

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**  
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **March 10, 2023**

**ARCH THERAPEUTICS, INC.**

(Exact name of registrant as specified in its charter)

**Nevada**  
(State or other jurisdiction  
of incorporation)

**000-54986**  
(Commission  
File Number)

**46-0524102**  
(I.R.S. Employer  
Identification No.)

**235 Walnut Street, Suite 6**  
**Framingham, Massachusetts**  
(Address of principal executive offices)

**01702**  
(Zip Code)

Registrant's telephone number, including area code: **(617) 431-2313**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
N/A	N/A	N/A

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 1.01. Entry into a Material Definitive Agreement.**

*Series G and Series H Warrant Exchange*

On March 10, 2023, Arch Therapeutics, Inc. (the “Company”) entered into exchange agreements (the “Exchange Agreements”) with each holder (the “Warrantholders”) of the Company’s outstanding Series G Warrants to purchase shares of the Company’s common stock, par value \$0.001 per share (the “Common Stock”) at an exercise price of \$140.00 per share (the “Series G Warrants”) and the Company’s outstanding Series H Warrants to purchase shares of Common Stock at an exercise price of \$80.00 per share (the “Series H Warrants”) and, together with the Series G Warrants, the “Warrants”). Pursuant to the Exchange Agreements, the Warrantholders exchanged 34,013 Series G Warrants for 3,402 shares of Common Stock and 43,077 Series H Warrants for 8,617 shares of Common Stock.

The Series G Warrants were offered and issued in a registered direct financing on July 2, 2018 pursuant to the Company’s Registration Statement on Form S-3 (Registration No. 333-213878), which was declared effective by the Securities and Exchange Commission (the “SEC”) on October 20, 2016, including the base prospectus dated October 20, 2016 (collectively, the “Base Registration Statement”), and a prospectus supplement dated June 29, 2018. The Series H Warrants were offered and issued in a registered direct financing on May 14, 2019 pursuant to the Base Registration Statement and a prospectus supplement dated May 13, 2019.

The exchanges under the Exchange Agreements were made in reliance upon the exemption from registration provided by Section 3(a)(9) of the Securities Act of 1933, as amended. After such exchanges, no Warrants remained outstanding.

The foregoing description of the Exchange Agreements does not purport to be complete and is qualified in its entirety by the full text of the Form of Exchange Agreement which is attached to this Current Report on Form 8-K as Exhibit 10.1 and is incorporated herein by reference.

*Note Modification Agreements*

On March 10, 2023, the Company entered into an amendment (“Amendment No. 2 to the First Notes”) with each of the holders of the Company’s outstanding Senior Secured Convertible Promissory Notes, as amended on February 14, 2023 (as amended, the “First Notes”), issued in connection with a private placement financing the Company completed on July 6, 2022 (the “First Closing”). On March 10, 2023, the Company also entered into an amendment (“Amendment No. 2 to the Second Notes”) and, together with Amendment No. 2 to the First Notes, “Amendment No. 2 to the 2022 Notes”) with each of the holders of Company’s outstanding Unsecured Convertible Promissory Notes, as amended on February 14, 2023 (as amended, the “Second Notes”), issued in connection with a private placement financing the Company completed on January 18, 2023 (the “Second Closing”) and, together with the First Closing, the “2022 Private Placement Financing”).

Under Amendment No. 2 to the 2022 Notes, the following amendments to the 2022 Notes will be effective at the moment in time immediately preceding the consummation of the offering (the “Effective Time”) in connection with the uplist of the Common Stock to any of the Nasdaq Global Market, Nasdaq Capital Market, New York Stock Exchange or NYSE American (the “Uplist Transaction”). If a 2022 Note holder elects to participate in the Uplist Transaction (each, a “Participating Holder”) for an amount equal to no less than 50% of the Participating Holder’s original investment amount in the 2022 Private Placement Financing (the “Minimum Investment Amount”), such holder will be entitled to repayment of the principal amount of their 2022 Notes upon closing of the Uplist Transaction. In addition, the Company will issue to each Participating Holder a new convertible promissory note equal to the product of 2.4 and the sum of any prepayment premiums and total interest payable on such Participating Holder’s 2022 Notes (the “2023 Notes”). The 2023 Notes will have a maturity date of July 6, 2024 and will be on substantially the same terms as the original 2022 Notes as applicable. For non-Participating Holders (each, a “Non-Participating Holder”), the maturity date of the 2022 Notes held by such Non-Participating Holder will be extended to July 6, 2024. Further, each Non-Participating Holder will waive their right to demand repayment of any portion of the outstanding balance of such holder’s 2022 Notes upon an Uplist Transaction. Notwithstanding the foregoing, if the registration statement filed in connection with the Uplist Transaction is not declared effective by 11:59 P.M. (EST) on March 15, 2023 (the “Amendment No. 2 Termination Date”), Amendment No. 2 to the 2022 Notes will automatically terminate and shall be of no further force or effect without any further action by the Company or the Requisite Holders, provided, that the Amendment No. 2 Termination Date may be extended by the written approval of the Company and 2022 Notes holders which purchased at least 50% plus \$1.00 of the 2022 Notes based on the initial principal amounts thereunder (the “Requisite Holders”).

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On March 15, 2023, the Company entered into amendments to the First Notes ("Amendment No. 3 to the First Notes") and Second Notes ("Amendment No. 3 to the Second Notes") and collectively, "Amendment No. 3 to the 2022 Notes" and, together with Amendment No. 2 to the 2022 Notes, the "Amendments to the 2022 Notes") with each of the holders of the 2022 Notes. Under Amendment No. 3 to the 2022 Notes, the 2022 Notes were amended to extend the Amendment No. 2 Termination Date from March 15, 2023 to April 15, 2023.

