



ASEP INC. ANNOUNCES CLOSING OF THE FIRST TRANCHE OF LIFE OFFERING

VANCOUVER, BC, December 20, 2023 (CNW) — Asep Medical Holdings Inc. (“Asep Inc.” or the “Company”) (CSE: ASEP) (OTCQB: SEPSF) (FSE: JJ8) is pleased to announce that, further to its news release of December 18, 2023 which announced a private placement and debt settlement of up to 10,000,000 units of the Company (each, a “Unit”) pursuant to the listed issuer financing exemption (“**LIFE Exemption**”) for gross proceeds of up to \$2,000,000.00 (the “**LIFE Offering**”), it has closed the first tranche of the LIFE Offering by: (1) issuing 2,935,000 Units at a price of \$0.20 per Unit, for aggregate gross proceeds of \$587,000.00, and (2) entering into debt settlement agreements to settle \$783,186.00 against the issuance 3,915,930 Units, subject to a 5 day waiting period, for aggregate gross proceeds of \$1,370,186.00.

Each Unit will consist of one (1) common share in the capital of the Company (each, a “**Share**”) and one non-transferable common share purchase warrant (each, a “**Warrant**”). Each Warrant will be exercisable into one (1) common share (each, a “**Warrant Share**”) at a price of \$0.26 per Warrant Share for a period of two (2) years from the date of issuance.

In connection with the closing of the first tranche, an aggregate of \$15,600 was paid in cash and a total of 128,000 finder’s warrants (each, a “**Finder’s Warrant**”) were issued as finder’s fees. Each Finder’s Warrant entitles the holder thereof to acquire one (1) common share in the capital of the Company (a “**Finder’s Warrant Share**”) at a price of \$0.20 per Finder’s Warrant Share for a period of 24 months from December 19, 2023.

The LIFE Offering, in its entirety, is expected to close on or about January 12, 2023, and is subject to certain conditions, including, but not limited to, the receipt of all necessary regulatory and other approvals. The Company intends to use the proceeds of the LIFE Offering as disclosed in the Amended Offering Document dated December 18, 2023 which is available under the Company’s profile on www.sedarplus.com and on the Company’s website (www.asepmedical.com). None of the securities issued in connection with the Offering will be registered under the United States Securities Act of 1933, as amended (the “**1933 Act**”), and none of them may be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act. This news release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the securities in any state where such offer, solicitation, or sale would be unlawful.

One of the subscribers pursuant to the first tranche of the LIFE Offering is a trust of which Derrold Norgard, a director of the Company is a trustee, and this subscription of \$75,000 for 375,000 Units is a “related party transaction” within the meaning of Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”). This subscription is exempt from the valuation requirement of MI 61-101 by virtue of the exemptions contained in section 5.5(b) of MI 61-101 as the Shares are not listed on a specified market and from the minority shareholder approval requirements of MI 61-101 by virtue of the exemption contained in section 5.7(1)(a) of MI 61-101 in that the fair market value of the subscription will not exceed 25% of the Company’s market capitalization. As the material change report disclosing this subscription is being filed less than 21 days before the transaction, there is a requirement under MI 61-101 to explain why the shorter period was reasonable or necessary in the circumstances. In the view of the Company, it is necessary to immediately close the first tranche of the LIFE Offering and therefore, such shorter period is reasonable and necessary in the circumstances to improve the Company’s financial position.

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 and essentially all deaths due to COVID-19 and other pandemics. The SepsetER 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.

FOR MORE INFORMATION, PLEASE CONTACT —

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Neither the CSE nor any Market Regulator (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.

This news release contains forward-looking information that involves various risks and uncertainties regarding future events. Such forward-looking information can include without limitation statements based on current expectations involving a number of risks and uncertainties and are not guarantees of future performance of ASEP Inc., such as the completion of LIFE Offering and timing for completions; CSE approval of such transactions, that we will receive proceeds from LIFE Offering as required, and the intended use of proceeds from the LIFE Offering. There are numerous risks and uncertainties that could cause actual results and ASEP Inc.'s plans and objectives to differ materially from

those expressed in the forward-looking information, including: (i) adverse market conditions; (ii) the inability of the Company to close the complete LIFE Offering; (iii) the CSE not approving the LIFE Offering, and (iv) the proceeds of the LIFE Offering not being available to the Company as expected. Actual results and future events could differ materially from those anticipated in such information. These and all subsequent written and oral forward-looking statements are based on estimates and opinions of management on the dates they are made and are expressly qualified in their entirety by this notice. Except as required by law, the Company does not intend to update these forward-looking statements.