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ASEP ANNOUNCES CREDIT FACILITY, DEBT SETTLEMENT AND AMENDED OFFERING DOCUMENT

VANCOUVER, BC, December 18, 2023 (CNW) — **Asep Medical Holdings Inc.** ("**Asep Inc.**" or the "**Company**") (CSE: **ASEP**) (OTCQB: **SEPSF**) announces availability of a \$500,000 credit facility from an arm's length lender, settlement of an aggregate of \$783,186 of debt to certain creditors and certain amendments to the offering document previously filed and dated November 29, 2023.

The Company announces it has entered into a loan agreement (the "**Loan Agreement**") with an arm's-length lender (the "**Lender**") pursuant to which the Company may borrow up to \$500,000 in requested drawdowns, from time to time (each advance, a "**Loan**") within twelve month of entry into the Loan Agreement. The Loans advanced will bear interest at a rate of 12% per annum and are unsecured, and repayment shall be made upon demand by the Lender. The facility is non-revolving. The Company intends to use any funds advanced as Loans for general working capital purposes and operating expenses. In connection with making the loan facility available, the Company has agreed to issue up to an aggregate of 480,770 non-transferable share purchase warrants (each, a "**Bonus Warrant**") to the Lender, with such Bonus Warrants being issued from time to time on a pro rata basis upon advance of each Loan pursuant to the Loan Agreement. Each Bonus Warrant will be exercisable into one (1) Common Share (each, a "**Bonus Warrant Share**") at a price of \$0.26 per Bonus Warrant Share for a period of two (2) years from the date of issuance.

The Company also intends to settle debt (the "**Debt Settlement**") in the aggregate amount of \$783,186 owed by the Company to certain creditors of the Company in exchange for 3,915,930 units (each, a "**Debt Settlement Unit**") at a deemed price of \$0.20 per Debt Settlement Unit. Each Debt Settlement Unit will consist of one (1) common share in the capital of the Company (each, a "**Settlement Share**") and one non-transferable common share purchase warrant (each, a "**Settlement Warrant**"). Each Settlement Warrant will be exercisable into one (1) common share (each, a "**Settlement Warrant Share**") at a price of \$0.26 per Settlement Warrant Share for a period of two (2) years from the date of issuance. The debt to be settled relates to a debenture previously advanced by an arm's length party and to certain consulting fees payable to arm's length parties and to one officer of the Company.

The Company also announces that it has filed an amendment dated as of December 18, 2023 (the "**Amended Offering Document**") to its offering document dated November 29, 2023, and that the Amended Offering Document can be accessed under the Company's profile at www.sedarplus.ca and on the Company's website at www.asepmedical.com. The Amended Offering Document is filed in connection with the previously announced private placement by the Company (the "**Offering**") of up to 10,000,000 units (each, a "**Unit**") at a price of \$0.20 per Unit for aggregate proceeds of up to \$2,000,000. Each Unit is comprised of one common share and one non-transferrable common share purchase warrant (each, a "**Warrant**"), with each Warrant being exercisable into one common share at \$0.26 per share for a period of two years from the date of issuance. Prospective Investors should read the Amended Offering Document before making an investment decision. The Amended Offering Document updates the disclosure regarding recent developments in connection with the Loan Agreement and Debt Settlement, and updates the disclosure relating to the intended use of the net proceeds from the Offering for funding ongoing research and development of the Company's technology, regulatory review and approvals, operating expenses, investor relations and other working capital requirements. The Units offered pursuant to the Offering shall be offered to eligible purchasers in British Columbia, Alberta and Ontario pursuant to the listed issuer financing exemption under Part 5A of NI 45-106 and will not be subject to resale restrictions for Canadian investors pursuant to applicable Canadian securities laws. The Offering is expected in one or more tranches with the final tranche of the offering closing within 45 days from the date of the original offering document. The closing is subject to certain conditions including compliance with applicable securities laws, completion of the Company's filing obligations

under the policies of the Canadian Securities Exchange (the “CSE”) and, if required, approval of the CSE. Finder’s fees may be paid in connection with the Offering as more particularly described in the Amended Offering Document.

The Bonus Warrants, Bonus Warrant Shares, Settlement Shares, Settlement Warrants, Settlement Warrant Shares and any securities issued to finders in connection with the Offering are all subject to a statutory hold period expiring four months and one day after issuance of the securities. Completion of the Loan Agreement, Debt Settlement and Offering remain subject to compliance with applicable securities laws and CSE policies and approval, if required. None of the securities issued in connection with the Loan agreement, Debt Settlement or 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.

The proposed debt settlement with JM Tucker PC, a company wholly owned by Jacqueline Tucker, the Chief Financial Officer of the Company (the “Insider Settlement”), is a “related party transaction” within the meaning of Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions (“MI 61-101”). The Insider Settlement 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 Common 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 Insider Settlement will not exceed 25% of the Company's market capitalization. As the material change report disclosing the Insider Settlement 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 Insider Settlement 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 Inc. is dedicated to addressing antibiotic failure by developing novel solutions for significant unmet medical needs. The Company is a consolidation of two existing private companies (Sepset Biosciences Inc. and ABT Innovations Inc.) that are both in the advanced development of both proprietary diagnostic tools, enabling the early and timely identification of severe sepsis as well as broad-spectrum therapeutic agents to address multidrug-resistant biofilm infections.

Sepset Biosciences Inc. is developing a diagnostic technology that involves a patient gene expression signature that predicts severe sepsis, one of the significant diseases leading to antibiotic failure since antibiotics are the primary treatment for sepsis. Despite this, sepsis is responsible for nearly 20% of all deaths on the planet. The Sepset^{ER} test is a blood-based gene expression assay that is straightforward to implement, and results are obtained in about an hour in the emergency room or intensive care unit. This proprietary diagnostic technology differs from current diagnostic tests in enabling diagnosis of severe sepsis within 1-2 hours of first clinical presentation (i.e., in the emergency room), while other diagnostics only provide diagnosis after 24-36 hours. Asep Inc. believes this will enable critical early decisions to be made by physicians regarding appropriate therapies and reduce overall morbidity and mortality due to sepsis.

ABT Innovations Inc.'s peptide technology covers a broad range of therapeutic applications, including bacterial biofilm infections (medical device infections, chronic infections, lung, bladder, wound, dental, skin, ear-nose and throat, sinusitis, orthopaedic, etc.), anti-inflammatories, anti-infective immune-modulators and vaccine adjuvants.

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 proposed Loan Agreement, Debt Settlement, Offering and CSE approval of such transactions, that we will receive proceeds from the Loan as required, and the intended use of proceeds from the Loan, and the intended use of proceeds of the 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 Debt Settlement or the Offering; (iii) the CSE not approving the Loan Agreement, Debt Settlement or Offering, and (iv) the proceeds of the Loan and 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.