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These securities have not been registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any of the securities laws of any state of the United States, and may not be offered or sold within the United States or for the account or benefit of U.S. persons or persons in the United States except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This offering document (the "Offering Document") does not constitute an offer to sell, or the solicitation of an offer to buy, any of these securities within the United States or to, or for the account or benefit of, U.S. persons or persons in the United States. "United States" and "U.S. person" have the meanings ascribed to them in Regulation S under the U.S. Securities Act.

## OFFERING DOCUMENT UNDER THE LISTED ISSUER FINANCING EXEMPTION

December 12, 2024

**Kovo+ Holdings Inc.**  
(the "Issuer" or "Kovo")



### PART 1:

### SUMMARY OF OFFERING

#### What are we Offering?

|                      |  |
|----------------------|--|
| Offering:            | <p>A brokered private placement financing (the "Offering") of up to 28,000,000 common shares of the Issuer (the "Offered Shares") for gross proceeds of up to \$1,400,000 sold on a "best efforts" private placement basis with the Agent (as defined herein) under the Listed Issuer Financing Exemption (the "Exemption" or "LIFE") under Part 5A of National Instrument 45-106 <i>Prospectus Exemptions</i>.</p> <p>Holders of common shares of the Issuer (the "Common Shares") are entitled to dividends, if as and when declared by the board of directors of the Issuer, to one (1) vote per Common Share at meetings of shareholders and, upon liquidation, to receive such assets of the Issuer as are distributable to holders of Common Shares after payment of all liabilities.</p>  |
| Offering price:      | \$0.05 per Offered Share.  |
| Offering amount:     | A minimum of 20,000,000 Offered Shares (for gross proceeds of \$1,000,000) and a maximum of 28,000,000 Offered Shares (for gross proceeds of \$1,400,000).   |
| Closing date:        | In one or more closings no later than January 24, 2025 (the "Closing Date"). The Concurrent Offering (as defined herein) is expected to close concurrently with the Offering, or on such other date or dates as the Issuer may determine.  |
| Exchange:            | Common Shares are listed on the TSX Venture Exchange (the "TSXV") under the symbol "KOVO".   |
| Last closing price:  | On December 11, 2024, the closing price of the Common Shares on the TSXV was \$0.06.   |
| Concurrent Offering: | <p>Concurrent with the Offering, the Issuer intends to issue up to 192,800,000 units (each, a "Unit") on a non-brokered private placement basis for gross proceeds of up to \$9,640,000 (the "Concurrent Offering") at a price of \$0.05 per Unit.</p> <p>Each Unit will consist of (i) one common share of the Issuer and (ii) one-half of one non-transferable common share purchase warrant (a "Warrant"). Each whole Warrant will be exercisable for a period of 24 months from the Closing Date (as defined herein) (the "Expiry Period") and will entitle the holder thereof to purchase one additional common share prior to the expiry of the Expiry Period at an exercise price of \$0.10 per Warrant. The securities issued pursuant to the Concurrent Offering shall be subject to a four-month and one-day hold period from the date of issue in accordance with Canadian securities laws.</p> <p>In connection with the Concurrent Offering, the Issuer may enter into an arrangement with one or more parties (the "Finders") to assist in identifying third-party subscribers. The Issuer may pay the Finders a cash commission of up to 6.0%. For greater certainty, the Concurrent Offering will not be made under the Exemption.</p> |

**Kovo is conducting a listed issuer financing under section 5A.2 of National Instrument 45-106 *Prospectus Exemptions*. In connection with this Offering, the Issuer represents the following is true:**

- **The Issuer has active operations, and its principal asset is not cash, cash equivalents or its exchange listing.**
- **The Issuer has filed all periodic and timely disclosure documents that it is required to have filed.**
- **The total dollar amount of this Offering, in combination with the dollar amount of all other offerings made under the Exemption in the 12 months immediately before the date of this Offering Document, will not exceed \$5,000,000.**
- **The Issuer will not close this Offering unless the Issuer reasonably believes it has raised sufficient funds to meet its business objectives and liquidity requirements for a period of 12 months following the distribution.**
- **The Issuer will not allocate the available funds from this Offering to an acquisition that is a significant acquisition or restructuring transaction under securities law or to any other transaction for which the Issuer seeks security holder approval.**

*All references in this Offering Document to “U.S. dollars” or “US\$” are to United States dollars, and all references to “Canadian dollars” or “\$” are to Canadian dollars, unless otherwise stated.*

