

51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

ASEP Medical Holdings Inc. (the “**Company**”)
420 – 730 View Street
Victoria, BC V8W 3Y7

Item 2 Date of Material Change

December 2, 2022

Item 3 News Release

The news release dated December 2, 2022 was disseminated via CNW.

Item 4 Summary of Material Change

The Company announced that it has entered into an Earn-In and Option Agreement (the “**Agreement**”) with SafeCoat Medical Inc. (“**SafeCoat**”) and the securityholders of SafeCoat (the “**Securityholders**”). Pursuant to the Agreement, the Company will earn a 50.1% of the voting equity securities of SafeCoat (the “**Earn-In Shares**”) in consideration for services the Company provides to SafeCoat in connection with the grant of a license (the “**License**”) by the University of British Columbia (“**UBC**”) to SafeCoat for the use, development and commercialization of a peptide medical device coating technology (the “**Technology**”). The Securityholders have also granted the Company the option to acquire their collective 49.9% equity interest in SafeCoat on the terms and conditions of the Agreement (the “**Option**”).

The Technology relates to substrate independent coatings utilizing self-assembly of dopamine or other polymeric binders, ultra-high or high molecular weight hydrophilic polymers, and conjugated antimicrobial peptides (AMPs), and the methods for making such coatings. In particular, the invention relates to coatings that may be applied onto substrates, such as medical devices and implants.

The terms of the Agreement provide that upon UBC and SafeCoat entering into a term sheet for the grant of the License, SafeCoat will allot and issue the Earn-In Shares to the Company and the Securityholders will grant the Option to the Company. In connection with the grant of the Earn-In Shares, the board of directors of SafeCoat will be reconstituted to be comprised of two nominees of the Company and one nominee of the Securityholders, and the new board will appoint management. The Company believes that the funding provided to SafeCoat by the Securityholders together with the expertise that the Company and its management provide will position SafeCoat well to develop the License and advance the Technology towards commercialization.

The Option is exercisable by the Company for two years from the grant of the License upon payment by the Company of \$1,200,000 (the “**Option Exercise Price**”) to the Securityholders. The Option Exercise Price is payable by the allotment and issuance on a pro rata basis of an aggregate of 6,000,000 common shares (the “**Option Exercise Shares**”) of the Company at a deemed price of \$0.20 per share. The Option Exercise Shares will be subject to a voluntary escrow and released from escrow in tranches of 25% upon each of the following milestones being satisfied: (a) exercise of the Option, (b) upon SafeCoat and UBC entering into a definitive License agreement, (c) the

date a patent in respect of the Technology is published on Google patents, and (d) the date the Company confirms that SafeCoat has reasonably demonstrated activity of antifouling on surfaces. If the Option is exercised, SafeCoat will become a wholly-owned subsidiary of the Company and the Company would pursue the advancement of the Technology in addition to the advancement of its current business through ABT Innovations Inc. and Sepset Biosciences Inc.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The material change is fully described in Item 4 above and in the news release which has been filed on SEDAR.

5.1 Disclosure for Restructuring Transactions

N/A

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

N/A

Item 7 Omitted Information

None

Item 8 Executive Officer

Timothy Murphy, Chief Operating Officer
Telephone: 778.600.0509

Item 9 Date of Report

December 5, 2022