As a result of the entry into the Amendments to the 2022 Notes, and pursuant to the terms of the Company's outstanding Series 3B Convertible Promissory Notes (the "Series 3B Notes"), the Series 3B Notes were automatically amended to (i) extend the Amendment No. 2 Termination Date from March 15, 2023 to April 15, 2023; (ii) modify the terms of the Uplist Transaction repayment provision; and (iii) provide for the issuance of the 2023 Notes, subject to completion of the Uplist Transaction.

The foregoing descriptions of Amendment No. 2 to the First Notes, Amendment No. 2 to the Second Notes, Amendment No. 3 to the First Notes and Amendment No. 3 to the Second Notes, do not purport to be complete and are qualified in their entirety by the full text of the Form of Amendment No. 2 to the First Notes, the Form of Amendment No. 2 to the Second Notes, the Form of Amendment No. 3 to the First Notes and the Form of Amendment No. 3 to the Second Notes which are attached to this Current Report on Form 8-K as Exhibits 10.2, 10.3, 10.4, and 10.5, respectively, and are incorporated herein by reference.

#### *Series 1 and Series 2 Convertible Notes Amendment*

On March 10, 2023, the Company entered into an amendment (the "Series 1 Note Amendment") with each of the holders of the Company's outstanding Series 1 Convertible Notes (as amended, the "Series 1 Notes"). Also on March 10, 2023, the Company entered into an amendment (the "Series 2 Note Amendment") and, together with the Series 1 Amendment, the "Series Note Amendments") with each of the holders of the Company's outstanding Series 2 Convertible Notes (as amended, the "Series 2 Notes") and, together with the Series 1 Notes, the "Series Convertible Notes"). Pursuant to the Series Note Amendments, the Company can elect to convert the principal and accrued interest under the Series Convertible Notes (the "Series Note Obligations") at or after the Effective Time. In the event the Company exercises such option, the Series Note Obligations will be deemed to equal the product of 4.5 (which was previously 1.6 prior to the Series Note Amendments) and the outstanding Series Note Obligations. Notwithstanding the foregoing, if the registration statement filed in connection with the Uplist Transaction is not declared effective by 11:59 P.M. (EST) on March 15, 2023 or such later extended date as provided for therein (the "Series Note Amendments Termination Date"), the Series Note Amendments will automatically terminate without any further action by the Company or the holders of the Series Convertible Notes. The Series Note Amendments Termination Date will be automatically extended upon any extension of the Amendment No. 2 Termination Date. As a result of Amendment No. 3 to the 2022 Notes, the Series Note Amendments Termination Date was automatically extended from March 15, 2023 to April 15, 2023.

The foregoing descriptions of the Series 1 Note Amendment and the Series 2 Note Amendment do not purport to be complete and are qualified in their entirety by the full text of the Form of Amendment No. 1 to Series 1 Notes and the Form of Amendment No. 1 to Series 2 Notes which are attached to this Current Report on Form 8-K as Exhibits 10.6 and 10.7, respectively, and are incorporated herein by reference.

#### **Item 3.02. Unregistered Sale of Securities.**

The information provided in response to Item 1.01 of this Current Report is incorporated by reference into this Item 3.02.

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**Item 9.01. Financial Statements and Exhibits.**

(d) The following exhibits are being filed herewith:

<b><u>Exhibit</u></b>	<b><u>Description</u></b>
10.1	<a href="#"><u>Form of Exchange Agreement, dated March 10, 2023.</u></a>
10.2	<a href="#"><u>Form of Amendment No. 2 to the First Notes, dated March 10, 2023.</u></a>
10.3	<a href="#"><u>Form of Amendment No. 2 to the Second Notes, dated March 10, 2023.</u></a>
10.4	<a href="#"><u>Form of Amendment No. 3 to the First Notes, dated March 15, 2023.</u></a>
10.5	<a href="#"><u>Form of Amendment No. 3 to the Second Notes, dated March 15, 2023.</u></a>
10.6	<a href="#"><u>Form of Amendment No. 1 to Series 1 Notes, dated March 10, 2023.</u></a>
10.7	<a href="#"><u>Form of Amendment No. 1 to Series 2 Notes, dated March 10, 2023.</u></a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: March 16, 2023

**ARCH THERAPEUTICS, INC.**

By: /s/ Terrence W. Norchi, M.D.

Name: Terrence W. Norchi, M.D.

Title: President, Chief Executive Officer

## WARRANT EXCHANGE AGREEMENT

This Warrant Exchange Agreement (this “Agreement”), dated as of March 10, 2023 (the “Effective Date”), is entered into by and among Arch Therapeutics, Inc., a Nevada corporation (the “Company”), and the undersigned holders (the “Warrantholders”) of warrants to purchase shares of common stock, par value \$0.001 per share, of the Company (the “Common Stock”).

## RECITALS

A. The Warrantholders hold certain Series G Warrants and Series H Warrants (collectively, the “Warrants”) issued pursuant to certain Securities Purchase Agreements, dated June 28, 2018 and May 12, 2019, respectively (collectively, the “Securities Purchase Agreements”), and the Company and each of the Warrantholders desire to cause the Company to issue to the Warrantholders a number of shares of Common Stock set forth next to each Warrantholder’s name on Schedule 1 (the “Shares”), in exchange for the Warrants held by each such Warrantholder upon the terms and subject to the conditions set forth herein.

