

Empower Clinics Inc.

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Empower closes acquisition of Sun Valley Clinics, creating one of the largest clinic groups in US medical cannabis sector

Empower Clinics Inc. (OTCMKTS:EPWCF) (CSE:EPW) announced Wednesday that it has closed the acquisition of Sun Valley Certification Clinics Holdings in a game-changing deal, expected to create one of the largest clinic groups in the medical cannabis sector in the US.

The combined group will boast 12 locations and have a total patient count of 165,000 across Washington, Oregon, Illinois, Arizona, Nevada and California, and the potential to rapidly expand the clinic network via the Sun Valley franchise program.

"The acquisition of the Sun Valley clinic group has fundamentally changed the direction and growth prospects for Empower," said Empower CEO and chairman, Steven McAuley in a statement. "We have repositioned Empower as a vertically integrated global health and wellness company, helping consumers access products and specialized medical care for serious qualifying conditions."

READ: Empower Clinics and Cannabis MedTech launch program to educate patients on alternative CBD therapies

Empower runs a network of physician-staffed clinics focused on patient care using medical cannabis. The company continues to expand its medical cannabis network, currently in Washington, Oregon and Illinois, as it has treated more than 123,000 patients since it started offering medical cannabis healthcare and has an expanding clinic footprint and a focus on new technology.

Meanwhile, Sun Valley operates medical cannabis and pain management practices, with five clinics in Arizona, one in Las Vegas, a telemedicine platform serving California, and a fully developed franchise business model for the domestic cannabis industry believed to be a first in the US. The company has developed a patient list of more than 45,000 patients, and have performed over 61,000 certifications to date.

"This acquisition is a testament to the hard work and dedication our team has provided to our community for the past five years and I look forward to being a valuable resource to the company and on the board of directors," said Dustin Klein, Sun Valley co-founder.

"I am delighted with our acquisition by Empower Clinics," said Sun Valley co-founder Andrea Klein. "It is the evolution of our dream, to positively affect the lives of patients across the country, and to become an adaptive and strategic organization that can harness the phenomenal and exciting growth of the cannabis industry."

Among the highlights of the deal, Empower's customers are expected to benefit from high margin derivative products, including CBD lotion, tinctures, lozenges, patches, e-drinks, topical lotions and gel caps. Patients will also be able to access Empower's customer service, home delivery and e-commerce platform.

Price: 0.06

Market Cap: \$8.83 m

1 Year Share Price Graph



Share Information

Code: CBDT

Listing: CSE

52 week High Low
0.13 0.025

Sector: Cannabis

Website: www.empowerclinics.com

Company Synopsis:

Empower Clinics Inc. (CSE: CBDT) (OTC: EPWCF) (Frankfurt 8EC) is a vertically-integrated health & wellness brand with its first hemp-derived CBD extraction facility under development. The company is a leading multi-state operator of a network of physician-staffed wellness clinics, focused on helping patients improve and protect their health, through innovative physician recommended treatment options.

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Deal details

Under the terms of the deal, Empower paid US\$775,000 in cash, of which US\$150,000 is being held back to be released in two chunks of \$75,000, at six and 12 months from the date of closing.

Empower has issued the Kleins shares worth US\$1 million, and, subject to the satisfaction of defined performance metrics, further shares worth US\$2 million, which will vest in quarterly instalments over three years from closing.

As part of the agreement, Dustin Klein will serve as the vice president of business development and has been appointed as a director of the company. Andrea Klein will serve as the vice president of operations for Empower.

Future looks promising

The move has repositioned Empower as it continues to diversify its business model to become a vertically integrated operator in the global cannabis sector with a focus on patient care, CBD product distribution, research and development and CBD product extraction.

According to the company, this will appeal to a broader base of shareholders and investors and provide greater access to capital and improved trading liquidity.

In addition to this, the move will also help bolster patient access.

"With a rapidly expanding company-owned clinic network and significant expansion opportunity through the Sun Valley franchise model, Empower anticipates it will grow its total patient list substantially in the years ahead," noted the company. "This is expected to provide greater opportunity for treatment analysis using artificial intelligence (AI), validating the company as a leader in understanding the efficacy of cannabis-related therapies."

Shares of Empower were halted on Wednesday.

Contact Katie Lewis at katie@proactiveinvestors.com

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