



Asep Medical Holdings Inc.

Asep Medical Holdings Inc. Signs Joint Venture Agreement with Leading Chinese Medical Diagnostics Company Sansure Biotech Inc.



Asep's CEO Dr. Robert E. W. Hancock, 4th from left, pictured with senior executives from Sansure Biotech Inc. on October 25, 2023

VANCOUVER, BC, November 21, 2023 (CNW) — **Asep Medical Holdings Inc. (“Asep” or the “Company”) (CSE: ASEP) (OTCQB: SEPSF) (FSE: JJ8)** is very pleased to announce that, through its subsidiary Sepset Biosciences Inc. (“Sepset”), it has signed a definitive joint venture agreement (the “JV Agreement”) with leading Chinese medical diagnostic company, Sansure Biotech Inc. (“Sansure”), through its subsidiary, Hunan Xiang Jiang Sansure Biotech Fund, L.P. (the “Sansure Fund”). Sansure Fund is an investment fund formed by Sansure, Changsha Sanway Spring Venture Capital CO., Ltd. (“Sanway Spring”) and certain other investors. The JV Agreement was signed on October 27, 2023.

Under the JV Agreement, the registered capital of the joint venture entity, Hunan Sanway SepSMART Ltd. (“SepSMART”), which will be based in Changsha, China, will be RMB 50,000,000 (the “Total Registered Capital”) with (a) the Sansure Fund subscribing for RMB 37,500,000.00 (~CAD\$ 7 million) thereof, representing seventy-five percent (75%) of the Total Registered Capital and (b) Sepset deemed to be subscribing for RMB 12,500,000 (~CAD\$ 2.4 million) thereof, representing twenty-five percent (25%) thereof through the contribution of certain patent



Asep Medical Holdings Inc.

rights to Sepset's first generation rapid sepsis test, Sepset^{ER}, pursuant to a technology license and collaboration agreement concurrently entered into on October 27, 2023 between Sepset and SepSMART (the "**License Agreement**") and together with the JV Agreement, the "**Transaction**"). Formal registration of SepSMART with the applicable regulatory body in China is a condition precedent of the JV Agreement. The License Agreement grants SepSMART the exclusive right to commercialize Sepset^{ER} in Mainland China, the Hong Kong Special Administrative Region, the Macao Special Administrative Region and the Taiwan area for a period of eight (8) years and requires SepSMART to pay periodic royalty payments to Sepset on a performance basis. The Transaction represents a significant milestone for Asep and supports its manufacturing and distribution strategy based on global partnerships with companies that offer existing market knowledge and sales channels.

According to the China Critical Care Clinical Trials Group, nearly 2 million people died in China from sepsis in 2015.¹ The frequency of deaths in that country is unusually high (66.7 per 100,000 people). A 2021 meta-analysis by the Department of Emergency Medicine, Tianjin Medical University General Hospital and published by BioMed Central Ltd. ([biomedcentral.com](https://www.biomedcentral.com)) concluded that "the frequency and mortality of sepsis and septic shock in China were much higher than North America and European countries."²

"Sansure is one of the largest companies in China with both manufacturing and distribution expertise in PCR-based diagnostic assays, which is the technology we use in our Sepset^{ER} test," stated Dr. Robert E. W. Hancock, Founder, CEO and Board Chair of Asep and developer of the sepsis risk assessment technology, Sepset^{ER}. "This represents an endorsement of the potential of our assay and its importance to human medicine worldwide, as well as access to one of the largest markets in the world. We look forward to collaborating with the Sansure team as we bring this technology to market in China."

In connection with entry into the JV Agreement, Asep, Sepset, Sanway Spring and the Sansure Fund entered into a side letter (the "**Side Letter**") to provide certain additional representations, warranties, agreements and terms in relation to the joint venture. Pursuant to the Side Letter, Asep and Sansure entered into a performance warrant issuance agreement whereby Asep agreed to provide 3,000,000 performance warrants (the "**Performance Warrants**") to Sansure or its designated nominees, subject to the required approvals and compliance with applicable securities laws and stock exchange policies. Each Performance Warrant is exercisable into one common share of Asep at an exercise price of \$1.00 per common share until the first anniversary of the signing of the JV Agreement. The Performance Warrants and underlying common shares are subject to a hold period expiring four months and one day from the date of issuance.



Asep Medical Holdings Inc.

Extension of Investor Relations Engagement

The Company is also pleased announce that it has extended the existing engagement entered into on January 1, 2023 with bullVestor Medien GmbH (“**bullVestor**”) to provide strategic planning services to the Company until January 30, 2024 . bullVestor has been engaged for strategic planning, procurement, advertising campaigns on financial ad networks and overseeing progress and results to heighten market and brand awareness for Asep Inc. and to broaden the Company's reach within the investment community.

ABOUT SANSURE BIOTECH INC.

Sansure (www.sansureglobal.com) is an in-vitro diagnostic solution provider founded in Changsha, Hunan province, China, in 2008 with over 2,000 employees and a broad product portfolio. It is engaged in research and development, production and sales of diagnostic reagents and instruments. The company has more than ten years of experience in specialized diagnostic reagents, nucleic acid diagnostic instruments, complete lab solutions and lab chain services and offers solutions for molecular diagnosis that are compatible with most polymerase chain reaction (PCR) detection instruments and lab environments. Sansure listed on the Shanghai Stock Exchange’s STAR Market on 28 August 2020, raising RMB2.0 billion (c.US\$300 million), and as of 27 July 2022, had a market capitalization of approximately RMB17.5 billion (c.US\$2.6 billion). It was also one of the first molecular diagnostics companies to have its SARS-CoV-2 test kits approved in China, which are now sold to over 160 countries. Headquartered in Changsha, the company has built a new industrial park in Shanghai to facilitate its growth. The company has branches and affiliates in nearly 20 cities, including Beijing, Guangzhou, Chongqing and Xi'an.