## AGREEMENT

**NOW THEREFORE**, in order to implement the foregoing and in consideration of the mutual agreements contained herein and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Company and each of the Warrantholders, individually and collectively, agree as follows:

Section 1. Exchange of Warrants. The Company and each of the Warrantholders, individually and collectively, hereby agree that the Company shall issue to the Warrantholders, and the Warrantholders shall receive and accept from the Company, the number of Shares set forth opposite each such Warrantholder’s name on Schedule 1 attached hereto in exchange for all of each applicable Warrantholder’s rights, interests and claims with respect to the Warrants to the extent such rights, interests and claims are held by such Warrantholder. As part of the exchange, the Company shall promptly issue to each Warrantholder the Shares as set forth next to each Warrantholder’s name on Schedule 1 upon the delivery by each Warrantholder of an executed signature page of this Agreement and the surrender and cancellation by each such Warrantholder of each Warrant currently held by each such Warrantholder.

Section 2. Exemption from Registration; Rule 144; Legends. The Company and each Warrantholder intend that the Shares to be issued pursuant to Section 1 hereof, will be issued in a transaction exempt from registration under the Securities Act, by reason of Section 3(a)(9) of the Securities Act of 1933, as amended (the “Securities Act”). Each Warrantholder hereby acknowledges that the Shares to be issued pursuant to Section 1 hereof will be “restricted securities” within the meaning of Rule 144 under the Securities Act (“Rule 144”), and may not be offered, sold, pledged, assigned or otherwise transferred unless (A) a registration statement with respect thereto is effective under the Securities Act and any applicable state securities laws, or (B) at such time as the securities evidenced by such certificates are sold pursuant to Rule 144, Regulation S under the Securities Act, or another applicable exemption from such registration exists and at such time the Company shall cause its counsel to issue a legal opinion if required to effect the removal of the legend hereunder, (such counsel and opinion to be satisfactory to the Holder), that such Shares may be offered, sold, pledged, assigned or transferred in the manner contemplated without an effective registration statement under the Securities Act or applicable state securities laws; and the certificates (or book-entry security entitlements) representing such Shares will bear an appropriate legend and restriction on the books of the Company or its transfer agent to that effect in substantially the following form (and a stop-transfer order may be placed against transfer of the certificates for such Shares).

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THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COMPANY COUNSEL, IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

Section 3. Representations and Warranties.

(a) Each Warrantholder, severally and not jointly, hereby represents, warrants and covenants to the Company as of the Effective Date as follows:

- hereto;
- (i) that such Warrantholder is the record and beneficial owner of the Warrants set forth next to such Warrantholder's name on Schedule 1
- this Agreement;
- (ii) that such Warrantholder has the legal capacity, power and authority to enter into and perform all of such Warrantholder's obligations under
- (iii) that this Agreement has been duly and validly executed and delivered by such Warrantholder and constitutes a valid and binding agreement of such Warrantholder, enforceable against such Warrantholder in accordance with its terms;
- (iv) that from time to time, at the reasonable request of the Company and without further consideration, such Warrantholder shall execute and deliver such additional documents as may be necessary or desirable to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement; and
- Warrantholder.
- (v) that such Warrantholder has not transferred, assigned, encumbered or otherwise disposed of any Warrants previously held by such
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(b) The Company hereby represents, warrants and covenants to the Warranholders as of the Effective Date as follows:

(i) that it is a corporation duly organized, validly existing and in good standing under the laws of the State of Nevada;

(ii) that it has the corporate power and authority to enter into and perform all of its obligations under this Agreement and to consummate the transactions contemplated hereby;

(iii) that the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by the Board of Directors of the Company and the stockholders of the Company (to the extent necessary to consummate the transactions contemplated hereby);

(iv) that it has taken all other actions required by applicable law, its certificate of incorporation and its bylaws to consummate the transactions contemplated by this Agreement;

(v) that it has obtained valid waivers of any preemptive rights, rights of first refusal or similar rights applicable to the issuance of the Shares; and

(vi) that this Agreement constitutes the valid and binding obligation of the Company and is enforceable in accordance with its terms, except as enforceability may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting creditors' rights generally.

Section 4. Tax Matters. The parties hereto intend that the exchange pursuant to this Agreement constitute a "recapitalization" pursuant to Section 368(a)(1)(E) of the Internal Revenue Code of 1986, as amended (the "Code"). Each of the parties hereto shall prepare and file all tax returns in a manner consistent with such treatment, including filing any statements required by U.S. Treasury Regulations with his, her or its federal income tax return filed for the taxable year which includes the Effective Date. This Agreement shall, and hereby is, adopted as a "plan of reorganization" for the purposes of Section 368 of the Code and Treasury Regulations Section 1.368-2(g). To the greatest extent possible, each undersigned Warranholder designates each block of Warrants that were issued to such Warranholder on the same date as being exchanged for an applicable number of shares of Common Stock in a manner that avoids split holding periods in the Common Stock. Such designation is intended to constitute a designation pursuant to Treasury Regulations Section 1.358-2(a)(2).

Section 5. Most Favored Nation. The Company hereby represents and warrants as of the date hereof and covenants and agrees from and after the date hereof that none of the terms offered to any person with respect to any warrants issued pursuant to the Securities Purchase Agreements and/or any consent, release, amendment, settlement or waiver relating to the terms, conditions and transactions contemplated hereby, is or will be more favorable to such person than those of the Warranholders and this Agreement. For the avoidance of doubt, this includes rights of participation, rights of first refusal or similar rights to subscribe to additional securities in the Company.

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Section 6. Governing Law. This Agreement and all matters arising directly or indirectly herefrom shall be governed by and construed in accordance with the laws of the State of New York, without regard to the conflicts of laws principles thereof.