#### **Cautionary Note Regarding Forward-Looking Statements**

This Offering Document contains forward-looking statements and forward-looking information (collectively, “**forward-looking statements**”). Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “will”, “proposes”, “expects”, “targeted”, “possible”, “continue”, “estimates”, “intends”, “anticipates” or “believes”, or variations (including negative and grammatical variations) of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. All statements, other than statements of historical fact, that address activities, events or developments that the Issuer believes, expects or anticipates will or may occur in the future (including, without limitation, statements regarding any objectives and strategies of the Issuer) are forward-looking statements. Forward-looking information in this Offering Document includes, but is not limited to, statements that the Issuer’s expectations with respect to the Offering and the Concurrent Offering; the use of proceeds and the use of the available funds following completion of the Offering; the payment of fees and commissions paid to the Agent; the completion of the Offering and the date of such completion; the Issuer’s future plans, objectives, strategies and goals relating to its business; the Issuer’s belief that the Issuer’s current cash and short-term investments together with anticipated cash flow from operations will be sufficient to meet Kovo’s working capital requirements and capital expenditure requirements for the foreseeable future costs and timing of future activities regarding future strategic acquisitions. By their very nature, forward-looking statements require Kovo to make assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that predictions, forecasts, projections, expectations, and conclusions will not prove to be accurate, that our assumptions may not be correct and that our financial performance objectives, vision, and strategic goals will not be achieved.

Forward-looking statements are provided for the purpose of providing information about the current expectations and plans of management of the Issuer relating to the future. Readers are cautioned that reliance on such statements and information may not be appropriate for other purposes, such as making investment decisions. Since forward-looking statements and information address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the Issuer’s ability to efficiently and successfully develop new opportunities and failure to identify future transactional counterparties; the Issuer’s ability to meet its working capital needs at the current level for the next 12-month period; management’s outlook regarding future trends; sensitivity analysis on financial instruments, which may vary from amounts disclosed; the Issuer not defaulting on its debt obligations to other parties in the future; and general business and economic conditions. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this Offering Document. Readers are cautioned that the foregoing list of factors is not exhaustive. The forward-looking statements contained in this Offering Document are made as of the date hereof, and no undertaking is given to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. If the Issuer does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law. The forward-looking statements contained in this Offering Document is expressly qualified by this cautionary statement.

This Offering Document also contains future-oriented financial information and financial outlook information (collectively, “FOFI”) regarding the Issuer’s expected revenue, operating losses, and expenses, which are subject to the same assumptions, risk factors, limitations and qualifications as set forth above. FOFI contained in this Offering Document was prepared using the same accounting principles that the Issuer expects to use in preparing its financial statements for the applicable periods covered by such FOFI. FOFI was made as of the date of this Offering Document and is provided for the purpose of describing anticipated sources, amounts and timing of revenue generation, and is not an estimate of profitability or any other measure of financial performance. In particular, revenue estimates do not take into account the cost of such estimated revenue, including the cost of goods and the cost of sales. In addition, and for greater certainty, revenue estimates do not take into account the operating costs of the Issuer. The Issuer disclaims any intention or obligation to update or revise any FOFI contained in this Offering Document, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. FOFI contained in this Offering Document should not be used for purposes other than for which it is disclosed herein.

## **PART 2:**

## **SUMMARY DESCRIPTION OF BUSINESS**

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### **What is our Business?**

Kovo was incorporated under the laws of British Columbia on February 20, 2020, as “Kovo HealthTech Corporation”. On October 29, 2024, the Issuer amended its articles to change its name from “Kovo HealthTech Corporation” to “Kovo+ Holdings Inc.”

The Issuer is an artificial intelligence (“AI”) technology company focused on developing and scaling AI technology-based solutions across diverse industries. Kovo remains committed to its core business-model of strategic growth opportunities within mid-market Medical Billing firms, where exploitive business optimization synergies exist. Moving forward, Kovo will integrate accretive broader healthcare sector additions to its portfolio and opportunities beyond in multiple new markets. Dedicated to revolutionizing business process optimization through technological advancements and evolving AI applied methods, Kovo embodies a commitment to ensured and enduring profitability.

