing at a CAGR of 10.7% from 2023 to 2028 according to a new report by MarketsandMarkets.¹ Factors such as continuously growing pharmaceutical, biotechnology and medical device R&D pipelines and technological advancements in the clinical trials process are driving the growth of this market. In recent years, the costs associated with drug and product development have increased significantly, driving pharma, biotech, and medical device companies to look for partnerships to drive modernizations and smarter ways of conducting business.

The Company also announces that it entered into debt settlement agreements with creditors on April 19th, 2023 for the settlement of debt in the aggregate amount of \$202,149 CAD, which was settled through the issuance of an aggregate of 8,085,960 common shares in the capital of the Company (each, a "Share") at a deemed issue price of \$0.025 per Share and the issuance of a 24 month Warrant exercisable at a price of \$0.05 with an expiry date of April 20, 2025, together (a "Unit") and considered (the "Debt Settlement").

All Shares issued pursuant to the Debt Settlement will be subject to a statutory four month and one day hold period from the date of issue in accordance with applicable Canadian securities laws. None of the Shares will be registered under the United States Securities Act of 1933, as amended, and none may be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities of the Company, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

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>

To get enhanced access to investor information about Empower Clinics, please visit [the download page](#) to get your Empower Clinics Investor Experience Wallet Pass today.

ABOUT EMPOWER:

Empower is an integrated healthcare company with multi-disciplinary clinics, a Canadian medical

¹ Markets and markets report March 2021 <https://www.marketsandmarkets.com/Market-Reports/contract-research-organization-service-market-167410116.html> reviewed February 6, 2023

device company and has launched its first clinical research site becoming a Site Management Organization (SMO) in Dallas, TX. Empower is a leader in integrated healthcare and research solutions and is reshaping the model for patient-first wellness.

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 statements regarding: the Company's intention to create and operate a Dallas-based SMO, with plans to evolve into multiple SMO's; the parties' intentions that the Dallas-based SMO will work with industry, patients, community doctors and researchers in North America and globally to provide clinical trial management services; the parties' intentions to identify new cities to operate additional SMOs in 2023. Such forward-looking statements 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 parties will be able to negotiate and enter into the Definitive Agreement on mutually agreeable terms; that legal and financial due diligence will be completed to the satisfaction of the parties; that all necessary third party approvals will be obtained. No assurance can be given that any of the events anticipated by the forward-looking statements will occur on the terms or in the time expected, or at all, 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 securities laws.