# Arch Strengthens its Position as a Leading Kidney Therapeutics Company with the Acquisition of a Breakthrough Platform to Develop New Drugs Targeting Chronic Kidney Disease (CKD)

- Arch acquires a new CKD platform that has the potential to produce next-generation CKD drugs for the pharmaceutical industry
- Based on a novel mechanism of action involving IL-32 and directly implicated in CKD, discovered in pre-clinical studies led by Dr. Justin Chun
- The Company has filed both composition and method of use patents relating to the CKD platform.
- The Arch CKD program will be led by Dr. Justin Chun, who joins the Company as a Principal Scientist
- CKD is largely an unmet medical need, currently affecting more than 800 million people worldwide and approximately 35 to 38 million in the U.S.

TORONTO, Sept. 17, 2025 -- Arch Biopartners Inc., ("Arch" or the "Company") (TSX Venture: ARCH and OTCQB: ACHFF), today announced it has acquired a pre-clinical platform developing new drugs to treat chronic kidney disease (CKD). The platform includes recently filed patents protecting new compositions and methods targeting a novel mechanism of action involving interleukin-32 (IL-32), which is directly implicated in the progression of CKD.

Farris Smith, Strategic Advisor to Arch and former CFO of Novo Nordisk Canada, said, *"This new chronic kidney disease program expands the commercial potential of Arch's kidney drug development pipeline. The assets underlying the CKD program could provide novel, on-target treatment options for a significant unmet need in a major pharmaceutical market. Combined with Arch's existing acute kidney injury programs, Arch is better positioned for potential new partnership opportunities that can accelerate development and drive long-term value for the Company."*

Richard Muruve, CEO of Arch Biopartners, said, "*Our entry into the CKD drug development business is a natural evolution for our team that has a strong core competency in nephrology. Today's news makes Arch Biopartners' kidney drug portfolio more vital to patients and more valuable to the pharmaceutical industry."*

Arch obtained the new CKD assets through the acquisition of all outstanding shares of Lipdro Therapeutics Inc. (Lipdro), a private Alberta based company and arm's length to the Company, in return for 250,000 common shares of Arch at a deemed price of $1.85 per common share and a royalty on net sales in the future, and subject to final approval by the TSX Venture Exchange. Dr. Justin Chun, MD, PhD, founder and 100% owner of Lipdro, joins the Company as a Principal Scientist to lead development of the new Arch CKD platform. The common shares, when issued to Dr. Chun following today's announcement, will be subject to a four month hold period.

The therapeutic platform acquired by Arch specifically targets interleukin-32 (IL-32), a non-classical cytokine involved in regulating inflammation and immune responses. In pre-clinical studies, Dr. Chun and his scientific team discovered that IL-32 is directly implicated in the pathogenesis of diabetic CKD. New drug compositions were subsequently invented through a collaboration involving the National Research Council of Canada (NRC), Lipdro, and Arch scientists, and exclusively licensed to Arch by the NRC. Additional therapeutic approaches involving IL-32 were developed and patented by Dr. Chun and Arch scientists and assigned to Arch.

Dr. Daniel Muruve, Chief Science Officer at Arch Biopartners and Professor, Cumming School of Medicine, University of Calgary, said, *"We are excited to welcome Dr. Chun to the Arch science team as a Principal Scientist and leader of the IL-32 CKD program. His deep scientific knowledge as a nephrologist and his leading expertise in working with patient-derived kidney organoids will be invaluable as Arch develops novel therapeutics targeting chronic kidney disease."*

These patents are a significant addition to Arch's kidney drug asset portfolio. The IL-32 CKD program deepens the Company's portfolio for developing new treatments for kidney diseases and injury. The new program introduces a novel therapeutic approach for diabetic CKD, the most common cause of kidney failure globally. The therapeutic platform is based on a mechanistic understanding of disease pathways and builds on Arch's expertise in renal inflammation and organ protection.