Kovo provides technology-enabled revenue cycle management solutions to healthcare providers, from small practices to enterprise medical groups, hospitals, and health systems throughout the United States. Kovo’s integrated platform includes revenue cycle management (“RCM”), practice management, electronic health records, business intelligence, patient experience management solutions and complementary software tools and business services for high-performance medical groups and health systems. The Issuer also offers printing, mailing, and group purchasing services.

The Issuer’s Common Shares are listed and posted for trading on the TSXV under the symbol “KOVO”, and its head office is located at 1600 – 925 West Georgia Street, Vancouver, BC, V6C 3L2.

### **Recent Developments**

There are no recent material developments in respect to the Issuer that have not been disclosed in this Offering Document or in any other document filed by Kovo in the 12 months preceding the date hereof.

The following summarizes key recent developments involving of affecting the Issuer:

- Effective November 22, 2024, Mr. Justin Anderson, formerly the Chief Restructuring Officer of the Issuer, was appointed Chief Executive Officer. Mr. Brenner Adams, formerly Kovo’s Interim Chief Executive Officer, was appointed to the newly created position of Chief Strategy Officer. Mr. Mark Detz, formerly Kovo’s Interim Chief Financial Officer, was promoted to Chief Financial Officer.
- On October 11, 2024, Kovo closed the acquisition (the “HEAL Acquisition”) of the exclusive right to purchase certain contractual assets of Coredynamex, LLC (doing business as “AccelVue”) held by HEAL USA, Inc. (“HEAL”) pursuant to an executed term sheet (the “LOI”). Under the terms of the asset purchase agreement between the Issuer and HEAL, and in consideration for the assignment of the LOI, Kovo issued to HEAL (i) 13,180,038 Common Shares at a deemed price of \$0.05, and (ii) an unsecured interest bearing promissory note in the aggregate principal amount of US\$56,947 for an aggregate

purchase price of US\$541,507. After closing the HEAL Acquisition, the Issuer subsequently acquired AccelVue's assets under the LOI for an aggregate purchase price of US\$50,000.

- On September 17, 2024, Kovo entered into a second amended and restated senior loan and security agreement (“**2<sup>nd</sup> A&R Loan Agreement**”) with our subsidiaries and Avonlea Ventures #2 Inc. (“**Avonlea Ventures**”), amending the amended and restated senior loan and security agreement dated July 18, 2024. The 2<sup>nd</sup> A&R Loan Agreement increases the facility available to Kovo and its subsidiaries up to an aggregate principal amount of US\$9,100,000 (“**Credit Facility**”), which can be drawn in multiple advances as required.
- On September 11, 2024, Kovo's indirect wholly owned subsidiary, Kovo Acquisitions LLC, acquired 100% of the assets of Healthcare Data Management, Inc., for an aggregate purchase price of US\$3,300,000, comprised of cash and a secured promissory note.
- On July 9, 2024, Greg Noble stepped down as the Issuer's Chief Executive Officer, and Brenner Adams was appointed as Kovo's Interim Chief Executive Officer.
- On June 14, 2024, Mark Detz was appointed as Kovo's Interim Chief Financial Officer after Inder Saini stepped down as the Issuer's Chief Financial Officer.
- On July 18, 2024, Kovo issued 62,407,767 Common Shares to Avonlea Ventures upon the conversion and settlement of \$2,257,229.56 owed by the Issuer to Avonlea Ventures. 57,543,906 Common Shares were issued at a deemed issue price per Common Share equal to \$0.035 and 4,863,861 Common Shares were issued at a deemed issue price per Common Share equal to \$0.05.
- On June 8, 2023, Kovo acquired Kairos Billing Solutions LLC for an aggregate cash purchase price of US\$150,000.
- On April 12, 2023, Kovo acquired E&A Medical Billing Service and Software for an aggregate cash purchase price of US\$2,700,000.

More detailed information regarding the above recent developments, together with all of the Issuer's other material information, can be obtained by reviewing copies of the applicable news releases and other materials filed on SEDAR+ under the Issuer's profile at [www.sedarplus.ca](http://www.sedarplus.ca). See also “*Where can you find more information about us?*” below.

### Material Facts

There are no material facts about the securities being distributed that have not been disclosed elsewhere in this Offering Document or in any other document filed by the Issuer in the 12 months preceding the date of this Offering Document.

### What are the business objectives that we expect to accomplish using the available funds?

The Issuer intends to use the net proceeds raised from the Offering and Concurrent Offering to repay a portion of the Credit Facility, being US\$2,000,000, and for working capital to support Kovo's organic growth initiatives, which may include debt repayment and funding strategic acquisitions.

