

Aytu BioPharma Announces Closing of \$4.0 Million Public Offering Priced At-the-Market

Abhinav Jain of Nantahala Capital Management, LLC Joins the Company's Board of Directors Upon Closing

Potential for Additional \$7 Million in Event of Exercise of Common Warrants in Full

Extends Interest Only Period on Avenue Capital Term Loan Through January 2025 Maturity Date

ENGLEWOOD, CO / June 13, 2023 / Aytu BioPharma, Inc. (NASDAQ:AYTU), a pharmaceutical company focused on developing and commercializing novel therapeutics, today announced the closing of its equity offering co-led by Nantahala Capital Management and Stonepine Capital Management with participation by Armistice Capital of (i) 1,743,695 shares of its common stock, and, in lieu of common stock to certain investors that so chose, pre-funded warrants to purchase 430,217 shares of its common stock ("Pre-Funded Warrants"), and (ii) accompanying Tranche A and Tranche B warrants (the "Common Warrants") to purchase 4,347,824 shares of its common stock, priced at-the-market under the rules of the Nasdaq Capital Market (the "Offering").

Gross proceeds, before deducting placement agent fees and other offering expenses, were approximately \$4.0 million.

The closing of the Offering extends the interest only period on the Company's \$15 million senior secured loan facility with Avenue Venture Opportunities Fund, L.P. (the "Avenue Note") through its maturity date in January 2025.

In connection with the closing of the Offering, Abhinav "Abi" Jain from Nantahala Capital Management is joining the Company's Board of Directors.

The shares of common stock and the Pre-Funded Warrants were each sold in combination with corresponding Common Warrants to purchase two shares of common stock for each share of common stock or each Pre-Funded Warrant sold. The offering price for each share of common stock and accompanying Common Warrants to purchase two shares of common stock is \$1.84. The offering price for each Pre-Funded Warrant and accompanying Common Warrants to purchase two shares of common stock is \$1.84 less \$0.0001. The Pre-Funded Warrants have an exercise price of \$0.0001 per share of common stock, and the Common Warrants have an exercise price of \$1.59 per share of common stock. The Pre-Funded Warrants are immediately exercisable and remain exercisable until exercised. The shares of common stock (or Pre-Funded Warrants in lieu thereof) and accompanying Common Warrants were issued separately and are immediately separable. There is no established public trading market for the Common Warrants or Pre-Funded Warrants, and the Company does not expect

a market to develop. Additionally, the Company has not applied and does not intend to apply to list the Common Warrants or Pre-Funded Warrants on any national securities exchange or other nationally recognized trading system.

The Common Warrants may be exercised for either shares of Common Stock or pre-funded warrants to purchase Common Stock at a future exercise price of \$0.0001 per share in the same form as the Pre-Funded Warrant (“Exchange Warrants”). The Common Warrants consist of Tranche A warrants and Tranche B warrants. The Tranche A warrants are immediately exercisable for an aggregate of 2,173,912 shares of common stock or Exchange Warrants at the holders election at \$1.59 per share (or \$1.59 less \$0.0001 per Exchange Warrant) for a total of approximately \$3.5 million, and expire upon the earlier of (i) five years after the date of issuance, and (ii) 30 days following the Company’s common stock equaling 200% of the exercise price for at least 40 consecutive trading days. The Tranche B warrants are immediately exercisable for an aggregate of 2,173,192 shares of common stock or Exchange Warrants at the holders election at \$1.59 per share (or \$1.59 less \$0.0001 per Exchange Warrant) for a total of \$3.5 million, and expire upon the earlier of (i) five years after the date of issuance, and (ii) 30 days following the Company’s achievement of consolidated trailing twelve-month adjusted EBITDA, as defined in the securities purchase agreement, of \$12 million.

All securities sold in the Offering were sold by the Company. The Company intends to use the net proceeds from the Offering for working capital and general corporate purposes.

Maxim Group LLC acted as the sole placement agent for the Offering.

The securities described above were offered pursuant to a registration statement on Form S-1, as amended (File No. 333-271556) (the “Registration Statement”), which was declared effective by the Securities and Exchange Commission (the “SEC”) on June 8, 2023. The Offering was made by means of a prospectus which is a part of the Registration Statement. A final prospectus relating to the offering has been filed with the SEC and a copy of the final prospectus may be obtained from Maxim Group LLC, 300 Park Avenue, 16th Floor, New York, NY 10022, at (212) 895-3745.

This press release shall not constitute an offer to sell or a solicitation of an offer to buy any of the securities described herein, nor shall there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such state or other jurisdiction.

About Aytu BioPharma, Inc.

Aytu BioPharma is a pharmaceutical company commercializing a portfolio of commercial prescription therapeutics and consumer health products. The Company’s prescription products include Adzenys XR-ODT® (amphetamine) extended-release orally disintegrating

tablets (see Full Prescribing Information, including Boxed WARNING) and Cotempla XR-ODT® (methylphenidate) extended-release orally disintegrating tablets (see Full Prescribing Information, including Boxed WARNING) for the treatment of attention deficit hyperactivity disorder (ADHD), as well as Karbinal® ER (carbinoxamine maleate), an extended-release antihistamine suspension indicated to treat numerous allergic conditions, and Poly-Vi-Flor® and Tri-Vi-Flor®, two complementary fluoride-based prescription vitamin product lines available in various formulations for infants and children with fluoride deficiency. Aytu's consumer health segment markets a range of over-the-counter medicines, personal care products, and dietary supplements addressing a range of common conditions including diabetes, allergy, hair regrowth, and gastrointestinal conditions. To learn more, please visit aytubio.com.

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995

This press release contains “forward-looking statements” within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. In some cases, you can identify these statements by forward-looking words such as “anticipates,” “believes,” “continue,” “estimates,” “expects,” “intends,” “may,” “might,” “plans,” “predicts,” “projects,” “should,” “targets,” “will,” or the negative of these terms and other similar terminology. Forward-looking statements in this press release include, but are not limited to, statements regarding the Offering, its effect on the Avenue Note, prospects for the Company's growth and profitability, changes to the Company's operations, and the expected uses of the proceeds from the Offering. You are cautioned not to place undue reliance on any forward-looking statements made by Aytu's management, which are based only on information currently available to it when, and speak only as of the date, such statement is made. Aytu does not assume any obligation to publicly provide revisions or updates to any forward-looking statements, whether as a result of new information, future developments or otherwise, should circumstances change, except as otherwise required by law. We also refer you to the risks described in ‘Risk Factors’ in Aytu's Annual Report on Form 10-K, in Quarterly Reports filed on Form 10-Q, and in the other reports and documents it files with the Securities and Exchange Commission.

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