



PRESS RELEASE

For Immediate Release:

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Arch Therapeutics and Massachusetts Life Sciences Center Hold Repayment Ceremony

Framingham-based company is 12th company to repay loan provided by Center

Waltham, MA – Today, the Massachusetts Life Sciences Center (MLSC) and Framingham-based Arch Therapeutics, Inc. (“Arch”) celebrated the repayment of a \$1,000,000 loan provided to Arch through the MLSC’s Accelerator Loan in 2012. Arch repaid the balance of principal and interest for the loan on March 3rd, 2017. Arch’s repayment to the MLSC totaled \$1,361,268.28. Arch Therapeutics’ CEO Terrence W. Norchi, MD and CFO Rick Davis presented the ceremonial check to MLSC Board Member Pam Randhawa and State Representative Chris Walsh.

Arch is a biotechnology company developing an innovative approach to the rapid cessation of bleeding and control of fluid leakage during surgery and trauma care to stop bleeding (hemostasis), control leaking (sealant) and manage wounds. Arch has filed a 510(k) submission with the US Food and Drug Administration (“FDA”) for its first product, AC5TM Topical Gel (“AC5”), and additional products are progressing through development. AC5 has demonstrated safety, efficacy, and versatility in preclinical and clinical testing, and the biocompatibility profile of AC5 is excellent. Continued clinical success could lead to product adoption for a wide array of surgical and non-surgical wounds in the United States and internationally.

At the time of the MLSC loan, Arch had three employees and was in a pre-clinical stage. The company now has more than nine Massachusetts-based employees and engages Massachusetts consultants and research and development partners. Arch has also served as a host company for the MLSC’s Internship Challenge Program in 2014, for which it has received salary reimbursement through the MLSC.

Dr. Norchi said, “The Accelerator Loan program at the Massachusetts Life Sciences Center delivered on our expectations, namely, enabling Arch to accelerate development of a promising technology at a time when capital was challenging to raise. We were also able to engage more local resources and hire more high caliber local talent. MLSC delivered, and we hope that we did our part, too, as we have made significant progress since receiving the loan.”

“Our Accelerator Loan Program was established to provide the capital necessary to make sure companies with good ideas became companies with a great product,” said Travis McCready, President & CEO of the Massachusetts Life Sciences Center. “I congratulate Arch on their

current success, and look forward to celebrating with them upon completion of their next of many goals, regulatory approval for AC5 Topical Gel.”

“This is a perfect example of what the intent of the Commonwealth was when we created the Massachusetts Life Sciences Center to invest in life sciences innovation,” said Representative Chris Walsh of Framingham. “Without the Accelerator Loan program, it is likely that Arch Therapeutics would not have been able to make the incredible inroads they have into their research and development on lifesaving products as quickly as they have, which has allowed them to grow and create jobs in our community.”

About the Massachusetts Life Sciences Center

The Massachusetts Life Sciences Center (MLSC) is an investment agency that supports life sciences innovation, education, research & development and commercialization. The MLSC is charged with implementing a \$1-billion, state-funded investment initiative. These investments create jobs and support advances that improve health and well-being. The MLSC offers the nation’s most comprehensive set of incentives and collaborative programs targeted to the life sciences ecosystem. These programs propel the growth that has made Massachusetts the global leader in life sciences. The MLSC creates new models for collaboration and partners with organizations, both public and private, around the world to promote innovation in the life sciences. Learn more at <http://www.masslifesciences.com/>

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’s development stage product candidates include the AC5™ Topical Gel and the AC5™ Surgical Hemostatic Device. You can learn more about Arch Therapeutics at www.archtherapeutics.com.

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