

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

August 1, 2023

Item 3 News Release

The news release, dated August 1, 2023 was disseminated through Accesswire.

Item 4 Summary of Material Change

Empower Clinics Announces Proposal For Division Spin Out
VANCOUVER BC: August 1, 2023 – EMPOWER CLINICS INC. (CSE:EPW)(OTC PINK:EPWCF)
 (“Empower” or the “Company”) announces today, after a strategic review, the Company has determined that it intends to complete a direct spin out of a wholly owned subsidiary of the Company (“Subco”) and vend in a healthcare artificial intelligence (AI) technology or service company (the “Target”). The transaction is currently anticipated to proceed by way of plan of arrangement (the “Arrangement”) pursuant to which it is anticipated the Subco will be spun out to as a new issuer on the Canadian Securities Exchange (the “CSE”), and in conjunction the Target will be acquired. The various transactions will be subject to final tax and legal structuring considerations. Empower shareholders will receive Subco shares distributed directly to the shareholders of Empower on a pro-rata basis.

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: 1-604-789-2146

Item 9 Date of Report

August 1, 2023

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Steven McAuley, Chairman & CEO of Empower commented, “As we have progressed through our previously announced strategic reviews, it became evident that unlocking shareholder value in the markets going forward is not only prudent, but an important commitment to our shareholder base.” He continues, “By creating a spin out that is focused as a pure play healthcare AI company and platform, we believe it simplifies the message and direction of Empower and Subco, and allows shareholders and investors to know exactly the direction for each company.”

Further Details on the Target

Artificial intelligence (“AI”) and machine learning (ML) are making significant impacts to industries around world, and the healthcare sector will be a huge beneficiary of these technology advancements.

The Company has been working through due diligence on numerous AI technology platforms and companies that are building and producing interesting, powerful and exciting advancements.

Empower through its transition and development into research and clinical trials is positioned to understand elements of this significant sector of healthcare and drug development. Patient recruitment for clinical trials must go through major milestones of pre-screening, screening and compliance review, as outlined in the specific protocols from each trial created by the sponsors and CRO’s within the pharmaceutical industry.

The application of AI throughout these key steps not only has the potential to significantly impact speed, accuracy, and efficiency of these processes, it also could bring far greater success rates in the recruitment of patients.

Advance access to patient rosters and patient data, with AI and machine learning algorithms applied in a secure and compliant manner, has the potential to provide major improvements for the industry at large. The speed with which the industry can identify and recruit eligible patients is one of the most mission critical components of successful new drug development.

Further Details of the Arrangement

The Arrangement is subject to court and shareholder approval, and standard closing conditions. The Arrangement cannot close until the required shareholder and court approval is obtained. There can be no assurance that the Arrangement will be completed as proposed, or at all.

Further details about the proposed Arrangement will be provided in a disclosure document to be prepared and filed in connection therewith. Investors are cautioned that, except as disclosed in the disclosure document to be prepared in connection with the Arrangement, any information released or received with respect to the foregoing matters may not be accurate or complete and

should not be relied upon.

The current directors of Empower are Steven McAuley (Chairman, and CEO), Andrejs Bunkse (director), Alexis Wukich (director) and to be named (Chief Financial Officer). The current Empower directors are available to be appointed as directors of Subco but no decision or nominations have been established. Empower continues to search for other eligible director candidates for Subco.

ABOUT EMPOWER

Empower is an integrated healthcare company with multi-disciplinary clinics, a Canadian medical device company and has launched its first clinical research site becoming a Site Management Organization (SMO). 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:

Media:

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DISCLAIMER FOR FORWARD-LOOKING STATEMENTS

The CSE has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

This press release contains forward-looking information based on current expectations. Statements about the closing of the Arrangement and Private Placement, expected terms and structure of the Arrangement and Private Placement, the number of securities that may be issued in connection with the Private Placement and the parties' ability to satisfy closing conditions and receive necessary approvals, as well as the prospective nature of the products or services of Empower and Subco and the potential growth of the associated markets on a going forward basis, are all forward-looking information. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements. Although such statements are based on management's reasonable assumptions, there can be no assurance that the Arrangement or Private Placement will occur or that, if the Arrangement and/or Private Placement does occur, it will be completed on the terms described above. Neither Empower nor Subco assumes any responsibility to update or revise forward-looking information to reflect new events or circumstances unless required by law.

In the event that insiders of Empower receive any Subco Shares in connection with the Transaction, it may be deemed to be a "related party transaction" within the meaning of Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company will provide further details of the applicability of MI 61-101 and any requisite additional details in due course.