Section 7. Assignment; Binding Effect; Benefits. This Agreement is not assignable without the written consent of each of the other parties hereto. Subject to the foregoing, the provisions of this Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, legal representatives, successors and permitted assigns. Nothing in this Agreement, express or implied, is intended or shall be construed to give any person other than the parties or their respective successors or assigns any legal or equitable right, remedy or claim under or in respect of any agreement or any provision contained herein.

Section 8. Amendment. This Agreement may be amended only by a written instrument signed by each of the parties hereto which specifically states that it is amending this Agreement.

Section 9. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., [www.docuSign.com](http://www.docuSign.com)) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

Section 10. Notice. All notices and other communications made under this Agreement shall be in writing and shall be mailed by registered or certified U.S. mail or a nationally reputable overnight carrier, postage prepaid, sent by email or otherwise delivered by hand or courier addressed to each party's address or email address set forth on the signature page hereto.

*(Remainder of Page Intentionally Left Blank)*

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IN WITNESS WHEREOF, the parties have executed this Warrant Exchange Agreement as of the date first written above.

**ARCH THERAPEUTICS, INC.**

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Name:

Title:

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IN WITNESS WHEREOF, the parties have executed this Warrant Exchange Agreement as of the date first written above.

**WARRANTHOLDERS:**

[•]

By: \_\_\_\_\_

Name:

Title:

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**SCHEDULE 1**

<b>Name of Warrantholder</b>	<b>Warrants</b>	<b>Shares of Common Stock</b>
[Series G Warrant Holder]	Series G Warrants to purchase [●] shares of Common Stock	[●] <sup>1</sup>
[Series H Warrant Holder]	Series H Warrants to purchase [●] shares of Common Stock	[●] <sup>2</sup>

1 Series G warrants to be exchanged for common stock on a 10-for-1 basis.

2 Series H warrants to be exchanged for common stock on a 10-for-2 basis.

**AMENDMENT NO. 2  
TO  
SENIOR SECURED CONVERTIBLE PROMISSORY NOTE**

This Amendment No. 2 (this "Amendment"), dated as of March 10, 2023, to those certain Senior Secured Convertible Promissory Notes (as amended, the "First Notes"), issued by Arch Therapeutics, Inc., a Nevada corporation (the "Company"), to each Holder pursuant to that certain Securities Purchase Agreement, dated July 6, 2022, by and among the Company and the signatories thereto (the "Holders"), as amended on January 18, 2023 (as amended, the "Securities Purchase Agreement") is made by and among the Company and the Consenting Stockholders (as defined below). Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Securities Purchase Agreement.

**WITNESSETH:**

**WHEREAS**, the Company and the Consenting Stockholders desire to modify the terms of the Uplist (as defined below) repayment provision and provide for the issuance of the 2023 Notes (as defined below);

**WHEREAS**, pursuant to Section 4.3 of the First Notes and Section 7(e) of the Securities Purchase Agreement, the First Notes may be amended in a written instrument signed by the Company, the Lead Investor, and Holders which purchased at least 50% plus \$1.00 of the Notes based on the initial Principal Amounts thereunder (the Lead Investor and such Holders, collectively the "Consenting Stockholders"); and

**WHEREAS**, the undersigned Holders constitute the Consenting Stockholders.

**NOW, THEREFORE**, in exchange for good and valuable consideration including, without limitation, the mutual covenants contained herein, the sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the parties hereby agree as follows:

**1. Amendments to First Notes.**

**1.1** Section 2.9 of the First Notes is hereby amended and restated as follows:

“Repayment Upon Uplist. While any portion of this Note is outstanding, upon the listing of the Common Stock on any of the Nasdaq Global Market, Nasdaq Capital Market, New York Stock Exchange or NYSE American (the "Uplist"), upon the Borrower's receipt of the cash proceeds of the offering conducted in conjunction with the Uplist (such offering, the "Uplist Transaction"), and (i) if the Holder participates in the Uplist Transaction for an amount equal to no less than fifty percent (50%) of the Holder's original Purchase Price under this Note (the "Minimum Investment Amount"), then the Holder shall (a) have the right in its sole discretion to require the Borrower to immediately apply all or any portion of such proceeds to repay all or any portion of the remaining outstanding principal amounts owed under this Note within two (2) business days of receipt of the Holder's demand for repayment, and (b) receive a convertible promissory note equal to the product of 2.4 and the aggregate sum of any prepayment premiums and total interest payable on this Note (the "2023 Note"). The 2023 Note shall have a maturity date of July 6, 2024 and otherwise will be on substantially the same terms of this Note; or (ii) if a Holder does not participate in the Uplist Transaction for at least the Minimum Investment Amount, then (a) as of the Effective Time, the Maturity Date shall be extended to July 6, 2024, and (b) the Holder shall waive its right to demand repayment of any portion of the outstanding balance of this Note upon the completion of the Uplist. Failure of the Borrower to comply with this provision shall constitute an Event of Default. In the event that such proceeds are received by the Holder prior to the Maturity Date, the required prepayment shall be subject to the terms of Section 1.9 herein.

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The term “*Effective Time*” as used herein means the moment in time immediately preceding the consummation of an Uplist Transaction.”

