Aytu BioScience Signs Development Agreement with Sterling Medical Devices to Advance the Development of Healight as a Potential Coronavirus Treatment

Company has Partnered with Sterling Medical to Finalize the Development of Cedars-Sinai-Developed 'Healight' Medical Device for Use in Patients with Coronavirus

ENGLEWOOD, CO / April 27, 2020 / Aytu BioScience, Inc. (NASDAQ:AYTU) (the "Company"), a specialty pharmaceutical company focused on commercializing novel products that address significant patient needs announced today that it has signed an agreement with Sterling Medical Devices ("Sterling") to finalize the development of Healight, a novel endotracheal catheter, as a potential treatment for coronavirus.

The company announced last week that it licensed exclusive worldwide rights to the Healight technology from Cedars-Sinai for all endotracheal and nasopharyngeal indications. The patent-pending Healight Platform has been in development since 2016 by the Medically Associated Science and Technology (MAST) team at Cedars-Sinai. Following their pre-clinical findings that Healight may be a safe and effective antiviral and antibacterial treatment, the team engaged Sterling to rapidly develop a novel endotracheal device to help combat coronavirus.

"Sterling has been working with the Cedars-Sinai team for the past several weeks on a very accelerated schedule to develop this much needed device," said Dan Sterling, President of Sterling Medical Devices. "We are happy to now be partnering with Aytu to further advance this critical project as fast as we possibly can for the many patients in need."

"The Aytu team is very pleased to be working with Sterling Medical on this important development program and in the fight against coronavirus," stated Josh Disbrow, Chairman and CEO of Aytu BioScience. Disbrow further commented, "Sterling has a stellar reputation as a best-in-class medical device product firm with more than 21 years of experience, over 1,100 projects engineered, with none failing to receive FDA regulatory approval upon submission. Our team is actively engaged with our colleagues at Sterling in an effort to finalize the device development, with hope of enabling human use in the very near future."

The company believes the Healight platform technology has the potential to positively impact outcomes for critically ill patients infected with coronavirus and other infections. Aytu, with support of the team at Cedars-Sinai, is working with the FDA to determine an expedited regulatory process to potentially enable near-term use of the technology initially as a coronavirus intervention for critically ill intubated patients.

About Aytu BioScience, Inc.

Aytu BioScience, Inc. is a commercial-stage specialty pharmaceutical company focused on commercializing novel products that address significant patient needs. The Company currently markets a portfolio of prescription products addressing large primary care and pediatric markets. The primary care portfolio includes (i) Natesto®, the only FDA-approved nasal formulation of testosterone for men with hypogonadism (low testosterone, or “Low T”), (ii) ZolpiMist™, the only FDA-approved oral spray prescription sleep aid, and (iii) Tuzistra® XR, the only FDA-approved 12-hour codeine-based antitussive syrup. The pediatric portfolio includes (i) AcipHex® Sprinkle™, a granule formulation of rabeprazole sodium, a commonly prescribed proton pump inhibitor; (ii) Cefaclor, a second-generation cephalosporin antibiotic suspension; (iii) Karbinal® ER, an extended-release carbinoxamine (antihistamine) suspension indicated to treat numerous allergic conditions; and (iv) Poly-Vi-Flor® and Tri-Vi-Flor®, two complementary prescription fluoride-based supplement product lines containing combinations of fluoride and vitamins in various for infants and children with fluoride deficiency. Aytu recently acquired exclusive U.S. distribution rights to the COVID-19 IgG/IgM Rapid Test. This coronavirus test is a solid phase immunochromatographic assay used in the rapid, qualitative and differential detection of IgG and IgM antibodies to the 2019 Novel Coronavirus in human whole blood, serum or plasma. This point-of-care test has been validated in a 126 patient clinical trial in China and has received CE marking.

Aytu recently acquired Innovus Pharmaceuticals, a specialty pharmaceutical company commercializing, licensing and developing safe and effective consumer healthcare products designed to improve men’s and women’s health and vitality. Innovus commercializes over thirty-five consumer health products competing in large healthcare categories including diabetes, men’s health, sexual wellness and respiratory health. The Innovus product portfolio is commercialized through direct-to-consumer marketing channels utilizing the Company’s proprietary Beyond Human® marketing and sales platform.

Aytu’s strategy is to continue building its portfolio of revenue-generating products, leveraging its focused commercial team and expertise to build leading brands within large therapeutic markets. For more information visit aytubio.com and visit innovuspharma.com to learn about the Company’s consumer healthcare products.

About Sterling Medical Devices

Founded in 1998, Sterling Medical Devices (SMD), specializes in the product design and engineering of medical devices for the healthcare industry. Dedicated to resolving their clients’ medical device design and engineering challenges, SMD addresses the whole development process, including, product design and human factors, systems, software, electronics, mechanical, quality, and compliance. The company utilizes the latest tools and technology to streamline the engineering process to speed regulatory approval of Class I, II and III devices. To date, the company has spearheaded the production of over 1,100 projects for more than 300 clients. SMD is internationally recognized and is FDA QSR 21, CFR 820, and

21 CFR Part 11 compliant, ISO 13485 registered, and IEC 62304, ISO 14971, IEC 60601, and IEC 62366 compliant. For more information, please visit www.sterlingmedicaldevices.com or call 201.227.7569 x2.

Forward-Looking Statement

This press release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, or the Exchange Act. All statements other than statements of historical facts contained in this presentation, are forward-looking statements. Forward-looking statements are generally written in the future tense and/or are preceded by words such as 'may,' 'will,' 'should,' 'forecast,' 'could,' 'expect,' 'suggest,' 'believe,' 'estimate,' 'continue,' 'anticipate,' 'intend,' 'plan,' or similar words, or the negatives of such terms or other variations on such terms or comparable terminology. These statements are just predictions and are subject to risks and uncertainties that could cause the actual events or results to differ materially. These risks and uncertainties include, among others: market and other conditions, the regulatory and commercial risks associated with introducing the COVID-19 Rapid Test, our ability to enforce the exclusivity provisions of the distribution agreement, the reliability of serological testing in detecting COVID-19, shipping delays and their impact on our ability to introduce the COVID-19 Rapid Test, the ability of the COVID-19 Rapid Test to accurately and reliably test for COVID-19, the manufacturer of the COVID-19 Rapid Test's ability to manufacture such testing kits on a high volume scale, manufacturing problems or delays related to the COVID-19 Rapid Test, our ability to satisfy any labelling conditions or other FDA or other regulatory conditions to sell the COVID-19 Rapid Test Kit, the demand or lack thereof for the COVID-19 Rapid Test Kit, our ability to obtain additional COVID-19 Rapid Tests to meet demand, our ability to secure additional tests if the manufacture of the COVID-19 Rapid Tests is unable to meet demand, the effects of the business combination of Aytu and the Commercial Portfolio and the recently completed merger ("Merger") with Innovus Pharmaceuticals, including the combined company's future financial condition, results of operations, strategy and plans, the ability of the combined company to realize anticipated synergies in the timeframe expected or at all, changes in capital markets and the ability of the combined company to finance operations in the manner expected, the diversion of management time on Merger-related issues and integration of the Commercial Portfolio, the ultimate timing, outcome and results of integrating the operations the Commercial Portfolio and Innovus with Aytu's existing operations, risks relating to gaining market acceptance of our products, obtaining or maintaining reimbursement by third-party payors for our prescription products, the potential future commercialization.

SOURCE: Aytu BioScience, Inc.

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