ABOUT ASEP MEDICAL HOLDINGS INC.

Asep Medical Holdings Inc. (www.asepmedical.com) is dedicated to addressing the global issue of antibiotic failure by developing novel solutions for significant unmet medical needs in human medicine. The Company is a consolidation of three existing private companies, all with technology in advanced development — Sepset Biosciences Inc. (proprietary diagnostic tools to enable the early and timely identification of sepsis), ABT Innovations Inc. (broad-spectrum therapeutic agents to address multi-drug resistant biofilm infections), and SafeCoat Medical Inc. (an antibacterial peptide medical device coating technology).

Sepset Biosciences Inc. (www.sepset.ca) is in the final stages of preparation for clinical studies and commercialization of an in vitro diagnostic test that involves a patient gene expression signature that helps assess the development of severe sepsis, one of the significant diseases leading to antibiotic failure since antibiotics are the primary initial treatment for sepsis. Sepsis was responsible for nearly 20% of all deaths on the planet in 2017



Asep Medical Holdings Inc.

and essentially all deaths due to COVID-19 and other pandemics. The Sepset^{ER} test is a blood-based gene expression assay that is straightforward to implement, and results are obtained about an hour after taking a blood sample in the emergency room or intensive care unit. This proprietary diagnostic technology differs from current diagnostic tests, enabling the risk assessment for progression to severe sepsis within ~60 minutes of initiating the test. Bacterial culture, the gold standard, provides results after ~15 hours but can be as long as three. Asep believes its test will enable critical early decisions to be made by physicians regarding appropriate therapies and thus reduce overall morbidity and mortality due to sepsis.

ABT Innovations Inc.'s (www.abtinnovations.ca) peptide technology covers a broad range of therapeutic applications, including bacterial biofilm infections (dental, wound, sinusitis, skin, medical device infections, chronic infections, lung, bladder, ear-nose and throat, orthopaedic, etc.), anti-inflammatories, anti-infective immunomodulators and vaccine adjuvants. The company is in the pre-clinical development phase with promising data for the first three indications.

SafeCoat Medical Inc.'s (www.safecoatmedical.com) technology encompasses anti-fouling self-assembling polymers combined with conjugated antimicrobial peptides, which can be applied to various surfaces as antimicrobial and anti-fouling coatings. In particular, the invention relates to coatings that may be applied to multiple medical devices and implants, and feasibility has been demonstrated in animal models. The company's expertise also encompasses the methods for manufacturing and applying these anti-bacterial coatings.

ABOUT BULLVESTOR MEDIEN GMBH

bullVestor's business address is located at Gutenhofen 4 – 4300 Street, Valentin. For more information, please contact kontakt@bullvestor.at (+43 (0) 7435-44077) or please visit bullVestor's website: www.bullvestor.com.

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FORWARD-LOOKING STATEMENTS —

This news release contains certain "forward-looking statements" within the meaning of such statements under applicable securities law. Forward-looking statements are frequently characterized by words such as "anticipates,"



Asep Medical Holdings Inc.

"plan," "continue," "expect," "project," "intend," "believe," "anticipate," "estimate," "may," "will," "potential," "proposed," "positioned" and other similar words, or statements that certain events or conditions "may" or "will" occur. These statements include but are not limited to the ability of the joint venture to pursue commercialization of the Sepsis diagnostic testing kit in China; the contributions of the joint venture partner to the joint venture; the ability of the joint venture to secure the necessary regulatory approvals for the diagnostic testing kit; the successful clinical testing of Sepset's Sepsis in vitro diagnostic test and its intended filing for regulatory market authorization; the Company not receiving regulatory market authorization as planned or at all; the undertaking of pre-clinical studies on our lead therapeutic, with the expectation that this will lead to fast-track clinical trials; the timeframe for identification of sepsis with the Company's products; the potential opportunities for the generation of revenue; the therapeutic benefits of the Company's products; and other statements regarding the Company's proposed business plans. Various assumptions were used in drawing conclusions or making the predictions contained in the forward-looking statements throughout this news release. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made and are subject to a variety of risks including the risk that the Company's products may not perform as expected; that the Company may not receive the requisite regulatory market authorization or results of testing; the Company's testing of the products may not be successful and market authorization may not be obtained in the estimated timelines or at all; the Company may not be able to generate revenue from its products as expected or at all; the joint venture may not be able to commercialize the diagnostic testing kit in China as expected or at all; the market for the Company's products may not be as described in this news release; and various other risk factors identified in the Asep's public disclosure record, including without limitation the Company's management discussion and analysis, available for review under the Company's profile at www.sedarplus.ca and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Asep is under no obligation and expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.

CITATIONS

¹ Weng L, Zeng XY, Yin P, Wang LJ, Wang CY, Jiang W, Zhou MG, Du B; China Critical Care Clinical Trials Group (CCCCTG). Sepsis-related mortality in China: a descriptive analysis. *Intensive Care Med.* 2018 Jul;44(7):1071-1080. <https://doi.org/10.1007/s00134-018-5203-z>



Asep Medical Holdings Inc.

² Liu, YC., Yao, Y., Yu, MM. et al. Frequency and mortality of sepsis and septic shock in China: a systematic review and meta-analysis. BMC Infect Dis 22, 564 (2022). <https://doi.org/10.1186/s12879-022-07543-8>