**2. Acknowledgment of Holders.**

**2.1** The undersigned Holders acknowledge and agree that (i) the proposed Warrant Exchange Agreement by and between the Company and certain holders of Series G Warrants and Series H Warrants (the “Warrant Exchange”), substantially in the form attached hereto as Exhibit A; (ii) the proposed amendment to the Series 1 Unsecured Convertible Promissory Notes (the “Series 1 Note Amendment”), substantially in the form attached hereto as Exhibit B; (iii) the proposed amendment to the Series 2 Unsecured Convertible Promissory Notes (the “Series 2 Note Amendment” and, together with the Series 1 Note Amendment, the “Series Note Amendments”), substantially in the form attached hereto as Exhibit C; and (iv) the satisfaction of any of the Company’s obligations under the Warrant Exchange Agreement, the Series Note Amendments and this Amendment, including, but not limited to, any issuances of Common Stock and the 2023 Notes, do not and will not trigger any modifications of the First Notes or First Warrants under Section 4.14 of the First Notes or Section 5(p) of the First Warrants, respectively. This Section 2.1 shall survive the termination of this Amendment.

**3. Miscellaneous.**

**3.1** Except as expressly amended by this Amendment, the terms and provisions of the First Notes shall continue in full force and effect. No reference to this Amendment need be made in any instrument or document making reference to the First Notes; any reference to the First Notes in any such instrument or document shall be deemed a reference to the First Notes as amended hereby. The First Notes as amended hereby shall be binding upon the parties thereto and their respective assigns and successors. Notwithstanding the foregoing, if the registration statement filed in connection with the Uplist Transaction is not declared effective by 11:59 P.M. (EST) on March 15, 2023 (the “First Note Amendment Termination Date”), this Amendment will automatically terminate and shall be of no further force or effect without any further action by the Company or the Consenting Stockholders, except for Section 2.1 above which shall survive the termination of this Amendment, provided, that the First Note Amendment Termination Date may be extended by the written approval of the Company and the Consenting Stockholders.

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3.2 This Amendment shall be governed by and construed in accordance with the laws of the State of Nevada as such laws are applied to agreements between parties in Nevada.

3.3 This Amendment may be executed in separate counterparts, each such counterpart being deemed to be an original instrument, and all such counterparts shall together constitute the same agreement.

*[Signature Pages Follow]*

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IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first written above.

**ARCH THERAPEUTICS, INC.**

By: \_\_\_\_\_  
Name:  
Title:

*Signature Page to Amendment No. 2 to First Notes*

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IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first written above.

**[Holder]**

By: \_\_\_\_\_  
Name:  
Title:

*Signature Page to Amendment No. 2 to First Notes*

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**Exhibit A**

**Warrant Exchange Agreement**

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**Exhibit B**

**Series 1 Note Amendment**

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**Exhibit C**

**Series 2 Note Amendment**

**AMENDMENT NO. 2  
TO  
UNSECURED CONVERTIBLE PROMISSORY NOTE**

This Amendment No. 2 (this "Amendment"), dated as of March 10, 2023, to those certain Unsecured Convertible Promissory Notes (as amended, the "Second Notes"), issued by Arch Therapeutics, Inc., a Nevada corporation (the "Company"), to each Holder pursuant to that certain Securities Purchase Agreement, dated July 6, 2022, by and among the Company and the signatories thereto (the "Holders"), as amended on January 18, 2023 (as amended, the "Securities Purchase Agreement") is made by and among the Company and the Consenting Stockholders (as defined below). Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Securities Purchase Agreement.

**WITNESSETH:**

**WHEREAS**, the Company and the Consenting Stockholders desire to modify the terms of the Uplist (as defined below) repayment provision and provide for the issuance of the 2023 Notes (as defined below);

**WHEREAS**, pursuant to Section 4.3 of the Second Notes and Section 7(e) of the Securities Purchase Agreement, the Second Notes may be amended in a written instrument signed by the Company, the Lead Investor, and Holders which purchased at least 50% plus \$1.00 of the Notes based on the initial Principal Amounts thereunder (the Lead Investor and such Holders, collectively the "Consenting Stockholders"); and

**WHEREAS**, the undersigned Holders constitute the Consenting Stockholders.

**NOW, THEREFORE**, in exchange for good and valuable consideration including, without limitation, the mutual covenants contained herein, the sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the parties hereby agree as follows:

**1. Amendments to Second Notes.**

**1.1** Section 2.9 of the Second Notes is hereby amended and restated as follows:

Repayment Upon Uplist. While any portion of this Note is outstanding, upon the listing of the Common Stock on any of the Nasdaq Global Market, Nasdaq Capital Market, New York Stock Exchange or NYSE American (the "Uplist"), upon the Borrower's receipt of the cash proceeds of the offering conducted in conjunction with the Uplist (such offering, the "Uplist Transaction"), and (i) if the Holder participates in the Uplist Transaction for an amount equal to no less than fifty percent (50%) of the Holder's original Purchase Price under this Note (the "Minimum Investment Amount"), then the Holder shall (a) have the right in its sole discretion to require the Borrower to immediately apply all or any portion of such proceeds to repay all or any portion of the remaining outstanding principal amounts owed under this Note within two (2) business days of receipt of the Holder's demand for repayment, and (b) receive a convertible promissory note equal to the product of 2.4 and the aggregate sum of any prepayment premiums and total interest payable on this Note (the "2023 Note"). The 2023 Note shall have a maturity date of July 6, 2024 and otherwise will be on substantially the same terms of this Note; or (ii) if a Holder does not participate in the Uplist Transaction for at least the Minimum Investment Amount, then (a) as of the Effective Time, the Maturity Date shall be extended to July 6, 2024, and (b) the Holder shall waive its right to demand repayment of any portion of the outstanding balance of this Note upon the completion of the Uplist. Failure of the Borrower to comply with this provision shall constitute an Event of Default. In the event that such proceeds are received by the Holder prior to the Maturity Date, the required prepayment shall be subject to the terms of Section 1.9 herein.