Dr. Chun said, *"Targeting the underlying mechanisms of inflammation and fibrosis that drive CKD is critical for preventing irreversible structural organ damage and slowing the progression toward kidney failure. In this context, our discovery of IL-32 as an intracellular, unconventional cytokine that links metabolic dysregulation to chronic inflammation represents a promising therapeutic target and opens new avenues for halting the progression of CKD, including diabetic kidney disease."*

An overview of the IL-32 mechanism of action related to diabetic-CKD is summarized by Dr. Chun and his collaborators in the following abstract published in the *Journal of the American Society of Nephrology*: "IL-32 Is a Lipid Droplet-Associated

Mediator of Tubular Injury in Diabetic Kidney Disease"

**Chronic Kidney Disease (CKD)**

CKD affects more than 800 million people worldwide[1,2] and approximately 35 to 38 million in the U.S.[3]. Diabetes is the leading cause, responsible for an estimated 30% to 40% of all CKD cases[4]. Diabetic CKD leads to kidney failure, and several other major comorbidities, including cardiovascular disease. Many current renal therapies are based on unanticipated 'off-target' actions of drugs originally designed to control blood pressure, blood sugar, and cardiovascular complications[5,6] rather than targeting specific biological pathways in the kidney that drive disease[7,8].

Arch's newly acquired 'on-target' CKD platform stands apart from many drugs in use today and may represent the next generation of CKD candidates for clinical development in the pharmaceutical industry.

**About Dr. Justin Chun**

Dr. Chun, MD, PhD is an Associate Professor and Clinician Scientist at the Cumming School of Medicine, University of Calgary, and Assistant Director of the Precision Medicine in Nephrology Program at the Snyder Institute for Chronic Diseases. He also co-directs the Human Organoid Innovation Hub, where his research focuses on using patient-derived kidney organoids and primary kidney cells to study glomerular diseases and diabetic kidney disease.

**About Arch Biopartners**

Arch Biopartners Inc. is a therapeutic biotech company developing novel drugs for acute and chronic kidney diseases. The Company is advancing an integrated pipeline that includes new treatments targeting inflammation- and toxin-induced kidney injury.

The company's programs include a pre-clinical chronic kidney disease platform targeting IL-32 (announced today), LSALT peptide, a first-in-class DPEP1 inhibitor in Phase II for preventing cardiac surgery-associated acute kidney injury, and cilastatin, a repurposed drug in Phase II for preventing toxin-induced kidney damage.

These assets represent distinct, mechanism-based approaches to treating and preventing common causes of kidney damage. Together, they target serious unmet needs in kidney care across both chronic and acute indications, affecting millions of patients worldwide.

For more details about the Company's science and ongoing clinical trials, please visit: www.archbiopartners.com/our-science

Follow Arch on LinkedIn, Bluesky, and X (formerly Twitter) for news as it happens.

The Company has 66,106,366 common shares outstanding.

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**Citations:**

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**Forward-Looking Statements**

This press release contains forward-looking statements within the meaning of applicable Canadian securities laws regarding expectations of the Company's future performance, liquidity, and capital resources, as well as the ongoing development of its drug candidates targeting chronic kidney disease and the dipeptidase-1 (DPEP-1) pathway, including the outcome of its clinical trials relating to LSALT peptide (Metablok) or cilastatin, the successful commercialization and marketing of its drug candidates, whether the Company will receive, and the timing and costs of obtaining, regulatory approvals in Canada, the United States, Europe, and other countries, its ability to raise capital to fund its business plans, the efficacy of its drug candidates compared to the drug candidates developed by competitors, its ability to retain and attract key management personnel, and the breadth of, and its ability to protect, its intellectual property portfolio. These statements are based on management's current expectations and beliefs, including certain factors and assumptions, as described in the Company's most recent annual audited financial statements and related management discussion and analysis under the heading "Business Risks and Uncertainties". As a result of these risks and uncertainties, or other unknown risks and uncertainties, the actual results may differ materially from those contained in any forward-looking statements. The words "believe", "may", "plan", "will", "estimate", "continue", "anticipate", "intend", "expect", and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. The Company undertakes no obligation to update forward-looking statements, except as required by law. Additional information relating to Arch Biopartners Inc., including the Company's most recent annual audited financial statements, is available by accessing the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval ("SEDAR") website at www.sedarplus.ca.

*The scientific and medical content of this release has been approved by the Company's Chief Science Officer*

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*