

# Kovo+ Holdings Secures Lead Order and Strategic Financing Commitments

Vancouver, British Columbia--(Newsfile Corp. - December 19, 2024) - Kovo+ Holdings Inc. (formerly Kovo HealthTech Corporation) (TSXV: KOVO) ("**Kovo**" or the "**Company**") is pleased to announce, further to its press release dated December 12, 2024, that HEAL Group Holdings Inc. ("**Heal Group**") has committed a minimum amount of \$1.0 million as the lead order for the Company's non-brokered private placement of up to 192,800,000 units for gross proceeds of approximately \$9.64 million (the "**Concurrent Offering**"). HEAL Group is an Alberta corporation indirectly controlled by Mr. Michael Steele, a director and controlling indirect shareholder of the Company.

Kovo is also pleased to announce, further to its press releases dated May 22, 2024, July 24, 2024 and September 17, 2024, that Avonlea Ventures #2 Inc. ("**AVI**"), a company controlled by Mr. Michael Steele, has elected to convert up to \$11.5 million (USD \$8.3 million) (the "**Indebtedness**") into common shares (the "**Common Shares**") of the Company (the "**Debt Conversion**"), subject to and in accordance with the conditions of Kovo's 2nd amended & restated senior loan and security agreement dated August 29, 2024 (the "**2nd A&R Loan Agreement**"), AVI's undertaking with the TSXV as described in the press release dated July 24, 2024, and applicable regulatory and other TSX Venture Exchange (the "**TSXV**") approvals.

Pursuant to the terms of the 2nd A&R Loan Agreement, indebtedness of the Company may be converted into Common Shares at a fixed price of \$0.05 per share in respect of the outstanding principal amount and at the prevailing market price in respect of accrued but unpaid interest, in each case in accordance with TSXV policies. Assuming completion of the Debt Conversion in its entirety, a total of 229,582,208 Common Shares are expected to be issued, being: 229,582,208 Common Shares at a deemed price of \$0.05 and 0 Common Shares at a deemed price of \$0.06 (the prevailing market price). Common Shares issued upon completion of the Debt Conversion will be subject to hold periods from the date of issue in accordance with Canadian securities laws and TSXV policies.

Justin Anderson, the CEO of Kovo stated, "We are thrilled to have the backing and confidence of our Michael Steele in this critical moment for our Company. This strategic move is a major step in re-collateralizing our balance sheet and solidifying our financial position. This will allow us to continue building on our momentum and better position ourselves for sustained growth in the future."

The closing of the Concurrent Offering and completion of the Debt Conversion are each anticipated to occur on or about January 24, 2025, or such other date(s) as may be determined by the Company, and remain subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including the final approval of the TSXV.

The participation in the Concurrent Offering by Heal Group constitutes a related party transaction as defined under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") and TSXV Policy 5.9 - *Protection of Minority Security Holders in Special Transactions*. Kovo expects to rely on the exemption from the formal valuation requirement of MI 61-101 by virtue of the exemption contained in section 5.5(b) (Issuer Not Listed on Specified Markets) as no securities of Kovo are listed or quoted on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., the New York Stock Exchange, the American Stock Exchange, the NASDAQ Stock Market, or a stock exchange outside of Canada and the United States. The Company further intends to rely upon the exemption from the minority shareholder approval requirement of MI 61-101 by virtue of the exemption contained in section 5.7(1)(b) (Fair Market Value Not More \$2,500,000) as: (i) at the time the commitment was obtained, neither the fair market value of the securities to be distributed in the transaction nor the consideration to be received for those securities, insofar as the transaction involves interested parties, exceeds \$2,500,000; (ii) Kovo has one or more independent directors in respect of the transaction, each of whom are not employees of the issuer; and (iii) the independent directors have

approved the transaction.

## **About Kovo+ Holdings Inc.**

Kovo is a versatile technology company leading the charge in AI initiatives to drive impact and innovation 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 processes optimization through technological advancements and evolving AI applied methods, Kovo embodies a commitment to ensured and enduring profitability. To learn more about Kovo and to keep up to date on Kovo news, visit [www.kovoplus.com](http://www.kovoplus.com).

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

Statements contained in this news release that are not historical facts are "forward-looking information" or "forward-looking statements" within the meaning of applicable Canadian securities laws. Such forward-looking statements or information are provided to inform the Company's shareholders and potential investors about management's current expectations and plans relating to the future and include, but are not limited to, the closing of the Concurrent Offering and the completion Debt Conversion, respectively and the timing thereof; the total Debt Conversion and number of Common Shares issued pursuant thereto; and the reliance on and availability of the exemptions from the formal valuation require and minority shareholder approval requirements of MI 61-101. Readers are cautioned that reliance on such information may not be appropriate for other purposes. Any such forward-looking information may be identified by words such as "anticipate", "proposed", "estimates", "would", "expects", "intends", "plans", "may", "will", and similar expressions. Forward-looking statements or information are based on a number of factors and assumptions that have been used to develop such statements and information, but which may prove to be incorrect, including the receipt of all necessary approvals, including the final approval of the TSXV. Although the Company believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because the Company can give no assurance that such expectations will prove to be correct. The forward-looking information in this news release reflects the current expectations, assumptions and/or beliefs of the Company based on information currently available to the Company. Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or expressly qualified by this cautionary statement.

## **Contact Information**

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