## PART 3:

## USE OF AVAILABLE FUNDS

### What will our available funds be upon the closing of the offering?

The following table describes the Issuer's available funds after the Offering, in addition to other sources of funding, the Issuer intends to raise and use to achieve its principal purpose for raising capital.

|   |                                      | Assuming Minimum Offering Only | Assuming 100% of Offering |
|---|--------------------------------------|--------------------------------|---------------------------|
| A | Amount to be raised by this offering | \$1,000,000                    | \$1,400,000               |

|          |   |                    |                    |
|----------|---|--------------------|--------------------|
| B        | Selling commissions and fees <sup>(1)</sup>                                 | \$70,000           | \$98,000           |
| C        | Estimated offering costs (e.g., legal, accounting, audit)                   | \$17,100           | \$17,100           |
| D        | Net proceeds of Offering: $D = A - (B + C)$                                 | \$912,900          | \$1,284,900        |
| E        | Working capital as at most recent month-end (deficiency) <sup>(2) (3)</sup> | (\$16,749,060)     | (\$16,749,060)     |
| F        | Additional sources of funding <sup>(4)</sup>                                | \$20,766,000       | \$20,406,000       |
| <b>G</b> | <b>Total available funds: <math>G = D + E + F</math></b>                    | <b>\$4,929,840</b> | <b>\$4,941,840</b> |

- (1) The Issuer shall pay the Agent a cash commission of 7.0% of the gross proceeds of the Offering, except that, with respect to sales of Offered Shares to certain persons on the Issuer's "President's List", the Agent will receive a cash commission equal to 1.0%. The Issuer will pay an aggregate amount of \$12,100 to the Agent in service fees. See "Fees and Commissions" below. Assumes nil of the aggregate Offered Shares are sold to the President's List purchasers.
- (2) Working capital has been converted into Canadian dollars from U.S. dollars at an exchange rate of US\$1.00 = CAD\$1.38
- (3) Preliminary working capital estimation that is subject to change in connection with the Issuer's preparation of their financial statements for the three and nine months ended September 30, 2024 and grossed up for the US\$1,500,000 of debt from Avonlea Ventures in Q4 2024. See "Cautionary Note Regarding Forward-Looking Statements" above.
- (4) Net proceeds from the Concurrent Offering and the conversion of US\$8,300,000 debt held by Avonlea Ventures to equity.

### How will we use the available funds?

| Description of intended use of available funds listed in order of priority | Assuming Minimum Offering Only | Assuming 100% of Offering |
|--|--------------------------------|---------------------------|
| Repay US\$2,000,000 of the Credit Facility <sup>(1)(2)</sup>               | \$2,760,000                    | \$2,760,000               |
| Estimated transaction costs  | \$20,000                       | \$20,000                  |
| General and administrative expenses  | \$10,000                       | \$10,000                  |
| General working capital  | \$2,139,840                    | \$2,151,840               |
| <b>Total: Equal to G in the table above</b>                                | <b>\$4,929,840</b>             | <b>\$4,941,840</b>        |

- (1) The Issuer will use more than 10% of available funds to reduce or retire indebtedness related to the Credit Facility. Avonlea Ventures is an Ontario corporation partially owned by Mr. Michael Steele, a director and controlling indirect shareholder of the Issuer; thus, Avonlea Ventures is an insider of the Issuer.
- (2) Converted into Canadian dollars from U.S. dollars at an exchange rate of US\$1.00 = CAD\$1.38

The Issuer has had a history of negative cash flow from operating activities and, if necessary, certain of the net proceeds from this Offering may be used to fund such negative cash flow from operating activities in future periods. The Issuer anticipates that it will continue to have negative cash flow from operating activities in future periods. The Issuer cannot guarantee that it will attain or maintain positive cash flow status in the future. See the "Cautionary Note Regarding Forward-Looking Statements" section above.

The above-noted allocation of capital and anticipated timing represents the Issuer's current intentions based upon its present plans and business condition, which could change in the future as its plans and business conditions evolve. Although the Issuer intends to spend the proceeds from the Offering as set forth above, there may be circumstances where, for sound business reasons, a reallocation of funds may be deemed prudent or necessary and may vary materially from that set forth above, as the amounts actually allocated and spent will depend on a number of factors, including Kovo's ability to execute on its business plan. See the "Cautionary Note Regarding Forward-Looking Information" section above.