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The term “*Effective Time*” as used herein means the moment in time immediately preceding the consummation of an Uplist Transaction.”

**2. Acknowledgment of Holders.**

**2.1** The undersigned Holders acknowledge and agree that (i) the proposed Warrant Exchange Agreement by and between the Company and certain holders of Series G Warrants and Series H Warrants (the “Warrant Exchange”), substantially in the form attached hereto as Exhibit A; (ii) the proposed amendment to the Series 1 Unsecured Convertible Promissory Notes (the “Series 1 Note Amendment”), substantially in the form attached hereto as Exhibit B; (iii) the proposed amendment to the Series 2 Unsecured Convertible Promissory Notes (the “Series 2 Note Amendment” and, together with the Series 1 Note Amendment, the “Series Note Amendments”), substantially in the form attached hereto as Exhibit C; and (iv) the satisfaction of any of the Company’s obligations under the Warrant Exchange Agreement, the Series Note Amendments and this Amendment, including, but not limited to, any issuances of Common Stock and the 2023 Notes, do not and will not trigger any modifications of the Second Notes or Second Warrants under Section 4.14 of the Second Notes or Section 5(p) of the Second Warrants, respectively. This Section 2.1 shall survive the termination of this Amendment.

**3. Miscellaneous**

**3.1** Except as expressly amended by this Amendment, the terms and provisions of the Second Notes shall continue in full force and effect. No reference to this Amendment need be made in any instrument or document making reference to the Second Notes; any reference to the Second Notes in any such instrument or document shall be deemed a reference to the Second Notes as amended hereby. The Second Notes as amended hereby shall be binding upon the parties thereto and their respective assigns and successors. Notwithstanding the foregoing, if the registration statement filed in connection with the Uplist Transaction is not declared effective by 11:59 P.M. (EST) on March 15, 2023 (the “Second Note Amendment Termination Date”), this Amendment will automatically terminate and shall be of no further force or effect without any further action by the Company or the Consenting Stockholders, except for Section 2.1 above which shall survive the termination of this Amendment, provided, that the Second Note Amendment Termination Date may be extended by the written approval of the Company and the Consenting Stockholders.

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3.2 This Amendment shall be governed by and construed in accordance with the laws of the State of Nevada as such laws are applied to agreements between parties in Nevada.

3.3 This Amendment may be executed in separate counterparts, each such counterpart being deemed to be an original instrument, and all such counterparts shall together constitute the same agreement.

*[Signature Pages Follow]*

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IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first written above.

**ARCH THERAPEUTICS, INC.**

By: \_\_\_\_\_  
Name:  
Title:

*Signature Page to Amendment No. 2 to Second Notes*

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IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first written above.

**[Holder]**

By: \_\_\_\_\_  
Name:  
Title:

*Signature Page to Amendment No. 2 to Second Notes*

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**Exhibit A**

**Warrant Exchange Agreement**

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**Exhibit B**

**Series 1 Note Amendment**

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**Exhibit C**

**Series 2 Note Amendment**

**AMENDMENT NO. 3  
TO  
SENIOR SECURED CONVERTIBLE PROMISSORY NOTE**

This Amendment No. 3 (this "Amendment"), dated as of March 15, 2023, to those certain Senior Secured Convertible Promissory Notes, as amended on February 14, 2023 and as subsequently amended on March 10, 2023 (as amended, the "First Notes"), issued by Arch Therapeutics, Inc., a Nevada corporation (the "Company"), to each Holder pursuant to that certain Securities Purchase Agreement, dated July 6, 2022, by and among the Company and the signatories thereto (the "Holders"), as amended on January 18, 2023 (as amended, the "Securities Purchase Agreement") is made by and among the Company and the Consenting Stockholders (as defined below). Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Securities Purchase Agreement.

**W I T N E S S E T H:**

**WHEREAS**, the Company and the Consenting Stockholders desire to amend the First Notes to extend the date for completion of the Uplist;

**WHEREAS**, pursuant to Section 4.3 of the First Notes and Section 7(e) of the Securities Purchase Agreement, the First Notes may be amended in a written instrument signed by the Company, the Lead Investor, and Holders which purchased at least 50% plus \$1.00 of the Notes based on the initial Principal Amounts thereunder (the Lead Investor and such Holders, collectively the "Consenting Stockholders"); and

**WHEREAS**, the undersigned Holders constitute the Consenting Stockholders.

**NOW, THEREFORE**, in exchange for good and valuable consideration including, without limitation, the mutual covenants contained herein, the sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the parties hereby agree as follows:

**1. Amendment to the First Notes.**

**1.1** The First Notes are hereby amended by deleting the words "by February 15, 2023" in Section 3.23 of the First Notes and replacing such words with the following sentence in substitution therefor:

"by April 15, 2023"

**2. Miscellaneous**

**2.1** Except as expressly amended by this Amendment, the terms and provisions of the First Notes shall continue in full force and effect. No reference to this Amendment need be made in any instrument or document making reference to the First Notes; any reference to the First Notes in any such instrument or document shall be deemed a reference to the First Notes as amended hereby. The First Notes as amended hereby shall be binding upon the parties thereto and their respective assigns and successors.

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**2.2** This Amendment shall be governed by and construed in accordance with the laws of the State of Nevada as such laws are applied to agreements between parties in Nevada.

**2.3** This Amendment may be executed in separate counterparts, each such counterpart being deemed to be an original instrument, and all such counterparts shall together constitute the same agreement.

*[Signature Pages Follow]*

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IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first written above.

**ARCH THERAPEUTICS, INC.**

By: \_\_\_\_\_  
Name:  
Title:

*Signature Page to Amendment No. 3 to First Notes*

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IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first written above.

