FORM 51-102F3

MATERIAL CHANGE REPORT

1. Name and Address of Company

Kovo HealthTech Corporation (the "**Company**")
1600 – 925 West Georgia Street
Vancouver, BC, V6C 3L2

2. Date of Material Change

August 29, 2024.

3. News Release

The news release reporting the material change was disseminated on September 17, 2024, through the facilities of Newsfile Corp. and filed on the Company's SEDAR+ profile at www.sedarplus.ca.

4. Summary of Material Change

On September 17, 2024, the Company announced that it had entered into a second amended and restated senior loan and security agreement (the "**2nd A&R Loan Agreement**") with its subsidiaries (collectively, the "**Borrower Entities**") and Avonlea Ventures #2 Inc. ("**AVI**"), amending the amended and restated senior loan and security agreement dated effective July 18, 2024 among the Borrower Entities as borrowers, and AVI as lender (the "**Prior Loan Agreement**").

5.1 Full Description of Material Change

2nd A&R Loan Agreement

On August 29, 2024, the Borrower Entities entered into the 2nd A&R Loan Agreement with AVI amending and restating the Prior Loan Agreement. The 2nd A&R Loan Agreement increases the facility available to the Borrower Entities up to an aggregate principal amount of USD$9.1 million, which may be drawn in multiple advances (each, a "**Facility Advance**") on an as-needed basis, at an interest rate of approximately 12%, subject to and in accordance with the terms and conditions of the 2nd A&R Loan Agreement.

By its terms, amounts drawn by the Company under the 2nd A&R Loan Agreement are secured against, among other things, all of the assets of the Borrower Entities and pledges of the shares of the Company's subsidiaries. Each Facility Advance will be approved by AVI in its sole discretion. The other terms, as set out in the Prior Loan Agreement, remain unchanged.

Related Party Participation

AVI is a "related party" of the Company, and the entering into the 2nd A&R Loan Agreement and matters relating thereto (the "**Transactions**") considered to be "related party transactions" within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") requiring the Company, in the absence of exemptions, to obtain a formal valuation and minority shareholder approval, of the related party transactions.

Pursuant to Sections 5.5(b), 5.5(g) and 5.7(e) of MI 61-101, the Company relied on exemptions from the formal valuation and minority shareholder requirements, respectively, as, in addition to no securities of the Company being listed or quoted on certain specified exchanges: (i) the Company was (and continues to be) in serious financial difficulty; (ii) the 2nd A&R Loan Agreement was designed to improve the financial position of the Company; (iii) paragraph 5.5(f) (Bankruptcy, Insolvency, Court Order) of MI 61-101 was not applicable; and (iv) the Company's board of directors (the "**Board**"), acting in good faith, and at least two-thirds of the Company's independent directors, acting in good faith, determined that: (A) the Company was (and continues to be) in serious financial difficulty and the Transactions were designed to improve the financial position of the Company, and (B) the terms of the Transactions were reasonable in the circumstances.

The Transactions were approved by the Board, who are independent for the purposes of the 2nd A&R Loan Agreement, being all directors other than Messrs. Michael Steele and Robert Galarza. Neither the Company nor, to the knowledge of the Company after reasonable inquiry, AVI, has knowledge of any material information concerning the Company or its securities that has not been generally disclosed. No special committee of the Board was established in connection with the Transactions as the entire Board was engaged in respect thereof, and, other than Messrs. Steele and Galarza, who abstained from voting on the Transactions, no materially contrary view or abstention was expressed or made by any director of the Company in relation thereto.

Neither the Company nor any director or senior officer of the Company has knowledge, after reasonable inquiry, of any prior valuation in respect of the Company that relates to the subject matter of or is otherwise relevant to the Transactions, which has been made in the 24 months prior to the date of this news release. The Company did not file a material change report more than 21 days before the expected closing as the details of the Transactions were not finalized until immediately prior to its issuance, and the Company wished to close the Transactions as soon as practicable for sound business reasons.

5.2 Disclosure for Restructuring Transactions

Not applicable.

6. Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

7. Omitted Information

No information has been omitted on the basis that it is confidential information.

8. Executive Officer

For inquiries regarding the material change and this report, please contact:

Mark Detz
Interim Chief Financial Officer
investors@kovo.co
1-866-558-6777

9. Date of Report

September 18, 2024.