The most recent unaudited interim financial statements of the Issuer for the three and nine months ended September 30, 2024, and September 30, 2023, included a going-concern note. The Issuer has not yet achieved profitable operations, has an accumulated deficit, and has not yet generated positive cash flows from its operating activities, which may cast doubt on the Issuer's ability to continue as a going concern. The Offering is intended to permit the Issuer to continue to develop its business operations and is not expected to affect the decision to include a going concern note in the next interim or annual financial statements of the Issuer.

**How have we used the other funds we have raised in the past 12 months?**

| <b>Date and description of financing</b>                            | <b>Intended use of funds</b>  | <b>Actual use of funds</b> |
|---|---|----------------------------|
| \$1,250,000 senior secured loan from Avonlea Ventures on 2024-02-29 | Working capital, restructuring and debt repayments.                         | No variance.               |
| \$500,000 senior secured loan from Avonlea Ventures on 2024-05-03   | Working capital, restructuring and debt repayments.                         | No variance.               |
| \$200,000 senior secured loan from Avonlea Ventures on 2024-07-08   | Working capital, restructuring and debt repayments.                         | No variance.               |
| \$2,100,000 senior secured loan from Avonlea Ventures on 2024-07-31 | Working capital, restructuring, debt repayments and strategic acquisitions. | No variance.               |
| \$300,000 senior secured loan from Avonlea Ventures on 2024-08-11   | Working capital, restructuring and debt repayments.                         | No variance.               |
| \$200,000 senior secured loan from Avonlea Ventures on 2024-08-25   | Working capital, restructuring and debt repayments.                         | No variance.               |
| \$1,000,000 senior secured loan from Avonlea Ventures on 2024-10-11 | Working capital, restructuring and debt repayments.                         | No variance.               |
| \$500,000 senior secured loan from Avonlea Ventures on 2024-11-29   | Working capital, restructuring and debt repayments.                         | No variance.               |

**PART 4:****FEES AND COMMISSIONS****Who are the dealers or finders that we have engaged in connection with this offering, if any, and what are their fees?**

In connection with the Offering, the Issuer has engaged FrontFundr Financial Services Inc. (the “**Agent**”) pursuant to an agency agreement dated October 31, 2024 (the “**Agency Agreement**”). Under the Agency Agreement, the Agent is entitled to a cash commission equal to 7.0% of the gross proceeds of the Offering, except that, with respect to sales of Offered Shares to certain persons on the Issuer’s “President’s List”, the Agent will receive a cash commission equal to 1.0%. Pursuant to the Agency Agreement, the Issuer will pay an aggregate amount of \$12,100 to the Agent for drafting preparing certain offering materials and other services.

**Does any dealer or finder have a conflict of interest?**

To the knowledge of the Issuer, it is not a “related issuer” or “connected issuer” of or to the Agent, as such terms are defined in National Instrument 33-105 *Underwriting Conflicts*.

**PART 5:****PURCHASERS’ RIGHTS****Rights of Action in the Event of a Misrepresentation**

If there is a misrepresentation in this offering document, you have a right

- (a) to rescind your purchase of these securities with the Issuer, or
- (b) to damages against the Issuer and may, in certain jurisdictions, have a statutory right to damages from other persons.

These rights are available to you whether or not you relied on the misrepresentation. However, there are various circumstances that limit your rights. In particular, your rights might be limited if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in paragraph (a) or (b) above, you must do so within strict time limitations.

**You should refer to any applicable provisions of the securities legislation of your province or territory for the particulars of these rights or consult with a legal adviser.**

**PART 6:****ADDITIONAL INFORMATION**

**Where can you find more information about us?**

Securityholders can access our continuous disclosure at [www.sedarplus.ca](http://www.sedarplus.ca). Additional information about our business and team may be found on Kovo's website at [www.kovo.co](http://www.kovo.co).

**PART 7:****DATE AND CERTIFICATE**

**This Offering Document, together with any document filed under Canadian securities legislation on or after December 12, 2023, contains disclosure of all material facts about the securities being distributed and does not contain a misrepresentation.**

**DATED this 12<sup>th</sup> day of December 2024.**

(Signed) "*Justin Anderson*"

\_\_\_\_\_  
Name: Justin Anderson  
Title: Chief Executive Officer

(Signed) "*Mark Detz*"

\_\_\_\_\_  
Name: Mark Detz  
Title: Chief Financial Officer