**[Holder]**

By: \_\_\_\_\_  
Name:  
Title:

*Signature Page to Amendment No. 3 to First Notes*



**AMENDMENT NO. 3  
TO  
UNSECURED CONVERTIBLE PROMISSORY NOTE**

This Amendment No. 3 (this "Amendment"), dated as of March 15, 2023, to those certain Unsecured Convertible Promissory Notes, as amended on February 14, 2023 and as subsequently amended on March 10, 2023 (as amended, the "Second Notes"), issued by Arch Therapeutics, Inc., a Nevada corporation (the "Company"), to certain Holders pursuant to that certain Securities Purchase Agreement, dated July 6, 2022, by and among the Company and the signatories thereto (the "Holders"), as amended on January 18, 2023 (as amended, the "Securities Purchase Agreement") is made by and among the Company and the Consenting Stockholders (as defined below). Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Securities Purchase Agreement.

**W I T N E S S E T H:**

**WHEREAS**, the Company and the Consenting Stockholders desire to amend the Second Notes to extend the date for completion of the Uplist;

**WHEREAS**, pursuant to Section 4.3 of the Second Notes and Section 7(e) of the Securities Purchase Agreement, the Second Notes may be amended in a written instrument signed by the Company, the Lead Investor, and Holders which purchased at least 50% plus \$1.00 of the Notes based on the initial Principal Amounts thereunder (the Lead Investor and such Holders, collectively the "Consenting Stockholders"); and

**WHEREAS**, the undersigned Holders constitute the Consenting Stockholders.

**NOW, THEREFORE**, in exchange for good and valuable consideration including, without limitation, the mutual covenants contained herein, the sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the parties hereby agree as follows:

**1. Amendment to the Second Notes.**

**1.1** The Second Notes are hereby amended by deleting the words "by February 15, 2023" in Section 3.23 of the Second Notes and replacing such words with the following sentence in substitution therefor:

"by April 15, 2023"

**2. Miscellaneous**

**2.1** Except as expressly amended by this Amendment, the terms and provisions of the Second Notes shall continue in full force and effect. No reference to this Amendment need be made in any instrument or document making reference to the Second Notes; any reference to the Second Notes in any such instrument or document shall be deemed a reference to the Second Notes as amended hereby. The Second Notes as amended hereby shall be binding upon the parties thereto and their respective assigns and successors.

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**2.2** This Amendment shall be governed by and construed in accordance with the laws of the State of Nevada as such laws are applied to agreements between parties in Nevada.

**2.3** This Amendment may be executed in separate counterparts, each such counterpart being deemed to be an original instrument, and all such counterparts shall together constitute the same agreement.

*[Signature Pages Follow]*

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IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first written above.

**ARCH THERAPEUTICS, INC.**

By: \_\_\_\_\_  
Name:  
Title:

*Signature Page to Amendment No. 3 to Second Notes*

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IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first written above.

**[Holder]**

By: \_\_\_\_\_  
Name:  
Title:

*Signature Page to Amendment No. 3 to Second Notes*

**AMENDMENT NO. 1  
TO  
SERIES 1 UNSECURED CONVERTIBLE PROMISSORY NOTE**

This Amendment No. 1 (this "Amendment"), dated as of March 10, 2023, to those certain Series 1 Unsecured Convertible Promissory Notes (as amended, the "Series 1 Notes"), issued by Arch Therapeutics, Inc., a Nevada corporation (the "Company"), to each note holder (collectively, the "Note Holders") on June 4, 2020, as amended by that certain Subordination Agreement, dated as of July 6, 2022, by and between the Company and each Note Holder (the "Subordination Agreement"), is made by and among the Company and the Requisite Holders (as defined below). Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Series 1 Notes.

**WITNESSETH:**

**WHEREAS**, the Company and the Requisite Holders desire to amend the Series 1 Notes to increase the number of shares of Common Stock into which the Series 1 Notes can be converted and to modify the maturity date conversion provision to extend to the Effective Time (as defined below);

**WHEREAS**, pursuant to Section 14(k) of the Series 1 Notes, the Series 1 Notes may be amended in a written instrument signed by the Company and Note Holders of a majority of the outstanding aggregate principal amount under the Series 1 Notes (the "Requisite Holders"); and

**WHEREAS**, the undersigned Note Holders constitute the Requisite Holders.

**NOW, THEREFORE**, in exchange for good and valuable consideration including, without limitation, the mutual covenants contained herein, the sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the parties hereby agree as follows:

**1. Amendment to the Series 1 Notes.**

**1.1** The Series 1 Notes are hereby amended by deleting the figure "1.60" in Section 1(b)(xii) of the Series 1 Notes, as amended by Section 9 of the Subordination Agreement, and replacing such figure with "4.5".

**1.2** The Series 1 Notes are hereby amended to insert the following defined terms in Section 1(b):

(xxiii) "**Effective Time**" means the moment in time immediately preceding the consummation of an Uplist Transaction.

(xxiv) "**Uplist**" means the listing of the Common Stock on any of the Nasdaq Global Market, Nasdaq Capital Market, New York Stock Exchange or NYSE American.

(xxv) "**Uplist Transaction**" means the offering conducted in connection with the Uplist.

**1.3** Section 1(b)(x) of the Series 1 Notes is hereby amended and restated as follows:

"**Maturity Date**" means the earlier of (i) June 30, 2023 and (ii) the Effective Time.

