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Arch Therapeutics Completes Financing as Bridge to Uplisting

Common Stock Listing on National Exchange is Next Planned Significant Milestone

FRAMINGHAM, Mass., Sept. 07, 2023 (GLOBE NEWSWIRE) -- Arch Therapeutics, Inc. (OTCQB: ARTH) ("Arch" or the "Company"), a marketer and developer of novel self-assembling wound care and biosurgical products, today announced that it completed a private placement with institutional and accredited individual investors (collectively, the "Investors") as a Bridge Offering preceding a planned national exchange listing of the Company's common stock on either Nasdaq Global Market, Nasdaq Capital Market, New York Stock Exchange or NYSE American (the "Uplisting"). The private placement consisted of the issuance of common stock, par value \$0.001, at a purchase price of \$0.275 per share and accompanying common warrant to purchase two shares of common stock (or pre-funded warrants at a purchase price of \$0.274 per pre-funded warrant and accompanying common warrant to purchase two shares of common stock) with total gross proceeds of approximately \$2.6 million in the aggregate in connection with two separate closings (the "Bridge Offering"), with the initial closing in July. Lowenstein Sandler LLP acted as counsel to the Company in connection with the Bridge Offering, and ArentFox Schiff LLP served as counsel to Dawson James Securities, Inc.

Among other restrictions, the common stock and pre-funded warrants issued in connection with the Bridge Offering shall be subject to a one-year lock-up agreement (the "Lock-up Agreement") restricting the sale or exercise of any of the securities issued in connection with the Bridge Offering. For investors that elect to participate in the anticipated near-term financing related to the planned Uplisting in an amount at least 4.3 times greater than their investment in the Bridge Offering, the Lock-up Agreement will be immediately terminated. Additional information regarding the terms of the Bridge Offering may be found on the Form 8-Ks filed with the Securities & Exchange Commission on July 13, 2023, and September 7, 2023. Dawson James Securities, Inc. served as placement agent in connection with the Bridge Offering.

"We believe that this Bridge Offering enables the Company to further move forward with the planned Uplisting, as the Company works to satisfy all national exchange listing requirements," stated Terrence Norchi, MD, President and CEO of Arch. "We believe the potential resources from the Uplisting will help drive revenue growth of AC5[®] Advanced Wound System, which has experienced a significant increase in both interest and unit shipments since the issuance of a dedicated unique billing code from The Centers for Medicare & Medicaid Services," concluded Dr. Norchi.

This news release is not and shall not be deemed to be an offer to sell or the solicitation of

an offer to buy any securities.

About Arch Therapeutics, Inc.

Arch Therapeutics, Inc. is a biotechnology company developing a novel approach to stop bleeding (hemostasis), control leaking (sealant) and manage wounds during surgery, trauma and interventional care. Arch is developing products based on an innovative self-assembling barrier technology platform with the goal of making care faster and safer for patients. Arch has received regulatory authorization to market AC5[®] Advanced Wound System and AC5[®] Topical Hemostat as medical devices in the United States and Europe, respectively. Arch's development stage product candidates include AC5-G[™], AC5-V[®] and AC5[®] Surgical Hemostat, among others.^{1,2}

Notice Regarding Forward-Looking Statements

This news release contains “forward-looking statements” as that term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Statements in this press release that are not purely historical are forward-looking statements and include any statements regarding beliefs, plans, expectations or intentions regarding the future. Such forward-looking statements include, among other things, the Uplisting, the Uplisting transaction, the intended use of net proceeds from the private placement, references to novel technologies and methods, our business and product development plans and projections, or market information. Actual results could differ from those projected in any forward-looking statements due to numerous factors. Such factors include, among others, the inherent uncertainties associated with developing new products or technologies and operating as a development stage company, our ability to retain important members of our management team and attract other qualified personnel, our ability to raise the additional funding we will need to continue to pursue our business and product development plans, our ability to obtain required regulatory approvals, our ability to produce commercial quantities of our products within projected timeframes, our ability to develop and commercialize products based on our technology platform, and market conditions, and our ability to establish additional commercialization partnerships and build a critical mass of field sales representatives. These forward-looking statements are made as of the date of this news release, and we assume no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those projected in the forward-looking statements. Although we believe that any beliefs, plans, expectations and intentions contained in this press release are reasonable, there can be no assurance that any such beliefs, plans, expectations or intentions will prove to be accurate. Investors should consult all of the information set forth herein and should also refer to the risk factors disclosure outlined in the reports and other documents we file with the SEC, available at www.sec.gov.

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¹ AC5-G, AC5-V, and AC5 Surgical Hemostat are currently investigational devices limited by law to investigational use.

² AC5, AC5-G, AC5-V and associated logos are trademarks and/or registered trademarks of Arch Therapeutics, Inc. and/or its subsidiaries.



Source: Arch Therapeutics, Inc.