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**2. Miscellaneous**

**2.1** Except as expressly amended by this Amendment, the terms and provisions of the Series 1 Notes shall continue in full force and effect. No reference to this Amendment need be made in any instrument or document making reference to the Series 1 Notes; any reference to the Series 1 Notes in any such instrument or document shall be deemed a reference to the Series 1 Notes as amended hereby. The Series 1 Notes as amended hereby shall be binding upon the parties thereto and their respective assigns and successors. Notwithstanding the foregoing, if the registration statement filed in connection with the Uplist Transaction is not declared effective by 11:59 P.M. (EST) on March 15, 2023 or such later extended date as provided below (the "Series 1 Note Amendment Termination Date"), this Amendment will automatically terminate and shall be of no further force or effect without any further action by the Borrower or the Note Holders; provided, that the Series 1 Note Amendment Termination Date will be automatically extended upon any extension of the First Notes Amendment Termination Date, as that term is defined in Amendment No. 2 to those certain Senior Secured Convertible Promissory Notes of the Borrower issued on July 6, 2022, effective as of March 10, 2023.

**2.2** This Amendment shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts as such laws are applied to agreements between parties in Massachusetts.

**2.3** This Amendment may be executed in separate counterparts, each such counterpart being deemed to be an original instrument, and all such counterparts shall together constitute the same agreement.

*[Signature Pages Follow]*

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IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first written above.

**ARCH THERAPEUTICS, INC.**

By: \_\_\_\_\_  
Name:  
Title:

*Signature Page to Amendment No. 1 to Series 1 Notes*

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IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first written above.

**[Holder]**

By: \_\_\_\_\_  
Name:  
Title:

*Signature Page to Amendment No. 1 to Series I Notes*



**AMENDMENT NO. 1  
TO  
SERIES 2 UNSECURED CONVERTIBLE PROMISSORY NOTE**

This Amendment No. 1 (this "Amendment"), dated as of March 10, 2023, to those certain Series 2 Unsecured Convertible Promissory Notes (as amended, the "Series 2 Notes"), issued by Arch Therapeutics, Inc., a Nevada corporation (the "Company"), to each note holder (collectively, the "Note Holders") on November 6, 2020, as amended by that certain Subordination Agreement, dated as of July 6, 2022, by and between the Company and each Note Holder (the "Subordination Agreement"), is made by and among the Company and the Requisite Holders (as defined below). Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Series 2 Notes.

**WITNESSETH:**

**WHEREAS**, the Company and the Requisite Holders desire to amend the Series 2 Notes to increase the number of shares of Common Stock into which the Series 2 Notes can be converted and to modify the maturity date conversion provision to extend to the Effective Time (as defined below);

**WHEREAS**, pursuant to Section 14(k) of the Series 2 Notes, the Series 2 Notes may be amended in a written instrument signed by the Company and Note Holders of a majority of the outstanding aggregate principal amount under the Series 2 Notes (the "Requisite Holders"); and

**WHEREAS**, the undersigned Note Holders constitute the Requisite Holders.

**NOW, THEREFORE**, in exchange for good and valuable consideration including, without limitation, the mutual covenants contained herein, the sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the parties hereby agree as follows:

**1. Amendment to the Series 2 Notes.**

**1.1** The Series 2 Notes are hereby amended by deleting the figure "1.60" in Section 1(b)(xii) of the Series 2 Notes, as amended by Section 9 of the Subordination Agreement, and replacing such figure with "4.5".

**1.2** The Series 2 Notes are hereby amended to insert the following defined terms in Section 1(b):

(xxiii) "**Effective Time**" means the moment in time immediately preceding the consummation of an Uplist Transaction.

(xxiv) "**Uplist**" means the listing of the Common Stock on any of the Nasdaq Global Market, Nasdaq Capital Market, New York Stock Exchange or NYSE American.

(xxv) "**Uplist Transaction**" means the offering conducted in connection with the Uplist.

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1.3 Section 1(b)(x) of the Series 2 Notes is hereby amended and restated as follows:

“**Maturity Date**” means the earlier of (i) November 30, 2023 and (ii) the Effective Time.

**2. Miscellaneous**

2.1 Except as expressly amended by this Amendment, the terms and provisions of the Series 2 Notes shall continue in full force and effect. No reference to this Amendment need be made in any instrument or document making reference to the Series 2 Notes; any reference to the Series 2 Notes in any such instrument or document shall be deemed a reference to the Series 2 Notes as amended hereby. The Series 2 Notes as amended hereby shall be binding upon the parties thereto and their respective assigns and successors. Notwithstanding the foregoing, if the registration statement filed in connection with the Uplist Transaction is not declared effective by 11:59 P.M. (EST) on March 15, 2023 or such later extended date as provided below (the “Series 2 Note Amendment Termination Date”), this Amendment will automatically terminate and shall be of no further force or effect without any further action by the Borrower or the Note Holders; provided, that the Series 2 Note Amendment Termination Date will be automatically extended upon any extension of the First Notes Amendment Termination Date, as that term is defined in Amendment No. 2 to those certain Senior Secured Convertible Promissory Notes of the Borrower issued on July 6, 2022, effective as of March 10, 2023.

2.2 This Amendment shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts as such laws are applied to agreements between parties in Massachusetts.

2.3 This Amendment may be executed in separate counterparts, each such counterpart being deemed to be an original instrument, and all such counterparts shall together constitute the same agreement.

*[Signature Pages Follow]*

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IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first written above.

**ARCH THERAPEUTICS, INC.**

By: \_\_\_\_\_  
Name:  
Title:

*Signature Page to Amendment No. 1 to Series 2 Notes*

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IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first written above.

**[Holder]**

By: \_\_\_\_\_  
Name:  
Title:

*Signature Page to Amendment No. 1 to Series 2 Notes*